

**AN IMPACT OF COVID-19 ON THE FINANCIAL WELLNESS OF SALARIED CLASS : A STUDY OF AURANGABAD CITY**

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**ABSTRACT**

Financial wellness entails efficiently managing your finances and preparing yourself for unexpected events in the future, as it gives a sense of attaining financial freedom and security. This research paper focuses on the financial wellness of the salaried class, who trade their time to generate money for themselves or their families. In this research paper, the researcher examines and proves the ways to combat financial wellness during the COVID-19. How COVID-19 has caused problems and had a significant impact on the salaried class? And why is it vital to research this issue and steps to be taken to achieve financial wellness?

The main purpose of the researcher is to first assess the impact of COVID-19 on financial stress and examine the impact of COVID-19 on personal finance. The research work is based on secondary data collected from various sources during the last three years. The researcher also considered earlier studies published prior COVID-19 situation and post COVID-19 situation studying the financial wellness of an individual and trying to compare the same. This research paper is an effort lead towards analyze the implication of financial wellness on salaried classes which makes them more productive, happier, and wise decision-makers.

***Keywords: Financial Wellness, Employee's productivity, personal finance.***

**INTRODUCTION**

During the Covid-19 scenario, financial wellness became extremely important. People have suffered immense hardship as a result of the pandemic's breakout, with those in the informal sector bearing the brunt of it. The pandemic has taught households valuable lessons in personal money management, since many individuals lost their jobs and became subject to life's hardships shortly after the outbreak of Covid-19. This article is written in this environment, emphasising the importance of personal finance in ensuring the financial wellness of millions of households.

As we saw in abstract Financial wellness means managing your economic life and preparing yourself for the unexpected events, it includes factors like 1)Having Plan for future. 2) Having Assess to tools and techniques to make good decisions. Like wise we will see how did covid 19 impacted the financial wellness of salaried class. According to the researcher, Financial wellness can be divided into four, one is financial happiness two is financial contentment three is financial literacy and four is financial freedom.

You will be happier with your money regardless of how much you make if you know that your work has a purpose. This contentment fosters financial happiness, Financial freedom typically entails having enough savings, assets, and cash on hand to live the life we want for ourselves and our families, Financial literacy is defined as the capacity to comprehend and use a variety of financial abilities, such as personal financial management, budgeting, and investing, Financial contentment is a feeling of fulfilment that comes from staying within one's means. Hypothesis of this research is one there is no impact of covid 19 on financial stress, and two there is no impact of covid 19 on personal finance.

**OBJECTIVES**

- To Assess the impact of Covid-19 on financial stress.
- To Examine the impact of Covid-19 on personal finance.

## **LITERATURE REVIEW**

Previous research has identified multiple factors that affect financial well-being. Some of them include: [1]social and economic environment like macro-economic context, family wealth, access to education, and geographic location (Brüggen et al., 2017); [2] objective and subjective financial knowledge (Joo and Grable, 2004, Lind et al., 2020) [3] trait self-control (Strömbäck et al., 2020); [4]information avoidance and financial ignorance (Barrafrem et al., 2020). Financial well-being as a subjective measure is commonly collapsed into two facets: (a) financial anxiety about the current financial matters, and (b) financial security about one’s future financial situation (Lind et al., 2020, Netemeyer et al., 2017). While financial well-being is affected by factors outside of individuals’ control, it can also give an indication of how individuals, given the current financial circumstances, can make the best out of the situation (Consumer Financial Protection Bureau, 2015). Previous research has identified multiple factors that affect financial well-being. Some of them include: (1) social and economic environment like macro-economic context, family wealth, access to education, and geographic location (Brüggen et al., 2017); (2) objective and subjective financial knowledge (Joo and Grable, 2004, Lind et al., 2020) (3) trait self-control (Strömbäck et al., 2020); and (4) information avoidance and financial ignorance (Barrafrem et al., 2020). Futhermore, Individual diversity may lead to varied coping tactics with the current pandemic's economic environment, influencing financial well-being. Individuals with low levels of financial ignorance, for example, may take a more active role in managing their finances, seeking out and utilising guidance on how to manage with reduced income, financial uncertainty, and so on. Individuals with appropriate financial knowledge may also be better able to deal with the financial crisis than those with inadequate financial literacy.

