

ANALYSIS OF THE IMPACT OF THE PANDEMIC ON THE FINANCIAL SECURITY OF A FAMILY IN ROMANIA

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Abstract: The effects of the Covid-19 pandemic on the labor market appeared at the end of the first quarter of 2020, with the establishment of the state of emergency in the country (starting on March 17, 2020). The Covid-19 pandemic continued to affect the labor market in the following quarters as well. The biggest effects were recorded in the second quarter of 2020, when every fourth employed person declared that the pandemic affected their relationship with the labor market. At the same time, in the following quarters of the year, the effects of the crisis caused by Covid-19 decreased in intensity and were much less felt.

Key words: jobs, effects of the Covid-19, money, family, financial, labor market

INTRODUCTION

The COVID-19 pandemic has significantly changed the short-term risks at the address the financial stability of a family in Romania and increased the risk of the vulnerabilities of the existing economies [4].

At the global level, were also problems accentuated by the health crisis, which will continue to persist in the following period: the high level of indebtedness, especially of the public sector, pressures on the solvency and liquidity of credit institutions, considering the prospects regarding profitability and those regarding asset quality, intensification interdependencies between the public and banking sectors, lack of clear policies of promoting sustainable and inclusive economic growth and the slow process of digitization, including in the financial field [7,10].

The COVID-19 pandemic has had significant effects on both labor supply and demand. Thus, especially in the acute phases of the epidemic crisis, the labor supply was segmented, depending on the role played in combating the effects of the pandemic [2].

At the same time, the possibilities of performing telework are related to the characteristics of the economic activities and the professional skills of the employed persons. On the labor demand side, the largest recessionary effects occurred in consumer support services, administrative and business support services, and manufacturing. It was a consequence of the reduction in the income level, but also of the appearance of major blockages in the international supply chains of raw materials and other complementary imports [1,3].

MATERIALS AND METHODS

The purpose of our work is to highlight the impact of the pandemic on the financial security of a family in Romania. The data used were taken from a questionnaire distributed via email addresses, on which it was made interpretations.

The questionnaire was applied between October 1, 2022 and November 1, 2023, through the students who participated in the Accounting and Economic Management courses. 237 answers were collected, given by the students of the University of Life Sciences "King Mihai I" from Timisoara.

RESEARCH RESULTS

The COVID-19 pandemic has undoubtedly affected the economy both globally and nationally. This has presented workers and employers with unique challenges about how to conduct work in the midst of a public health crisis [5,6].

At the same time, the pandemic had effects on the standard of living of the population and on household incomes, which are directly related to the crisis created on the labor market during the quarantine period. The suspension of the activity of some economic sectors has increased the vulnerability of certain population groups [11,13].

As happened all over the world, Romanian households were also affected by the pandemic crisis. And as if the pandemic that changed all of our lives was not enough, there was also the crisis due to the war between Ukraine and Russia [8,9].

Certainly, households in developed countries were not as affected as those in the Romanian environment. Not a few go abroad to find a better paying job. Suddenly, they found themselves without a job, with the transition to technical unemployment or with the reduction of working hours. Automatically, they found that they could no longer send money home, or they had to reduce the amount they usually sent. And as if that wasn't enough, life ended up being even harder due to the price increases caused by the crisis of the war in Ukraine [14,15,16].

Questionnaire

1. The situation of jobs on the labor market during the quarantine period:

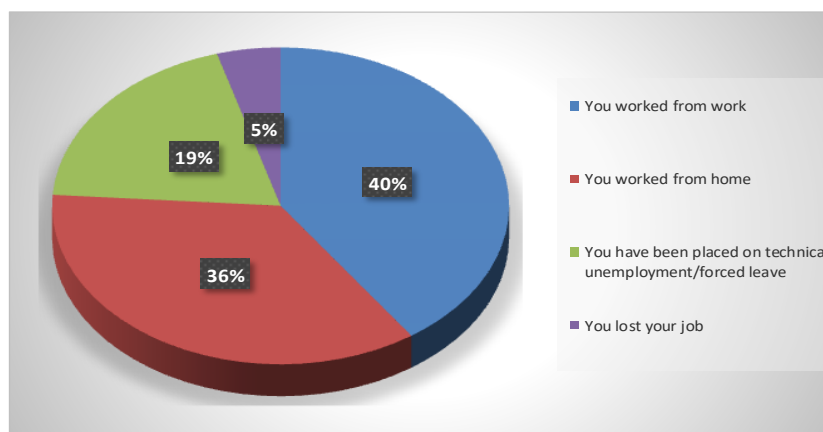


Figure 1. Labour market during the quarantine period

We can see that during the pandemic, 40% of those questioned worked from their workplace. The rest is splitted by the ones how worked from home (36%), the ones placed on technical unemployment or forced to leave their jobs, and the ones who have lost their job.

