PERSONAL FINANCE OF GULF-RETURNED KERALITES

THESIS SUBMITTED TO
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DOCTOR OF PHILOSOPHY

UNDER THE FACULTY OF SOCIAL SCIENCES

By

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Declaration

I hereby declare that the thesis entitled PERSONAL FINANCE OF GULF-RETURNED KERALITES is the record of bona fide research work carried out by me under the supervision of Prof. (Dr.) P. R. Wilson, School of Management Studies, Cochin University of Science and Technology. I further declare that this thesis has not previously formed the basis for the award of any Degree, Diploma, Associateship, Fellowship or other similar title of recognition.

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Certified that this thesis entitled 'PERSONAL FINANCE OF GULF-RETURNED KERALITES' is the record of bona fide research work done by Sri. ANTONY THOMAS under my supervision and guidance in the School of Management Studies, Cochin University of Science and Technology. The thesis is worth submitting for the award of the degree of DOCTOR OF PHILOSOPHY under the Faculty of Social Sciences.

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Dedicated

to

My Parents

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GLOSSARY

Abbreviations used

General	318 respondents
Category A	Persons without personal financial planning
Category B	Persons with personal financial planning
Category Ax	Those who had no financial planning during the Gulf-period, and presently facing the problem of inadequate income.
Category Ay	Those who had no financial planning during the Gulf-period, and presently earning adequate income.
Category Bx	Those who had financial planning during the Gulf-period, and now facing the problem of inadequate income.
Category By	Those who had financial planning during the Gulf-period and now earning adequate income.
Expenditure I	Major items of expenditure
Expenditure II	Minor items of expenditure
Investments I	Non-income generating assets
Investments II	Income generating assets
PF	Provident Fund
LIC	Life Insurance Corporation
NSC	National Savings Certificate
KVP	Kisan Vikas Patra
IVP	Indira Vikas Patra
TV	Television
VCR	Video Cassette Recorder
%	Percentage

Abstract

The study is about the Gulf-returned Keralites and their personal financial planning during the Gulf-period. The researcher has examined the nature of their income, expenditure, savings and investments during the Gulf-period and after their return. Even though the Gulf-returned Keralites had remitted huge amounts to Kerala, it appears that the majority of them are struggling hard to make both ends meet.

The sample consists of 318 Gulf-returned Keralites selected by employing stratified random sampling technique, from 5 districts. After a pilot study, the data was collected through personal interviews using a structured schedule.

In order to find out whether the respondents had personal financial planning during the Gulf-period, the researcher has evaluated 15 elements of personal finance using a five-point-scale rating technique. The hypotheses were tested using correlation, t-test, chi-square and ANOVA, through SPSS.

The majority of the respondents were socially and economically backward at the time of migration. Out of the 318 respondents, only 41 (i.e.12.89%) had personal financial planning during the Gulf-period. The majority of those who migrated to the Gulf countries actually returned to where they have started, financially. In fact, they went to the Gulf countries and worked hard for economic prospects. During the Gulf-period, though they have earned sufficient income it has been scrupulously spent on consumption items leaving very little for savings and investments. A major portion of their investments is in non-income generating items, and when they come back to Kerala, in fact, they are back to square one where their income is inadequate to meet their expenditure.

The majority of the Gulf-returned Keralites have neither the financial strength nor the entrepreneurial abilities and leadership qualities to start their own business or industrial establishments. Most of them have already spent their savings and started selling the assets and properties to maintain the relatively high standards living they have been accustomed to following migration. In short, they are in more difficulty than earlier.

Category wise, those who had personal financial planning during the Gulf-period are better placed with respect to current income and present value of assets held.

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Prelude

......................................He said: "A man of noble birth went to a distant country to have himself appointed king and then to return. So he called ten of his servants and gave them ten minas. 'Put this money to work, he said, 'Until I come back'

"But his subjects hated him and sent a delegation after him to say, 'We don't want this man to be our king'

"He was mad king, however, and returned home. Then he sent for the servants to whom he had given the money, in order to find out what they had gained with it.

"The first one came and said, 'Sir, your Mina had earned ten more'

"'Well done, my good servant!' his master replied. 'Because you have been trustworthy in a very small matter, take charges of ten cities'

"The second came and said, 'Sir, your mina has earned five more'

"His master answered, 'You take charges of five cities'

"Then another servant came and said, 'Sir, here is your mina; I have kept it laid away in a piece of cloth. I was afraid of you, because you are a hard man. You take out what you did not put in and reap what you did not sow'

"His master replied, 'I will judge you by your own words, you wicked servant! You knew, did you, that I am a hard man, taking out what I put in, and reaping what I did not sow? Why then didn't you put my money on deposit, so that when I came back, I could have collected it with interest?'

"Then he said to those standing by, 'take his mina away from him and give it to the one who has ten mina's' 'I tell you that to every one who has, more will be given, but as for the one who has nothing, even what he has will be taken away'

Luke 19: 12-26

CHAPTER - I

INTRODUCTION AND DESIGN

Chapter - I

INTRODUCTION AND DESIGN

"One of the key factors complicating your life will be the state of your finance"

- Gitman

1.1 Introduction

Personal finance is the science of earning, spending, saving and investing of money based on objectives and maximising the wealth of the family with a view to generating adequate returns, achieving financial freedom and ensuring the happiness of the family.

Personal finance deals with the lifelong financial aspects of the family. It involves the way in which a person gets his income and the way in which he spends it or saves it for future use. It also includes the amount and pattern of savings and investments, management of assets, liabilities, ancestral properties, and consumer durables. Thus, on the one side, personal finance demands a thorough evaluation of the available resources of the family by all the means, and, on the other side, the most beneficial utilisation and protection of the same to maximise the earning capacity and welfare of the family.

1.2 Purpose of Personal Finance

Personal finance is concerned with the management of the finance of every family. The purpose of personal financial management is achievement of personal financial freedom. It is a stage where finance will not be a hindrance to the fulfilment of the financial objectives of persons. It enables every person to take wise decisions in managing his finance. It helps to identify various alternatives in handling money. When a person regularly reviews the actual progress of his financial development and compares it with his schedule of expectations, he benefits in two different ways. First, motivational pressure is exerted on him. Then, personal financial planning tends to remove the anxiety that results from either erratic or non-financial management, and leads him to a state of financial freedom. In short, personal finance is concerned with the way in which a person manages his income and expenditure to achieve his personal financial objectives. Thus, proper personal financial planning is essential in every family, for attaining financial discipline in the family.

The financial principles and techniques, which are widely used in business, have now been used in the finance of individuals to make them better managers and enable them realise their financial goals. The objectives of managing personal finance, on par with the business finance may fall in the following lines.

1. Ensuring a financial discipline of steady flow of funds without strain or break in the family environment and smooth relationship in the family.
2. Ensuring growth and expansion by acquiring assets of different nature based on the family priorities, objectives or plans.
3. Ensuring better return for the family, guaranteeing harmony, peace and good living and status in the society.

1.3 Personal Financial Planning

"Personal financial planning is the process of managing your money to achieve personal economic satisfaction. This planning process allows you to control your financial situation" (Kapoor, et al., 2004).

Personal financial planning allows individuals and families to achieve their personal financial goals more easily. Although most people do not have the same goals, similar financial principles are required in order to facilitate goal achievement. By following effective financial planning, individuals can get most of their money in terms of both satisfaction and material goods. "The real purpose of managing money is to establish an objective of providing financial security and well being for the future" (Mittra, 1977).

Personal financial planning is an ongoing process, not a static goal. It is a lifetime job. "As an individual moves through the life cycle – from single life, to married life, to life with children, to retired life – wants and needs may change, but the necessity of having a financial plan will not" (Creviston, et al., 1985).

1.4 Importance of Personal Finance

Personal finance is concerned with the application of financial techniques and principles in managing the finance of individuals and families. An individual in his day-to-day life has to take a number of important decisions concerning his career, family status, investments and children's education. If they are not handled properly, they will have an adverse effect on his financial structure. An insight into the principles and practices of personal financial management will help him in making better decisions.

Personal financial planning helps a person to become self-sufficient. The standard of living of the family can also be improved (Wilson, 2006).

"Management of personal finance is a vital factor determining the prosperity of a family" (Perude and Robinson, 1999). Lack of proper personal financial practices, increasing rate of inflation, decreasing rate of interest on bank deposits, general economic recession, and high educational expenses have put families in financial difficulties.

"Personal finance is also relevant from the social point of view. A country or a society is a cluster of families and the prosperity of the nation is synonymous with the prosperity of the families" (Gitman and Joehnk, 2000). Hence, the mechanism of managing personal finance acquires significance.

1.5 Importance of the Study

Gulf-Keralites are really the wealth of India and the strength of Kerala. It is estimated that 16.45 lakhs Keralites were working in the Gulf countries, in the year 2007. Similarly, the number of Gulf-returned increased to 8,90,000 in the year 2007 as against 7,40,000 in the year 1998 (Zachariah, et al., 2007).

Therefore the study of Gulf-returned Keralites is important in many respects. A broad scan of literature on Gulf migration reveals that the country through the Gulf-Keralites earned a lot of foreign money. According to Zachariah, Prakash and Rajan (2002), total remittance from the Gulf countries in the year 2001 – 2002 was Rs.12,640 crores. It is generally observed that the households utilise the bulk of the remittances from the Gulf countries on routine consumption items, for the construction of houses, conducting marriages and purchase of consumer durables.

The Gulf-Keralites do not realise that their employment abroad is purely temporary and they have to return to Kerala today or tomorrow. On an average, the migrants work in the Gulf countries for 7.4 years (Zachariah and Rajan, 2004). When they lose their job and come back to Kerala, many of them may find it difficult to make the two ends meet because of low income and high expenditure. An insight into the principles of personal finance would be helpful for the Gulf-Keralites to plan their income, expenditure, savings and investments.

In the 80's Gulf migration became a way of life to many of the educated and uneducated youths of Kerala. Almost all families in Kerala are affected directly or indirectly by migration to the Gulf countries. Migration has affected all facets of the State's economic, social, demographic and political life. As a result, lot of studies have been made by learned academicians on different aspects like the impact of migration on the economy of Kerala, demographic consequences of migration, consequences of return emigration, etc. The studies conducted by Prakash (1998), Gulati Leela (1993) and Zachariah, Mathew and Rajan (2000) are major among them. However, nobody has studied the income and expenditure pattern of the Gulf-returned Keralites. It is in this context that the present exercise is being carried out with an objective to examine the personal financial aspects of the Gulf-returned Keralites, during the Gulf-period and after their return from the Gulf.

1.6 Statement of the Problem

There was a Gulf boom during the early 80's and the country earned a lot of foreign money through the Gulf-Keralites. It is estimated that the remittance in the year 2004 was Rs.18,465 crore (Zachariah and Rajan, 2004). The remittances were 1.74 times the revenue receipts of the State, 1.8 times the annual expenditure of the Kerala Government and 7 times of what the State received from the Central Government. These calculations clearly indicate how important remittances are for the Kerala economy. But, a substantial amount earned by the migrants has been invested in houses and a major chunk has been spent by the family for consumption, leaving a very small amount for savings and investments.

At present, the majority of the Gulf-Keralites is facing problems like salary cut and threatened with loss of job. After about two decades of continuous increase, migration from the State of Kerala seems to be losing some of its steam and edging towards a more stable stage. The flow of Keralites to the Gulf countries has reduced and now there is a reverse flow due to retrenchment from the Gulf countries. This is evident from the fact that the number of Gulf-returnees increased from 7.4 lakhs in 1998 to 8.9 lakhs in 2007 (Zachariah and Rajan, 2007). It is expected that the labour market for foreign workers in the Gulf will further shrink and the labour exporting countries must be prepared to receive back their migrant workers at any time. When there is a mass return, the worst hit state will be Kerala.

The majority of the Gulf-returned Keralites is facing a number of problems like inadequacy of income, lack of savings and investments, and uncertainty about the future. Their income has decreased drastically on their return from the Gulf, but the cost of living increased. In other words, many of the Gulf-returned Keralites are struggling hard to make both ends meet.

In this context, it is proposed to find out whether the Gulf-returned Keralites had personal financial planning during the Gulf-period, and what was the nature of their income, expenditure, savings and investments during the Gulf-period and after return. Similarly, the relationship between income and expenditure and between income and investments of the respondents is also to be examined. Nature of their liabilities, consumer durables, their present financial condition etc. are the other aspects to be looked into. An attempt is also made to see whether those with personal financial planning are better placed with respect to current income and asset value, than those who had no personal financial planning during the Gulf-period.

1.7 Objectives of the Study

The basic objective of the study is to find out whether the Gulf-returned Keralites had any personal financial planning during the Gulf-period and what was the nature of their income, expenditure, savings and investments. More specifically, the following are the objectives of the study:

1. To ascertain the nature of income, expenditure, savings and investments of the Gulf-returned Keralites.

2. To find out whether the study group had resorted to personal financial planning during the Gulf-period.

3. To find out whether there is any significant difference in income, expenditure, savings and investments of the respondents with financial planning and without financial planning.

4. To find out whether there is any significant relationship between their income and expenditure and between income and investments.

5. To find out whether financial planning resulted in increasing the level of investments.

6. To find out whether those who had personal financial planning during the Gulf-period are now better placed with respect to current income and

asset value, than those who had no personal financial planning during the Gulf-period.

7. To ascertain the nature of liabilities, ancestral property and consumer durables of the respondents.

8. To find out whether those who had financial planning could maintain their standard of living after their return.

1.8 Hypotheses

The following hypotheses were formulated:

I. There is significant difference in income, expenditure and investments of the Gulf-returned Keralites with financial planning and without financial planning.

II. There is significant relationship between income and expenditure, and between income and investments.

III. Financial planning resulted in increasing the level of investments.

IV. Those who had personal financial planning are now better placed with respect to current income and asset value, than those who had no personal financial planning during the Gulf-period.

No hypotheses were formulated with respect to the objectives 1, 2, 7and 8 as they are self-revealing.

1.9 Methodology

The study is both descriptive and analytical in nature. It is descriptive with regard to the theoretical concepts and socio-economic background of the Gulf-returned Keralites. It is analytical in the sense that it interprets and analyses the primary data to arrive at conclusions.

1.9.1 Operational Definitions

Gulf	The term Gulf is used to represent any of the Gulf countries in which the respondents worked.
Gulf-period	It refers to the period of stay of the respondents in the Gulf
Personal Finance	Personal finance is a systematic approach in managing personal and family income, expenditure, savings and investments based on objectives and maximising the wealth of the family with a view to generating adequate return and achieving personal financial freedom.
Gulf-returned Keralite or Gulf-returnee	A Keralite who returned to Kerala after living in any of the Gulf countries for doing a job or occupation.
Investments	Investments may be in real assets or financial assets. Therefore real assets and financial assets are jointly referred as investments.

1.9.2 The Universe

The universe of the study was limited to the Gulf-returned Keralites who came back in the years 2002, 2003 and 2004. No exact figures were available as to the number of Keralites returned from the Gulf during the three years. The present sample of 318 Gulf-returned Keralites was collected at random from five districts.

1.9.3 Sample Selection

The intensity of migration to the Gulf is not uniform throughout Kerala. A study conducted by Zachariah and Rajan (2004) suggested that the intensity rate, i.e., number of Gulf migrants per thousand population is high in the northern parts compared to the southern parts of Kerala. In northern Kerala, the districts that have a high intensity of migration are Thrissur, Malappuram, Kozhikode, Kannur and Kasargod. In southern Kerala, only two districts, viz, Pathanamthitta and Thiruvanamthapuram have high intensity of Gulf migration.

The geographical distribution of the Gulf-returnees correlates with that of the emigrants, with only slight variations. According to Zachariah, Mathew and

Rajan (2000), the largest number of Gulf-returnees is in Malappuram (124,000 persons, which constituted 17 % of the total for the state as a whole). The other major centers of location of the Gulf-returnees are Thrissur and Thiruvanamthapuram.

Considering the intensity of Gulf migration and the Gulf-returnees, five districts situated in the south, north and central parts of Kerala were selected for the study. Those were Thiruvanamthapuram, Pathanamthitta, Thrissur, Malappuram and Kozhikode. The study was based on a sample survey covering 318 Gulf-returned Keralites. The Gulf-returnees were advised by the Government of Kerala to register in the registry maintained in a separate cell in the Secretariat of the Government of Kerala. From the database supplied by the Government, the sample frame was prepared separately for the five selected districts. Only male Gulf-returned Keralites who worked in the Gulf for a period of 10 to 25 years and who returned in the year 2002, 2003 or 2004 were included in the list. From the list 5% was selected from each district for the study using Tippet's random number table. Thus, stratified random sampling technique was adopted for the selection of sample units from the sample frame. The sample consisted of 77 (24.21%) Gulf-returned Keralites from Thiruvanamthapuram district, 53 (16.67%) from Pathanamthitta, 72 (22.64%) from Thrissur, 60 (18.87%) from Malappuram, and 56 (17.61%) from Kozhikode district.

Only male Gulf-returned Keralites were selected for the study because the number of females in this category is negligible. According to Zachariah, Mathew and Rajan (2000), emigration from Kerala is essentially a male affair and in 1998, female emigrants numbered only 1,26,000 out of a total of 13,62,000 (9.3%).

During the survey, it was found that three of the returnees re-migrated and six of them left the place. In such cases, substitutes were taken from the same district.

Only those who had earned a minimum amount of Rs. 20 lakhs during their entire period of stay in the Gulf were included for the study. During the course of interview, it was revealed that eight persons earned below Rs.20 lakhs from the Gulf. They were eliminated and another eight persons were selected from the concerned districts, at random.

Data was collected from those who returned from the Gulf during the period from 1st January 2002 to 31st December 2004. Thus, the sample was limited to those returned in the years 2002, 2003 and 2004. Similarly, income and expenditure data was collected for two periods – for the year 2001 (when the respondents were in the Gulf) and for 2005 (after their return from the Gulf).

1.9.4 Pilot Study

A pilot study was conducted in Pathanamthitta district covering 20 respondents. After the pilot study and discussions with experts, the schedule was finalised by deleting some questions and adding a few. This schedule was used further for data collection.

1.9.5 Data Collection

Both primary and secondary data were collected for the study. The secondary data was collected from books, periodicals, articles, working papers, published and unpublished reports, and documents.

Primary data for the study was collected with the help of a pre-tested structured schedule (see appendix-1). The schedule was administered to the respondents by means of personal interviews. As most of the respondents were not familiar with the concepts and terminology, the questions were explained elaborately in almost all cases, to elicit accurate answers. It took about one hour to administer the schedule to a respondent. In most cases, both husband and wife were interviewed for collecting the required data. The purpose of the study was briefly explained to the respondents before the interview to ensure their co-operation. They were assured that the information supplied by them would be kept confidential and used only for the purpose of statistical analysis. The data was collected during the period from March to July 2006.

1.9.6 Tools of Analysis

For the systematic arrangement and analysis of data, statistical tools were used. Descriptive analysis was conducted to describe the characteristics of respondents. The research findings were recorded in frequency distribution tables. Averages, percentages and ratios were worked out. Detailed analyses were made from three different angles.

1. General level consisting of all the respondents.
2. Personal finance score wise analysis.
3. Plan-wise in between category A and category B.

Category A consists of 277 Gulf-returned Keralites who had no personal financial planning during the Gulf-period. Category B consists of 41 respondents who had personal financial planning during the Gulf-period.

In order to find out whether a person had personal financial planning during the Gulf-period, the researcher has adopted five-point scale rating technique used by Winger B. J (1993). In the light of the experience gained by the researcher during the M.Phil course, literature survey, pilot study and discussions with the experts, 15 elements were located as the major variables to study the personal financial planning of the respondents. The same elements with slight variations were used by many researchers including Joy, K.J (1997) and George, V.M (2002) for data collection with regard to personal financial planning. The 318 respondents, at five different levels - 1, 2, 3, 4 and 5 - rated these 15 variables. Those who scored 45 points and above were categorised as persons with personal financial planning and below 45 points were categorised as persons without personal financial planning. If a person rates all the 15 variables with the middle score of 3, the total score will be 45. Hence, 45 was taken as the cut off point (Winger, B.J, 1993). (Even if the cut off point is reduced to 40, that will not make change in the number of respondents having personal financial planning. It can be observed that nearly two-third respondents (64.46%) have personal finance score less than 35).

Descriptive statistics was used to organise, summarise and describe the observations. Various ratios were used to find out the nature of income, expenditure, savings and investments. Ratio of each item of income to total income, each expenditure to total expenditure, each expenditure I category to total expenditure I, each expenditure II category to total expenditure II, each investments I to total investments I and each investments II to total investments II were worked out and expressed in percentage.

Items of expenditure were divided into 10 major heads – food, housing, clothing, education, medical care, conveyance, social obligation, entertainment, personal habits and other expenses. The first six items were treated as major items and classified as expenditure I category. The remaining four items were treated as expenditure II category.

Investments accumulated by the Gulf-returned Keralites during the Gulf-period were divided into 15 major heads - land (for house construction), house, gold, agricultural land, investment in business, commercial vehicles, shares, debentures and mutual funds, life insurance, bank deposit, post office savings, annuities, retirement plans, KVP, IVP, NSC etc., chits and *kuries* and other assets. The first three items were treated as non-income generating assets and were classified as investments I category. The remaining 12 items were treated as income generating assets and were classified as investments II category.

The hypotheses were tested using correlation, t test and chi-square test. Correlation was used to examine the relationship between (a) income and expenditure, and (b) income and investments. T test was applied to test the significant difference between category A and category B. Chi-square was used for ascertaining the association between variables. The significance of difference in mean values across categories was tested using ANOVA. Statistical Package for Social Sciences (SPSS), 10.0 was the software used to analyse the data.

1.10 Scope of the Study

The scope of the study was limited to the personal financial planning of the Gulf-returned Keralites. The study covered the following aspects.

1. Personal financial planning of the respondents during the Gulf-period.
2. Their income, expenditure, savings and investment pattern.
3. Purchase of investments.
4. Relationship between income and expenditure.
5. Relationship between personal financial planning and investments of the respondents.
6. Liabilities, ancestral property and consumer durables.
7. Present situation of the Gulf-returned Keralites.

1.11 Limitations of the Study

1. The area of the study was limited to the state of Kerala.
2. Only those who had returned from the Gulf after 2001 and before 2005 were selected for the study.
3. The sample consisted of only those Gulf-returned Keralites who had registered their names in the cell maintained by the Government of Kerala.
4. Data relating to financial matters, was collected by means of personal interviews, and hence have their limitations.

5. Regarding the measurement of personal financial planning, the researcher could give only equal weightage to the various aspects. (However, the same schedule was used by many experts for data collection with regard to personal financial planning.)

6. The other limitations were of time, resources, and personnel.

1.12 Chapter Scheme

The research report is presented in eight chapters.

The first chapter is introductory in nature and it explains the methodology also.

The second chapter contains the basic concepts of personal finance and the background of Gulf migration.

Literature review on personal finance and Gulf migration is included in the third chapter.

The socio-economic background of the Gulf-returned Keralites and analysis of their personal financial practices are included in the fourth chapter.

The fifth chapter analyses the income, expenditure and savings of the Gulf-returned Keralites.

Analysis of investments, liabilities, ancestral property and consumer durables are done in the sixth chapter.

Comparative analysis of income, expenditure, savings and investments and their implications on current income are studied in the seventh chapter.

The last chapter provides the findings, conclusions and recommendations of the study.

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CHAPTER - II

PERSONAL FINANCE AND GULF MIGRATION

Chapter - II
PERSONAL FINANCE AND GULF MIGRATION

The previous chapter contains introduction and methodology of the study. In this chapter, it is proposed to give a brief account of the basic concepts of personal finance and also the background of migration and its various aspects.

2.1 Personal Finance

"Personal finance is concerned with the management of the personal and family resources to achieve financial success. Financial success is the achievement of financial aspirations that are desired, planned or attempted" (Garman and Forgue, 1997).

Personal finance deals with sound financial planning of individuals. According to Spiro (1978), financial planning entails the deliberate allocation of financial resources with the expectation of attaining certain economic as well as non-economic objectives over time. Personal finance is concerned with the management of an individual's finance in such a way that his personal financial goals are achieved. It is the development and implementation of a sound money management program tailored to meet individual objectives. An individual in his day-to-day life is blessed with opportunities and alternatives. He has to take important decisions concerning his employment, life style, family status, insurance, savings, and investments. The outcome of these decisions will have an impact on his personal finance. Therefore, an insight into the principles and practices of personal finance will help him to make better decisions.

2.1.1 Origin of Personal Finance

Personal finance in the present form originated in the United States. The U S economists predicted a depression in 1948 taking into consideration the spending by the Government and the industry. But, George Ketona predicted inflation, based on a consumer survey. In his survey he found that the people are spending money on consumer durables and will continue to spend on T.V, cars and other consumer durables. In fact, in 1948 the U S had inflation instead of depression. Thus, economists identified a third factor after Government and industry, the financial behaviour of individuals. This gave birth to personal finance. Now, the U S

Government conducts consumer survey every year to understand the financial behaviour of individuals.

Personal finance is based on Management By Objectives (MBO) approach.

2.1.2 MBO

Peter Drucker is the famous American who introduced MBO into the system in 1958. Since then, the business firms started applying the MBO principles and the results are satisfactory. This paved the way for implementing MBO to personal financial management.

In the case of individuals, the set out objectives should be divided into financial plans. The financial plans can again be divided into long-term and short-term financial plans. Short-term financial plans are to be achieved in the near future, and the long-term financial plans take time to be fulfilled. So, long-term financial plans should be divided into a series of short-term financial plans and should be achieved at the right time as and when it is planned.

In short, MBO is a strategy of planning and getting results in the direction, according to the managers' wishes and needs and helps to obtain the goals and satisfaction of its participants.

2.1.3 Definition of Personal Finance

Personal finance is the application of the principles of financial economics to an individual's (or family's) financial decisions. It asks, "how much money will you need at various points in future?" and "how do you go about getting that money?"

Thus, on the one side personal finance demands a thorough evaluation of the available resources of the family, by all means, and on the other side the most beneficial utilisation and protection of the same to maximise the earning capacity and welfare of the family, based on personal financial objectives.

Personal finance may be defined as "the science of earning, spending, saving and investing of money based on objectives and protecting the wealth of the family with a view to generate adequate return, achieve financial security, and thereby ensure welfare and happiness of the family" (Joy, K.J, 1996).

Thus, personal finance involves the way in which a person gets his income, and the way in which he spends it or saves it for future use. It also includes the protection of the family wealth to maximise the earning capacity and the welfare and happiness of the family.

2.1.4 Objectives of Personal Finance

Personal finance is concerned with the procurement of finance and its utilisation for the achievement of a person's goals. According to Creviston (1985), "the ultimate objective of personal finance is to enable the households to lead a happy life after attaining financial security and financial freedom of the family." The main objective can be achieved through the following subsidiary objectives.

1. To help the households in the establishment of personal financial objectives and goals.
2. To facilitate the preparation and adoption of a family budget.
3. To enable individuals or families to estimate annual income and suggest guidelines to improve their income.
4. To facilitate the households in the preparation of financial statements and records.
5. To point out various ways of reducing the cost of living.
6. To provide necessary guidance for an effective savings plan.
7. To provide proper directions for better investments.
8. To suggest ways and means of protecting the wealth through insurance.
9. To guide the family in managing their liabilities.
10. To help the family in tax planning.
11. To provide guidelines for retirement and estate planning.

2.1.5 Personal Financial Management

Personal financial management refers to the management of the personal and family resources to achieve financial goals. Financial management requires systematic and disciplined thought and action.

Personal financial management involves the application of the principles of management in family finance. It covers financial planning of every family; organisation of family financial matters, proper direction of family resources and control by means of proper family budget.

Personal financial management involves planning, implementing, and evaluating the behavior involved in the allocation of family's current flow of income and their stock of wealth towards the end of meeting the family's financial goals (Godwin, 1992). Goldsmith (1996) defines personal financial management as "the science or practice of managing money or other assets." According to him, financial management is a transformation process involving the identification of financial goals, collection of information, analysis of resources, decisions about whether to spend, or save, and evaluation of resources.

Personal financial management allows individuals or families to achieve personal financial goals more easily. Although most people do not have the same goals, similar financial principles are required in order to facilitate goal achievement. The goals of personal financial management are related to quality of life, consumption and wealth accumulation.

2.1.5.1 Quality of Life

The quality of life is closely related to the level or standard of living. The presence or absence of certain material items such as a home, car, jewellery, and expensive or fancy items are commonly associated with quality of life.

"Perceptions of what is a desirable quality of life vary among socio- economic strata. While people in the lower socio-economic strata might consider the ownership of a large, expensive car as part of high-quality life, those in the upper socio-economic strata might consider membership in a country club and an annual trip abroad requisites for a high-quality life" (Gitman, 1978).

2.1.5.2 Consumption

The level of consumption - both past and present - has a direct effect on the quality of life. Past consumption is important because it may set limits on current and future consumption opportunities. The determination of current and future consumption requirements is an important input to personal financial management process.

2.1.5.3 Wealth Accumulation

Wealth represents the total value of all items such as bank accounts, stocks, bonds, automobiles and houses a person owns. The accumulation of wealth often results from savings and investment, which represent non-consumption.

2.1.6 Scope of Personal Finance

The question of managing personal finance has many facets such as assessing the total volume of family commitments, deciding specific assets, properties or investments to be acquired and finding out the sources of funds. Ultimately, it is an exercise of equalising sources of funds with application of funds or vice versa (Loganathan,1997). Personal finance covers the entire spectrum of family finance and it includes the following.

1. Personal financial planning.
2. Family budget.
3. Personal financial records.
4. Personal income.
5. Personal expenditure.
6. Personal savings and investments.
7. Personal and property insurance.
8. Personal liabilities.
9. Personal taxes.
10. Retirement planning.
11. Estate planning.

2.1.7 Personal Financial Planning

Financial and personal satisfaction is the result of an organised process that is commonly referred to as personal financial planning or personal money management. Personal financial planning is the process of managing one's money to achieve personal economic satisfaction. This planning process allows one to control one's financial situation. Every person, family, or household has a unique financial position, and any financial activity, therefore, must be carefully planned to meet specific needs and goals. "A comprehensive financial plan can enhance the quality of your life and increase your satisfaction by reducing uncertainty about your future needs and resources" (Kapoor, et al., 1999).

The specific advantages of personal financial planning include:

- Increased effectiveness in obtaining, using, and protecting the financial resources throughout the lifetime.
- Increased control of financial affairs by avoiding excessive debt, bankruptcy, and dependence on others for economic security.
- Improved personal relationships resulting from well planned and effectively communicated financial decisions.
- A sense of freedom from financial worries, obtained by looking to the future, anticipating expenses, and achieving personal economic goals.

Personal financial planning enables one to earn the maximum amount of income. One will be able to gain the greatest satisfaction by placing priorities on one's needs and wants and by channelising the available income to those needs. In other words, personal financial planning provides a means of developing a sound financial condition. It means that one will be able to meet his financial obligations without undue stress.

According to Gable (1983), "building a sound financial plan is conceptually similar to erecting a building." In building construction and financial activities, a strong foundation and framework is required to support the finished structure and help it to last. Comprehensive planning creates the foundation and superstructure for success.

2.1.8 Need for Financial Planning

A well-designed personal financial plan will help one to make financial choices easier, providing him with a greater sense of financial security. The need for personal financial planning today is stronger than ever for the following reasons.

2.1.8.1. Inflation

Inflation continuously reduces the value of money. Something that can be bought for a rupee today would cost more than a rupee a year later and much more after five years.

2.1.8.2. Rising Life Expectancy

One of the biggest risks being faced by an individual today is risk of longevity, i.e., one will live longer than what one expects. This is likely to happen for two reasons. Firstly, the average life expectancy is steadily but surely going up in India. It is reported that the life expectancy at birth, for Indian males and females is likely to go up from 64.6 and 65.4 respectively to 70.5 and 73.3 respectively by 2025 (Jitendra, 2003). Secondly, average is a deceptive number. Not everybody dies at 64 today. In fact, many urban people are likely to live beyond that age.

2.1.8.3. Breakdown of Joint Family System

The traditional cushion of joint family system is fast disappearing, especially in the urban centers where we see more and more nuclear families.

2.1.9 Financial Planning Process

The financial planning process starts with the establishment of financial goals. These goals, once set, provide direction for the financial planning process. In other words, it is not possible to prepare plans for attaining goals that are not yet formulated. Nor is it possible to enter the financial planning process without knowledge of current financial position. The financial planning process is a dynamic process that requires regular monitoring and review. In the words of Gable (1983), "as the financial situation and short term objectives can change at any time, the financial planning should be viewed as an ongoing activity."

2.1.10 Setting Financial Goals

People work and earn money in order to have food, shelter, clothing etc., as these are basic, easily recognisable goals and they are so ordinary, that they may be overlooked in a plan for good money management. Some goals are not easily identified, perhaps because they are bound up in personal values and philosophies that are not easy to explain. Any way, an individual should think about both financial and non-financial goals and put them in perspective. This is very important. "Personal financial development will probably remain aimless and awkward until a person decides what his goals are" (Bailard, et al., 1973).

Setting financial goals is not an easy task. It requires much thinking, calculations and foresight. The following points must be borne in mind while setting the goals.

1. The goals must be compatible with those of the other household members.
2. Goals should be challenging, but still obtainable.
3. Goals may conflict or compete with one another for time, money, or other resources. Therefore, priorities may be established in advance.

According to Kapoor, *et al.*, (1999), financial goals should: (1) be realistic, (2) be stated in specific, measurable terms, (3) have a time frame, and (4) indicate the type of action to be taken.

The establishment of financial goals is the first step in the overall financial planning process. These goals, once set, provide direction for the financial planning process. The absence of goals - financial and otherwise - results in a depressing and unexciting life with little direction and few prospects for the future.

The financial planning process can be initiated only with the knowledge of current financial position, by preparing personal financial statements. After the current financial position is evaluated, both long-term and short-term financial goals must be established.

2.1.10.1 Long-term Financial Goals

Long-term financial goals are normally established in a general manner, because it is quite difficult to be precise about future developments and desires. They indicate the wants and desires of the family unit over the next thirty to forty years. The process of identifying realistic long-term goals forces an individual to think about and to establish financial priorities in life. "If long-term goals are not clearly identified, you might allocate resources to conflicting short-term objectives" (Creviston, et al., 1985).

The long-term financial goals are not rigid. As the size and age of the members of the family unit change, so will many of the family's long-term goals. According to Gitman (1978), "long-term goals must be flexible enough to allow for changes."

2.1.10.2 Short-term Financial Goals

Short-term financial goals for each year should be consistent with the achievement of the long-term goals. The immediate goals of individual family members, the family's expected income for the year, and the family's long-term financial goals must be taken into account when the short-term goals are defined. Examples of goals are buying a car, buying some furniture, taking a vacation, etc. Short-term planning should also include the establishment of an emergency fund containing three to six months income. This special savings account serves as a safety valve that can be used in case of financial emergencies.

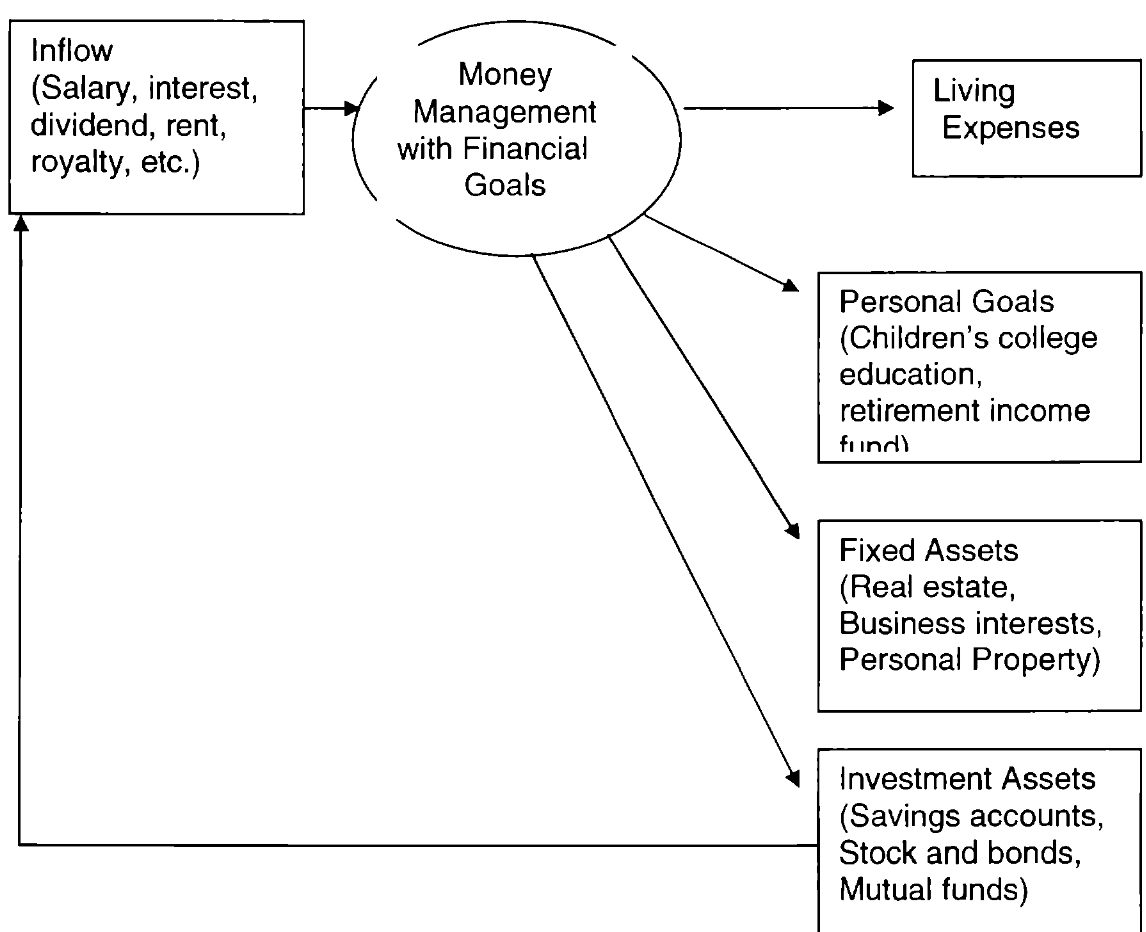
2.1.11 Money Management

An individual must develop strategies to achieve his financial goals. These may be grouped into three categories: protecting what you have, getting the most out of your income, and increasing your total income.

The objective of money management is to achieve those goals that can best be satisfied with money. To gain satisfaction from money, one must be able not only to earn it but also to manage it.

Figure 2.1

The Money Management Process



Source: Bailard, Thomas, E., *et al.*

As a financial manager, an individual should be concerned with achieving those goals that can be reached primarily through money management. Figure 2.1 illustrates the process of money management. The money manager receives funds commonly from his job and his investments. He then allocates this income towards normal living expenses, for the accumulation of fixed assets and to savings for attainment of future goals.

2.1.12 Personal Budget

Once a person has established his short-term goals, he can prepare a budget for the coming year that is consistent with these goals. A budget is merely a plan for spending money. It is a short-term financial planning device designed to allow a person to achieve his short-term financial goals. In simple terms, a budget is a written plan in which one recognises all regular periodic income and goes about determining how that income will be spent. According to Taylor and Watling (1972), "a budget is a statement of the income one will receive over a given period and the way that income will be used."

The purpose of a budget is to manage money in such a way as to gain real satisfaction from spending it. However, many people consider preparing a budget as a sign of meanness and a little beneath their dignity to plan and control their expenses. Troelstrup (1957) observed, "an intelligently planned budget will not deprive you of pleasure. On the contrary, it will help you to decide what to eliminate in order to have the thing you need and really want."

2.1.13 Need for Personal Budget

Before one decides what assets to acquire, one must have a reasonably clear idea of how much money there is to be invested in the coming year. This calls for the preparation of the budget of the family, that is to say, estimates of income and expenditure, and the surplus available for investment.

A good budget helps the family maximise satisfaction from the use of income through careful consideration of various alternatives. It also helps to achieve financial peace of mind by matching expenditure to receipts. The budget provides some flexibility for some unexpected expenses. A good budget increases family cooperation and reduces friction concerning money.

Budgeting has two objectives, both of which must be accomplished if a budget is to be successful. The first objective is to implement a system of disciplined spending. Instead of spending money each month until the cash balance becomes zero, the family must learn to spend each month as much as allotted for various categories of expense.

The second objective is to reduce the amount of money wasted through needless expenditure in each budgeted expense category. This objective can be reached only after the first objective has been mastered.

2.1.14 Budget Preparation Process

In the budget preparation, it is good to involve the whole family, at least the spouse. If this is done, not only will the budget be realistic, but its implementation also will be easier, since the whole family will have some responsibility in the matter. Another important advantage of involving the family, at least the spouse, in budget making, is that certain expected claims of expenditure may be reconsidered, and the expenditure reduced, postponed or even given up for good.

According to Gitman (1978), the budget preparation process has three stages; estimating income, estimating expenses, and finalising the budget.

2.1.14.1 Estimating Income

The first step in the budget preparation process is estimating income for the coming year. Since most of the payments are made monthly, it is best to estimate income as well as expenses on a monthly basis. The forecast of income should consider all income expected for the year such as take-home salaries of husband and wife, any bonus or commission expected, interest income, dividend income, rental income and annuity income. Any item expected to be received for which repayment is required are not considered income. For example, a loan is treated not as a source of income, but rather as a liability for which scheduled repayments are required.

Figure 2.2 shows a sample worksheet for estimating income.

Figure 2.2

Sample worksheet for estimating income

INCOME FORECAST FOR THE YEAR ---------- (In Rs.)

Source	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Estimated 12 month total	Average per month	Actual year's income
Husband's take-home wages or salary															
Wife's take- home wages or salary															
Bonus or commission															
Interest															
Dividend															
Rents															
Annuities, pensions															
Others															
TOTAL															

2.1.14.2 Estimating Expenses

The second stage of the budgeting process involves estimating the expenditure of the coming year using the actual expenditures from previous years, along with the stated short-term financial goals. Families without past expenditure data must use 'needs approach' to develop spending forecasts. First, list the commodities and services needed by the family members throughout the proposed budget period. Then, by attaching values to these needs, estimates of expenditures can be made.

It is easier to budget and plan the expenditures by grouping the various expenses. All the expenses may be grouped into several general categories such as food, housing, clothing, transportation, and so on.

Figure 2.3 shows a sample worksheet for estimating expenses.

2.1.14.3 Finalising the Budget

Once income and expense estimates have been made, the budget can be finalised. This involves comparing the projected income and the projected expenses on both an annual and a month-to-month basis. A balanced budget results when the total income for the year equals or exceeds the total expenses for the year.

2.1.15 Personal Financial Records

In order to manage personal finance effectively, it is important to know the present financial position of the family. Assessing the financial situation is usually done by compiling two important personal financial statements. These statements are simplified versions of corporate balance sheet and income statements.

2.1.15.1 Personal Balance Sheet

Personal balance sheet describes the financial position of the individual as on a particular date. It can be prepared in the usual manner of preparing the financial statement of companies. Unlike the company's balance sheet, in the personal balance sheet, assets are shown on the left side and liabilities on the right side. Figure 2.4 shows a sample balance sheet.

Figure 2.3

Sample worksheet for estimating expenditure

EXPENDITURE FORECAST FOR THE YEAR ---------- (In Rs.)

Expense category	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Estimated 12 month total	Average per month	Actual year's expense
Food															
Housing															
Clothing															
Education															
Medical Care															
Conveyance															
Social Obligations															
Entertainment															
Personal Habits															
Savings															
Others															
TOTAL															

Figure 2.4

Sample Balance sheet

Balance Sheet					
Assets			**Liabilities**		
1	Cash On hand In bank		10	Unpaid bills Taxes Insurance premium Rent Others	
2	Money loaned to others				
3	Investments Shares & Debentures Mutual funds Life insurance (cash value) Annuities (cash value) Others		11	Installment loans due Automobile Home Others	
			12	Other loans	
4	House & Property		13	**Total liabilities**	
5	Other real estate investment		14	**Net worth of family (9 – 13)**	
6	Investment in business				
7	Automobiles				
8	Personal property				
9	**Total assets**				

Net worth is the figure arrived at after deducting liabilities from assets. A family's net worth is the amount of actual wealth or equity owned by the family. An analysis of the past year's financial statement helps in getting an idea about the financial progress. An increasing net worth position is most desirable.

2.1.15.2 Personal Income Statement

The income statement consists of three major parts – income, expenditure, and contribution to savings and investments. Expenses are deducted from income to find out the contribution to savings and investments. The contribution may be positive, zero or negative. A positive contribution helps to increase savings and investments or to repay outstanding loans. Figure 2.5 shows a sample income statement.

Figure 2.5

Sample income statement

No.	Particulars	Amount
	INCOME Husband's take- home wages or salary Wife's take- home wages or salary Bonus or commission Interest Dividend Rent	
1	**TOTAL INCOME**	
	EXPENSES Food Housing Clothing Education Medical care Conveyance Social obligations Entertainment Personal habits Loan repayments Others	
2	**TOTAL EXPENSES**	
3	**SAVINGS AND INVESTMENTS (1 – 2)**	

An important benefit of preparing a budget and maintaining records is that they facilitate comparison of actual expenses with the budget, to improve control of expenditure. Further, a record of the past year's expenditure gives a better basis for the analysis of the same and prepares an improved budget for the next period.

2.1.16 Personal Income

The key factor ultimately controlling the quality of a person's life is the amount of income that he can expect to earn. In the absence of any inherited or existing wealth, personal income usually depends on a person's age, education and career.

Although age is a variable over which an individual has no real control, it is beneficial to understand the relationship between age and income. Typically, people with low incomes fall into the very young and very old age groups, and the period of highest earnings generally occurs between the age of 35 and 55. Such a distribution is due to the fact that those below 35 are just developing their trade or moving up in their jobs, while those above 55 are likely to be working only part-time or are completely retired. When setting financial goals and making financial plans, consideration should be given to expected changes in income, as they relate to age.

Level of formal education is a controllable factor believed to affect an individual's potential income. Hence, in order to enhance the earning opportunities, it is advised to obtain a good formal education.

"Generally, in our society, the more professional or managerially oriented your job, the greater your income will be" (Gitman and Joehnk, 1999). During its life cycle, the family may try to enlarge money earnings by various means, such as multiple jobs, multiple earners, increased education, mobility and choice of industry and occupation.

2.1.17 Personal Expenditure

The income earned by the families is being spent on a variety of goods and services. Constant effort is required on the part of all family members to eliminate unnecessary low priority expenses.

2.1.17.1 Expenditure on Food

Health is one's most precious asset, and nutritious meals can be an all important factor in maintaining it. It is therefore essential to allocate sufficient funds to guarantee proper diet to self and the family.

The goal of food management is to provide food that will ensure the physical and mental growth of the family with a reasonable expenditure of available resource. Decisions begin with the setting of nutritional standards and the planning of meals to meet these standards. They lead to planning the amount that can be spend on food, planning for purchase, choosing the markets, buying the food supplies and storing them and serving the meals. According to Nickell and Dorsey (1986), "the kind of food we buy is determined by habit, cultural background, psychological preferences, dietary knowledge, income, and relative prices."

Overspending on food is one of the most common ways that most families waste money and should be one of the easiest places to cut down. Food is a family's most flexible expense but also can be the most controversial.

A number of studies reveal shocking waste in food purchases. Mark Skousen and Jo Ann Skousen (1993) have put forward some simple rules to help cut the food bill by 10% or more without affecting the quality of meals.

1. Plan menu before shopping, and take a list.

2. Shop bargain sales, and plan meals around seasonal specials.

3. Buy in bulk when possible, but make sure that the larger quantity can be used without throwing it out.

4. Shop less frequently to reduce the temptation for impulse purchases.

Foresight in food planning helps families to control the type of food they choose in the market, the family's diet pattern, time, and energy costs in food preparation as well as money.

2.1.17.2 Expenditure on Housing

"Probably the largest single transaction that individuals make during their lifetime will be the acquisition of a house. Because of the major commitments involved in the acquisition, repayment, and maintenance of this key non-financial asset, decision on housing must be done carefully" (Stanley, 2004).

The first step in making a housing decision is to determine housing requirements. Numerous factors interact to determine an individual's housing requirements. Key among them are location, necessary physical characteristics, and, most important, the individual's ability to pay. Housing, besides satisfying one of the basic necessities, is an important economic activity and plays a significant role in the socio-psychological development of the individual.

The second step in housing decision is to determine whether to purchase or rent a house. The decision may be taken after considering the pros and cons of both the alternatives.

Rental units are available in a wide variety of types, styles, and prices. Since no down payment is required, renting permits a high degree of mobility; it also offers freedom from maintenance responsibilities. The disadvantage of renting lies in the fact that it does not offer the financial benefits and prestige of owning. Home ownership makes possible the deduction of interest payments and property taxes from taxable income and provides a hedge against inflation. Disadvantages of home ownership are the cost and inconvenience of selling a home and maintenance and upkeep responsibilities associated with owning.

Before an individual buys a house, he must decide how much he can afford to spend. He should have enough savings available to make 5 to 30 percent down payment. In addition, he should be able to make the regular mortgage payments, which often include not only the loan repayment and interest but also the payment of property taxes and insurance.

2.1.17.3 Expenditure on Clothing

Next to food, clothing is probably the biggest category where wasteful spending occurs, and one of the easiest categories on which to cut back.

The family attitudes towards dress, especially on the part of the mother, and possibly of the father, are important to the good mental health of each member of the family. The clothing one wears plays an important part in adjusting to the social group. As such, clothing management is largely a psychological problem because it affects the personality development and happiness of each member of the family (Dickson, 1996).

The objective of clothing management is to further the physical, social and psychological well being of each member of the family in each stage of the family's life, and to do this with a reasonable expenditure of the family's resources.

Fashion is perhaps the most extravagant force in clothing selection, for imitation and conspicuous consumption play important roles. As fashion changes, garments become socially obsolete. Hence, conscious planning is required in the selection and purchase of clothes. The following guidelines are beneficial in controlling the expenditure on clothing.

1. Know the maximum amount of money available for the family clothing.
2. Determine in advance the clothing requirements of each member of the family.
3. Teach the children how to select, wear, and care for their own clothing.
4. Select the stores where the best values can be obtained.

5. Use all available information concerning quality, workmanship, shrinkage, colour fastness, care, and upkeep of clothes.

2.1.17.4 Expenditure on Education

Now, families spent a major portion of their disposable income for education. It includes all kinds of fees, cost of books, periodicals, journals, tools and equipments meant for education, travel expenses, uniform, private tuition, hostel fees, and other expenses meant for education purpose.

Education has become so expensive that it should be planned and savings is to be made ahead of time. The number of children, nature of education and place of education are the factors to be considered in formulating the education budget. Now educational loans are available from banks for higher studies and the feasibility of obtaining such loans should be evaluated.

2.1.17.5 Expenditure on Medical Care

Medical care is only one factor in keeping the individual and the family in a good state of health. The best medical services cannot always succeed unless an individual has suitable food and good housing, practice simple rules of hygiene, and is reasonably free from emotional anxieties (Mugenda, et al., 1990).

Medical care includes physician's services, nursing and hospital services, drugs and related items and services. Medical expenditure includes only those paid directly by the family, thus excluding public health service and Government support. The family or individual need for medical care, largely, is unpredictable and uncontrollable. Need varies greatly for a specific family from one period to another and among families at a given time.

Each family member can help to minimise medical expenditure by the development of good health practices and by care to prevent accidents at home, on street and in the work site. Regular medical check-ups and immunisation along with early medical advice help to prevent the development of major disabilities. A balanced diet containing the required calories, minerals, vitamins and other nutrients, along with proper exercise will keep the family healthy, minimising the need for medical expenses.

2.1.17.5.1 Health Insurance

As both the frequency and potential severity of economic loss resulting from sickness and accidents is high, health insurance is essential. The cost of delivering health care continues to soar, making some form of coverage all the more necessary. The major types of health insurance policies available can be grouped into three, based on their coverage. They are (a) general medical expense, (b) major medical expense, and (c) loss of income.

2.1.17.6 Expenditure on Conveyance

The family expenditure on conveyance depends on a number of factors. Chief among them are number of persons in the family, nature and place of employment, distance of educational institutions where children are undergoing education, number of pleasure trips, nature of shopping, distance from the present residence to the native place and the type of transportation. Conveyance expenditure includes train fare, bus fare, taxi fare, expenditure of two wheelers and four wheelers owned by the family, and driver's salary.

2.1.17.6.1 Auto Ownership

Owning an automobile is a necessity for some, a great convenience for some others, a pleasure for still others, and a status symbol for many. The bigger, more expensive, and more luxurious the car, the greater the amount of status it is believed to reflect. Though an automobile is a faster, more convenient and more comfortable means of transportation, its cost is much higher than public transportation system.

In order to reduce the monthly conveyance expenditure, rely on public transportation system as far as possible. While commuting from residence to the place of employment, car-pooling is convenient and economical.

2.1.17.7 Expenditure on Social Obligations

Expenditure to meet social obligations includes expenses during religious and other festivals, celebrations, gifts, and donations to relatives, friends and charitable and cultural organisations.

2.1.17.8 Expenditure on Entertainments

Entertainments bring relaxation from routine life and can contribute to health, both mental and physical. Expenditure on entertainments includes movies, audio and video cassettes, CD's, cable TV, picnics, parties and food from outside. Amount spent on entertainments increases as the income increases. Each family should estimate the cost of their recreation and make sure that it is within the budget limit. According to Burton and Petrello (1978), a successful recreational activity must meet three criteria.

