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Financial Coping Strategies of Households during COVID-19 Induced Lockdown

Ganiyat Adejoke Adesina-Uthman[1]*
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Abstract

This paper focuses on the effect of the COVID-19 pandemic induced lockdown on the financial resources of households, their survival strategies and planned coping strategies. It employed the survey method of research in which 288 questionnaires were administered online and delivered by hand to respondents across the six geographical zones of Nigeria. The study used frequency and percentages to analyze the perceptions of households regarding their survival strategies, government supports and the effectiveness of compliance to government's orders. The questionnaire was designed to elicit relevant information regarding how households coped with the COVID-19 induced lockdown in Nigeria. It was found that most households had no contingency savings to address such emergencies; therefore, the lockdown put a lot of strain on the personal income and savings of households. It was also found that household rating of government supports was very poor which led to partial compliance with the stay-at-home order. Finally, it was found that the most preferred coping strategy was to take salary advance, followed by going back to work and borrowing. The study recommends contingency savings habit to households and controlling inflation rate to the government as important steps for returning towards normality. The government of Nigeria needs to prioritize the health sector in budget allocation for proper healthcare delivery. The study also recommends contingency savings habit to households and social inclusion to government along with giving out bailouts to households, firms and industries to boost the economy.

Keywords: coping strategies, COVID-19, households, pandemic
JEL Classification: I19, E71

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Introduction

A healthy nation is a wealthy nation because health and mobility are connected with active engagement of the population in social and economic activities. The world is currently witnessing a pandemic referred to as COVID-19 (Nicks & Do, 2020) which surfaced in Wuhan, China in October 2019. However, it was on January 4, 2020 that the World Health Organization (WHO) first made known the information about the spread of another pneumonia-like sickness in the Chinese city of Wuhan. About two months later, WHO declared COVID-19 a global pandemic (Johns Hopkins University & Medicine, 2020). Globally, as of August 9th, 2020 the instances of COVID-19 pandemic are in excess of 19 million alongside the loss of life caused by it which is higher than 0.7 million. At the moment, the US and also the European nations are generally affected, both in terms of reported cases and mortalities. USA alone has in excess of 6,959,409 confirmed cases and 201,822 fatalities as of September 24, 2020. Notwithstanding the human effect, there is additionally the huge monetary, business and commercial impact being felt worldwide because of the COVID-19 pandemic (International Monetary Fund, 2020). The pandemic has caused significant economic dislocations by way of massive retrenchments, unemployment and underemployment. Indeed, it has also endangered the survival of firms and household units and has depressed the growth of gross domestic product (GDP) of countries around the world. As infections know no borders, the effects keep on spreading all over the world (El-Erian, 2020).

All countries have applied wide-running policy apparatuses to control the infection with approaches such as social distancing, lockdown, suspension of air travel and border closure (Thunström, Newbold, Finnoff, Ashworth, & Shogren, 2020). However, the economic consequences of such measures are terrible. It is expected that the fallout of the looming downturn could be greater than the 'Great Depression' of 1930s. The situation is much more terrible for a developing country like Nigeria because of the reduction in exports, remittances and global credit (Hevia & Neumeyer, 2020). The country recorded its first COVID-19 case, an Italian national, on February 27, 2020 and the number of cases reached 47,290 on August 12, 2020 (National Centre for Disease Control, 2020).

Figure 1 shows the natural log incidence curve of cases from day one to the one hundred and sixty-eighth day. The graph reveals an upward trajectory. The rate of growth of cases was very high initially which indicates that the virus spread rapidly and the country was unable to contain it due to the lack of information about the virus and because of the absence of proper controlling strategies. However, one hundred and four days after the first case, the graph begins to indicate a decline in the rate of confirmed cases. For the period between days 105-168, it can be observed that the curve starts to bend which means that in coming weeks, Nigeria may be successful in flattening the curve.
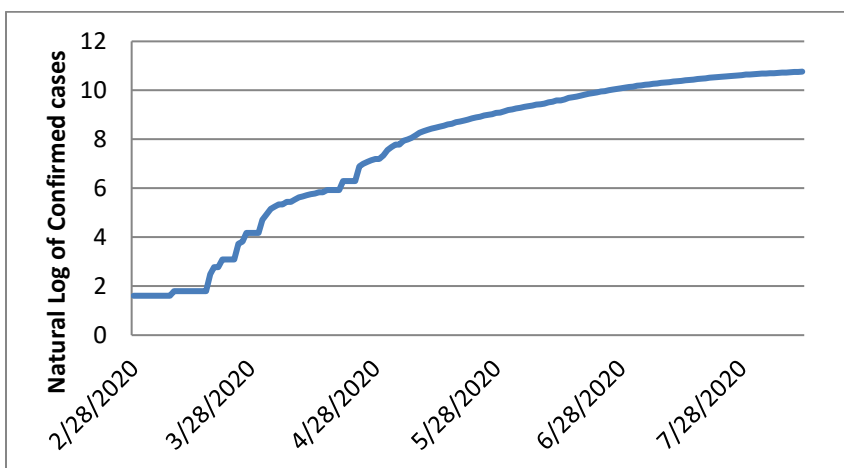

Figure 1. Intensity of COVID-19 pandemic in Nigeria,
Source: authors' estimation using WHO data

Even though the loss of lives due to the COVID-19 pandemic is regrettable, the massive financial fallout of this virus is equally unfortunate. Before the outbreak of this virus, Nigeria was confronted with poor recovery from the 2014 oil glut during which her economy only grew at 2.3% in 2019. It marginally increased to 2.55% by February 24, 2020. However, only three months later, GDP has contracted to 1.87% by May 25, 2020. The shrinkage of the GDP was not unconnected with substantial global economic disruptions caused by COVID-19 including a sudden decline in crude oil prices as well as limited global commercial activities. Data published by the National Bureau of Statistics (NBS) revealed that Nigeria's inflation rate was 12.2% in February 2020 and it jumped

to 12.56% in April 2020. Similarly, NBS reported that the unemployment rate in the country increased to 21% in the second quarter of 2020, the highest on record so far. It was the first time since 2018 that NBS published the figures depicting the unemployment rate. It compares to 23.1% rate seen back in the third quarter of 2018. In the same vein, the growing debt profile of the country is worrisome for the Nigerian government and other stakeholders. Currently, it is estimated that the ratio of Nigeria's debt service-to-revenue is 60%, which will likely deepen because of reduced earnings induced by falling oil prices. These restraining dynamics will invariably worsen the economic effect of the COVID-19 pandemic and will also make it difficult for the government to withstand the crisis.