2. The situation of jobs after the quarantine period:

68% of the persons answered that after the pandemic period they worked from the workplace full time. It can be seen a grow, comparing with the period of the carantine.

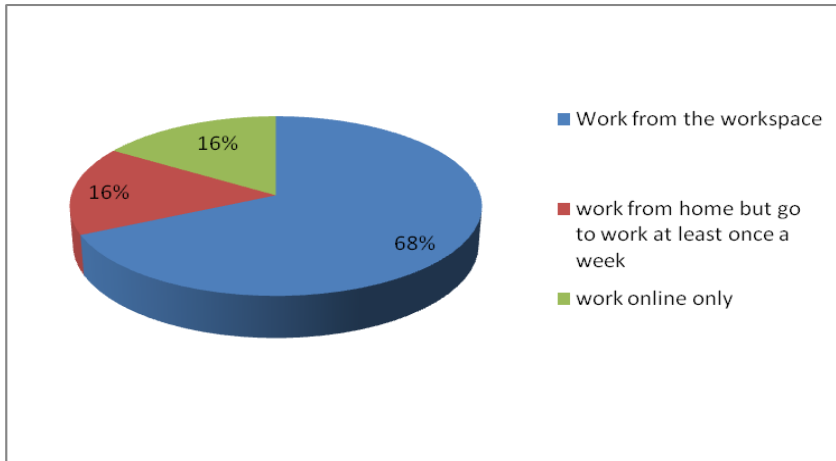


Figure 2. Job situation after the quarantine period

3. The situation of salaries obtained in the post-quarantine period:

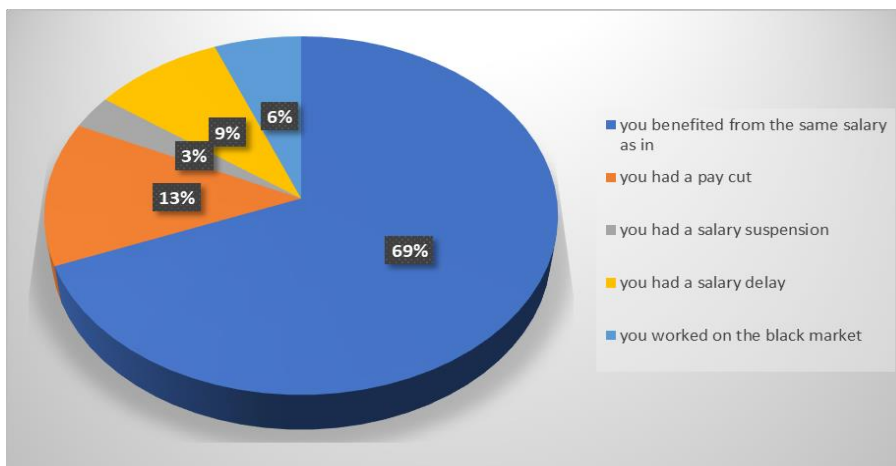


Figure 3. Salaries obtained in the post-quarantine period

Following the survey, 69% answered that their salary did not change, keeping almost the same amount as before the pandemic.

