

Examining the Relationship Between Consumption and Income in Urban and Rural Maharashtra Post COVID-19: An Empirical Study of March 2021

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Abstract: *This study examines the relationship between household income and consumption expenditure in Maharashtra during March 2021, a critical period that marked the aftermath of the initial COVID-19 pandemic shock. As the state emerged from lockdowns and economic disruptions, understanding how households adjusted their spending became vital for assessing recovery patterns. The research focuses on both urban and rural households, offering a comparative perspective on how income levels were influenced by consumption behavior across regions.*

Using secondary data and employing regression analysis as the primary method of investigation, the study evaluates the extent to which adjusted food and non-food expenditures serve as significant predictors of household income. The adjusted non-food expenditure includes spending on recreation, restaurants, and vacations, which are key indicators of discretionary spending. Meanwhile, food expenditure continues to be a crucial component of basic consumption and economic stability.

The results highlight notable differences in consumption patterns between urban and rural households, suggesting that socioeconomic factors, access to markets, and income resilience played important roles in shaping post-pandemic recovery. Urban households showed greater variation in non-food spending, while rural households were more consistent in prioritizing essential food-related expenses.

These findings contribute valuable insights for policymakers aiming to design targeted economic recovery strategies. By understanding the consumption behavior of households during a transitional period, policies can be better aligned to address regional disparities and promote inclusive growth. The study also underscores the importance of income support and social welfare measures in strengthening household resilience in future crises..

Keywords: Household Income, Consumption Expenditure, COVID-19 Recovery, Rural-Urban Comparison, Maharashtra