Nigeria was one of the first countries in Africa that identified the coronavirus and has since implemented stringent measures in order to contain the spread of the dreadful virus. Coincidentally, crude oil prices also fell by about 60% as a result of the global dispersion caused by the pandemic. Since Nigeria is a mono-economy which solely depends on crude oil export's earnings to fund her budget, the fall in the international price of oil has profound repercussions for the Nigerian economy. As a result, the federal government is faced with the twin task of fighting the public health crisis caused by the pandemic and at the same time, of attempting to shore up a failing economy. In view of the facts that the social and economic effects of these twofold crises are likely to be weighty, the government is introducing various policy interventions that can help ease such adverse impacts. Assuaging the effect of the COVID-19 induced crisis is very important for averting poverty from expanding and increasing in Nigeria. Even before the crisis, about 4 in 10 Nigerians were living below the national poverty line and millions more were living just above the poverty line, making them vulnerable to falling back into poverty when shocks occur.

Regrettably, each one of the palliative measures proved to be inadequate to recompense for the economic losses induced by the COVID-19 virus, as all the sectors of the Nigerian economy are tumbling due to massive financial losses. As pointed out above, poverty and unemployment rates are all-time high. Many industrial units have shut down either because of the inaccessibility of inputs

or due to low demand. The aviation sector of Nigeria has lost billions in domestic and foreign sales. Thousands of workers associated with this sector have lost their jobs. Moreover, large scale manufacturing (LSM) has suffered from a huge economic contraction. Likewise, small business owners and daily wage earners are on the verge of poverty. With an abrupt shut down of the Nigerian economy due to COVID-19 pandemic, many households are faced with an urgent need for funds to meet the unexpected demands caused by the shutdown, especially to purchase the essential items needed for their survival. The main objective of this study is to review the impact of COVID-19 pandemic on household savings for contingencies. Moreover, it is also intended to know whether household income has been strained due to the stay-at-home order which grounded all business activities and mobility during the lockdown. The study intends to reveal the impact of the demand side and supply side shocks faced by the Nigerian economy due to the pandemic. Furthermore, it also aims to identify the sectors that require the urgent assistance of government for their speedy recovery from the severe damages inflicted by the pandemic.

Following this introduction, the rest of the paper is organized as follows. Section II presents the theoretical framework, while Section III provides the empirical review. Section IV presents the methodology and Section V focuses on results and analysis. Section VI describes the policy implications, while Section VII concludes the study.

2. Theoretical Framework

2.1. Theory of Planned Behavior (TPB)

This study has its foundation in the theory of planned behaviour (TPB) proposed by Ajzen (1985, 1987, 1991) which links one's beliefs and behaviour. The foremost subject of this theory is that the best way to forecast and elucidate a person's conduct is through behavioural intent. Behavioral intention, in the meantime, is determined by attitude, subjective norms, and perceived behavioral control (Ajzen & Madden, 1986; Ajzen's (1991). Researchers have used TPB to foretell many human actions. The notion is that attitude, subjective customs, and apparent behavioural control together shape an individual's behavioural intentions and conduct. TPB was

proposed by Icek Ajzen to improve on the predictive power of the theory of reasoned action by integrating into it perceived behavioural control (Ajzen, 1991). It has been used for discovering associations among beliefs, attitudes, behavioural objectives and behaviours in various fields such as pure sciences, social sciences, arts, marketing, healthcare, and sustainability. It can indeed cover people's non-intentional behaviour which cannot be explained by the theory of reasoned action. However, an individual's behavioural intent cannot be the exclusive determinant of behaviour where an individual's control over his/her behaviour is incomplete. By adding "perceived behavioural control", TPB can explain the relationship between behavioural intention and actual behaviour.

In a simple form, behavioural intention in TPB can be expressed as the following mathematical function:

$$BI = W_A A + W_{SN} SN + W_{PBC} PBC \tag{1}$$

The three factors being proportional to their underlying beliefs (Ajzen, 1991).

$$A = \sum_{i=1}^{n} b_i e_i \tag{2}$$

$$SN = \sum_{i=1}^{n} n_i m_i \tag{3}$$

$$PBC = \sum_{i=1}^{n} c_i p_i \tag{4}$$

Where **BI** stands for behavioural intention, **A** stands for attitude towards behaviour, **b** stands for the strength of each belief concerning a result or a characteristic, **e** is the assessment of the result or characteristic, while **SN** stands for subjective norm. Moreover, **n** denotes the strength of each normative belief of each referent, **m** denotes the motivation to comply with the referent, while **PBC** is 'perceived behavioural control'. Others factors include **c** which stands for the strength of each control belief, **p** denotes the perceived power of the control factor, and **w** is the empirically derived weight / coefficient.

Several studies found that TPB better predicts health-related behavioural intention as compared to the theory of reasoned action (Ajzen, 1989). TPB improves the predictability of intent in various health-related fields such as birth control, sports, workout, and

nutrition. Moreover, both TPB and the theory of reasoned action can expound the individual's social behaviour by making an allowance for "social norm" as an important factor. TPB is therefore a very potent and predictive model for explaining human behaviour. This is why health experts and nutritionists use this model quite often in their research and it remains relevant for explaining households' behaviour during the COVID-19 induced lockdown.

