

Abstract

ABSTRACT

Families are the basic social and economic units in any society. Families are groups related by kinship, residence or close emotional attachments (Mattessich and Hill, 1987). As defined by Walker and Crocker, (1988), "a family system can be defined as any social unit with which an individual is intimately involved and which is governed by family rules". Families display four systematic features, namely, ability to adapt to change and maintain their identity over time, intimate interdependence, selective boundary maintenance and performance of the family tasks, which include physical maintenance, socialization and education control of social and sexual behaviour, maintenance of family morale and motivation to perform roles inside and outside the family and so on (Mattessich and Hill, 1987).

Families of yesterday and today have been concentrating upon the well being of its members, care and nurture of the younger ones, protection and support to the elderly and providing the basic necessities to all its members. Over the years, families of the world have witnessed transition. The modern family evolved in concert with industrialization, science and technology. With the growth of specialized wage labour, economically productive work moved beyond the reach of the family compound. The resources of the salaried family and the number of people who could be supported by its wage-earners were fixed. Living space in the neighbourhood of industries and other specialized work sites was expensive and non-expansive. Where neighbours were strangers, the modern urban family became a 'heaven in a heartless world' (Lasch, 1977).

Along with industrialization, the expansion of global markets, the mass media, availability of health care, education and transport and other services led to the formation

of modern urban families in developing countries. The availability of these facilities brought quantum changes in income, life expectancy, nutritional status, educational opportunities and other indicators of the quality of life. It is widely agreed that families are better off with these changes than without them, yet there does exist another side of the coin. Unlike agrarian economy, the modern urban economy was unable to support the unskilled members. The agrarian family could support its unskilled and psychologically marginal members by allotting them menial tasks. With departure from the farms, salaried families cannot support poor relatives who are unable to find stable employment. A large portion of urban families is left in the amorphous non-formal sector of petty trade and services, resulting into low salaries, less education opportunities for children and the vicious circle going on, such families fall into the category of low income and lower middle income groups. Based on the quantum of income, urban families are categorized into various income classes such as higher income class, middle income class and lower income class.

As put by Mukherjee, (1989) the old notions like well being, happiness and good life are renamed as Quality of Life (QoL). Though this phenomena has started as a research field only three decades ago, it has become highly popular and has spread all over the globe. Quality of Life means different things to different people. It consists of a blend of qualitative and quantitative, objective and subjective perceptual variables which may include many different approaches, concepts and dimensions.

Amongst all resources, most people consciously focus on time and money with decisions about other resources interwoven. Money is the resource on which management focuses most frequently, the reasons behind the same probably are :

- a) It normally represent flows or continuums and therefore present an ongoing basis for management and
- b) It is easily measured, the amount needed for attainment of various goals can be predicted and compared

Money, as a single resource is so crucial that without it a desired goal cannot be achieved although other resources are readily available. A family's money management involves decisions about all resources and reflects the complex value system of the family. Ours is indeed a money world in which most of the goods and many of the services considered essential cannot be provided by an individual family without the exchange of money in the market. Further more, the family's feelings about money, its social and economic position and the adequacy with which psychological and biological needs are met may well determine the emotional security of the individual as well as his life style (Knoll, 1980)

Inflation is considered by most people as the major economic problem as it affects adversely all without exception. Rising cost of essential commodities is most commonly the main topic of conversation among people.

Rising consumer goods prices often compel the Families to drastically alter their consumption and also the process of asset formation in an intertemporal sense. Prevalence of inflation leads to a structural metamorphosis of economic profile of many Families.

To combat such adverse economic environment, Families respond by employing different coping strategies and through management of their resources. It can not be denied that economic unit, especially the household faces choices between present v/s

future consumption (the future or postponed consumption is better known as savings) and also the investment plans. The management of resources may lead in the wake of rising cost of living to compositional changes in the basket of goods consumed to portfolio changes in assets and liabilities of Families.

Inflation, as an external economic parameter of large environment operates through the intervening variables of the sub system namely, financial management and coping strategies and affects the quality of life

For the Indian economy, the National Sample Survey had been conducting studies on income and expenditure of Families with different income levels. It also periodically undertakes studies on savings and investment by these Families

Majority of the research studies done in this area have concentrated on aggregate impact of inflation. The disaggregate studies of the micro type have been almost absent. The generalizations and inferences drawn from aggregate studies often fail to reflect the true impact of rising prices on individual Families and the intensity of actual economic compulsions and hardships that they impose. What is important and revealing is that the perceptions and realizations of Families belonging to different income classes also differ and their responses and adapting strategies differ as well.

