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The Impact of the COVID-19 Pandemic on Household Financial Well-being

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ABSTRACT

Purpose: The current research is one of the few studies investigating the impact of COVID-19 on shattered households' financial well-being in light of Friedman's Theory of Consumption Function. It explored if there are statistical differences in the impact of COVID-19 due to the demographic variables of the study.

Design/methodology/approach: The study is descriptive and analytical. It used an online survey that targeted respondents representing 387 Palestinian households randomly selected from the community of the Gaza Strip.

Findings: The results showed a negative impact of the COVID-19 pandemic on households' financial well-being. It also revealed these households' lack of financial resilience due to the combined effect of the pandemic and the concurrent siege and its economic drawbacks. The statistical results demonstrated no statistically significant differences in the households' mean financial well-being scores due to gender before and during the COVID-19 pandemic. In contrast, it was found that there are statistically significant differences in the households' mean scores of financial well-being due to the (education level, number of household members, employability status, and the number of households' breadwinners) before and during the COVID-19 pandemic.

Research limitations/implications: The researcher conducted an online survey among the general population in the Gaza Strip during the COVID-19 pandemic between the 2nd and 5th of June 2021. Although the results of this study are based on the Palestinian context, the main hypotheses can be tested in other countries to assess the impact of COVID-19 on household financial well-being, especially in emerging countries.

Originality/value: This study is the first to address the financial and economic effects of the COVID-19 pandemic on households already shattered and torn by suffrage political and economic inequalities. It also demonstrates how people in emergencies tend to respond to the resulting conditions of the pandemic in the light of Friedman's Theory of the Consumption Function.

Keywords: COVID-19 pandemic, Financial Well-being, Households, Financial resilience, Financial conditions, Friedman Theory of Consumption Function

I. Introduction

The concept of financial well-being is defined as feeling in a state of financial security and healthy for today and in the future (Bureau, 2015). Financial

well-being studies tackled subjective and objective components (Porter & Garman, 1992; Shim et al., 2009; and Vlaev & Elliott, 2014). The Objective component focuses on overall financial conditions, such as savings, income, and debt (Cummins, 2013). The subjective component focuses on capturing people's perceptions or feelings about a situation or variables, such as satisfaction with the household's overall financial condition or frustration with a living

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standard (Greninger et al., 1996). Moreover, Financial well-being reflects the status where an individual or a household has sufficient financial resources to enjoy a comfortable life. Therefore, financial well-being means being financially healthy, happy, and free from worries. Financial satisfaction plays a vital role in life satisfaction. In this regard, Easterlin (2006) studied the relationship between happiness and overall satisfaction for four life domains (finance, family, health, and work). Financial satisfaction is the highest contributor to overall happiness among the said satisfaction domains.

The financial well-being of the Gazan households is the focus of the current study, considering that it bridges the gap in research in this topmost area. The Gaza Strip is a Palestinian coastal enclave with a 25-mile-long population of 2.106 million (PCBS, 2021); 73% of the population are refugees (UNRWA, 2019). The Gaza Strip has been under Israeli military blockade since 2007 (Shetty, 2018). A civilian basic and essential infrastructure is severely damaged due to the 2014 war, e.g., electricity, water supplies, sewage, etc. (Assembly, 2015). With a youth unemployment rate of over 70%, Gaza has one of the highest unemployment rates in the world (OCHA, 2018; Ryder, 2016; UNRWA, 2015; and UNRWA, 2018). Indeed, the Gaza Strip has suffered from a widespread outbreak of the COVID-19 pandemic. As of the 13th of October, 2021, there are 178452 COVID-19 cases, with 5953 active cases and 1487 COVID-19 deaths related to casualty (MOH-Gaza, 2021).

The recent COVID-19 pandemic has had an adverse economic impact on households around the world. Meanwhile, the issue of financial well-being is vital for developing countries in general and Palestine in particular because they suffer from high poverty rates. The Gaza Strip is facing an impending crisis due to the COVID-19 pandemic. As a result of the blockade imposed on the Gaza Strip and the Palestine-Israeli conflict, the Gaza Strip has recorded a poverty rate of 53%. The study of Béné recommended that the employment opportunities in the Gaza strip must be addressed during the COVID-19 pandemic to preserve households' resilience (Béné, 2020). The

COVID-19 pandemic has caused a massive global economic shock due to business interruptions and lockdowns resulting from social-distancing measures. Generally, in response to the pandemic recession, it is important to discuss and focus on the effect of economic conditions on well-being (Friedline et al., 2021).