2.2. Empirical Review

Pandemics are uncommon yet are exceptionally damaging phenomena of nature that decimate the lives and the living of individuals. Humanity has experienced various pandemics but has triumphed over them one way or another. A recent study conducted by Jordà, Singh, and Taylor (2020) attempted to check the long-run economic impact of the COVID-19 pandemic. The findings showed that pandemics are trailed by decades long protracted periods of continued natural rate of interest that helps mitigate the fiscal burnout during the pandemic. Of course, pandemics are not only known for mass deaths but also for retarding the economic growth. Previous worldwide pandemics, for example, MERS and SARS are known for the financial and economic interruptions they caused (Siu & Wong, 2003; Hanna & Huang, 2004; Joo et al., 2019). The economic impact of these outbreaks was not as serious as the COVID-19 pandemic (Fernandes, 2020; Estrada, Park, Koutronas, Khan, & Tahir, 2020) and there are worries that the economic effect of the future pandemic can be three-fold than that of SARS.

Recent researches examined the devastating effect of coronavirus on humanity. An example is Haleem, Javaid, and Vaishya (2020) who found that COVID-19 has affected daily activities and slackened the growth of the economies, worldwide. The authors contended that the economic impacts of COVID-19 include the slowing down of the production of consumer goods, interruption of the supply chain of goods, losses in national and transnational businesses, meager cash flow in the market, and substantial decline in revenue growth. The social consequences include the withdrawal or rescheduling of sports and recreational activities, religious activities and an unwarranted anxiety among the populace. Other negative effects are social distancing with friends

and family members, closure of hotels, restaurants and religious places, closure of places for entertainment such as movie and play theatres, sports clubs, gymnasiums, swimming pools and so on. Fornaro and Wolf (2020), using a simple model, showed that the COVID-19 pandemic has elicited a negative supply shock. They recommend that fundamental policy interventions, both monetary and fiscal, are needed to prevent this negative supply shock from severely affecting employment and productivity. Ramelli and Wagner (2020) showed that the health crisis is transformed into an economic crisis amplified through financial channels.

McKenzie (2020) contends that there is insufficient manpower, particularly that of critical care doctors and consultant anesthetists, to manage a small number of ICUs in the US. Moreover, there is an enormous burden of infectious diseases with evolving viral sicknesses, such as Ebola hemorrhagic fever and Lassa hemorrhagic fever, as well as most importantly infections like (HIV, malaria, and tuberculosis). Mortality has always been the highest in the US for all of these type of diseases as compared to other developed countries. These infections are accompanied with fever, which is also a symptom and an indication for COVID-19, thus making it hard to conclude which patients to screen.

Dong, Du, and Gardner (2020) reason that they anticipate the same obstacles from the African community as discovered in the recent Ebola hemorrhagic fever epidemic in the Democratic Republic of Congo (DRC), such as the distrust of health care teams, the conviction that the virus was made-up and non-compliant intentions including hiding from health caregivers and non-disclosure of health status. Nuwagira and Muzoora (2020) contend that lifestyles like shaking of hand, social gathering, breach of isolation rules, and contact with the deceased may see the number of cases rise in Africa.

Ozili and Arun (2020) found that the growing number of lockdown days, monetary policy decisions and international travel restrictions have severely affected the level of economic activities, worldwide. It has also affected the closing and opening as well as the lowest and highest stock price of major stock market indices, globally. Moreover, they noted that the forced restrictions on the

internal movement of people and higher fiscal spending have a positive impact on the level of economic activities. Kuckertz et al. (2020) state that coronavirus (SARS-CoV-2) and the dispersal of COVID-19 has led many governments to take harsh measures. They argue that the lockdown of the large parts of the country and shutting down of the economic life came as an exogenous shock to many economic actors and innovative start-ups. Oruonye and Ahmed (2020) found that the pandemic and the spread of COVID-19 virus in Nigeria has led to speedy closures in towns and states across the country which has in turn harshly affected the tourism industry. Ozili (2020) found that the pandemic has affected social relations and economic activities through the enforced social distancing policies that have different levels of severity and compliance in different African countries. He argues that a practical inference of the findings is that social policies can affect the social and economic welfare of the people. Secondly, the coronavirus outbreak has revealed how a biological calamity can be changed into a sociological phenomenon. According to him, the most vital sociological significance of the coronavirus disease for African citizens is the appearance of social apprehension among families and households in the continent. The outbreak has also exposed how susceptible African societies are to health hazards. Ozili, therefore, advises that policymakers should implement social policies that unite communities in bad times to reduce social disquiet.

Carlson, Dabla, Saito, and Shiy (2015) in their research which they conducted for the World Bank surveyed how access to finance by households provides risk-sharing benefits in Nigeria. They found that households with some financial access are better able to even consume than those without access. Their findings also showed that the differential impact of adverse shocks on consumption is 15 percentage points on average. This outcome was mostly driven by households with informal financial access and by household savings, rather than borrowing. A major policy implication can be drawn from their result. Enhanced access to formal (banks) or semi-formal financial institutions (cooperative, savings association, and/or microfinance institution) is yet to bring consumption smoothing benefits for households in Nigeria. Furthermore, to address the absence of capacity and capital in these institutions, a

better comprehension of this disconnect between access and usage is desirable.

Onyekwena and Ekeruche (2020) forecast a reduction in household consumption in Nigeria as a result of the COVID-19 pandemic which stems from the following factors. Firstly, there is a partial (or full) restriction on movement, thereby prompting consumers to spend mainly on essential goods and services. Secondly, low expectations of future income, particularly for workers in the entertainment industry engaged for a short-term and/or on contract basis as well as the working poor in the informal economy. Thirdly, the loss of wealth and anticipated riches due to the decline in assets such as stocks and home equity will lead to a reduction in household consumption in Nigeria. They add that the Nigerian government has imposed a lockdown in Lagos and Ogun states (which have the highest number of coronavirus cases combined) in addition to Abuja and that state governments have hurriedly followed suit by enforcing lockdowns in their respective states. They also found that Nigeria has a burgeoning entertainment industry as well as a large informal sector which contributes about 65 percent of its economic output. The authors surmise that movement restrictions have not only reduced the consumption of non-essential commodities in general but have affected the income generating capacity of these groups, thus reducing their consumption expenditure.