Previous researches provide both bad and good news. The bad news is that people are very pessimistic about the economic outlook for the future. However, they are less pessimistic about their own private economic situation in comparison to the national and global economy as a whole. This hints to a financial better-than-average effect. The tendency that people evaluate themselves more positively than they evaluate most other people is among the most well-documented effects in the social–psychological literature (Alicke and Govorun, 2005, Svenson, 1981, Zell et al., 2020). The better-than-average effect shares this characteristic with the optimism bias—the tendency to overestimate one’s chances of good fortune and to underestimate one’s risk for misfortune (Sharot et al., 2011, Weinstein, 1980).

The good news is that our results suggest that the perceived negative effect of the impact of COVID-19 on financial wellbeing can be offset to some extent by active information processing. People with low levels of financial ignorance reported higher financial well-being. Thus, ignorance is *not* a bliss. At least not when it comes to financial well-being during a sudden economic downturn such as the COVID-19 pandemic.

More than 30 percent of the thousands of participants in a Charles Schwab assessment said they don't have a written financial plan because they think it's too complicated or they don't have enough time to work on one. More than 20 percent of people polled by the National Financial Educators Council said they don't have anyone to turn to for trusted financial guidance.

## **METHODOLGY**

The researcher used both qualitative and quantitative data. In qualitative data the information was collected through secondary data through different sources like research papers, books, websites etc. the secondary allowed the researcher in building on previous researches, resulting in superior outcomes while saving time and money.

The responses were collected through Questionnaire: Researcher’s have used an online questionnaire to conduct the survey. Participants could access the questionnaire by clicking on a link provided them through social media platform.

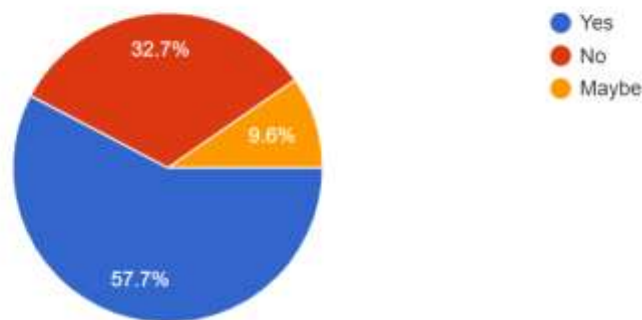
This method of data collection has several advantages. For example, as respondents are able to determine the timing and pace of web surveys themselves, and because they can reread questions easily, they will give more reliable and valid answers compared to when engaging in physical or telephonic interviews.

This study utilized a data collection approach using qualitative research methodologies alongside a secondary data review to conduct 156 salaried employees with male and female respondents from households across that rely on income through daily-wage work. These Key Informants were employed salaried class inside in private and public sector asked to largely comment on their household's circumstances, with a few questions about their specific struggles regarding the impact of Covid-19 on their jobs as daily-wage employees thrown in for good measure.

### **INTERPRETATION OF DATA**

Do you have savings set aside for emergency expenses?