1. It must fit into the leisure time available.
2. It must suit the individual, and
3. It must be affordable.

2.1.17.9 Expenditure on Personal Habits

It includes expenditure incurred by the family members to meet wants of personal preferences and tastes like smoking, drinking, and hobbies like gardening and photography. Expenditure on personal habits depends on the number of members in the family, their income level and socio-cultural background.

2.1.18 Savings and Investments

"Save as much as you can now and invest wisely, while you are young and have some financial power. When you become old, you will lose nearly all your physical strength but you must have a lot of financial strength" (Sinha, 1998).

The concept of savings may be understood to mean refraining from the act of spending one's income on consumption. Savings thus form the part of income, which is available for expenditure in future either for consumption or for investment purposes.

Individual savings means earned surplus. Hence, savings is that part of an individual's income over a period, which is not spent on consumption during the same period. Thus, one can define personal saving as the difference between disposable personal income and personal consumption expenditure.

Postponement of consumption is called savings and these savings are invested in order to obtain a reward for such postponement. Investment is defined as 'the allocation of economic resources for productive purposes, expected to permit increased levels of consumption at some future date' It represents a form of non-consumption since income that is channeled into this form cannot be used for consumption in the current period, but increases the consumption standard in future. Thus, it is a trade off between present and future consumption. Broadly speaking, an investment is a commitment of something of present value in the hope of receiving future benefits.

While many types of investment vehicles are available, people invest for two primary reasons. Those interested in current income select investments that pay regular dividends or interest. In contrast, investors who desire long-term growth choose stocks, mutual funds, real estate, and other investments with potential for increased value in the future.

2.1.19 Criteria for Investment

Investment media are numerous and they are growing in number and variety, in the developed as well as the developing countries, serving the needs and moods of various types of investors. In deciding how and where to hold the savings, an individual is normally governed by six considerations: (1) safety, (2) profitability, (3) liquidity, (4) marketability, (5) hedge against inflation and (6) tax benefit.

2.1.19.1 Safety

Although the primary objective of investments is maximisation of returns, every investor considers the safety of principal first, return, thereafter. A careful review of economic industry trends is highly significant before choosing the type of investment and the time to invest. Besides, the credibility of the institution in which one invests is also to be taken into account.

2.1.19.2 Profitability

Once a person is assured of the safety of his investment, then he looks at the expected returns. If the investor is not an income tax assessee he would be eager to obtain maximum cash returns on his investment. On the other hand, an income tax assessee is not interested in the gross returns, but the returns after tax, i.e., the investment that gives tax-free returns would be preferred.

2.1.19.3 Liquidity

An investment should not only be safe and profitable but also readily be convertible into cash. More clearly, liquidity refers to the quickness of getting the invested funds back whenever the investor wants it.

2.1.19.4 Marketability

The concept of marketability is related to liquidity. The degree of marketability refers to the ease or difficulty with which one can obtain the market value of the assets. Some assets have a continuous market, while for other assets, the market may be thin and intermittent.

2.1.19.5 Hedge against Inflation

Inflation refers to general rise in the level of prices. When the prices shoot up, the purchasing power of money continuously goes down. The investor should try to counteract the negative consequences of inflation and make his money work for him. The investment amount should appreciate in value at least at the same rate the price increases.

2.1.19.6 Tax Benefit

An important factor to be considered while investing is the burden of taxation. The increasing rate of taxation is a major issue confronting every income earner who wants to plan his finances. For encouraging savings and investments and diverting funds from unnecessary expenditure into productive channels, the Government has offered several tax concessions. An individual by choosing the investment channels, which provide the maximum tax concessions, can avoid payment of taxes to a certain extent.

2.1.20 Rules for Savings and Investments

The basic objective of an investor is to get the largest possible return on the money invested with the least amount of risk. People usually save for three basic reasons – emergencies, future consumption and future income. Mark Skousen and Jo Ann Skousen (1993) have put forward some golden rules regarding savings and investments.

1. Put savings first.
2. Make it easy to deposit your savings.
3. Make it difficult to withdraw your savings.
4. Invest your savings wisely.

2.1.21 Personal and Property Insurance

Life in the modern world is filled with many forms of risk – illness and death from disease, injury and death in automobile accidents, fire and floods, and many other forms of violence. Therefore, adequate insurance coverage is an important component of personal financial planning.

Good financial planning, personal asset management and personal liability management could prove useless if adequate protection against unexpected and damaging events is not provided for. Fundamentally, insurance provides protection against an unpredictable loss by the payment of a known charge – premium, in advance.

2.1.21.1 Life Insurance

Life insurance plays an important part in providing financial security for a family, in the event of the premature death of the breadwinner of the family. Most families depend on someone's wage or salary for their income. When this person dies, the income stops. One way to replace it is for others in the family to go to work. The other way is to have life insurance. Moreover, most policies, except term insurance, have a saving element in them in addition to insurance protection in the event of death of the insured.

2.1.21.2 Health Insurance

The rapid rise in health care costs can financially drain a family to the point of economic extinction. All are exposed to numerous risks, including possible accidents or illness. Such misfortune can burden the family with sizeable medical costs. Without adequate health care coverage, the family may find it difficult to meet the expenses. Therefore, it is imperative to have some health insurance.

2.1.21.3 Automobile Insurance

None of us should drive an automobile without properly protecting ourselves against the risks involved. Before we drive, we should protect ourselves economically against the following possibilities.

1. Causing injury to other people or damaging their property.
2. Sustaining bodily injury or automobile damage by a financially irresponsible motorist.
3. Auto damages because of personal negligence.
4. Auto theft, vandalism or damage from other similar perils.

A good automobile insurance policy can provide protection against all these risks.

2.1.21.4 Property Insurance

For insurance purpose, the term property refers to two categories: physical structures (most commonly a house) and personal property (one's belongings). Property and liability insurance provides protection against the loss of property from numerous types of perils and offer financial security from lawsuits based upon negligence.

2.1.22 Personal Liabilities

The economy we live in today is often called a 'credit economy' because of the ready availability as well as liberal use of credit to make various types of purchases. People typically borrow money for use in paying for goods and services. Most people now believe that debt allows families to raise their living standards and increase their productive capacities.

2.1.23 Benefits of Consumer Credit

Borrowing against a higher income expected in the future is a convenient way of enjoying a variety of consumer goods and services without first saving the money required to purchase them. It has provided the individual consumer with a way to handle financial emergencies and has obviated the need for either borrowing from friends and relatives or postponing present consumption. The repayment of consumer credit is essentially a forced saving from disposable income.

2.1.24 Drawbacks of Consumer Credit

An injudicious use of credit can result in hardships and even disaster. Unwise use of credit results in the loss of property used as collateral. In the opinion of Mark Skousen and jo Ann Skousen (1993), "credit can be used to your advantage, or it can be an albatross around your neck. If you use it regularly for consumer purchases, it will become a heavy burden, but if you use it judiciously for wise and timely investment, it can be extremely profitable. Never let debt get too strong a hold on you, even for investment purposes."

2.1.25 Personal Taxes

The payment of taxes is an important and unpopular expenditure that can significantly affect the personal finance. Taxes must be considered not only in the financial planning and budgeting process, but also in making decisions on all aspects of personal finance. Because taxes somehow affect all individuals, an understanding of them is essential to the intelligent management of personal finance.

The dominant tax in our economy today is income tax. Income tax is an annual tax levied in every assessment year at the prescribed rates, on every person, in respect of his total income for the relevant previous year. Since all are legally required to pay taxes, it is better to gain a thorough understanding of all the rules and regulations. Knowledge of tax laws can help an individual to take advantage of opportunities to reduce taxes and thereby increase the amount of after-tax income available for achieving the financial goals.

2.1.26 Tax Planning

Effective tax planning requires one to plan one's income and affairs even prior to actually earning the income. Tax planning is wider in scope and includes instances of merely availing, strictly in accordance with the law, the tax exemptions or tax privileges offered by the Government. We can plan our affairs utilising methods built into the system to keep down the taxes. "It is the duty of every man to arrange his financial affairs in a manner that will ultimately lead to maximising his take-home-pay" (Pattabhiraman, 1990).

2.1.27 Retirement Planning

Two topics that should be given major consideration in the course of preparing and implementing personal financial plans are retirement planning and estate planning. Because both these subjects are not of immediate concern to younger persons, they may have a tendency to ignore them until it is too late to receive or optimise benefits. The individual who understands the importance and principles of both retirement and estate planning will work to build and preserve net worth that can provide a source of retirement income as well as benefits for heirs.

People who do not plan properly often have to significantly reduce their standard of living and associated quality of life in order to make ends meet upon their retirement. Depending on future inflation rates, handsome pension at retirement may shrink uncomfortably close to bare subsistence, a few years later. In order to avoid this kind of situation, it is wise to prepare and begin to implement plans that will provide for adequate retirement income.

The first step in the retirement planning process involves the formulation of goals or objectives. Once these have been established, it is necessary to develop specific plans aimed at attaining them. These plans must consider both retirement income needs and the sources of retirement income available for meeting these needs. Thus, planning for retirement involves taking three major steps.

1. Determine the income the family would need to maintain the desired standard of living.
2. Estimate the total expected income from all sources.
3. If the expected income falls short of the expected needs, either purchase annuity to bridge the deficit or lower the family's expectations.

Most individuals attempt to maintain approximately the same standard of living after retirement as they did before retirement. Except for some job related expenses, customary expenses do not disappear upon retirement. As a rule of thumb, about 75% of the current income is required to maintain the current standard of living, after retirement. One's need for income in retirement will be influenced by factors such as the number of dependents that he has to support, whether he owns a home or not, the state of his health and the cost of living in the locality in which he resides.

There are four major sources of income that most individuals rely upon during the retirement years – life insurance cash value, annuities, pension, and retirement plans.

2.1.28 Estate Planning

The estate planning process involves accumulating, conserving and distributing an estate in a manner that will most effectively achieve an estate owner's personal goals. The emphasis of estate planning should be on personal objectives and the needs and desires of the individuals involved. In other words, estate planning should be "people planning."

Estate planning can be defined as 'a goal satisfaction – oriented activity that uses tax minimisation tools and techniques to provide the greatest financial security possible for an individual and his or her heirs or beneficiaries'.

There is no substitute for careful and thoughtful planning involving estate transfer. Estate transfer means to transfer to another or others, those assets in which an individual has the legal rights of ownership, or title. The most common means of accomplishing this is to make a will. A will is a written legal document that expresses the manner in which a person desires to have his estate disposed of upon his death. A will can be used to designate an executor, to itemize what property is to be distributed, to whom, and in what manner, to create trusts, and to designate guardians for children who are minors. Before writing the will, it is advisable to discuss possible instructions with the spouse and with other members of the family.

From the above discussions, it is clear that personal financial planning involves a lifetime process covering the entire spectrum of human activities. From birth until death, most decisions and behaviours of individuals are connected with personal financial planning. Only knowledgeable active decision makers will achieve financial security.

2.2 Migration

The history of human migration is as old as the history of mankind. During the early stages of civilization, man led a nomadic life. Hunting and fishing were their means of livelihood. Later, they began to cultivate fresh land and cultivation brought along with it settled life. Increase in the number of people forced them to search for new and virgin agricultural land for extensive cultivation. This automatically resulted in migration of people from one place to another. As civilization advanced and population increased, migration from less developed to more developed countries became our internal necessity (Van Hock, F.J., 1970).

Every year millions of people all over the world move out of their normal place of residence for better prospects. If military operations, political oppressions, or religious persecutions were the major causes of exodus of people on various occasions in the past, it is by and large economic factors that induce people to migrate in the modern period (Joseph, 1988). However, the exact circumstances under which people migrate from time to time and place to place vary considerably.

2.2.1 Types of Migration

The term migration encompasses a wide range of patterns. From the geographical point of view, there are three streams of migration - intra-regional, inter-regional and international migration. Movement of people within the region or the state is intra-regional migration. The migration by Christian peasant families from the south central parts of the state to the virgin lands at the foothills of Northern Kerala comes under this category. Inter - regional migration is the movement of people from rural areas to the urban centers in search of better job opportunities. For the last five decades, there has been a large-scale inter-regional migration of educated labour from Kerala to other parts of India, especially to big cities like Delhi, Mumbai, Chennai and Bangalore. Population movement across national boundaries is referred to as international migration.

Based on the duration, migration may be classified into permanent and short-term. In permanent migration, people from developing countries are migrating to developed countries to avail of better jobs, opportunities, and living conditions and to settle there. Short-term migration comprises temporary migration involving the return of migrants to the place of origin. In short-term migration, the workers are hired for contractual jobs for a definite period and are expected to return after the expiry of the period. Almost all such migrants except highly paid people leave their families in their home country. A substantial portion of the income of such migrants is remitted to their home country to support their family. Labour migration to the Gulf countries can be categorised as short-term migration. Gulf-migration is purely temporary in nature for several reasons - religious, ethnic and political. For instance, the Arab countries are exclusively Islamic and brook no interference with theoretical values, beliefs, cultures and practices. No immigrant of non-Arab origin and non-Islamic faith can expect to acquire right of domicile and citizenship in any countries of the Arab world. The social and economic freedom also tends to be severely circumscribed by the rules and regulations in vogue in these countries (Nair, 1983).

2.2.2 Causes of Migration

Zachariah, et al., (1999) listed the root causes of migration under five heads. Firstly, the rapid decline in mortality and the resulting demographic expansion led to unemployment and low wages in Kerala. This has compelled many people to migrate from Kerala.

Secondly, stagnation in the agricultural sector in Kerala following the wage hikes and agrarian and other reforms of the 1960's introduced without the necessary follow-up reforms such as agricultural mechanisation. After agrarian reforms, especially the wage reforms and in the context of militant opposition to agricultural mechanisation, agriculture, particularly rice and coconut cultivation had lost its profitability. This has been another cause of migration from the state, especially internal migration.

Thirdly, as a result of accelerated development in education, especially education at higher levels, the gap between the supply of educated persons and the opportunities available in the state worsened. This has pushed the educated youth to other states and abroad in search of employment.

Fourthly, the failure of the economic organisation in the state to expand employment in the secondary and tertiary sectors compelled people to move out.

Fifthly, the growing economic opportunities in the metropolitan and industrial cities of India after Independence, and in the Gulf countries following the oil boom of the early 1970's motivated many to migrate.

Thus, at the place of origin, the causes of migration include demographic expansion, agricultural stagnation, educational expansion and the lack of growth of secondary and tertiary sectors of the state economy and at the destinations, abundant job opportunities.

2.2.3 History of Migration from India

Migration of people across the globe is an inseparable part of human history. Indian emigration has been taking place for centuries. But never before in history, India witnessed such massive movements of people from India to other parts of the world as in the 19^{th} and 20^{th} centuries. Among the immigrants of diverse nationalities, overseas Indians constitute a sizable segment. In terms of sheer numbers, they make the third largest group, next only to the British and the Chinese.

According to Bhat (1998), there were three broad patterns of overseas migration from India in terms of history and political economy.

a) Emigration that began in the 1830's to the British, French and Dutch Colonies;

b) Emigration to the industrially developed countries during the Post-World War II period, and

c) The recent emigration to the Gulf countries.

In India, the sacred Hindu scriptures prohibited crossing the seas. Hence there was no large-scale emigration until the nineteenth century. During the second half of the eighteenth century, some Indians emigrated to Philippines, U.S.A and Indonesia to work as agricultural labourers. It was the European imperialist expansion during the nineteenth and twentieth centuries that created conditions for emigration in large numbers. New plantations and industrial and commercial ventures in European colonies created the need for large supplies of labour.

The modern story of Indian emigration overseas begins with the colonial period, and the demand for labour following the abolition of slavery in 1833 (Ravindran, A.M, 1987). Indenture, a system of labour contracting that came close to slavery but retained the fiction of free labour, sent thousands of Indian men and women to the West Indies, Mauritius, Fiji and other plantation states in the British Empire. Many of those who went abroad were low-caste agricultural workers from contemporary Bihar and Tamil Nadu. Under the indenture system, about 1.5 million persons migrated. On their arrival in the colony, the migrants were assigned to the plantations to which they were 'bound' for five or more years, where they lived an isolated and insulted life. When their indentures were completed, some immigrants stayed on the plantations while others move out into the rural communities. However, most of these migrants and their descendants did not return home though the indenture system of labour was discontinued in 1917 (Ravindran, A.M, 1987).

Emigration to Sri Lanka, Burma and Malaya presents a marked contrast to migration to the British Colonies. All the emigrants to Sri Lanka and Malaya were from the South and the emigrants were recruited by headmen known as 'Kangani' The Indians worked on the tea, coffee and rubber plantations. During the period 1852 1937, 1.5 million Indians went to Ceylon, 2 million to Malaya and 2.5 million to Burma (Bhat, 1998). After 1920, the 'Kangani' emigration gradually gave way to individual or free migration due to fall in demand for Indian labour.

Emigration to the developed countries like Britain, U.S.A, Canada, Australia and New Zealand is a post World War II phenomenon. The first trickle of Indians to Britain occurred during the period of British Raj. However, a major influx of Indians took place only after India's independence in 1947. As per the report published by the Ministry of External Affairs (2001), there were 12,00,000 Indians in the UK in 2001.

Large-scale migration of Indians to United States of America started only after the repeal of the Immigration and Nationality Act in 1965. By 1987, there were about 500,000 Indians in the U.S.A. The Indians who migrated to the U.S.A belongs to the class of educated and professional elites such as engineers, scientists, doctors as well as accountants and executives. Their life style and aspirations are similar to the general American population. The total stock of Indians in the United States of America was estimated at 16.78 lakhs in 2001 (Ministry of External Affairs, 2001).

2.2.4 Migration to the Gulf

Recent migration of Indians to the Gulf countries is basically oriented to labour and servicing occupations on a contract basis. There were only 14,000 Indians in the Gulf in 1948 and 40,000 in 1971. According to the 1992 Gulf Co-operation Council Market Report of Birks, Sinclair and Associates, the listed migrant non-national population of the six GCC states (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE) was 70,75,851. Of this population, the Indians topped the list at a total of 14,28,438 people. As per the above report, about a third of this number were construction workers, while the rest included domestic workers, nurses, technicians, engineers, accountants and other labourers.

Accurate and reliable data relating to Indian labour outflows are not available. The basic source of data about labour outflows is the data provided by the Protector General of Emigrants (PGE) in the Ministry of Labour. But due to many problems, the data give only a rough approximation of the magnitude of out-migration of workers. Firstly, as per the Emigration Act 1983, 17 categories of persons are exempted from emigration clearance and such individuals receive a passport with the stamp 'emigration check not required'. Secondly, many Indians go abroad on visiting visa, especially to the Gulf countries. However, as soon as they reach the destination, they go underground and start working as illegal immigrants by taking up odd jobs. Hence, the data provided by the Ministry of Labour comprise only the number of migrant workers who obtained emigration clearance to work abroad.

During 1997, more than 90 per cent of the migrants were bound for five oil-exporting countries in the Middle East Bahrain, Kuwait, Oman, Saudi Arabia and United Arab Emirates. But thereafter there was a decline in the out migration to the Gulf countries. During 1998-2002 nearly 75 percent of the migrants were to the Gulf (Zachariah, K.C and Rajan, Irudaya, 2004).

When considering the total outflow, it can be seen that the peak migration was in 1997, which stood at 4,16,424. Thereafter it started to decline and reached 1,99,552 in 1999. Again it started to pick up momentum and reached 3,67,663 in

2002. Also it is worth noting that Saudi Arabia attracted the largest number of Indian laborers followed by United Arab Emirates.

2.2.5 Labour Outflow to the Gulf

Subhash Narula (1988) explains that since 1950, when oil discoveries in the Gulf region turned the area into one of the richest one in the world, the demand for alien labour force has been there due to the fact that native labour force was neither available in required number nor did it possess even the minimum skill needed for its proper utilisation. In such labour scarce economies where mounting oil revenues prompted the creation of minimum basic infrastructure like roads, telecommunication, housing, education etc., there was no alternative but to liberalise the immigration of foreign labour. Hence, labour abundant economies in the region like India, Pakistan, Bangladesh, Sri Lanka, etc. were attracted by the job opportunities and high wages there. Thus started the labour outflow to the Gulf countries. However, till 1973, the growth of labour migration was moderate due to its limited demand resulting out of stable oil price and revenue.

2.2.6 Why Indian Workers?

The price hike of oil in 1973 and the consequent earnings of large revenue had accelerated a process of industrialisation and social change in the Gulf countries necessitating the services of large number of foreign workers. India has emerged as one of the major participants in the export of labourers to these countries. India's geographic proximity and historical and cultural links with the Gulf countries helped the Indian community to migrate in large number. The Indian workers were preferred over other nationals because they do not make any demands and do not expect to live in the country permanently. Moreover, they were prepared to engage in jobs that Arabs often do not accept. Never before in Indian history, labour migration took place on such a scale and such a variety as occurred during 1973-81 period. Skilled and semi-skilled workers, technicians, engineers, doctors, teachers and other professionals crossed the Arabian Sea to land up in the Gulf countries bubbling with oil wealth and financial opulence (Narula, Subhash, 1988).

The construction boom that followed the major hike in oil prices in 1973-74 greatly increased their demand for labour, particularly skilled and semi-skilled, which India was well placed geographically and socially to satisfy. When the Indian construction firms began to gain contracts there, they naturally took their own labour force with them. Indeed, their ability to provide large number of comparatively low paid men with all necessary skill must have been a significant factor in their ability to win contracts (Thomas, 1982). The number of Indians engaged in construction work was at its peak in the late 1970's, but declined thereafter, mainly owing to a slow down in construction.

Migration to the Gulf countries has been basically one of non-resident labour in which the entry of non-working dependents is discouraged. The migrants are not permitted to own any real estate or undertake any business enterprise of their own. All the business undertakings run by the emigrants are in partnership with the local personnel or they have to obtain a license in the name of a local resident.

Presently a large section of Indians are employed in private sector firms and services. Indians are employed as factory workers, department store clerks, hotel staff, accountants, engineers and workers for oil companies, bank officials and sales men in business undertakings. Gulf Governments and Government run institutions also employ Indians. Majority of the nurses working in hospitals are Indians. Nurses are recruited from among the Christians of Kerala and Sri Lanka.

It is estimated that one sixth of the Indians abroad (20 million) reside in the Arabian Gulf. Seventy percent of the three millions staying there are unskilled and semi-skilled workers, 20 percent are white-collar workers and the rest are professionals like doctors, engineers, architects, chartered accountants, IT professionals and management consultants. Generally speaking, most of the Indian professional community there are well to do and have their spouses and kids living with them. Numerous Indian schools have sprung up all over the Gulf. However, for higher studies Indian students have to be sent either to India or other countries that offer quality higher education.

2.2.7 Migration from Kerala

Migration of Keralites to the Gulf region started at least on nominal scale even before the dawn of independence. However, migration turned into something like an exodus since the seventies when large number of Keralites from different walks of life, such as doctors, engineers, accountants, clerks, nurses, technicians and skilled workers of different trades and even casual workers and domestic servants from almost all parts of Kerala started to move to the Gulf region (Joseph, K.V, 1988). The low labour adsorption capacity of agricultural sector compounded by the slow growth of job opportunities in the modern sector has created ideal conditions for an acceleration of migration from the state. It is observed that while the more affluent and educated moved to the U.S.A and Canada, the relatively less educated and poor moved to the Gulf countries.

Migration is the single-most dynamic factor that has brought drastic changes in Kerala in the last quarter of the twentieth century. Mostly as a result of migration, Kerala has become virtually integrated with the world economy, with the Gulf economy to a large extent and with the economies of the United States and the Western European countries to a lesser extent. Kerala has become part of the Gulf countries, if not geographically and politically, but very much so economically, socially and culturally. What happens in the Gulf countries have repercussions in Kerala; and what happens in Kerala have, in turn, their repercussions in the Gulf countries (Rajan, 2003). Emigration from India to the Gulf countries takes place mainly from seven states - Kerala, Andhra Pradesh, Punjab, Gujarat, Goa, Maharashtra and Tamil Nadu. Of these seven states, Kerala alone account for nearly 50% of the migrants. A major portion of migrants from Mumbai is persons belonging to Kerala. Keralites have always been renowned for their enterprise and capacity to adapt to new environments. A large number of Keralites live outside the state, finding employment in all sectors ranging from highly skilled professions to unskilled work.

2.2.8 Number of Keralites in the Gulf

There hardly exists any reliable accurate estimate of the number of Keralites in the Gulf countries. However, the largest concentration of Keralites anywhere outside India is to be found in the Gulf countries.

In 1981, Kerala Industrial and Technical Consultancy Organization (KITCO) estimated the Keralites living in Gulf countries as 3,50,500. Gulati and Modi (1983) estimated the number of Keralites working in the Gulf region at 3.1 to 3.25 lakhs, in 1983.

The migration survey conducted by the Department of Economics and Statistics in 1992-93 revealed that 11.92 lakh persons had migrated outside the state. Out of which 6.41 lakh persons were to the Gulf countries. According to a study conducted in 1999 by the Department of Economics and Statistics entitled "Survey on

Activity Status and Rehabilitation of Migrants from Kerala", there were 11.41 lakh Keralites working in different parts of the world. The migrants constitute about 3.6% of total population of Kerala and about 10.8 lakh (95.6%) of the migrants were in the Gulf countries.

As the Centre for Development Studies (CDS) Thiruvanamthapuram has conducted a number of studies on migration from Kerala and its impact on Kerala society, the estimates made by them can be considered more accurate and reliable. The number of Keralites in the Gulf countries in 2007 is estimated at 16.45 lakhs against 16.74 lakhs in 2003 (Zachariah and Rajan, 2007). The estimated stock of Keralites in the Gulf countries from 1973 to 2007, according to CDS, is shown in table 2.1.

The country of residence of the Kerala emigrants in 2007 is shown in table 2.2. It can be seen that 41% were in UAE.

As noted in the 1998 Kerala Migration Study Report (Centre for Development Studies, Thiruvanamthapuram), migration is considered to be the single largest factor, which helped poverty alleviation in Kerala than any other factors, including literacy, agricultural reforms and trade union activities. It is also a fact that desire for migration is the single largest factor, which motivates the younger generation to acquire technical and academic excellence.

2.2.9 Consequences of Migration

Migration has many consequences, some positive and some negative. Anyway, the positive consequences far outweigh the negative consequences. The most significant positive consequence is the remittance received from abroad and the consequent increase in standard of living of the people in Kerala. Secondly, migration to the Gulf countries has helped to reduce the gravity of unemployment problem in Kerala. It provided an outlet to persons who would otherwise remain unemployed or under employed.

Thirdly, migration has a very significant impact on the proportion of population below the poverty line. The proportion declined by over three percentage points as a result of remittances received by the Kerala households from their kith and kin abroad. The decline in poverty is largest among Muslims and relatively low among Syrian Christians. Fourthly, education is another area where migration has exercised tremendous positive influence. The mushroom growth of English medium schools in the private sector in Kerala may largely be attributed to the Gulf migration.

Economists and other experts view Gulf migration as desirable not only to the migrant households, but also to the country as a whole. It has been pointed out that the workers while abroad will be receiving valuable industrial training. Such an exposure will raise their quality, expertise and working capacity. The acquisitions of industrial skill along with the assimilation of values and work ethics are thought of as having critical importance to developing countries (Nambiar, 1995).

Another important benefit of Gulf migration, which is overlooked by many, is the empowerment of women in Kerala, especially the Gulf wives. They are the women whose husbands are living in Gulf countries. As a result of Gulf migration, nearly one million married women are forced to live in Kerala, away from their husbands. This enabled them to take up the responsibility of managing the family, handling bank accounts, and managing newly acquired assets and properties. The experience, skill and self-confidence gained by such women would definitely contribute to the development of the society.

At the same time, the category which is deeply affected by migration is also the Gulf wives. The absence of husband causes several problems for wives. According to Zechariah, Mathew and Rajan (2000), the principal problems arising from their husband's emigration in the order of importance are:

1. Loneliness.
2. Added responsibilities.
3. Adverse effect on children's education.
4. Debt incurred to finance emigration.
5. Increased anxiety, and
6. Financial gains not up to expectation.

The economists are also concerned about the adverse effects of migration, especially on the output level in the sending country. Large-scale emigration of the skilled and unskilled workers may create labour scarcity, which in turn affects the domestic output. However, in labour surplus economies this is unlikely to produce any result. In economies like India, the effect was found as negligible as there is a reservoir of skilled and unskilled labour to replace the employed migrants (Nayyar, 1994).

2.2.10 Remittances

Migrants to the Gulf countries regard their stay there as a finite opportunity to improve the economic and social status of their households. A direct consequence of this is the transfer of money and goods back to the home country in the form of remittances. Remittance represent an under researched aspect of migration. Perhaps this is because of the non-availability of accurate data. There are wide varieties of channels through which expatriate money can enter the country. Cash can be sent through official banking channels, through money changers and by making a personal visit. Goods in the form of consumer durables and gold can be sent instead of cash. It would be almost impossible to record all these transactions accurately.

Many researchers have attempted to estimate the remittance to Kerala. Major studies are conducted by Gualati and Modi (1983), Nair and Mohanan (1994) Prakash (1998), and Kannan and Hari (2002).

Since 1980's there is heavy increase in foreign remittances. Such an increase has to be attributed mainly to remittances from Gulf countries since Keralites living in other parts of the world send, in general, only a tiny portion of their savings to India. Bulk of their savings is kept in western banks mainly for three reasons. Firstly, most migrants to the western countries, particularly to U.K., USA and Canada have taken their spouse and children along with them to the countries of their employment. Secondly, as the migrants to such developed countries consist of persons with better educational qualifications and experience, they have developed their own banking habits. Thirdly, since most of them have chances of settling down in the countries of immigration, they would not require transferring their savings to the home country.

On the other hand, migrants to the Gulf countries are purely temporary migrants and most of them have not taken their spouses and children to the countries of employment. Moreover, they are predominantly persons with little educational qualification and knowledge of banking practices.

The annual remittances received by the Kerala households were 2.5 times higher than what Kerala received from the Central Government as budget support. According to the study by Kannan and Hari (2000), by the early 1990's remittances to

Kerala economy had assumed a significant share of State Income. This ranged from 17% during 1991-1992 and 24% during 1997-98 with an average of 22% for the second half of the 1990's. By the end of the nineties remittances reached such levels that they were well above the total state Government expenditure. Workers remittance to Kerala constituted as much as 22% of the net state domestic product by 2000. Total remittance from abroad during 2006-2007 is estimated at Rs.24,525 crores (Zachariah and Rajan, 2007). Remittances from the Gulf countries alone comes to Rs.22,073 crores. It is based on the estimate that 90% of the total remittances are from the Gulf countries. In short, migration seems to be the single most dynamic factor in the otherwise slow growth and dreary employment scenario of Kerala during the last 25 years.

The emigration to Gulf countries has proved a safety valve for a state like Kerala where educated unemployment is high. It is reported that Gulf migration has considerably eased the unemployment problem in the state. As a result of migration, the number of unemployed has declined by 32 percent and the unemployment rate has declined by about three percentage points, from 14 percent to 11 percent. Reduction in unemployment due to migration was larger among those with less than secondary school education compared to those with secondary school education or a degree (Rajan, 2003). The remittances received in Kerala from migrant workers from the Gulf account for 22 percent of the net domestic product of Kerala (Prakash, B.A, 1998). The large-scale migration and flows of remittances have resulted in wide spread changes in labour market, consumption, savings, investment, income distribution and regional development of Kerala. Available evidence suggests that the migration has helped the migrant households to attain higher levels of income, consumption and acquisition of assets compared to non-migrant households.

The Gulf migration and the flow of remittances have resulted in unprecedented economic changes in the economy of Kerala since the mid 1970's. In 1998, Prakash examined the economic impact of Gulf migration on the regional economy of Kerala. The study revealed that since the mid 1970's the factor which had the greatest impact on regional economy, especially on labour market, consumption, savings, investment, poverty, income distribution and economic growth, has been the Gulf migration and migrant's remittances.

2.2.11 Migration and Standard of Living

The standard of living of the migrant households has improved considerably as a result of remittances. The first visible evidence of higher living standards of migrant households is the spate in construction activities in Kerala. It is reported that one third of the households had built new houses within five years of the migration of the worker. Another 20% had repaired and reconstructed their houses with that period (Prakash, B.A, 1998).

Another indicator is the remarkable increase in per capita consumption expenditure of migrant households, consequent to migration. Migration has also effected significant changes in the composition of food consumption. The food basket of the state which was dominated by cheap carbohydrate substitutes like tapioca and relatively cheap protein sources like sea fish, has been transformed to one dominated by costlier cereals, milk, meat, imported vegetables, fruits and processed foods. The share of non-food items in consumption expenditure has increased from 38 per cent to 54 per cent in rural areas and from 41 per cent to 58 per cent in urban areas of Kerala between 1983 and 2003 (Nayyar, 2004).

2.2.12 Reverse Migration

Since the middle of 1980's the emigration process entered a new phase of reverse migration. A combination of factors has brought about this situation. The virtual end of the construction boom of the 1970's, the recession caused by the decline of oil price and the resultant slow down of development activities, availability of alternative sources of cheaper labour, drastic wage cut by Arab employers, and their refusal to renew contracts or extend the terms of visa are some of them.

The worst year in the history of Indian migration to the Gulf region was 1990, when about 1.80 lakh Indians were repatriated from Kuwait and Iraq due to the Gulf war. Of this, more than one lakh persons were Keralites (Prakash, B.A, 1998).

It is reported that the return migration, which began in mid 80's, is still on and picking up added momentum, brining in its train enormous problems for the major emigration pocket of the country. In Kerala, the present indications are that the return migration is going to be a serious problem in all important emigration pockets. In the past two decades, Kerala has become so much dependent on migration and the remittances it brings. Any sudden break in the trend could be disastrous for the economic and social life of the state.

The migrant stock scenario in the Gulf countries is presented in table 2.3. It can be seen that in the case of Qatar and UAE, the percentage of migrants to total population is above 70 and it is above 50 in the case of Kuwait. It is reported that all the countries feel their immigration levels too high and are formulating policies to lower the levels.

The Gulf Cooperation Council (GCC) estimates that nearly 14 million local people, i.e., 15 percent of the Arab work force are unemployed. Further, there will be another eight million job seekers in 15 years time. In order to accommodate the local people, five lakh jobs have to be created annually.

Overseas workers represent 61 percent of the total labour force in Oman, 82 percent in Kuwait, 83 percent in Qatar, 69 percent in Saudi Arabia, 60 percent in Bahrain and 91 percent in the UAE (Samuel, 2003). The Saudi Government recently announced plans to earmark 21 white-collar jobs for its nationals to tackle the growing unemployment problem. Oman has already decided to Omanise 16 professions gradually.

Further, it is expected that the labour markets for foreign workers in the Gulf will eventually shrink and the labour exporting countries must be prepared to receive back their migrant workers at any time. As there is an uncertainty, it is necessary to undertake an advanced planning to meet any such eventuality. When there is a mass return emigration, the worst hit state will be Kerala. It is estimated that two lakh Keralites will lose job in Gulf over the next five years. Social scientists and economists are of the view that there will be adverse social consequences when there is a mass return to Kerala. The retuning labourers will create problems in the domestic labour market of Kerala where there is large-scale unemployment and under employment. As the large majority of returnees is of working age and still wishes to work, the unemployment situation is likely to intensify. More over, the returning workers may have unrealistic or inflated job expectations in terms of wage rate and status. The long waiting period for satisfactory jobs or getting inferior jobs may cause frustration and dismay among the returning workers. This is an area where an in depth study is required due to its socio-economic implications.

2.2.13 Why Personal Finance is important to the Gulf Migrants?

There is much difference between the emigrants from India to the industrially developed countries of the world such as the United States of America, Canada, United Kingdom, etc. and the emigrants to the oil rich Gulf countries. First, the labour migration to the western countries is permanent and the proportion of emigrants who return to India after a finite period is almost negligible. Second, a major proportion of such migrants are persons with professional expertise, technical qualifications or other skills. Third, they take their spouse and kids along with them to the host country.

On the contrary, the migration to the oil exporting countries of the Middle East is purely temporary and nobody can acquire citizenship there. In other words, all the migrants have to return to their home country after a short period of work there. Secondly, bulk of the migrants to the Gulf is unskilled or semi-skilled having no technical education or professional qualification. It is estimated that only 10% of the Indian migrants to the Middle East have professional or technical qualifications. Moreover, majority of them are socially and economically backward at the time of migration. Thirdly, about 80% of the Gulf migrants leave their family back in India.

As mentioned above, the Gulf migrants are economically backward and they migrated for economic prosperity. But their migration is purely temporary and they have to return to their home country after some time. Therefore, whatever money earned by them during the Gulf-period has to be properly utilised. Once they come back to Kerala, they have to depend on the investments for a living. Hence, the Gulf-Keralites should understand the significance of personal financial planning and invest their hard earned money in income generating investments, so as to get sufficient income after coming back from the Gulf.

2.2.14 Conclusion

For years, the petrodollar-flush Gulf Countries offered not only hope but also better livelihood and life style for millions of households in Kerala. About 16 lakh people, which mean about 7% of the total population in the Gulf countries, are Keralites. It is reported that as the Gulf countries have started implementing special programmes to find business and employment opportunity to the young Arab citizens by localising the job markets, the problem of Gulf-Keralites is all set to intensify.

In fact, the Keralites migrated to the Gulf countries for economic prospects. As indicated earlier, the Gulf migrants are predominantly financially backward persons with little educational qualifications. They can neither expect a good employment here nor start their own business ventures. Therefore, the only way out is migration to the Gulf countries.

Personal finance is not significant to a king or a beggar, but very significant with respect to a salaried employee who has to complete all the financial aspects of life from his limited income. Personal finance is more significant to a Gulf migrant, who earns high income for a limited period. Hence, for survival and growth, Gulf migrants should follow personal financial practices and utilise their income fruitfully.

Table 2.1
Estimated stock of Kerala emigrants in the Gulf countries 1973 - 2007

Year	Keralites in Gulf (in lakhs)
1973	0.34
1978	0.67
1983	1.83
1988	3.82
1993	7.44
1998	12.92
2003	16.74
2007	16.45

Source: Compiled from CDS working papers 328 and 395.

Table 2.2
Country of residence of Kerala Emigrants - 2007

Country	No. of Keralites
UAE	7,73,624
Saudi Arabia	4,47,440
Oman	1,34,019
Kuwait	1,34,728
Bahrain	58,146
Qatar	94,310
Others	2,836
Total	**16,45,103**

Source: CDS working paper 395

Table 2.3
Migrant Stock in Gulf Countries –2002

Country	Population (In lakhs)	Migrants (In lakhs)	Percentage of migrants to total population
Bahrain	6.4	2.5	39.8%
Kuwait	19.1	11.1	57.9%
Oman	25.4	6.8	26.9%
Qatar	5.7	4.1	72.4%
Saudi Arabia	203.5	52.6	25.8%
UAE	26.1	19.2	73.8%

Source: United Nations, 2002

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CHAPTER - III

LITERATURE REVIEW

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LITERATURE REVIEW

In the previous chapter, the researcher has given a brief account of the basic concepts of personal finance and also the background of migration and its various aspects. This chapter contains review of literature.

Both personal finance and Gulf migration are topics of intense concern among researchers and social scientists. A number of studies were conducted in the field of personal finance. Vast literature got generated on the multi-dimensional causes and consequences of Gulf migration and return migration. The purpose of this chapter is to provide an insight into the findings of some of the studies on personal finance, and also on Gulf migration and return migration.

3.1 Literature on Personal Finance

Any systematic and scientific enquiry is founded upon studies conducted in the past. This section reviews the available literature on personal finance.

3.1.1 One of the earlier studies made by Troelstrup in the year 1957 stressed that the personal money management should start as early as college days. People who cannot live within their income are, in general, poor managers. Constant effort is needed to increase the income through multiple jobs or multiple earners.

3.1.2 Willet (1964) made a significant study in the field of personal finance. He has pointed out that the financial problems faced by a person can be solved only by an intelligent analysis of the alternative solutions and from the experiences of others exposed to similar situations. The person, who learns to mange his money develops a happy and healthy outlook early in life, takes an interest in his future, accepts responsibility and utilises his talents to the utmost.

3.1.3 The psychology of investing has been examined by Burton (1964). A planned investment pattern is highly necessary not only for wealth building process but also for ensuring maximum economy in tax payment and protection of the value of money against inflation.

3.1.4 Taylor and Watling (1972) provide a practical approach to the problem of how to increase personal wealth without losing sight of a balanced and enjoyable attitude towards money. They also tell how to use a small proportion of one's wealth for investment that will bring him pleasure and enjoyment as well as a profit.

3.1.5 According to Unger and Wolf (1972), budgeting is an important aspect of personal financial planning, which helps to manage money in such a way as to gain real satisfaction from spending it.

3.1.6 Bailard, et al., (1973) emphasise the importance of setting financial goals and learning money management strategies. These strategies may be grouped into three categories: protecting what one has, getting the most out of his income, and increasing his total income.

3.1.7 According to Gale (1974), Investment is the art of preserving the real value of savings against the inroads of inflation, taxation and volatile markets. The best investment policy is to stay flexible.

3.1.8 Rosenberg and Naples (1976) studied personal income and investments. They found that a judicious and a well planned expenditure on consumer durables, automobile and housing will help to achieve the personal financial goals more easily.

3.1.9 Ben Branch (1976) has presented a balanced realistic view of what investing can do and cannot do. He observed that almost every one is an investor though most people do not think of themselves as investors.

3.1.10 According to Mittra (1977) personal financial planning is a life long process. The real purpose of managing money is to establish an objective of providing financial security and wellbeing for the future. Making plans to take care of future emergencies and to achieve future goals should be a part of one's financial planning.

3.1.11 Robert H. Burton and George J. Petrello (1978) found that:-

1. Most decisions of individuals are anchored to the family.
2. The individual differences in motives, preferences and even values among family members have effects on the process of family decision-making.
3. There is greater autonomy of the wife among upper and lower social classes and less in the middle class.
4. One family's life style may be quite distinct and different from that of another family.
5. Knowledge can reduce cost.

3.1.12 According to Gitman (1978), the enhancement of wealth is one of the most important goals of personal financial management process. He pointed out that asset creation is the crux of personal finance.

3.1.13 Spiro (1978) focused on the most important issues in personal financial planning – security, growth and income protection.

3.1.14 Charles P. Edmonds (1979), in his book 'Essentials of Personal Finance', indicated the importance of personal budgets, insurance, taxation, investments and the ownership of a house for the fulfillment of long-term financial goals. According to him, the budget is the key to control and management of personal financial affairs.

3.1.15 Yasaswy (1979) discussed the ways of protecting the money and its purchasing power through tax planning. According to him tax burden can be minimised by planned investments.

3.1.16 Krishnamurthy and Saibaba (1982) have found the following in their study.

1. The marginal propensity to save is substantially higher in non-agricultural sector than the agricultural sector.

2. The propensity to save in financial assets is significantly higher for the non-agricultural households, whereas no significant difference is found with regard to the physical assets.

3.1.17 Paul (1982) studied the savings of household sector in physical and financial assets. Savings of the household sector in the form of physical assets is closely related to various income levels. The marginal propensity to save in the form of physical assets is about 8 % of both current real national income and permanent real national income.

3.1.18 Mathur (1982) analysed the efforts made by National Building Organisation in reducing the cost of house construction. He recommended the use of local materials for reducing the cost of house construction.

3.1.19 According to Granovsky (1983), expenditure on house construction is the most important component of non-productive investments.

3.1.20 The study of Gable (1983) on investments and financial planning says that careful financial planning gives protection against the financial losses that unexpected events can cause. Naturally, one cannot estimate all the negative effects resulting from emergencies. Emergency considerations involve three major provisions:

1. Cash to allow for the meeting of small unexpected obligations.

2. Insurance protection against catastrophic events.

3. Convenient and inexpensive transfer of assets to heirs upon death.

3.1.21 According to Stillman (1984), personal finance is a lifetime program of money management. To be most successful in managing money:

1. One should consider all legitimate sources of investing in order to arrive at the best program for himself and his family, and

2. Establish and maintain a sound spending program.

3.1.22 Creviston, et al., (1985) emphasise that money management is not something that is "done" once, and then forgotten; but it is a lifetime project. They have discussed in detail the opportunities and decisions all consumers face.

3.1.23 Nickell and Dorsey (1986) offered a fresh approach towards management in family living. They concentrated on the fundamental concepts in management and management of family resources. Their advice is to maximise the wealth of the family to have a strong base.

3.1.24 Cherunilam and Heggade (1987) observed that after food, housing is typically the largest item of household expenditure for poor families. It is reported that housing property accounts for about 28% of the total wealth of the households.

3.1.25 Harichandran (1988) has examined the housing problems in Kerala in 1988. According to him, shelter forms the third basic requirement of man, next to food and clothing. Provision of shelter is very much related to improving the quality of life.

3.1.26 The study made by Pathak, et al., (1988) on the money management practices of low-income families revealed the following.

1. The low-income families are ignorant about the advantages of budgeting and account keeping.

2. They do not realise how the family income is being spent.

3. They save mainly for their old age.

3.1.27 Ghose (1988) has studied the saving of the household sector in financial assets in 1988. According to him there are two motives for holding financial assets.

1. The long-term motive of holding financial assets as a regular source of income, and

2. The short-term motive of holding financial assets for ultimate conversion into physical assets.

3.1.28 Sunny (1988) has analysed the consumption pattern of Keralites using N S S (National Sample Survey) data. Unlike the rest of India, there was no much relationship between per capita income and per capita consumption expenditure in Kerala. More than 40% of the per capita monthly expenditure was for non-food items including luxury items.

3.1.29 Rajappan Nair (1989) analysed the savings and investment pattern of college teachers, using primary data. The study revealed the following.

1. A good part of the earnings of the respondents is used for consumption purpose

2. About 20% of their net income is saved.

3. A major portion of the investments, i.e., 73.67% is invested in physical assets and only 26.33% is invested in financial assets.

4. Almost all financial investments are in conventional and low income yielding sources like PF, LIC, NSC, Fixed Deposit, etc.

3.1.30 Aslam (1989) has concentrated on the impact of house building on personal finance. He found that people make excessive investment in house building and they are not in favour of low-cost housing.

3.1.31 Mugenda, et al., (1990) studied the causal relationship between financial knowledge, money management practices and satisfaction with financial status. They found that financial knowledge was one of the primary determinants of financial management practices. They concluded that financial knowledge helped people carry out financial management activities.

3.1.32 Arlene Fernandez (1990) has analysed the savings and investment pattern of employed women using empirical data. She stated that the level of investment increases as the salary income of the wife increases. Further, there is no relationship between the number of children and the amount of investment. Arlene also noted that majority of the investments are for the requirements of housing, dowry, marriage and educational expenses.

3.1.33 Nahar (1991) studied taxation and savings in the household sector in India. He arrived at the conclusion that taxation plays a significant impact on the household savings. Tax concessions attached to the saving schemes promoted financial savings of the household sector.

3.1.34 A study of rural household savings and investment in four villages was made by Panickar in 1992. It was observed that a high proportion of savings of the sample households are in unproductive or less productive assets. This leads to low income and low savings.

3.1.35 Insurance Institute of India (1992) has given different methods to determine the life insurance requirement of an individual. Most of the families in India are not insured or under insured. One reason for this is that most people do not buy life insurance until a life insurance agent convinces them that they need it.

3.1.36 The study made by Bindu (1992) revealed that the expenditure on education has gone up substantially among migrants. Majority of the migrants are sending their children in unaided English medium schools.

3.1.37 Soosy (1993) focused on savings, investment and capital formation in rural areas. It was found that there is positive correlation between income and the level of savings. Another factor that the study revealed is the positive correlation between the level of education and savings. Professionals who are highly educated contribute maximum per capita savings. The lowest level of savings is contributed by households having below SSLC education. The major source of savings is in the form of 'chitties'

3.1.38 Skousen and Skousen (1993) in their book 'High Finance on a Low Budget' put forward seven golden rules for financial success.

1. Put savings first.

2. Save at least 10 % of your income.

3. Make it easy to deposit your savings.

4. Make it difficult to withdraw your savings.

5. Invest your savings wisely.

6. Control your spending.

7. Control your debt.

3.1.39 Mahesh's (1994) study about the pattern of household consumption in Kerala has provided that foreign remittance has a significant role on consumption. The consumption expenditure is comparatively higher in households receiving foreign remittances.

3.1.40 Alice Mani (1994) conducted a study on the savings pattern of the regular income households and irregular income households. The following are the findings.

1. In regular and irregular income households, savings increases as income increases.
2. Chit funds operating in private sector finds more investors.
3. The rural households are found to be largely unaware about capital market instruments.

3.1.41 Sharpe, Gordon and Jeffery (1995) have examined the various investment opportunities and discussed the strategies for an investor. According to the authors investments should be diversified and based on goal achievement.

3.1.42 Raju and Sasikumar (1995) analysed the influence of the size of a household on the savings behavior of the households in Kerala. Study revealed that the size of a household is one of the most important social factors influencing the savings behavior of households. Large sized households spend a proportionately higher amount for their consumption expenditure. The average propensity to save is higher among the medium sized households.

3.1.43 More sophisticated techniques of personal financial planning were discussed by Rosefsky (1996). According to him, financial independence is not an accident or matter of luck, and it usually requires some inconvenience.

3.1.44 According to Dickson (1996), financial well being is the outcome of the financial management process and it is affected by financial attitudes, knowledge and behaviours. Financial management practices are essential for financial well being.

3.1.45 According to Winger and Fransca (1996), personal finance looks at how one's money and future is managed. It involves analysing the current financial position, predicting short-term and long-term needs, and recommending a financial strategy.

3.1.46 Loganathan (1997) has observed that all human activities are driven towards the process of money making for spending. According to him, equalising the two processes of money making and money spending may be termed as management of finance.

3.1.47 Joy (1997) has studied the personal finance of Gazetted Officers in Kerala. He found that, those who are having personal financial planning are financially better placed than those having no personal financial planning.

3.1.48 The consequences of workplace financial education and its effects on retirement planning were studied by Bernheim et al., (1997). The econometric results indicated that workplace financial education strongly influenced household financial behaviour. They found that the rates of savings, for general purposes and retirement, increased significantly with the provision of retirement education.

3.1.49 Kooreman and Wunderink (1997), analysing the household behavior, observed that if the two households are exactly identical in all other respects, a difference in the expenditure pattern of the two households might be attributed to the gender difference of the children.

3.1.50 Sooryamoorthy (1997) in his book "Consumption to Consumerism" has shown a recent consumption pattern in Kerala. His study revealed the following:

1. Majority believe that durables such as Television, Refrigerator and other similar home appliances have become essential in the modern days.

2. Possession of durables brings an improved standing in the community.

3. The purchase of durables is motivated partly by status enhancement and partly by visibility factor.

3.1.51 Mohabarsha (1998) observed that small savings play a vital role in the capital formation of an economy. For a developing economy like India, where foreign investment is limited, it is the only source of resource mobilization

3.1.52 Sinha (1998) gives the advice 'save as much as you can now and invest it wisely, while you are young and have some financial power' According to him when one becomes old, he will lose nearly all his physical strength but he must have a lot of financial strength.

3.1.53 According to Kapoor, Dlabay, and Hughes (1999), successful investing and financial freedom involves two steps knowledge of the investment world and the ability to build investment capital through savings.

3.1.54 Robin and Dominguez (1999) in their book 'Your Money or Your Life' encourage the readers to sort out priorities, to cut expenses and then to seek passive income in pursuit of financial independence.

3.1.55 The need for financial literacy is discussed by Garman and Forgue (2000). Financial literacy is a basic knowledge that is needed to survive in a modern society. People are more likely to achieve their financial goals with appropriate knowledge.

3.1.56 Vitt, et al., (2000) studied the need and importance of financial literacy education in the U S. The authors are of the opinion that financial literacy education shapes the life course in other extended ways by enhancing access to investment income, asset accumulation and asset protection.

3.1.57 The authors of the book titled 'The Millionaire Next Door', Thomas J. Stanley and William D. Danko (2000), summarise the findings from their research into the key characteristics that explain how the elite club of millionaires have become wealthy. It is evident that any one can accumulate wealth, if they are disciplined enough, determined to preserve, and have the merest of luck.

3.1.58 Omana (2000) has made an evaluation of private 'chitties' in Kerala. Customer survey revealed that chits and kuries are much deep rooted in rural areas of Kerala. People consider them as saving-cum investment scheme.

3.1.59 George (2001) studied the impact of consumer durables on personal finance and found that the propensity of Keralites to expend conspicuously on non-food, non-essential and luxury commodities is connected to the cultural component of the society. Comfortable life situation and living in convenience has always been the motto of 'Malayalees' irrespective of any affiliation to caste or class.

3.1.60 Louth (2001) offers easy-to-follow route to become rich. The author illustrates how to create a stream of savings that will grow and grow, providing one with financial independence and security into retirement.

3.1.61 Kiyosaki (2002) teaches how to become rich. He also teaches one to act like, be like and think like a rich person instead of a poor person.

3.1.62 Tyson (2003) gives sound and practical advice for those who want to get control over their personal financial lives. Author points out the most common mistakes that people make in their approach to money, and prescribes ways to save and invest for a secure future.

3.1.63 Ramsey (2003) offers a bold approach to money matters for achieving total financial health. He elaborates how to build up savings for emergency fund and for retirement.