The COVID-19 pandemic places Nigeria in a very difficult position as the nation faces the double-edged sword of hunger and coronavirus. To compound the problem is the opaque healthcare system with inadequate number of hospitals and insufficient quarantine centers to tackle the medical emergency. In the absence of restrictive measures the system may collapse and if the lockdown persists any longer, millions of workers may lose their jobs. This calls for rigorous research on these aspects to create a balance between saving lives and saving the economy, so that the losses from COVID-19 pandemic may be minimized.

3. Methodology

This research is based on a descriptive analysis and uses charts and tables to present the data obtained from the respondents. A

questionnaire was used to obtain information about socioeconomic variables, households' status, and the effect of COVID-19 induced lockdown on the financial capability of the respondents, especially regarding the contingency savings habit of households. The population of the study comprised Nigerians of the age range 18-46 years and above. However, the sample came from responses collated across the six geopolitical zones in no specific order. Sample size for this study was two hundred and eighty-eight (288). A multistage sampling procedure was used for the selection of households in the study area. The study adopted the convenient sampling technique to select the participants in the study area. It used frequency and percentage to analyze the perceptions of households regarding survival strategies, government supports and the effectiveness of compliance to government's orders.

4. Data Analysis

Frequency tables for each section and results generated from the instrument are presented in Tables 1-9. Tables 1 and 2 show the item-by-item percentage analysis of the structured questionnaire developed by the researchers exploring the socio-demographic features of the respondents.

Table 1

Age vs. Sex of the Respondents

Variable	Frequency (N=288)	Percentage (%)	Cumulative Frequency
1. Age			
[1] 18-25	12	4.17	0
[2] 26-35	48	16.67	60
[3] 36-45	88	30.56	148
[4] 46	24	8.33	172
[5] 46 above	116	40.28	288
2. Gender of the Respondents			
[1] Male		63.89	0
[2] Female	184	36.11	288
	104		

Table 1 shows the demographic data of the respondents in terms of their age vs. their sex. It shows that one hundred and sixteen

respondents (40%) were 46 years old and above, followed by eighty-eight (31%) respondents aged 36-45 years. Twelve respondents were within the age bracket of 18-25 years (4%). This distribution is graphically illustrated by the pie charts in Figures 2 and 3.
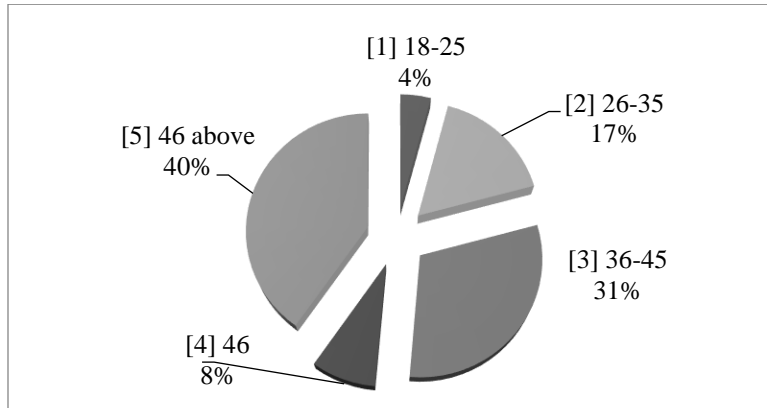

Figure 2. Age of the respondents

Gender distribution of the respondents is graphically illustrated by the bar chart in Figure 3 which shows that the majority of respondents are males (64%), while females constitute a minority of the respondents (36%).
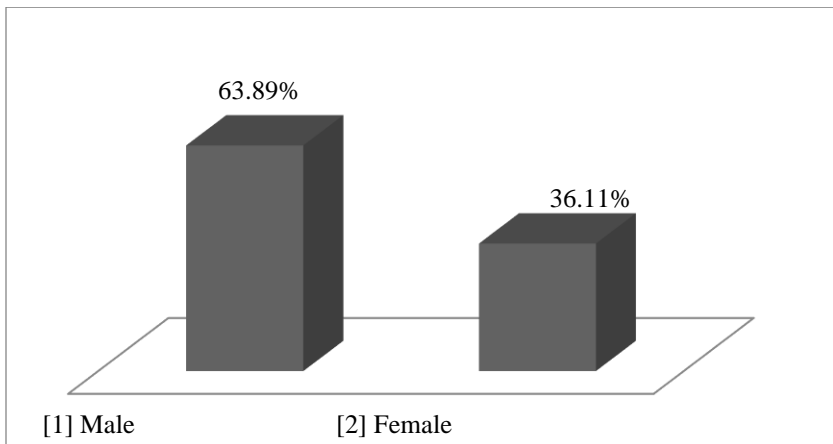

Figure 3. Gender of the respondents

Table 2 depicts the qualification and occupation of the respondents. It shows that most of the respondents had the post-secondary certificate (43%) and were public or civil servants (60%). They were followed by the respondents with post-graduate

certificates (29%) and traders (24%). According to the table, the number of secondary certificate holders was forty (14%), while eight respondents (3%) worked in the manufacturing sector. Similarly, the number of respondents in the service sector was sixteen (6%) and primary school certificate holders were also sixteen in number (6%). Lastly, the number of uneducated respondents and farmers was twenty-four each (8%).