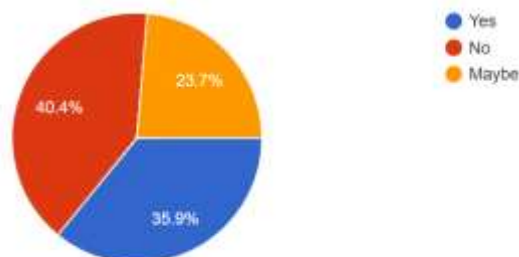
156 responses



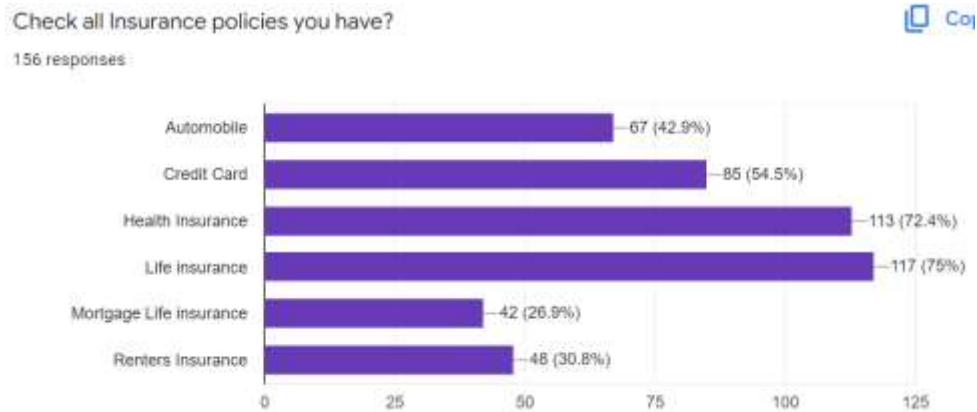
The above data shows about 57.7% salaried class have savings set aside for their emergency expenses, about 32.7% salaried class does not have savings for their future emergency purpose and about 9.6% salaried class are not sure, it can be an effect of lack of financial literacy.

Do you have retirement plan?

156 responses



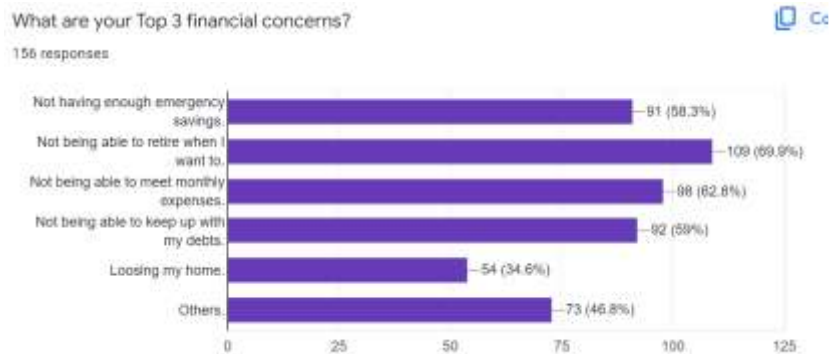
The above data shows about 35.5% salaried class have a retirement plan, about 40.4% salaried class does not have a retirement plan and about 23.7% salaried class are not sure, it can be an a cause of not been financially free.



The above data shows about 75% salaried class have a life insurance, about 72.4% salaried class have a Health Insurance, about 54.5% salaried class have a Credit Card Insurance, about 42.9% have a Automobile Insurance, about 30.8% have Renters Insurance, about 26.9% have a Mortgage Life Insurance, Thus from this data we come to conclusion that almost more than 80% class have a life insurance which is good.

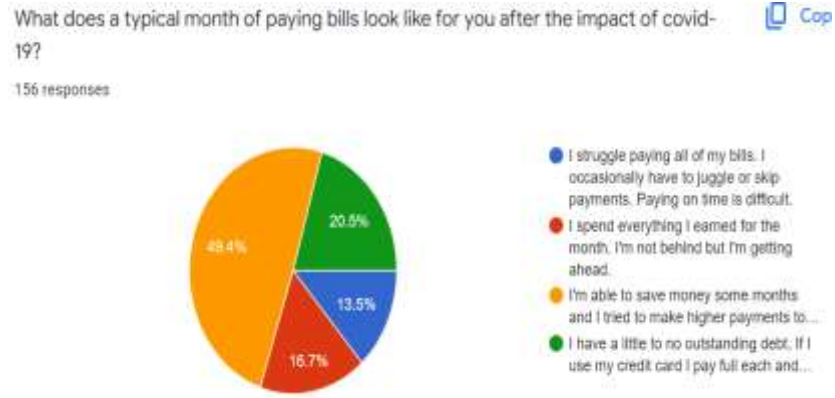


The above data shows about 44.2% working places offers a financial wellness program, about 27.6% working places does not offers a financial wellness program and about 28.2% people states that they do not know what financial wellness is, it can be due to lack of financial literacy .



