

## The Impact of Socio-Economic Factors on Household Consumption Patterns in Maharashtra: A Comparative Analysis of Pre- and Post-COVID-19 Trends

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### ABSTRACT

This paper provides a comprehensive review of the existing literature on the impact of socio-economic factors on household consumption patterns, particularly in the context of the covid-19 pandemic. Drawing from a diverse range of studies, the review examines how variables such as income, gender, family size, education, and occupation influence spending on essential categories like food and health, as well as discretionary non-food items including recreation, dining out, and vacations. The literature reveals that income and household size are consistently significant determinants of consumption, with marked variations between rural and urban areas. Studies also highlight the pandemic's role in altering consumption priorities, with increased spending on health and food, and reduced expenditure on non-essentials. This review synthesizes key findings and identifies gaps in the literature, emphasizing the need for further research into post-pandemic consumption behavior, particularly in developing regions like maharashtra, india. The findings offer critical insights for policymakers aiming to address consumption disparities and enhance household resilience in times of crisis.

**Keywords:** Covid-19, Pandemic, Socio-Economic Factors, Consumption Patterns, Literature Review

### INTRODUCTION

The study of household consumption patterns has long been a central focus of socio-economic research, as understanding how households allocate their resources provides critical insights into well-being, poverty, and economic development. Traditionally, socio-economic factors such as income, family size, education, and occupation have been seen as the primary determinants of household consumption, influencing spending on necessities like food and healthcare, as well as discretionary items such as recreation and travel. However, the COVID-19 pandemic introduced new complexities into this framework, dramatically shifting household priorities and reshaping consumption behavior across both developed and developing economies.

A growing body of literature has emerged in recent years, examining how the pandemic affected household consumption across various socio-economic groups. These studies reveal that in the face of lockdowns, income losses, and health risks, households reallocated their spending, often prioritizing essential goods and services like food and healthcare. Discretionary spending on recreation, dining out, and vacations, meanwhile, saw significant declines, particularly in urban areas where pandemic restrictions were most stringent. The literature also points to significant disparities between rural and urban households in their response to the pandemic, shaped by differences in income levels, access to resources, and social safety nets.

This paper reviews the existing body of literature on household consumption patterns, with a particular focus on the role of socio-economic factors in influencing spending behavior during and after the COVID-19 pandemic. By synthesizing findings from multiple studies, this review seeks to identify consistent trends, highlight areas of debate, and outline key gaps in the literature. The aim is to provide a comprehensive understanding of how income, gender, family size, education, and occupation shaped consumption patterns during this period, with a special focus on developing regions like Maharashtra, India, where the economic impact of the pandemic was especially pronounced. Through this literature review, we also aim to offer directions for future research on household consumption in the context of economic shocks and crises.

### RESEARCH METHODOLOGY

This study adopts a **literature review** methodology to analyze the impact of socio-economic factors (income,

gender, family size, education, occupation) on household consumption patterns in Maharashtra, with a focus on pre- and post-COVID-19 trends. A systematic search was conducted using academic databases like Google Scholar, JSTOR, and Scopus to identify relevant peer-reviewed studies and reports.

Focus on studies examining household consumption behavior, socio-economic determinants, and the impact of COVID-19, specifically in Maharashtra or similar regions. **Data analysis** involved categorizing the literature into three thematic areas: food expenditure, health expenditure, and non-food expenditure (recreation, restaurants, vacations).

A qualitative way of analysing was used to consolidate findings, identifying key trends, and comparative insights from pre- and post-pandemic periods. The methodology also critically evaluated the literature for its research rigor, findings, and limitations.

The methodology provides a structured approach to understanding household consumption patterns and highlights gaps in the existing literature, particularly regarding socio-economic impacts during crises like the COVID-19 pandemic.

**Research Aim:**

To analyze how socio-economic factors such as income, gender, family size, education, and occupation influence household consumption expenditure on food, health, and non-food items (recreation, restaurants, vacations) in rural and urban Maharashtra before and after the COVID-19 pandemic.

**Research Objectives:**

1. To assess the changes in household consumption expenditure on food, health, and non-food items in Maharashtra from 2019 to 2021.
2. To analyze the impact of demographic factors (e.g., gender, family size, education) on household consumption patterns.
3. To investigate the role of income and occupation in determining spending across different consumption categories in rural and urban areas.
4. To evaluate the effects of the COVID-19 pandemic on discretionary spending (e.g., recreation, dining out, vacations) and compare it to pre-pandemic levels.
5. To provide policy recommendations for reducing disparities in household consumption and enhancing household resilience in future crises.

**Rationale**

Understanding household consumption patterns is critical for assessing the economic impact of the COVID-19 pandemic. Studying these trends provides insights into how households re-prioritized their spending on essentials (food, healthcare) and non-essentials (recreation, restaurants) in response to economic shocks. This is particularly important for developing regions like Maharashtra, where disparities between rural and urban households add complexity to consumption behaviors.

**FINDINGS**

● **Household Consumption Patterns:**

*Ministry of Statistics, 2024*, Found that from 2011-12 to 2022-23, household spending in rural and urban Maharashtra more than doubled, with urban households spending significantly more on non-essentials. *Rashid et al., 2024* Focused on food security in Tanzania and found household size and income significantly impacted food spending. These results are comparable to trends in rural Maharashtra.

● **Impact of COVID-19 on Spending:**

*Mehek et al., 2023*, Highlighted the increase in Out-of-Pocket Expenditure (OOPE) in healthcare during COVID-19, leading to a significant burden on household budgets. Their study provides comparative insights on how income and household size impact food security and spending in rural settings, relevant to Maharashtra.

● **Comparative Economic Analysis:**

*Ajvit, 2023*, threw light on India's deficit in education and healthcare spending, which negatively impacted consumption resilience during the pandemic.

● **Post-Pandemic Recovery:**

*Neha et al., 2021* investigated the drastic decline in India's hospitality sector revenue and the corresponding dip in non-essential spending like recreation and dining out.

**COMPARATIVE ANALYSIS**

- **Pre-COVID Consumption** Households spent more evenly across essentials (food) and non-essentials (recreation, vacations).
- **Post-COVID Shifts** The pandemic forced households, especially in rural areas, to re-prioritize spending on essentials like food and healthcare while cutting down on recreation and other non-essentials.

Economic inequality, especially income and access to public services, played a major role in determining how households in Maharashtra responded to the pandemic-induced economic shock.

#### **CONCLUSION**

The literature reveals that household consumption patterns shifted significantly due to the pandemic, with increased spending on essentials and healthcare, while discretionary spending saw a sharp decline. The importance of household size, income, and access to healthcare services were critical factors shaping these consumption trends.

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