II. Literature Review

A. Relevance to the literature

To evaluate the socio-economic impact of COVID-19 on households, the microeconomic theories are the most relevant to estimate the direct impact of the pandemic on household financial well-being. Among these, Friedman's Theory of the Consumption Function is the underpinning theory of this work As it links aggregate consumption and aggregate income. According to Friedman, income and consumption can be permanent or transitory. Permanent income happens when households enjoy a "normal" level of income that they expect over their lives without facing income shocks. As a result, households will maintain a steady level of consumer behavior because permanent consumption results from permanent income. Transitory or irregular income, on the other hand, takes place when households come across fluctuating levels of income. Transitory income is a significant contributor to transitory consumption, which happens when households have fluctuating income in response to various crises affecting their spending behavior. In the case of COVID-19, households had to spend on multiple unexpected activities, which affected household financial well-being (Friedman, 1957).

The employees will save money just if their current income exceeds their expectations about future permanent income. This is to hedge against future decrease or cut in income (M. Sabri et al., 2020). In addition, the studies by Heath & Soll (1996), Karlsson et al. (1999), and Shefrin & Thaler (1988) showed that household income determines their

expenses. The study of Karlsson et al. (2005) showed that households who considered themselves in a bad financial situation reported fewer purchases of goods than those who considered themselves in a good financial situation. Moreover, the studies by Ceccato, Di Crosta, et al. (2021), Ceccato, Palumbo, et al. (2021) showed that households with limited financial resources were the most worried about the future in the context of the COVID-19 emergency. In the United States, Chetty et al. (2020) find that households reduce their consumption sharply in response to the pandemic. Coibion et al. (2020) see that the lockdowns not only negatively affected consumer spending and employment but also primarily affected households' expectations about the economy. Chronopoulos et al. (2020) examine the change in household spending in the United Kingdom and find that household consumption dropped during the Covid-19 pandemic. Chen et al. (2021) examine the response of households in China; they find that the overall spending during the Covid-19 pandemic was severely affected by categories like dining, entertainment, and travel. Given this fact, Blundell et al. (2020) found that consumption was reduced by 34% due to job loss shock during the pandemic. Shek (2021) indicated that the Covid-19 pandemic had created two new financial burdens on households, especially those suffering from economic disadvantage; the first one is prevention, such as personal hygiene and wearing masks, whereas the second burden is the cost of treatment, drugs, and staying in the hospital. As such, when societies came across unpredictable or unexpected COVID-19, households were forced to undergo an income shock resulting from job loss, salary cutting, and lockdowns which, in turn, affected their spending behaviors. Aggravating the conditions is that households will suffer even more from future aggregate debt burdens accompanied with increased expenditure.

However, to the best of the researcher's knowledge, no studies in the emerging countries addressed how households' spending, income, and financial well-being react to the covid-19 pandemic. In the Gaza context, Sen (2020) argued that the Gaza Strip is very vulnerable to COVID-19 pandemic effects as

a result of deteriorating political and economic conditions.

Most households suffer from reduced income as a result of the COVID-19 lockdown, and some others even lost their income source. Therefore, this study aims to examine the impact of COVID-19 on household financial behavior and financial well-being in the Gaza Strip. Given these consequences, COVID-19 caused suffering to poor citizens as a result of inappropriate response to the pandemic and the lack of adequate social welfare programs that would have catered for the majority of the poor and vulnerable citizens affected by the pandemic. Not only did the pandemic create health issues, but also it came with unfavorable economic consequences. In the Gazan case, the pessimistic outlook of households towards the deteriorating financial and economic conditions forced them to change their consumption behavior in terms of panic buying and stocking up on essential food and commodity items.

This work addresses the financial and economic effects of the COVID-19 pandemic on households in the Gaza Strip which are already shattered and torn by suffrage political and economic inequalities. It also demonstrates how people in emergencies tend to respond to the resulting conditions of the pandemic in the light of Friedman's Theory of the Consumption Function.

The socio-economic theories explain the behavior of people and households to face economic changes; Friedman's Theory of the Consumption Function is one of those theories that household spending reacts to their expectation of future expected income. The economic behavior is likely to differ according to demographic characteristics.

B. Hypothesis development

Hypothesis testing is needed to determine whether households' financial well-being scale average score differ by (gender, education level, number of household members, number of household breadwinners, the breadwinner level of education, and employability

status of the breadwinner) as major demographic characteristics before and during the COVID-19 pandemic.

Regarding the COVID-19 pandemic, it is essential to understand the needs of households according to the characteristics of breadwinners, number of household members, and number of household breadwinners. Based on the analyzed results, it is possible to establish appropriate strategies to help the government, donors, and other stakeholders act according to those characteristics. Therefore, it is necessary to test the hypothesis of whether there is a difference in households' financial well-being scale average scores by demographic characteristics before and during the COVID-19 pandemic. To test the hypotheses, the Financial Well-being Scale of Professor Elaine Kempson of the University of Bristol has been used for data collection (Poppe & Kempson, 2020). Therefore, the hypotheses were established as follows.