Home management is concerned with the ways in which a family uses all its resources and with the quality and quantity of life resulting from the management process.

“An individual’s or a family’s sense of economic well-being is related to the realization of financial goals and aspirations and the path of reaching the same involves family cash flow management (that is, planning, controlling and evaluating) of families

involved in allocating their flow of income. These activities, some cognitive and others overtly observable behaviour, occur in a relatively short time period and are universally engaged in by families” (Godwin, 1990) Most descriptive examinations of family cash flow management have focused on the frequency or extensiveness of planning behaviour, the existence of a written budget, or record-keeping and account-management.

The economic parameters are important in determining the quality of life of the families, hence using the selected economic parameters, the present study aims at investigating the components of the same and their relationships to satisfaction with quality of life.

The results of the present study would have far reaching implications in understanding the impact of rising prices on the families from various income groups. It would give an insight to the students of Home Management to refinding measures taken by families to meet such a situation. It would also give some infront to the policy workers who decide the economic policies of the nation. It would help to sensitize them towards the problems experienced by the public.

Thus present study was thus planned upto following objectives

Objectives of the study

1. To assess personal and familial variables of the respondents
2. To identify price variations of aggregate and disaggregate levels of the years 1995-96 and 1999-2000, and to calculate cost of living indices for five income groups.
3. To identify and compare the economic profile of the families.

4. To assess financial management practices followed by the families as a result of rise in general price level.
- 5 To identify the problems faced by the families and the coping strategies adopted against rising prices.
- 6 To assess satisfaction of respondents with regards to Quality of Life.
- 7 To study interrelationship among selected independent and intervening variables and the dependent variable.

Hypotheses of the study

- H1 There exists relationship between personal and family variables and, families'
- i Economic Profile
 - ii Financial Management Practices
 - iii Coping Strategies
 - iv Quality of Life
- H2 There is an association between rise in general price level at 1995-96 and 1999-2000 and families'
- i Cost of Living
 - ii Quality of Life
- H3 Correlation exists between families' financial management practices and Quality of Life
- H4 There exists relationship between coping strategies adopted by families as well as their economic profile and Quality of Life

Present study was a descriptive type which was conducted on 255 families residing in Vadodara city. These families were belonging to 5 income groups ranging

between low income group to high income group with 3 groups of middle income. The variables were statistically studied applying chi-square tests, pearson's product moment correlation coefficient and ANOVA techniques.

Relationship among the variables

1. For the present study, findings of the analysis confirmed that there was an association between families' economic profile and personal and familial variables of the respondents
2. It also revealed that families' financial management practices and respondents' personal and familial variables were having an association
3. Coping strategies adopted by the families were partially associated with the personal variables of the respondent, viz age, education and occupation. Coping strategies adopted by families had no association with respondents' monthly income.

For familial variables and coping strategies, no association was found with family size while partial association was found with type of family, type of house and coping strategies

- 4 Quality of life was directly influenced by personal and familial variables as well as situational variable
5. Positive correlation was found between situational variable and cost of living
6. Quality of life was influenced by situational variable
- 7 Association was found between quality of life of family and family's economic profile.

8. Highly significant association was found between family's financial management practices and quality of life.
9. Coping strategies and quality of life were found to be having association.

CONCLUSIONS

Based upon the findings of the investigation the following conclusions are drawn

- (1) Majority of the respondents from LIG, were having education level up to 12th standard. Greater number of families from other four income groups were having education level up to graduation

Majority of the total respondents were engaged in salaried jobs. Hence, compared to business, job with regular flow of money income was preferred much
- (2) Majority of the families form LIG were having joint families. In case of other four income groups , majority of the families were having nuclear type. Size of the family was medium in most of the cases compared to number of adults in the family, number of children was greater incase of both joint and nuclear type In case of all the five income groups, greater number of families possessed their own house
- (3) Public facilities were availed by very few families Families from LIG did avail the facility of Municipal School Facilities of General Hospital and Health Centre were availed by limited number of families.
- (4) Out of total expenditure percentage share on food items was highest for LIG, and lowest for HIG. This corresponds with the Engel's law : “ Proportionate share of total expenditure on food decreases with the increase in money income ”

Expenditure on food items for the income groups other than HIG had increased during current year.