3.1.64 Keowin (2004) concentrated on the fundamentals and underlying principles of personal finance. The book describes the 15 fundamental principles of personal finance and helps the readers develop an understanding not only of the process of financial planning, but also the logic that drives it.

3.1.65 Stanley (2004) in his book 'Organise Your Personal Finance in No Time' provides valuable information on income generation, spending habits, debt, and net worth. His advice is not to rely too much on debt for non-productive needs.

3.1.66 Woerheide (2004) explains the basic concepts of personal finance in a simple manner. According to him, the gist of personal finance is using what one has, to get what he wants.

3.1.67 Kapoor, et al., (2004) provide a framework for the study and planning of personal financial decisions. They also provide an in-depth analysis of major personal financial planning areas, with lot of examples.

3.1.68 Downey (2005) provides guidelines for making the right decisions on everything from insurance and investments to credit cards, college and retirement savings plans, and other important day-to-day issues.

3.1.69 According to Morris (2006), all working women should provide for the unexpected such as divorce, widowhood and debt.

3.1.70 Bach (2006) shows how to earn more, save more and most importantly, live more. According to the author, setting a financial goal and developing strategies for achieving that goal is the key to successful financial management.

3.1.71 Wilson (2006) in his book 'Personal Finance' highlights the importance of personal finance through certain stories. This book, which is meant for generalists, even tells one when to get married, when to have children, how to save, how much to save and what is the best form of savings.

3.2 Literature on Migration

3.2.1 Prakash examined the impact of foreign remittance on the economy of Kerala, in 1978. He found that the entire income earned by the persons working abroad is either being used for consumption or invested in land and houses. The increasing demand for land has resulted in an increase in the price of land by three times within a period of five years.

3.2.2 Mathew and Nair (1978) studied the socio-economic background of the emigrants, inflow and use of income earned abroad and their impact on the economy of the state.

3.2.3 Kurian (1978), who studied the pattern and effects of emigration from Kerala, observed that a large proportion of remittances are being invested in land and building and as a consequence the price of land has raised in a short period of time.

3.2.4 The study made by Rajeev (1980) revealed that, as income increases, the percentage spent on food and housing decreases; on clothing and household operations remain constant; and on education and recreation increases.

3.2.5 Gulati (1983) has studied the impact of male migration to the Middle East on the family in the background of Kerala. The following are the important findings.

1. One of the most obvious and direct impacts of male migration to the Middle East has been the considerable improvement in the standard of living of migrant households consequent to the flow of remittances.

2. The role of female members in the family increased.

3. One negative impact is the psychological strain that the women have to bear due to migration of their husbands.

3.2.6 Gulati and Modi (1983) found that majority of the migrants are sending their children in English Medium Schools and also to un-aided schools. The proportion of expenditure on education and medicines increased as a consequence of the receipt of remittances from abroad.

3.2.7 The impact of Gulf money has been analysed by Ravindran in the year 1987 and arrived at the following conclusions.

1. The demand for house construction that followed in the wake of large scale migration to Gulf countries from Kerala has raised the cost of construction and land value.

2. The tendency of emigrants and family members to display their newly acquired affluence to get social recognition accelerated the process of conspicuous consumption.

3.2.8 Narula (1988) gives the comprehensive view of the Indo-Gulf economic relationship in the book titled 'Gulf Economies in Indian Perspective.' India's economic relations with the Gulf countries are two-fold as an oil importing country and as a manpower exporting country.

3.2.9 Joseph (1988) has analysed the socio-economic dimensions of internal migration, i.e., migration from one locality to another within the state of Kerala. The study revealed that migration is having far-reaching impact not only on the migrants but also on the society at large, both in the places of origin and destination. Migration has lead to the economic growth of Malabar.

3.2.10 According to Gopinathan Nair (1989), migration affects adversely the output level in the sending country due to labour scarcity. However, in labour surplus economies like India the effect was found as negligible as there is a reservoir of skilled and unskilled labour to replace the employed migrants.

3.2.11 Iyer (1990) studied the effects of Gulf crisis on the economy of Kerala. According to him the state depends on the remittances received from abroad and any sudden break in the trend could be disastrous for the economic and social life in the state.

3.2.12 According to Gulati (1993), the group that is deeply affected by migration is that of the Gulf-wives. The absence of husbands causes several hardships for wives. The problems faced by them include loneliness, added responsibilities, adverse effect on children's education, etc.

3.2.13 Isaac (1993) has analysed the consequences of the Kuwaiti Migrant exodus back to Kerala and the loss of the remittance income in the background of the important role migration has played in the development of the state.

3.2.14 Nayyar (1994) studied the profile of international labour migration from India to analyse the macro-economic impact of the labour flows and the associated financial flows on the national economy. He observed that the remittances improved the balance of payment situation.

3.2.15 Nambiar (1995) has examined the socio-economic conditions of Gulf migrants, in the year 1995. He found that most of them belong to economically weaker sections.

3.2.16 Prakash (1998) has examined the economic impact of Gulf migration on the regional economy of Kerala and reported that the inflow of large amount of remittances and its spending has resulted in unprecedented economic changes since mid 1970s in poor and industrially backward economy of Kerala. The Gulf migration has helped the migrant households to attain higher levels of income, consumption and acquisition of assets, resulting in overall reduction of poverty in Kerala.

3.2.17 Zachariah, Mathew and Rajan (1999) analysed the impact of migration on Kerala's economy and society. The authors observed that migration will continue to increase for some more years, but return migration would increase at a faster rate, resulting in a period of net negative international migration.

3.2.18 One of the latest studies in the field of migration was made by Zachariah, et al., (2000). They analysed the consequences of migration on the women, particularly on wives of emigrants, economic aspects, wages, consumption, poverty, education etc. As a result of migration the proportion of population below poverty line has declined by 12%. They observed that the Kerala workers are losing in the international competition for jobs in the Gulf market.

3.2.19 The rehabilitation problems of return migrants have been studied by Zachariah, Nair and Rajan (2001). They have made the following suggestions:

1. Establish a welfare scheme.

2. Organise co-operatives for specific tasks (e.g. public works, tourism projects etc.)

3. The seed money for establishing the welfare scheme and organising the cooperatives should be provided by commercial banks of Kerala.

3.2.20 Kannan and Hari (2002) analysed the macro economic impact of emigration and remittances in the economy of Kerala. As a result of Gulf migration, the number of unemployed persons declined over 30 percent and the unemployment rate declined by three percentage points.

3.2.21 Zacharia, et al., (2002) examined the employment, wages and working conditions of Kerala emigrants in the UAE. According to the authors, the future demand in UAE will be for categories of skilled workers, technicians, computer experts and professional categories such as doctors, nurses, teachers and accountants.

3.2.22 Zachariah and Rajan (2007) studied migration, remittances and employment of Keralites and found that the era of large scale migration from the state is over.

3.3 Conclusion

Even though a number of studies were conducted in the field of personal finance at the national and international levels, a comprehensive study covering the entire aspects of personal finance of the Gulf-returned Keralites is for the first time. Hence the study has much significance.

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CHAPTER - IV

SOCIO-ECNOMIC BACKGROUND OF THE GULF-RETURNED KERALITES AND THEIR PERSONAL FINANCIAL PRACTICES

Chapter - IV

SOCIO-ECONOMIC BACKGROUND OF THE GULF-RETURNED KERALITES AND ANALYSIS OF THEIR PERSONAL FINANCIAL PRACTICES

The previous chapter deals with survey of literature. This chapter examines the socio-economic background of the Gulf-returned Keralites. Analysis of personal financial practices of the respondents is also included in this chapter.

4.1 The Sample

The sample consists of 318 Gulf-returned Keralites, selected at random from five districts. As shown in table 4.1, 77 respondents (24.21%) are from Thiruvanamthapuram district, 53 (16.67%) from Pathanamthitta, 72 (22.64%) from Thrissur, 60 (18.87%) from Malappuram and 56 (17.61%) are from Kozhikode district.

4.2 Age

Age-wise classification (Table 4.2) of the respondents shows that 40.0% of the Gulf-returned belong to the age group of 41 to 45, and 23.8 % belong to the age group 46 to 50, 19.2 % belong to the age group 36 to 40, 11.0 % belong to the age group above 50 and 6.0 % belong to the age group of up to 35.

Thus, the major group returned from the Gulf belongs to the age group 41 to 45. The average age of the respondent is 43.5 years. Thus, it is clear that the Gulf migrants are forced to return at their young ages. Based on the age structure of the Gulf-returnees, it is clear that their return is not for retirement purpose.

4.3 Religion

Classification based on religion shows that a major group of 53.1 % is Muslims followed by Christians (27.0 %) and Hindus (19.9 %). In all districts, Muslims constitute the major group, except in Pathanamthitta. Table 4.3 shows that 49.3%, 55.6%, 71.7% and 60.7% of the respondents are Muslims from Thiruvanamthapuram, Thrissur, Malappuram and Kozhikode districts, respectively. In Pathanamthitta district, Christians are the major group (56.6 %) followed by Muslims (26.4 %).

It is a well-known fact that the emigrants to the Western countries from Kerala are mostly Christians. Their dominance in education, enterprising nature and historical links with the missionary activities has provided better access to them in the western emigration. On the other hand, the Gulf migrants are mainly drawn from Muslim community. The pattern of migration is influenced by the migration policy followed by the Gulf States and here, covertly and overtly migration of Muslims are preferred over other religious groups by most Gulf states since culturally and ethnically they are identical to nationals (Nambiar, 1995). Thus, in Gulf migration, Muslims have an edge over the rest of the communities.

4.4 Qualification

The educational qualification of the sample is shown in table 4.4. It can be seen that 20.1% have passed pre-degree, 18.8% are degree holders, 18.0% have only school education, 12.0% each have post-graduate degree and diploma, 11.0% passed SSLC, and 8.1% have other qualifications. Thus, it reveals that 50% of the respondents have only pre-degree or lower qualifications. The migration of Keralites to the Gulf countries did not result in any kind of brain drain because majority of the migrants to these countries possessed only low level of education.

An important point to be noted with regard to migrants from Kerala is that only a minority of them is technically qualified. In the international competition for jobs, in future, the Keralites may lose because of their poor technical competence.

4.5 Status before going to the Gulf

An enquiry into the occupational status of the respondents reveals that out of 318 persons, 143 (45.0%) were employed before going to the Gulf and 27 (8.4%) were doing business (Table 4.5). The remaining 46.6% were unemployed. Thus, the majority of them were earning income in India before going to the Gulf. Out of the 148 persons who were unemployed, 34 were students prior to their migration and hence they had no work experience at all.

An enquiry into the occupational status of the fathers of the respondents shows that 35.0% were farmers, 21.1% casual workers 27.2% employed in small jobs and 16.7% well employed. This shows that majority of the migrants were socially backward at the time of migration.

4.6 Annual Earnings before going to the Gulf

Classification of the respondents on the basis of the annual earnings of the families before going to the Gulf (Table 4.6) reveals that the major group of 31.1% earned Rs. 5,000 to 10,000; 28.0% earned Rs. 10,000 to 15,000; 22.0% earned below Rs. 5,000; 11.9% earned Rs. 15,000 to 20,000 and 7.0% earned above Rs. 20,000, annually.

The average annual income of the families prior to migration came to Rs. 11,207. District wise, respondents from Thiruvanamthapuram earned the highest average annual income (Rs. 12,133) and the lowest, by the respondents from Malappuram (Rs. 10,167). Thus it is clear that the income earned by almost all of them before going to the Gulf was insufficient.

The above split up shows that the majority of the migrants were economically backward at the time of migration. Therefore, it is clear that the majority of them went to the Gulf for better economic prospects and personal finance is more relevant to them.

4.7 Marital Status before Going to the Gulf

Out of the 318 respondents, 146 (46.0%) were married at the time of first migration and the remaining 54.0% were unmarried (Table 4.7). District wise, there is no significant variation in the proportion of married and unmarried, at the time of first migration.

4.8 Occupational Status of the Wives

Table 4.8 shows the status of the wives of the respondents at the time of their marriage. It can be seen that 264 (83.0%) of them were unemployed, 25 (7.9%) were employed in India and the remaining 29 (9.1%) were employed abroad. District wise, the highest proportion of unemployed wives was in Malappuram (90.0%) and the lowest, in Thiruvanamthapuram (78.0%).

4.9 Educational Qualification of Wives

The educational qualification of the wives of the respondents is shown in table 4.9. It can be seen that the major group of 105 (33.0%) have passed pre-degree, 70 (22.0%) have only school education, 54 (17.0%) passed SSLC, 45 (14.1%) are degree holders, 19 (5.9%) are post-graduates and the remaining 8.0% have other qualifications (B.Ed, Nursing and TTC.). District wise analysis reveals that the wives from Pathanamthitta are better qualified and the least qualified are in Malappuram district.

Thus, the major group is pre-degree holders, followed by those having school level education. Nearly three fourth of the wives (229 out of 318) have only pre-degree or lower qualifications.

4.10 Dowry

Nearly 90% of the respondents reported that they have received dowry in cash and / or gold at the time of their marriage. It varied from Rs. 5,000 to 5,00,000. Out of the 147 respondents who married before going to the Gulf, 44 (30.0%) received dowry varying from Rs.50,000 to 1,00,000 (Refer table 4.10). Another 30.0% received less than Rs. 50,000 and nobody got more than Rs. 2,00,000. Out of the 171 respondents who married after going to the Gulf, a major group of 67 (39.2%) received dowry varying from Rs.2,00,000 to 5,00,000 and 42 (24.6%), 38 (22.2%) and 13 (7.6%) received Rs.50,000 to 1,00,000, Rs. 1,00,000 to 2,00,000 and less than Rs.50,000, respectively. In this category, no dowry has been received by 11 (6.4%) respondents.

The average amount of dowry received is Rs.65,065 and Rs.2,15,000 by the first and second categories, respectively. Thus it is clear that those who married after going to the Gulf got a higher amount of dowry, on an average 3.5 times the dowry received by those who married before going to the Gulf.

4.11 Country wise Classification

The Gulf region comprises of all the countries, which are immediately around the Arabian/Persian Gulf. Alphabetically given, these are Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the UAE. All except Bahrain are oil-exporting countries and oil plays a dominant role in their national income, export earnings and governmental revenues. Out of these countries, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and UAE are members of the Organization of Petroleum Exporting Countries (OPEC). All these countries except Iran (being a non-Arab state) are members of Arab Petroleum Exporting Countries (OAPEC). Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates are members of the Gulf Co-operative Council (GCC) formed in 1981 (Narula, Subhash, 1988).

Classification based on the country from which the respondents returned to Kerala shows that the major group of 40% returned from Saudi Arabia. It can be seen that nearly 27% of the returned are from UAE, 12% from Kuwait, 9% from Bahrain, 7% from Oman and 5% from Qatar (Table 4.11).

District wise, there is no significant variation in the country wise return except in the case of Pathanamthitta, where the major group returned from the UAE. In all other districts, the major group returned from Saudi Arabia.

4.12 Length of Service

As indicated earlier, Keralites began to migrate to the Gulf countries as early as 1970's. The sample consists of Gulf-returned Keralites who have a minimum service of 10 years and a maximum of 25 years in the Gulf. Table 4.12 reveals that the majority (57.9%) have a service of 10 to 15 years in the Gulf. One fourth of the respondents have 15 to 20 years of service and 54 (17.0%) have 20 to 25 years.

The average length of service of the respondents in the Gulf is 15.80 years. The respondents from Malappuram have the longest average service of 16.50 years and those from Thiruvanamthapuram have the shortest average service of 14.60 years.

4.13 Year of Return

The sample consists of those who have returned after 2001, but before 2005. In other words, only those who have returned in the years 2002, 2003 and 2004 have been considered for the study.

Classification based on the year of return (Table 4.13) shows that 102 (32.0%) have returned in the year 2002, 109 (34.2%) in 2003 and the remaining 107 (33.8%) in 2004. Thus, the return of the respondents is almost evenly distributed in the three years.

4.14 Reasons for Return from the Gulf

Generally, it is believed that the retrenchment of employees from the Gulf countries is the sole cause of return from the Gulf. Though decline in demand for labour force in the Gulf and the consequent loss of job of Indian workers is the major reason for return, it is observed that some other reasons also force them to return to the homeland.

1. Some of the workers went on contract basis for a stipulated period. On the expiry of the contract, unless the visa is renewed, they are forced to return.

2.23 children per respondent. Sex-wise classification of the children reveals that out of 710 children, 376 (53%) are female and the remaining 334 (47%) are male. Further, it is observed that 271 respondents have at least one female child and the remaining 44 have only male children. It is also seen that 37 respondents have no male children and only female children.

The above analyses reveal that most of the respondents were socially and financially backward prior to migration. About 85% returned due to retrenchment, expiry of contract and non-renewal of visa. Similarly, majority returned at their young ages and hence, it is clear that their return is not for retirement purpose.

4.16 Personal Financial Practices

Personal finance is concerned with the application of financial techniques and principles in managing the finance of individuals. Financial planning entails a deliberate allocation of financial resources with the expectation of attaining certain economic as well as non-economic objectives over time. Financial planning ultimately aims at financial freedom and achievement of financial security of the family. Financial freedom is a stage where finance will not be a hindrance against the fulfillment of the financial objectives of persons. In order to reach the financial potential and maintain the desired quality of life, one needs to initiate a positive personal financial management program. This requires the preparation of plans and budgets that can act as navigational aids in plotting the course towards the achievement of both short-term and long-term financial objectives.

4.17 Importance of Personal Financial Planning

Most individuals have certain life goals that they wish to achieve. Although these goals may not be financial, the ability to achieve most of them depends on realising a certain level of financial success. Availability of adequate money for survival and for the fulfillment of financial goals allows people to devote more of their energy to the achievement of life goals and personal happiness. Since most people are not favoured with unlimited funds throughout their lifetime, their management of personal finance becomes a job of planning how to spend, save and invest income in order to achieve as many lifetime goals as possible. The presence of financial plans improves goal achievement possibilities.

4.18 Personal Financial Planning

As indicated in the first chapter, in order to find out whether a person had personal financial planning during the Gulf-period, the researcher adopted a five-point scale rating technique (Winger, B. J, 1993). In the light of the experience gained by the researcher during the M.Phil course, literature survey, pilot study and discussions with the experts, 15 elements were located as the major variables to study the personal financial planning of the respondents. These 15 variables are rated by the 318 respondents at five different levels - 1, 2, 3, 4 and 5. Those who have scored 45 points and above are categorised as persons with personal financial planning and below 45 points are categorised as persons without personal financial planning. If a person rates all the 15 variables with the middle score of 3, the total score will be 45. Hence, 45 is taken as the cutoff point (Winger, B.J, 1993). (Even if the cutoff point is reduced to 40, that will not make change in the number of respondents having personal financial planning. Nearly two-third respondents (64.46%) have personal finance score less than 35).

The following are the major elements of personal financial planning.

1. Maintaining family financial accounts.
2. Plan to increase income and decrease expenditure.
3. Planning for non-recurring expenditure.
4. Priority based spending plan.
5. Wise use of loans and borrowing facilities.
6. Regularity in savings.
7. Investment planning.

8. Awareness about investment schemes.
9. Right insurance coverage.
10. Retirement and estate planning.
11. Practice of preparing family budget.
12. Comparing income and expenditure with budget.
13. Clarity regarding long-term financial objectives.
14. Clarity regarding short-term financial objectives.
15. Feeling of importance of financial freedom.

All the above 15 elements are analysed in detail.

4.18.1. Maintaining Family Financial Accounts

In order to effectively manage the personal finance of individuals or families, it is important to have procedures available for measuring how well the individuals or families are doing. The basic financial reporting techniques of business can be adapted to the personal financial management process. An understanding of how to prepare and evaluate personal or family financial statements such as balance sheet and income statement helps an individual in periodically assessing the progress towards the achievement of whatever financial goals set. The balance sheet describes a family's or individual's wealth at a certain point of time and the income statement shows income, expenses and contribution to savings or investment over a certain period of time – normally one year.

Table 4.16 shows that 44.0% of the respondents used to maintain family financial accounts. A detailed analysis (Table 4.17) shows that only one percent of the respondents maintained the financial accounts always, 6.9% often, 36.1% occasionally, 31.1% rarely and 24.9% never prepared their family financial accounts.

District-wise analysis reveals that Thrissur is the only district where more than 50% of the respondents (62.5%) used to maintain family financial accounts. It is only 27.3% in Thiruvanamthapuram, 41.5% in Pathanamthitta, 45.0% in Malappuram and 44.6% in Kozhikode. Only three respondents (2 from Thiruvanamthapuram and 1 from Thrissur) reported that they had always maintained their family financial accounts. A major group of 47.2% from Thrissur maintained the accounts occasionally. It is 22.0% in Thiruvanamthapuram, 32.1% in Pathanamthitta, 38.3% in Malappuram and 42.8% in Kozhikode.

Thus, we can see that the majority (56.0%) did not maintain the financial accounts. Even out of those maintained financial accounts, only 7.9% were regular in maintaining the accounts. In fact, it did not occur to them the importance of maintaining financial accounts. In other words, majority were not aware of even the basic starting point of personal financial planning.

4.18.2. Planning to Increase Income and Decrease Expenditure

At present, due to the increase in the cost of living, many families find it difficult to live with only a single income (in most cases the income earned by husband). The rising level of consumer wants mean that a single income rarely suffices to meet wishes for comfort, leisure and education, while worldwide inflation severely aggravates these pressure on family income. Hence, constant effort is required on the part of all family members to increase income and decrease expenditure.

As far as income and expenditure are concerned, it is better to follow the western way of doing. Instead of controlling the expenditure to the minute possible, they try to increase income.

Table 4.16 reveals that 35.0% of the respondents prepared plans to increase income and decrease expenditure during the Gulf-period. A detailed study reveals that 36.3% of the respondents from Thiruvanamthapuram, 28.3%

from Pathanamthitta, 40.3% from Thrissur, 30.0% from Malappuram and 37.5% from Kozhikode prepared plans to increase income and decrease expenditure.

Table 4.18 further shows that only one percent of the respondents prepared plans quite often, 11.9% often, 22.0% occasionally, 61.1% rarely and 4.0% never prepared plans for the same. It is very clear from the above analysis that the majority (65.0%) had no planning to increase income and decrease expenditure, during the Gulf-period. As they were earning high income at that time, they did not feel it necessary to increase the income further or decrease their expenditure.

4.18.3. Planning for Non-recurring Expenditure

Comfortable life situation and living in convenience has always been the motto of Keralites, irrespective of any affiliation to caste or class. Affinity towards non-essential and luxury commodities is much stronger in them. Expensive cars, furniture and other consumer durables are acquired either to enhance or to retain social prestige. Such items are non-productive and mostly acquired out of social pressure even though they are not affordable. These expenses are rather non- recurring and require at least short-term planning so as to avoid upsetting the annual budget.

It can be seen from table 4.16 that 45.9% of the Gulf-returned Keralites prepared plans for their non-recurring expenditure during the Gulf-period. Further, it can be seen from table 4.19 that nobody was in the habit of planning for non-recurring expenditure always, 6.9% planned often, 39.0% occasionally, 28.0% rarely and 26.1% never planned.

District-wise analysis reveals that a major group of 62.3% of the respondents from Pathanamthitta prepared plans for non-recurring expenditure, whereas, it was 42.8% in Thiruvanamthapuram, 34.7% in Thrissur, 28.3% in Malappuram and 67.8% in Kozhikode. Thus, it is clear that the majority had no plans for non-recurring expenditure, during the Gulf-period. In short, the Gulf migrants spent too much money on non-productive non-essential luxury items for social prestige, even without proper planning. This shows that they had no planning and no vision.

4.18.4. Priority Based Spending Plan

Each individual has unlimited wants to satisfy. As the resources are limited, spending priorities may be set in advance. Priority based spending plan should be based on the criteria, which expenditure gives the maximum satisfaction. Anyway, the priority should be investing in income generating investments. But what happened is that the savings from the Gulf ended as spending on consumer durables which never generated any income.

Twenty seven percent of the Gulf-returned Keralites prepared priority based spending plan during the Gulf-period (Table 4.16). District-wise, it was 18.2% in Thiruvanamthapuram, 26.4% in Pathanamthitta, 23.6% in Thrissur, 21.7% in Malappuram and 50.0% in Kozhikode district.

A detailed analysis (Table 4.20) reveals that 8.2% prepared priority based spending plan often, 18.8% occasionally, 61.9% rarely and 11.1% never prepared any priority based spending plans. Thus, it can be seen that nearly three-fourth (73.0%) of the respondents failed to prepare priority based spending plans, during the Gulf-period. It can also be seen that nobody was in the habit of preparing priority based spending plan always. Actually what happened during the Gulf-period is that they neither made any planning nor made any investments. Instead, after meeting their expenses, the balance money was kept in the bank itself.

4.18.5. Availing Loans and Borrowing Facilities

If one uses credit regularly for consumer purchases, it will become a heavy burden; but if one uses it judiciously for wise and timely investments, it can be extremely profitable. Hence, it is advisable to borrow and invest because growth depends on investments. When one borrows, he will have to cut short some expenses or increase the income. Any way it is good. Banks and other financial institutions are ready to give loans to the Gulf-Keralites. Housing loan and vehicle loan are the credit facilities availed by Gulf-Keralites.

As per table 4.16, 39.0% of the respondents reported that they wisely made use of loans and borrowing facilities while in Gulf. More specifically, 36.3% from Thiruvanamthapuram, 47.1% from Pathanamthitta 43.0% from Thrissur, 31.7% from Malappuram and 37.5% of the respondents from Kozhikode made use of loans and borrowing facilities.

To elaborate, only 0.9% of the respondents (Table 4.21) used loans and borrowing facilities quite often, 7.8% often, 30.2% occasionally, 42.2% rarely and 18.9% never used the loans and borrowing facilities during the Gulf-period. In short, majority of the respondents (61.0%) did not make use of loans and borrowing facilities. In fact they were not in need of any loans during the Gulf-period. Those who have availed loans utilised it for building houses or buying cars.

4.18.6. Regularity in Savings

Saving money is not easy. It takes discipline, planning, co-operation and hard work. But saving money is so important to family security and happiness that it is worth this effort. Savings should be one of the first planned uses of a person's or family's income, not the last. Putting savings first is a critical first step in ensuring regularity. If an individual do not follow that, he will never have enough.

Total income and family wealth determines the ability to save to a great extend. But the standard of living determines the willingness to save. The Gulf-Keralites and the members of their family are lavish in spending money to display their affluence.

From table 4.22 it can be seen that 71.0% of the Gulf-returned Keralites were regular in savings during the Gulf-period and the remaining 29.0% not regular. District-wise analysis shows that 75.3% of the respondents from Thiruvanamthapuram, 75.4% from Pathanamthitta, 62.5% from Thrissur, 61.6%

from Malappuram and 82.1% of the respondents from Kozhikode were regular in savings.

A detailed analysis (Table 4.23) shows that only 2.0% were most regular in savings, whereas 15.0% were regular, 54.0% neutral, 27.0% not regular and 2.0% not at all regular in savings during the Gulf-period. Thus, it can be seen that nearly one-third (29.0%) of the respondents were not regular in savings. They, in fact, followed the practice save what remains after meeting all expenses.

4.18.7. Clarity regarding Investment Planning

Whatever is saved must be invested promptly and wisely, so as to secure a reasonable return and also capital appreciation, at least to beat the impact of inflation, which looks like being a permanent feature of life. The avenues for investment are many and growing, with varying liquidity, yield, risk and prospects of capital appreciation. It requires no expert to say that not all eggs should be put in the same basket. Investment should be diversified, as far as possible, the nature of diversification depending upon the circumstances of the individual investor. In other words, there should be proper investment planning.

When considering the Gulf migrants, there is the possibility of saving money and they do save also. But these hard earned savings, which may be called the value of life, taking into consideration the enormous hardships they have faced, hardly get converted into an investment. The whole savings get converted into consumable durables. At the most, they might build a house beyond their capacity. Even the house may be half finished due to lack of money. Moreover, when the job in the Gulf is over, one may be forced to sell the house also. The message is that one has to purposefully and deliberately go in for investment and that too planned properly.

Table 4.22 reveals that only 31.1% of the respondents were clear about investment planning during the Gulf-period and the remaining 68.9% were not clear. To elaborate, nobody (Table 4.24) was very clear about investment planning, whereas 5.0% were clear, 26.2% undecided, 63.8% not clear and 5.0% not at all clear about investment planning. Thus, more than two-third of the respondents had no clarity regarding investment planning during the Gulf-period.

4.18.8. Awareness about Investment Schemes

Successful investing involves two critical steps knowledge of the investment world and the ability to build investment capital through savings. It is impossible to make wealth and keep it without both these steps. Investment media are numerous and they are growing in number and variety, in the developed as well as the developing countries, serving the needs and moods of various types of investors. An investor must be aware of various investment avenues and should analyse the pros and cons of each one before deciding where, when and how much to invest.

Table 4.22 shows that only 16.0% of the respondents were aware about the various investment schemes, while they were in the Gulf. Further, table 4.25 shows that only one respondent out of 318 was most aware about investment schemes, 6 respondents (1.8%) aware, 13.8% neutral, 26.1% not aware and 57.8% not at all aware about investment schemes.

Thus, it is clear that 84.0% of the respondents were not aware of the various investment schemes, during the Gulf-period. In this regard, it is the responsibility of the authorities to take the lead to arrange classes to the Gulf migrants on personal finance, especially on investment opportunities.

4.18.9. Right Insurance Coverage

Life insurance plays an important part in providing financial security to a family. There should be life insurance and disability insurance on the breadwinner to protect the family from loss of income in case of death or of partial or permanent disability. Health and medical insurance is necessary to protect the family against hospital and surgical medical bills. Basically, an awareness of all insurance schemes is inevitable to select the best policy to suit the requirements of the family.

It can be seen from table 4.22 that 94.9% of the Gulf-returned Keralites were covered by insurance schemes while they were in the Gulf. More specifically, 97.4% of the respondents from Thiruvanamthapuram, 94.3% from Pathanamthitta, 93.0% from Thrissur, 95.0% from Malappuram and 94.6% from Kozhikode were covered by insurance schemes.

Detailed analysis showing the insurance coverage (Table 4.26) reveals that 5.1% of the respondents were well covered by insurance schemes, 60.0% adequately covered, 29.8% covered and 5.1% not adequately covered by insurance schemes. In fact, the presence of insurance coverage can be attributed to the aggressive canvassing techniques adopted by insurance agents among the Gulf-Keralites.

4.18.10. Retirement and Estate Planning

Owing to rapid changes in social, economic and cultural system, retirement planning is becoming more and more important to the Gulf migrants, as an essential part of personal financial management. Rising cost of living, earlier retirement, erosion of values, etc. have added the importance of retirement planning.

Retirement planning and estate planning are the two topics that are generally ignored by many, because both these subjects are not of immediate concern to younger persons. Many have a tendency to ignore them until it is too late to receive or optimise benefits. The individual who understands the importance and principles of both retirement and estate planning will work to build and preserve net worth that can provide a source of retirement income as well as benefits for heirs.

The first step in retirement planning process involves the formulation of retirement goals or objectives. Once these have been established, it is necessary to develop specific plans aimed at attaining them. These plans must consider both retirement income needs and the sources of retirement income available for meeting these needs. The estate planning process involves accumulating, conserving and distributing the wealth in a manner that will most effectively achieve an estate owner's personal goals. The most common means of accomplishing this is to make a will. A will is a written, legal document that expresses the manner in which a person desires to have his estate disposed of upon his death.

51.8% of the respondents (Table 4.22) opined that they are in favour of retirement and estate planning. A detailed analysis (Table 4.27) shows that only 0.9% of the respondents highly favoured retirement and estate planning, whereas 7.8% favoured and 43.0% are neutral. At the same time 46.4% are not in favour and 1.9% not at all in favour of retirement and estate planning. So it is clear from the above analysis that 48.3% of the respondents are not aware of the importance of retirement and estate planning.

4.18.11 Practice of Family Budgeting

For most people except possibly born miser, it is impossible to save without some planning and control over spending. This is achieved by budgeting. A budget is a statement describing projected income and projected expenditure for a specific period of time. In other words, it is a summary of estimated income and how it will be spend or saved during a specific period of time. It states the sources and amounts of projected income, the categories and amounts of intended expenditures and the resulting estimated savings. A budget is a useful tool for planning and monitoring financial activities.

From table 4.28 it can be seen that only 5.0% of the respondents used to prepare family budget. A detailed analysis (Table 4.29) shows that nobody practiced family budgeting quite often. Out of 318 respondents, only one person prepared budgets often, 15 (4.7%) occasionally, 48 (15.0%) rarely and 254 persons (80.0%) never prepared family budgets.

In Thiruvanamthapuram district 7.7% used to prepare budgets, whereas it was 5.6% in Pathanamthitta, 6.9% in Thrissur, 3.3% in Malappuram and 0.0% in Kozhikode district. Thus, it is clear that the vast majority (95.0%) did not prepare family budget during the Gulf-period. In fact, the Gulf migrants were not aware of the significance of preparing budget. A budget provides a frame work for the financial activities for the coming year.

4.18.12. Comparing Income and Expenditure with Budget

When the budget is placed into operation, it is imperative that appropriate records and controls be used to ensure the success of budgeting process. Comparison of actual income and expenditure with the budget entails a detailed analysis into the reasons for the variation between the actual and the budget, if any. It also helps in the preparation of an accurate budget in the coming years.

Table 4.28 reveals that only 5.0% of the respondents used to prepare family budgets and 44.0% maintained family financial accounts. It can also be seen that only 3.1% of the respondents used to compare their income and expenditure with the budget. In other words, out of the 16 respondents who used to prepare family budgets, 10 (62.5%) compared their income and expenditure with budget. A detailed analysis reveals that 6.4% of the respondents from Thiruvanamthapuram, 1.8% from Pathanamthitta and 5.5% from Thrissur compared their income and expenditure with the budget.

Table 4.30 further shows that nobody was in the habit of comparing income and expenditure always; 3.2% compared occasionally, 11.0% rarely and 85.8% never compared. Thus, it can be seen that out of the 16 who prepared family budgets, 6 did not compare income and expenditure with the budget. In fact, a budget becomes meaningful only when there is careful monitoring of expenses against budget.

4.18.13. Clarity regarding Long-term Financial Objectives

The establishment of financial goals is the first step in the overall financial planning process and these goals, once set, provide direction for the financial planning process. Normally, long-term financial goals are set first and they indicate the wants and desires of the family unit over the next thirty to forty years. As it is quite difficult to be precise about future developments and desires, long-term financial objectives are normally established in a somewhat general manner.

It can be seen from table 4.28 that only 38.9% of the Gulf-returned Keralites were clear about their long-term financial objectives and the remaining 61.1% were not clear. A major group of 68.4% in Malappuram was not clear about the long-term financial objectives. In all districts, majority had no clarity regarding long-term financial objectives.

4.18.14. Clarity regarding Short-term Financial Objectives

Short-term financial goals are established in line with the long-term goals and they are normally set for one or two years ahead. The immediate goals of individual family members, the family's expected income for the year, and the family's long-term financial goals must all be taken into account when these short-term goals are defined. In addition, the family must consider both its financial position, as reflected by the current balance sheet, and its spending in the year immediately preceding, as reflected in the income statement of that period.

Table 4.28 reveals that while 39.9% of the Gulf-returned Keralites were clear about their short-term financial objectives, 60.1% of them were not clear about it. Further analysis reveals that (Table 4.32) only 0.6% of the respondents were very clear about the short-term financial objectives; 16.6% clear, 22.6% undecided, 53.9% not clear, and 6.3% not at all clear about the short-term financial objectives.

In all districts, majority was not clear about their short-term financial objectives. District-wise comparison reveals that the largest group, which had clarity regarding short-term financial objectives, is from Kozhikode district (50.0%). In Thiruvanamthapuram district 63.7% of the respondents reported that they had no clarity regarding their short-term financial planning. Thus, it is clear that the majority (60.1%) had no clarity regarding their short term financial objectives.

4.18.15. Importance of Financial Freedom

The purpose of personal financial management is the achievement of personal financial freedom. Financial freedom means finance does not stand in one's way of enjoying or doing things that he wants to do. It is a stage where finance is not a hindrance in achieving the life goals of an individual or a family (Wilson, 2006).

Table 4.28 shows that 70.1% of the respondents considered financial freedom important. Further, it can be seen from table 4.33 that 11.9% of the respondents felt it most essential, 32.0% essential, 26.3% desirable and 29.8% felt it not essential.

A major group of 81.9% respondents in Thrissur considered that financial freedom was important. In all districts, majority was in favour of financial freedom.

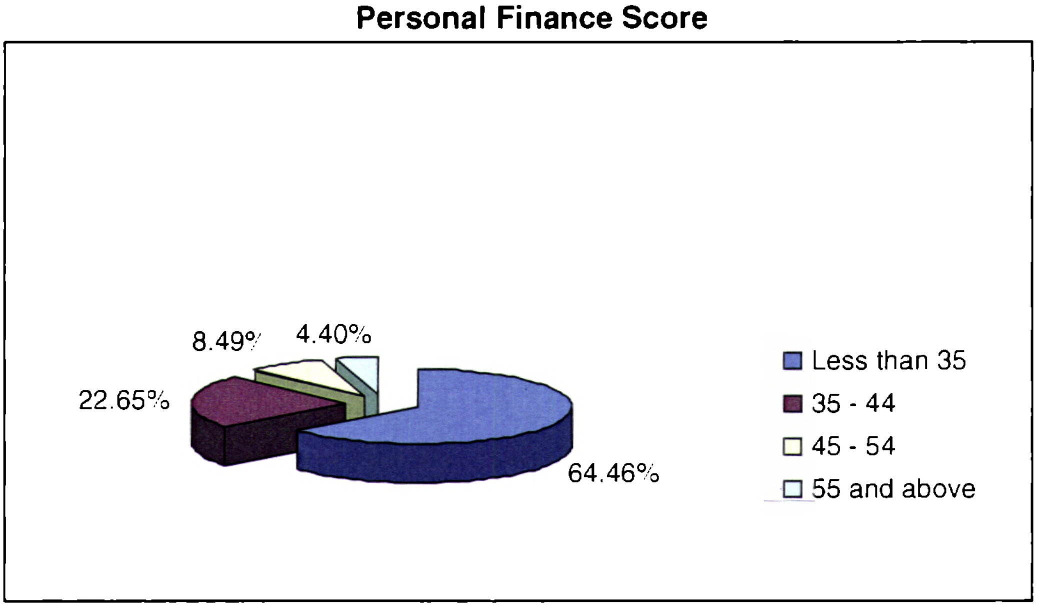
Considering 15 variables at 5 different levels, the researcher has assessed the presence or absence of personal financial planning of all the 318 respondents. Those who have scored below 45 points are considered as persons without financial planning (category A) and those who have scored 45 points and above are considered as persons with personal financial planning (category B). The master tables (District-wise) showing the points scored by each respondent are given for reference (Tables 4.34 to 4.38).

It can be seen from table 4.39 that in Thiruvanamthapuram district, only 11 persons (14.28%) have scored 45 points or more. From the subsequent tables it can be seen that it is 9 persons in Pathanamthitta, 10 in Thrissur, 5 in Malappuram and 6 in Kozhikode. Thus, based on five-point scale analysis, assessment is that in Thiruvanamthapuram district, only 14.28% of the Gulf-returned Keralites practiced personal financial planning during Gulf-period. It is 16.98% in Pathanamthitta, 13.88% in Thrissur, 8.33% in Malappuram and 10.71% in Kozhikode. As a whole, 41 persons, (12.89%) had personal financial planning, during the Gulf-period.

4.19 Personal Finance Score

The personal finance score of the 318 respondents based on five-point scale analysis is shown in table 4.40 and figure 4.1. The personal finance score of the respondents ranges from 25 to 59. Based on personal finance score they are grouped into 4 classes, ie., those having a personal finance score less than 35, 35 to 45, 45 to 55 and 55 and above. It can be seen that a major group of 205 respondents (64.46%) scored less than 35, 72 (22.65%) scored 35 to 45, 27 (8.49%) scored 45 to 55 and 14 (4.40%) respondents scored 55 and above.

Figure 4.1
Personal Finance Score



As mentioned earlier, those who have scored 45 points and above are categorised as persons with personal financial planning and below 45 points are categorised as persons without personal financial planning. Those who had no personal financial planning during the Gulf-period are included in category A and those who practiced personal financial planning are included in category B. Thus, category A consists of 277 respondents (87 11%) and B consists of 41 respondents (12.89%).

4.20 Factors Influencing Personal Finance Score

An effort has been made by the researcher to find out the factors influencing the personal finance score of the respondents. The association between personal finance score and the various attributes like age, education, length of service, marital status, etc. are examined in the following pages.

4.20.1 Age and Personal Finance Score

From table 4.41(a), it can be seen that a major group of 127 (40.0%) respondents are in the age group of 41 to 45. Further, 76 (24.0%) fall in the age group 46 to 50, 61 (19.0%) fall in the age group 36 to 40, 35 (11.0%) in the age group above 50 and 19 (6.0%) fall in the age group up to 35. Out of the 127 who are in the age group of 41 to 45, 86 (67.7%) belong to the personal finance score category less than 35, 25 (19.7%) belong to the category 35 to 45, and 6 (4.7%) belong to the personal finance score category 55 and above. Similarly, out of the 19 respondents who are in the age group up to 35, only two respondents belong to the personal finance score category 55 and above. The remaining 8 belong to the personal finance score category less than 35, 6 belong to the personal finance score category 35 to 45 and 3 belong to the personal finance score category 45 to 55.

The association between age and personal finance score is statistically tested by using chi-square. Since the significance level of the likelihood ratio as per table 4.41(b) is more than 0.05, it can be concluded that there is statistically no significant association between age and personal finance score.

4.20.2 Education and Personal Finance Score

Table 4.42(a) shows that out of 318 respondents, 57 have only school level education. Out of the 57, 47 (82.5%) belong to the personal finance score category less than 35, 7 (12.3%) belong to the personal finance score category 35 to 45, 2 (3.5%) belong to the personal finance score category 45 to 55 and 1 (1.8%) belongs to the personal finance score category 55 and above. It is also interesting to note that out of the 38 post graduates, only 4 (10.5%) belong to the personal finance score category 55 and above. The remaining 17 (44.7%) belong to the personal finance score category less than 35, 10 (26.3%) belong to the personal finance score category 35 to 45 and 7 (18.4%) belong to the personal finance score category 45 to 55.

The association between the level of education and personal finance score is statistically tested by using chi-square (Table 4.42(b)) and it is proved that there is association between the levels of education and personal finance score. Since the significance level of the likelihood ratio is less than 0.05, it is concluded that there is statistically significant association between level of education and personal finance score.

4.20.3 District and Personal Finance Score

From table 4.43(a), it can be seen that out of the 77 respondents from Thiruvanamthapuram, only 4 (5.2%) belong to the personal finance score category 55 and above. Whereas, 57 (74.0%) belong to the category less than 35 points. In other districts also very few respondents, i.e., 3 each from Pathanamthitta and Thrissur districts and 2 each from Malappuram and Kozhikode districts belong to the personal finance score category more than 55. At the same time major groups from all these districts scored less than 35 points (table 4.43(a)).

The statistical significance of the association between district and personal finance score is tested by applying chi-square and as per table 4.43(b), the likelihood ratio obtained is .083. Since, the significance level of the test is more than 0.05, it is concluded that there is statistically no significant association between district and personal finance score.

4.20.4 Occupational Status before going to Gulf and Personal Finance Score

It can be seen from table 4.44(a) that 143 respondents were employed, 27 were doing business and the remaining 148 were unemployed before going to Gulf. Out of the 143 employed, 96 (67 1%) belong to the personal finance score category less than 35, while 34 (23.8%) belong to the category 35 to 45 and 5 (3.5%) belong to the personal finance score category 55 and above. From among the unemployed also, very few (2.7%) belong to the personal finance score category 55 and above, whereas, 101 (68.2%) belong to the personal finance score category less than 35, and 34 (23.0%) belong to the category 35 to 45. It is worthwhile to note that out of the 27 respondents who were doing business before going to Gulf, 5 (18.5%) belong to the personal finance score category 55 and above and 10 (37.0%) belong to the personal finance score category 45 to 55.

The significance of association between the status of the respondents before going to Gulf and personal finance score is statistically tested by using chi-square (Table 4.44(b)). Since the significance level of chi-square is less than 0.05, it can be concluded that there is statistically significant association between the status of the respondents before going to the Gulf and their personal finance score.

4.20.5 Annual Earnings before going to the Gulf and Personal Finance Score

Table 4.45(a) shows that a major group of 99 respondents earned Rs. 5,000 to 10,000 annually, before going to the Gulf. Out of the 99, only 3 belong to the personal finance score category 55 and above, while 64 (64.6%) belong to the personal finance score category less than 35 and 26 (26.3%) belong to the category 35 to 45. From among the 22 respondents whose annual income was above Rs. 20,000, 8 (36.4%) belong to the personal finance score category less than 35, 5 (22.7%) belong to the category 35 to 45, 6 (27.3%) belong to the category 45 to 55 and 3 (13.6%) belong to the personal finance score category 55 and above.

The association between the annual earnings before going to the Gulf and personal finance score is statistically tested by applying chi-square and it is proved that there is significant association between annual earnings before going to the Gulf and personal finance score (table 4.45(b)). The significance value of the likelihood ratio is less than 0.05. Hence, it is concluded that there is statistically significant association between annual earnings before going to the Gulf and personal finance score.

4.20.6 Marital Status and Personal Finance Score

From table 4.46(a) it can be seen that 172 respondents were unmarried at the time of migration and out of that only 8 (4.7%) belong to the personal finance score category 55 and above, 15 (8.7%) belong to the category 45 to 55, 40 (23.3%) belong to the category 35 to 45 and 109 (63.4%) belong to the personal finance score category less than 35. Out of the 146 who were married at the time of migration, 96 (65.8%) belong to the personal finance score category less than 35, 32 (21.9%) belong to the personal finance score category 35 to 45, 12 (8.2%) belong to the personal finance score category 45 to 55 and 6 (4.1%) belong to the personal finance score category 55 and above.

The significance of association between the marital status at the time of migration and personal finance score is statistically tested by applying chi-square. Since the significance value of Pearson chi-square is more than 0.05, it can be concluded that there is statistically no significant association between marital status of the respondents before migration and their personal finance score (table 4.46(b)).

4.20.7 Country of Migration and Personal Finance Score

It is evident from table 4.47(a) that out of the 127 respondents who returned from Saudi-Arabia, 91 (71.7%) belong to the personal finance score category less than 35, while 26 respondents (20.5%) belong to the personal finance score category 35 to 45, 7 (5.5%) to the category 45 to 55 and 3 (2.4%) belong to the category 55 and above. Almost the same pattern with respect to the respondents from other countries can also be noticed.

The statistical significance of association between country of migration and personal finance score is tested by applying chi-square and as per table 4.47(b), the significance of likelihood ratio obtained is 0.421. As it is more than 0.05, it can be concluded that there is statistically no significant association between country of migration and personal finance score of the respondents.

4.20.8 Length of Service and Personal Finance Score

Table 4.48 (a) reveals that a major portion of the respondents, i.e., 184 (57.8%) has a service of 10 to 15 years in the Gulf, whereas, 80 (25.2%) has 15 to 20 years and 54 (17.0%) has 20 to 25 years of service in the Gulf. Out of the 184 having a service of 10 to 15 years, 126 (68.5%) belong to the personal finance score category less than 35, 38 (20.7%) belong to the category 35 to 45, 12 (6.5%) belong to the category 45 to 55 and 8 (4.3%) respondents belong to the personal finance score category 55 and above. Out of the 80 having a service of 15 to 20 years in the Gulf, 49 (61.3%) belong to the personal finance score category less than 35, 19 (23.8%) belong to the category 35 to 45, 8 (10.0%) belong to the category 45 to 55 and 4 (5.0%) belong to the personal finance score category 55 and above.

The association between the length of service and the personal finance score (table 4.48 (b)) is statistically tested by using chi-square and it is proved that there is no association between the two. As the significance value of Pearson chi-square is more than 0.05, it can be concluded that there is statistically no significant association between length of service of the respondents and their personal finance score.

4.20.9 Number of Children and Personal Finance Score

Table 4.49(a) shows the number of children and personal finance score cross tabulation. It can be seen that a major group of 178 has 2 children each, 57 has 3 children each, 47 has 1 child each, 29 has 4 children each and 4 has 5 children each. Out of the 178 who has 2 children each, 125 (70.2%) belong to the personal finance score category less than 35, 38 (21.3%) belong to 35 to 45 category, 9 (5.1%) belong to 45 to 55 category and 6 (3.4%) belong to personal finance score category 55 and above.

The significance of association between the number of children and personal finance score is statistically tested by applying chi-square analysis (Table 4.49(b)). Since the significance level of the likelihood ratio is less than 0.05, it can be concluded that there is statistically significant association between number of children and personal finance score categories.

4.20.10 Education and Length of Service

As revealed in table 4.14, only 15% of the respondents returned voluntarily and the remaining 85% were forced to return to Kerala against their will and wish. Generally, it is believed that highly qualified people have more chance in continuing in service for a long time than those having poor educational qualifications. Table 4.50(a) shows education and length of service cross tabulation. It can be seen that out of the 57 having only school education, 53 (93.0%) have only 10 to 15 years of service, whereas, out of the 38 having post graduation, 12 (31.6%) have 10 to 15 years of service, 14 (36.8%) have 15 to 20 years and 12 (31.6) have 20 to 25 years of service in the Gulf.

The association between the level of education and length of service is statistically tested by means of chi-square (Table 4.50(b)) and as the significance level of Pearson chi-square is less than 0.05, it is concluded that there is statistically significant association between the level of education and length of service in the Gulf.

Further, it is revealed that the average length of service increases as the level of education increases. Hence, it can be concluded that level of education and length of service in Gulf are directly related and those having higher qualifications can work in the Gulf countries for a long time and vice-versa.

4.21 Conclusion

Analyses of the socio-economic background of the Gulf-returned Keralites reveal that majority of them were socially and financially backward at the time of migration. Therefore, it is clear that they migrated for economic prospects and hence personal finance is more significant to them. In Gulf migration Muslims have an edge over the rest of the communities. It also reveals that the migration of Keralites to the Gulf countries did not result in any sort of brain drain because majority of the migrants to these countries possessed only low level of education. The analysis further shows that about 85% returned non-voluntarily due to retrenchment, expiry of contract and non-renewal of visa. Similarly, majority returned at their young ages and hence it is clear that their return is not for retirement purpose. More over, a vast majority reported that their return was at the unexpected time and hence abrupt.

Based on the personal finance score, the respondents are grouped into 4 categories, i.e., those having a personal finance score less than 35, 35 to 45, 45 to 55 and 55 and above. A major group of 205 respondents (64.46%) scored less than 35, 72 (22.65%) scored 35 to 45, 27 (8.49%) scored 45 to 55 and 14 (4.40%) scored 55 and above. As mentioned earlier, those who have scored below 45 points are categorised as persons without personal financial planning (category A) and those who have scored 45 points and above are categorised as persons with personal financial planning (category B). Thus, category A consists of 277 respondents (87.11%) and category B consists of 41 respondents (12.89%). Thus, it is clear that the vast majority had no personal financial planning during the Gulf period.