1. Gender differences in financial well-being

The link between female-headed households and well-being in emerging countries attracts a substantial body of literature (Khan & Khalid, 2012). Such households are expected to face forceful challenges in terms of access to resources and control over the allocation of resources within the household (DeGraff & Bilsborrow, 1993). Therefore, it is assumed that female-headed households had lower access to resources than male-headed households during the Covid-19 pandemic. In the context of developing countries, female breadwinners encounter financial inequalities (Yoosefi Lebni et al., 2020); they consider financial crises permanent and reduce their expenses to cope with unfavorable economic changes (Kodongo, 2018). In addition, they are less financially literate (Potrich et al., 2018). Thus, they are expected to reduce spending. On the other hand, male breadwinners, unlike females, are expected to be more resilient in the face of economic crises. When financial shocks arise, they tend to consider them transitory and believe their income is permanent, even though they experience

a substantial income decrease. Hence, their financial behaviors are expected to be more consistent with Friedman's theory than those of the female counterparts. In light of what has been argued, the following hypothesis was developed:

Hypothesis 1: There are statistically significant differences at ($\alpha \leq 0.05$) in the households' mean financial well-being scores due to the breadwinner's gender before and during the COVID-19 pandemic.

2. Education differences in financial well-being

Education is a key determinant in households' development, and it directly influences their financial well-being (Thapa, 2013). Education reduces the harmful effects of economic shocks; higher educational attainment helps find employment opportunities, increases income, and leads to better decision-making capacity. Kidane et al. (2005) found that educational attainment positively and significantly impacts household well-being. Mutisya et al. (2016) concluded that rich households with higher educational attainment are more able to achieve financial resilience and secure food than those with low educational levels.

In the context of developing countries, households' breadwinners with lower educational attainment encounter financial difficulties (Lusardi, 2012). They consider financial crises permanent and cut down their expenses to cope with unfavorable economic changes. In addition, they are less financially literate (Potrich et al., 2018). Thus, they are expected to reduce spending. Households' breadwinners with higher educational attainment are expected to be more resilient in the face of economic crises. When financial shocks arise, they tend to consider them transitory and believe their income is permanent, even though they experience a substantial income decrease. Hence, their financial behaviors are expected to be more consistent with Friedman's theory than those with lower educational attainment. In light of what has been argued, the following hypothesis was developed:

Hypothesis 2: There are statistically significant differences at ($\alpha \leq 0.05$) in the households'

mean financial well-being scores due to the breadwinner's education level before and during the COVID-19 pandemic.

3. Number of household members differences in financial well-being

Financial well-being is a socio-economic issue in emerging countries. There is strong evidence that household financial well-being is affected by size (Sultan, 2018). Orbeta Jr, (2005) stated that there is a negative relationship between family size and financial well-being. Those with huge households prompt a negative influence on household savings as they demand more money spent on necessities and less money saved for the household. The total size of the household affects the welfare of households. Households with smaller family sizes are more likely to be rich (Deressa & Sharma, 2014 and Bersisa & Heshmati, 2016). Unlike large-sized families, small-sized families are expected to be more resilient in the face of economic crises. When financial shocks arise, they affect less. Hence, their financial behaviors are expected to be more consistent with Friedman's theory than those of large families. On the other hand, Eyasu (2020) found that the household size effect is expected to be positive when a household has a large household size. This implies more economically active household members (less dependency ratio) and negative otherwise. In light of what has been argued, the following hypothesis was developed:

Hypothesis 3: There are statistically significant differences at ($\alpha \leq 0.05$) in the households' mean financial well-being scores due to the number of household members before and during the COVID-19 pandemic.

4. Employability status differences in financial well-being

The employment status of the household breadwinner is a key determinant factor associated with the probability of household well-being (Sekhampu, 2013). Albert & Collado (2004) concluded that the employment status of the household breadwinner determines household income. The researcher hypothesizes

that households affected by COVID-19 (i.e., those that are unemployed or have lost their jobs due to the pandemic) will experience a significantly lower level of financial well-being compared to those unaffected. Further, it is postulated that households whose heads lost their jobs partially or totally due to the pandemic will be significantly worse off in financial well-being than unaffected households. Employees with permanent contracts are expected to have greater financial resilience than those who have lost their jobs in whole or in part. Thus, they are more consistent with Friedman's theory of permanent income. In light of what has been argued, the following hypothesis was developed:

Hypothesis 4: There are statistically significant differences at ($\alpha \leq 0.05$) in the households' mean financial well-being scores due to the breadwinner's employability status before and during the COVID-19 pandemic.