Table 2

Educational Qualification and Occupation of the Respondents

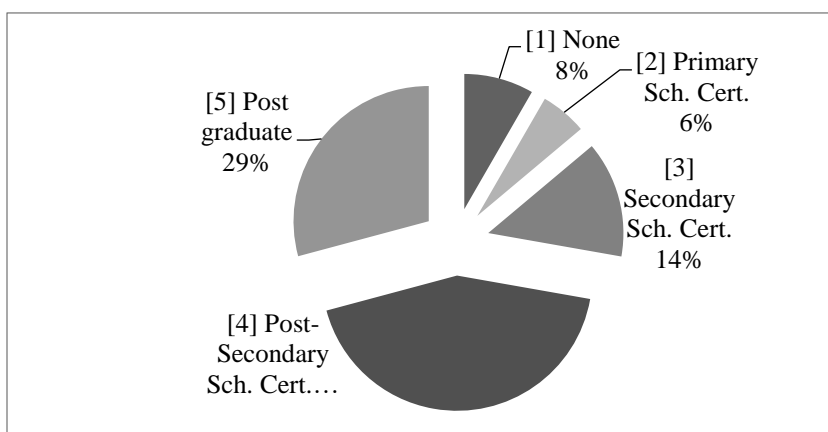| Variable	Frequency (N=288)	Percentage (%)	Cumulative Frequency
Educational Qualification of the Respondents			
[1] None	24	8.33	0
[2] Primary Sch. Cert.	16	5.56	40
[3] Secondary Sch. Cert.	40	13.89	80
[4] Post-Secondary Sch. Cert.	124	43.06	204
		29.17	288
[5] Post graduate	84		
Occupation of the Respondents			
[1] Public / Civil Servant	172	59.72	0
[2] Trader	68	23.61	240
[3] Manufacturer	8	2.78	248
[4] Service Sector Player	16	5.56	264
[5] Farmer	24	8.33	288

Figure 4. Qualification of the respondents

Figure 4 and Figure 5 are charts which respectively display the educational qualification and occupation of the respondents.
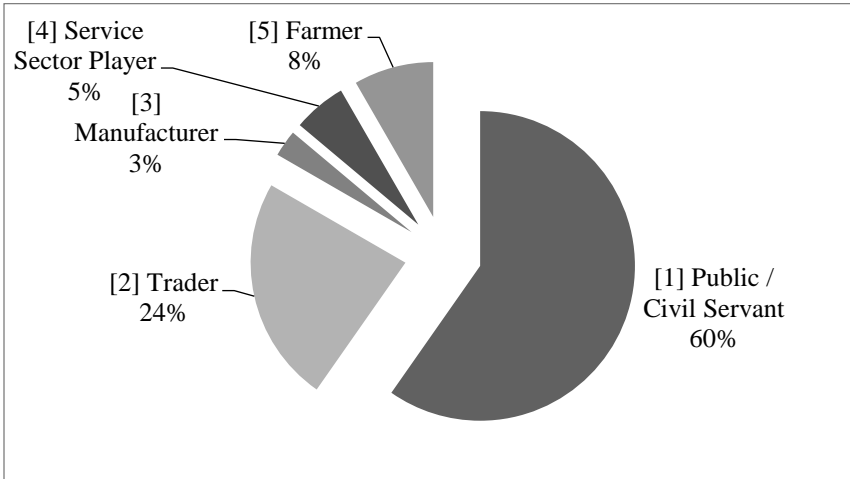

Figure 5. Occupation of the respondents

Table 3

Marital Status vs. Status in the Household

Variables	Frequency (N=288)	Percentage (%)	Cumulative Frequency
Marital Status			
[1] Married	192	66.67	0
[2] Single	72	25	264
[3] Divorced / Separated	24	8.33	288
Status in the household			
[1] Head of the Household	192	66.67	0
[2] Child	4	1.39	196
[3] Spouse	84	29.17	280
[4] Distance relation	8	2.78	288

Table 3 shows the item-by-item percentage analysis of marital status vs. status in the household of the respondents. According to the table, the majority of the respondents was married (67%) and had the status of 'head of the household' (67%). Moreover, the table shows that while seventy-two respondents (25%) were single, four (1%) and eight respondents (3%) were children and distant relations,

respectively. Furthermore, twenty-four respondents (8%) were divorced or separated, while spouses comprised eight-four (29%) respondents.

Table 4 depicts the item-by-item percentage analysis of COVID-19 pandemic induced lockdown vs. the compliance level with the stay-at-home order. As can be inferred from the answers given by the respondents, the majority (53%) reported that there was full lockdown in their respective states and there was partial compliance (62%) with it. Ninety-six respondents (33%) believed that there was partial lockdown in their states and ninety-two respondents (32%) were of the opinion that there was full compliance with the stay-at-home order. On the contrary, 40 respondents (14%) reported that there was no lockdown in their states and eight respondents (3%) reported that there was no compliance with the stay-at-home order.

Table 4

COVID-19 Pandemic Induced Lockdown vs. Level of Compliance

Variables	Frequency (N=288)	Percentage (%)	Cumulative Frequency
Is there lockdown in your state in the region?			
[1] Full lockdown	152	52.78	0
[2] No lockdown	40	13.89	192
[3] Partial lockdown	96	33.33	288
What is the level of compliance with the stay-at-home order?			
[1] Full compliance	92	31.94	0
			280
[2] Partial compliance	188	65.28	288
[3] No compliance	8	2.78	

Table 5 depicts the feeding and coping strategies of the respondents during the lockdown. As shown by the table, none of the respondents received any help from the government, employers and lawmakers. In fact, a whopping 62% of respondents said that there was no support from anywhere, while 69% said that they were able to stockpile foodstuff before the lockdown. However, 25%

received supplies from friends and families and another 13% received supplies from neighbors. Approximately 33% said that they were unable to stockpile foodstuff before the lockdown. As far as an adequate supply of electricity to preserve the perishable items is concerned, the findings showed that 49% of respondents had access to adequate power supply, while 51% reported the supply of electricity as too epileptic.