4. Level of education

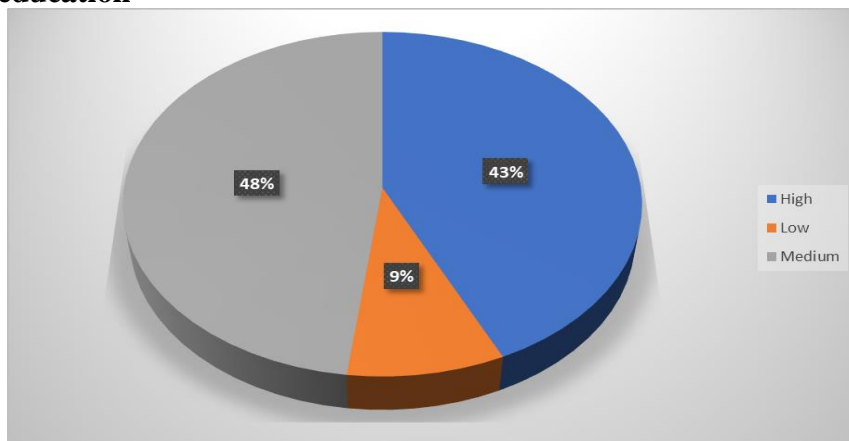


Figure 4. Level of education

The survey revealed that 48% have an average level of education and only 9% have a low level of education studies.

5. Do you have income from other sources than your salary?

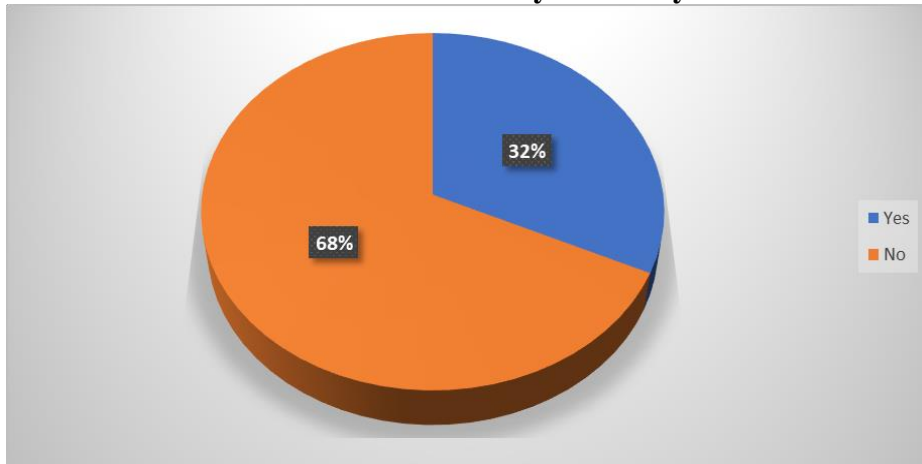


Figure 5. Salary sources

A percentage of 68% admitted that they have no other income besides salary, so keeping the workplace is very important for them.

6. Has the value of your family's expenses increased after the pandemic?

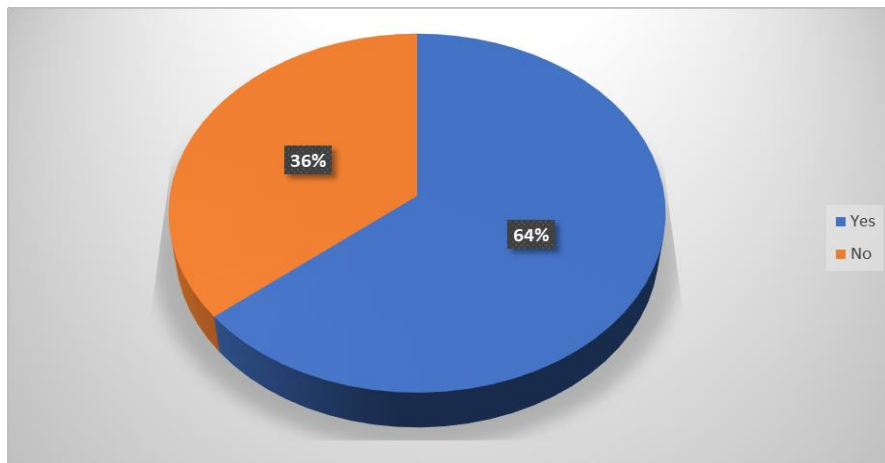


Figure 6. Situation of family expenses after pandemic

Following the pandemic, 64% admitted that family expenses have increased.

7. Do you manage to face the monthly expenses, such as the payment of utilities and contracted loans, or are you thinking of taking a loan?

79% of the respondents said that they are trying on their own to support themselves with the monthly expenses, from the monthly income, without calling for help.