5. Number of household breadwinners' differences in financial well-being

Diversification of income sources is significant for individuals or households in developing countries. It is associated with a rise in income and improves the households' financial well-being (Mat & Abdul-Hakim, 2011). Single-headed households are more vulnerable and thus more likely to face reduced consumption during financial shocks (Capaldo et al., 2010). Having more than one breadwinner gives the family resilience to face economic shocks, so families headed by more than one person are expected to be more consistent with Friedman's theory of permanent income. In light of what has been argued, the following hypothesis was developed:

Hypothesis 5: There are statistically significant differences at ($\alpha \leq 0.05$) in the households' mean financial well-being scores due to the number of household breadwinners before and during the COVID-19 pandemic.

III. Materials and Methods

The research employed the descriptive analytical approach to explore the impact of COVID-19 on household financial well-being among Palestinian families in the Gaza Strip. The study examined the household financial well-being before and during the pandemic outbreak to assess how it affects the households' financial well-being.

The researcher conducted an online survey among the general population in the Gaza Strip during the COVID-19 pandemic between the 2nd and 5th of June 2021. A simple random sampling method was used to select the study sample. The sample consisted of participants representing 387 households. Data was collected using the Financial Well-being Scale of Professor Elaine Kempson of the University of Bristol Poppe & Kempson (2020) in order to measure financial well-being. The present study adapted the indicators of Sabri et al. (2012) to measure financial well-being, including the saved money, current overall financial status, and financial management skills.

Data analysis and results comprise two subsections. The first is demographic characteristics, and the second is financial well-being questions. Frequency tests, t-test analysis, and one-way ANOVA were performed to analyze the study's objectives.

IV. Results and Discussion

This paper delves into the impact of the COVID-19 pandemic on Palestinian households in the Gaza Strip. Three hundred eighty-seven respondents in the Gaza Strip answered the online survey.

A. Demographics

Descriptive statistics presented in Table 1 show

that 26.4% of households were headed by women, while men headed 73.6%. Only 1% of households' breadwinners were uneducated, 8.3% of them did not complete their school education, 14.5% completed their secondary education, 13.2% completed their college or further education, 45.7% completed their Bachelor's degree, and 17.3% held postgraduate degrees (Master's degree or higher). The same table shows that 21.4% of households are formed from less than four members, 30.2% of households are formed from four to less than six members, 28.7% of households are formed from six to less than eight members, 15% of households are formed from eight to less than ten members, and 4.7% households are formed from more than ten members. Moreover, 49.1% of households' breadwinners live in their own houses, while 41.9% live in their families' houses, and 8.8% live in rented houses. Finally, 80.4% of respondents have only one household breadwinner.

B. Economic circumstances by levels of current financial well-being

As shown in Table 2, 38.5% of respondents are employed full-time, 12.9% are employed part-time, 17.6% are self-employed / contractors running their own business, 8.3% are retired, while 22.7% are unemployed. According to the study results, 38.2% of the respondents stated that their households did not need financial and humanitarian assistance during the pandemic. In comparison, 41.9% believe that their households needed financial assistance during the pandemic but did not receive it. Furthermore, 15% of the respondents believe that the households received little assistance during the pandemic, and none of the respondents mention that their households received sufficient financial compensation during the pandemic. As a result of the COVID-19 pandemic, 14.5% of the surveyed heads of households lost their jobs completely, while 35.7% partially lost their jobs. The net income of 50.9% of the heads of households had reduced as a result of the pandemic, of whom 39.8% had their net income decreased by more than

Table 1. Demographics

Demographic Characteristics		Analysis	
		N	%
Gender	Male	285	73.6
	Female	102	26.4
Education	Uneducated	4	1
	Did not complete their schooling	32	8.3
	Completed their secondary education	56	14.5
	Completed their college or further education	51	13.2
	Completed their Bachelor's degree	177	45.7
	Hold postgraduate degrees	67	17.3
Household Members Size	Households formed from less than four members	83	21.4
	Households formed from four to less than six members	117	30.2
	Households formed from six to less than eight members	111	28.7
	Households formed from eight to less than ten members	58	15.0
No. of Household breadwinner	The household has more than one breadwinner	76	19.6
	The household has only one breadwinner	311	80.4

Table 2. Economic Circumstances by Levels of Current Financial Well-being

Economic circumstances by levels of current financial well-being		Analysis	
		N	%
Employment Situation	Employed full-time	149	38.5
	Employed part-time	50	12.9
	Self-employed/ contractor/ running own business	68	17.6
	Retired	32	8.3
	Unemployed	88	22.7
Financial assistance during the pandemic	Households do not need financial and humanitarian assistance during the pandemic.	148	38.2
	Households needed financial assistance during the pandemic but did not receive it.	162	41.9
	Households received little assistance during the pandemic.	58	15
	Households received sufficient financial compensation during the pandemic	0	0
	Don't know	19	5
Households' job and income changes	The heads of households surveyed lost their jobs completely	56	14.5
	The heads of households partially lost their jobs	138	35.7
	The net income of heads of households had reduced as a result of the pandemic	197	50.9
	The net income of the households heads reduced by more than 50%	154	39.8
	Bonuses and incentives were canceled	148	38.2

50%, and bonuses and incentives were canceled among 38.2% of them. The above-mentioned statistics

indicate the negative impact of the COVID-19 pandemic on the financial situation of Palestinian households

in the Gaza Strip.

