



**A STUDY ON THE ASCERTAIN INCOME, EXPENDITURE  
AND SAVING PATTERN OF GULF RETURNED IN  
MALAPPURAM DISTRICT**

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**Introduction:**

Kerala is a developing state in India. There are a large number of Keralities working in gulf countries. The Keralities are working in different segments of gulf countries and their incomes are transferred to Kerala. The Keralities contribute enough foreign exchanges to our country. This helps the country to sustain its foreign exchange reserve. So the keralities play a vital role in the contribution of foreign money. Since 1980's many people in Kerala seek their fortune in gulf countries they earn handsome income which they invest in the Kerala in form of fixed deposit in banks, deposit in post office, co- operative bank chitty and so many other avenues. This improved their financial position and standard of living which in turn promoted the income development of the state. (Prakash, 2013) The saving habits of the Keralities people are rational and they are investing money in a good avenue and this increase the income level and maximize the wealth. Keralities are profit motive. However, it has been found in many studies that the income and saving habit are related. Low income earned people spend more money for their purchase and their savings are comparatively low, but high income earned people spend their money in limited proportions. Behavioral and psychological approaches of gulf returned people are entirely different. Some of them are investing their whole saving in to business and many of them are joining firms for employment. Gulf returned people are spending more fund for living purpose and they are seeking loan from bank or financial institution.

**Statement of the Problem:**

Since early 1980's there has been a gulf boom resulting in a large flow of foreign exchange to our country. However, during the recent few years there has been a large flow of gulf returnees to our country, mainly due to the economic and political situation prevailing in gulf countries. Many returned to Kerala after long years of service in gulf countries, many of them returned with large amount of savings which they have made out of their hard earned income. The present study aims at analyzing there financial management in this particular contexts. The study aims to analyze the income, savings and investment pattern of the gulf returnees in Malappuram districts in Kerala. It is proposed to study the variables related to personal financial management in terms of the various demographic features of the gulf returnees in Malappuram districts in Kerala. Thus an in-depth analysis of the income, savings, the expenditure and investment of the gulf returnees is proposed to be made.

**Significance of the Study:**

The world economic crisis of 2008 created a huge drop in investments, finance related activities, employment which also influenced the demand for emigrant workers in the west-Asian nations. During the post-world crisis period, a large number of emigrant workers in construction, trade on oil, and oil related industries and trade related agriculture products, milk diary product, manufacturing of different product, agriculture and allied activities and service industries like banking, travel and tourism, hotel and communication services in west Asia lost employment and were forced to return to their home country. These developments affect the interest of almost 5 million Indian migrants in the Asia. A consequence large number of Indian migrant's employees returned from this region during this period. (Prakash, 2013) The study examines the pattern of investment, expenditure and savings behavior of gulf returned emigrants in the state of Kerala. The state account more than half of the total stock of Indian emigrants in the west Asian countries at present state of Kerala accounts for about Rs 50,000 core every year from the emigrants. The study provides a clear picture of their current activity status and socio economic profile as well as effects on return emigrants to state of Kerala. The study is useful for policy makers as well as general public who have an interest in the area of personal finance

**Objective of the Study:**

The basic objective of the study is to analyze the income, expenditure, savings, investment and banking behavior of gulf returnees in Malappuram. Following are the specific objectives.

- ✓ To ascertain income ,expenditure and saving pattern of gulf returned in Malappuram district

**Hypotheses:**

- The study is based on the following hypotheses
- ✓ The age of gulf returnees and use of the various facilities provided by the bank are not significantly related.

- ✓ The educational qualification of gulf returnees and use of the various facilities provided by the bank are not significantly related.

**Methodology:**

In this study primary as well as secondary data are collected. In primary data collection, simple random sampling is adopted because there is no authentic and comprehensive list of gulf returnees in Malappuram districts and Kerala.