Expenditure on education and stationery had gone very high for LMIG and MIG families during current year. This shows that rising prices on education stationery and academic services causes more burden on middle income families. Expenditure on travel/decoration and equipments had gone up during current year for HIG indicating the trend of spending on these items going up over a period of five years among affluent class. Since majority of families were owning a house, share of expenditure was less on house rent.

- (5) Compared to the cost of living index of aggregate level , the cost of living index for HIG had increased much higher. This increase was on the part of consumptions of commodities with very high price compared to other items of the same basket of goods.

Since the commodities preferred and purchased from same basket of goods vary between the income groups , effect of rise in general price level also varies for each income group. Cost of living index of five income groups in 1999-2000 ranged between 1.35 & 1.82.

- (6) Families' economic profile revealed the decrease in the share of amount on cash-in-hand out of total savings with the increase in income level.

Preference for nationalized banks to deposit savings indicated the conscious behaviour on part of the families regarding safety of principle rather than higher yield. Investment in government bonds and insurance schemes too supported the same finding.

- (7) Availing credit was not preferred much by majority of families. This shows the tendency to avoid indebtedness on part of the families. Out of those few who had taken loan , the reason for the same was house construction. Hence it was observed that credit was preferred for asset formation rather than purchasing durable goods. This shows that families in general and especially in lower income strata prefer to increase their entitlements to assets and strengthen their economic viability over a long time horizon.
- (8) For financial management, planning, controlling and evaluation practices were followed by the families from all income groups. Compared to planning of expenditure , controlling of expenditure was more consciously followed by families from all income groups. Evaluation of expenditure was used to get feedback for future expenditure plan.
- (9) Problems due to rise in general price level were experienced by the families from all five income groups. Curtailing use of essentials , decline in savings and investments , increase in mental stress and decrease in level of living were the major problems experienced by greater number of families of all income groups.
- (10) Backward and forward coping strategies were adopted by families against rise in general price level. Cutting down the expenditure on edible items, clothing and apparel and entertainment were adopted by majority of families. Compromising on the quality of seasonal and routine items to reduce the expenditure were also the commonly adopted coping strategies.
- (11) Forward coping strategies were difficult to be adopted to the fullest extent. Lack of employment opportunities, low level of education among women and absence of

vocational training were the limiting factors. There is a need for higher education of women in our society. Vocational training also needs to be given weight in the academic programs.

- (12) Extent of satisfaction with quality of life had gone down during current year for all five income groups

For low income, lower middle income and middle income groups satisfaction towards wealth had gone down during current year. For satisfaction towards level of consumption, the number of families with low satisfaction had increased during current year in case of LIG, LMIG and MIG. For the third parameter to assess satisfaction with quality of life, namely satisfaction towards financial security, the percentage of families expressing low satisfaction level had increased during the current year.

Results of the present study show that quality of life (keeping in mind, the financial domain) had noticeably gone down for low income, lower middle income and middle income group during current year compared to base year. Hence, over a period of five years, price-rise had substantially caused decline in the satisfaction with quality of life especially for LIG, LMIG and MIG.