Table 4.1
The sample

District	No.	%
Thiruvanamthapuram (TVM)	77	24.21
Pathanamthitta (PTH)	53	16.67
Thrissur (TCR)	72	22.64
Malappuram (MAL)	60	18.87
Kozhikode (KKD)	56	17.61
Total	318	100.00

Table 4.2
Sample break up by age

Age	No.	%
Up to 35	19	6.0
36 – 40	61	19.2
41 – 45	127	40.0
46 – 50	76	23.8
Above 50	35	11.0
Total	318	100.0

Table 4.3
Sample break up by religion

	TVM		PTH		TCR		MAL		KKD		GEN	
Religion	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Muslim	38	49.3	14	26.4	40	55.6	43	71.7	34	60.7	169	53.1
Christian	18	23.3	30	56.6	14	19.4	9	15.0	15	26.8	86	27.0
Hindu	21	27.4	9	17.0	18	25.0	8	13.3	7	12.5	63	19.9
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.4
Sample break up by education

Educational Qualification	No.	%
School	57	18.0
SSLC	35	11.0
PDC	64	20.1
Degree	60	18.8
Diploma	38	12.0
PG	38	12.0
Others	26	8.1
Total	318	100.0

Table 4.5
Sample break up by status before going to the Gulf

Status before going to the Gulf	No.	%
Employed	143	45.0
Doing Business	27	8.4
Unemployed	148	46.6
Total	318	100.0

Table 4.6
Sample break up by annual earnings before going to the Gulf

Annual earnings before going to Gulf	No.	%
Less than Rs.5000	70	22.0
Rs.5000 – 10000	99	31.1
Rs.10000 – 15000	89	28.0
Rs.15000 – 20000	38	11.9
Above Rs.20000	22	7.0
Total	318	100.0
Average (in Rs.)	11,207	

Table 4.7
Sample break up by marital status before going to the Gulf

Marital status before going to the Gulf	No.	%
Single	172	54.0
Married	146	46.0
Total	318	100.0

Table 4.8
Status of wives at the time of marriage

Status	No.	%
Unemployed	264	83.0
Employed in India	25	7.9
Employed abroad	29	9.1
Total	318	100.0

Table 4.9
Sample break up by educational qualification of wives

Qualification	No.	%
School education	70	22.0
SSLC	54	17.0
PDC	105	33.0
Degree	45	14.1
PG	19	5.9
Others	25	8.0
Total	318	100.0

Table 4.10
Dowry received

Range (in Rs.)	Married before going to Gulf		Married after going to Gulf		Total	
	No.	%	No.	%	No.	%
Nil	21	14.2	11	6.4	32	10.0
Less than 50,000	44	30.0	13	7.6	57	17.9
50,000 – 100,000	44	30.0	42	24.6	86	27.0
100,000 – 200,000	38	25.8	38	22.2	76	24.0
200,000 -500,000	0	0.0	67	39.2	67	21.1
Total	147	100.0	171	100.0	318	100.0
Average (in Rs.)	65,065		2,15,000		1,45,530	

Table 4.11
Sample break up by country

Country	NO.	%
UAE	86	27.0
Saudi Arabia	127	40.0
Kuwait	38	11.9
Qatar	16	5.0
Bahrain	29	9.1
Oman	22	7.0
Total	318	100.0

Table 4.12
Sample break up by length of service in the Gulf

Years of service	No.	%
10 -15	184	57.9
15 - 20	80	25.1
20 - 25	54	17.0
Total	318	100.0
Average length of service in years	15.80	

Table 4.13
Sample break up by year of return from the Gulf

Year of return	NO.	%
2000	102	32.0
2001	109	34.2
2002	107	33.8
Total	318	100.0

Table 4.14
Sample break up by reason for return from the Gulf

Reason for return	No.	%
Visa not renewed	105	33.0
Expiry of contract	98	30.8
Retrenchment	67	21.1
Voluntary retirement	29	9.1
Other reasons	19	6.0
Total	318	100.0

Table 4.15
Sample break up by number of children

Number of children	No.	%
0	3	0.9
1	47	14.8
2	178	56.0
3	57	17.9
4	29	9.1
5	4	1.3
Total	318	100.0

Table 4.16
Elements of personal financial planning (1)

Elements		TVM			PTA			TCR			MAL			KKD			GEN		
		Yes	No	Total	Yes	No	Total	Yes	No	Total	Yes	No	Total	Yes	No	Total	Yes	No	Total
Maintain Family Financial Accounts	No.	21	56	77	22	31	53	45	27	72	27	33	60	25	31	56	140	178	318
	%	27.3	72.2	100	41.5	58.5	100	62.5	37.5	100	45.0	55.0	100	44.6	55.4	100	44.0	56.0	100
Plan to increase income and decrease Expense	No.	28	49	77	15	38	53	29	43	72	18	42	60	21	35	56	111	207	318
	%	36.3	63.7	100	28.3	71.7	100	40.3	59.7	100	30.0	70.0	100	37.5	62.5	100	35.0	65.0	100
Prepare Plan for non-recurring Expenditure	No.	33	44	77	33	20	53	25	47	72	17	43	60	38	18	56	146	172	318
	%	42.8	57.2	100	62.3	37.7	100	34.7	65.3	100	28.3	71.7	100	67.8	32.2	100	45.9	54.1	100
Priority based Spending Plan	No.	14	63	77	14	39	53	17	55	72	13	47	60	28	28	56	86	232	318
	%	18.2	81.8	100	26.4	73.6	100	23.6	76.4	100	21.7	78.3	100	50.0	50.0	100	27.0	73.0	100
Wise use of Loans and Borrowing facilities	No.	28	49	77	25	28	53	31	41	72	19	41	60	21	35	56	124	194	318
	%	36.3	63.7	100	47.1	52.9	100	43.0	57.0	100	31.7	68.3	100	37.5	62.5	100	39.0	61.0	100

Table 4.17
Practice of maintaining family financial accounts

Frequency	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Always	2	2.6	0	0	1	1.4	0	0	0	0	3	1.0
Often	2	2.6	5	9.4	10	13.9	4	6.7	1	1.8	22	6.9
Occasionally	17	22.0	17	32.1	34	47.2	23	38.3	24	42.8	115	36.1
Rarely	21	27.4	13	24.5	17	23.6	21	35.0	27	48.2	99	31.1
Never	35	45.4	18	34.0	10	13.9	12	20.0	4	7.2	79	24.9
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.18
Planning to increase income and decrease expenditure

Frequency	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Quite often	0	0	0	0	1	1.4	2	3.3	0	0	3	1.0
Often	17	22.0	6	11.4	11	15.4	3	5.0	1	1.7	38	11.9
Occasionally	12	15.5	9	16.9	17	23.5	13	21.6	20	35.7	70	22.0
Rarely	43	55.8	38	71.7	43	59.7	35	58.3	34	60.7	194	61.1
Never	5	6.7	0	0	0	0	7	11.6	1	1.9	13	4.0
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.19
Practice of planning for non-recurring expenditure

Frequency	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Always	0	0	0	0	0	0	0	0	0	0	0	0
Often	8	10.3	4	7.4	5	6.9	3	5.0	2	3.5	22	6.9
Occasionally	25	32.6	29	54.8	20	27.7	14	23.4	36	64.2	124	39.0
Rarely	19	24.7	11	20.8	27	37.7	24	40.0	8	14.4	89	28.0
Never	25	32.4	9	17.0	20	27.7	19	31.6	10	17.9	83	26.1
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.20
Practicing priority based spending plan

Frequency	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Always	0	0	0	0	0	0	0	0	0	0	0	0
Often	8	10.3	7	13.3	6	8.3	0	0	5	9.0	26	8.2
Occasionally	6	7.8	7	13.3	11	15.2	13	21.6	23	41.0	60	18.8
Rarely	42	54.5	36	67.9	50	69.6	40	66.6	29	50.0	197	61.9
Never	21	27.4	3	5.5	5	6.9	7	11.8	0	0	35	11.1
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.21
Practice of using loans and borrowing facilities

Frequency	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Quite often	0	0	0	0	1	1.4	1	1.7	1	1.7	3	0.9
Often	9	11.7	5	9.4	4	5.6	3	5.0	4	7.2	25	7.8
Occasionally	19	24.7	20	37.7	26	36.1	15	25.0	16	28.6	96	30.2
Rarely	30	38.9	21	39.6	33	45.8	26	43.3	24	42.8	134	42.2
Never	19	24.7	7	13.3	8	11.1	15	25.0	11	19.7	60	18.9
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.22
Elements of personal financial planning (2)

Elements		TVM			PTA			TCR			MAL			KKD			GEN		
		Yes	No	Total	Yes	No	Total	Yes	No	Total	Yes	No	Total	Yes	No	Total	Yes	No	Total
Regular in Savings	No.	58	19	77	40	13	53	45	27	72	37	23	60	46	10	56	226	92	318
	%	75.3	24.7	100	75.4	24.6	100	62.5	37.5	100	61.6	38.4	100	82.1	117.9	100	71.0	29.0	100
Clear about Investment Planning	No.	15	62	77	14	39	53	25	47	72	23	37	60	22	34	56	99	219	318
	%	19.4	80.6	100	26.4	73.6	100	34.7	65.3	100	38.4	61.6	100	39.2	60.8	100	31.1	68.9	100
Awareness about investment schemes	No.	14	63	77	12	41	53	14	58	72	7	53	60	4	52	56	51	267	318
	%	18.1	81.9	100	22.6	77.4	100	19.4	80.6	100	11.6	88.4	100	7.1	92.9	100	16.0	84.0	100
Right insurance coverage	No.	75	2	77	50	3	53	67	5	72	57	3	60	53	3	56	302	16	318
	%	97.4	2.6	100	94.3	5.7	100	93.0	7.0	100	95.0	5.0	100	94.6	5.4	100	94.9	5.1	100
Favours Retirement and Estate Planning	No.	41	36	77	29	24	53	37	35	72	26	34	60	32	24	56	165	153	318
	%	53.2	46.8	100	54.7	45.3	100	51.3	48.7	100	43.3	56.7	100	57.1	42.9	100	51.8	48.2	100

Table 4.23
Regularity in savings

Frequency	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Most regular	1	1.2	1	1.9	1	1.3	1	1.6	2	3.6	6	2.0
Regular	13	16.8	9	16.9	14	19.4	5	8.3	7	12.5	48	15.0
Neutral	44	57.4	30	56.6	30	41.6	31	51.8	37	66.0	172	54.0
Not regular	18	23.4	13	24.6	25	34.9	21	35.0	9	16.0	86	27.0
Not at all regular	1	1.2	0	0	2	2.8	2	3.3	1	1.9	6	2.0
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.24
Clarity regarding investment planning

Degree of Clarity	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Very clear	0	0	0	0	0	0	0	0	0	0	0	0
Clear	4	5.1	1	1.8	6	8.3	3	5.0	2	3.5	16	5.0
Undecided	11	14.2	13	24.5	19	26.3	20	33.3	20	35.9	83	26.2
Not clear	56	72.8	37	69.8	45	62.5	34	56.7	31	55.3	203	63.8
Not at all clear	6	7.9	2	3.9	2	2.9	3	5.0	3	5.3	16	5.0
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.25
Level of awareness about investment schemes

Level of Awareness	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Most aware	1	1.4	0	0	0	0	0	0	0	0	1	0.5
Aware	3	3.8	1	1.8	0	0	1	1.6	1	1.7	6	1.8
Neutral	10	12.9	11	20.9	14	19.4	6	10.0	3	5.3	44	13.8
Not aware	17	22.0	17	32.0	22	30.6	10	16.7	17	30.3	83	26.1
Not at all aware	46	59.7	24	45.3	36	50.0	43	71.7	35	62.5	184	57.8
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.26
Insurance coverage

Insurance Coverage	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Well covered	2	2.5	0	0	9	12.5	3	5.0	2	3.5	16	5.1
Adequate	46	59.9	35	66.0	39	54.1	35	58.4	36	64.2	191	60.0
Covered	27	35.1	15	28.4	19	26.5	19	31.6	15	26.9	95	29.8
Not adequate	2	2.5	3	5.6	5	6.9	3	5.0	3	5.4	16	5.1
Not covered	0	0	0	0	0	0	0	0	0	0	0	0
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.27
Attitude towards retirement and estate planning

Attitude	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Highly favourable	0	0	1	1.8	1	1.3	0	0	1	1.7	3	0.9
Favourable	4	5.1	5	9.6	4	5.6	7	11.6	5	8.9	25	7.8
Neutral	37	48.0	23	43.3	32	44.4	19	31.6	26	46.6	137	43.0
Unfavourable	36	46.9	24	45.3	33	45.8	30	50.0	24	42.8	147	46.4
Not at all favourable	0	0	0	0	2	2.7	4	6.8	0	0	6	1.9
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.28
Elements of personal financial planning (3)

Elements		TVM			PTA			TCR			MAL			KKD			GEN		
		Yes	No	Total	Yes	No	Total	Yes	No	Total	Yes	No	Total	Yes	No	Total	Yes	No	Total
Prepare Family Budget	No.	6	71	77	3	50	53	5	67	72	2	58	60	0	56	56	16	302	318
	%	7.7	92.3	100	5.6	94.4	100	6.9	93.1	100	3.3	96.7	100	0.0	100	100	5.0	95.0	100
Compare Income and Expenditure with Budget	No.	5	72	77	1	52	53	4	68	72	0	60	60	0	56	56	10	308	318
	%	6.4	93.6	100	1.8	98.2	100	5.5	94.5	100	0.0	100	100	0.0	100	100	3.1	96.9	100
Clear about Long-term Financial Objectives	No.	27	50	77	23	30	53	27	45	72	19	41	60	28	28	56	124	194	318
	%	35.0	65.0	100	43.3	56.7	100	37.5	62.5	100	31.6	68.4	100	50.0	50.0	100	38.9	61.1	100
Clear about Short-term Financial Objectives	No.	28	49	77	23	30	53	30	42	72	18	42	60	28	28	56	127	191	318
	%	36.3	63.7	100	43.3	56.7	100	41.6	58.4	100	30.0	70.0	100	50.0	50.0	100	39.9	60.1	100
Financial Freedom is important	No.	50	27	77	36	17	53	59	13	72	42	18	60	36	20	56	223	95	318
	%	64.9	35.1	100	67.9	32.1	100	81.9	18.1	100	70.0	30.0	100	64.2	35.8	100	70.1	29.9	100

Table 4.29
Practice of preparing family budget

Frequency	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Quite often	0	0	0	0	0	0	0	0	0	0	0	0
Often	0	0	0	0	0	0	1	1.7	0	0	1	0.3
Occasionally	6	7.9	3	5.6	5	6.9	1	1.7	0	0	15	4.7
Rarely	14	18.1	6	11.4	16	22.3	7	11.6	5	9.0	48	15.0
Never	57	74.0	44	83.0	51	70.8	51	85.0	51	91.0	254	80.0
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.30
Practice of comparing income and expenditure with budget

Frequency	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Always	0	0	0	0	0	0	0	0	0	0	0	0
Often	0	0	0	0	0	0	0	0	0	0	0	0
Occasionally	5	6.4	1	1.8	4	5.5	0	0	0	0	10	3.2
Rarely	16	20.9	6	11.3	6	8.3	5	8.3	2	3.5	35	11.0
Never	56	72.7	46	86.9	62	86.2	55	91.7	54	96.5	273	85.8
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.31
Degree of clarity regarding long-term financial objectives

Degree of Clarity	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Very clear	0	0	0	0	1	1.3	1	1.6	1	1.7	3	0.9
Clear	14	18.1	11	20.7	17	23.6	7	11.6	8	14.2	57	17.9
Undecided	13	16.8	12	22.6	9	12.5	11	18.3	19	33.9	64	20.1
Not clear	44	57.1	29	54.7	41	56.9	38	63.5	26	46.4	178	55.9
Not at all clear	6	8.0	1	2.0	4	5.7	3	5.0	2	3.8	16	5.2
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.32
Degree of clarity regarding short-term financial objectives

Degree of Clarity	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Very clear	1	1.2	0	0	1	1.3	0	0	0	0	2	0.6
Clear	13	16.8	10	18.8	13	18.0	6	10.0	11	19.8	53	16.6
Undecided	14	18.3	13	24.5	16	22.2	12	20.0	17	30.3	72	23.6
Not clear	45	58.4	27	50.9	38	52.9	38	63.4	23	41.0	171	53.9
Not at all clear	4	5.3	3	5.8	4	5.6	4	6.6	5	8.9	20	6.3
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.33
Importance of financial freedom

Degree of Importance	TVM		PTA		TCR		MAL		KKD		GEN	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Most Essential	5	6.5	10	18.8	11	15.2	7	11.6	5	8.9	38	11.9
Essential	22	28.5	13	24.5	34	47.2	20	33.3	13	23.2	102	32.0
Desirable	23	29.8	13	24.5	14	19.4	15	25.0	18	32.2	83	26.3
Not essential	27	35.2	17	32.2	13	18.2	18	30.1	20	35.7	95	29.8
Not at all essential	0	0	0	0	0	0	0	0	0	0	0	0
Total	77	100	53	100	72	100	60	100	56	100	318	100

Table 4.34
Personal financial score based on five point scale rating of the 15 variables (Thiruvanamthapuram District)

Sl.No.	Variables															Sum
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1	3	1	3	3	3	2	3	2	4	2	1	1	2	2	2	34
2	2	3	3	2	2	2	2	1	3	2	1	1	2	3	2	31
3	1	4	2	2	3	3	1	2	4	3	2	1	2	2	2	34
4	2	2	3	2	2	4	2	3	4	2	3	1	2	4	4	40
5	5	4	4	4	4	3	3	3	3	3	1	3	3	2	4	49
6	1	2	1	1	3	3	2	1	3	2	1	1	2	2	2	27
7	3	2	1	2	2	3	2	2	4	3	1	1	3	2	2	33
8	2	4	3	2	1	3	2	2	4	2	1	1	2	2	2	33
9	1	2	2	1	3	1	2	1	4	3	2	2	3	2	4	33
10	2	1	1	2	2	3	1	1	3	3	1	1	2	3	2	28
11	3	4	4	4	3	5	4	4	4	4	2	2	4	3	4	54
12	2	3	3	2	3	3	2	1	3	2	2	1	3	2	3	35
13	1	2	2	1	1	4	2	1	4	2	2	1	2	1	2	28
14	2	4	2	2	2	3	2	1	3	3	1	1	3	2	4	35
15	2	2	1	1	3	3	2	1	4	2	1	1	2	2	2	29
16	5	4	3	4	4	4	4	3	4	3	3	3	4	4	4	56
17	1	2	2	2	3	3	2	1	3	2	1	1	3	2	2	30
18	3	3	1	2	2	3	2	2	4	3	1	2	2	2	2	34
19	2	2	3	1	1	3	2	1	3	2	1	1	3	2	3	30
20	2	2	3	2	2	2	2	2	4	3	1	1	2	2	2	32
21	1	1	2	1	3	3	2	1	3	3	1	2	2	2	2	29
22	2	2	3	2	3	2	1	1	4	3	1	1	3	3	3	34
23	2	2	1	3	2	3	2	1	3	2	1	1	2	2	4	31
24	1	3	4	1	1	4	3	1	4	2	2	1	4	2	4	37
25	3	4	2	3	4	4	2	5	4	3	2	2	3	4	2	47
26	2	2	1	2	2	3	2	1	3	2	1	1	2	2	3	29
27	4	4	3	4	4	4	3	1	5	3	3	3	4	4	5	54
28	1	2	2	1	1	3	2	1	4	2	1	1	1	3	2	27
29	2	2	3	2	3	2	2	1	4	3	1	1	2	2	2	32
30	1	4	2	1	2	3	2	2	3	2	2	2	3	1	2	32
31	2	2	1	3	1	4	2	1	4	3	1	1	2	2	4	33
32	1	2	3	1	2	3	2	2	4	2	1	2	2	2	3	32
33	2	3	2	2	3	3	2	1	3	3	1	1	2	2	3	33
34	3	4	4	3	4	4	2	3	5	3	2	2	2	4	3	48
35	1	2	2	2	1	3	4	1	4	2	2	1	4	3	4	36
36	2	2	1	2	3	2	2	1	3	3	1	2	2	3	2	31
37	2	3	3	2	1	3	2	2	4	2	1	1	2	4	3	35

Sl.No.	Variables															Sum
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
38	2	2	1	1	3	2	2	2	3	2	1	1	2	2	2	28
39	3	4	4	4	3	4	3	4	4	3	2	2	4	4	5	53
40	1	2	2	2	1	2	2	1	4	2	1	1	2	2	4	29
41	1	2	1	1	2	3	2	1	3	3	1	1	2	3	3	29
42	1	2	3	2	1	3	2	1	4	2	1	1	4	2	3	32
43	2	2	2	2	3	3	1	2	4	3	1	2	1	2	2	32
44	1	2	1	1	2	2	2	1	4	2	1	1	2	2	4	28
45	1	2	1	2	1	4	2	1	2	3	2	1	2	2	3	29
46	4	4	4	3	2	3	3	3	4	3	3	3	3	4	4	50
47	1	2	2	2	4	4	3	3	4	4	1	1	2	2	2	37
48	1	1	3	1	2	3	2	1	4	2	1	1	3	4	3	32
49	3	2	1	2	3	3	2	1	3	3	1	1	2	3	4	34
50	2	3	2	2	1	2	2	1	4	2	1	1	2	2	2	29
51	1	2	1	2	2	3	2	1	3	3	1	1	2	1	3	28
52	1	2	2	2	1	3	2	2	4	2	1	1	2	2	2	29
53	3	2	1	1	2	3	2	1	4	3	2	1	2	2	4	33
54	1	2	1	2	1	3	2	1	4	2	1	1	3	2	4	30
55	3	4	3	4	4	4	4	4	4	3	2	2	4	4	5	54
56	1	2	2	1	2	3	2	1	3	2	1	1	2	3	3	29
57	1	4	1	2	2	3	2	1	4	3	1	1	2	2	2	31
58	3	2	1	1	2	3	2	2	3	3	1	1	1	2	3	30
59	1	3	3	2	1	2	2	1	4	2	1	1	2	2	4	31
60	1	2	1	1	3	3	2	1	4	3	1	1	2	1	2	28
61	3	4	4	4	4	4	3	3	4	4	3	3	4	4	5	56
62	1	2	3	2	2	2	2	1	3	2	1	1	4	2	3	31
63	2	2	1	1	2	3	3	1	4	3	1	2	4	2	3	34
64	3	4	3	2	2	2	2	1	4	2	1	1	2	4	4	37
65	1	1	3	2	1	3	1	2	3	3	1	1	2	2	3	29
66	1	2	1	1	3	3	2	1	4	3	1	1	2	3	2	30
67	3	3	3	2	2	2	2	3	4	2	1	2	2	2	3	36
68	1	2	2	2	2	3	3	1	3	3	1	1	1	2	4	31
69	1	2	3	2	2	2	2	2	4	3	1	1	2	1	3	31
70	3	2	3	2	1	3	2	1	2	2	1	2	4	2	4	34
71	1	3	1	2	2	2	2	1	4	3	1	1	3	4	3	33
72	3	4	4	4	4	3	3	3	4	4	3	2	5	4	5	55
73	1	2	2	2	3	2	2	2	3	2	1	1	2	3	2	30
74	1	3	3	1	2	3	2	1	4	3	1	1	2	1	4	32
75	3	2	1	2	2	2	2	1	3	2	1	1	4	2	3	31
76	1	2	1	2	1	3	2	3	3	2	1	1	2	2	3	29
77	1	3	3	2	2	3	1	2	3	2	1	1	2	3	4	33

Table 4.35
Personal financial score based on five point scale rating of the 15 variables (Pathanamthitta District)

Sl.No.	Variables															Sum
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1	3	2	3	3	2	3	2	2	4	2	1	1	4	3	3	38
2	2	3	1	2	3	3	2	2	4	3	1	1	2	2	2	33
3	3	2	3	2	2	3	2	2	4	3	1	1	3	2	3	36
4	1	2	3	3	1	2	2	1	3	3	1	1	2	2	2	29
5	3	4	3	4	4	5	3	3	4	5	2	2	4	4	5	55
6	2	2	1	2	2	3	3	2	3	3	1	1	1	3	3	32
7	2	2	3	4	2	3	2	1	4	2	1	1	3	2	4	36
8	3	3	2	2	1	2	2	3	3	3	1	1	2	2	2	32
9	1	2	2	2	2	3	3	2	4	2	1	1	4	3	5	37
10	4	4	3	3	3	4	3	3	4	4	3	3	4	3	5	53
11	3	2	3	2	3	3	2	2	2	2	1	1	2	3	2	33
12	2	2	1	2	3	3	2	1	4	2	1	1	2	2	2	30
13	1	2	3	2	3	4	2	2	4	3	1	1	2	2	3	35
14	3	2	2	2	1	4	2	3	4	2	1	1	2	2	3	34
15	1	2	3	2	3	3	2	2	4	2	1	1	2	2	2	32
16	3	3	3	3	4	4	4	4	4	3	2	2	3	3	4	49
17	2	2	1	2	2	3	2	1	3	2	1	1	2	3	5	32
18	3	2	3	2	2	2	2	1	4	3	1	1	2	2	2	32
19	1	2	1	2	3	3	2	1	4	3	1	1	1	2	3	30
20	1	2	3	2	1	3	2	2	3	3	1	1	2	2	2	30
21	3	2	3	2	2	2	2	2	3	3	1	1	2	2	2	32
22	1	2	3	2	3	3	3	3	4	2	1	1	2	2	3	35
23	4	4	4	3	4	3	2	3	4	3	3	2	4	4	5	52
24	3	2	3	4	3	4	3	3	4	3	3	2	4	4	5	50
25	2	2	2	2	2	2	2	1	4	3	1	1	2	3	3	32
26	1	2	2	1	3	3	2	1	3	2	1	1	3	2	2	29
27	1	3	3	2	3	3	2	1	4	2	1	1	3	3	3	35
28	1	2	1	2	2	2	2	2	4	2	1	1	2	2	4	30
29	3	2	3	2	1	2	2	1	4	2	1	1	2	3	2	31
30	1	2	2	2	3	2	2	1	3	2	1	1	2	2	3	29

Sl.No.	Variables															Sum
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
31	1	2	3	2	3	2	2	2	4	2	1	1	2	2	2	31
32	3	2	3	2	2	3	2	2	3	3	1	1	1	2	4	34
33	2	3	3	2	1	3	3	1	4	2	1	1	3	2	2	33
34	1	2	3	2	2	4	2	2	4	3	1	1	2	2	4	35
35	4	4	4	3	3	3	3	3	4	4	2	2	4	2	3	48
36	1	2	2	2	2	3	2	1	2	2	1	1	2	4	2	29
37	2	2	3	2	2	3	1	1	4	2	1	1	2	2	5	33
38	3	2	1	2	1	2	3	2	4	3	1	1	3	2	4	34
39	2	2	3	2	2	3	2	1	4	2	2	1	2	2	4	34
40	4	2	3	4	4	4	3	3	4	4	1	1	4	4	5	50
41	2	2	2	4	2	3	2	1	3	2	1	1	3	2	3	33
42	3	3	3	2	3	3	2	2	4	3	1	1	3	3	4	40
43	2	3	3	3	2	3	2	1	3	2	1	1	2	2	2	32
44	1	2	2	1	2	2	2	1	4	2	1	1	2	4	4	31
45	4	4	4	4	3	4	3	3	4	3	2	2	4	4	5	53
46	3	2	1	2	3	3	2	1	2	3	1	1	3	2	4	33
47	1	2	3	2	3	3	2	1	3	3	1	1	2	4	3	34
48	2	2	3	1	2	3	1	2	4	2	1	1	3	1	4	32
49	1	3	2	2	3	4	2	1	3	3	1	1	3	4	2	35
50	2	2	1	2	2	2	2	3	3	4	1	1	2	2	4	33
51	3	4	4	4	4	3	3	2	4	4	2	1	4	4	5	51
52	1	3	3	2	2	2	2	1	3	2	1	1	2	2	2	29
53	3	2	2	2	3	3	3	1	4	3	1	1	3	3	4	38

Table 4.36
Personal financial score based on five point scale rating of the 15 variables
(Thrissur District)

Sl.No.	Variables															Sum
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1	2	3	2	3	1	3	2	2	4	3	2	1	2	1	3	34
2	1	2	3	2	2	1	2	2	4	2	1	1	2	3	4	32
3	3	3	2	2	2	3	2	1	3	3	2	1	2	2	3	34
4	2	2	1	2	2	3	2	1	4	3	1	1	2	2	4	32
5	3	4	2	2	1	3	2	2	4	2	1	1	2	2	2	33
6	5	4	4	3	5	4	2	3	5	5	3	3	4	4	5	59
7	2	2	1	2	2	3	2	1	3	3	2	2	3	2	4	34
8	4	5	3	4	3	5	4	3	5	4	2	2	4	4	5	57
9	3	2	2	2	3	4	2	1	4	2	1	1	2	1	4	34
10	2	2	1	2	2	3	2	1	2	3	1	1	2	2	4	30
11	3	3	2	3	2	2	2	2	4	3	1	1	3	2	4	37
12	3	2	1	1	2	2	2	1	4	3	1	1	2	3	3	31
13	2	2	2	2	3	1	3	3	4	3	1	1	2	4	5	38
14	4	4	4	4	2	4	3	3	5	3	3	3	4	2	4	52
15	3	2	2	2	1	3	2	1	4	3	1	1	2	2	3	32
16	2	2	2	2	2	3	2	2	2	2	1	1	3	2	4	32
17	4	2	1	1	1	3	2	1	4	3	1	1	2	4	4	34
18	3	4	4	2	4	4	3	3	4	4	2	2	4	5	5	53
19	3	4	3	2	2	2	3	1	3	3	1	1	4	4	5	41
20	4	4	3	4	3	4	4	3	4	3	3	3	4	4	5	55
21	3	2	2	2	2	3	2	1	3	2	2	1	2	2	3	32
22	3	2	1	2	3	2	2	2	3	3	2	1	2	2	4	34
23	4	4	4	3	4	4	4	3	4	4	3	3	4	4	5	57
24	1	2	2	1	2	2	2	1	4	2	1	1	2	2	4	29
25	3	2	1	2	2	3	3	2	4	3	1	1	1	2	4	34
26	3	3	2	3	2	3	2	2	3	2	2	1	3	3	2	36
27	1	2	1	2	3	2	2	1	4	2	1	1	2	2	3	29
28	3	2	3	2	3	4	3	3	4	3	1	1	3	4	4	43
29	4	2	2	2	3	4	2	1	4	3	2	1	2	2	4	38
30	2	2	1	2	3	2	2	2	2	2	1	1	2	2	3	29
31	1	2	2	2	1	3	2	1	4	2	1	1	3	4	4	33
32	2	2	1	2	2	3	2	1	4	2	1	1	2	2	4	31
33	1	3	3	2	3	2	2	2	3	3	2	1	4	2	2	35
34	2	2	2	2	3	2	3	3	4	2	1	1	2	1	4	34
35	1	2	3	2	2	3	2	1	3	2	1	1	3	2	3	31

Sl.No.	Variables															Sum
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
36	3	3	2	2	3	3	2	2	4	3	1	1	3	1	4	37
37	1	2	2	2	2	2	2	1	3	3	1	1	2	2	4	30
38	3	2	1	1	2	2	3	3	4	2	1	1	2	3	4	34
39	2	2	3	2	3	2	2	1	3	2	1	1	2	2	3	31
40	2	2	2	2	2	3	2	1	4	3	1	1	2	4	4	35
41	3	2	2	2	2	2	2	1	4	1	2	1	2	2	4	32
42	3	2	1	2	3	2	3	2	2	2	2	1	2	2	2	31
43	1	3	3	3	2	2	2	1	3	3	1	1	3	2	4	34
44	3	2	1	2	2	3	2	1	4	3	1	1	3	2	2	32
45	4	3	3	4	4	4	4	3	5	3	3	2	4	4	5	55
46	2	2	2	2	3	2	3	2	4	2	2	1	2	2	4	35
47	3	2	2	2	2	2	2	1	4	2	2	1	2	4	3	34
48	4	4	3	4	4	4	4	3	5	4	2	2	5	4	5	57
49	2	2	3	2	2	2	2	1	4	3	1	1	2	2	4	33
50	3	2	2	2	1	2	2	2	3	2	1	1	3	2	2	30
51	3	3	2	2	3	3	1	1	4	2	1	1	2	2	4	34
52	3	2	3	2	2	2	3	1	4	2	1	1	2	2	3	33
53	2	2	1	2	2	2	2	1	3	3	1	1	2	3	4	31
54	4	4	4	3	3	3	3	3	5	3	2	1	4	2	5	49
55	3	2	2	2	2	2	3	2	2	2	1	1	2	4	2	32
56	3	3	3	2	3	4	2	1	4	1	1	1	1	2	4	35
57	3	3	1	2	2	2	3	2	4	2	1	1	4	4	4	38
58	4	4	3	4	3	4	4	3	5	3	2	2	4	4	5	54
59	3	2	3	2	2	3	2	1	3	2	1	1	3	2	4	34
60	2	3	1	2	3	3	3	1	4	3	1	1	2	2	2	33
61	3	2	1	3	2	3	3	2	5	3	1	1	2	3	4	38
62	2	3	1	2	1	3	3	1	4	2	1	1	3	3	2	32
63	3	4	2	1	3	3	3	2	3	2	1	1	1	2	3	34
64	1	2	3	2	2	3	3	1	4	3	1	1	2	2	3	33
65	3	3	1	3	3	2	2	2	4	2	1	1	3	3	3	36
66	2	2	3	2	3	4	3	1	3	2	1	1	2	2	2	33
67	3	3	2	3	2	3	2	2	4	2	1	1	4	4	4	40
68	1	2	1	2	2	3	1	1	4	2	1	1	2	2	2	27
69	3	2	3	2	3	2	2	2	5	3	1	1	2	2	2	35
70	3	3	2	3	3	4	2	2	3	2	1	1	3	2	4	38
71	3	2	2	2	1	3	2	1	4	2	1	1	1	2	2	29
72	3	3	3	2	3	3	2	1	3	2	1	1	3	3	4	37

Table 4.37
Personal financial score based on five point scale rating of the 15 variables
(Malappuram District)

Sl.No.	Variables															Sum
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1	2	2	1	3	3	2	3	2	4	2	1	1	3	4	4	37
2	2	4	3	2	2	2	2	1	4	2	1	1	2	1	3	32
3	1	2	1	1	1	3	3	2	4	2	1	1	2	2	4	30
4	2	2	2	2	1	2	2	1	3	3	1	1	2	3	3	30
5	3	3	1	2	2	3	3	1	4	2	2	1	2	2	5	36
6	2	3	3	3	3	3	3	2	5	2	1	1	2	2	4	39
7	1	2	2	2	2	2	2	1	3	2	1	1	3	3	4	31
8	2	2	1	2	1	2	2	1	3	1	1	1	2	3	2	26
9	4	4	3	3	3	4	4	3	4	4	4	2	4	4	5	55
10	2	2	2	2	1	3	3	3	4	3	1	1	1	2	4	34
11	1	2	1	2	2	3	3	1	4	3	1	1	2	2	2	30
12	3	3	1	1	2	2	2	1	4	2	1	1	2	2	4	31
13	2	3	2	2	1	2	2	1	4	2	1	1	2	2	4	31
14	1	2	1	2	1	3	2	1	4	3	1	1	2	1	3	28
15	3	2	3	3	3	4	3	1	4	1	1	1	2	2	4	37
16	3	3	2	2	1	1	2	1	4	4	2	1	2	2	2	32
17	2	1	2	2	2	2	2	1	3	3	1	1	3	2	4	31
18	3	2	3	2	3	3	3	1	4	2	1	1	2	2	2	34
19	4	4	4	3	4	4	3	3	5	3	3	2	4	5	5	56
20	1	1	2	2	2	3	1	2	4	3	1	1	2	2	4	31
21	3	3	1	1	2	2	2	1	4	3	1	1	2	2	3	31
22	2	2	2	2	2	3	3	1	3	2	1	1	3	2	3	32
23	3	2	2	2	2	2	2	1	4	2	1	1	2	4	5	35
24	1	2	2	2	1	3	2	1	3	3	2	1	3	3	2	31
25	3	3	3	3	3	1	2	1	4	2	1	1	2	2	3	34
26	1	2	2	2	2	3	3	1	4	2	1	1	2	2	3	31
27	2	2	2	2	2	2	2	2	3	3	1	1	2	2	2	30
28	1	2	1	2	2	3	2	1	4	1	1	1	2	3	2	28
29	2	2	2	2	1	2	3	1	4	2	1	1	2	3	4	32
30	3	3	3	2	3	3	2	1	4	3	1	1	2	2	4	37

Sl.No.	Variables															Sum
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
31	3	3	3	3	3	3	2	1	4	2	1	1	2	2	2	31
32	1	2	2	2	2	2	2	1	3	3	1	1	1	2	2	27
33	3	2	1	2	2	3	3	3	4	2	1	1	2	2	2	33
34	4	5	4	3	4	4	4	3	5	3	2	2	3	4	4	54
35	2	2	2	2	2	3	2	1	3	2	1	1	3	3	2	31
36	3	3	3	3	3	2	3	1	4	3	1	1	2	2	4	38
37	1	2	2	2	1	3	1	1	3	2	1	1	2	2	2	26
38	3	4	4	3	4	4	3	4	4	4	2	2	2	1	5	49
39	2	2	3	2	2	2	2	2	4	2	1	1	4	4	3	36
40	3	1	2	2	2	3	2	1	4	2	1	1	2	2	3	31
41	2	2	1	1	2	3	3	1	2	3	1	1	1	2	2	27
42	2	2	2	2	1	3	2	1	3	2	1	1	2	2	2	28
43	3	2	1	2	2	3	2	1	4	1	1	1	3	3	4	33
44	2	2	1	2	3	3	2	1	3	2	1	1	2	2	3	30
45	2	2	3	2	2	3	2	1	2	2	1	1	3	3	3	32
46	3	1	2	2	2	2	3	1	4	4	2	1	2	2	3	34
47	1	2	1	1	2	2	2	2	3	2	1	1	1	2	2	25
48	3	3	2	2	1	3	1	1	4	2	1	1	3	2	4	33
49	3	1	1	2	2	2	3	1	3	4	1	1	4	4	3	35
50	2	2	1	2	1	3	2	1	3	3	1	1	2	2	3	29
51	1	2	3	3	3	2	2	2	3	2	1	1	3	2	2	32
52	3	2	3	2	1	3	3	1	2	2	1	1	2	2	4	32
53	4	5	4	3	5	5	4	3	4	4	2	2	4	3	5	57
54	3	1	2	2	3	3	2	1	3	3	1	1	2	2	3	32
55	2	3	2	3	1	3	2	1	4	2	1	1	2	2	4	33
56	3	2	1	2	2	2	2	1	3	2	1	1	3	2	2	29
57	2	2	2	2	3	3	3	2	4	4	1	1	4	4	5	42
58	3	2	1	1	3	3	2	1	4	3	1	1	2	2	4	33
59	2	3	3	2	3	3	2	1	3	2	1	1	2	2	2	32
60	3	1	2	1	2	2	2	2	4	3	1	1	2	3	4	33

Table 4.38
Personal financial score based on five point scale rating of the 15 variables (Kozhikode District)

Sl.No.	Variables															Sum
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1	2	3	3	3	2	4	3	2	4	3	1	1	3	2	3	39
2	3	2	2	2	2	3	2	1	4	2	1	1	4	4	4	37
3	3	3	3	3	1	2	2	2	3	3	1	1	2	3	2	34
4	2	2	1	2	2	3	3	1	4	3	1	1	2	2	3	32
5	3	3	2	2	3	3	2	1	3	2	1	1	2	3	2	33
6	2	2	2	3	2	2	2	2	4	3	1	1	2	2	4	34
7	3	3	3	3	1	2	2	1	4	3	1	1	3	3	3	36
8	1	2	1	2	3	4	3	2	4	2	1	1	2	3	3	34
9	3	3	3	3	2	3	3	1	2	3	1	1	3	2	4	37
10	2	2	1	2	1	1	1	1	4	3	1	1	2	3	2	27
11	3	2	2	2	2	3	2	2	3	2	1	1	3	2	3	33
12	3	3	3	3	1	3	2	1	4	3	1	1	1	3	2	34
13	3	2	1	3	2	3	3	1	4	3	1	1	2	2	3	34
14	3	3	3	2	1	3	3	2	3	4	1	1	2	3	3	37
15	4	3	4	4	5	4	4	2	5	3	2	2	4	4	5	55
16	3	2	3	3	3	3	2	1	4	3	1	1	4	3	5	41
17	2	2	1	2	1	2	2	1	4	2	1	1	3	2	3	29
18	2	2	3	3	3	3	2	2	2	2	1	1	2	2	4	34
19	3	3	3	3	3	2	2	2	4	3	1	1	1	3	2	36
20	2	2	3	2	3	3	3	1	4	3	1	1	3	2	5	38
21	2	2	2	3	3	3	3	3	4	4	1	1	2	2	3	38
22	2	2	3	2	2	3	3	2	3	2	1	1	3	3	2	34
23	3	4	3	4	4	4	3	2	4	3	2	1	4	4	5	50
24	2	3	3	3	3	3	4	2	3	2	1	1	3	2	3	38
25	3	2	3	2	3	3	2	1	4	3	1	1	2	3	2	35
26	3	2	3	3	3	2	3	1	4	2	1	1	3	2	3	36
27	1	2	3	2	2	3	2	1	3	3	1	1	2	2	2	30
28	3	3	4	2	4	4	3	2	4	3	2	2	4	3	4	47
29	2	2	3	3	2	3	2	1	3	2	1	1	2	2	2	31
30	2	2	1	2	2	3	2	1	2	2	1	1	3	2	2	28

Sl.No.	Variables															Sum
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
31	2	2	3	3	2	3	2	3	4	2	1	1	4	2	2	36
32	3	3	3	2	1	3	2	1	4	3	1	1	1	2	4	34
33	2	2	1	2	2	3	3	1	4	2	1	1	3	2	3	32
34	3	3	3	3	3	3	2	1	4	3	1	1	4	4	3	41
35	2	2	3	3	2	2	2	1	4	2	1	1	4	4	2	35
36	1	1	3	2	1	3	2	1	4	3	1	1	2	2	4	31
37	2	2	3	4	4	4	3	1	4	2	1	1	3	3	2	39
38	3	3	3	3	3	5	3	4	5	4	2	1	4	4	4	51
39	2	2	2	2	2	3	2	1	4	3	1	1	4	3	3	35
40	3	2	2	2	2	3	2	2	3	2	1	1	3	3	2	33
41	2	3	3	3	2	3	3	1	4	3	1	1	2	2	2	35
42	2	2	3	2	2	3	2	1	3	2	1	1	1	1	3	29
43	3	2	3	2	2	3	2	2	4	3	1	1	2	3	4	37
44	2	3	3	3	3	2	3	1	3	2	1	1	2	2	2	33
45	2	2	3	2	2	3	2	1	4	2	1	1	2	3	3	33
46	3	3	3	4	4	5	3	3	4	5	2	1	4	5	4	53
47	2	2	3	3	3	3	2	1	4	3	1	1	3	2	4	37
48	1	2	1	2	1	3	1	1	4	4	1	1	1	4	2	29
49	3	3	3	2	3	3	2	1	3	2	1	1	3	3	4	37
50	2	2	3	3	2	3	2	1	4	2	1	1	2	2	3	33
51	2	2	1	2	2	3	2	1	3	3	1	1	2	1	2	28
52	3	3	3	2	2	3	3	1	4	2	1	1	3	2	2	35
53	2	2	2	3	1	3	2	2	4	4	1	1	2	3	4	36
54	3	2	3	2	2	2	2	1	3	2	1	1	2	2	2	30
55	3	3	3	4	3	4	3	2	4	3	1	1	3	4	5	46
56	2	2	1	2	3	3	1	1	3	2	1	1	2	2	3	29

Table 4.39
Personal finance of respondents

District	Respondents who had Personal Financial Planning		Respondents who had no Personal Financial Planning	
	No.	%	No.	%
TVM	11	14.28	66	85.72
PTA	9	16.98	44	83.02
TCR	10	13.88	62	86.12
MAL	5	8.33	55	91.67
KKD	6	10.71	50	89.29
Total	41	12.89	277	87.11

Table 4.40
Personal finance score

Personal Finance Score	No.	%
Less than 35	205	64.46
35 – 45	72	22.65
45 – 55	27	8.49
55 and above	14	4.40
Total	318	100.00

Table 4.41(a)
Age and personal finance score

Age	Personal Finance Score				Total
	Less than 35	35 - 45	45 - 55	55 and above	
Up to 35	8 42.1%	6 31.6%	3 15.8%	2 10.5%	19 100.0%
36 – 40	40 65.6%	12 19.7%	5 8.2%	4 6.6%	61 100.0%
41 – 45	86 67.7%	25 19.7%	10 7.9%	6 4.7%	127 100.0%
46 – 50	47 61.8%	20 26.3%	7 9.2%	2 2.6%	76 100.0%
Above 50	24 68.6%	9 25.7%	2 5.7%	0 0.0%	35 100.0%
Total	205 64.5%	72 22.6%	27 8.5%	14 4.4%	318 100.0%

Table 4.41(b)
Chi-Square test of table 4.41(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.857	12	.629
Likelihood Ratio	10.879	12	.539
Linear-by-Linear Association	3.505	1	.061
N of Valid Cases	318		

Table 4.42(a)
Education and personal finance score

Level of Education	Personal Finance Score				Total
	Less than 35	35 - 45	45 - 55	55 and above	
School	47 82.5%	7 12.3%	2 3.5%	1 1.8%	57 100.0%
SSLC	25 71.4%	8 22.9%	2 5.7%	0 0.0%	35 100.0%
PDC	52 81.3%	10 15.6%	2 3.1%	0 0.0%	64 100.0%
Degree	30 50.0%	16 26.7%	9 15.0%	5 8.3%	60 100.0%
Diploma	22 57.9%	10 26.3%	3 7.9%	3 7.9%	38 100.0%
PG	17 44.7%	10 26.3%	7 18.4%	4 10.5%	38 100.0%
Others	12 46.2%	11 42.3%	2 7.7%	1 3.8%	26 100.0%
Total	205 64.5%	72 22.6%	27 8.5%	14 4.4%	318 100.0%

Table 4.42(b)
Chi-Square test of table 4.42(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	44.466	18	.000
Likelihood Ratio	46.976	18	.000
Linear-by-Linear Association	22.642	1	.000
N of Valid Cases	318		

Table 4.43(a)
District and personal finance score

District	Personal Finance Score				Total
	Less than 35	35 - 45	45 - 55	55 and above	
Thiruvanamthapuram	57 74.0%	9 11.7%	7 9.1%	4 5.2%	77 100.0%
Pathanamthitta	33 62.3%	11 20.8%	6 11.3%	3 5.7%	53 100.0%
Thrissur	44 61.1%	18 25.0%	7 9.7%	3 4.2%	72 100.0%
Malappuram	44 73.3%	11 18.3%	3 5.0%	2 3.3%	60 100.0%
Kozhikode	27 48.2%	23 41 1%	4 7 1%	2 3.6%	56 100.0%
Total	205 64.5%	72 22.6%	27 8.5%	14 4.4%	318 100.0%

Table 4.43(b)
Chi-Square test of table 4.43(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.712	12	.073
Likelihood Ratio	19.225	12	.083
Linear-by-Linear Association	.414	1	.520
N of Valid Cases	318		

Table 4.44(a)
Status before going to Gulf and personal finance score

Status before going to Gulf	Personal Finance Score				Total
	Less than 35	35 - 45	45 - 55	55 and above	
Employed	96 67.1%	34 23.8%	8 5.6%	5 3.5%	143 100.0%
Doing Business	8 29.6%	4 14.8%	10 37.0%	5 18.5%	27 100.0%
Unemployed	101 68.2%	34 23.0%	9 6.1%	4 2.7%	148 100.0%
Total	205 64.5%	72 22.6%	27 8.5%	14 4.4%	318 100.0%

Table 4.44(b)
Chi-Square test of table 4.44(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	48.184	6	.000
Likelihood Ratio	32.706	6	.000
Linear-by-Linear Association	.067	1	.796
N of Valid Cases	318		

Table 4.45(a)
Annual earnings before going to Gulf and personal finance score

Annual earrings before going to Gulf (Rs. in '000 s)	Personal Finance Score				Total
	Less than 35	35 - 45	45 - 55	55 and above	
Less than 5	56 80.0%	11 15.7%	2 2.9%	1 1.4%	70 100.0%
5 – 10	64 64.6%	26 26.3%	6 6.1%	3 3.0%	99 100.0%
10 – 15	57 64.0%	20 22.5%	8 9.0%	4 4.5%	89 100.0%
15 – 20	20 52.6%	10 26.3%	5 13.2%	3 7.9%	38 100.0%
20 and above	8 36.4%	5 22.7%	6 27.3%	3 13.6%	22 100.0%
Total	205 64.5%	72 22.6%	27 8.5%	14 4.4%	318 100.0%

Table 4.45(b)
Chi-Square test of table 4.45(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.020	12	.004
Likelihood Ratio	25.799	12	.011
Linear-by-Linear Association	22.364	1	.000
N of Valid Cases	318		

Table 4.46(a)
Marital status and personal finance score

Marital Status at the time of Migration	Personal Finance Score				Total
	Less than 35	35 - 45	45 - 55	55 and above	
Single	109 63.4%	40 23.3%	15 8.7%	8 4.7%	172 100.0%
Married	96 65.8%	32 21.9%	12 8.2%	6 4.1%	146 100.0%
Total	205 64.5%	72 22.6%	27 8.5%	14 4.4%	318 100.0%

Table 4.46(b)
Chi-Square test of table 4.46(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.208	3	.976
Likelihood Ratio	.208	3	.976
Linear-by-Linear Association	.181	1	.670
N of Valid Cases	318		

Table 4.47(a)
Country of migration and personal finance score

Country of Migration	Personal Finance Score				Total
	Less than 35	35 - 45	45 - 55	55 and above	
UAE	60 69.8%	18 20.9%	5 5.8%	3 3.5%	86 100.0%
Saudi Arabia	91 71.7%	26 20.5%	7 5.5%	3 2.4%	127 100.0%
Kuwait	20 52.6%	10 26.3%	5 13.2%	3 7.9%	38 100.0%
Qatar	8 50.0%	5 31.3%	2 12.5%	1 6.3%	16 100.0%
Bahrain	15 51.7%	7 24.1%	5 17.2%	2 6.9%	29 100.0%
Oman	11 50.0%	6 27.3%	3 13.6%	2 9.1%	22 100.0%
Total	205 64.5%	72 22.6%	27 8.5%	14 4.4%	318 100.0%

Table 4.47(b)
Chi-Square test of table 4.47(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.226	15	.367
Likelihood Ratio	15.430	15	.421
Linear-by-Linear Association	10.778	1	.001
N of Valid Cases	318		

Table 4.48(a)
Length of service and personal finance score

Length of Service (in years)	Personal Finance Score				Total
	Less than 35	35 - 45	45 - 55	55 and above	
10 - 15	126	38	12	8	184
	68.5%	20.7%	6.5%	4.3%	100.0%
15 - 20	49	19	8	4	80
	61.3%	23.8%	10.0%	5.0%	100.0%
20 - 25	30	15	7	2	54
	55.6%	27.8%	13.0%	3.7%	100.0%
Total	205	72	27	14	318
	64.5%	22.6%	8.5%	4.4%	100.0%

Table 4.48(b)
Chi-Square test of table 4.48(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.700	6	.583
Likelihood Ratio	4.577	6	.599
Linear-by-Linear Association	2.467	1	116
N of Valid Cases	318		

Table 4.49(a)
Number of children and personal finance score

Number of Children	Personal Finance Score				Total
	Less than 35	35 - 45	45 - 55	55 and above	
0	1 33.3%	2 66.7%	0 0.0%	0 0.0%	3 100.0%
1	19 40.4%	20 42.6%	7 14.9%	1 2.1%	47 100.0%
2	125 70.2%	38 21.3%	9 5.1%	6 3.4%	178 100.0%
3	40 70.2%	7 12.3%	6 10.5%	4 7.0%	57 100.0%
4	20 69.0%	4 13.8%	3 10.3%	2 6.9%	29 100.0%
5	0 0.0%	1 25.0%	2 50.0%	1 25.0%	4 100.0%
Total	205 64.5%	72 22.6%	27 8.5%	14 4.4%	318 100.0%

Table 4.49(b)
Chi-Square test of table 4.49(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	42.958	15	.000
Likelihood Ratio	38.321	15	.001
Linear-by-Linear Association	.277	1	.598
N of Valid Cases	318		

Table 4.50(a)

Education and length of service

Level of Education	**Length of Service (in Years)**			**Total**
	10 - 15	15 - 20	20 - 25	
School	53 93.0%	2 3.5%	2 3.5%	57 100.0%
SSLC	33 94.3%	1 2.9%	1 2.9%	35 100.0%
PDC	33 51.6%	20 31.3%	11 17.2%	64 100.0%
Degree	29 48.3%	21 35.0%	10 16.7%	60 100.0%
Diploma	13 34.2%	13 34.2%	12 31.6%	38 100.0%
PG	12 31.6%	14 36.8%	12 31.6%	38 100.0%
Others	11 42.3%	9 34.6%	6 23.1%	26 100.0%
Total	184 57.9%	80 25.2%	54 17.0%	318 100.0%

Table 4.50(b)
Chi-Square test of table 4.50(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	76.186	12	.000
Likelihood Ratio	87.591	12	.000
Linear-by-Linear Association	48.696	1	.000
N of Valid Cases	318		

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CHAPTER - V

ANALYSIS OF INCOME, EXPENDITURE AND SAVINGS OF THE GULF-RETURNED KERALITES

Chapter - V

ANALYSIS OF INCOME, EXPENDITURE AND SAVINGS OF THE GULF-RETURNED KERALITES

In the previous chapter, the researcher has examined the socio-economic background of the Gulf-returned Keralites and analysed their personal financial practices, during the Gulf-period. The analysis revealed that out of 318 respondents only 41 (12.89%) had proper personal financial planning during the Gulf-period.

In this chapter it is proposed to analyse the income, expenditure and savings of the respondents with personal financial planning and without personal financial planning. Based on the presence or absence of personal financial planning, the sample has been divided into two categories. Category A consists of 277 respondents who had no personal financial planning during the Gulf-period and category B consists of 41 respondents who had personal financial planning during the Gulf-period. Analysis has been made on the basis of personal finance score of the respondents. As indicated in the previous chapter, based on personal finance score, they are grouped into 4 – those having a personal finance score less than 35, 35 to 45, 45 to 55 and a personal finance score of 55 and above. Similarly, analyses have also been made in two periods – in the year 2001 (when the respondents were in the Gulf) and in 2005 (i.e., after their return from the Gulf). The sample has been limited to those who returned from the Gulf in the years 2002, 2003 and 2004.

The researcher has established relationship between variables, averages worked out and ratios have been setup. 't' test has been applied for testing the significance of variation between samples. Correlation has been worked out to verify the significance in the relationship of variables. Chi-square has been used for ascertaining the association between variables. The significance of difference in mean values across categories has been tested using ANOVA.

5.1 Analyses of Income during the Gulf-period

5.1.1 Annual Income

A major factor controlling the quality of life and wealth is the amount of income earned by the family. Usually, in the absence of any inheritances or existing wealth, the income of a person depends on his age, education, career and the country in which he is working. Those who are working in the Gulf countries earn more than their counter parts working in India.