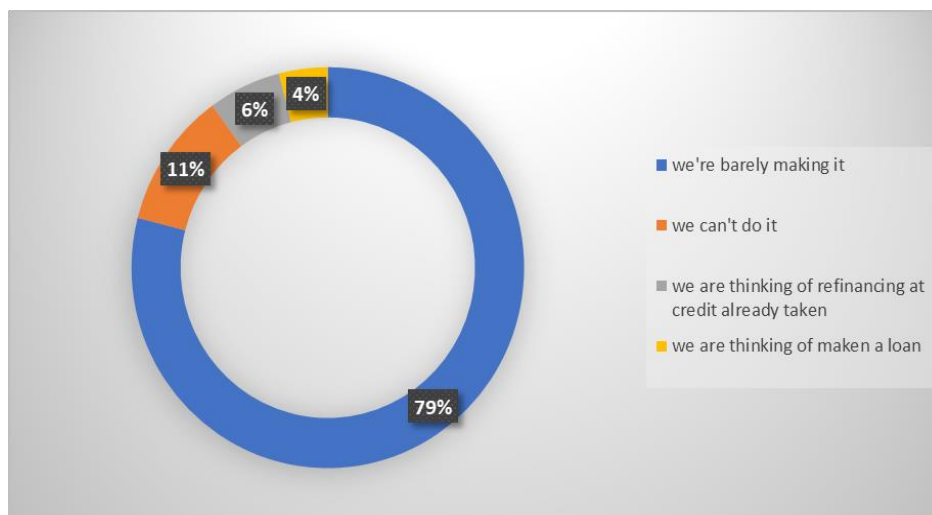


Figure 7. Situation of monthly expenses

8. Did you manage to put something aside for unexpected expenses?

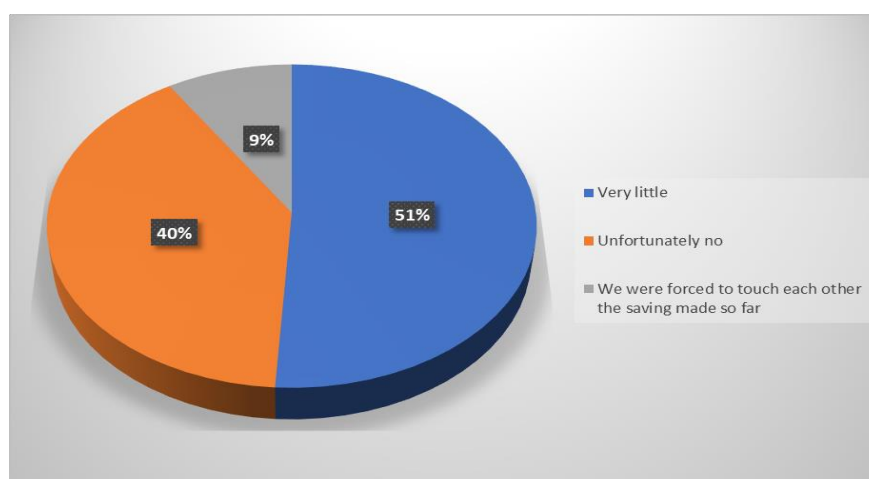


Figure 8. Savings for unexpected expenses

The period of the pandemic, quarantine, but also the price increases that led to the increase in the price of life in general determined the population to save less, or even not at all. 51% managed to save even if they went through a difficult period.

CONCLUSIONS

Following the analysis carried out, the COVID-19 pandemic, triggered in the first months of 2020 on a global scale, had a severe impact on the Romanian economy, including on the labor market and its employment. The COVID-19 pandemic has led to an exponential increase in remote work in many countries around the world, as well as in Romania.

During the quarantine period, in Romania, the employment situation of the interviewed persons was as follows: 35% of the country's population worked from home, 40% continued to go to work, and the other 25% were left without jobs or constrained by the situation went into technical unemployment, stating that those who became unemployed as a result of the COVID-19 crisis suffer from financial insecurity. After the end of the pandemic, more than 67% of the occupants of the workforce continued to work full-time, their salaries not being affected by the pandemic context.

Even if during this difficult period in the life of any citizen, we can see on the basis of the questionnaire carried out that, even if the general expenses (family expenses, expenses for the payment of utilities and the expenses with the possible loans) have increased considerably, they have managed to a large extent to cover their costs, not to resort to loans of any other kind, and also some of them realize to put money aside for any unexpected expenses.

However, following the pandemic effect, it can be seen that the the families in question has managed to maintain a decent living.

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