The results in Table 3 show that 18.6% described their financial situation as very bad during the pandemic, while this percentage was 1.3% before the pandemic. Those who described their financial situation as bad during the pandemic were 26.1%, compared to 11.1% before the pandemic. While the percentage of those who expressed their condition as good before the pandemic was 32.8%, compared to 19.4% during the pandemic. Likewise, those who described their financial situation as very good decreased from 20.9% before the pandemic to 7.2%.

C. Financial resilience

As shown in Table 4, 32.3% of households used their savings during the pandemic to make ends meet, 11.1% of the households had savings but didn't use any of them during the pandemic, while 49.9% of the households did not have any savings.

Concerning the resilience of the households, Table 5 demonstrates that 18.3% expressed their households' ability to cover the basic expenses for more than 12 months, and 10.6% believed that their households

would be able to cover basic expenses for a period ranging from 6 - 12 months, and 9.8% predict that their households will be able to cover basic expenses for a period ranging between 3 - less than 6 months. While 10.1% believed that their households would only be able to cover their basic expenses for a period ranging from 1 - less than 3 months, 7% believed that their households would be able to cover their basic expenses for less than one month. In contrast, 23.5% believed that their households would never be able to cover their expenses without resorting to borrowing. It is worth mentioning that 20.7% could not predict the period for which the households will be able to cover their basic expenses.

Based in the results shown in Table 6, during the pandemic, the number of respondents who believed they could make ends meet quickly was 10.6%, compared to 26.6% before the pandemic. While, 33.6% of respondents believed that they were able to make ends meet during the pandemic with little difficulty, compared to 48.1% before the pandemic. 37.5% of respondents believed that their households could make ends meet during the pandemic, but with many difficulties, compared to 20.9%. Also, 16.8% of the respondents considered that their households

Table 3. The Financial Situation

Economic circumstances by levels of current financial well-being		During		Before	
		N	N	%	%
The financial situation	Very bad	72	18.6	5	1.3
	Bad	101	26.1	43	11.1
	Normal	109	28.2	128	33.1
	Good	75	19.4	128	33.1
	Very good	28	7.2	81	20.9
	Don't know	2	0.5	2	0.5

Table 4. Employment Situation

		Analysis	
		N	%
Employment Situation	Used their savings during the pandemic to make ends meet	125	32.3
	Had savings but didn't use any of them during the pandemic	43	11.1
	Did not have any savings	193	49.9
	Don't Know	26	6.7

Table 5. Ability to Make Ends Meet (Period)

		Analysis	
		N	%
Ability to make ends meet (Period)	More than 12 months	71	18.3
	From 6 to less than 12 months	41	10.6
	From 3 to less than 6 months	38	9.8
	From 1 to less than 3 months	39	10.1
	Less than one month	27	7.0
	Has no ability	91	23.5
	Don't Know	80	20.7

Table 6. Ability to Make Ends Meet

		During Pandemic		Before Pandemic	
		N	%	N	%
Ability to make ends meet	Households were able to make ends meet easily.	13	3.4	65	16.8
	Households were able to make ends meet during the pandemic with little difficulty.	81	20.9	145	37.5
	Households were able to make ends meet	186	48.1	130	33.6
	Households were not able to make ends meet.	103	26.6	41	10.6
	Don't Know	4	1.0	6	1.6

could not make ends meet during the pandemic, compared to 3.4% before the pandemic.

D. Financial strain at different levels of current financial well-being

Figure 1 shows that, during the pandemic period, 10.3% of the respondents whose households were unable to pay the rent of their homes, 38.5% were unable to pay their electricity bills, 16% failed to pay loans installments, 37.7% were unable to pay municipal utility fees, 41.3% were indebted to retail stores due, 28.4% were unable to pay their phone and internet bills, 39.3% did not pay the installments of due products and services such as (education installments, products, and other services), and 20.4% of the households had not faced any of the previous defaults.

E. Future outlook

With reference to Table 7 above, only 5.7% of the households are not worried about the availability of their financial needs in the near future, 20.7% of the households feel very little anxiety, and 43.2% of the households feel anxious. In comparison, 26.9% of the households are very concerned about providing for financial needs shortly.