**Sampling Design:**

In this study the survey was conducted on simple random sampling. The large number of migrants from Kerala to gulf countries from the northern Kerala is Malappuram, Calicut and Kannur and at the same time southern Kerala the district in which large migrants from Kollam and Thiruvananthapuram. So in this study the district selected the Malappuram district.

**Tools for Statistical Analysis:**

The primary data were collected and analyzed with help of SPSS.ver.20. Cross tabulation results were obtained along with percentage, frequency, composite indicates and rank evaluator. Chi-square test was used for testing the hypothesis.

**Review of Literature:**

(Huang, 2016) The study of “Personnel finance planning for college graduates” the researcher Lisha Huang described that the studies how to personnel finance use to effectively or successes. She found that major six factors for successes leading to college students. There are Identify smart financial goals, know your current financial situations, spending wisely with a budget, managing the credit, saving for the future and investing the money.

(Thomas, 2014) In his study on “Income, Expenditure and Investment pattern of Gulf – Keralities”- conducts the study of 318 Gulf-returned Keralities from 5 districts. The investment groups are two non-generating income group and income generating group, major portion of investment in non-income generating investment during the gulf period. The Gulf-returned Keralities have financial strength and enterprarial ability and qualities for leadership for strengthen the business.

(Prakash B.2013) The report on a survey of return emigrants in Kerala discussed about the topic “Return Emigration of Indian Emigrant Workers from the West Asia”- The report presented main point that trends in Indian emigration to the gulf return of emigrants in Kerala problems of labours, such as low salary, non-payments of salary, bad atmosphere work site. Compulsory repatriation, low savings, health problem, family problem etc.

**Analysis and Interpretation:**

In this chapter the data collected through schedule is presented after proper analysis needed to attain the objectives. In the first part, the profile of the respondent is given, after that the results of the analysis are given. The hypotheses of the study are tested and the results of such tests are also presented in this chapter.

Table 1: Total annual income from Gulf at the time of return

Income	Frequency	Percentage %
Up to 200000	59	29.5
200001-500000	110	55
500001-800000	21	10.5
800001-1000000	7	3.5
Above 1000000	3	1.5
<b>Total</b>	<b>200</b>	<b>100</b>

Source: Primary survey

The Table No: 1 indicates that more than half, i.e. 55% of the respondents annual income from the gulf at the time of return comes under the category 200001-500000, followed by 29.5% up to 200000, 10.5% in 500001-800000. Only 1.5% have had earned annual income above 1000000, 1.5% of high earned annual income gulf returnees is constituted by qualified professionals.

Table 2: Present annual expenditure with percentage to total annual income

Expenditure	Frequency	Percentage %
Up to 40%	14	7
41%-60%	39	19.5
61%-80%	79	39.5
81-100%	66	33
Above 100	2	1
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary survey

The above table shows 39.5% of the respondents spend 61% to 80%. Where only 1% of the respondents spend above 100%. This indicates that consumption/spending habit is more prominent than savings among the respondent.

**Testing of Hypothesis:**

In the following part of analysis, the various hypothesis of the study are tested and the result discussed

Table 3: Educational qualification of respondent and facilities provided by the bank for credit card Use crosstab

Educational Qualification of Respondent		Facilities provided by the bank for Credit card					Total
		Not Aware	Not At All	Rarely	Occasionally	Very Often	
School	Frequency	25	48	8	4	1	86
	Percentage	29.1	55.8	9.3	4.7	1.2	100
Pre degree/+2	Frequency	6	39	9	4	2	60
	Percentage	10	60	15	6.7	3.3	100
Graduate	Frequency	7	21	7	1	1	37
	Percentage	18.9	56.8	18.9	2.7	2.7	100
Technical	Frequency	2	4	2	0	0	8
	Percentage	25	50	25	0	0	100
Post Graduate	Frequency	0	6	0	0	0	6
	Percentage	0	100	0	0	0	100
Professional	Frequency	0	3	0	0	0	3
	Percentage	0	10	0	0	0	100
Total	Frequency	40	121	26	9	4	200
	Percentage	20	60.5	13	4.5	2	100