Table 5
Feeding and Coping Strategies

Variables	Frequency (N=288)	Percentage (%)	Cumulative Frequency
Were you able to stock the foodstuff before the lockdown			
[1] Yes	200	69.44	0
[2] No	88	30.55	288
If No, what were the coping strategies?			
[1] Supplies from friends and families	72	25	0
[2] Supplies from Federal Government and State Government through LGA	0	0	72
[3] Supplies from employers	0	0	72
[4] Supplies from neighbors	36	12.5	108
[5] Supplies from lawmakers	0	0	108
[6] No support from anywhere	180	62.5	288
Is there an adequate supply of electricity to preserve your perishables?			
[1] Yes, very adequate	140	48.61	0
[2] No, too epileptic	148	51.39	288

Source: researchers' analysis

Table 6 presents the item-by-item percentage analysis of data regarding strain on income and its coping strategies. Two hundred

and sixteen respondents (75%) said that there was so much strain on their income, while one hundred and twenty respondents (42%) said that they took their salary in advance to cope with the lockdown. Forty-eight respondents (17%) said to have a little strain on their income, while one hundred respondents (35%) said that they would go back to work to cope with the strain on their income during the lockdown. However, twenty-four respondents (8%) said that they could not really tell how they would cope with the lockdown. Another thirty-two respondents (11%) were of the opinion that they would borrow from friends and family to cope with the strain on their income.

Table 6
Strain on Income and Coping Strategy

Variables	Frequency (N=288)	Percentage (%)	Cumulative Frequency
Is there a strain on your income and savings as the lockdown continues?			
[1] So much strain on income	216	75	0
[2] Just a little strain on income	48	16.67	264
[3] Not really	24	8.33	288
What coping strategies will you employ in case the lockdown is extended?			
[1] Borrow from friend/family	32	11.11	0
[2] Take salary advance	120	41.67	152
[3] Go back to work	100	34.72	252
[4] Sell assets to raise fund	20	6.94	272
[5] Take bank loan	8	2.78	280
[6] Cope with my income/saving	8	2.78	288

Table 7 depicts the responses of the respondents regarding their contingency savings for an emergency of this nature. The respondents were asked if they were sure that their households could still cope financially if the lockdown was extended beyond 14th April, 2020. Eighty-four respondents (29%) answered in affirmative

and said that they had contingency savings. Sixty-two respondents (22%) said that they would cope well if the lockdown was extended beyond 14th April, 2020, while ninety-eight respondents (34%) stated otherwise. Similarly, two hundred and four (71%) respondents answered negatively when asked if they had any contingency savings for an emergency of this nature. Others said that they may be relatively good (20%), may be worse off (14%) and not applicable (10%) when asked if they could still cope if the lockdown was extended beyond 14th April, 2020 as shown in Figure 6.

Table 7

Savings and Coping Financially

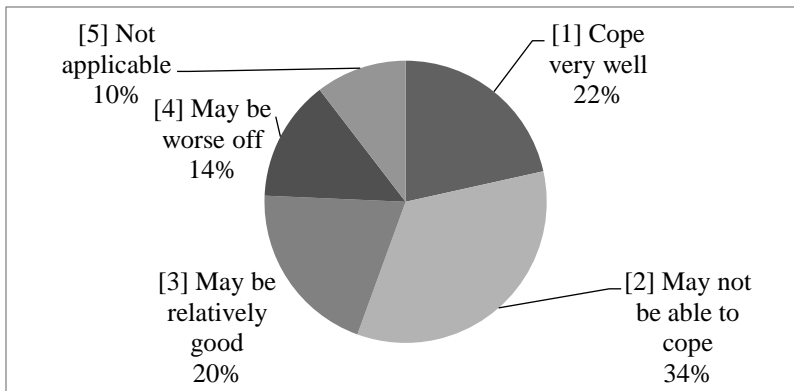| Variables	Frequency (N=288)	Percentage (%)	Cumulative Frequency
Do you have contingency savings for an emergency of this nature?			
[1] Yes	84	29.17	0
[2] No	204	70.83	288
If the lockdown is extended beyond 14th April, 2020, are you sure your household can still cope financially?			
[1] Cope very well	62	21.53	0
[2] May not be able to cope	98	34.03	160
[3] May be relatively good	58	20.14	218
[4] May be worse off	40	13.89	258
[5] Not applicable	30	10.42	288

Figure 6. Lockdown's extension and coping financially

Table 8

Overall Rating of Government's Palliative Measures vs. Regions of the Federation

Variables	Frequency (N=288)	Percentage (%)	Cumulative Frequency
Overall, rate the government's palliative measures on the scale of 1-5 rate (5 is the highest)			
[1] Very Poor	168	58.33	0
[2] Poor	44	15.28	168
[3] Fair	60	20.83	212
[4] Very Good	16	5.56	272
[5] Excellent	0	0	288
Which region of the federation are you?			
Please, select. [1] North Central	152	52.78	0
[2] North East	16	5.56	168
[3] North West	24	8.33	192
[4] South West	64	22.22	256
[5] South East	16	5.56	272
[6] South South	16	5.56	288

Table 8 shows the overall rating of the government's palliative measures regarding the COVID-19 pandemic vs. different regions of the federation. It shows that one hundred and sixty-eight respondents (58%) rated government's palliative measures as 'very poor', with one hundred and fifty-two respondents (53%) from the North Central zone. This indicates that the majority of the respondents belonged to this region of the federation. Similarly, while sixty respondents (15%) rated government's response as 'fair', others rated it as 'very good' (6%) and 'excellent' (0%). Respondents who came from the South West of the federation were sixty-four in number (22%), those who came from the North West were twenty-four (8%), and sixteen respondents each were from the North East (6%), South East (6%) and South South (6%). The majority was from the North Central region and it comprised one hundred and fifty-two respondents (52%). Figure 7 below depicts the overall government rating.
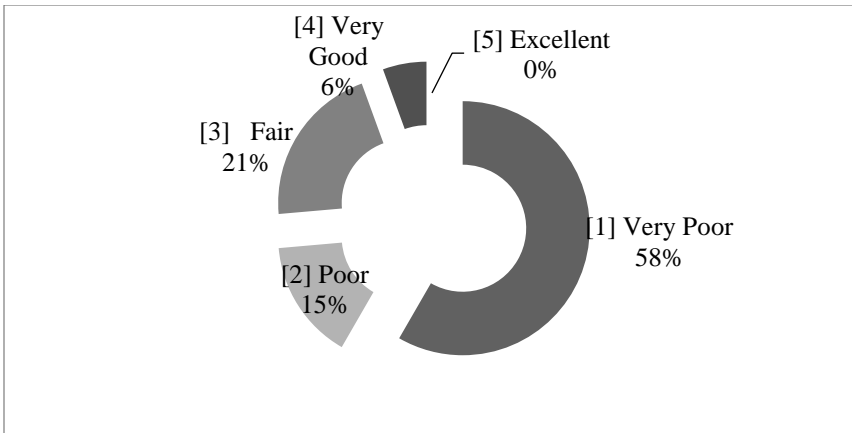
Figure 7. Overall rating of government's palliative measures