The major sources of income of the family of the Gulf-Keralites are income from the Gulf, rent, interest, income from investments, agriculture and salary of the spouse. The researcher has collected the total income of the respondents in the year 2001, i.e., during the period when all the respondents were in the Gulf and it is presented along with their personal finance score in a cross tabular form in table 5.1(a). It shows that 38.1% of the respondents have earned a total income of Rs. 2 to 4 lakhs, 53.1% earned Rs. 4 to 6 lakhs, 7.2% earned Rs. 6 to 8 lakhs and 1.6% earned a total income of Rs. 8 to 10 lakhs, in the year 2001.

Out of the 205 respondents who belong to the personal finance score category less than 35, a major group of 96 respondents (46.8%) earned a total income of Rs. 4 to 6 lakhs, 90 (43.9%) earned Rs.2 to 4 lakhs, 16 (7.8%) earned Rs. 6 to 8 lakhs and 3 (1.5%) earned a total income of Rs. 8 to 10 lakhs, in the year 2001. Almost the same pattern of income distribution is evident with respect to the other personal finance score categories also.

The significance of association between income in the year 2001 and personal finance score is statistically tested by using chi-square (Table 5.1(b)). The significance level of the likelihood ratio is .188. As it is more than 0.05, it can be concluded that there is statistically no significant association between income in the year 2001 and personal finance score.

The average amount earned by category A (those who had no personal financial planning) and category B (those who had personal financial planning) has also been calculated. It shows Rs.3,98,195 in category A and Rs. 4,02,439 in category B. Thus, it can be seen that there is no much difference in the total income earned by categories A and B in the year 2001 (during the Gulf-period). In short, a major group of 53.1% earned a total income of Rs. 4 to 6 lakhs in the year 2001 and plan wise (between category A and category B) there is no much difference in their income in the year 2001. Moreover, it is worth noting that the Gulf migrants have earned comparatively high income and it is much higher than the salary earned by any Government employee working in Kerala.

5.1.2 Nature of Income

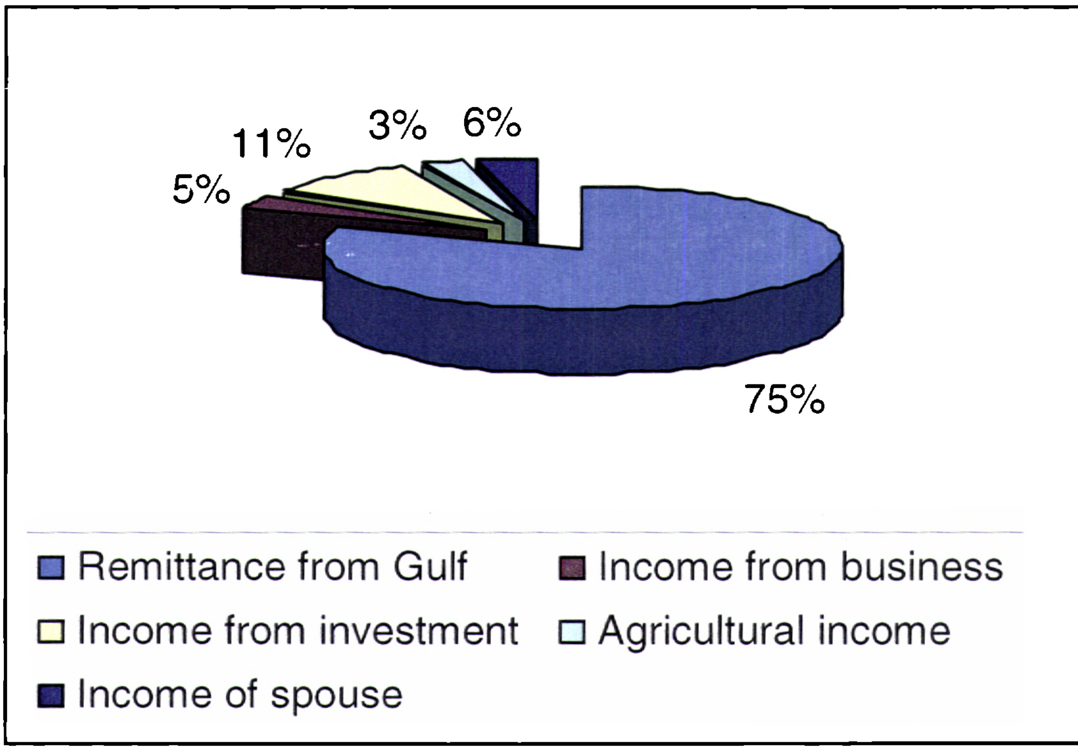
In the case of Gulf dependent families, their major source of income is income from the Gulf. In most cases, income from other sources is negligible. The major reason is that the grown up male members of the family are in the Gulf countries leaving behind female members and children. They may not be able to engage in any activity, which earns revenue to the family. It has been noticed that some such families have agricultural land remaining uncultivated due to the absence of male members.

Table 5.2(a) shows the break up of total income in the year 2001 with respect to category A and category B. The percentage wise analysis of the total income across category A and category B shows that the major source in income is remittance from Gulf, in both the categories. It accounts for 76.0% in category A and 69.1% in category B. The second major source is income from investments. It comes to 11.0% in category A and 9.1% in category B. Income from business is more in the case of category B (8.2%), than that of category A (5.0%). The income of spouse constitutes 5.0% in category A and 8.8% in category B. In both categories income from agriculture is the smallest component.

Figure 5.1 shows the break up of total income of the respondents.

Figure 5.1

Pie diagram-showing nature of income - 2001



Category wise differences in the mean values of the sources of income are statistically examined using one-way ANOVA test. As per table 5.2(b), significance values of the sources of income are more than 0.05. Thus, analysis of variance result shows that category wise, there is no difference in the mean values of sources of income. Hence, it can be concluded that between category A and category B, there is no difference in source wise break up of total income in the year 2001. Moreover, there is no significant difference in total income between category A and category B (significance value is .886).

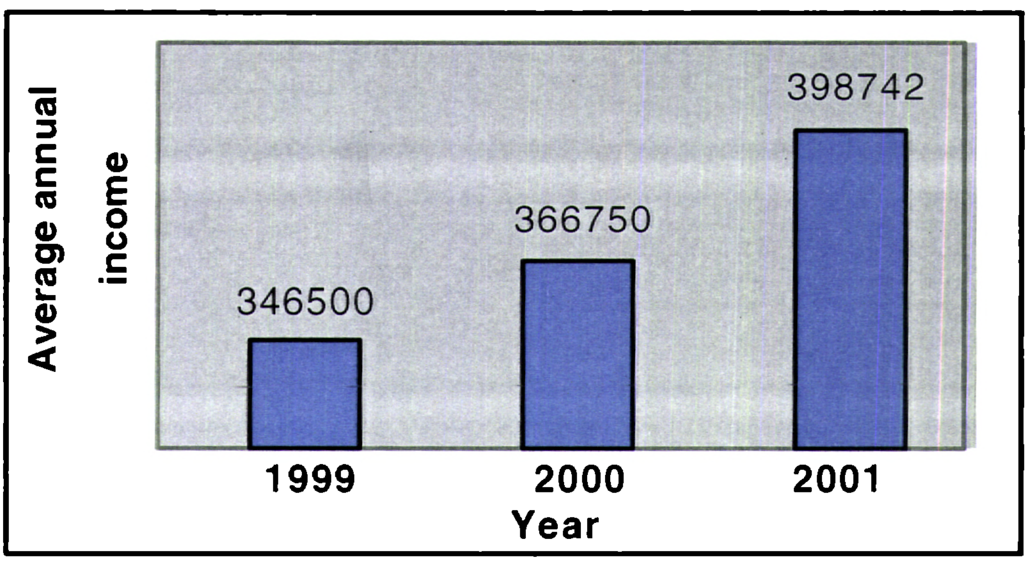
It may be noted that in the case of those who had personal financial planning (category B), 31% of the total income is from sources other than income from Gulf, whereas, it is only 24% in the case of category A (those who had no personal financial planning). In other words, an extra effort has been made by the respondents in category B to earn income from sources other than Gulf.

The researcher has also calculated the average annual income of the respondents from all sources during the years 1999, 2000 and 2001, which shows Rs. 3,46,500, Rs. 3,66,750 and Rs. 3,98,742, respectively. Thus it is clear that there is a steady increase of 8.8% from the year1999 to 2000 and 8.7% from the year 2000 to 2001.

Figure 5.2

Bar diagram showing average annual income of the respondents

1999 – 2001



5.2 Analysis of Annual Expenditure

Consumption expenditure is an important aspect, which affects savings and investments. Data relating to various heads of expenditure were collected from 318 Gulf-returned Keralites for two periods – before their return from the Gulf (2001) and after their return from the Gulf (2005). An elaborate schedule was used by the researcher for collecting information regarding annual expenditure of household consumption in the families of the respondents. Details of the following expenditures were collected.

1. Food
2. Housing
3. Clothing
4. Education
5. Medical care
6. Conveyance
7. Social obligations
8. Entertainment
9. Personal habits
10. Other expenses

(The details regarding the components of the above expenses are shown in appendix II).

5.3 Analysis of Expenditure during the Gulf-period

Analysis of total expenditure in 2001 (during the Gulf-period) reveals that 22.6% of the respondents spent less than Rs.1 lakh, 27.7% spent Rs.1 lakh to 1.25 lakhs, 32.1% spent Rs. 1.25 to 1.50 lakhs, 11.9% spent Rs. 1.50 to 1.75 lakhs and 5.7% spent Rs. 1.75 to 2.00 lakhs on various heads, in the year 2001 (Table 5.3(a)).

Further, it can be seen that, out of the 72 respondents who spent less than Rs. 1 lakh, 49 of them (i.e., 68.0%) belong to the personal finance score category less than 35, 18 (25.0%) belong to 35 to 45 category and 5 (7.0%) belong to the personal finance score category 55 and above. Out of the 18 respondents who spent Rs. 1.75 to 2.00 lakhs, 7 each (38.9%) scored less than 35 and 35 to 45 points and 2 each (11.1%) scored 45 to 55 points and 55 points and above.

The significance of association between personal finance score and expenditure in 2001 is statistically tested by using chi-square. Since the significance level of likelihood ratio is less than 0.05, it can be concluded that there is statistically significant association between personal finance score and level of expenditure in the year 2001.

The researcher has also calculated the average annual expenditure of the respondents in the year 2001 (during the Gulf-period). It shows Rs.1,15,665 in category A and Rs.1,34,730 in category B. Thus, on an average, category B has spent more than category A, in the year 2001.

5.4 Nature of Expenditure

Table 5.4(a) shows the component wise break up of total expenditure with respect to category A and category B. The average expenditure is Rs. 1,15,665 in category A and it is Rs. 1,34,730 in category B. Percentage wise analysis of expenditure across categories shows that the highest expenditure is for food, which constitutes 31.0% of total expenditure in category A and 32.2% in category B. The second largest expenditure component is that of conveyance which comes to 12.6% in category A and 15.3% in category B. The third important component is expenditure on housing (10.9%) in category A and education expenditure (11.6%) in category B. The fourth major item is expenditure on education in category A (9.7%) and expenditure on social obligations (9.8%) in category B. Expenditure on clothing constitutes the fifth major item. It comes to 9.2% of total expenditure in category A and 8.2% in category B.

Category wise differences in the mean values of the components of expenditure are statistically examined using one way ANOVA test. The result (Table 5.4(b)) shows that there is no category wise difference in the mean values of 5 components (housing, clothing, medical expenses, entertainment and personal habits). At the same time, it can be noted that there exists category wise difference in the mean values of the remaining 5 components (food, education, conveyance, social obligations and other expenses). However, with respect to the total expenditure, the significance value is .287 As it is more than 0.05, the conclusion is that category-wise, there is no significant difference in the mean value of total expenditure in the year 2001.

5.4.1 Expenditure on Food

Analysis of expenditure on food (Table 5.5) reveals that from category A, 10.1% spent in the range of Rs. 20,000 to 30,000, 43.0% spent Rs. 30,000 to 40,000 , 32.9% spent Rs. 40,000 to 50,000, 11.2% spent Rs. 50,000 to 60,000 and 2.8% spent Rs. 60,000 and above. From category B 7.3% spent in the range of Rs. 20,000 to 30,000, 24.5% spent Rs. 30,000 to 40,000, 39.0% spent Rs. 40,000 to 50,000, 21.9% spent Rs. 50,000 to 60,000 and 7.3% spent Rs. 60,000 and above.

Thus, it can be seen from the above analysis that in category A, a major group of 43.0% has spent in the range of Rs.30,000 to 40,000, whereas, in category B, a major group of 39.0% has spent in the range of Rs. 40,000 to 50,000, on food.

The researcher has also calculated the annual average expenditure on food, which comes to Rs. 35,855 in category A and Rs. 43,378 in category B. Thus, it is clear that the average expenditure on food is more in the case of category B, which is 21% higher than that of category A.

5.4.1.1 Components of Food Expenditure

A detailed analysis of the components of food expenditure of the respondents (Table 5.6) reveals that 45.0% of the total expenditure on food is for provision, vegetables, gas and fuel; 42.0% for fish, meat, egg and milk; and the remaining 13.0% for bakery items, fruits, etc in category A. In category B, it is 47.0% for provision, vegetables, gas and fuel; 41.0% for fish, meat, egg and milk; and 12.0% for bakery items, fruits, etc. It can be seen that there is no variation in the proportion of various components of food expenditure between category A and category B.

5.4.2 Expenditure on Housing

From table 5.7 it can be seen that from category A, 31.0% spent less than Rs.10,000, 35.0% spent Rs.10,000 to 15,000, 19.9% spent Rs.15,000 to 20,000 and 14.1% spent Rs. 20,000 to 25,000 on housing expenditure. From category B, 29.3% spent less than Rs. 10,000, 39.0% spent Rs. 10,000 to 15,000, 19.5% spent Rs. 15,000 to 20,000 and 12.2% spent Rs. 20,000 to 25,000 on housing expenditure.

The average expenditure on housing comes to Rs. 12,548 in category A and Rs.12,270 in category B. Thus, it can be seen that there is no difference in the average expenditure on housing between category A and category B.

5.4.2.1 Components of Expenditure on Housing

Analysis of the components of housing expenditure (Table 5.8) reveals that 47.9% is for rent, electricity, water, repairs and maintenance and the remaining 52.1% is for telephone charge, in the case of category A. It is 49.7% and 50.3%, respectively for the first and second components, in category B. The average amount spent for rent, electricity, water, repairs and maintenance comes to Rs.6,023 in category A and Rs.6,054 in category B and the telephone charge comes to Rs.6,525 and Rs.6,212, respectively in category A and category B.

5.4.3 Expenditure on Clothing

Detailed analysis of the expenditure on clothing (Table 5.9) reveals that from those who had no financial planning during the Gulf-period (category A), 19.1% has spent less than Rs.10,000, 70.0% spent Rs.10,000 to 15,000 and 10.9% spent Rs. 15,000 to 20,000. From those who had financial planning (category B), 24.4% has spent less than Rs. 10,000, 65.8% spent Rs. 10,000 to 15,000 and 9.8% spent Rs. 15,000 to 20,000 on clothing.

Thus, it can be seen that in both categories, the majority has spent in the range of Rs. 10,000 to 15,000 on clothing. The average expenditure on clothing comes to Rs. 10,589 in category A and Rs. 10,946 in category B. Thus, there is no significant difference in clothing expenditure between category A and category B.

5.4.4 Expenditure on Education

Distribution based on expenditure on education (Table 5.10) shows that in category A, 23.8% has spent less than Rs.10,000, 44.0% spent Rs.10,000 to 15,000, 18.0% spent Rs.15,000 to 20,000 and 14.2% spent Rs.20,000 to 25,000. In category B, 12.2% has spent less than Rs. 10,000, 19.5% spent Rs. 10,000 to 15,000, 48.8% spent Rs. 15,000 to 20,000 and 19.5% spent Rs. 20,000 to 25,000 on education.

It is worth noting that in category A, a major group of 44.0% has spent in the range of Rs. 10,000 to 15,000 for educational purposes, whereas, in category B a major group of 48.8% has spent in the range of Rs. 15,000 to 20,000. The average expenditure on education by category A is Rs. 11,160, whereas, it is Rs. 15,676 in category B. Thus, it is clear that those who had personal financial planning (category B) has spent a higher amount for the education of their children, brothers and sisters, which is 40% higher than that of those who had no personal financial planning (category A).

5.4.5 Medical Expenditure

Analysis of medical expenditure (Table 5.11) shows that from category A 27.0% has spent in the range of Rs.2,000 to 4,000, 44.0% spent Rs.4,000 to 6,000, 14.8% spent Rs.6,000 to 8,000, 9.0% spent Rs.8,000 to 10,000 and 5.2% spent Rs.10,000 and above. From category B 26.8% has spent in the range of Rs. 2,000 to 4,000, 48.8% spent Rs. 4,000 to 6,000, 17.0% spent Rs. 6,000 to 8,000, 4.8% spent Rs. 8,000 to 10,000 and 2.6% spent Rs. 10,000 and above for medical expenditure.

Thus, it can be seen from the above analysis that the major groups of 44.0% in category A and 48.8% in category B have spent in the range of Rs. 4,000 to 6,000 for medical expenditure. The researcher has also calculated the annual average medical expenditure. It comes to Rs. 5,205 in category A and Rs. 5,000 in category B. Thus, it can be seen that there is no much difference in medical expenditure by category A and category B.

5.4.6 Expenditure on Conveyance

As per table 5.12, from category A 13.0% has spent less than Rs. 5,000, 30.0% spent Rs. 5,000 to 10,000, 19.8% spent Rs. 10,000 to 15,000, 15.2% spent, Rs. 15,000 to 20,000, 14.0% spent Rs. 20,000 to 25,000 and 8.0% spent Rs. 25,000 and above for conveyance. From category B, 9.8% has spent Rs. 5,000 to 10,000, 12.2% spent Rs. 10,000 to 15,000, 17.0% spent Rs. 15,000 to 20,000, 39.0% spent Rs. 20,000 to 25,000 and 22.0% spent Rs. 25,000 and above for conveyance. It can also be seen that from category A, a major group of 30.0% has spent in the range of Rs. 5,000 to 10,000 for conveyance, whereas, from category B, a major group of 39.0% has spent in the range of Rs. 20,000 to 25,000. The average spending on conveyance by category B is much more than that of the spending by category A. It is Rs. 14,582 in the case of category A and Rs. 20,676 in the case of category B.

Thus, it is clear that category B has spent a higher amount for conveyance, which is 42% higher than the average amount spent by category A.

5.4.6.1 Components of Conveyance Expenditure

Detailed analysis of the components of conveyance expenditure (Table 5.13) reveals that 43.14% is for train and bus fare, 14.0% for taxi fare, 40.0% for maintenance, tax and fuel of two wheelers and four wheelers and 3.0% for drivers' salary, in the case of category A. In category B, the proportion of expenditure on various components remains almost the same.

It can also be seen from table 5.13 that the average conveyance expenditure per family on various components is more in the case of category B. This is mainly due to the fact that in category B 16% of the respondents have two wheelers and 46% have four wheelers, whereas in category A only 13% and 36% have two wheelers and four wheelers, respectively.

5.4.7 Expenditure on Social Obligations

Distribution of the respondents based on their expenditure on social obligations (Table 5.14) shows that from category A 19.1% has spent less than Rs.5,000, 32.1% spent Rs.5,000 to 10,000, 32.8% spent Rs.10,000 to 15,000, 10.8% spent Rs.15,000 to 20,000 and 5.2% spent Rs. 20,000 and above. In category B 4.9% has spent in the range of less than Rs. 5,000, 21.9% spent Rs. 5,000 to 10,000, 56.0% spent Rs. 10,000 to 15,000, 14.7% spent Rs. 15,000 to 20,000 and 2.5% spent Rs. 20,000 and above for social obligations. The average annual expenditure on social obligations comes to Rs. 9,315 in category A and Rs. 13,243 in category B.

Thus, it can be seen that the expenditure of the Gulf migrants on social obligations is very high. They are very liberal in giving gifts to their friends and relatives on coming for leave from the Gulf. Category B has incurred more expenditure on social obligations, which is 43% higher than the average amount spent by category A.

5.4.8 Expenditure on Entertainments

Analysis of entertainment expenditure incurred by the family of the respondents (Table 5.15) reveals that a major group of 51.9% from category A and 53.6% from category B has incurred Rs. 5,000 to 10,000 during the Gulf-period. It can also be seen that 27.0% from category A and 19.5% from category B has incurred less than Rs. 5,000 for entertainment expenditure, whereas, 21.1% from category A and 26.9% from category B has incurred Rs. 10,000 and above for the same.

The average expenditure on entertainments comes to Rs. 8,650 in category A and Rs. 8,784 in category B. Thus, it can be seen that the majority has incurred Rs. 5,000 to 10,000 as entertainment expenditure. Similarly, there is no much difference in entertainment expenditure between category A and category B.

5.4.8.1 Components of Entertainment Expenditure

Table 5.16 reveals that 61.5% of entertainment expenditure is spent on movies, cassettes, CDs and cable TV and the remaining 38.5% is for picnic, parties and food from outside, in category A. It can be seen that there is no significant variation in the proportion of expenditure on the two components between category A and category B.

The average annual expenditure per family during the Gulf-period on movies, cassettes, CD's and cable TV comes to Rs. 5,323 in category A and Rs. 5,270 in category B. For picnic, parties and food from outside the average expenditure is Rs. 3,327 and Rs.3,514 in category A and category B, respectively.

5.4.9 Expenditure on Personal Habits

Expenditure on personal habits includes cigarettes, drinks, gardening and other hobbies. Table 5.17 reveals that from category A 51.9% has spent less than Rs.2,000, 20.2% spent Rs.2,000 to 4,000, 2.9% spent Rs.4,000 to 6,000, 2.9% spent Rs.6,000 to 8,000 and 1.2% spent Rs.8,000 to 10,000 on personal habits. From category B, 56.0% has spent less than Rs.2,000, 14.7% spent Rs.2,000 to 4,000, 7.3% spent Rs.4,000 to 6,000 and 2.5% spent Rs.6,000 to 8,000 on personal habits.

Thus, it can be seen that almost 50% of the respondents have incurred an expenditure of less than Rs. 2,000 on personal habits. The average annual expenditure on personal habits comes to Rs. 1,426 in category A and Rs. 1,351 in category B. Here also there is no much variation in expenditure between category A and category B.

5.4.10 Other Expenses

A detailed examination of other expenses incurred by the respondents (Table 5.18) in the year 2001 reveals that from category A 10.1% has incurred less than Rs.5,000, 75.0% incurred Rs.5,000 to 10,000 and 14.9% of the respondents incurred Rs.10,000 and above. From category B, 68.3% has incurred less than Rs. 5,000, 24.3% incurred Rs. 5,000 to 10,000 and 7.4% incurred Rs. 10,000 and above for other expenses.

The annual average amount of other expenses comes to Rs. 6,335 in category A and Rs. 3,405 in category B. Thus, it can be seen that category A has spent a higher amount as other expenses, which is 86% more than the amount spent by category B.

5.4.10.1 Components of Other Expenses

As disclosed in table 5.19, servants' salary constitutes 64.2% of other expenses and the remaining 35.8% consists of taxes, postage, stationary, sundry expenses, etc. in category A. In category B, it comes to 67.5% and 32.5%, respectively for the first and second components.

The average annual expenditure incurred during the Gulf-period as servants' salary comes to Rs. 4,069 in category A and Rs. 2,297 in category B. Similarly, taxes, postage, stationary and sundry expenses come to Rs. 2,266 in category A and Rs. 1,108 in category B. Thus, it can be seen that the average expenditure on the two components of other expenses is higher in the case of category A.

The above analysis reveals that, on an average category B has spent more amount than category A, on food, education and conveyance. Expenditure on social obligations is the only item in which category A has spent more than category B. In all other items (expenditure on housing, clothing, medical care, entertainment, personal habits and other expenses) the average expenditure remains almost the same in category A and category B.

5.5 Expenditure I (During Gulf-period)

Expenditure I includes major items, i.e., expenditure on food, housing, clothing, education, medical care and conveyance.

An analysis of expenditure I during Gulf-period shows that (Table 5.20(a)) 10.1% has spent an amount of less than Rs. 60,000, 23.0% spent Rs.

60,000 to 80,000, 26.7% spent Rs. 80,000 to 1,00,000, 24.2% spent Rs. 1,00,000 to 1,20,000, 13.2% spent Rs. 1,20,000 to 1,40,000 and 2.8% of the respondents spent Rs. 1,40,000 and above. Further, it can be seen that out of the 205 respondents who belong to the personal finance score less than 35, 19 (9.3%) has spent less than Rs.60,000, 45 (22.0%) spent Rs.60,000 to 80,000, 54 (26.3%) spent Rs.80,000 to 1,00,000, 51 (24.9%) spent Rs.1,00,000 to 1,20,000, 30 (14.6%) spent Rs.1,20,000 to 1,40,000 and 6 (2.9%) spent Rs.1,40,000 and above, on expenditure I. Out of the 14 who scored 55 points and above, 2 (14.3%) has spent in the range of less than Rs. 60,000, 3 (21.4%) spent Rs. 60,000 to 80,000, 3 (21.4%) spent Rs. 80,000 to 1,00,000, 5 (35.7%) spent Rs. 1,00,000 to 1,20,000 and 1 (7 1%) spent Rs. 1,20,000 to 1,40,000, on expenditure I.

The significance of association between personal finance score and amount of expenditure I (Table 5.20(b)) is statistically tested by using chi-square. As the significance level of likelihood ratio (.278) is more than 0.05, it can be concluded that there is statistically no significant association between personal finance score and amount of expenditure I.

The average annual expenditure comes to Rs. 89,939 in category A and Rs. 1,07,946 in category B. Thus, it can be seen that category B has spent more amount on expenditure I (basic necessities like food, clothing, housing, etc.), than that of category A.

5.6 Expenditure II (During the Gulf-period)

Expenditure II includes expenditure on social obligations, entertainments, personal habits and other expenses. Table 5.21(a) reveals that 18.2% of the respondents have spent an amount of less than Rs. 20,000 during the Gulf-period in expenditure II; 71.7% spent Rs. 20,000 to 40,000, 8.2% spent Rs. 40,000 to 60,000 and 1.9% spent Rs. 60,000 and above.

Personal finance score – expenditure II cross tabulation reveals that out of 205 respondents whose personal finance score is less than 35, 40 (19.5%)

spent less than Rs.20,000, 149 (72.7%) spent Rs.20,000 to 40,000, 12 (5.9%) spent Rs. 40,000 to 60,000 and 4 (2.0%) spent Rs.60,000 and above on expenditure II. Out of 72 whose personal finance score is between 35 and 45, 15 (20.8%) spent less than Rs.20,000, 50 (69.4%) spent Rs. 20,000 to 40,000, 5 (6.9%) spent Rs. 40,000 to 60,000 and 2 (2.8%) spent Rs.60,000 and above.

The significance of association between personal finance score categories and amount of expenditure II (Table 5.21(b)) is statistically tested by using chi-square. As the significance level of likelihood ratio (.099) is more than 0.05, it can be concluded that there is statistically no significant association between personal finance score categories and amount of expenditure II.

The annual average spending in expenditure II comes to Rs. 25,726 in category A and Rs. 26,784 in category B. Thus, there is no difference in expenditure II between category A and category B.

5.7 Expenditure I and II

For a comparative analysis, the details of expenditure I and II have been presented in table 5.22. It can be seen that expenditure I, being the major items, is more than 75% of the total expenditure (77.8% in category A and 80.2% in category B) and expenditure II comes only 22.2% in category A and 19.8% in category B. Thus, it can be seen that there is no much variation in the proportion of expenditure I and II, between category A and category B.

The average amount of expenditure I comes to Rs. 89,939 in category A and Rs. 1,07,946 in category B. That means category B has incurred a higher amount of expenditure I, which is 20% higher than that of category A, whereas, in the case of expenditure II, there is no much difference in the average amount of expenditure between category A and category B.

5.8 Income and Expenditure during the Gulf-period (2001)

Comparison of income and expenditure of the respondents (Table 5.23) in the year 2001 reveals that both income and expenditure are more in category

B. Further, category A has spent Rs. 1,15,665 out of Rs. 3,98,195 (29.0%) for family consumption, whereas, category B spent Rs. 1,34,730 out of Rs. 4,02,439 (33.5%).

5.9 Savings

Savings represent the excess of current income over expenditure and it is the balancing item in the income and outlay account of individuals and households. In other words, postponement of consumption is called savings and these savings are invested in order to obtain a reward for such postponement. One common thing about the Gulf is the possibility of saving, which is natural in the Gulf and the Gulf migrants do save also.

Income, expenditure and savings of the respondents in the year 2001 are shown in table 5.24. It can be seen that the average savings of category A is Rs.2,82,530 and it is Rs.2,67,709 in category B. Percentage wise, category A saved 71.0% of their income in the year 2001 and category B saved only 66.5% of their income. In short, category A saved more than that of category B, because the average expenditure of category A was less than that of category B.

5.10 Total Income from Gulf

Data have been collected regarding the total income of the respondents from the Gulf during their entire period of stay there. As mentioned in the first chapter, only those who had earned a minimum amount of Rs. 20 lakhs during their entire period of stay in the Gulf were selected for the study.

Classification of the respondents on the basis of total income earned from the Gulf and personal finance score (Table 5.25(a)) reveals that 120 respondents (37.7%) earned Rs. 20 - 40 lakhs, 138 (43.4%) earned Rs. 40 - 60 lakhs, 46 (14.5%) earned Rs. 60 - 80 lakhs, 9 (2.8%) earned Rs. 80 - 100 lakhs and 5 (1.6%) earned a total income of Rs. 100 lakhs and above.

Out of the 5 respondents who earned a total income of Rs. 100 lakhs and above, 4 belong to the personal finance score category less than 35 and the remaining one belongs to the personal finance score category 35 to 45. Similarly, out of 120 respondents who earned Rs. 20 to 40 lakhs, 87 (72.5%) belong to the personal finance score category less than 35, 24 (20.0%) belong to 35 to 45 category, 4 (3.3%) belong to 45 to 55 category and 5 (4.2%) belong to the personal finance score category 55 and above.

The association between the personal finance score and the total income from the Gulf is statistically tested by applying chi-square test. It can be seen from table 5.25(b) that the likelihood ratio is 0.211. Since the significance level of the test is more than 0.05, it is concluded that there is statistically no significant association between personal finance score and total income from the Gulf.

The average total income of the respondents shows Rs. 43.59 lakhs in category A and Rs. 42.82 lakhs in category B.

Based on the total income from the Gulf and the years of service, the researcher has also calculated the average annual income of the respondents. It comes to Rs. 2,75,433 in category A and Rs. 2,74,375 in category B. (Average annual income is ascertained by dividing the total income of all the respondents in each category by the total number of years worked by all the respondents in the same category in the Gulf.)

District wise distribution of the respondents according to their total income from the Gulf shown in table 5.26 reveals that in all the districts except Kozhikode, the total income of the major groups fall between Rs. 40 lakhs and 60 lakhs. Out of the five respondents who received Rs. 100 lakhs and above, three are from Pathanamthitta and one each from Malappuram and Kozhikode. It can also be seen that the highest average total income was earned by the respondents from Pathanamthitta (Rs. 48,37,735) and the lowest, by the respondents from Kozhikode (Rs.38, 35,714).

From the above analysis it can be seen that the total income and average annual income of category B is less than that of category A. District wise, the respondents from Pathanamthitta have the highest average income and those from Kozhikode, the lowest.

5.11 Remittance to India

As a result of the temporary nature of employment of the Gulf migrants and due to the fact that none of them could hope to acquire citizenship and settle down in the Gulf countries, the migrant workers transfer bulk of their savings to the home countries. Similarly, the migrant workers consider their employment in the Gulf countries as, perhaps, their only chance to accumulate enough money to purchase some land and construct a house, educate their children, marry away their sisters and daughters and save funds with which to start some independent career at home on return from the Gulf countries. Most of the migrant workers are eligible for free or subsidised accommodation, free air ticket and canteen facilities, enabling them to save bulk of their income. However, the entire income earned by the Gulf-Keralites is not remitted to India. They have to spend some money to meet their living expenses there.

An analysis of the remittances of the respondents reveal that 83.2% of the total income earned from the Gulf has been remitted to India (Table 5.27) in the form of cash, gold and consumer durables. Category wise, it is 83.0% in the case of category A and 85.0% in category B.

As mentioned above, the remittances are in the form of cash, gold and consumer durables. The present study reveals that 92.0%, 5.0% and 3.0% of the remittances in category A and 93.0%, 4.0%, and 3.0% in category B are in cash, gold and consumer durables, respectively. Thus, it is clear that there is no significant difference in the proportion of remittance in cash, gold and consumer durables by those with and without personal financial planning during Gulf-period (Table 5.28).

5.12 Income Generated in India during the Gulf-period

Remittances from the Gulf countries constitute the major source of income in the case of Gulf dependent families. However, during the Gulf-period the members of the family in India have generated some income. The sources include income from business, agricultural income, income from investments and income of the spouse working in India.

Distribution of the sample based on the total income generated in India during the Gulf-period reveals that (Table 5.29(a)) a major group of 39.0% has generated Rs. 4 to 6 lakhs, 34.3% generated Rs. 2 to 4 lakhs, 4.7% generated less than Rs. 2 lakhs and 22.0% generated Rs. 6 lakhs and above, during the Gulf-period.

Cross tabulation of personal finance score and income generated in India during the Gulf-period reveals that out of the 70 respondents who earned Rs. 6 lakhs and above, 7 (10.0%) belong to the personal finance score category 55 and above, 16 (22.8%) belong to 45 – 55 category, 15 (21.4%) belong to 35 – 45 category and 32 (45.8%) belong to the personal finance score category less than 35. Similarly, out of the 124 respondents who earned Rs. 4 to 6 lakhs, 5 (4.0%) belong to the personal finance score category 55 and above, 8 (6.4%) belong to the category 45 to 55, 29 (23.4%) belong to the category 35 to 45 and 82 (66.2%) belong to the personal finance score category less than 35. From table 5.29(a) it can be seen that there is an increase in income as the personal finance score increases.

The association between personal finance score and income generated in India during the Gulf-period is statistically tested by applying chi-square and the significance of likelihood ratio is .000 (Table 5.29(b)). As the significance level is less than 0.05, it can be concluded that there is statistically significant association between personal finance score and income generated in India during the Gulf-period.

Further, it can also be seen that the average income generated by category A is only Rs. 5,00,722 and it is Rs. 7,17,073 in category B. Thus, it is clear that those who had personal financial planning (category B) has generated a higher income, which is almost 43% higher than that of those who had no personal financial planning during the Gulf-period (category A).

5.13 Total Income from All sources During the Entire Gulf-period

Analysis of total income (Table 5.30(a)) of the respondents from all the sources (remittance from Gulf + income generated in India) during the entire Gulf-period reveals that 114 (35.8%) has a total income of Rs. 20 to 40 lakhs, 135 (42.5%) has Rs. 40 to 60 lakhs, 53 (16.7%) has Rs. 60 to 80 lakhs, 11 (3.5%) has Rs. 80 to 100 lakhs and 5 (1.6%) has income Rs. 100 lakhs and above.

Further, it can be seen that out of the 114 respondents who earned Rs. 20 to 40 lakhs, 3 (2.6%) belong to the personal finance score category 55 and above, 5 (4.4%) belong to the personal finance score category 45 – 55, 32 (28.0%) belong to the personal finance score category 35 – 45 and 74 (65.0%) belong to the personal finance score category less than 35. Similarly, out of the 135 who earned Rs. 40 to 60 lakhs, 5 (3.7%) belong to the personal finance score category 55 and above, 17 (12.6%) belong to the personal finance score category 45 to 55, 22 (16.3%) belong to the personal finance score category 35 to 45 and 91 (67.4%) belong to the personal finance score category less than 35.

The significance of association between personal finance score and total income from all sources during the Gulf-period is statistically tested by using chi-square (Table 5.30(b)). Since the significance value of the likelihood ratio (.057) is more than 0.05, it can be concluded that there is statistically no significant association between personal finance score and total income from all sources during the Gulf-period.

The average total income of respondents from all sources comes to Rs. 41.18 lakhs in category A and Rs. 43.58 lakhs in category B. Thus, the above analysis shows that category B has earned a higher total income than that of category A.

The researcher has also examined the average annual income of the respondents during the Gulf-period from all sources. The average annual income is calculated by dividing the total income of all the respondents from all sources by the total number of years worked by all the respondents in the same category, in the Gulf. It shows Rs. 2,60,241 in category A and Rs. 2,79,218 in category B.

5.14 Components of Total Income

An analysis of the composition of total income from all sources during the entire Gulf-period (Figure 5.3) reveals that the remittance from the Gulf constitutes the major source (87%). The other sources in the order of importance are income from investments (5%), income from agriculture (4%), income from business (2%) and income of spouse (2%).

Figure 5.3

Pie Diagram showing Components of Total Income during Gulf-period

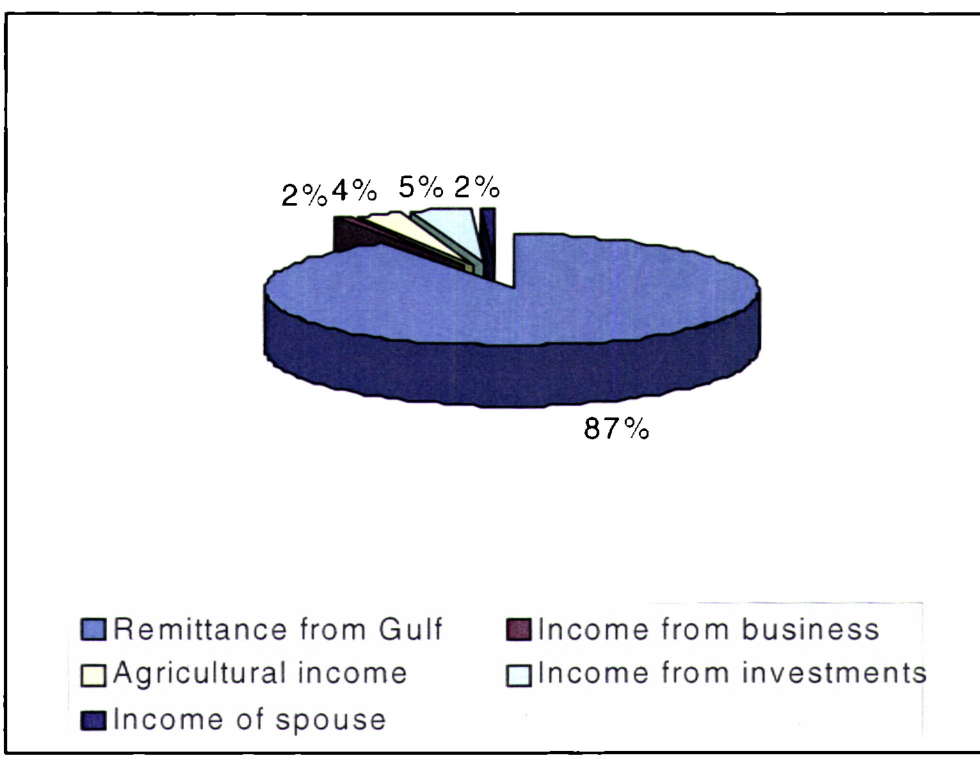


Table 5.31(a) shows the break up of total income from all sources during the Gulf-period with respect to category A and category B. The mean total income is Rs. 41.18 lakhs in category A and Rs. 43.59 lakhs in category B. Source wise analysis of total income across category A and category B shows that the major source is remittance from Gulf, which comes to 87.8% in category A and 83.6% in category B. The second source is income from investments, in both the categories. It comes to 4.1% in category A and 6.1% in category B. In category A, the third major source is income from agriculture which constitutes 4.0% of total income, whereas, in category B, the third item is income from business (4.1%).

Category wise difference in the mean values of the sources of total income during the Gulf-period is statistically examined using one way ANOVA test. Table 5.31(b) shows that category wise there is no difference in the mean values of the sources of income, except for income from business and income from investments. Moreover, the significance level of total income (.395) is more than 0.05. Hence, it can be concluded that there is no category wise difference in total income from all sources during the Gulf-period. In other words, statistically there is no significant difference in the sources of income between category A and category B.

As indicated earlier, total income during the Gulf-period from all sources ranges from Rs. 20 lakhs to 105 lakhs. An effort has been made by the researcher to find out whether the total income has any association with factors like education, length of service and country of migration.

5.15 Education and Total Income during the Gulf-period

Generally, it is observed that higher the educational qualification, better the job and better the pay. Table 5.32(a) shows the education and total income cross tabulation. It can be seen that out of the 38 respondents having post graduation, 1 (2.6%) each earned a total income of more than Rs. 100 lakhs and Rs. 80 to 100 lakhs, while, 15 (39.5%) earned Rs. 20 to 40 lakhs, 16

(42.1%) earned Rs. 40 to 60 lakhs and 5 (13.2%) earned Rs. 60 to 80 lakhs during the Gulf-period from all sources. Out of the 57 having school education, 22 (38.6%) earned Rs. 20 to 40 lakhs, 27 (47.4%) earned Rs. 40 to 60 lakhs, 7(12.3%) earned Rs. 60 to 80 lakhs and 1(1.8%) earned Rs. 80 to 100 lakhs during the entire Gulf-period. Moreover, nobody, having less than graduation, earned more than Rs.100 lakhs. From the table it is evident that percentage wise, highly educated are more in the high income group.

Table 5.32(b) shows the statistical significance of association between level of education and total income from all sources during the Gulf-period. As the significance level of the likelihood ratio (.034) is less than 0.05, it can be concluded that there is statistically significant association between level of education and total income from all sources during the Gulf-period. Hence, it is clear that education is a factor that determines income.

5.16 Length of Service and Total Income

Length of service–total income during the Gulf-period cross tabulation (Table 5.33(a)) reveals that out of the 184 respondents having 10 – 15 years of service, 88 (47.8%) earned Rs. 20 – 40 lakhs, 74 (40.2%) earned Rs. 40 – 60 lakhs, 19 (10.3%) earned Rs. 60 – 80 lakhs, 2 (1.1%) earned Rs. 80 – 100 lakhs and 1 (0.5%) earned Rs. 100 lakhs and above. Out of 80 respondents in the 15 – 20 range, 16 (20.0%) earned Rs. 20 – 40 lakhs, 35 (43.8%) earned Rs. 40 – 60 lakhs, 22 (27.5%) earned Rs. 60 – 80 lakhs, 5 (6.3%) earned Rs. 80 – 100 lakhs and 2 (2.5%) earned Rs. 100 lakhs and above. Out of 54 having 20 – 25 years of service, 10 (18.5%) earned Rs. 20 – 40 lakhs, 26 (46.1%) earned Rs. 40 – 60 lakhs, 12 (22.2%) earned Rs. 60 – 80 lakhs, 4 (7.4%) earned Rs. 80 – 100 lakhs and 2 (3.7%) earned Rs. 100 lakhs and above as total income from all sources during the Gulf-period.

The association between length of service and total income during the Gulf-period is statistically tested by using chi-square (Table 5.33(b)) and it is proved that there is statistically significant association between length of service and total income during the Gulf-period (significance level of likelihood ratio is .000). Hence, it is clear that length of service in the Gulf is a factor that affects the total income from the Gulf.

5.17 Country of Migration and Total Income

Table 5.34(a) shows the country of migration and total income of the respondents during the Gulf-period. It can be seen that out of the 318 respondents 114 (35.8%) fall in the Rs. 20 – 40 lakhs income range, 135 (42.5%) fall in the Rs. 40 – 60 lakhs income range, 53 (16.7%) fall in the 60 – 80 lakhs income range, 11 (3.5%) fall in 80 – 100 lakhs income range and 5 (1.6%) fall in Rs. 100 lakhs and above income range. Country wise, almost the same proportion is evident, with slight variation, with regard to income groups.

The significance of association between the country and total income during the Gulf-period is statistically tested by using chi-square. Since the significance level of the likelihood ratio (.067) is more than 0.05, it is concluded that there is statistically no significant association between country and total income during the Gulf-period. Hence, it is clear that country is not an important factor that determines the total income.

5.18 Analysis of Income after Return from the Gulf

Distribution of the respondents based on personal finance score and total income after their return from the Gulf (in the year 2005) is shown in table 5.35(a). Out of the 318 Gulf returnees, a major group of 58.5% had an annual income below Re.1 lakh, 16.7% had an income of Rs. 1 to 2 lakhs, 12.3% had Rs. 2 to 3 lakhs, 7.5% had Rs. 3 to 4 lakhs, 3.8% had Rs. 4 to 5 lakhs and 1.3% had a total annual income of Rs. 5 to 6 lakhs.

From the table 5.35(a), it can also be seen that out of the 186 respondents whose total income is less than Re. 1 lakh, 139 (94.7%) belong to the personal finance score category less than 35, 42 (22.6%) belong to 35 to 45 category and 5 (2.7%) belong to the personal finance score category 45 to 55. Similarly, out of 53 who earned an income of Rs. 1 to 2 lakhs, 40 (75.5%)

belong to the personal finance score category less than 35, 7 (13.2%) belong to 35 to 45 category and 6 (11.3%) belong to the personal finance score category 45 to 55. Out of 39 whose income was Rs. 2 to 3 lakhs, 14 (35.9%) belong to the personal finance score category less than 35, 7 (18.0%) belong to 35 to 45 category 13 (33.3%) belong to the personal finance score category 45 to 55 and 5 (12.8%) belong to the personal finance score category 55 and above. Out of 4 respondents who earned Rs. 5 to 6 lakhs, 1 (25.0%) belongs to the personal finance score category 55 points and above, 2 (50.0%) belong to the category 35 to 45 and the remaining 1 (25.0%) belongs to the personal finance score category less than 35. Thus, the trend is very clear from the table 5.35(a) that the percentage of respondents in the higher income groups increases as the personal finance score increases.

The association between personal finance score and total income in 2005 is statistically tested by using chi-square test. It can be seen from table 5.35(b) that the significance level of likelihood ratio is .000. As it is less than 0.05, it can be concluded that there is statistically significant association between personal finance score categories and total income in 2005.

The average annual income in the year 2005 is Rs. 1,35,200 in category A and Rs. 2,39,025 in category B.

Thus, the above analysis reveals that after return from the Gulf, category B (those who had personal financial planning during the Gulf-period) earned a higher income, which is 77%more than the income earned by category A (those who had no personal financial planning during the Gulf-period).

The higher income earned by category B can be attributed to their financial planning during the Gulf-period. Their investments in business, agriculture and other investments during the Gulf-period yield better returns now. In order to verify this, the researcher has examined the returns of category A and category B from business, investments and agriculture (Table 5.36).

Category B has earned an average return of Rs.2,21,950 from business, investments and agriculture, in the year 2005. Category A has earned only Rs.1,09,025. Thus, it can be stated beyond doubt that the financial planning and the resultant investments of category B during their Gulf-period have helped them to earn better returns after their return from the Gulf.

5.19 Nature of Income in the Year 2005

Break up of total income after return from the Gulf (in the year 2005) with respect to categories A and B is shown in table 5.37(a). The percentage wise analysis across categories reveals that income from investments is the major source (46.6%) in the case of category A and income from business (54.0%), in the case of category B. The second major source is income from business (19.5%) in the case of category A and income from investments (20.4%) in category B. The third, fourth and fifth sources are, respectively, income from agriculture (14.6%), income from employment (10.4%) and income of spouse (8.9%) in category A. It is income from agriculture (18.4%), income of spouse (4.6%) and income from employment (2.6%), in that order, in category B.

The components of total income after return from the Gulf (in 2005) with respect to categories is analysed by using ANOVA. As per table 5.37(b), the significance values of employment income (.046), business income (.002) and agricultural income (.047) are less than 0.05. Hence the conclusion is that there is category wise difference in the mean values of employment income, business income and agricultural income. Further, it can be seen that the significance value of total income in 2005 (.000) across categories is also less than 0.05. Therefore, it can be concluded that, category wise, there is significant difference in total income of the respondents after their return from the Gulf. In other words, statistically there is significant difference in total income between category A and category B, after their return from the Gulf.

The researcher has also verified the number of respondents who have invested in business ventures. It reveals that (Table 5.38) 58.5% from category

B and 26.3% from category A have invested in business. Thus, it is clear that category B is more business minded than category A.

5.20 Present Status

While analysing the components of total annual income after their return from the Gulf, the researcher has also examined the present status of the Gulf returnees. From table 5.39(a) it can be seen that 30 respondents (9.5%) are employed, 97 (30.5%) are doing business and the remaining 191 (60.0%) are unemployed.

Present status – present income (i.e., in 2005) cross tabulation reveals that out of the 30 who are employed, 16 (53.3%) earned less than Rs. 1 lakhs, 5 (16.7%) earned Rs. 1 to 2 lakhs, 4 (13.3%) earned Rs. 2 to 3 lakhs, 2 (6.7%) earned Rs. 3 to 4 lakhs, 2 (6.7%) earned Rs. 4 to 5 lakhs and 1 (3.3%) earned Rs. 5 to 6 lakhs. Out 191 who are employed, 113 (59.2%) earned less than Rs. 1 lakhs, 32 (16.8%) earned Rs. 1 to 2 lakhs, 23 (12.0%) earned Rs. 2 to 3 lakhs, 15 (7.9%) earned Rs. 3 to 4 lakhs, 6 (3.1%) earned Rs. 4 to 5 lakhs and 2 (1.0%) earned Rs. 5 to 6 lakhs and out of 97 who are doing business, 57 (58.8%) earned less than Rs. 1 lakhs, 16 (16.5%) earned Rs. 1 to 2 lakhs, 12 (12.4%) earned Rs. 2 to 3 lakhs, 7 (7.2%) earned Rs. 3 to 4 lakhs, 4 (4.1%) earned Rs. 4 to 5 lakhs and 1 (1.0%) earned Rs. 5 to 6 lakhs, in the year 2005.

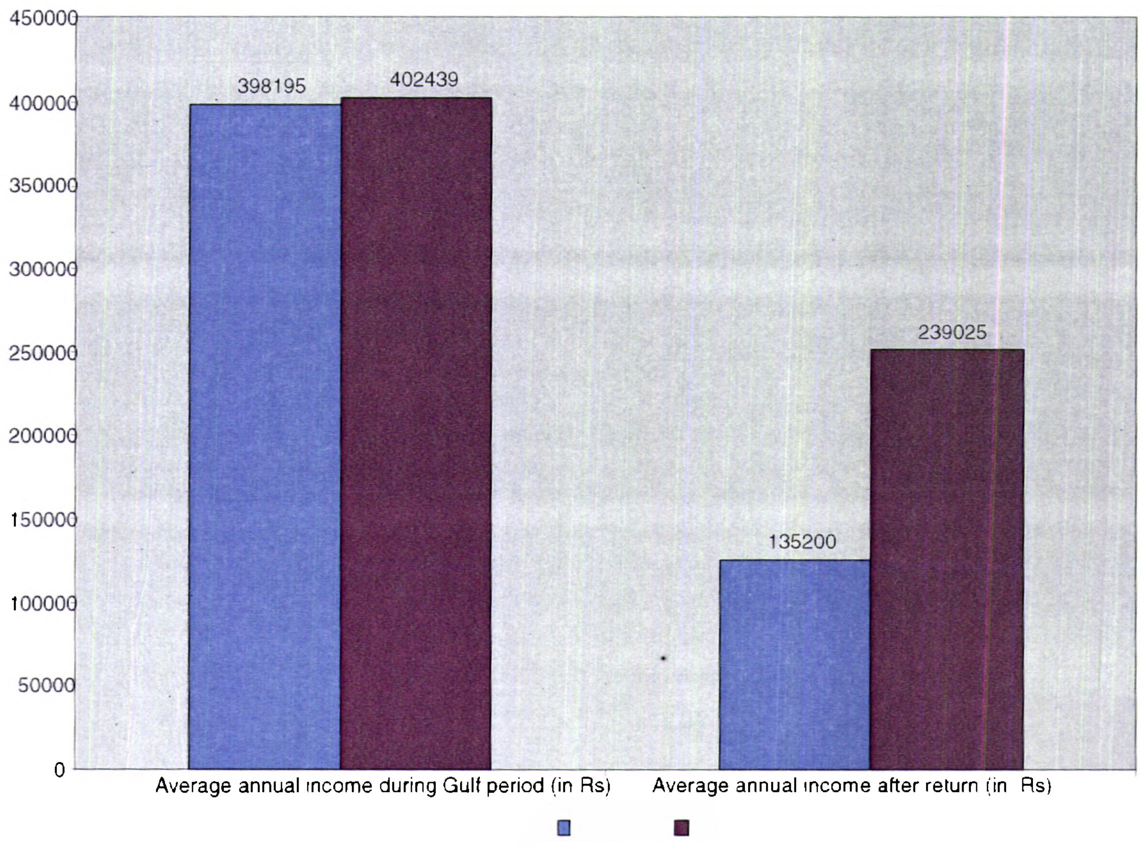
The association between present status of the respondents and income in 2005 is statistically tested by applying chi-square test. Table 5.39(b) reveals that the significance level of likelihood ratio is more than 0.05 (.997). Hence, it can be concluded that there is statistically no significant association between present status of respondents and present income (2005).