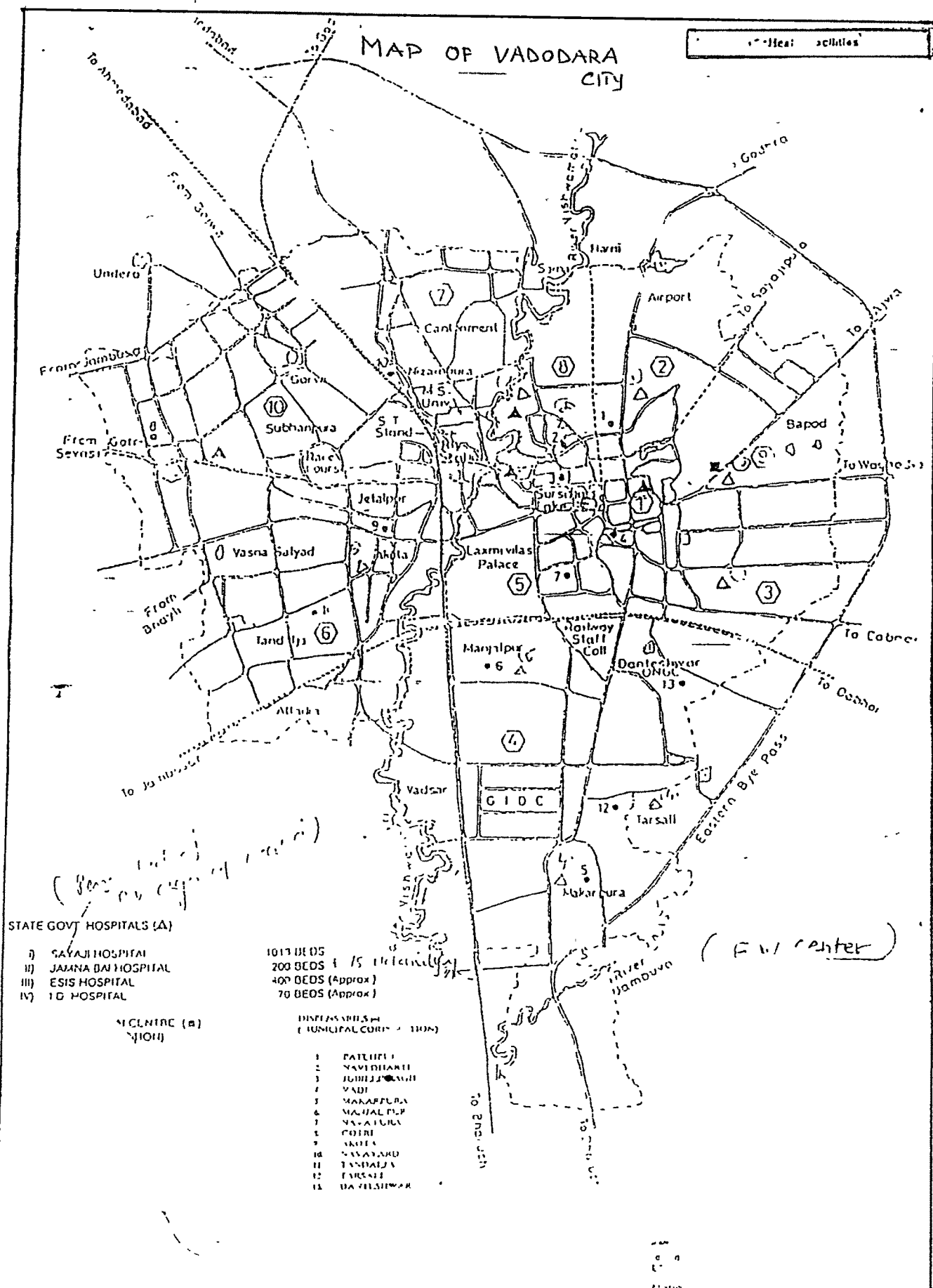
- (13) An association was found between economic profile as well as financial management practices and respondent's personal and familial variables which in turn influenced quality of life of the family.

- (14) Association was not found between personal and familial variables of respondents and coping strategies, but coping strategies were having significant association with quality of life.

- (15) Positive association was found between situational variable and cost of living
- (16) Situational variable directly influenced quality of life
- (17) All intervening variables were influencing the dependent variables

MAP OF VADODARA CITY

Health facilities



STATE GOVT HOSPITALS (A)

- i) SAVAJI HOSPITAL
- ii) JAYNA BAI HOSPITAL
- iii) ESIS HOSPITAL
- iv) LG HOSPITAL

DISTRICT HOSPITALS (B)

1017 BEDS
200 BEDS + 15 beds
400 BEDS (Approx)
70 BEDS (Approx)

DISPENSARIES (C) (MUNICIPAL CORP. - 1100)

- 1 PATIL
- 2 NAVI
- 3 JUBILANT
- 4 VADI
- 5 MAKAPURA
- 6 MAHALPURA
- 7 NAGAR
- 8 COCHI
- 9 KOTA
- 10 SAVAYARD
- 11 TANDALIA
- 12 TARSALI
- 13 DASHIWAR