Table 9

Overall Rating of Government's Palliative Measures vs. Earning Status

Variables	Frequency (N=288)	Percentage (%)	Cumulative Frequency
Overall, rate the government's palliative measures on the scale of 1-5 rate (5 is the highest)			
[1] Very Poor	168	58.33	0
[2] Poor	44	15.28	168
[3] Fair	60	20.83	212
[4] Very Good	16	5.56	272
[5] Excellent	0	0	288
Earning status			
[1] Monthly income earner	232	80.56	0
[2] Daily income earner	48	16.67	280
[3] Unemployed	8	2.78	288

Table 9 depicts government rating vs. the earning status of the respondents. One hundred and sixty-eight respondents (58%) rated government's intervention as 'very poor', while forty-four respondents rated it as 'poor' (15%). In the same vein, 60 respondents (21%) and 16 respondents (7%) rated the government's

response as 'fair' and 'good', respectively. None of the respondents rated government's palliative measures as 'excellent'. On the other hand, the earning status shows that two hundred and thirty-two respondents (81%) earned a monthly income, while those who earned a daily income were forty-eight (17%), and the number of the unemployed respondents was eight (3%). The poor rating of government's intervention indicates the dismal response of government at all levels to the COVID-19 pandemic in Nigeria. Figure 8 below shows the earning status of the respondents.
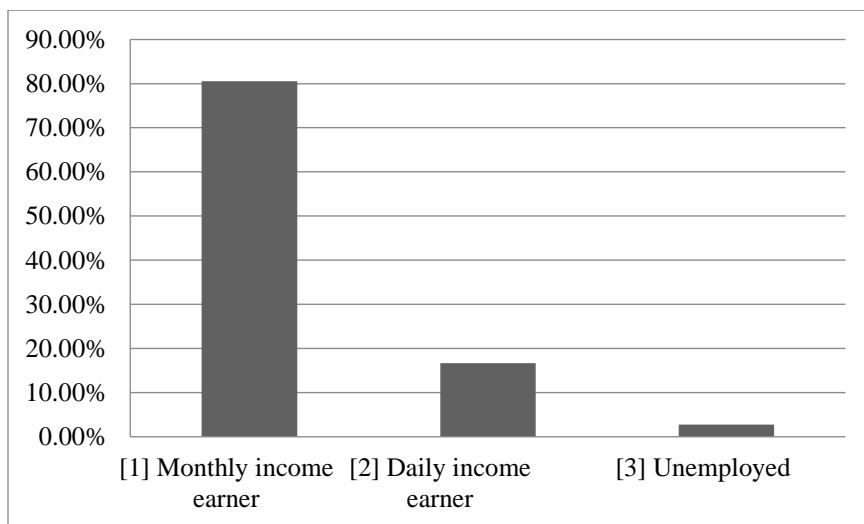

Figure 8. Earning status of the respondents

5. Policy Implications

The policy inference of the results is that social policies can indeed impact the social and economic welfare of the people. Furthermore, the coronavirus outbreak has exposed how a biological disaster can be metamorphosed into a sociological as well as an economic phenomenon. The most significant sociological consequence of the coronavirus outbreak for Nigerian citizens is the induced panic and apprehension among relations and homes in the country. The pandemic has also revealed how susceptible the Nigerian society is to health vulnerabilities. Policy-makers should, therefore, enforce social policies that can unite communities in bad times in order to reduce social anxiety and fear.

It can also be inferred that the lack of palliative measures lends support to the findings regarding non-compliance with full lockdown. The policy implications of the findings are that there has been an increase in household consumption of consumer goods due to partial (or full) movement restrictions, which has caused the households to spend primarily on essential goods and services. Hence, savings and investment as well as the consumption of capital goods have been impeded. Theoretically, the faster a nation transits from a developing nation to a developed nation, the lesser is the proportion of household income spent on food. This frees up more spending on non-food items and ensures a higher level of savings, which is a precursor for increased investment. Consequently, policy-makers need to put in more efforts to bolster the aggregate demand of both consumer and capital goods by increasing government spending as well as tax cuts for households and businesses to enable them to increase their productive capacities.

Moreover, the lockdown has not only reduced the consumption of non-essential goods in general, it has also affected the income-generating capacity of the households. Also, there are low expectations of prospective income particularly by workers in the informal sector which constitutes about 65 percent of the Nigerian economic output (Arezki et al., 2017). Eventually, there will be a decline in wealth and expected wealth due to the reduction in assets and home equity. The policy implication is that government's expenditure will increase as it has the capacity to run budget deficits and employ fiscal stimulus measures to counter the fall in consumer spending. Even though there are palliative measures in place, the Nigerian government needs to intensify efforts to improve the efficiency and effectiveness of the distributive mechanisms to reach the households worst hit by the COVID-19 pandemic.

6. Conclusion

This paper examined the financial coping strategies during COVID-19 pandemic induced lockdown from the households' perspective. It employed the survey method of research in which questionnaires were administered both online and physically to respondents across the six geographical zones of Nigeria. Two hundred and eighty-eight questionnaires were completed and analyzed. The questionnaire was

designed to elicit relevant information regarding how the households are coping with the COVID-19 pandemic induced lockdown in Nigeria. It was divided into four sections. Section 1 of the questionnaire considers the socio-demographic characteristics of the respondents. Section 2 collects the relevant information about the households. Section 3 examines the COVID-19 pandemic induced lockdown itself. The focus of sections 4 and 5 are COVID-19 pandemic induced financial constraints and the overall rating of the government's palliative measures, respectively.