5.21 Income during the Gulf-period and After Return

Comparison of annual income during the Gulf-period and after return from the Gulf (Table 5.40) reveals that there is a sharp fall in income after return, both in category A and category B. It can also be seen that the fall is more profound in category A. A detailed analysis shows that in the case of category A, their income after return (in 2005) is only 33.9% of the income during the Gulf-period and it is 59.4% in the case of category B. Thus, it is clear that those who had personal financial planning (category A) manage to earn a higher income, which is 77% higher than the income earned by those who had no personal financial planning (category B).

Figure 5.4

Chart showing annual income during Gulf-period and after return



5.22 Analysis of Expenditure after Return from the Gulf

Analysis of family consumption expenditure of the respondents after their return from the Gulf reveals that (Table 5.41(a)) 21.1% spent less than Rs. 1 lakh, 42.8% spent Rs. 1 lakh to 1.25 lakhs, 18.9% spent Rs. 1.25 to 1.50 lakhs, 10.1% spent Rs. 1.50 to 1.75 lakhs, 4.4% spent Rs. 1.75 to 2.00 lakhs and 2.8% spent Rs. 2.00 lakhs and above for household consumption expenditure.

Table further reveals that out of 205 who belong to the personal finance score category less than 35, 50 (24.4%) spent less than Re.1 lakh, 99 (48.3%) spent Rs.1.00 to 1.25 lakhs, 28 (13.7%) spent Rs.1.25 to 1.50 lakhs, 16 (7.8%) spent Rs.1.5 to 1.75 lakhs, 8 (3.9%) spent Rs.1.75 to 2.00 lakhs and 4 (2.0%) spent Rs.2.00 lakhs and above for household consumption expenditure, after coming back from the Gulf. Out of 14 who belong to the personal finance score category 55 and above, 1(7 1%) spent less than Re.1 lakh, 1 (7.1%) spent Rs.1.00 to 1.25 lakhs, 6 (42.9%) spent Rs.1.25 to 1.50 lakhs, 3 (21.4%) spent Rs.1.5 to 1.75 lakhs, 2 (14.3%) spent Rs.1.75 to 2.00 lakhs and 1 (7 1%) spent Rs.2.00 lakhs and above for household consumption expenditure in 2005.

As per table 5.41(b), the significance of association between personal finance score and expenditure in 2005 is statistically tested by applying chi-square. The significance level of likelihood ratio is .000. Hence, it can be concluded that there is statistically significant association between personal finance score and expenditure in 2005.

The researcher has also calculated the average annual expenditure of the respondents after their return from the Gulf. It shows Rs. 1,13, 500 in category A and Rs. 1,40,270 in category B. Comparison of average annual expenditure during the Gulf-period and after return from the Gulf shows that in the case of category A, average expenditure has slightly declined from Rs. 1,15,665 in 2001 to 1,13,500 in 2005. At the same time, the average expenditure of category B has increased from Rs. 1,34,730 in 2001 to Rs. 1,40,270 in 2005.

From the above analysis it is very clear that category A (those who had no personal financial planning during the Gulf-period) was forced to reduce their expenditure due to lack of income. At the same time, category B (those who had personal financial planning during the Gulf-period) was able to maintain the level of expenditure and thus, the standard of living because of better income.

5.23 Nature of Expenditure

Component wise break up of total expenditure in 2005 with respect to categories is shown in table 5.42(a). The percentage wise analysis of expenditure across category A and category B shows that the major expenditure is accounted for food, which comes to 32.2% in category A and 32.6% in category B. The second major item is expenditure for education, which comes to 15.4% and 16.6% respectively, for category A and category B. Conveyance is the third major expenditure. It comes to 14.2% in category A and 12.0% in category B. Expenditure on housing is the fourth major item. It is 10.5% in category A and 10.3% in category B. The fifth major item is expenditure on clothing. It is 7.2% of total expenditure in category A and 8.2% in category B. Expenditure on entertainment is the next item. It comes to 4.6% in category A and 6.1% in category B.

Category wise difference in the mean values of the components is statistically examined using one way ANOVA test (Table 5.42(b)). The result shows that there is category wise difference in the mean values of 3 components (food -.003, education -.007 and social obligation -.031), and category wise no difference in the mean values of the remaining 7 components. However, with respect to the total expenditure, the significance value is .009. Hence the conclusion is that category wise there is significant difference in the mean value of total expenditure in 2005 (after return from the Gulf).

5.23.1 Expenditure on Food

From table 5.43 it can be seen that from category A, 15.9% spent Rs.20,000 to 30,000, 43.0% spent Rs.30,000 to 40,000 30.0% spent Rs.40,000 to 50,000, 9.0% spent Rs.50,000 to 60,000 and 2.1% spent Rs.60,000 and above, on food. From category B, 7.3% spent Rs. 20,000 to 30,000, 22.0% spent Rs. 30,000 to 40,000, 39.0% spent 40,000 to 50,000, 22.0% spent Rs. 50,000 to 60,000 and 9.7% spent Rs. 60,000 and above, on food.

The average expenditure on food has increased only slightly from Rs.35,855 in 2001 to Rs.36,589 in 2005, in category A and from Rs.43,378 to Rs.45,675, in category B. Thus, it can be seen that a major group of 43.0% from category A spent in the range of Rs.30,000 to 40,000 for food, whereas, in category B, 39.0% spent in the range of Rs.40,000 to 50,000. It can also be seen that the average expenditure on food in 2005 is 25% higher in category B, when compared to category A. In short, category B has spent lavishly on food, which is a basic necessity, even after their return from the Gulf.

5.23.1.1 Components of Food Expenditure

Analysis of the components of food expenditure of the respondents after their return from Gulf (Table 5.44) reveals that 51.2% of total expenditure is for provision, vegetables, gas and fuel; 39.2% for fish, meat, egg and milk; and the remaining 9.6% for bakery items, fruits, etc. in the case of category A. It is 47.1%, 41.5% and 10.4% respectively for the three components, in category B.

The average expenditure per family for provision, vegetables, gas and fuel comes to Rs. 18,734 in category A and Rs. 21,513 in category B. For fish, meat and egg, category A spent Rs. 14,350 and category B, Rs.18,973. For bakery items, fruits etc. category A spent Rs. 3,505 and category B, Rs. 5,189.

5.23.2 Expenditure on Housing

Analysis of expenditure on housing (Table 5.45) reveals that from category A 33.9% spent less than Rs.10,000, 33.9% spent Rs.10,000 to 15,000, 23.1% spent Rs.15,000 to 20,000 and 9.1% spent Rs.20,000 to 25,000 on housing. From category B, 29.2% spent less than Rs. 10,000, 29.2% spent, Rs. 10,000 to 15,000 , 21.9% spent Rs. 15,000 to 20,000 and 19.7% spent Rs. 20,000 to 25,000 on housing.

The average annual expenditure on housing has declined from Rs. 12,548 in 2001 to Rs. 11,916 in 2005, in the case of category A and it has increased from Rs. 12,270 to Rs. 14,513 in the case of category B. Here also, it can be noticed that category B is able to maintain the level of expenditure even after their return from the Gulf, due to higher income.

5.23.2.1 Components of Expenditure on Housing

A detailed analysis of the components of expenditure on housing (Table 5.46) reveals that the average amount of expenditure for rent, electricity, water, repairs and maintenance has increased from Rs. 6,023 in 2001 to Rs. 6,445 in 2005, in the case of category A and from Rs. 6,054 to Rs. 7,108, in the case of category B. In the case of category A, the average amount of telephone charge has declined from Rs. 6,525 in 2001 to Rs. 5,471 in 2005, whereas, in the case of category B, telephone charge has increased from Rs. 6,216 to Rs. 7,405, in 2004.

5.23.3 Expenditure on Clothing

Analysis of expenditure on clothing (Table 5.47) reveals that from category A, 47 respondents (17.0%) spent less than Rs.5,000, 138 (49.8%) spent Rs.5,000 to 10,000, 78 (28.1%) spent Rs.10,000 to 15,000 and 14 (5.1%) spent Rs.15,000 to 20,000, on clothing. From category B, 2 respondents (4.9%) spent less than Rs. 5,000, 5 (12.2%) spent Rs. 5,000 to 10,000, 29 (70.7%) spent 10,000 to 15,000 and 5 (12.2%) spent Rs. 15,000 to 20,000, on clothing.

It can be seen that the average amount of spending on clothing has declined from Rs. 10,589 in 2001 to Rs. 8,228 in 2005, in the case of category A. On the other hand, the amount has increased from Rs. 10,946 to Rs. 11,513, in the case of category B. Thus, it can be seen that category B has maintained the level of expenditure on clothing, even after their return from the Gulf.

5.23.4 Expenditure on Education

Detailed analysis of expenditure on education (Table 5.48) reveals that from category A 23.1% spent less than Rs.10,000, 31.0% spent Rs.10,000 to 15,000, 21.0% spent Rs.15,000 to 20,000, 14.1% spent Rs.20,000 to 25,000 and 10.8% spent Rs.25,000 and above, for education. From category B 14.6% spent Rs. 10,000 to 15,000, 17.0% spent 15,000 to 20,000, 46.3% spent Rs. 20,000 to 25,000 and 22.1% spent Rs. 25,000 and above, for education.

The average annual expenditure on education has increased considerably, from Rs. 11,160 in 2001 to Rs. 17,502 in 2005, in the case of category A and from Rs.15,676 to Rs.23,189, in category B. Thus, the average educational expenditure is more in category B.

5.23.5 Medical Expenditure

Analysis of medical expenditure (Table 5.49) shows that from category A, 24.2% spent Rs.2,000 – 4,000, 45.8% spent Rs.4,000 – 6,000, 13.0% spent Rs.6,000 – 8,000, 13.0% spent Rs.8,000 – 10,000 and 4.0% spent Rs.10,000 and above as medical expenditure. From category B, 24.4% spent in the range of Rs. 2,000 – 4,000, 53.6% spent Rs. 4,000 – 6,000, 17.0% spent Rs. 6,000 – 8,000, 2.5% spent Rs. 8,000 – 10,000 and 2.5% spent Rs. 10,000 and above.

Thus, it can be seen that a major group has incurred a medical expenditure of Rs. 4,000 – 6,000 during the year 2005. The average annual expenditure is Rs. 5,017 in category A and Rs. 5,108 in category B. It has also been noticed that the average medical expenditure is almost the same in 2001 and 2005.

5.23.6 Expenditure on Conveyance

Distribution of the respondents based on their expenditure on conveyance (Table 5.50) shows that 4.0%, 17.0%, 22.0%, 20.9%, 20.2% and 15.9% in category A and 0.0%, 7.4%, 17.0%, 17.0%, 29.3% and 29.3% of respondents in category B spent less than Rs. 5,000, Rs. 5,000 to 10,000, Rs. 10,000 to 15,000, Rs. 15,000 to 20,000, Rs. 20,000 to 25,000 and Rs. 25,000 and above respectively, on conveyance expenditure.

The annual average expenditure on conveyance has increased from Rs. 14,582 in 2001 to Rs. 16,118 in 2005, in the case of category A and it has declined from Rs. 20,676 to Rs. 16,865, in the case of category B.

5.23.6.1 Components of Conveyance Expenditure

Analysis of the components of conveyance expenditure of the respondents after their return from the Gulf (Table 5.51) shows that in the case of category A, 62.9% of the total is for train and bus fare, 1.1% for taxi fare and 36.0% for maintenance, tax and fuel of two wheelers and four wheelers. In the case of category B, 48.9% of the total is for train and bus fare, 2.2% for taxi fare, 47.9% for maintenance, tax and fuel of two wheelers and four wheelers and 1.0% for driver's salary.

A comparative analysis of the components of conveyance expenditure in 2001 and 2005 reveals that the average expenditure on train and bus fare has increased from Rs. 6,270 to Rs. 10,137 in the case of category A and it has remained almost stagnant in the case of category B. Average expenditure on taxi fare has declined considerably both in the case of category A and category B. Regarding maintenance, tax and fuel of two wheelers and four wheelers, there is no change in average expenditure between 2001 and 2005. The average amount of drivers' salary has also declined.

In short, it can be seen that though the total expenditure on conveyance has increased from Rs. 15,361 per family to Rs. 16,242 in 2005, expenditure on all components has decreased, except train and bus fare. It means, after return from the Gulf, the respondents use public transport system more.

5.23.7 Expenditure on Social Obligations

Distribution of respondents based on their expenditure on social obligations (Table 5.52) reveals that from category A, 32.1% spent less than Rs.2,000, 34.0% spent Rs.2,000 to 4,000, 17.0% spent Rs.4,000 to 6,000, 5.0% spent Rs.6,000 to 8,000, 3.9% spent Rs.8,000 to 10,000 and 1.1% spent Rs.10,000 and above on social obligations. From category B, 9.7% spent less than Rs. 2,000, 12.1% spent Rs. 2,000 to 4,000, 34.1% spent Rs. 4,000 to 6,000, 36.5% spent Rs. 6,000 to 8,000, 4.8% spent Rs. 8,000 to 10,000 and 2.8% spent Rs. 10,000 and above, on social obligations.

The average expenditure on social obligations has declined from Rs. 9,315 in 2001 to Rs. 2,871 in 2005, in the case of category A and from Rs. 13,243 to Rs. 6,459 in the case of category B. Thus, it can be seen that the expenditure on social obligations has declined to one-third when compared with the Gulf-period.

5.23.8 Expenditure on Entertainment

Analysis of entertainment expenditure incurred by the respondents after their return from the Gulf (Table 5.53) reveals that the majority (56.0%) from category A has incurred less than Rs. 5,000; 38.9% incurred Rs. 5,000 to 10,000 and 5.1% incurred Rs. 10,000 and above. From category B, the majority (58.5%) incurred Rs. 5,000 to 10,000; 19.5% incurred less than Rs. 5,000 and 22.0% incurred Rs. 10,000 and above for entertainment expenditure.

The average expenditure on entertainment has declined drastically from Rs. 8,650 in 2001 to Rs. 5,175 in 2005 (a decline of 40%), in the case of category A, whereas, in the case of category B, it has declined only 2% (from Rs. 8,784 to Rs. 8,567). In other words, category A was forced to reduce their expenditure on entertainment due to lack of income, whereas, category B was able to maintain the level of expenditure to a great extent, due to higher income.

5.23.8.1 Components of Entertainment Expenditure

Table 5.54 reveals that 61.6% of the entertainment expenditure is spent on movies, cassettes, CD's and cable TV and the remaining 38.4% is for picnic, parties and food from outside, in category A. It is 59.0% and 41.0% respectively for the first and second components, in category B.

The average expenditure on the first component (movies, cassettes, CD's and cable TV) has declined from Rs. 5,323 to Rs. 3,186 (a decline of 40%) in the case of category A and from Rs. 5,270 to Rs. 5,054 in the case of category B (a decline of 5%). In the second component also (picnic, parties, food from outside etc.) the decline in expenditure is 40% in category A, and in category B, the expenditure remained the same.

Thus, it is clear that the respondents in category A, after their return from the Gulf has deliberately reduced their expenditure on entertainment by 40% and category B reduced their expenditure by 2%.

5.23.9 Expenditure on Personal Habits

Distribution of the respondents based on their expenditure on personal habits after their return from the Gulf (Table 5.55) shows that from category A, 13.0% spent less than Rs.2,000, 19.1% spent Rs.2,000 to 4,000, 32.1% spent Rs.4,000 to 6,000, 14.8% spent Rs.6,000 to 8,000, 6.1% spent Rs.8,000 to 10,000 and 2.9% spent Rs.10,000 and above, on personal habits. From category B, 7.3% spent less than Rs. 2,000, 14.7% spent Rs. 2,000 to 4,000, 39.0% spent Rs. 4,000 to 6,000, 17.0% spent Rs. 6,000 to 8,0000, 12.1% spent Rs. 8,000 to 10,000 and 2.6% spent Rs. 10,000 and above. It can be seen that a major group of 32.1% from category A and 39.0% from category B spent in the range of Rs. 4,000 – 6,000 on personal habits.

The average expenditure on personal habits has increased from Rs. 1,426 in 2001 to Rs. 4,886 in 2005, in the case of category A and from Rs. 1,351 to Rs. 4,543, in the case of category B. Thus, it can be seen that expenditure on personal habits, on an average has increased more than three times, after their return from the Gulf.

5.23.10 Other Expenses

Distribution of the respondents based on other expenses after their return from the Gulf (Table 5.56) shows that from category A, 54.8% incurred less than Rs.5,000, 40.0% incurred Rs.5,000 to 10,000 and 5.2% incurred Rs.10,000 and above as other expenses. From category B, 63.4% incurred less than Rs.5,000, 29.2% incurred Rs.5,000 to 10,000 and 7.4% incurred Rs. 10,000 and above, as other expenses. Thus, it is clear that the majority have incurred less than Rs. 5,000 as other expenses.

Further analysis reveals that the average annual expenditure has declined from Rs. 6,335 to Rs. 5,198 in the case of category A and it has slightly increased from Rs. 3,405 to Rs. 3,838 in the case of category B.

5.23.10.1 Components of Other Expenses

Table 5.57 shows that servants' salary constitutes 60.0% of other expenses and the remaining 40.0% consists of taxes, postage, stationary, sundry expenses, etc. in category A. It is 66.9% and 33.1%, respectively in the first and second components in category B. It also shows that, in the case of category A, average expenditure on servants' salary has declined from Rs. 4,069 in 2001 to Rs. 3,118 in 2005 and expenditure on taxes, postage, stationary, sundry expenses, etc. have declined from Rs. 2,266 to Rs. 2,080. On the other hand, in the case of category B, the expenses on both the components have increased slightly.

The above analyses reveal that after return from the Gulf, the expenses of category A in respect of many items, including major items have decreased. In other words category A was forced to reduce their expenditure even in basic necessities, due to drastic reduction in income. On the other hand, category B was able to maintain their level of expenditure except in conveyance and social obligations, even after their return from the Gulf. This can be attributed to their high income after return from the Gulf. Decrease in conveyance expenditure is due to reduction in taxi fare and drivers' salary. Expenditure on social obligations includes expenses during festivals and celebrations and gifts and donations to relatives and friends. It has been revealed that deliberate effort has been made by the respondents to reduce such expenses after their return from the Gulf.

5.24 Number of Members in the Family

When comparing the expenditure of category A and category B, naturally, a question arises, what is the number of members in the families of category A and category B? Therefore, researcher has also examined the number of members in the families, including children, in the year 2001 and 2005. t test has been applied through SPSS to assess the significance of difference in the number of members in the families between category A and category B.

Table 5.58(a) shows the group statistics of t test for number of members in the families in the year 2001. It can be seen that the mean values of number of members in the families are 5.01 and 4.78, respectively in category A and category B. Equal variance assumed as the significance value for the levene test is more than 0.05 (Table 5.58(b)). As the significance value is high (.414) and the confidence interval for the mean difference contain zero, the indication is that there is no significant difference between the two group means. Hence the conclusion is that there is no significant difference in the number of members in the families of category A and category B, in the year 2001 (Gulf-period).

Table 5.59(a) shows the group statistics of t test for number of members in the families in the year 2005. It can be seen that the mean values of number of members in the families are 5.94 and 5.83, respectively in category A and category B. Equal variance assumed as the significance value for the levene test is more than 0.05. As the significance value as per table 5.59(b) is high (.705) and the confidence interval for the mean difference contain zero, the indication is that there is no significant difference between the two group means. Hence the conclusion is that there is no significant difference in the in the number of members in the families of category A and category B, in the year 2005 (after return from the Gulf).

5.25 Expenditure I (After return from the Gulf)

As mentioned earlier, expenditure I includes major items, i.e., expenditure on food, housing, clothing, education, medical care and conveyance.

An analysis of expenditure I of the respondents after their return from the Gulf (Table 5.60(a) shows that 10.4% spent an amount of less than Rs. 60,000, 13.2% spent Rs. 60,000 to 80,000, 33.6% spent Rs. 80,000 to 1,00,000, 21.7% spent Rs. 1,00,000 to 1,20,000, 14.5% spent Rs. 1,20,000 to 1,40,000 and 6.6% spent Rs. 1,40,000 and above, on expenditure I.

Personal finance score and expenditure I cross tabulation shows that out of the 33 respondents whose expenditure I is less than Rs. 60,000, 25 (75.8%) belong to the personal finance score category less than 35 and 8 (24.2%) belong to 35 – 45 category. Out of the 21 whose expenditure I is above Rs. 1,40,000, 10 (47.6%) belong to the personal finance score category less than 35, 7 (33.3%) belong to 35 - 45, 3 (14.2%) belong to 45 - 55 and 1 (4.9%) belongs to the personal finance score category 55 and above.

The statistical significance of association between personal finance score and expenditure I is tested by applying chi-square. From table 5.60(b), it can be seen that the significance level of the likelihood ratio (.013) is less than 0.05. Hence, it can be concluded that there is statistically significant association between personal finance score and expenditure I.

Average expenditure has increased from Rs. 89,939 in 2001 to Rs. 95,370 in 2005 (an increase of 6%), in the case of category A and it has increased from Rs. 1,07,946 to Rs. 1,16,863 (an increase of 8%), in the case of category B. Thus, the expenditure on major items has increased slightly after their return from the Gulf in the case of both category A and category B. However, it can be seen that the average amount of expenditure I is more in category B. In other words, category B was able to spend liberally on major items including food, clothing and education due to better income in 2005.

5.26 Expenditure II (After return from the Gulf)

Expenditure II includes expenditure on social obligations, entertainments, personal habits and other expenses. Table 5.61(a) reveals that 11.0% spent an amount of less than Rs. 10,000, 60.4% spent Rs. 10,000 to 20,000, 20.4%

spent Rs. 20,000 to 30,000, 4.7% spent Rs. 30,000 to 40,000, 2.2% spent Rs. 40,000 to 50,000 and 1.3% of the respondents spent an amount of Rs. 50,000 and above, on expenditure II.

Further, it can be seen that, out of 205 respondents who belong to less than 35 personal finance score category, 25 (12.2%) spent less than Rs. 10,000, 135 (65.9%) spent Rs. 10,000 to 20,000, 32 (15.6%) spent Rs. 20,000 to 30,000, 8 (3.9%) spent Rs. 30,000 to 40,000, 3 (1.5%) spent Rs. 40,000 to 50,000 and 2 (1.0%) spent Rs. 50,000 and above on expenditure II. Out of 72 who belong to 35 to 45 personal finance score category, 8 (11.1%) spent less than Rs. 10,000, 48 (66.7%) spent Rs. 10,000 to 20,000, 10 (13.9%) spent Rs. 20,000 to 30,000, 3 (4.2%) spent Rs. 30,000 to 40,000, 2 (2.8%) spent Rs. 40,000 to 50,000 and 1 (1.4%) spent Rs. 50,000 and above. Out of 27 who belong to the 45 to 55 personal finance score category, 2 (7.4%) spent less than Rs. 10,000, 6 (22.2%) spent Rs. 10,000 to 20,000, 15 (55.6%) spent Rs. 20,000 to 30,000, 3 (11.1%) spent Rs. 30,000 to 40,000 and 1 (3.7%) spent Rs. 40,000 to 50,000. Out of 14 who belong to the personal finance score category 55 and above, 3 (21.4%) spent Rs. 10,000 to 20,000, 8 (57 1%) spent Rs. 20,000 to 30,000, 1 (7.1%) spent Rs. 30,000 to 40,000, 1 (7.1%) spent Rs. 40,000 to 50,000 and 1 (7.1%) spent Rs. 50,000 and above on expenditure II, after their return from the Gulf.

The statistical significance of association between personal finance score and expenditure II is tested by applying chi-square. From table 5.61(b), it can be seen that the significance level of the likelihood ratio (.000) is less than 0.05. Hence, it can be concluded that there is statistically significant association between personal finance score and expenditure II.

The annual average spending on expenditure II comes to Rs. 18,130 in category A and Rs. 23,407 in category B. Here, a decline of 30% is noticed in expenditure II in the case of category A, when compared with the expenditure in the year 2001. The decline is only 13% in the case of category B. As the income of the respondents has declined sharply on their return from the Gulf, deliberate efforts have been made by both the categories to reduce the expenditure on minor heads like social obligations, entertainment, etc.

5.27 Expenditure I and II

Comparison of expenditure I and II (Table 5.62) reveals that expenditure I comes to 84.0% of total expenditure and expenditure II, 16.0% in category A and 83.3% and 16.7% in category B. It can also be seen that the average amount of expenditure I (major items) of the respondents has increased after their return from the Gulf, both in the case of category A and category B. As these are the major, inevitable basic necessities, it is difficult to reduce the spending on these items because the standard of living is affected. At the same time average amount of expenditure II has declined after their return, both in category A and category B.

5.28 Expenditure during the Gulf-period and after Return

Comparison of annual expenditure during the Gulf-period and after return from the Gulf (Table 5.63) shows that the average expenditure after return is 98% of the expenditure during the Gulf-period, in the case of category A. In category B, expenditure after return is 104% of their expenditure during the Gulf-period. More specifically, in the case of category A, annual expenditure has declined from Rs. 1,15,665 in 2001 to Rs. 1,13,500 in 2005. Whereas, in the case of category B, it has increased from Rs. 1,34,730 to Rs. 1,40,270 in 2005.

Thus, the conclusion is that those who had no personal financial planning during the Gulf-period (category A) were forced to reduce their expenditure in 2005 (after their return) and those who had personal financial planning were able to maintain the level of expenditure in 2005.

5.29 Income and Expenditure after return from the Gulf

Comparison of income and expenditure of the respondents after their return from the Gulf (Table 5.64) reveals that the average income earned by category A is Rs. 1,35,200 and their average expenditure is Rs. 1,13,500. It means, on an average 84% of their income is spent for consumption purpose alone. In the case of category B, the average income is Rs. 2,39,025 and average expenditure is Rs. 1,40,270. They spend 59% of their income for consumption purpose.

Thus, it can be seen that in 2005 both income and expenditure are comparatively more in category B.

5.30 Current Savings (in 2005)

Savings represent the excess of current income over expenditure and it is the balancing item in the income and outlay account of individuals and households. Income, expenditure and savings of the respondents after their return from the Gulf are shown in table 5.65. It can be seen that those who had no personal financial planning during the Gulf-period (category A) saved only 16.1% of their current income and those who had personal financial planning (category B) saved 41.3% of their current income. Thus, category A saved a total amount of Rs. 60.11 lakhs and category B, Rs.40.49 lakhs. The average amount of savings comes to Rs.21,700 in category A and Rs.98,756 in category B.

Thus, it is clear from table 5.64 and 5.65 that those who had personal financial planning during the Gulf-period are able to make a higher income and higher savings than those who had no personal financial planning during the Gulf-period.

5.31 Personal Financial Planning and Current Income

It can be seen from table 5.66 that out of 41 respondents who had personal financial planning (category B), only 30 (73.1%) have sufficient income to meet their current expenses. In other words 26.9% of the respondents fail to generate sufficient income to meet current consumption expenditure of the family in spite of their personal financial planning during the Gulf-period.

In category A, 208 respondents out of 277 (75.1%) do not have sufficient income to meet current consumption expenditure of the family.

This aspect is analysed in detail in the next chapter.

5.32 Deficiency

As revealed by table 5.66, only 24.9% of the respondents from category A and 73.1% from category B have sufficient current income to meet their family consumption expenditure. In other words, 75.1% from category A and 26.9% from category B have deficiency (negative savings). The deficiency statistics shown in table 5.67 reveals that from category A, 80.8% and 19.2% and from category B, 100.0% and 0.0% have a deficiency of less than Rs.50,000 and Rs.50,000 to 1,00,000, respectively.

Thus, the major group of 82% has a deficiency of less than Rs.50,000.

5.32.1 Meeting the Deficiency

An effort has also been made by the researcher to find out how the deficiency is met by those who have inadequate current income. Table 5.68 reveals that most of the respondents have met the deficiency by drawing from banks. From category A, 71.1%, 9.1% and 19.8% and from category B, 72.7%, 9.1% and 18.2% met the deficiency by drawing from banks, by borrowing and by selling assets and properties, respectively.

5.33 Hypothesis I

"There is significant difference in income, expenditure and investments of the Gulf-returned Keralites with financial planning and without financial planning"

The researcher has employed t test through SPSS to assess the significance of difference in income between category A and category B. With respect to income, t test has been conducted for:

1) Income in 2001 (during Gulf-period)

2) Income in 2005 (after coming back)

3) Total income from all sources during the entire Gulf-period.

5.33.1 Income in 2001

Table 5.69(a) shows the group statistics of t test for income in 2001. Table 5.69(b) displays the result of t test for equality of means. Equal variance assumed as the significance value for the levene test is more than 0.05. As the significance value is high (.886) and the confidence interval for the mean difference contain zero, the indication is that there is no significant difference between the two group means. Hence the conclusion is that there is no significant difference in the in the income earned by category A and category B, in the year 2001 (Gulf period).

5.33.2 Income in 2005

Group statistics of t test for income in 2005 and the result of t test for equality of means are shown in table 5.70(a) and 5.70(b), respectively. Un-equal variance assumed as the significance value for the levene test is less than 0.05. Low significance value for the t test (.000) indicates that there is significant difference in income between category A and category B, in 2005 (after coming back). The confidence interval for the mean difference does not contain zero and hence, it also indicates that the difference is significant. Therefore, the conclusion is that there is significant difference in income between category A and category B, in 2005 (after coming back).

5.33.3 Total Income from All Sources during the Entire Gulf-period

Table 5.71(a) shows the group statistics of t test for total income. Table 5.71(b) displays the result of t test for equality of means. Un-equal variance assumed as the significance value for the levene test is less than 0.05. As the significance value is high (.323) and the confidence interval for the mean difference contain zero, the indication is that there is no significant difference between the two group means. Hence the conclusion is that there is no significant difference in the total income earned by category A and category B, from all sources during the entire Gulf-period.

The above statistical tests reveal the following:

1. There is no significant difference in total income from all sources during the entire Gulf-period, between category A and category B.

2. In the year 2001 (when all the respondents were in the Gulf), there is no significant difference in the income between category A and category B.

3. After return from the Gulf (2005), there is significant difference in the income between category A and category B. The average income of category B is significantly higher than that of category A.

4. In category A, their income after return is only 33.9% of their income during the Gulf-period and it is 59.4% in category B. In other words category B earned a higher income, which is 77% higher than the income earned by those who had no financial planning.

5.34 Hypothesis-1

"There is significant difference in the income, expenditure and investments of the Gulf-returned Keralites with financial planning and without financial planning"

The researcher has applied t test through SPSS to find out whether there is any significant difference in expenditure between category A and category B.

5.34.1 Expenditure in 2001 (During the Gulf-period)

Table 5.72(a) shows the group statistics of t test for expenditure in 2001. We can see that the mean expenditure is 1 1566 in category A and 1.3473 in category B. From table 5.72(b) which shows the result of t test for equality of means, it can be seen that equal variance is assumed as the significance value for the levene test is more than 0.05. As the significance value is high (.187) and the confidence interval for the mean difference contain zero, the indication is that there is no significant difference between the two group means. Hence the conclusion is that there is no significant difference in expenditure, in the year 2001 (Gulf-period), between category A and category B.

5.34.2 Expenditure in 2005 (After coming back)

Group statistics of t test for expenditure in 2005 and the result of t test for equality of means are shown in table 5.73(a) and table 5.73(b), respectively. As per the group statistics table, the mean expenditure is 1.1350 in category A and 1.4027 in category B. As per table 6.68(b), equal variance is assumed as the significance value for the levene test is more than 0.05. Low significance value for the t test (.003) indicates that there is significant difference in expenditure in 2005 between category A and category B. The confidence interval for the mean difference does not contain zero and hence, it also indicates that the difference is significant. Hence, it can be concluded that there is significant difference in expenditure in 2005 (after coming back), between category A and category B.

The statistical tests show that:

1. During the Gulf-period (2001), there is no significant difference in expenditure between category A and category B.

2. In 2005 (i.e., after return from the Gulf), there is significant difference in expenditure between category A and category B.

5.35 Hypothesis II

"There is significant relationship between income and expenditure and between income and investments"

The total income of the family can be an influencing factor in determining the level of expenditure. This aspect has been analysed with respect to both category A and category B, during the Gulf-period and after return from the Gulf.

5.35.1 Income and Expenditure during the Gulf-period

In order to find out whether there is any significant relationship between income and expenditure, correlation co-efficient has been applied through SPSS. Table 5.74(a) and 5.74(b) shows, respectively the descriptive statistics and correlation between income and expenditure of category A, during Gulf-period. As the correlation coefficient for income and expenditure of category A is 0.847, income and expenditure are strongly correlated. The significance level indicates that the income and expenditure are significantly positively correlated. Hence it can be concluded that there is significant, strong positive relationship between income and expenditure of category A, during the Gulf-period.

Table 5.75(a) shows descriptive statistics and table 5.75(b) shows the correlation between income and expenditure of category B, during the Gulf-period. As the correlation coefficient is 0.844, income and expenditure are strongly correlated. The significance level indicates that the income and expenditure are significantly positively correlated. Hence the conclusion is that there is strong, positive significant relationship between income and expenditure of category B, during the Gulf-period.

5.35.2 Income and Expenditure in 2005 (After return from the Gulf)

Table 5.76(a) shows descriptive statistics of correlation and table 5.76(b) shows correlation between income and expenditure of category A in 2005. As the correlation coefficient for income and expenditure of category A is 0.417, income and expenditure are not strongly correlated. The significance level indicates that the correlation is not significant. Hence the conclusion is that there is no strong relationship between income and expenditure of category A, in 2005.

Table 5.77(a) shows descriptive statistics and table 5.77(b) shows the correlation between income and expenditure of category B, in 2005. As the correlation coefficient for income and expenditure of category B is 0.917, income and expenditure are strongly correlated. The significance level indicates that the income and expenditure are significantly positively correlated. Hence it can be concluded that there is strong, positive significant relationship between income and expenditure of category B, in 2005.

The above statistical tests reveal that:

1. During the Gulf-period, there is significant relationship between income and expenditure, both in category A and category B.

2. After return from the Gulf, there is no significant relationship between income and expenditure in category A, whereas, in category B, there is significant relationship between income and expenditure.

5.36 Conclusion

Both category A and category B earned almost the same income during the Gulf-period (statistical tests reveal that there is no significant difference in income between category A and category B, during the Gulf-period). But after return from the Gulf (in 2005), category B earned a higher income which is 77% higher than the income earned by category A. (Average income is Rs.1,35,200 in category A and Rs.2,39,025 in category B). 75.1% of the respondents from category A do not have sufficient income to meet their expenses in 2005.

Thus, it is clear that those who had personal financial planning during the Gulf-period (category B) earned a higher income after their return from the Gulf. The personal financial planning of category B during their Gulf-period helped them to earn higher income after their return from the Gulf. Hence, it can be concluded that personal financial planning is highly relevant and those who planned their finance properly are better placed (with respect to income) than those who had not planned. (Then the question arises how? That part is examined in detail in the next chapter).

Table 5.1(a)

Personal finance score and income in 2001

Personal Finance Score	Income in 2001 (Rs. in lakhs)				Total
	2 - 4	4 - 6	6 – 8	8 - 10	
Less than 35	90 43.9%	96 46.8%	16 7.8%	3 1.5%	205 100.0%
35 - 45	21 29.2%	45 62.5%	4 5.6%	2 2.8%	72 100.0%
45 - 55	6 22.2%	19 70.4%	2 7.4%	0 0.0%	27 100.0%
55 and above	4 28.6%	9 64.3%	1 7.1%	0 0.0%	14 100.0%
Total	121 38.1%	169 53.1%	23 7.2%	5 1.6%	318 100.0%

Table 5.1(b)

Chi-Square test of table 5.1(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.705	9	.230
Likelihood Ratio	12.478	9	.188
Linear-by-Linear Association	2.841	1	.092
N of Valid Cases	318		

Table 5.2 (a)

Source wise break up of total income in the year 2001

Category	Item	Mean	Std. deviation	Percentage mean
A	Remittance from Gulf	3.0253	1.84	76.0%
	Income from business	0.1985	0.73	5.0%
	Income from investment	0.4386	0.84	11.0%
	Agricultural income	0.1191	0.98	3.0%
	Income of spouse	0.2004	0.91	5.0%
	Total	3.9819	1.76	100.0%
B	Remittance from Gulf	2.7805	1.86	69.1%
	Income from business	0.3293	0.89	8.2%
	Income from investment	0.3659	1.12	9.1%
	Agricultural income	0.1951	0.97	4.8%
	Income of spouse	0.3536	1.23	8.8%
	Total	4.0244	1.78	100.0%

Table 5.2(b)

ANOVA table on total income in 2001

	F	Sig.
Remittance from Gulf * Category	.009	.734
Income from business * Category	.726	.324
Income from investment * Category	1.321	147
Agricultural income * Category	1.624	.123
Income of spouse * Category	.722	.327
Total income * Category	.006	.886

Table 5.3

Personal finance score and expenditure in 2001

Personal Finance Score	Expenditure in 2001 (Rs. in lakhs)					Total
	Less than 1.00	1.00 – 1.25	1.25 – 1.50	1.50 – 1.75	1.75 – 2.00	
Less than 35	49 23.9%	68 33.2%	61 29.8%	20 9.8%	7 3.4%	205 100.0%
35 - 45	18 25.0%	15 20.8%	22 30.6%	10 13.9%	7 9.7%	72 100.0%
45 - 55	5 18.5%	5 18.5%	10 37.0%	5 18.5%	2 7.4%	27 100.0%
55 and above	0 0.0%	0 0.0%	9 64.3%	3 21.4%	2 14.3%	14 100.0%
Total	72 22.6%	88 27.7%	102 32.1%	38 11.9%	18 5.7%	318 100.0%

Table 5.4(a)

Component wise break up of annual expenditure in 2001

Category	Item	N	Mean	Std. deviation	Percentage mean
A	Food	277	35.85	11.07	31.0
	Housing	277	12.54	5.76	10.9
	Clothing	277	10.58	5.49	9.2
	Education	277	11.16	5.90	9.7
	Medical expenses	277	5.20	3.34	4.5
	Conveyance	277	14.58	8.02	12.6
	Social obligations	277	9.31	5.77	8.0
	Entertainment	277	8.65	3.11	7.4
	Personal habits	277	1.42	3.04	1.2
	Other expenses	277	6.33	2.73	5.5
	Total	277	115.66	4.094	100.0
B	Food	41	43.37	11.00	32.2
	Housing	41	12.27	5.57	9.2
	Clothing	41	10.94	5.15	8.2
	Education	41	15.67	4.61	11.6
	Medical expenses	41	5.00	2.55	3.7
	Conveyance	41	20.67	7.58	15.3
	Social obligations	41	13.24	5.50	9.8
	Entertainment	41	8.78	2.48	6.5
	Personal habits	41	1.35	3.25	1.0
	Other expenses	41	3.40	2.47	2.5
	Total	41	134.73	41.24	100.0

Table 5.4(b)

ANOVA table on expenditure in 2001

	F	Sig.
Food * Category	28.567	.000
Housing * Category	1.112	.292
Clothing * Category	1.076	.300
Education * Category	18.675	.000
Medical expenses * Category	5.086	.075
Conveyance * Category	41.050	.000
Social obligations * Category	10.044	.034
Entertainment * Category	1.492	.271
Personal habits * Category	.379	.538
Other expenses * Category	37.873	.000
Total expenses * Category	1.256	.287

Table 5.5

Distribution based on expenditure on food during the Gulf-period

Expenditure on food (Rs.)	**Category**			
	A		**B**	
	No.	**%**	**No.**	**%**
20000 – 30000	28	10.1	3	7.3
30000 – 40000	119	43.0	10	24.5
40000 – 50000	91	32.9	16	39.0
50000 – 60000	31	11.2	9	21.9
60000 and above	8	2.8	3	7.3
Total	277	100	41	100
Average expenditure on food (in Rs.)	35,855		43,378	

Table 5.6

Components of food expenditure

Components	**Category**			
	A		**B**	
	Average expenditure per family (in Rs.)	**% to total food expenditure**	**Average expenditure per family (in Rs.)**	**% to total food expenditure**
Provision, Vegetables, Gas and Fuel	16160	45.0	20405	47.0
Fish, Meat and Egg	15076	42.0	17784	41.0
Bakery, Fruits, etc.	4619	13.0	5189	12.0
Total	35855	100	43378	100

Table 5.7

Distribution based on expenditure on housing

Expenditure on housing (Rs.)	**Category**			
	A		**B**	
	No.	**%**	**No.**	**%**
Less than 10000	86	31.0	12	29.3
10000 – 15000	97	35.0	16	39.0
15000 – 20000	55	19.9	8	19.5
20000 – 25000	39	14.1	5	12.2
Total	277	100	41	100
Average expenditure on housing (in Rs.)	12,548		12,270	

Table 5.8

Components of expenditure on housing

Components	**Category**			
	A		**B**	
	Average expenditure per family (in Rs.)	**% to total expenditure on housing**	**Average expenditure per family (in Rs.)**	**% to total expenditure on housing**
Rent, electricity, water, repairs, etc.	6023	47.9	6054	49.3
Telephone	6525	52.1	6212	50.7
Total	12,548	100	12,270	100

Table 5.9
Distribution based on expenditure on clothing

Expenditure on clothing (Rs.)	**Category**			
	A		**B**	
	No.	**%**	**No.**	**%**
Less than 10000	53	19.1	10	24.4
10000 – 15000	194	70.0	27	65.8
15000 – 20000	30	10.9	4	9.8
Total	277	100	41	100
Average expenditure on clothing (in Rs.)	10,589		10,946	

Table 5.10

Distribution based on expenditure on education

Expenditure on education (Rs.)	**Category**			
	A		**B**	
	No.	**%**	**No.**	**%**
Less than 10000	66	23.8	5	12.2
10000 – 15000	122	44.0	8	19.5
15000 – 20000	50	18.0	20	48.8
20000 – 25000	39	14.2	8	19.5
Total	277	100.0	41	100.0
Average expenditure on education (in Rs.)	11,160		15,676	

Table 5.11

Distribution based on medical expenditure

Medical expenditure (Rs.)	**Category**			
	A		**B**	
	No.	**%**	**No.**	**%**
2000 – 4000	75	27.0	11	26.8
4000 – 6000	122	44.0	20	48.8
6000 – 8000	41	14.8	7	17.0
8000 – 10000	25	9.0	2	4.8
10000 and above	14	5.2	1	2.6
Total	277	100.0	41	100.0
Average expenditure (inRs.)	5,205		5,000	

Table 5.12

Distribution based on expenditure on conveyance

Expenditure on conveyance (Rs.)	Category			
	A		B	
	No.	%	No.	%
Less than 5000	36	13.0	0	0.0
5000 – 10000	83	30.0	4	9.8
10000 –15000	55	19.8	5	12.2
15000 – 20000	42	15.2	7	17.0
20000 – 25000	39	14.0	16	39.0
25000 and above	22	8.0	9	22.0
Total	277	100.0	41	100.0
Average expenditure on conveyance (Rs.)	14,582		20,676	

Table 5.13

Components of conveyance expenditure

Components	Category			
	A		B	
	Average expenditure per family (in Rs.)	% to total expenditure on conveyance	Average expenditure per family (in Rs.)	% to total expenditure on conveyance
Train and bus fare	6270	43.0	8378	40.5
Taxi fare	2042	14.0	2460	11.9
Maintenance, tax and fuel of vehicles	5833	40.0	8919	43.1
Drivers' salary	437	3.0	919	4.5
Total	14,582	100.0	20,676	100.0

Table 5.14

Distribution based on expenditure on social obligations

Expenditure on social obligations (Rs.)	**Category**			
	A		**B**	
	No.	**%**	**No.**	**%**
Less than 5000	53	19.1	2	4.9
5000 – 10000	89	32.1	9	21.9
10000 –15000	91	32.8	23	56.0
15000 – 20000	30	10.8	6	14.7
20000 and above	14	5.2	1	2.5
Total	277	100.0	41	100.0
Average expenditure on social obligations	9,315		13,243	

Table 5.15

Distribution based on expenditure on entertainment

Expenditure on entertainment (Rs.)	**Category**			
	A		**B**	
	No.	**%**	**No.**	**%**
Less than 5000	75	27.0	8	19.5
5000 – 10000	144	51.9	22	53.6
10000 and above	58	21.1	11	26.9
Total	277	100.0	41	100.0
Average expenditure on entertainment (Rs)	8,650		8,784	

Table 5.16

Components of Entertainment expenditure

Components	Category			
	A		B	
	Average expenditure per family (in Rs.)	% to total expenditure on entertainment	Average expenditure per family (in Rs.)	% to total expenditure on entertainment
Movie, cassette, CD, cable TV, etc.	5323	61.5	5270	60.0
Picnic, parties, food from outside, etc.	3327	38.5	3514	40.0
Total	8,650	100.0	8,784	100.0

Table 5.17

Distribution based on expenditure on personal habits

Expenditure on personal habits (Rs.)	Category			
	A		B	
	No.	%	No.	%
Nil	58	20.9	8	19.5
Less than 2000	144	51.9	23	56.0
2000 – 4000	56	20.2	6	14.7
4000 – 6000	8	2.9	3	7.3
6000 – 8000	8	2.9	1	2.5
8000 – 10000	3	1.2	0	0.0
Total	277	100.0	41	100.0
Average expenditure on personal habits	1,426		1,351	

Table 5.18

Distribution based on other expenses

Other expenses (Rs.)	Category			
	A		B	
	No.	%	No.	%
Less than 5000	28	10.1	28	68.3
5000 – 10000	208	75.0	10	24.3
10000 and above	41	14.9	3	7.4
Total	277	100.0	41	100.0
Average expenditure (in Rs.)	6,335		3,405	

Table 5.19

Components of other expenses

Components	Category			
	A		B	
	Average expenditure per family (in Rs.)	% to total other expenses	Average expenditure per family (in Rs.)	% to total other expenses
Servants' salary	4069	64.2	2297	67.5
Taxes, postage sundry expenses stationary, etc.	2266	35.8	1108	32.5
Total	6335	100.0	3405	100.0

Table 5.20(a)

Personal finance score and Expenditure I

Personal Finance Score	Expenditure I during Gulf-period (Rs. in lakhs)						Total
	Less than .6	.6 - .8	.8 – 1.0	1.0 – 1.2	1.2 – 1.4	1.4 and above	
Less tan 35	19 9.3%	45 22.0%	54 26.3%	51 24.9%	30 14.6%	6 2.9%	205 100.0%
35 - 45	11 15.3%	19 26.4%	21 29.2%	10 13.9%	9 12.5%	2 2.8%	72 100.0%
45 - 55	0 0.0%	6 22.2%	7 25.9%	11 40.7%	2 7.4%	1 3.7%	27 100.0%
55 and above	2 14.3%	3 21.4%	3 21.4%	5 35.7%	1 7.1%	0 0.0%	14 100.0%
Total	32 10.1%	73 23.0%	85 26.7%	77 24.2%	42 13.2%	9 2.8%	318 100.0%

Table 5.20(b)

Chi-Square test of table 5.20(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.760	15	.469
Likelihood Ratio	17.722	15	.278
Linear-by-Linear Association	.278	1	.598
N of Valid Cases	318		

Table 5.21(a)

Personal finance score and expenditure II

Personal Finance Score	**Expenditure II during Gulf-period (in Rs.)**				**Total**
	Less than 20000	20000 – 40000	40000 – 60000	60000 and above	
Less tan 35	40 19.5%	149 72.7%	12 5.9%	4 2.0%	205 100.0%
35 - 45	15 20.8%	50 69.4%	5 6.9%	2 2.8%	72 100.0%
45 - 55	2 7.4%	18 66.7%	7 25.9%	0 0.0%	27 100.0%
55 and above	1 7.1%	11 78.6%	2 14.3%	0 0.0%	14 100.0%
Total	58 18.2%	228 71.7%	26 8.2%	6 1.9%	318 100.0%

Table 5.21(b)

Chi-Square test of table 5.21(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.006	9	.079
Likelihood Ratio	14.727	9	.099
Linear-by-Linear Association	4.218	1	.040
N of Valid Cases	318		

Table 5.22

Expenditure I and II during Gulf-period

Category of expenditure	Category	
	A	B
Expenditure I (% to total)	77.8%	80.2%
Expenditure II (% to total)	22.2%	19.8%
Total	100.0%	100.0%
Average amount of Expenditure I (Rs.)	89,939	1,07,946
Average amount of Expenditure II (Rs.)	25,726	26,784
Total (Rs.)	1,15,665	1,34,730

Table 5.23

Income and expenditure during the Gulf-period

Particulars	Category	
	A	B
Average income (in Rs.)	3,98,195	4,024,39
Average family expenditure (in Rs.)	1,15,665	1,34,730
Percentage of expenditure on income	29.0%	33.5%

Table 5.24

Income, Expenditure and Savings in 2001

Particulars	Category	
	A	B
Average income (in Rs.)	3,98,195	4,024,39
Average family expenditure (in Rs.)	1,15,665	1,34,730
Average savings (in Rs.)	2,82,530	2,67,709
Percentage of savings on income	71.0%	66.5%

Table 5.25(a)

Personal finance score and total income from Gulf

Personal Finance Score	**Total Income from Gulf (Rs. in lakhs)**					**Total**
	20 - 40	40 - 60	60 - 80	80 -100	100 and above	
Less than 35	87 42.4%	84 41.0%	26 12.7%	4 2.0%	4 2.0%	205 100.0%
35 - 45	24 33.3%	30 41.7%	13 18.1%	4 5.6%	1 1.4%	72 100.0%
45 - 55	4 14.8%	18 66.7%	4 14.8%	1 3.7%	0 0.0%	27 100.0%
55 and above	5 35.7%	6 42.9%	3 21.4%	0 0.0%	0 0.0%	14 100.0%
Total	120 37.7%	138 43.4%	46 14.5%	9 2.8%	5 1.6%	318 100.0%

Table 5.25(b)

Chi-Square test of table 5.25(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.371	12	.278
Likelihood Ratio	15.588	12	.211
Linear-by-Linear Association	2.333	1	.127
N of Valid Cases	318		

Table 5.26
Distribution of respondents according to total income from the Gulf (District wise)

Total income (Rs. in lakhs)	District									
	TVM		PTA		TCR		MAL		KKD	
	No.	%	No.	%	No.	%	No.	%	No.	%
20 – 40	28	36.4	17	32.1	25	34.7	21	35.0	29	51.8
40 – 60	28	36.4	20	37.7	34	47.2	33	55.0	23	41.0
60 – 80	20	26.0	8	15.1	12	16.7	4	6.8	2	3.6
80 – 100	1	1.2	5	9.4	1	1.4	1	1.6	1	1.8
100 and above	0	0.0	3	5.7	0	0	1	1.6	1	1.8
Total	77	100	53	100	72	100	60	100	56	100
Average (Rs.)	45,32,467		48,37,735		42,66,667		42,61,667		38,35,714	

Table 5.27
Total income from Gulf and remittance to India

1 Category	2 Total income from Gulf (Rs. in lakhs)	3 Total remittance to India (Rs. in lakhs)	4 % of 3 to 2
A	12075	10022	83.0
B	1756	1493	85.0
Total	13831	11515	83.2

Table 5.28
Remittance in cash, gold and consumer durables

Mode of remittance	Category			
	A		B	
	Amount(Rs. in lakhs)	% to total remittance	Amount(Rs. in lakhs)	% to total remittance
Cash	9220.00	92.0	1388.50	93.0
Gold	500.50	5.0	60.00	4.0
Consumer durables	301.50	3.0	44.50	3.0
Total	10022.00	100.0	1493	100.0

Table 5.30(a)

Personal finance score and total income from all sources during the Gulf-period

Personal Finance Score	Total Income from all sources during the Gulf-period (Rs. in lakhs)					Total
	20 - 40	40 - 60	60 - 80	80 - 100	100 and above	
Less than 35	74 36.1%	91 44.4%	30 14.6%	5 2.4%	5 2.4%	205 100.0%
35 - 45	32 44.4%	22 30.6%	13 18.1%	5 6.9%	0 0.0%	72 100.0%
45 - 55	5 18.5%	17 63.0%	5 18.5%	0 0.0%	0 0.0%	27 100.0%
55 and above	3 21.4%	5 35.7%	5 35.7%	1 7.1%	0 0.0%	14 100.0%
Total	114 35.8%	135 42.5%	53 16.7%	11 3.5%	5 1.6%	318 100.0%

Table 5.30(b)

Chi-Square test of table 5.30(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.048	12	.056
Likelihood Ratio	22.679	12	.057
Linear-by-Linear Association	1.411	1	.235
N of Valid Cases	318		

Table 5.31(a)
Source wise break up of total income (from all sources during the Gulf-period)

Category	Item	Mean	Std. deviation	Percentage mean
A	Remittance from Gulf	36.18	17.21	87.8%
	Income from business	0.83	1.06	2.0%
	Agricultural income	1.66	1.00	4.0%
	Income from Investment	1.66	1.45	4.1%
	Income of spouse	0.84	1.84	2.1%
	Total	41.18	17.20	100.0%
B	Remittance from Gulf	36.41	14.62	83.6%
	Income from business	1.79	0.71	4.1%
	Agricultural income	1.32	1.32	3.0%
	Income from Investment	2.65	1.23	6.1%
	Income of spouse	1.39	2.10	3.2%
	Total	43.58	13.92	100.0%

Table 5.31(b)
ANOVA table on total income from Gulf

	F	Sig.
Remittance from Gulf * Category	.003	.958
Income from business * Category	25.130	.000
Agricultural income * Category	4.056	.055
Income from Investment * Category	11.309	.001
Income of spouse * Category	2.278	132
Total income * Category	.725	.395

Table 5.32(a)