The above data shows financial concerns of salaried class, about 69.9% salaried class concern is not being able to retire when they want to, about have 62.8% salaried class concern is not being able to meet monthly expenses, about 59% salaried class concern is not being able to keep up with their debts, about 58.3% salaried class concern

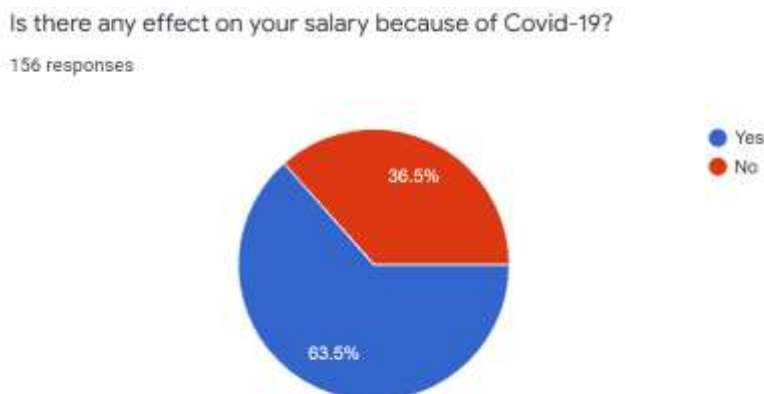
is not having enough emergency savings, about 46.8% salaried class have other type of financial concerns and about 34.6% salaried class have a concern about loosing their home, This by this data we come to know what are the major financial concerns of people after the impact of covid-19.



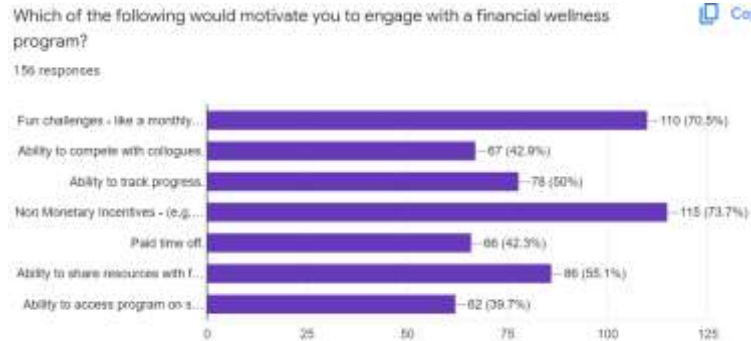
The above data shows about 49.4% salaried class are able to save money some months and try to make higher payments to lower the debts, about 20.5% salaried class have a little to know more about debts, about 16.7% salaried class spend everything they earn in that month and about 13.5% salaried class struggle paying their bills, they have to juggle up or skip payments.



The above data tells about how salaried class feel about their monthly salary after post covid, about 57% salaried class says they are nor highly satisfied nor lower satisfied, about 19.2% salaried class are highly satisfied with their salary even after post covid, and about 23.1% salaried class are dissatisfied with their monthly salary.



The above data shows whether there is any effect on salary after the impact of covid-19, about 63.5% salaried class says there is an effect on there salary because of covid-19 and about 36.5% salaried class says that there is no impact on there salary due to covid-19, it can be because every industry was shutdown for some months and years, causing lack of money.



The above data shows which things could engage salaried class to engage with financial wellness program, about 73.7% says there should be non monetary incentives initiated by the organization, about 70.5% says there should be fun challenges initiated by the company, about 55.1% says there should be ability to share resources with their family members, about 50% says there should be ability to track progress, about 42.9% says there should be ability to compete with collogues, about 42.3% says there should be paid time off and about 39.7% says there should be ability to track progress on smartphones, which makes the employees more easy.

### **RESULTS/ DISCUSSION**

The researcher used standardised survey research on Flemish employees to evaluate the projected impact of the COVID-19 issue on the salaried class of people. The concern of impact and consequences as a result of the COVID-19 incident was determined to be considerable.

Almost all the employees, such as who work in private institute, are more concerned about negative consequences. Furthermore, many respondents anticipate that in the future, they would view the market differently and have different work-related objectives. Since the start of the COVID-19 crisis, more than half of the respondents said that working conditions problems and impact on financial problem has increased post Covid.