The findings show that most households do not have contingency savings to address such emergencies; therefore, the lockdown has put a lot of strain on their personal income and savings. The findings also show that that households' rating of government supports remains very poor which has resulted in partial compliance with the stay-at-home order. Finally, the study shows that the most preferable coping strategy is salary advance, followed by returning to work, because households may not be able to cope otherwise. Borrowing the essential supplies from friends and families is next on the list of coping strategies, which is followed by the sale of personal assets to raise funds in order to meet the essential needs. Borrowing from banks has been the least adopted coping strategy used by households in Nigeria since the outbreak of the COVID-19 pandemic.

The study recommends households to adopt contingency savings habit and recommends the government to control the inflation rate which are important steps for returning towards normality. The government of Nigeria needs to prioritize the health sector in budget allocation for proper healthcare delivery. At the onset of the pandemic, the main concern of the government of Nigeria was to save lives through a nationwide lockdown. Later on, the government realized the danger of poverty and hunger and imposed a partial lockdown to allow economic activities albeit in a limited fashion. The existing situation in Nigeria calls for the need of implementing appropriate and consistent policies which ensure a balance between saving lives and saving the economy. Promoting exports badly hit by the COVID-19 pandemic will go a long way in reviving the economic activities. This scenario presents the importance of diversifying the economy in contrast with the reliance

on crude oil export earnings. The prospective export strategies should protect the interest of exporters through a sufficient stimulus package. The key to take Nigerian economy away from future losses caused by COVID-19 pandemic is the formulation and implementation of bold, consistent and appropriate government policies. Finally, the proper utilization of existing resources may assist the revival of the service sector of the economy.

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Appendix I

QUESTIONNAIRE ON COPING STRATEGIES IN CORONA VIRUS PANDEMIC LOCK-DOWN: THE HOUSEHOLDS PERSPECTIVE

Introduction

Dear respondent, this questionnaire is designed to collect data on the above topic in order to get households' perspective on effect of lockdown on their earning and the coping strategies employed. It is purely an academic research; no identifier is linked to the questionnaire to ensure blind responses and confidentiality.

Instructions: Kindly tick in your choice in the boxes provided. Thank you for your co-operation.

Serial No.

SECTION A. Personal Information of the Respondent

1. Age	[1] 18-25	[ ]
	[1] 26-35	[ ]
	[2] 36-45	[ ]
	[3] 46	[ ]
	[4] 46 above	[ ]
	[5] Other	[ ]
2. Gender of Respondent	[1] Male	[ ]
	[2] Female	[ ]
3. Marital Status	[1] Married	[ ]
	[2] Single	[ ]
	[3] Divorced/Separated	[ ]
4. Educational Qualification of Respondent	[1] None	[ ]
	[2] Primary Sch. Cert.	[ ]
	[3] Secondary Sch. Cert.	[ ]
	[4] Post-Secondary Sch. Cert .	[ ]
	[5] Post graduate	[ ]

5. Occupation of Respondent	[1] Public/Civil Servant	[	]
	[2] Trader	[	]
	[3] Manufacturer	[	]
	[4] Service Sector Player	[	]
	[5] Farmer	[	]

SECTION B. Information of the Household

6. Earning status	[1] Monthly income earner[	]
	[2] Daily income earner	[	]
	[3] Unemployed	[	]
7.Status in the household	[1] Head of Household	[	]
	[2] Child	[	]
	[3] Spouse	[	]
	[4] Distance relation	[	]
8. Which region of the Federation are you? Please, select.	[1] North Central	[	]
	[2] North East	[	]
	[3] North West	[	]
	[4] South West	[	]
	[5] South East	[	]
	[6] South South	[	]

SECTION C. COVID-19 Pandemic Lockdown

9. Is there lockdown in your state in the region?	[1] Fully lockdown [ ] [2] No lockdown [ ] [3] Partially lockdown [ ]
10. Is there index case of COVID-19 in the state you are?	[1] Yes [ ] [2] No [ ] [3] Not sure [ ]
11. What is the level of compliance with the stay home order?	[1] Full compliance [ ] [2] Partial compliance [ ]

	[3] No compliance [ ]
12. Were you able to stock the foodstuff before the lockdown	[1] Yes [ ] [2] No [ ]
13. If No, what have been the coping strategies?	[1] Supplies from friends & families [ ] [2] Supplies from Federal Government and State Government through LGA [ ] [3] Supplies from employers [ ] [4] Supplies from neighbors [ ] [5] Supplies from Lawmakers [ ] [6] No support from anywhere [ ]
14. If Yes, how long can these stocks last for the household?	[1] Finished [ ] [2] Next few days [ ] [3] Next 1 week [ ] [4] Next 1 month [ ]
15. Is there adequate supply of electricity to preserve your perishables?	[1] Yes, very adequate [ ] [2] No, too epileptic [ ]

SECTION D. COVID-19 Pandemic Financial Constraint

16. Is there a strain on your income and savings as the lockdown continues?	[1] So much strain on my income [ ] [2] Just a little strain on my income

	[ ] [3] Not really [ ]
17. Do you have contingency savings for emergency of this nature?	[1] Yes [ ] [2] No [ ]
18. If the lockdown is extended beyond 14th April, 2020, are you sure your household can still cope financially?	[1] Cope very well [ ] [2] May not be able to cope [ ] [3] May be relatively good [ ] [4] May be worse off [ ] [5] Not applicable [ ]
19. What coping strategies will you employ in case the lockdown is extended?	[1] Borrow from friends and family [ ] [2] Take salary advance [ ] [3] Go back to work [ ] [4] Sell asset(s) to raise fund [ ] [5] I can cope with my income and savings [ ]

SECTION E. Overall rating of Government's Palliative Measures

20. In overall, rate the government's palliative measures on the scale of 1-5 rate (5 is the highest)

[1] Very Poor   [ ]
[2] Poor   [ ]
[3] Fair   [ ]
[4] Very Good   [ ]
[5] Excellent   [ ]