F. Households' financial well-being scale averages score according to demographic characteristics.

1. Gender differences in financial well-being

A different analysis was conducted on the gender of households' breadwinners. Gender consists of two groups, male and female, and is analyzed using the Two Independent Sample t-test to verify whether there is a meaningful difference. The hypothesis was

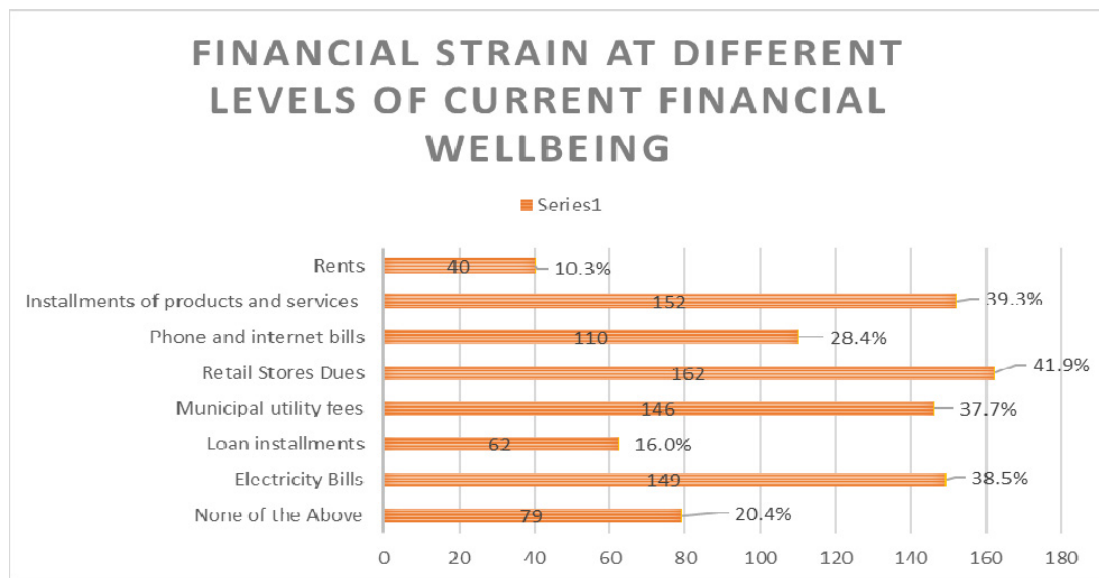


Figure 1. Financial Strain at Different Levels of Current Financial Well-being

Table 7. Future Outlook

Future Outlook		N	%
Future Outlook	Households are very concerned about providing for financial needs in the near future	22	5.7
	Households feel anxious	80	20.7
	Households feel very little anxiety	167	43.2
	Households are not worried about the availability of their financial needs in the near future	104	26.9
	Don't Know	14	3.6

developed to confirm whether there was an average difference according to gender. The hypothesis states that 'There are statistically significant differences at ($\alpha \leq 0.05$) in the households' mean financial well-being scores due to the breadwinner education level before and during the COVID-19 pandemic'. Table 8 summarizes the comparison of households' financial well-being. The averages for the scale are listed for gender and financial characteristics. The bivariate analysis test results showed no statistically significant differences ($\alpha \leq 0.05$) in the households' mean financial well-being scores due to gender before and during the COVID-19 pandemic. Thus, this means that households led by males and females in the

Gaza Strip are suffering from the COVID-19 pandemic. This result goes in line with the assumptions of Friedman's theory that transitory consumption happens when households have fluctuating income in response to various crises affecting their spending behavior regardless of breadwinner's gender, and it is consistent with Gerrans et al. (2014), and Louis & Zhao (2002) who did not find gender differences in financial well-being. This result is inconsistent with the findings of DeGraff & Bilsborrow, (1993) Yoosefi Lebni et al. (2020) and Potrich et al. (2018) who find female-headed households less resilient than male-headed households during economic crises.

Table 8. T-test Results of Households' Financial Well-being Scale Averages Score according to Gender

Demographic and the Financial Situation		Number	Mean	SD	%	Test Statistics
During	Male	283	2.760	1.169	73.5	t =1.538
	Female	102	2.549	1.232	26.5	
Before	Male	283	3.640	0.970	73.5	t =0.799
	Female	102	3.549	1.011	26.5	

* p\0.05, ** p\0.01, *** p \0.001

G. Education differences in financial well-being

A different analysis was conducted on education level, which was classified into; uneducated, did not complete their schooling, completed their secondary education, completed their college or further education, or completed their Bachelor's degree. They were analyzed using the analysis of variance, which is useful when verifying the difference in the mean between three or more groups. Since the independent variable is one variable, one-way ANOVA was used. The hypothesis states that 'There are statistically significant differences at ($\alpha \leq 0.05$) in the households' mean financial well-being scores due to the breadwinner education level before and during the COVID-19 pandemic'. The results of the one-way ANOVA test results displayed in Table 9 shows that there are

statistically significant differences at ($\alpha \leq 0.05$) in the households' mean financial well-being scores due to the education level before and during the COVID-19 pandemic. The differences in the households' mean financial well-being scores due to the education level favored postgraduate degrees. This means that the holders of postgraduate degrees follow the permanent income, and they enjoy a "normal" level of income that they expect over their lives without facing real income shocks and have better financial literacy. This result is consistent with Thapa (2013), Kidane et al. (2005), Mutisya et al. (2016), Taft et al. (2013), and Joo & Grable (2004) that have proven a positive relationship between education level and financial well-being.