Participants also stated that their households were problems regarding some fundamental requirements owing to COVID-19's detrimental influence on their capacity to work and make an income, and that they had to resort to coping techniques to meet those needs.

Due to their economic status and inability to meet bills, participants reported a rise in tension and anxiety among households during the government-imposed lockdown. Several participants stated that they were depressed as a result of their lack of money and isolation at this time.

Throughout the year 2020, save for sections of the first and last quarters, the lockdown and other limitations imposed to bring the COVID-19 pandemic under control resulted in a decrease in income in all industries and firms . As a result, salaries of employees were reduced. Despite national and state governments' urging to both public and private businesses not to lay off employees or lower their compensation, the salary reduction occurred.

Moreover, this paper’s statistical analysis and spatial visualization shed light on the regional differences of the salaried employees' workers who were having problems regarding their salary, budgeting issues, working conditions and working hours. Throughout the research period, the number of new Covid-19 cases per day adds to the labor market's decline, confirming the hospitality industry's sensitivity to the Covid-19 pandemic.

42% of employees say its likely they’ll need to use money in a retirement account for expenses other than retirement, and 54% employees want to make there own decisions but want some one else to validate that they did the right thing, 20% of organization reported increases to healthcare benefits, and 5% employees would like to retire when they want to without worrying about there finances.

The respondents share the information regarding the critical and non-critical conditions they have to gone through post and during Covid era. Most of the respondants have life insurance as per the survey which shows a good sign. Moreover when asked if they have emergency expenses then most of the people have said yes showing a positive response towards their future. When they were asked how they are motivated towards financial wellness then the answer was non monetary incentives. People tend to get attracted towards the incentives and they tyr their best to achieve the goal.

One of the worst job crises since the Great Depression has been triggered by the COVID-19 pandemic. There is a significant risk that the crisis will exacerbate poverty and worsen disparities, with long-term consequences. Countries must now do all possible to prevent this job crisis from escalating into a social disaster. Investing in the future and future generations by rebuilding a better and more resilient labour market is critical. Our research has revealed serious impact of Covid 19 on salaried employees and professional training. While it is critical to defend businesses, everyone involved in this profession must guarantee that the interests and livelihoods of all salaried employees are protected throughout the pendemic, for the betterment of their as well as country's future.

## **CONCLUSION**

Some major findings from this research paper are, there is a need of financial literacy and financial wellness among employees. Through this research survey, the researcher came to know how covid-19 has impacted the salary of the employees resulting in financial problems. Researchers observation throughtout the research was, almost all the employees, such as who work in private institute, are more concerned about negative consequences. Furthermore, many respondents anticipate that in the future, they would view the market differently and have different work-related objectives. Since the start of the COVID-19 crisis, more than half of the respondents said that working conditions problems and impact on financial problem has increased post Covid. Almost 50% people have a emergency savings for future, which shows employees are self aware of some financial literacy and most of the employees give more importance to life and health insurance, researcher also states that about less than 50% working place offers a financial wellness programs, and some major findings of the research was one not being able to meet monthly expenses two not being able to keep up with their debts and three was not being able to retire when they wish to, most of the employees says they were able to safe money few times and tried to make higher payments to reduce their debts, and most of the employees says they are nor highly satisfied nor dissatisfied with their salary after post covid-19, also there is major effect on the salary due to covid as the working places and all the industries were shut down for some months which resulted them into losses.

This all problems can be solved if the working place or the organization motivates employees with some monetary and non monetary incentives. Employee productivity, satisfaction, strong employee recruitment, reduced

absenteeism, and increased employee retention can all be improved if more workplaces offer financial wellness programmes. Some benefits that can be provided to employees include one retirement plan-planning for the future, two Student Loan Repayments-funding off debts, three Flexible Paydays, and four Personalized Financial Advice Programs.

Structuring such a programme might take time and effort, but it should be incorporated in every business. Furthermore, this will set a great example for others, demonstrating that your firm has a great company culture and a positive work force.

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