Level of education and total income during Gulf-period

Level of Education	Total Income during Gulf-period (Rs. in lakhs)					Total
	20 – 40	40 – 60	60 – 80	80 – 100	Above100	
School	22 38.6%	27 47.4%	7 12.3%	1 1.8%	0 0.0%	57 100.0%
SSLC	13 37.1%	15 42.9%	6 17 1%	1 2.9%	0 0.0%	35 100.0%
PDC	24 37.5%	30 46.9%	10 15.6%	0 0.0%	0 0.0%	64 100.0%
Degree	24 40.0%	24 40.0%	10 16.7%	1 1.7%	1 1.7%	60 100.0%
Diploma	11 28.9%	17 44.7%	8 21.1%	2 5.3%	0 0.0%	38 100.0%
PG	15 39.5%	16 42.1%	5 13.2%	1 2.6%	1 2.6%	38 100.0%
Others	5 19.2%	6 23.1%	7 26.9%	5 19.2%	3 11.5%	26 100.0%
Total	114 35.8%	135 42.5%	53 16.7%	11 3.5%	5 1.6%	318 100.0%

Table 5.32(b)

Chi-Square test of table 5.32(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	51.403	24	.001
Likelihood Ratio	38.093	24	.034
Linear-by-Linear Association	13.329	1	.000
N of Valid Cases	318		

Table 5.33(a)

Length of service and total income during Gulf-period

Length of Service (in years)	**Total Income during Gulf-period (Rs. in lakhs)**					**Total**
	20 – 40	40 – 60	60 – 80	80 – 100	Above100	
10 – 15	88 47.8%	74 40.2%	19 10.3%	2 1.1%	1 .5%	184 100.0%
15 – 20	16 20.0%	35 43.8%	22 27.5%	5 6.3%	2 2.5%	80 100.0%
20 – 25	10 18.5%	26 48.1%	12 22.2%	4 7.4%	2 3.7%	54 100.0%
Total	114 35.8%	135 42.5%	53 16.7%	11 3.5%	5 1.6%	318 100.0%

Table 5.33(b)

Chi-Square test of table 5.33(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	39.690	8	.000
Likelihood Ratio	40.775	8	.000
Linear-by-Linear Association	31.369	1	.000
N of Valid Cases	318		

Table 5.34(a)

Country of migration and total income during Gulf-period

Country of Migration	Total Income during Gulf-period (Rs. in lakhs)					Total
	20 – 40	40 – 60	60 – 80	80 – 100	Above100	
UAE	30 34.9%	38 44.2%	16 18.6%	2 2.3%	0 0.0%	86 100.0%
Saudi Arabia	53 41.1%	56 43.4%	19 14.7%	0 0.0%	1 .8%	129 100.0%
Kuwait	11 28.9%	15 39.5%	6 15.8%	4 10.5%	2 5.3%	38 100.0%
Qatar	4 28.6%	6 42.9%	1 7 1%	2 14.3%	1 7.1%	14 100.0%
Bahrain	10 34.5%	12 41.4%	5 17.2%	2 6.9%	0 0.0%	29 100.0%
Oman	6 27.3%	8 36.4%	6 27.3%	1 4.5%	1 4.5%	22 100.0%
Total	114 35.8%	135 42.5%	53 16.7%	11 3.5%	5 1.6%	318 100.0%

Table 5.34(b)

Chi-Square test of table 5.34(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	31.010	20	.055
Likelihood Ratio	30.206	20	.067
Linear-by-Linear Association	5.393	1	.020
N of Valid Cases	318		

Table 5.35(a)

Personal finance score and income after return from Gulf

Personal Finance Score	Income in 2004 (after return from Gulf) (Rs. in lakhs)						Total
	0 – 1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 6	
Less than 35	139 67.8%	40 19.5%	14 6.8%	6 2.9%	5 2.4%	1 0.5%	205 100.0%
35 - 45	42 58.3%	7 9.7%	7 9.7%	8 11.1%	6 8.3%	2 2.8%	72 100.0%
45 - 55	5 18.5%	6 22.2%	13 48.1%	3 11.1%	0 0.0%	0 0.0%	27 100.0%
55 and above	0 0.0%	0 0.0%	5 35.7%	7 50.0%	1 7 1%	1 7 1%	14 100.0%
Total	186 58.5%	53 16.7%	39 12.3%	24 7.5%	12 3.8%	4 1.3%	318 100.0%

Table 5.35(b)

Chi-Square test of table 5.35(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	118.214	15	.000
Likelihood Ratio	99.251	15	.000
Linear-by-Linear Association	57.631	1	.000
N of Valid Cases	318		

Table 5.36
Return from investments in 2005

Source of Return	**Category**	
	A	**B**
	Amount (Rs. in lakhs)	**Amount (Rs. in lakhs)**
Business	73.00	53.00
Investments	174.50	20.00
Agriculture	54.50	18.00
Total	302.00	91.00
Average (in Rs.)	1,09,025	2,21,950

Table 5.37(a)

Source wise break up of income in 2005 (after return from Gulf)

Category	**Item**	**Mean**	**Std. deviation**	**Percentage mean**
A	Employment	0.14	1.43	10.4%
	Business	0.26	1.84	19.5%
	Investment	0.63	1.93	46.6%
	Agriculture	0.20	0.88	14.6%
	Spouse	0.12	1.48	8.9%
	Total	1.35	1.55	100.0%
B	Employment	0.06	1.74	2.6%
	Business	1.29	1.23	54.0%
	Investment	0.49	1.76	20.4%
	Agriculture	0.44	1.04	18.4%
	Spouse	0.11	0.99	4.6%
	Total	2.39	1.94	100.0%

Table 5.37(b)

ANOVA table on income after return from Gulf

	F	Sig.
Employment * Category	4.337	.046
Business * Category	9.761	.002
Investment * Category	3.381	.057
Agriculture * Category	4.119	.047
Spouse * Category	1.237	.241
Total income * Category	11.321	.000

Table 5.38

Investment in business (2005)

Particulars	**Category**	
	A	**B**
No. of respondents Percentage	73 (26.3%)	24 (58.5%)
Amount of investment (Rs. in lakhs)	540.10	230.50

Table 5.39(a)
Present status and present income (in 2005)

Present Status	Present income (in 2005) (Rs. in lakhs)						Total
	0 – 1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 6	
Employed	16 53.3%	5 16.7%	4 13.3%	2 6.7%	2 6.7%	1 3.3%	30 100.0%
Unemployed	113 59.2%	32 16.8%	23 12.0%	15 7.9%	6 3.1%	2 1.0%	191 100.0%
Doing Business	57 58.8%	16 16.5%	12 12.4%	7 7.2%	4 4.1%	1 1.0%	97 100.0%
Total	186 58.5%	53 16.7%	39 12.3%	24 7.5%	12 3.8%	4 1.3%	318 100.0%

Table 5.39(b)
Chi-square test of table 5.39(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.294	10	.994
Likelihood Ratio	1.868	10	.997
Linear-by-Linear Association	.291	1	.590
N of Valid Cases	318		

Table 5.40
Annual income during Gulf-period (2001) and after return (2005)

No.	Particulars	Category	
		A	B
1	Average annual income during Gulf-period (in Rs.)	3,98,195	4,02,439
2	Average annual income after return (in Rs.)	1,35,200	2,39,025
3	Percentage of 2 to 1	33.9%	59.4%

5.41(a)

Personal finance score and expenditure after return from Gulf (2005)

Personal Finance Score	Expenditure after return from Gulf (Rs. in lakhs)						Total
	Less than 1.00	1.00 – 1.25	1.25 – 1.50	1.50 – 1.75	1.75 – 2.00	2.00 and above	
Less than 35	50	99	28	16	8	4	205
	24.4%	48.3%	13.7%	7.8%	3.9%	2.0%	100.0%
35 - 45	16	34	11	6	3	2	72
	22.2%	47.2%	15.3%	8.3%	4.2%	2.8%	100.0%
45 - 55	0	2	15	7	1	2	27
	0.0%	7.4%	55.6%	25.9%	3.7%	7.4%	100.0%
55 and above	1	1	6	3	2	1	14
	7 1%	7 1%	42.9%	21.4%	14.3%	7 1%	100.0%
Total	67	136	60	32	14	9	318
	21.1%	42.8%	18.9%	10.1%	4.4%	2.8%	100.0%

Table 5.41(b)

Chi-Square test of table 5.41(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	65.455	15	.000
Likelihood Ratio	66.032	15	.000
Linear-by-Linear Association	28.562	1	.000
N of Valid Cases	318		

Table 5.42(a)

Component wise break up of annual expenditure in 2005

Category	Item	N	Mean	Std. deviation	Percentage mean
A	Food	277	36.59	10.87	32.2%
	Housing	277	11.92	5.40	10.5%
	Clothing	277	8.23	5.17	7.2%
	Education	277	17.50	5.84	15.4%
	Medical expenses	277	5.02	2.73	4.4%
	Conveyance	277	16.12	5.41	14.2%
	Social obligations	277	2.87	2.14	2.5%
	Entertainment	277	5.18	2.61	4.6%
	Personal habits	277	4.88	2.11	4.3%
	Other expenses	277	5.19	2.41	4.7%
	Total	277	113.50	38.42	100.0%
B	Food	41	45.68	11.32	32.6%
	Housing	41	14.51	5.82	10.3%
	Clothing	41	11.51	5.91	8.2%
	Education	41	23.19	6.21	16.6%
	Medical expenses	41	5.11	2.71	3.6%
	Conveyance	41	16.87	4.82	12.0%
	Social obligations	41	6.46	3.18	4.6%
	Entertainment	41	8.57	3.02	6.1%
	Personal habits	41	4.54	2.73	3.2%
	Other expenses	41	3.83	2.46	2.8%
	Total	41	140.27	40.86	100.0%

Table 5.42(b)
ANOVA table on expenditure in 2005

	F	Sig.
Food * Category	10.043	.000
Housing * Category	1.846	193
Clothing * Category	1.653	.201
Education * Category	8.442	.007
Medical expenses * Category	1.212	.274
Conveyance * Category	.834	.421
Social obligations * Category	5.426	.031
Entertainment * Category	2.842	.127
Personal habits * Category	.421	.531
Other expenses * Category	1.018	.289
Total * Category	7.916	..009

Table 5.43
Distribution based on expenditure on food

Expenditure on food (Rs.)	**Category**			
	A		**B**	
	No.	**%**	**No.**	**%**
20000 – 30000	44	15.9	3	7.3
30000 – 40000	119	43.0	9	22.0
40000 – 50000	83	30.0	16	39.0
50000 – 60000	25	9.0	9	22.0
60000 and above	6	2.1	4	9.7
Total	277	100.0	41	100.0

Table 5.44
Components of food expenditure

Components	Category			
	A		B	
	Average expenditure per family (in Rs.)	**% to total food expenditure**	**Average expenditure per family (in Rs.)**	**% to total food expenditure**
Provision, Vegetables Gas and Fuel	18,734	51.2	21,513	47.1
Fish, Meat and Egg	14,350	39.2	18,973	41.5
Bakery, Fruits, etc.	3,505	9.6	5,189	10.4
Total	36,589	100.0	45,675	100.0

Table 5.45
Distribution based on expenditure on housing

Expenditure on housing (Rs.)	Category			
	A		B	
	No.	**%**	**No.**	**%**
Less than 10000	94	33.9	12	29.2
10000 – 15000	94	33.9	12	29.2
15000 – 20000	64	23.1	9	21.9
20000 – 25000	25	9.1	8	19.7
Total	277	100	41	100
Average expenditure on housing (in Rs.)	11,916		14,513	

Table 5.46

Components of expenditure on housing

Components	Category			
	A		B	
	Average expenditure per family (in Rs.)	% to total expenditure on housing	Average expenditure per family (in Rs.)	% to total expenditure on housing
Rent, electricity, water, repairs, etc.	6,445	54.1	7,108	48.9
Telephone	5,471	45.9	7,405	51.1
Total	11,916	100.0	14,513	100.0

Table 5.47

Distribution based on expenditure on clothing

Expenditure on clothing (Rs.)	Category			
	A		B	
	No.	%	No.	%
Less than 5000	47	17.0	2	4.9
5000 – 10000	138	49.8	5	12.2
10000 – 15000	78	28.1	29	70.7
15000 – 20000	14	5.1	5	12.2
Total	277	100.0	41	100.0
Average expenditure on clothing (in Rs.)	8,228		11,513	

Table 5.48
Distribution based on expenditure on education

Expenditure on education (Rs.)	Category			
	A		B	
	No.	%	No.	%
Less than 10000	64	23.1	0	0.0
10000 – 15000	86	31.0	6	14.6
15000 – 20000	58	21.0	7	17.0
20000 – 25000	39	14.1	19	46.3
25000 and above	30	10.8	9	22.1
Total	277	100.0	41	100.0
Average expenditure on education (in Rs.)	17,502		23,189	

Table 5.49
Distribution based on medical expenditure

Medical Expenditure (Rs.)	Category			
	A		B	
	No.	%	No.	%
2000 – 4000	67	24.2	10	24.4
4000 – 6000	127	45.8	22	53.6
6000 – 8000	36	13.0	7	17.0
8000 – 10000	36	13.0	1	2.5
10000 and above	11	4.0	1	2.5
Total	177	100.0	41	100.0
Average expenditure (in Rs.)	5,017		5,108	

Table 5.50
Distribution based on expenditure on conveyance

Expenditure on conveyance (Rs.)	Category			
	A		B	
	No.	%	No.	%
Less than 5000	11	4.0	0	0.0
5000 – 10000	47	17.0	3	7.4
10000 –15000	61	22.0	7	17.0
15000 – 20000	58	20.9	7	17.0
20000 – 25000	56	20.2	12	29.3
25000 and above	44	15.9	12	29.3
Total	277	100.0	41	100.0
Average expenditure on conveyance (Rs.)	16,118		16,865	

Table 5.51
Components of conveyance expenditure

Components	Category			
	A		B	
	Average expenditure per family (in Rs.)	% to total expenditure on conveyance	Average expenditure per family (in Rs.)	% to total expenditure on conveyance
Train and bus fare	10,137	62.9	8,244	48.9
Taxi fare	186	1.1	378	2.2
Maintenance, tax and fuel of vehicles	5,795	36.0	8,081	47.9
Drivers' salary	0	0.0	162	1.0
Total	16,118	100.0	16,865	100.0

Table 5.52

Distribution based on expenditure on social obligations

Expenditure on social obligations (Rs.)	**Category**			
	A		**B**	
	No.	**%**	**No.**	**%**
Nil	19	6.9	0	0.0
Less than 2000	89	32.1	4	9.7
2000 – 4000	94	34.0	5	12.1
4000 – 6000	47	17.0	14	34.1
6000 – 8000	14	5.0	15	36.5
8000 – 10000	11	3.9	2	4.8
10000 and above	3	1.1	1	2.8
Total	277	100.0	41	100.0
Average expenditure on social obligations	2,871		6,459	

Table 5.53

Distribution based on expenditure on entertainment

Expenditure on entertainment (Rs.)	**Category**			
	A		**B**	
	No.	**%**	**No.**	**%**
Less than 5000	155	56.0	8	19.5
5000 – 10000	108	38.9	24	58.5
10000 and above	14	5.1	9	22.0
Total	277	100.0	41	100.0
Average expenditure on entertainment (Rs)	5,175		8,567	

Table 5.54
Components of entertainment expenditure

Components	Category			
	A		B	
	Average expenditure per family (in Rs.)	% to total expenditure on entertainment	Average expenditure per family (in Rs.)	% to total expenditure on entertainment
Movie, cassette, CD, cable TV, etc.	3,186	61.6	5,054	59.0
Picnic, parties, food from outside, etc.	1,989	38.4	3,513	41.0
Total	5,175	100.0	8,567	100.0

Table 5.55
Distribution based on expenditure on personal habits

Expenditure on personal habits (Rs.)	Category			
	A		B	
	No.	%	No.	%
Nil	33	12.0	3	7.3
Less than 2000	36	13.0	3	7.3
2000 – 4000	53	19.1	6	14.7
4000 – 6000	89	32.1	16	39.0
6000 – 8000	41	14.8	7	17.0
8000 – 10000	17	6.1	5	12.1
10000 and above	8	2.9	1	2.6
Total	277	100.0	41	100.0
Average expenditure on personal habits	4,886		4,543	

Table 5.56

Distribution based on other expenses

Other Expenses (Rs.)	Category			
	A		B	
	No.	%	No.	%
Less than 5000	152	54.8	26	63.4
5000 – 10000	111	40.0	12	29.2
10000 and above	14	5.2	3	7.4
Total	277	100.0	41	100.0
Average expenditure (in Rs.)	5,198		3,838	

Table 5.57

Components of other expenses

Components	Category			
	A		B	
	Average expenditure per family (in Rs.)	% to total other expenses	Average expenditure per family (in Rs.)	% to total other expenses
Servants' salary	3118	60.0	2568	66.9
Taxes, postage sundry expenses stationary, etc.	2080	40.0	1270	33.1
Total	5,198	100.0	3,838	100.0

Table 5.58(a)
Group statistics (t test for number of members in the family in 2001)

	Category	N	Mean	Std. Deviation	Std. Error Mean
Number of members in the family in 2001	A	277	5.01	1.74	.10
	B	41	7.78	1.75	.27

Table 5.58(b)
Independent samples test (Number of members in the family in 2001)

		Levene's test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2 tailed)	Mean Difference	Std. Error Difference	95% confidence Interval of the Difference	
									Lower	Upper
Number of members in the family in 2001	Equal variance assumed	.058	.809	.817	316	.414	.24	.29	-.33	.81
	Equal variance not assumed			.811	52.271	.421	.24	.29	-.35	.83

Table 5.59(a)
Group statistics (t test for number of members in the family in 2005)

	Category	N	Mean	Std. Deviation	Std. Error Mean
Number of members in the family in 2005	A	277	5.94	1.77	.11
	B	41	5.83	1.83	.29

Table 5.59(b)
Independent samples test (Number of members in the family in 2005)

		Levene's test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2 tailed)	Mean Difference	Std. Error Difference	95% confidence Interval of the Difference	
									Lower	Upper
Number of members in the family in 2005	Equal variance assumed	103	.748	.379	316	.705	11	.30	-.47	.70
	Equal variance not assumed			.371	51.777	.712	.11	.30	-.50	.72

Table 5.60(a)

Personal finance score and expenditure I after return

Personal Finance Score	Expenditure I after return (Rs. in lahhs)						Total
	Less than 0.6	0.6 - 0.8	0.8 – 1.0	1.0 – 1.2	1.2 – 1.4	1.4 and above	
Less than 35	25 12.2%	28 13.7%	75 36.6%	38 18.5%	29 14.1%	10 4.9%	205 100.0%
35 - 45	8 11.1%	11 15.3%	25 34.7%	12 16.7%	9 12.5%	7 9.7%	72 100.0%
45 - 55	0 0.0%	2 7.4%	4 14.8%	13 48.1%	5 18.5%	3 11.1%	27 100.0%
55 and above	0 0.0%	1 7.1%	3 21.4%	6 42.9%	3 21.4%	1 7.1%	14 100.0%
Total	33 10.4%	42 13.2%	107 33.6%	69 21.7%	46 14.5%	21 6.6%	318 100.0%

Table 5.60(b)

Chi-square test of table 5.60(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	27.488	15	.025
Likelihood Ratio	29.694	15	.013
Linear-by-Linear Association	10.653	1	.001
N of Valid Cases	318		

Table 5.61(a)

Personal finance score and expenditure II after return

Personal Finance Score	**Expenditure II after return (Rs. in lahhs)**						**Total**
	Less than 0.1	0.1 – 0.2	0.2 – 0.3	0.3 – 0.4	0.4 – 0.5	0.5 and above	
Less than 35	25 12.2%	135 65.9%	32 15.6%	8 3.9%	3 1.5%	2 1.0%	205 100.0%
35 - 45	8 11.1%	48 66.7%	10 13.9%	3 4.2%	2 2.8%	1 1.4%	72 100.0%
45 - 55	2 7.4%	6 22.2%	15 55.6%	3 11.1%	1 3.7%	0 0.0%	27 100.0%
55 and above	0 0.0%	3 21.4%	8 57 1%	1 7.1%	1 7.1%	1 7 1%	14 100.0%
Total	35 11.0%	192 60.4%	65 20.4%	15 4.7%	7 2.2%	4 1.3%	318 100.0%

Table 5.61(b)

Chi-square test of table 5.61(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	52.636	15	.000
Likelihood Ratio	46.627	15	.000
Linear-by-Linear Association	21.618	1	.000
N of Valid Cases	318		

Table 5.62
Expenditure I and II after return from the Gulf

Category of expenditure	Category	
	A	B
Expenditure I (% to total)	84.0%	83.3%
Expenditure II (% to total)	16.0%	16.7%
Total	100.0	100.0
Average amount of Expenditure I (Rs.)	95,370	1,16,863
Average amount of Expenditure II (Rs.)	18,130	23,407
Total (Rs.)	1,13,500	1,40,270

Table 5.63
Expenditure during Gulf-period and after return

No.	Particulars	Category	
		A	B
1	Average annual expenditure during Gulf-period (in Rs.)	1,15,665	1,34,730
2	Average annual expenditure after return from Gulf (in Rs.)	1,13,500	1,40,270
3	% of 2 to 1	98%	104%

Table 5.64
Income and expenditure after return from the Gulf (2005)

Particulars	Category	
	A	B
Average income (in Rs.)	1,35,200	2,39,025
Average family expenditure (in Rs.)	1,13,500	1,40,270
Percentage of expenditure on income	84%	59%

Table 5.65
Income, expenditure and savings of respondents in 2005 (After return from Gulf)

Particulars	Category	
	A	B
Total income (Rs. in lakhs)	374.50	98.00
Total expenditure (Rs. in lakhs)	314.39	57.51
Total savings (Rs. in lakhs)	60.11	40.49
% of savings to total income	16.1%	41.3%
Average savings (Rs.)	21,700	98,756

Table 5.66
Personal financial planning and current income

Particulars	Category			
	A		B	
	No.	%	No.	%
Sufficient current income to meet family consumption expenditure	69	24.9	30	73.1
Insufficient current income to meet family consumption expenditure	208	75.1	11	26.9
Total	277	100.0	41	100.0

Table 5.67
Deficiency in current income

Deficiency (in Rs.)	Category			
	A		B	
	No.	%	No.	%
Less than 50000	168	80.8	11	100.0
50000 to 100000	40	19.2	0	0.0
Total	208	100	11	100.0
Average Deficiency (Rs.)	24,904		12,726	

Table 5.68
Table showing how the deficiency is met

How deficiency is met	Category			
	A		B	
	No.	%	No.	%
Drawing from bank	148	71.1	8	72.7
Borrowing	19	9.1	1	9.1
Selling assets and properties	41	19.8	2	18.2
Total	208	100.0	11	100.0

Table 5.69(a)
Group statistics (t test for income in 2001)

	Category	N	Mean	Std. Deviation	Std. Error Mean
Income in 2001 (During Gulf-period)	A	277	3.9819	1.7579	.1056
	B	41	4.0244	1.7817	.2783

Table 5.69(b)
Independent samples test (Income in 2001)

		Levene's test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2 tailed)	Mean Difference	Std. Error Difference	95% confidence Interval of the Difference	
									Lower	Upper
Income in 2001 (During Gulf-period)	Equal variance assumed	.015	.903	-.144	316	.886	-4.2441	.2947	-.6222	.5373
	Equal variance not assumed			143	52.201	.887	-4.2441	.2976	-.6396	.5547

Table 5.70(a)
Group statistics (t test for income in 2005)

	Category	N	Mean	Std. Deviation	Std. Error Mean
Income in 2005 (After coming back)	A	277	1.3520	1.1683	7.0201
	B	41	2.3902	1.5660	.2446

Table 5.70(b)
Independent samples test (Income in 2005)

		Levene's test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2 tailed)	Mean Difference	Std. Error Difference	95% confidence Interval of the Difference	
									Lower	Upper
Income in 2005 (After coming back)	Equal variance assumed	11.828	.001	-5.062	316	.000	-1.0383	.2051	-1.4418	-.6347
	Equal variance not assumed			-4.080	46.816	.000	-1.0383	.2544	-1.5502	-.5263

Table 5.71(a)
Group statistics (t test for total income from all sources during Gulf-period)

	Category	N	Mean	Std. Deviation	Std. Error Mean
Total income from all sources during Gulf-period	A	277	41.1877	17.2045	1.0337
	B	41	43.5854	13.9212	2.1741

Table 5.71(b)
Independent samples test (Total income from all sources)

		Levene's test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2 tailed)	Mean Difference	Std. Error Difference	95% confidence Interval of the Difference	
									Lower	Upper
Total income from all sources during Gulf-period	Equal variance assumed	5.522	.019	-.852	316	.395	-2.3976	2.8153	-7.9367	3.1414
	Equal variance not assumed			-.996	59.687	.323	-2.3976	2.4074	-7.2136	2.4183

Table 5.72(a)
Group statistics (t test for Expenditure in 2001)

	Category	N	Mean	Std. Deviation	Std. Error Mean
Expenditure in 2001	A	277	1.1566	.4094	5.4641
	B	41	1.3473	.4124	6.4412

Table 5.72(b)
Independent samples test (Expenditure in 2001)

		Levene's test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2 tailed)	Mean Difference	Std. Error Difference	95% confidence Interval of the Difference	
									Lower	Upper
Expenditure in 2001	Equal variance assumed	2.520	.113	-1.321	316	187	1907	.1443	-.4746	9.327
	Equal variance not assumed			-2.257	110.027	.026	-.1907	8.4462	-.3581	-2.332

Table 5.73(a)
Group statistics (t test for expenditure in 2005)

	Category	N	Mean	Std. Deviation	Std. Error Mean
Expenditure in 2005	A	277	1.1350	.5526	3.3202
	B	41	1.4027	.4633	7.2362

Table 5.73(b)
Independent samples test (Expenditure in 2005)

		Levene's test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2 tailed)	Mean Difference	Std. Error Difference	95% confidence Interval of the Difference	
									Lower	Upper
Expenditure in 2005	Equal variance assumed	3.548	.061	-2.951	316	.003	-.2677	9.071	-.4462	-8.922
	Equal variance not assumed			-3.363	58.243	.001	-.2677	7.961	-.4270	-.1084

Table 5.74(a)
Descriptive statistics (Correlation)

	Mean	Std. Deviation	N
Income	3.9819	1.1864	277
Expenditure	1.1566	0.8567	277

Table 5.74(b)
Correlations (Income and expenditure during Gulf-period – Category A)

		Income	Expenditure
Income	Pearson correlation	1.000	.847
	Sig. (2-tailed)		.013
	N	277	277
Expenditure	Pearson correlation	.847	1.000
	Sig. (2-tailed)	.013	
	N	277	277

Table 5.75(a)
Descriptive statistics (Correlation)

	Mean	Std. Deviation	N
Income	4.0243	1.7204	41
Expenditure	1.3473	0.9345	41

Table 5.75(b)
Correlations (Income and expenditure during Gulf-period – Category B)

		Income	Expenditure
Income	Pearson correlation	1.000	.844
	Sig. (2-tailed)		.003
	N	41	41
Expenditure	Pearson correlation	.844	1.000
	Sig. (2-tailed)	.003	
	N	41	41

Table 5.76(a)
Descriptive statistics (Correlation)

	Mean	Std. Deviation	N
Income	1.3520	0.6543	277
Expenditure	1.1350	0.6213	277

Table 5.76(b)
Correlations (Income and expenditure after return – Category A)

		Income	Expenditure
Income	Pearson correlation	1.000	.417
	Sig. (2-tailed)		.253
	N	277	277
Expenditure	Pearson correlation	.417	1.000
	Sig. (2-tailed)	.253	
	N	277	277

Table 5.77(a)
Descriptive statistics (Correlation)

	Mean	Std. Deviation	N
Income	2.3902	1.4532	41
Expenditure	1.4027	0.5534	41

Table 5.77(b)
Correlations (Income and expenditure after return – Category B)

		Income	Expenditure
Income	Pearson correlation	1.000	.917
	Sig. (2-tailed)		.004
	N	41	41
Expenditure	Pearson correlation	.917	1.000
	Sig. (2-tailed)	.004	
	N	41	41

CHAPTER - VI

ANALYSIS OF INVESTMENTS, LIABILITIES, ANCESTRAL PROPERTY AND CONSUMER DURABLES

Chapter - VI

ANALYSIS OF INVESTMENTS, LIABILITIES, ANCESTRAL PROPERTY AND CONSUMER DURABLES

In the previous chapter, the researcher has examined the income, expenditure and savings of the respondents with financial planning and without financial planning. In this chapter, it is proposed to examine the investments, liabilities, ancestral property and consumer durables of the respondents. A detailed analysis of the investment pattern of the respondents with financial planning (category B) and without financial planning (category A) is made.

Different statistical tools have been used for testing the hypotheses. 't' test has been applied for testing the significance of variation between samples. Correlation has been used to verify the significance in the relationship between income and investments. Chi-square has been used for ascertaining the association between variables. The significance of difference in mean values across categories has been tested by using ANOVA.

6.1 Investments

Postponement of consumption is called savings and these savings are invested in order to obtain a reward for such postponement. Investment is the employment of funds with the aim of achieving additional income or growth in value. It is the allocation of economic resources for production purposes, expected to permit increased levels of consumption at some future date. It represents a form of non-consumption, since the income that is channeled into this form cannot be used for consumption in the current period, but increases the consumption standard in future. Broadly speaking, an investment is a commitment of something of present value in the hope of receiving future benefits.

Investment is the allocation of monetary resources to assets that are expected to yield some gain or positive return over a given period of time. The assets range from safe investments to risky investments. Risk refers to the possibility of incurring a loss in a financial transaction. Risk is fundamental to the process of investment. Every investor should have an understanding of the various pitfalls of investments.

Although the terms savings and investments are considered synonymous by some people, they are not similar. They are like the two sides of a coin which are inseparable. There is a link between savings and investments. Without savings there can be no investments and vice versa. Savings may be thought of as money put aside for future use, while investments may be thought of as a way of getting a return on one's savings in the form of interest, dividend, rent, profit or other things.

When the issue of Gulf migrants is considered, it can be seen that they have saved a lot of money. But these hard earned savings hardly get converted into investments. A major portion is being used for extravaganza. The message is that one has to deliberately and purposefully go in for investment, as more savings do not automatically result in more investment.

Investments can be either in the form of physical assets or financial investments. Land, building, gold, etc. constitute physical assets. Financial investments include investments in shares, bonds, mutual funds, life insurance, bank deposits, etc. Physical assets and financial investments are jointly referred as investments. (Hereafter, the term investments is used to denote physical assets and financial assets).

6.2 Consumer Durables

An important conceptual issue that arises while estimating investments is the treatment of consumer durables, which are sometimes treated as capital expenditure and hence as investment and sometimes as consumption. Examples of consumer durables are automobiles, T.V, refrigerator, furniture, etc. Generally, consumer durables are not treated as investments as they do not earn any return in the form of interest, dividend, rent, profit or other things. (Consumer durables are dealt with separately at the end of this chapter).

6.3 Total Investments

The researcher has collected data regarding the investments (physical assets and financial assets) accumulated by the Gulf-returned Keralites over their entire period of stay in the Gulf. This includes only the value of investments acquired by the respondents during the Gulf-period. (The value of ancestral assets is shown separately). The data relates to the following items.

1. Land for house construction.
2. House.
3. Gold.
4. Agricultural land.
5. Investment in business.
6. Commercial vehicles.
7. Shares, Debentures and Mutual funds.
8. Life insurance.
9. Bank deposits.
10. Post office savings.
11. Annuities.
12. Retirement plans.
13. K V P, I V P, N S C, etc.
14. Chits and kuries.
15. Others.

6.4 Analysis of Data

Table 6.1(a) shows the classification of respondents based on personal finance score and total value of investments acquired during the Gulf-period. It can be seen that 13.5% of the respondents acquired investments for less than Rs. 10 lakhs, 28.0% acquired for Rs. 10 to 20 lakhs, 35.8% for Rs. 20 to 30 lakhs, 12.3% for Rs. 30 to 40 lakhs, 6.0% for Rs. 40 to 50 lakhs, 3.5% for Rs.50 to 60 lakhs and 0.9% of the respondents acquired investments for Rs. 60 lakhs and above, during the Gulf-period.

As indicated in the previous chapter, based on personal finance score, the respondents are grouped into 4 classes – those having a personal finance score less than 35, 35 to 45, 45 to 55 and a score of 55 and above. Out of 205 respondents whose personal finance score is less than 35, 29 (14.1%) acquired investments for less than Rs. 10 lakhs, 60 (29.3%) acquired investments for Rs. 10 to 20 lakhs, 80 (39.0%) acquired investments for Rs.20 to 30 lakhs, 20 (9.8%) acquired investments for Rs.30 to 40 lakhs, 9 (4.4%) acquired investments for Rs.40 to 50 lakhs, 6 (2.9%) acquired investments for Rs.50 to 60 lakhs and 1 (0.5%) acquired investments for Rs. 60 lakhs and above.

Out of the 72 respondents whose personal finance score is 35 to 45, 12 (6.7%) acquired investments for less than Rs. 10 lakhs, 23 (31.9%) acquired investments for Rs. 10 to 20 lakhs, 20 (27.8%) acquired investments for Rs. 20 to 30 lakhs, 2 (2.8%) acquired investments for Rs.30 to 40 lakhs, 8 (11.1%) acquired investments for Rs.40 to 50 lakhs, 5 (6.9%) acquired investments for Rs.50 to 60 lakhs and 2 (2.8%) acquired investments for Rs. 60 lakhs and above.

Out of the 27 respondents whose personal finance score is 45 to 55, 2 (7.4%) acquired investments for less than Rs. 10 lakhs, 6 (22.2%) acquired for Rs. 10 to 20 lakhs, 9 (33.3%) acquired for Rs. 20 to 30 lakhs, 9 (33.3%) acquired for Rs.30 to 40 lakhs and 1 (3.7%) acquired investments for Rs.40 to 50 lakhs.

Out of the 14 whose personal finance score is 55 and above 5 (35.7%) acquired investments for Rs. 20 to 30 lakhs, 8 (57 1%) acquired for Rs.30 to 40 lakhs and 1 (7.1%) acquired investments for Rs.40 to 50 lakhs, during the Gulf-period.

The association between personal finance score and total value of investments purchased during the Gulf-period is statistically tested by using chi-square (Table 6.1(b)). The significance of likelihood ratio is .000. Hence, it can be concluded that there is statistically significant association between personal finance score and total value of investments.

The average value of investments acquired by category A (Those who had no personal financial planning during the Gulf-period) is Rs.23,11,675 and Rs.30,11,756 in category B (Those who had personal financial planning during the Gulf-period). Thus, the total value of investments acquired by category B is much more (30%) than the value of investments acquired by category A. As indicated earlier, investment is the employment of funds with the aim of achieving additional income or growth in value. The high investments of category B (when compared to category A) can be attributed to their financial planning. This is in fact the basic reason for the better performance of category B with respect to income in 2005.

6.5 Total Income and Investments

An effort has also been made by the researcher to find out whether there is any association between total income and total value of investments purchased during Gulf-period. Table 6.2(a) reveals that out of 114 respondents who earned Rs. 20 to 40 lakhs during the Gulf-period, 35 (30.7%) invested less than Rs. 10 lakhs, 49 (43.0%) invested Rs. 10 to 20 lakhs, 24 (21.0%) invested Rs. 20 to 30 lakhs and 6 (5.3%) invested Rs. 30 to 40 lakhs.

Out of the 135 respondents who earned Rs. 40 to 60 lakhs during the Gulf-period, 4 (2.9%) invested less than Rs. 10 lakhs, 8 (5.9%) invested Rs. 10 to 20 lakhs, 86 (63.7%) invested Rs. 20 to 30 lakhs, 20 (14.8%) invested Rs. 30 to 40 lakhs, 10 (7.4%) invested Rs. 40 to 50 lakhs, 5 (3.7%) invested Rs. 50 to 60 lakhs and 2 (1.6%) invested Rs. 60 lakhs and above.

Out of the 53 respondents who earned Rs. 60 to 80 lakhs, 4 (7.5%) invested less than Rs. 10 lakhs, 23 (43.7%) invested Rs. 10 to 20 lakhs, 4

(7.5%) invested Rs. 20 to 30 lakhs, 13 (24.5%) invested Rs. 30 to 40 lakhs, 5 (9.4%) invested Rs. 40 to 50 lakhs, 3 (5.8%) invested Rs. 50 to 60 lakhs and 1 (1.9%) invested Rs. 60 lakhs and above.

The significance of association between total income and total value of investments purchased during Gulf-period is statistically tested by applying chi-square test (Table 6.2(b)). Since the significance level of likelihood ratio is .000, it can be concluded that there is statistically significant association between total income and total value of investments.

The researcher has also examined the proportion of investments to the total income during the Gulf-period. Table 6.3 reveals that the respondents in general has utilised 57.8% of their total income for purchasing investments. In the case of category A and category B, it is 56.2% and 69.1%, respectively.

Thus, it is very clear that category B invested a very high proportion of total income in investments, during the Gulf-period, which has resulted in better returns to them after returning from the Gulf.

6.6 Investment and Risk

The investment decisions are influenced by various motives. Some people invest in a business to acquire control and enjoy the prestige associated with it. Some people invest in expensive yachts and villas to display their wealth. Most investors, however, are largely guided by the pecuniary motive of earning a return on their investment.

For earning a return, investors have to almost invariably bear some risk. Risk and uncertainty are an integral part of an investment decision. Risk is the opposite of safety. If safety is the certainty with which the investment is expected to fulfill the investor's expectation, risk is merely the uncertainty surrounding the investment. The risk in an asset refers to the likelihood that some undesirable and unexpected result will take place. The purchase of an asset runs the risk that the actual return of the asset will be different from the expected return. In general, the term risk applies to the degree of confidence one has that the expected return will be close or equal to the actual return. Thus, risk is the deviation from the expected return. Return is the income, either capital or revenue or both, expected to earn from the investment. Higher risk indicates greater possibility of loss. Generally the investor expects a higher return in the case of investments with higher risk. So there exist a positive relationship between risk and return. Higher the risk, the higher will be the expected return. In general, risk and return go hand in hand. While investors like return, they abhor risk. Investment decisions, therefore, involve a trade off between risk and return.

6.7 Types of Investments

For the purpose of analysis, 15 items of investments are divided into two groups. The first group - Investments I - is non-income generating assets and includes land (for house construction), house (purchased or constructed) and gold. The second group, i.e., Investments II, (income generating) includes agricultural land, investment in business, commercial vehicles, shares, debentures and mutual funds, life insurance, bank deposits, post office savings, annuities, retirement plans, KVP, IVP, NSC etc, chits and kuries and other investments.

6.8 Investments I (Non-income generating)

Classification based on personal finance score and the amount invested in non-income generating assets is presented in table 6.4(a). It can be seen that 21.7% of the respondents invested less than Rs.5 lakhs, 46.9% invested Rs.5 to 10 lakhs, 14.2% invested Rs.10 to 15 lakhs, 10.4% invested Rs.15 to 20 lakhs and 6.9% invested Rs.20 lakhs and above, in non-income generating assets, during the Gulf-period.

It can also be seen that out of the 205 respondents whose personal finance score is less than 35, 37 (18.0%) invested less than Rs. 5 lakhs, 110 (53.7%) invested Rs. 5 to 10 lakhs, 24 (11.7%) invested Rs. 10 to 15 lakhs, 17

(8.3%) invested Rs. 15 to 20 lakhs and 17 (8.3%) invested Rs. 20 lakhs and above, in non-income generating assets (investments I).

Out of the 72 respondents whose personal finance score is 35 to 45, 24 (33.3%) invested less than Rs. 5 lakhs, 23 (31.9%) invested Rs. 5 to 10 lakhs, 12 (16.7%) invested Rs. 10 to 15 lakhs, 8 (11.1%) invested Rs. 15 to 20 lakhs and 5 (6.9%) invested Rs. 20 lakhs and above, in non-income generating assets.

Out of the 27 respondents whose personal finance score is 45 to 55, 6 (22.7%) invested less than Rs. 5 lakhs, 10 (37.0%) invested Rs. 5 to 10 lakhs, 6 (22.2%) invested Rs. 10 to 15 lakhs and 5 (18.5%) invested Rs. 15 to 20 lakhs in non-income generating assets. Out of the 14 whose personal finance score is 55 and above, 2 (14.3%) invested less than Rs. 5 lakhs, 6 (42.9%) invested Rs. 5 to 10 lakhs, 3 (21.4%) invested Rs. 10 to 15 lakhs and 3 (21.4%) invested Rs.15 to 20 lakhs, in non-income generating assets (investments I).

The statistical significance of association between personal finance score and value of investments I is tested by applying chi-square. As per table 6.4(b), the significance of likelihood ratio (.017) is less than 0.05. Hence, it is concluded that there is statistically significant association between personal finance score and the value of investments I.

The average investment in non-income generating assets is Rs.8,55,415 in category A and Rs.8,14,634 in category B.

The researcher has also calculated the proportion of non-income generating assets to the total investments acquired during the Gulf-period. It is evident from table 6.5 that 37.0% of the total investments of category A and 27.0% of category B are non-income generating assets (investments I).

Thus, it can be seen that, though there is no much difference in the average investments by category A and category B, the proportion of investment in non-income generating assets to total investment is high in category A. In other words, category A invested a substantial portion of their total savings in non-income generating assets. This is the mistake usually committed by the Gulf migrants. The savings from the Gulf ended as spending on house and gold, which never generated any income.

6.8.1 Components of Non-income Generating Assets

As mentioned earlier, non-income generating assets (investments I) include land (for house construction), house (constructed or purchased) and gold. Table 6.6(a) shows the component wise break up of investments I with respect to categories A and B. Percentage wise analysis of the components of non-income generating assets across the categories reveals that expenditure on houses constitutes the major head. It comes to 59.0% in category A and 69.0% in category B. The second major item is gold, which comes to 22.0% in category A and 18.0% in category B. Land for house construction is the third. It comes to 19.0% in category A and 13.0% in category B.

Category wise difference in the mean values of the components of non income generating assets is statistically tested by using one way ANOVA. The result as per table 6.6(b) shows that there is no category wise difference in the mean values of the components. Moreover, there is no significant difference in the mean value of the total investments I (in all cases the sig. value is more than .05). Hence, it can be concluded that category wise there is no significant difference in the mean values of the components of investments I.

6.8.1.1 Land (For house construction)

Classification based on personal finance score and the value of land purchased for house construction reveals that (table 6.7(a)) 23.9% spent less than Rs.2 lakhs, 11.6% spent Rs.2 to 4 lakhs, 7.5% spent Rs.4 to 6 lakhs, 3.1% spent Rs. 6 to 8 lakhs, 2.5% spent Rs.8 to 10 lakhs and 2.5% spent Rs 10 lakhs and above for purchasing land. Moreover, 155 respondents (48.7%) did not purchase land for house construction.

Further, it can be seen that out of the 205 respondents whose personal finance score is less than 35, 46 (22.4%) spent less than Rs.2 lakhs, 24 (11.7%) spent Rs. 2 to 4 lakhs, 18 (8.8%) spent Rs.4 to 6 lakhs, 5 (2.4%) spent Rs.6 to 8 lakhs, 6 (2.9%) spent Rs.8 to 10 lakhs and 6 (2.9%) spent Rs.10 lakhs and above for purchasing land for constructing house. Out of 72 whose personal finance score is 35 to 45, 15 (20.8%) spent less than Rs.2 lakhs, 7 (9.7%) spent Rs. 2 to 4 lakhs, 4 (5.6%) spent Rs.4 to 6 lakhs, 3 (4.2%) spent Rs.6 to 8 lakhs, 2 (2.8%) spent Rs.8 to 10 lakhs and 2 (2.8%) spent Rs.10 lakhs and above for purchasing land.

Out of the 27 respondents whose personal finance score is 45 to 55, 9 (33.3%) spent less than Rs.2 lakhs, 5 (18.5%) spent Rs. 2 to 4 lakhs and 1 (3.7%) spent Rs.4 to 6 lakhs for purchasing land for constructing house. Similarly, out of 14 whose personal finance score is 55 and above, 6 (42.9%) spent less than Rs.2 lakhs, 1 (7 1%) spent Rs. 2 to 4 lakhs, 1 (7.1%) spent Rs.4 to 6 lakhs and 2 (14.3%) spent Rs.6 to 8 lakhs for purchasing land for constructing house.

The significance of association between personal finance score and value of land purchased for house construction is tested by using chi-square. Since the significance level of likelihood ratio as per table 6.7(b) (.488) is more than 0.05, it can be concluded that there is statistically no significant association between personal finance score and value of land purchased for house construction.

The average amount spent by each category is also calculated. It is Rs.1,62,527 in category A and Rs.1,05,854 in category B. Thus, it is clear that those who had no financial planning (category A) spent a higher amount for land than those who had personal financial planning (category B), during the Gulf-period.

6.8.1.2 House

Expenditure on house includes new construction, extension or purchase of a dwelling unit. The study made by the researcher (Table 6.8(a)) shows that 132 respondents (41.5%) spent less than Rs. 5 lakhs, 102 (32.1%) spent Rs. 5 to 10 lakhs and 35 (11.0%) spent Rs 10 lakhs and above for house. Detailed analysis shows that out of 205 who belong to the personal finance score category less than 35, 84 (41.0%) spent less than Rs.5 lakhs, 64 (31.2%) spent Rs.5 to 10 lakhs and 26 (12.7%) spent Rs.10 lakhs and above for house.

Out of the 72 respondents who belong to the personal finance score category 35 to 45, 27 (37.5%) spent less than Rs.5 lakhs, 22 (30.6%) spent Rs.5 to 10 lakhs and 7 (9.7%) spent Rs.10 lakhs and above. Out of the 14 who belong to the personal finance score category 55 and above, 7(50.0%) spent less than Rs.5 lakhs and 5 (35.7%) spent Rs.5 to 10 lakhs for house.

The statistical significance of association between personal finance score and value of house is tested by applying chi-square and as per table 6.8(b) the significance of likelihood ratio is .063. As it is more than 0.05, it can be concluded that there is statistically no significant association between personal finance score and spending on house.

The average spending on house is as follows:

Category A – Rs. 5,04,693

Category B – Rs. 5,62,195

Thus, it can be seen that, on an average, category B spent a higher amount on house. Here, it is very interesting to note that even though category B had financial planning during the Gulf-period, they spent (on an average) more amounts for house construction, which is a dead investment and earns no revenue at all. It has been generally observed that the Gulf-Keralites spend lavishly on house for prestige or social recognition or sometimes out of social pressure. Even those who are practicing personal financial planning are not an exception to this. When it comes to the purchase or construction of houses, all behave alike irrespective of financial planning. In other words financial planning is irrelevant in deciding the spending on house.

6.8.1.3 Gold

Distribution of the respondents based on the personal finance score and value of gold purchased (Table 6.9(a)) shows that 17.0% of the respondents purchased gold for less than Rs.1 lakh, 54.7% purchased for Rs.1 to 2 lakhs 12.3% purchased for Rs.2 to 3 lakhs, 8.5% purchased for Rs.3 to 4 lakhs, 5.7% purchased for Rs.4 to 5 lakhs and 0.9% purchased gold of Rs 5 lakhs and above during the Gulf-period. It can be seen that three respondents (nearly one percent) did not purchase any gold during the Gulf-period.

Table further reveals that out of the 54 respondents who bought gold for less than Re. 1 lakh, 28 (52.0%) belong to the personal finance score category less than 35, 13 (24.0%) belong to the personal finance score category 35 to 45, 6 (11.0%) belong to the personal finance score category 45 to 55 and 7 (13.0%) belong to the category 55 and above. Out of the 174 who bought gold for Rs. 1 to 2 lakhs, 120 (69.0%) belong to the personal finance score category less than 35, 38 (21.8%) belong to the personal finance score category 35 to 45, 11 (6.3%) belong to the personal finance score category 45 to 55 and 5 (2.9%) belong to the category 55 and above.

Out of the 39 respondents who bought gold for Rs. 2 to 3 lakhs, 25 (64.1%) belong to the personal finance score category less than 35, 8 (20.5%) belong to the personal finance score category 35 to 45, 5 (12.8%) belong to the personal finance score category 45 to 55 and 1 (2.6%) belongs to the category 55 and above. Out of the 27 who bought gold for Rs. 3 to 4 lakhs, 16 (59.3%) belong to the personal finance score category less than 35, 6 (22.2%) belong to the personal finance score category 35 to 45, 4 (14.8%) belong to the personal finance score category 45 to 55 and 1 (3.7%) belongs to the category 55 and above.

The significance of association between personal finance score and value of gold purchased is tested by using chi-square. The significance level of likelihood ratio as per table 6.9(b) is .549. As it is more than 0.05, it can be concluded that there is statistically no significant association between personal finance score and value of gold purchased during the Gulf-period.

The average amount spent by category A for purchasing gold is Rs.1,88,195 and it is Rs.1,46,585 in the case of category B. Thus, it is clear that category A spent a higher amount than category B for purchasing gold, during the Gulf-period. It has been revealed that the entire gold is in the form of ornaments and strictly speaking, ornaments cannot be considered as an investment.

6.9 Investments II (Income generating)

As indicated earlier, this category consists of income generating assets. Table 6.10(a) reveals that 36.8% invested less than Rs.10 lakhs, 39.6% invested, Rs.10 to 20 lakhs, 18.6% invested Rs.20 to 30 lakhs, 4.7% invested Rs.30 to 40 lakhs and 0.3% of the respondents invested Rs. 40 lakhs and above on investments II.

Here, it can be seen that a major group of 42% from category A invested an amount of Rs.10 to 20 lakhs in income generating assets. From category B, a major group of 49% invested Rs.20 to 30 lakhs in the same.

Further, it can be seen that out of the 205 respondents whose personal finance score is less than 35, 82 (40.0%) invested less than Rs. 10 lakhs, 87 (42.4%) invested Rs. 10 to 20 lakhs, 29 (14.1%) invested Rs. 20 to 30 lakhs and 7 (3.4%) invested Rs. 30 to 40 lakhs in investments II. Out of the 72 whose personal finance score is 35 to 45, 28 (38.9%) invested less than Rs. 10 lakhs, 29 (40.3%) invested Rs. 10 to 20 lakhs, 10 (13.9%) invested Rs. 20 to 30 lakhs, 4 (5.6%) invested Rs. 30 to 40 lakhs and 1 (1.4%) invested Rs. 40 lakhs and above in investments II.

Out of the 27 respondents whose personal finance score is 45 to 55, 5 (18.5%) invested less than Rs. 10 lakhs, 7 (25.9%) invested Rs. 10 to 20 lakhs, 14 (51.9%) invested Rs. 20 to 30 lakhs and 1 (3.7%) invested Rs. 30 to 40 lakhs and out of the 14 whose personal finance score is more than 55, 2 (14.3%) invested less than Rs. 10 lakhs, 3 (21.4%) invested Rs. 10 to 20 lakhs, 6 (42.9%) invested Rs. 20 to 30 lakhs and 3 (21.4%) invested Rs. 30 to 40 lakhs, in investments II (income generating investments).

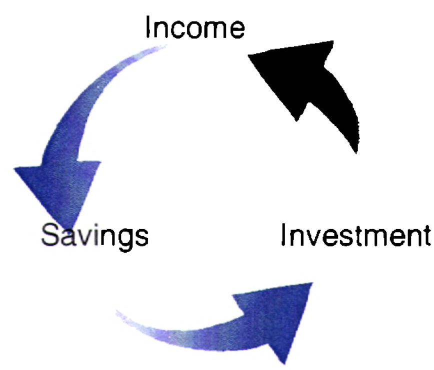
The statistical significance of association between personal finance score and value of investments II is tested by applying chi-square test. As per table 6.10(b), the significance of likelihood ratio (.000) is less than 0.05. Hence, it is concluded that there is statistically significant association between personal finance score and the value of investments II.

Further, category A has invested an average amount of Rs.14,56,260 and category B has invested Rs.21,97,122 in income generating assets. Thus, it is clear that the investment of category B in income generating assets is much more (50% higher) than the investments of category A in income generating assets.

The researcher has calculated the proportion of income generating assets (investments II) to the total investments acquired during the Gulf-period. It can be seen from table 6.11 that 63.0% of total investments of category A and 73.0% of category B are income generating (investments). Thus, it is clear that category B has invested a higher proportion of their total income in income generating assets, during the Gulf-period. This is the main reason for the higher income earned by category B, after their return from the Gulf. As indicated in chapter 5, category B generated an average income of Rs.2,21,950 from their investments alone, in 2005. Hence, the inference is that it is the investments of category B in income generating items helped them to earn a higher income, after their return from the Gulf.

Here it is worth mentioning the cycle of growth. As shown in figure 6.1, high income leads to savings, which leads to investment and this, in turn increases the income (only if investments are income generating) and helps the cycle of growth rolling.

Figure 6.1
Cycle of Growth



6.9.1 Components of Income Generating Assets

Analysis of the components of income generating assets (investments II) shows that bank deposit constitutes the major item comprising 40.5% of total income generating assets in category A. Investments in business (24.8%) constitutes the major item in category B (Table 6.12(a)). The second major component is agricultural land, which comes to 13.0% in category A and 17.8% in category B. Investments in business constitutes the third major item with 11.8% in category A. In category B bank deposit (17.0%) is the third major component.