Source: Primary survey

The Table No: 3 shows that respondent's awareness towards the credit card facility provided by the bank based on the educational qualification. In the school level 55.8% of respondents not at all the credit card facility and 0% in the very often level of awareness. In the pre degree level 68.3% respondents are aware rarely and 0% not aware about the credit card facilities. In case of graduation 81.1% of respondents are rarely aware and 0% of respondents are included very often and not aware. The total technical qualified respondents 6 are rarely aware and remaining 2 are occasional, 6 respondents have post graduated gulf returnees are rarely aware and remaining 3 respondents are professionals 2 are rarely aware and 1 are not at all.

Table 4: Composite indices of Household savings during gulf time

Household savings	7	6	5	4	3	2	1	Total	Rank
Cash	91	276	200	192	72	48	5	884	3
Savings account in bank or post office	1001	240	30	28	9	0	1	1309	1
Fixed and recurring deposits	112	132	325	124	141	38	0	872	4
Chitty, Kuris and similar instruments	154	420	140	184	81	2	6	987	2
LIC, Pensions plan, etc	42	90	155	200	228	44	0	531	6
Micro finance	7	42	145	44	57	248	9	552	5
Any other,	7	0	5	28	15	18	177	250	7

Source: Primary survey

According to table household savings of gulf returnees during gulf time are ranked in order to the importance source of savings the frequency's of rank given above make it very clear that savings in bank or post office is the most trusted point of savings. Therefore individuals are allotted first rank to this source. Some other important point of savings are chitty, curry, and similar instrument, cash, fixed and recurring deposit, micro finance, life insurance policy and pension plan and any other sources. Gulf returnees have the habit of savings interested points.

**Findings:**

In this chapter the findings of the study are given based on the analyzed data. The analysis throw light on the personal finance of gulf returnees in Malappuram district, and their perception related to financial control and the need to have insurance.

- ✓ Majority of the respondents have annual income between Rs: 2, 00,000 and 500000, at the time of their return. About 30% of gulf returnees have an income only up to Rs: 200000 at the time of their return.
- ✓ Many of the respondents have annual expenditure 61%-80% on income, being 39.5% of the respondents.

- ✓ 77.5% of gulf returnees have financial control.
- ✓ 78.5% of gulf returnees maintain accounts related to income and expenditure.
- ✓ 79.5% of the gulf returnees have financial plan for future.
- ✓ Annual expenditure on Housing of gulf returnees varies considerably during the different time periods i.e. before, during and after the gulf period. 39% spent 21%-25% percent on housing before their gulf period, 45% spent 6%-10% percent during gulf and 37% respondents spent 6%-10% after return from gulf.
- ✓ Household savings of gulf returnees during gulf time are ranked in the order of the importance. Savings in bank or post office is the most trusted method of savings, followed by chitty.
- ✓ The most popular banking facilities used by the returnees are ATM followed by debit card.
- ✓ The Education qualification of respondent and the use of debit card are not significantly related.
- ✓ The Education qualification of respondent and the use of Credit card are not significantly related.

**Suggestions:**

From the study it has been found that the gulf returnees have to improve a lot in their personal financial plan. There should be a budget, have a plan of income and expenditure and have a control over their expenditure. Therefore it is suggested that they have to be properly educated with regard to personal finance. It is also necessary that there should be some mechanism for informing them about the various investment avenues and their future prospects.

**Conclusion:**

A study on personal finance and financial behavior of gulf returnees in Malappuram district was an attempt to analyze the financial behavior of the gulf returnees in Malappuram district in Kerala. It is to be noted that the NRI's in the gulf countries contributed much to the development of Kerala economy. At a same time many of them are coming back to Kerala due to various reasons. It is important that their problems are to be addressed. Many of their problems related to finance can be solved by the gulf returnees them themselves through proper financial plan.

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