Table 9. One-Way ANOVA Results of Households' Financial Well-being Scale Averages Score according to Education Level

Demographic and the Financial Situation		Number	Mean	SD	%	Test Statistics
During	Uneducated	4	2.000	1.414	1	F =8.471***
	Did not complete their schooling	32	2.000	1.047	8.3	
	Completed their secondary education	56	2.446	1.127	14.5	
	Completed their college or further education	51	2.529	1.084	13.2	
	Completed their Bachelor's degree	175	2.720	1.182	45.5	
	Hold postgraduate degrees	67	3.388	1.072	17.4	
Before	Uneducated	4	2.750	1.500	1	F =4.906***
	Did not complete their schooling	32	3.063	1.105	8.3	
	Completed their secondary education	56	3.554	0.971	14.5	
	Completed their college or further education	51	3.549	0.901	13.2	
	Completed their Bachelor's degree	175	3.634	0.949	45.5	
	Hold postgraduate degrees	67	3.985	0.896	17.4	

* p\0.05, ** p\0.01, *** p \0.001

H. Number of household members differences in financial well-being

A different analysis was conducted on a number of household members, which were classified into; households formed from less than four members, households formed from four to less than six members, households formed from six to less than eight members, households formed from eight to less than ten members, and households formed from more than ten members. The analysis was conducted using the analysis of variance (one-way ANOVA). The hypothesis states that 'There are statistically significant differences at ($\alpha \leq 0.05$) in the households' mean financial well-being scores due to a number of household members before and during the COVID-19 pandemic'. The results of the one-way ANOVA test showed that there are statistically significant differences at ($\alpha \leq 0.05$) in the households' mean financial well-being scores due to the number of household members before and during the COVID-19 pandemic. As shown in Table 10, the differences due to the number of household members were in favor of 6 to less than 8 members, before and during the COVID-19 pandemic. This results are consistent with Eyasu (2020) who found that the dependency ratio is a more important factor than household size. In addition, the results are consistent with the results of Sultan (2018), Orbeta (2005), Deressa & Sharma (2014), and Bersisa &

Heshmati (2016) which stated that there is a negative relationship between family size and financial well-being.

I. Employability status differences in financial well-being

A different analysis was conducted on the employability status of household breadwinners, which was classified into; employed full-time, employed part-time, self-employed, contractor, running own business, retired, and unemployed. The analysis was conducted using the analysis of variance (one-way ANOVA). The hypothesis states that 'There are statistically significant differences at ($\alpha \leq 0.05$) in the households' mean financial well-being scores due to the employability status of households' breadwinners before and during the COVID-19 pandemic'. The results of the one-way ANOVA test showed that there are statistically significant differences at ($\alpha \leq 0.05$) in the households' mean scores of financial well-being due to the employability status of household breadwinners before and during the COVID-19 pandemic. As stated in Table 11, the differences due to the employability status of household breadwinners were in favor of full-time employees during the pandemic. Still, for self-employed before the pandemic, this is a clear indicator that the private sector was more affected during the pandemic. Moreover, this totally agrees with Freidman's theory that both income

Table 10. One-Way ANOVA Results of Households' Financial Well-being Scale Averages Score according to the Number of Household Members

Demographic and the Financial Situation		Number	Mean	SD	%	Test Statistics
During	Households formed from less than four members	81	2.593	1.212	21	F =3.239**
	Households formed from four to less than six members	117	2.769	1.241	30.4	
	Households formed from six to less than eight members	111	2.955	1.090	28.8	
	Households formed from eight to less than ten members	58	2.379	1.167	15.1	
	Households formed from more than ten members	18	2.278	1.074	4.7	
Before	Households formed from less than four members	81	3.741	1.010	21	F =2.777**
	Households formed from four to less than six members	117	3.581	0.958	30.4	
	Households formed from six to less than eight members	111	3.757	0.907	28.8	
	Households formed from eight to less than ten members	58	3.379	1.089	15.1	
	Households formed from more than ten members	18	3.167	0.857	4.7	

* p\0.05, ** p\0.01, *** p \0.001

Table 11. One-Way ANOVA Results of Households' Financial Well-being Scale Averages Score according to Employability Status

Demographic and the Financial Situation		Number	Mean	SD	%	Test Statistics
During	Employed full-time	149	3.282	1.103	38.7	F =34.083***
	Employed part-time	50	2.100	0.953	13	
	Self-employed/ contractor/ running own business	67	2.821	1.014	17.4	
	Retired	32	3.125	0.907	8.3	
	Unemployed	87	1.816	0.971	22.6	
Before	Employed full-time	149	3.752	0.915	38.7	F =16.494***
	Employed part-time	50	3.400	0.857	13	
	Self-employed/ contractor/ running own business	67	4.194	0.821	17.4	
	Retired	32	3.625	0.976	8.3	
	Unemployed	87	3.057	0.969	22.6	

* p\0.05, ** p\0.01, *** p \0.001

and consumption of employees were affected after the pandemic and moved from permanent to transitory. This result is consistent with (Sekhampu, 2013) and Albert & Collado (2004) concluded that the employment status of the household breadwinner determines household income.

J. Number of household breadwinners' differences in financial well-being

A different analysis was conducted on the number of household breadwinners, which was classified into; the household with more than one breadwinner and only one breadwinner. The hypothesis was developed to confirm whether there was an average difference according to the number of household breadwinners. The hypothesis states that 'There are statistically

significant differences at ($\alpha \leq 0.05$) in the households' mean financial well-being scores due to the number of household breadwinners before and during the COVID-19 pandemic'. Table 12 summarizes the comparison of households' financial well-being. The averages for the scale are listed for the number of household breadwinners and financial characteristics. The bivariate analysis test results showed statistically significant differences at ($\alpha \leq 0.05$) in the households' mean financial well-being scores due to the number of household breadwinners before and during the COVID-19 pandemic in favor of households with more than one breadwinner. Those households worry less about the future as their income is expected to be less affected by the pandemic. These results are consistent with Mat & Abdul-Hakim (2011) and Capaldo et al. (2010) that found that single-headed households are more vulnerable and thus more likely

Table 12. T-test Results of Households' Financial Well-being Scale Averages Score according to the Number of Household Breadwinners

Demographic and the Financial Situation		number	Mean	SD	%	Test Statistics
During	The household has more than one breadwinner	76	3.092	1.168	19.7	t =3.217***
	The household has only one breadwinner	309	2.608	1.176	80.3	
Before	The household has more than one breadwinner	76	3.868	0.822	19.7	t =2.527**
	The household has only one breadwinner	309	3.553	1.007	80.3	

* p\0.05, ** p\0.01, *** p \0.001

to face reduced financial well-being during financial shocks. On the other hand, having more than one breadwinner gives the family the resilience to face economic shocks, so families headed by more than one person are expected to be more consistent with Friedman's theory of permanent income.

V. Conclusion

The primary purpose of this study was to examine the impact of the COVID-19 pandemic on the financial well-being of Palestinian households. An online survey which targeted 387 households was conducted a year after the COVID-19 breakout in the Gaza Strip. Using Friedman's Theory of the Consumption Function, the study contributed to the body of knowledge by investigating the financial and economic effects of the COVID-19 pandemic on the already shattered households.

The study's findings showed a negative impact of the COVID-19 pandemic on the households' financial well-being under unstable economic circumstances. It was revealed that the pandemic even worsened households' economic situation. It was evident that most households in the Gaza strip suffered from bad financial conditions; more than half of households' breadwinners completely or partially lost their jobs, and they complained of insufficient financial and humanitarian assistance during the pandemic.

Additionally, the results showed that many household breadwinners in the Gaza Strip were exposed to low levels of financial resilience due to financial difficulties. On other words, they lost their source of income or used their savings, given the fact that more than half of the households' breadwinners claimed that they do not have any savings. Also, they confirmed that they face difficulties making ends meet without borrowing.

Generally, the Palestinian households face financial strains at different levels of their current financial well-being, as they failed to pay the basic installments and bills during the pandemic. With regard to financial

security, the Palestinian households are anxious about the availability of their financial needs in the near future.

The statistical results showed no statistically significant differences at ($\alpha \leq 0.05$) in the households' mean financial well-being scores due to gender neither before nor during the COVID-19 pandemic. The results showed that there are statistically significant differences at ($\alpha \leq 0.05$) in the households' mean scores of financial well-being due to (education level, number of household members, employability status, and the number of household breadwinners) before and during the COVID-19 pandemic.

Overall, the COVID-19 pandemic created a dilemma for households with little financial resources, affecting their financial and economic well-being. It also put great pressure on poor households, causing them greater suffering and panic out of their incapability to adapt to financial difficulties and mitigate financial risks. The ultimate lesson learned is that advance planning and prediction at the micro and the macro levels is a necessity that warrants constant and sustainable financial and economic well-being.

Based on the study's findings, it is concluded that there is a compelling need for governmental and humanitarian intervention programs to enhance the resilience of the households most affected by the pandemic. Such programs might include social welfare programs, job creation programs, financial literacy programs, incorporating financial education in the curricula, and household financial management advocacy campaigns.

As far as future research is concerned, it is recommended that researchers emphasize the components of household well-being other than the financial one.

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