The fourth major component is investments in shares, debentures and mutual funds. It comes to 11.2% in category A. In category B commercial vehicles constitutes the fourth major component with 11.2%. In category A, life insurance (8.1%) and in category B, shares debentures and mutual funds (10.1%) constitute the fifth component. The sixth component is investment in commercial vehicles (3.8%) (Bus, Lorry, Tempo, etc) in category A and life insurance (9.7%) in category B. The seventh item, chits and kuries comes to

4.2% in category A and 5.3% in category B. Other investments come as the eighth item with 4.1% in category A and 1.2% in category B.

Category wise examination shows that bank deposits constitute the major component (40.5%) in category A and investments in business (24.8%), in category B. This is the major reason for the low income of category A, after their return from the Gulf (in 2005). As mentioned in chapter 5, category A has earned an average return of Rs.1,09,025 from their investments, in 2005. Category B earned Rs.2,21,950 from the same. As revealed in table 6.16(a), 40.5% of the income generating investments of category A is in bank deposits. It is to be noted that, the rate of return on bank deposits is very low, not even to cover the rate of inflation. The investment must appreciate in value at least at the same rate the price increases, regardless of the rate of increase. But investments in ordinary investment channels like bank deposit, NSC etc. will not achieve the above objective. The major investment (24.8%) of category B is in business.

Category wise difference in the mean values of the components of income generating assets is statistically tested by using one way ANOVA. The result as per table 6.12(b) shows that there is category wise difference in the mean values of all the components except post office savings, annuities and KVP, IVP and NSC. Moreover, there is significant difference in the mean value of the total value of income generating assets. Hence, it can be concluded that category wise there is significant difference in the mean values of the components of income generating assets. In other words, there is significant difference in the mean values of the components of income generating assets, between category A and category B.

6.9.1.1 Agricultural Land

Distribution of the respondents based on the value of agricultural land purchased during the Gulf-period (Table 6.13(a)) reveals that 15.7% of the respondents purchased agricultural land for less than Rs.2 lakhs, 13.8%

purchased for Rs. 2 to 4 lakhs, 11.0% purchased for Rs.4 to 6 lakhs, 7.2% purchased for Rs.6 to 8 lakhs, 2.8% purchased for Rs.8 to 10 lakhs and 2.8% purchased agricultural land for Rs.10 lakhs and above. It can also be seen that 46.5% has not invested in agricultural land.

Table further reveals that out of the 205 respondents whose personal finance score is less than 35, 35 (17 1%) purchased agricultural land for less than Rs.2 lakhs, 31 (15.1%) purchased for Rs.2 to 4 lakhs, 19 (9.3%) purchased for Rs.4 to 6 lakhs, 13 (6.3%) purchased for Rs.6 to 8 lakhs, 5 (2.4%) purchased for Rs. 8 to 10 lakhs and 4 (2.0%) purchased agricultural land for Rs.10 lakhs and above.

Out of the 14 respondents whose personal finance score is 55 and above, 1 (7.1%) purchased agricultural land for less than Rs.2 lakhs, 1 (7 1%) for Rs. 2 to 4 lakhs, 3 (21.4%) for Rs.4 to 6 lakhs, 1 (7.1%) for Rs.6 to 8 lakhs, 2 (14.3%) for Rs.8 to 10 lakhs and 2 (14.3%) purchased agricultural land for Rs.10 lakhs and above.

The statistical significance of association between personal finance score and value of agricultural land purchased is tested by applying chi-square. As per table 6.13(b), the significance value of Pearson chi-square is .014. As it is less than 0.05, it can be concluded that there is statistically significant association between personal finance score and the value of agricultural land purchased during the Gulf-period.

The researcher has also calculated the average value of agricultural land purchased by the respondents. It comes to Rs.1,89,314 in category A and Rs.3,91,951 in category B. Thus, it can be seen that category B has invested a higher amount, which is more than double the amount invested by category A, in agricultural land. As a result of that the income from agriculture is also more in category B. This is another reason for higher income to category B, in the year 2005. More over, the present value of assets held by category B is much higher than that of category A.

6.9.1.2 Investment in Business

Analysis of investment in business reveals that (Table 6.14(a)) 21.1% of the respondents made investments in business. More specifically, 0.6% invested Rs.2 to 4 lakhs, 1.9% invested Rs.4 to 6 lakhs, 2.2% invested Rs.6 to 8 lakhs, 3.8% invested Rs 8 to 10 lakhs, 4.7% invested Rs. 10 to 12 lakhs and 7.9% invested Rs.12 lakhs and above, in business.

Out of the 25 respondents who invested Rs 12 lakhs and above in business, 6 (24.0%) belong to personal finance score category less than 35, 5 (20.0%) belong to personal finance score category 35 to 45, 7 (28.0%) belong to 45 – 55 category and 7 (28.0%) belong to the personal finance score category 55 and above. Similarly, out of the 15 respondents who invested Rs.10 to 12 lakhs in business, 8 (53.3%) belong to personal finance score category less than 35 , 5 (33.3%) belong to personal finance score category 35 to 45, 1 (6.7%) belong to 45 – 55 category and 1 (6.7%) belongs to the personal finance score category 55 and above. Out of 251 having no investment in business, 176 (70.1%) belong to personal finance score category less than 35, 52 (20.7%) belong to personal finance score category 35 to 45, 19 (7.6%) belong to 45 – 55 category and 4 (1.6%) belong to the personal finance score category 55 and above.

The significance of association between personal finance score and investment in business is tested by using chi-square. Since the significance level of likelihood ratio (table 6.14(b)) is .000, it can be concluded that there is statistically significant association between personal finance score and amount of investment in business

The average investment in business comes to Rs. 1,71,119 in category A and Rs. 5,46,220 in category B. Thus, it can be seen that category B invested a higher amount which is more than 3 times the amount invested by category A in business. Moreover, as indicated in the previous chapter, 58.5% of the respondents from category B invested in business ventures, whereas only 26.3% from category A invested in business. In other words, unlike category A, the respondents in category B invested their hard earned money in business, instead of keeping in banks. The above findings also substantiate the fact that financial planning and the resultant investments of category B during their Gulf-period helped them to earn better returns after their return from the Gulf.

Most investors are risk averse and attempt to maximise their income and wealth at the minimum risk. Risk and return are related. The higher the risk a person is willing to accept, the better the returns he is able to achieve. Here, it is to be noted that category B accepted more risk by investing in business ventures and as a result of that they earned a higher return, when compared to category A.

6.9.1.3 Commercial Vehicles

This includes bus, truck and other commercial vehicles purchased by the respondents. It has been revealed that only 22 respondents (8.0%) from category A and 10 respondents (25.0%) from category B invested in commercial vehicles.

Detailed analysis (Table 6.15(a)) shows that 3.1% of the respondents invested less than Rs.5 lakhs, 3.8% invested Rs.5 to 10 lakhs, and 3.1% invested Rs. 10 lakhs and above, in commercial vehicles, during the Gulf-period. Personal finance score and value of commercial vehicles cross tabulation shows that out of 10 who invested less than Rs.5 lakhs in commercial vehicles, 5 (50.0%) belong to the personal finance score category less than 35, 3 (30.0%) belong to personal finance score category 35 to 45, 1 (10.0%) belongs to 45 to 55 and 1 (10.0%) belongs to personal finance score category 55 and above.

Out of the 12 respondents who invested Rs. 5 to 10 lakhs, 6 (50.0%) belong to the personal finance score category less than 35, 2 (16.6%) belong to 35 to 45, 2 (16.6%) belong to 45 to 55 and 2 (16.6%) belong to personal finance score category 55 and above. Out of the 10 who invested Rs. 10 lakhs and above in commercial vehicles, 4 (40.0%) belong to the personal finance score category less than 35, 2 (20.0%) belong to 35 – 45, 3 (30.0%) belong to 45 55 and 1 (10.0%) belongs to personal finance score category 55 and above.

The statistical significance of association between personal finance score and investment in commercial vehicles is tested by applying chi-square. As per table 6.15(b), the significance of likelihood ratio is .027, which is less than 0.05. Hence, it is concluded that there is statistically significant association between personal finance score and investment in commercial vehicles.

The average value of commercial vehicles purchased by category A is Rs.55,776 and by category B is Rs.2,46,341. Thus, the average investment in commercial vehicles is more by category B. Here also it can be noticed that the investment of category B is much more (4 times) than that of category A. As the investment is more by category B, naturally, return is also more in category B.

6.9.1.4 Shares, Debentures and Mutual funds

Analysis of investments in shares, debentures and mutual funds (Table 6.16(a)) reveals that 1.3% of the respondents invested less than Re.1 lakh, 5.7% invested Rs.1 to 2 lakhs, 6.0% invested Rs.2 to 3 lakhs, 9.7% invested Rs.3 to 4 lakhs, 15.1% invested Rs.4 to 5 lakhs and 5.3% of the respondents invested Rs.5 lakhs and above, in shares, debentures and mutual funds. It can also be seen that 56.9% of the respondents did not make any investment in shares, debentures and mutual funds.

Further, out of the 4 respondents who invested less than Re. 1 lakh, 2 (50.0%) belong to the personal finance score category less than 35, 1 (25.0%) belongs to the category 35 to 45 and 1 (25.0%) belongs to the personal finance score category 45 to 55. Out of the 48 who invested Rs. 4 to 5 lakhs, 24 (50.0%) belong to the personal finance score category less than 35, 12 (25.0%) belong to the category 35 to 45, 6 (12.5%) belong to the category 45 to 55 and

6 (12.5%) belong to the personal finance score category 55 and above. Out of the 17 who invested Rs. 5 lakhs and above, 9 (52.9%) belong to personal finance score category less than 35, 5 (29.4%) belong to the category 35 to 45, 1 (5.9%) belongs to 45 – 55 and 2 (11.8%) belong to the personal finance score category 55 and above

The significance of association between personal finance score and investments in shares, debentures and mutual funds is tested by using chi-square. Since the significance level of likelihood ratio (table 6.16(b)) is .047, it can be concluded that there is statistically significant association between personal finance score and investment in shares, debentures and mutual funds.

The average investment in shares, debentures and mutual funds is as follows:

Category A – Rs.1,63,393

Category B – Rs.2,22,805

Thus the average investment in this respect also is more in category B, which is 37% higher than the investments of category A. As a result of that, higher income has been earned by category B, after their return from the Gulf.

As indicated earlier, risk and return are related. The higher the risk a person is willing to accept, the better the return he is able to achieve. Here also category B accepted more risk by investing more amounts in shares, debentures and mutual funds and earned a higher return.

6.9.1.5 Life Insurance

Classification of the respondents based on personal finance score and the value of life insurance (Table 6.17(a)) shows that 50.6% of the respondents had life insurance for less than Re.1 lakh, 27.7% had Rs.1 to 2 lakhs, 11.3% had Rs.2 to 3 lakhs, 5.3% had Rs.3 to 4 lakhs, 3.1% had Rs 4 to 5 lakhs, 1.3% had Rs.5 to 10 lakhs and 0.6% had life insurance for Rs.10 lakhs and above.

Detailed analysis shows that out of the 205 respondents whose personal finance score is less than 35, 114 (55.6%) had insurance for less than Re. 1 lakh, 55 (26.8%) had insurance for Rs.1 to 2 lakhs, 18 (8.8%) had insurance for Rs.2 to 3 lakhs, 10 (4.9%) had insurance for Rs.3 to 4 lakhs, 5 (2.4%) had insurance for Rs.4 to 5 lakhs, 2 (1.0%) had insurance for Rs.5 to 10 lakhs and 1 (0.5%) had insurance for Rs 10 lakhs and above.

Out of the 72 respondents whose personal finance score is 35 to 45, 36 (50.0%) had insurance for less than Re. 1 lakh, 20 (27.8%) had insurance for Rs 1 to 2 lakhs, 7 (9.7%) had insurance for Rs.2 to 3 lakhs, 4 (5.6%) had insurance for Rs.3 to 4 lakhs, 3 (4.2%) had insurance for Rs.4 to 5 lakhs, 1 (1.4%) had insurance for Rs.5 to 10 lakhs and 1 (1.4%) had insurance for Rs.10 lakhs and above.

Out of the 14 respondents whose personal finance score is 55 and above, 1 (7.1%) had insurance for less than Re. 1 lakh, 4 (28.6%) had insurance for Rs. 1 to 2 lakhs, 5 (35.7%) had insurance for Rs.2 to 3 lakhs, 1 (7 1%) had insurance for Rs.3 to 4 lakhs, 2 (14.3%) had insurance for Rs.4 to 5 lakhs and 1 (7.1%) had insurance for Rs.10 lakhs and above.

The statistical significance of association between personal finance score and value of life insurance is tested by applying chi-square. As per table 6.17(b), the significance of likelihood ratio is .048, which is less than 0.05. Hence, it is concluded that there is statistically significant association between personal finance score and value of life insurance.

The average amount of insurance is Rs.1,18,250 for category A and Rs.2,12,439 for category B. Thus, it can be seen that risk coverage is 80% higher in category B. Hence, it is clear that category B is more concerned about their future. This is in fact, the outcome of their financial planning.

6.9.1.6 Bank Deposits

Distribution based on personal finance score and bank deposits (Table 6.18(a)) shows that 17.6% had a bank deposit of less than Rs.2 lakhs, 20.8%

had Rs.2 to 4 lakhs, 22.3% had Rs.4 to 6 lakhs, 18.6% had Rs.6 to 8 lakhs, 8.5% had Rs.8 to 10 lakhs, 7.9% had Rs.10 to 12 lakhs and 4.4% of the respondents had a bank deposit of Rs.12 lakhs and above, by the end of their Gulf-period.

It is further noted that out of the 205 respondents whose personal finance score is less than 35, 36 (17.6%) had a bank deposit of less than Rs.2 lakhs, 40 (19.5%) had Rs.2 to 4 lakhs, 46 (22.4%) had Rs.4 to 6 lakhs, 40 (19.5%) had Rs.6 to 8 lakhs, 16 (7.8%) had Rs.8 to 10 lakhs, 17 (8.3%) had Rs.10 to 12 lakhs and 10 (4.9%) had a bank deposit of Rs.12 lakhs and above.

Out of the 72 respondents whose personal finance score is 35 to 45, 6 (8.3%) had a bank deposit of less than Rs.2 lakhs, 15 (20.8%) had Rs.2 to 4 lakhs, 15 (20.8%) had Rs.4 to 6 lakhs, 15 (2%) had Rs.6 to 8 lakhs, 9 (12.5%) had Rs.8 to 10 lakhs, 8 (11.1%) had Rs.10 to 12 lakhs and 4 (5.6%) had a bank deposit of Rs.12 lakhs and above.

Out of the 14 respondents whose personal finance score is 55 and above, 5 (35.7%) had a bank deposit of less than Rs.2 lakhs, 4 (28.6%) had Rs.2 to 4 lakhs, 3 (21.4%) had Rs.4 to 6 lakhs, 1 (7.1%) had Rs.6 to 8 lakhs and 1(7 1%) had a bank deposit of Rs.8 to 10 lakhs.

The statistical significance of association between personal finance score and amount of bank deposit is tested by applying chi-square test. As per table 6.18(b), the significance of likelihood ratio is .089, which is more than 0.05. Hence, it is concluded that there is statistically no significant association between personal finance score and amount of bank deposit.

The average amount of bank deposit calculated by the researcher shows Rs.5,89,928 in category A and Rs.3,73,488 in category B.

Thus, it is clear that the amount of bank deposit was much higher in category A when compared with category B. Here, it is to be noted that the rate of return on bank deposits is very low. This is also a reason for the low earnings of category A in 2005. Category B invested more money in other profitable ventures instead of keeping it in banks.

Investors vary in their mental makeup, from one extreme to another, in their perception of safety and hence in the choice of one avenue over another for investing their hard earned resources. It can be concluded that requirement of safety is the most vital reason why many investors are happy with conventional low yield instruments and shy away from other investment options which are not 100% safe. As mentioned earlier, there is relationship between risk and return. The higher the risk a person is willing to accept, the better the return he is able to achieve, and vice-versa. Here, category A preferred risk free investments and hence deposited in bank accounts. Therefore, they received a lower income than category B who accepted more risk by investing in risky ventures like business, shares, debentures, mutual funds, etc.

6.9.1.7 Post office Savings

Table 6.19(a) shows that 17.6% of the respondents had post office savings deposits of less than Rs.25,000, 17.3% had Rs.25,000 to 50,000 and 10.7% had post office savings deposit of Rs.50,000 and above. Further, it can be seen that 54.4% had no post office savings.

The average amount of post office savings comes to Rs.21,841 in category A and Rs.11,463 in category B. Thus, regarding the post office savings, category A was better placed than category B.

Personal finance score - post office savings cross tabulation shows that out of the 173 respondents who had no investment in post office savings, 116 (67.0%) belong to the personal finance score category less than 35, 31 (17.9%) belong to 35 to 45 category, 16 (9.4%) belong to 45 to 55 category and 10 (5.7%) belong to the personal finance score category 55 and above.

Similarly, out of the 56 respondents who invested less than Rs. 25,000 in post office, 34 (60.7%) belong to the personal finance score category less than 35, 13 (23.2%) belong to 35 to 45 category, 6 (10.7%) belong to 45 to 55 category and 3 (5.4%) belong to the personal finance score category 55 and above.

Out of the 55 respondents who invested Rs. 25,000 to 50,000 in post office savings, 35 (63.6%) belong to the personal finance score category less than 35, 15 (27.3%) belong to 35 to 45 category, 4 (7.3%) belong to 45 to 55 and 1 (1.8%) belongs to the personal finance score 55 and above. Out of the 34 who invested more than Rs. 50,000 in post office, 20 (58.8%) belong to the personal finance score category less than 35, 13 (38.3%) belong to 35 to 45 and 1 (2.9%) belongs to 45 to 55 category.

The significance of association between personal finance score and investment in post office is tested by using chi-square. Since the significance level of likelihood ratio (.169) as per table 6.19(b) is more than 0.05, it can be concluded that there is statistically no significant association between personal finance score and amount of investment in post office.

Return-wise, investment in post office savings account cannot be considered as a good investment. The rate of return is very low. Here, category A had more investment than category B. Thus, it is clear that category B is more careful in selecting the investment channels and the proportion in which the allocations are made. As a part of their personal financial planning, they preferred to invest a major portion of their savings in high income earning items.

6.9.1.8 Annuities

Analysis of investment in annuities (Table 6.20(a)) reveals that 89.9% of the respondents had no investment at all in annuities. Further, it shows that 4.4% had an investment of less than Rs. 50,000, 4.1% had Rs.50,000 to 1,00,000 and 1.6% had Rs.1,00,000 and above in annuities.

Further, it has been revealed that out of the 14 who invested less than Rs. 50,000 in annuities, 11 (78.5%) belong to the personal finance score category less than 35 and 3 (21.5%) belong to the personal finance score category 35 to 45. Out of the 13 who invested Rs. 50,000 to 1,00,000, 8

(61.5%) belong to personal finance score category less than 35, 3 (23.1%) belong to the category 35 to 45, 1 (7.7%) belongs to the category 45 to 55 and 1 (7.7%) belongs to the personal finance score category 55 and above. Similarly, out of the 5 who invested Rs.1,00,000 and above, 4 (80.0%) belong to the personal finance score category less than 35 and 1 (20.0%) belongs to the personal finance score category 35 to 45.

The statistical significance of association between personal finance score and value of annuities is tested by applying chi-square. As per table 6.20(b), the significance value of likelihood ratio is .744. As it is more than 0.05, it can be concluded that there is statistically no significant association between personal finance score and value of annuities.

6.9.1.9 Retirement Plans

Distribution based on personal finance score and investment in retirement plans is shown in table 6.21(a). As per table, it seems that only 15.4% of the respondents had invested in retirement plans. More specifically, 5.3% invested less than Rs.50,000, 7.9% invested Rs.50,000 to 1,00,000 and 2.2% invested Rs.1,00,000 and above, in retirement plans.

Detailed analysis shows that out of the 17 respondents who invested less than Rs. 50,000 in retirement plans, 8 (47.0%) belong to the personal finance score category less than 35, 3 (17.6%) belong to the personal finance score category 35 to 45, 4 (23.6%) belong to the personal finance score category 45 to 55 and 2 (11.8%) belong to the personal finance score category 55 and above. Out of the 25 who invested Rs. 50,000 to 1,00,000, 12 (48.0%) belong to the personal finance score category less than 35, 5 (20.0%) belong to the personal finance score category 35 to 45, 5 (20.0%) belong to the personal finance score category 45 to 55 and 3 (12.0%) belong to the personal finance score category 55 and above.

Similarly, out of the 7 respondents who invested Rs. 1 lakh and above, 4 (57.1%) belong to the personal finance score category less than 35, 1 (14.3%)

belongs to the personal finance score category 35 to 45, 1 (14.3%) belongs to the personal finance score category 45 to 55 and 1 (14.3%) belongs to the personal finance score category 55 and above.

The statistical significance of association between personal finance score and investments in retirement plans is tested by applying chi-square test. As per table 6.21(b), the significance of likelihood ratio is .042, which is less than 0.05. Hence, it is concluded that there is statistically significant association between personal finance score and amount of investment in retirement plans.

The average amount invested in this respect is as follows;

Category A - Rs.8,736

Category B - Rs.26,829

Thus, category B invested more in retirement plans (3 times higher) when compared with category A. More over, more respondents in category B (38%) had invested in retirement plans, than those in category A (12%).

Owing to rapid changes in social, economic and cultural system, retirement planning is becoming more and more important as an essential part of personal financial management. As the respondents in category B were aware and concerned about the future well being, they invested more in retirement plans. This is also the outcome of their financial planning during the Gulf-period.

6.9.1.10 KVP, IVP, NSC, etc.

Details regarding investments in Kisan Vikas Patra, Indira Vikas Patra, National Savings Certificate etc. are given in table 6.22(a). It shows that 6.9% of the respondents invested less than Rs.50,000, 9.1% invested, Rs.50,000 to 1,00,000 and 2.5% had invested Rs.1,00,000 and above in KVP, IVP, NSC, etc. Majority (81.4%) had no investment in such items.

It can also be seen that out of the 22 respondents who invested less than Rs. 50,000 in KVP, IVP, NSC, etc, 10 (45.5%) belong to the personal finance score category less than 35, 4 (18.2%) belong to the personal finance score category 35 to 45, 6 (27.3%) belong to 45 to 55 category and 2 (9.0%) belong to the personal finance score category 55 and above. Out of the 29 who invested Rs. 50,000 to 1,00,000, 17 (58.7%) belong to the personal finance score category less than 35, 5 (17.2%) belong to the personal finance score category 35 to 45, 5 (17.2%) belong to 45 to 55 category and 2 (7.0%) belong to the personal finance score category 55 and above.

Out of the 8 respondents who invested Rs. 1 lakh and above, 4 (50.0%) belong to the personal finance score category less than 35, 2 (25.0%) belong to the personal finance score category 35 to 45, 1 (12.5%) belongs to 45 to 55 category and 1 (12.5%) belongs to the personal finance score category 55 and above.

The statistical significance of association between personal finance score and investments in KVP, IVP, NSC, etc. is tested by applying chi-square. As per table 6.22(b), the significance value of likelihood ratio is more than 0.05 (.072). Hence, it can be concluded that there is statistically no significant association between personal finance score and investment in KVP, IVP, NSC, etc.

The average investment calculated by the researcher comes to Rs.11,065 in category A and Rs.21,512 in category B. Thus, it can be seen that category B invested more (nearly double) in KVP, IVP, NSC, etc., when compared with category A.

6.9.1.11 Chits and *Kuries*

Distribution based on investments in Chits and *kuries* (Table 6.23(a)) reveals that 10.4% of the respondents had an investment of less than Rs.50,000, 18.6% had Rs.50,000 to 1,00,000, 14.8% had Rs.1,00,000 to 1,50,000, 10.1% had Rs.1,50,000 to 2,00,000 and 4.4% had an investment of Rs.2,00,000 and above, in chits and *kuries*, by the end of their Gulf-period. It can be seen that 41.8% had no investment at all in chits and *kuries*.

Further, out of the 205 respondents whose personal finance score is less than 35, 24 (11.7%) invested less than Rs.50,000, 38 (18.5%) invested Rs.50,000 to 1,00,000, 27 (13.2%) invested Rs.1,00,000 to 1,50,000, 17 (8.3%) invested Rs.1,50,000 to 2,00,000 and 6 (2.9%) invested Rs.2,00,000 and above in chits and *kuries*. Out of the 14 whose personal finance score is more than 55, 2 (14.3%) invested Rs.50,000 to 1,00,000, 3 (21.4%) invested Rs.1,00,000 to 1,50,000, 3 (21.4%) invested Rs.1,50,000 to 2,00,000 and 2 (14.3%) invested Rs.2,00,000 and above in chits and *kuries*.

The significance of association between personal finance score and investments in chits and *kuries* is tested by using chi-square. Since the significance level of likelihood ratio (table 6.23(b)) is less than 0.05 (.015), it can be concluded that there is statistically significant association between personal finance score and amount of investments in chits and *kuries*.

The average amount of investment comes to Rs.60,722 in category A and Rs.1,15,366 in category B. Thus, category B invested nearly double the amount invested by category A in chits and *kuries*. Still chits and *kuries* are very popular in all parts of the country.

6.9.1.12 Other Investments

This includes investment in private finance companies and other miscellaneous investments. Personal finance score and value of other investment cross tabulation table 6.24(a) reveals that 5.0% had invested less than Rs.50,000, 8.8% invested Rs.50,000 to 1,00,000, 17.9% invested Rs.1,00,000 to 1,50,000, 7.9% invested Rs.1,50,000 to 2,00,000 and 4.4% invested Rs.2,00,000 and above in other (miscellaneous) investments. Further, it has been noticed that 56.0% did not make any miscellaneous investments.

Detailed analysis shows that out of the 14 respondents who invested Rs. 2 lakhs and above in miscellaneous items, 10 (71.4%) belong to the personal finance score category less than 35 and 4 (28.6%) belong to the personal finance score category 35 to 45. similarly, out of the 25 who invested Rs. 1.5 to

2.0 lakhs in miscellaneous items, 18 (72.0%) belong to the personal finance score category less than 35 and 7 (28.0%) belong to the category 35 to 45. Out of the 57 who invested Rs. 1 to 1.5 lakhs, 40 (70.2%), 13 (22.8%), 3 (5.3%) and 1 (1.7%) and out of the 28 who invested Rs. 50,000 to 1,00,000, 16 (57.2%), 6 (21.4%), 4 (14.3%) and 2 (7 1%) belong to the personal finance score category less than 35, 35 to 45, 45 to 55 and 55 and above, respectively.

The association between personal finance score and value of other investments is statistically tested by using chi-square (Table 6.24(b)) and the significance of likelihood ratio is .337 Hence, it can be concluded that there is statistically no significant association between personal finance score and value of other investments.

The average amount of other investment is Rs.59,856 in category A and Rs.25,854 in category B. Thus, it is clear that category A invested more in miscellaneous items.

The above analyses reveal that category B (those who had personal financial planning during the Gulf-period) invested more amounts (when compared with category A) in income generating items including agricultural land, business, commercial vehicles, shares, debentures, mutual funds and retirement plans. Ultimately, this helped them to earn better income, after coming back from the Gulf.

To make an investment decision, one has to be an optimist. In any investment decision, there is always the possibility of loss and one cannot rule it out. But if one comes across such fool-proof investment decision, then the profit he could earn from it will be just above the bank rate. The maxim to be kept in mind is 'the more risk you take the more return you would reap'

The success of every investment decision has become increasingly important in recent times. Making sound investment decision requires both knowledge and skill. Skill is needed to evaluate risk and return associated with an investment decision. Knowledge is required regarding the complex investment alternatives available in the economic environment.

As mentioned earlier, return is directly associated with risk. Higher the risk, higher the return and lower the risk, lower the return. Here, category B accepted more risk by investing in business ventures, shares, debentures, mutual funds, commercial vehicles and retirement plans and thereby earned higher return.

Growth is always associated with risk. If one invests in low risk channels like bank accounts, the return will be low, just to cover the rate of inflation and hence the investor can just sustain and no growth is feasible. That is what happened in the case of category A. They invested more amounts in bank accounts, post office savings accounts and other (miscellaneous) investments, which are less risky and hence low return yielding.

Thus, it is clear that category B accepted more risk than category A and hence they earned higher return than category A.

6.10 Personal Finance Score and Asset Holding

Table 6.25(a) shows the personal finance score and the value of assets held by the respondents just before their migration to the Gulf. It also presents information regarding total value of assets purchased during the Gulf-period, assets purchased after coming back from the Gulf and the present value of assets held by the respondents.

It shows that those who have personal finance score less than 35 had an average asset holding of Rs. 2,02,271, before going to the Gulf and the average value of assets purchased during Gulf-period was Rs. 23,12,165. After coming back from the Gulf they purchased assets for an average amount of Rs. 1,93,658 and the present value of assets held by them is Rs. 19,70,731.

In the case of those who have a personal finance score of 35 to 45, the average value of assets before going to the Gulf was Rs.1,92,361 and the average value of assets purchased during the Gulf-period was Rs. 23,10,277. On an average, they bought assets worth Rs. 1,81,945 after coming back from the Gulf and the present value of assets held is Rs. 21,63,888.

In the case of those who have a personal finance score of 45 to 55, the average value of assets held before going to the Gulf, average value of assets purchased during the Gulf-period, assets purchased after coming back and the average present value of assets are Rs. 2,28,703, Rs. 30,20,370, Rs. 9,48,144 and Rs. 39,55,555, respectively.

Those who have a personal finance score 55 and above had an average asset holding of Rs. 2,21,428, before going to the Gulf and the average value of assets purchased during the Gulf-period was Rs. 29,95,142. After coming back from Gulf, they purchased assets for an average value of Rs. 9,78,573 and the average present value of assets held by them is Rs. 47,32,142.

The personal finance score wise analysis of variance test done by using ANOVA (Table 6.25(b)) shows that there is personal finance score wise difference in the mean values of assets purchased during Gulf-period, assets purchased after coming back and the present value of assets held by them. The significance value is less than 0.05 in all the three cases. But in the case of the value of assets held at the time of migration, there is no personal finance score wise difference in the mean value, because the significance value is .090.

In short, personal finance score wise, there is significant difference in the value of assets purchased during the Gulf-period, assets purchased after coming back from the Gulf and the present value of assets held by the respondents.

6.11 Present Value of Assets

Table 6.26 shows the present value of assets held by the respondents. Component wise analysis shows that land and house constitute the major component with 34.2% in category A and 24.4% in category B. In category A, the second major component is bank deposit (18.2%) and in category B, it is investment in business (22.8%). The third major component is agricultural land with 12.7% in category A and 15.5% in category B. Investment in business (10.8%) is the fourth major component in category A and bank deposit (9.5%) in category B. The fifth component is life insurance (6.1%) in category A and shares, debentures and mutual funds (7.0%) in category B.

The researcher has also examined the association between personal finance score and the present value of assets. As per table 6.27(a), 16.7% of the respondents have assets worth less than Rs. 10 lakhs, 27.0% has assets worth Rs. 10 to 20 lakhs, 31.4% has 20 to 30 lakhs, 10.1% has 30 to 40 lakhs, 9.1% has 40 to 50 lakhs and 5.7% has assets worth Rs. 50 lakhs and above.

Further, out of the 18 who has assets worth Rs. 50 lakhs and above, 6 (33.3%) belong to the personal finance score category less than 35, 2 (11.1%) belong to 35 to 45, 7 (38.9%) belong to 45 to 55 and 3 (16.7%) belong to 55 and above. Out of the 29 who has assets worth Rs. 40 to 50 lakhs, 10 (34.4%) belong to the personal finance score category less than 35, 4 (13.8%) belong to 35 to 45, 9 (31.0%) belong to 45 to 55 and 6 (20.8%) belong to the personal finance score category 55 and above.

The statistical significance of association between personal finance score and present value of assets is tested by applying chi-square. As per table 6.27(b), the significance of likelihood ratio is .000. Hence, it is concluded that there is statistically significant association between personal finance score and value of assets.

The researcher has also applied t test to find out whether there is significant difference in the mean values of assets held by category A and category B. From table 6.28(a) it is evident that the mean values are 20.2094 in category A and 42.2073 in category B. As per table 6.28(b), un-equal variance is assumed as the significance value for the levene test is less than 0.05. Low significance value for the t test indicates that there is significant difference in the present value of assets held by category A and category B. The confidence interval for the mean difference does not contain zero and hence, it also indicates that the difference is significant. Therefore, it can be concluded that there is significant difference in the present value of assets held by category A and category B.

The average value of assets held by category A is Rs. 20,20,939 and Rs. 42,20,732 in category B.

Based on the above analysis, it is clear that category B is better placed with respect to the present value of assets held by them. A comparison of the components of assets held by category A and category B reveals why category B is now doing better than category A. The major components of assets in category A are land and house, bank deposit and agricultural land. These three items together constitute 65.1% of total value of assets and they are either non-income generating or low income generating. On the other hand, category B has investments in high income generating items like business.

6.12 Hypothesis- I

"There is significant difference in income, expenditure and investments of the Gulf-returned Keralites with financial planning and without financial planning"

The researcher has applied t test through SPSS to find out whether there is any significant difference in investments between category A and category B.

6.12.1 Total Value of Investments Purchased During the Gulf-period

Table 6.29(a) shows the group statistics of t test for total value of investments purchased during the Gulf-period. It can be seen that the mean value is 23.1168 in category A and 30.1176 in category B. From table 6.29(b), which shows the result of t test for equality of means, it can be seen that equal variance assumed as the significance value for the levene test is more than 0.05. Low significance value for the t test (.000) indicates that there is significant difference in the value of investments purchased by category A and category B, during the Gulf-period. The confidence interval for the mean difference does not contain zero and hence, it also indicates that the difference is significant. Therefore, the conclusion is that there is significant difference in the total value of investments purchased by category A and category B, during the Gulf-period.

t test has been separately done for Investments I (non-income generating) and Investments II (income generating) purchased during the Gulf-period.

6.12.2 Investments I (non-income generating)

Group statistics of t test for investments I and the result of t test for equality of means are shown in table 6.30(a) and table 6.30(b), respectively. As per the group statistics table, the mean expenditure is 8.5542 in category A and 8.1663 in category B. As per table 6.30(b), un-equal variance is assumed as the significance value for the levene test is less than 0.05. As the significance value is high (.518) and the confidence interval for the mean difference contain zero, the indication is that there is no significant difference between the two group means. Hence the conclusion is that there is no significant difference in the value of investments I (non income generating) purchased by category A and category B, during the Gulf-period.

6.12.3 Investments II (income generating)

Table 6.31(a) shows the group statistics of t test for Investments II (income generating) purchased during the Gulf-period. It can be seen that the mean value is 14.5626 in category A and 21.9712 in category B. From table 6.31(b), which shows the result of t test for equality of means, it can be seen that equal variance assumed as the significance value for the levene test is more than 0.05. Low significance value for the t test (.000) indicates that there is significant difference in the value of investments II (income generating) purchased by category A and category B. The confidence interval for the mean difference does not contain zero and hence, it also indicates that the difference is significant. Therefore, it is concluded that there is significant difference in the value of investments II (income generating) purchased by category A and category B, during the Gulf-period.

6.13 Hypothesis II

"There is significant relationship between income and expenditure and between income and investments"

The total income of the family can be an influencing factor in determining the level of savings and investments. In this analysis, an attempt is made to study the relationship between total income during the Gulf-period and total investments, with respect to both category A and category B.

In order to find out whether there is any significant relationship between income and investments, correlation co-efficient has been applied through SPSS. Table 6.32(a) shows descriptive statistics of correlation and table 6.32(b) shows correlation between total income and investments of category A, during the Gulf-period. As the correlation coefficient for income and investments of category A is 0.447, there is only a low degree of correlation. The significance level indicates that the correlation is not significant. Hence the conclusion is that there is no significant relationship between income and investments of category A, during the Gulf-period.

Table 6.33(a) and 6.33(b) shows, respectively the descriptive statistics and correlation between income and investments of category B, during the Gulf-period. As the correlation coefficient for income and investments of category B is 0.753, there is high degree of positive correlation. The significance level indicates that the income and investments are significantly correlated. Hence it can be concluded that there is significant, strong positive relationship between income and investments of category B, during the Gulf-period.

6.14 Hypothesis III

"Financial planning resulted in increasing the level of investments"

It is assumed that by proper planning of one's personal finance, the level of savings and investments can be increased. Here, an attempt has been made to enquire into the extent personal financial planning has helped the Gulf-returned Keralites in generating the level of investments. The frequency distribution of the personal finance score of the respondents and the total investments are provided in table 6.34. The coefficient of correlation computed depicts that there is high degree of positive correlation. For assessing the significance of correlation, the student's t test has been computed. The test reveals that at 5% level of significance, the computed value (42.47) is higher than the table value. This indicates that the correlation coefficient is significant. Thus, the data support the hypothesis that financial planning resulted in increasing the level of investments.

6.14.1 Financial Planning and Investment in Income Generating Assets

An effort has also been made to find out whether 'financial planning resulted in increasing the level of investments in income generating assets' The frequency distribution of the personal finance score and investments in income generating items is provided in table 6.35. Correlation analysis reveals that there is high degree of positive correlation (.756) between the two variables. On applying t test, it is found that the computed value (34.45) is higher than the table value at 5% level of significance, which proves that the correlation is significant. Hence, it can be concluded that financial planning resulted in increasing the level of investments in income generating assets.

6.15 Hypothesis- IV

"Those who had personal financial planning are now better placed with respect to current income and asset value, than those who had no personal financial planning during the Gulf-period"

The average income of category A after return from the Gulf (in 2005) is Rs.1,35,200. It is Rs.2,39,025 in category B, which is 77% more than the income earned by category A. More over, t test (table 5.70(b)) reveals that there is significant difference in income between category A and category B.

The average present value of assets held by category B is more than double the value of assets held by category A. It is Rs.20,20,939 in category A and Rs.42,20,732 in category B. Further, t test as per table 6.28(b) shows that there is significant difference in the present value of assets held by category A and category B.

Hence, based on the above discussions, it can be concluded that those who had personal financial planning (category B) are now better placed, with respect to current income and asset value, than those who had no personal financial planning during the Gulf-period (category A).

The above analyses reveal the following:

1. There is significant difference in the total value of investments purchased by the Gulf-returned Keralites without financial planning (category A) and with financial planning (category B). It is Rs.23,11,675 in category A and Rs.30,11,756 in category B.

2. There is no significant difference in the value of non-income generating assets purchased by category A and category B.

3. There is significant difference in the value of income generating assets purchased by category A and category B. The value of income generating assets purchased by category B is 50% higher than that of category A (Rs.14,56,260 in category A and Rs.21,97,122 in category B).

4. The relationship between income and investments of category A during the Gulf-period is not significant, whereas, in category B, there is significant, positive relationship between income and investments.

5. Financial planning resulted in increasing the level of investments.

The total income from all the sources during the entire period of stay in the Gulf was almost the same in both the categories. Category B invested a major portion of their total income in income generating assets. More over, they accepted more risk by investing in business ventures, shares, debentures, mutual funds, commercial vehicles, etc. This can be attributed to their personal financial planning. As a result of that (as revealed in chapter 5) they are able to generate better returns than category A, after coming back from the Gulf. Hence, it is clear that personal financial planning is relevant and those who had financial planning during the Gulf-period are better placed, with respect to income and asset value, after their return from the Gulf.

6.16 Personal Liabilities

The use of loans and borrowed funds to pay for assets as well as certain goods and services has become the modern way of life. The economy we live in today is often called a 'credit economy' because of the ready availability and liberal use of credit to make various types of purchases. Borrowing is a means of increasing one's immediate purchasing power. However, if one pays too much for the use of someone else's money or use it unwisely, borrowing can result in unnecessary drains on his financial resources and end up in debt trap.

The researcher has collected data regarding the liabilities of the respondents in two periods, i.e., in the year 2001 (during the Gulf-period) and after their return, i.e., in the year 2005. The liabilities are grouped into three.

1. Housing loan
2. Vehicle loan
3. Other loans

6.16.1 Personal Finance Score and Total Liability in 2001

An analysis of the total liability in the year 2001 reveals that (Table6.36(a)) 1.9% of the respondents had a total liability less than Rs.1 lakhs, 16.7% had liability Rs.1 to 2 lakhs, 18.6% had liability Rs.2 to 3 lakhs, 8.2% had liability Rs.3 to 4 lakhs and 4.7% had liability Rs.4 lakhs and above. Moreover, it can be seen that 50.0% had no liabilities at all in 2001.

Further, it can be seen that out of the 15 respondents who had a liability of Rs. 4 lakhs and above, 7 (46.7%) belong to the personal finance score category less than 35, 4 (26.7%) belong to the category 35 to 45, 2 (13.3%) belong to the category 45 to 55 and 2 (13.3%) belong to the personal finance score category 55 and above. Similarly, out of the 159 who had no liabilities at all, 118 (74.3%) belong to the personal finance score category less than 35, 31 (19.5%) belong to 35 to 45, 7 (4.4%) belong to 45 to 55 and 3 (1.8%) belong to the personal finance score category 55 and above.

As per table 6.36(b), the association between personal finance score and total liability in 2001 is statistically tested by applying chi-square. The significance of likelihood ratio is .020. As it is less than 0.05, it can be concluded that there is statistically significant association between personal finance score and total liability in 2001.

The average amount of loan availed by each category is as follows:

Category A – Rs.1,13,118

Category B – Rs. 2,32,432

Thus, it is clear that on an average, more amount of loan has been availed by category B. Moreover, 76% of the respondents in category B availed loans, whereas, it is only 46% in category A.

6.16.2 Nature of Liability

As indicated earlier, the liabilities of the respondents consist of housing loan, vehicle loan and other loans. It can be seen from table 6.37 that housing loan constitutes the major liability. It comes to 59.0% in category A and 64.0% in category B. The second item is vehicle loan, which comes to 28.0% in category A and 23.0% in category B. Other loans comes to 13.0%, both in category A and category B.

6.16.3 Personal Finance Score and Current Liability

Classification based on the liabilities in 2005 (Table 6.38(a)) shows that 4.1% had a liability of less than Rs. 1 lakh, 7.5% had a liability of Rs.1 to 2 lakhs, 4.7% had a liability Rs. 2 to 3 lakhs, 4.7% had a liability Rs. 3 to 4 lakhs and 6.9% of the respondents had a liability of Rs. 4 lakhs and above. It can also be seen that 72.0% had no liabilities at all.

As per table 6.38(b), association between the personal finance score and current liability is statistically tested by applying chi-square. The significance of likelihood ratio is .040. As it is less than 0.05, it can be concluded that there is statistically significant association between personal finance score and current liability.

The average amount of liability is as follows.

Category A - Rs.54,372

Category B - Rs.1,48,648

Thus on an average, more amount of loans have been availed by category B.

6.16.4 Nature of Current Liability

It can be seen from table 6.39 that housing loan constitutes the major item in category A (52.0%) and other loans in category B (47.0%). The second item is vehicle loan in category A (26.0%) and housing loan in category B (42.0%). Here a shift is noticed with respect to the proportion of loans. During the Gulf-period 60% of the total liability was housing loan, but it declined to 49% after return. At the same time, other loans has increased from 13% to 28%.

An effort has also been made by the researcher to find out whether there is any category wise difference in the mean values of liabilities. Table 6.40(a) shows the information regarding the liabilities in 2001 and 2005. It shows that the mean liability of category A is Rs. 1.1312 lakhs in 2001 and Rs. 0.5437 lakhs in 2005. In category B, the mean liability is Rs. 2.3243 lakhs and Rs. 1.4865 lakhs, respectively in 2001 and 2005.

The category wise analysis of variance test using ANOVA (table 6.40(b)) shows that there is category wise difference in the mean values of liabilities in 2001 and 2005. In other words there is significant difference in the mean values of liabilities in 2001 and 2005 between category A and category B. The significance value is less than 0.05 in both the cases.

The above analysis reveals that the loans and borrowing facilities are availed more by category B, both in 2001 and in 2005. Similarly, a shift is noticed with respect to the proportion of loans from 2001 to 2005. In 2001, 87% of the loans were housing loans and vehicle loans (which were for non-productive purposes), both in category A and category B. In 2005, the proportion of housing loans and vehicle loans decreased and other loans increased. This change is more visible in category B. In category B, the proportion of other loans increased from 13% in 2001 to 47% in 2005 (It is also revealed that other loans are utilised for business purposes and for purchasing commercial vehicles, and hence for productive purposes). In category A, it increased from 13% in 2001 to 22% in 2005.

As shown earlier, category B accepted more liability in the form of loans, as part of their risk taking nature, which was the result of their personal financial planning. It is always advisable to borrow and invest in productive ventures, provided the returns on investment are higher than the interest on borrowings.

In short, loans and borrowing facilities are availed more by category B, and that too for productive purposes. This is also a reason for the better performance of category B with respect to current income.

6.17 Ancestral Property

The researcher has also collected the details of ancestral property received by the respondents. Ancestral items received include land for house construction, agricultural land, house, business, gold and bank deposits (As the value of consumer durables is negligible, it is ignored).

Analysis (Table 6.41) shows that from category A, 6.8% of the respondents received ancestral property worth less than Rs.1,00,000, 11.2% received Rs.1,00,000 to 2,00,000, 35.0% received Rs.2,00,000 to 3,00,000 and 12.0% received ancestral property worth Rs.3,00,000 and above and from category B, 2.4% of the respondents received ancestral property worth less than Rs.1,00,000, 12.2% received Rs.1,00,000 to 2,00,000, 31.7% received Rs.2,00,000 to 3,00,000 and 12.3% received ancestral property worth Rs.3,00,000 and above. 41.4% did not receive any ancestral property.

Thus, it can be seen that a major group of 35.0% from category A and 31.7% from category B received ancestral property worth Rs.2,00,000 to 3,00,000. It is also noticed that there is no much variation in the average value of ancestral property received by category A and category B. It is Rs.1,52,347 in category A and Rs.1,47,560 in category B.

6.17.1 Components of Ancestral Property

As shown in table 6.42, category A received ancestral property worth Rs.422 lakhs and category B received property worth Rs.60.50 lakhs. An analysis of the components of ancestral property shows that land for house construction constitutes the major item. It comes to 63.1% in category A and 52.9% in category B. Agricultural land constitutes the second major item with 17.8% in category A and 30.6% in category B. The third item is house, comprising 16.9% in category A and 14.9% in category B. The fourth, fifth and sixth items are gold, business and bank deposits.

Thus, the ancestral properties received by the respondents include land, house, business, gold, and bank deposits. The average value of ancestral property received by category A and category B remains almost the same. Therefore, it is clear that both category A and category B started on a level ground and nobody had any edge over the other category, before going to the Gulf.

6.18 Consumer Durables

Gulf-Keralites are accustomed to the use of modern consumer durables and household gadgets, while abroad. They are the pioneers in introducing such things to Kerala, from abroad. Now all such consumer durables are available in the local market. The propensity to acquire such consumer durables is prevalent among the migrants.

Consumer durables are assets used for the convenience or comfort of a person and a regular monetary return is not received from them. Keralite migrants are well known for their conspicuous consumption. Data were collected by the researcher of the following items.

i) Consumer durables purchased during the Gulf-period (from India).

ii) Consumer durables brought from abroad.

iii) Consumer durables purchased after return from the Gulf.

iv) Total value of consumer durables.

Though the researcher has collected the value of ancestral consumer durables, it has been ignored because its value is negligible.

Analyses regarding the usage of consumer durables of the respondents are made. In addition, percentages and ratios of each item are calculated and financial plan wise analyses are also done. Data relates to the following consumer durables:

1. Furniture
2. Two wheelers
3. Passenger vehicles (Car, van, etc.)
4. Music system

5. TV, VCR, VCD, Camera, etc
6. Refrigerator
7. Washing machine and Dish washer
8. Microwave and Cooking range
9. Air conditioner
10. Computer
11. Others

6.18.1 Consumer Durables Purchased during the Gulf-period

The value of consumer durables purchased from India during the Gulf-period ranges between Rs.60,000 and Rs.9,00,000. Table 6.43(a) shows that 12.9% of the respondents purchased consumer durables for less than Rs.1 lakhs, 28.3% purchased for Rs. 1 to 2 lakhs, 27.0% purchased for Rs.2 to 3 lakhs, 16.4% for Rs.3 to 4 lakhs, 8.8% for Rs.4 to 5 lakhs and 6.6% purchased consumer durables for Rs.5 lakhs and above.

Further, it can be seen that out of the 21 respondents who purchased consumer durables for Rs. 5 lakhs and above, 14 (66.7%) belong to the personal finance score category less than 35, 5 (23.8%) belong to the category 35 to 45 and 2 (9.5%) belong to the personal finance score category 45 to 55. Similarly, out of the 28 who purchased consumer durables for Rs. 4 to 5 lakhs, 18 (64.3%) belong to the personal finance score category less than 35, 7 (25.0%) belong to the category 35 to 45, 2 (7.1%) belong to the personal finance score category 45 to 55 and 1 (3.6%) belongs to the personal finance score category 55 and above.

Out of the 52 respondents who purchased consumer durables for Rs. 3 to 4 lakhs, 35 (67.4%) belong to the personal finance score category less than 35, 12 (23.0%) belong to the category 35 to 45, 3 (5.8%) belong to the personal finance score category 45 to 55 and 2 (3.8%) belong to the personal finance score category 55 and above. Out of the 86 who bought consumer durables for

Rs. 2 to 3 lakhs, 50 (58.2%) belong to the personal finance score category less than 35, 17 (19.7%) belong to the category 35 to 45, 12 (13.9%) belong to the category 45 to 55 and 7 (8.2%) belong to the personal finance score category 55 and above.

The association between personal finance score and consumer durables purchased during the Gulf-period is statistically tested by using chi-square. The significance of likelihood ratio is .643 (Table 6.43(b)). Hence, it can be concluded that there is statistically no significant association between personal finance score and consumer durables purchased during the Gulf-period.

The average value of consumer durables purchased from India during the Gulf-period is Rs.2,17,690 in category A and Rs.2,56,098 in category B. Thus, it is clear that more consumer durables have been purchased by category B during the Gulf-period.

6.18.2 Consumer Durables Brought from the Gulf

Distribution based on personal finance score and the value of consumer durables brought from the Gulf is shown in table 6.44(a). It can be seen that a major group of 59.7% brought in consumer durables from the Gulf worth Rs.1 to 2 lakhs, 27.4% brought in consumer durables for less than Rs.1 lakhs and 12.9%, for Rs.2 lakhs and above.

Cross tabulation reveals that out of the 87 respondents who brought in consumer durables worth less than Rs.1 lakhs, 60 (69.0%) belong to the personal finance score category less than 35, 18 (20.7%) belong to 35 to 45, 6 (6.9%) belong to 45 to 55 and 3 (3.4%) belong to the personal finance score category 55 and above.

Out of the 190 respondents who brought in consumer durables worth Rs. 1 to 2 lakhs, 120 (63.1%) belong to the personal finance score category less than 35, 43 (22.6%) belong to 35 to 45, 18 (9.5%) belong to 45 to 55 and 9 (4.8%) belong to the personal finance score category 55 and above.

Out of the 41 respondents who brought in consumer durables worth Rs. 2 lakhs and above, 25 (60.9%) belong to the personal finance score category less than 35, 11 (26.8%) belong to 35 to 45, 3 (7.4%) belong to 45 to 55 and 2 (4.9%) belong to the personal finance score category 55 and above.

The significance of association between personal finance score and consumer durables brought in from Gulf is tested by using chi-square (Table 6.44(b)). Since the significance level of likelihood ratio is more than 0.05 (.948), it can be concluded that there is statistically no significant association between personal finance score and value of consumer durables brought in from Gulf.

6.18.3 Consumer Durables Purchased after Return from the Gulf

It is interesting to note that even after their return from the Gulf, many of the respondents have purchased consumer durables for huge amounts. Table 6.45(a) shows that 5 respondents in general (1.6%) have purchased consumer durables for Rs.5 lakhs and above, 7.5% for Rs.3 to 5 lakhs, 8.8% for Rs.1 to 3 lakhs and 66.7% for less than Rs.1 lakhs. It can also be seen that no consumer durables have been purchased by 46 respondents (15.4%) after their return from the Gulf.

Table further reveals that out of the 5 respondents who spent Rs. 5 lakhs and above for consumer durables after coming back from the Gulf, 2 (40.0%) belong to the personal finance score category less than 35 and 1 each (20.0%) belongs to the personal finance score category 35 to 45, 45 to 55 and 55 and above. Similarly, out of the 212 who spent less than Rs. 1 lakh, 135 (63.7%), 50 (23.6%), 18 (8.5%) and 9 (4.2%) belong to the personal finance score category less than 35, 35 to 45, 45 to 55 and 55 and above, respectively.

The association between personal finance score and consumer durables purchased after coming back is statistically tested by using chi-square and the significance of likelihood ratio is .961 (Table 6.45(b)). Hence, it can be concluded that there is statistically no significant association between personal finance score and consumer durables purchased after coming back.

The average value of consumer durables purchased after return is Rs.55,957 in category A and Rs.78,048 in category B. Thus, after return from the Gulf also category B spent more amounts on consumer durables.

6.18.4 Total Value of Consumer Durables

This includes consumer durables purchased from India and brought from abroad. Table 6.46(a) shows the total value of consumer durables held by the respondents in the year 2005. It can be seen that 7.2% of the respondents have consumer durables worth Rs.1 to 2 lakhs, 17.9% have consumer durables worth Rs.2 to 3 lakhs, 30.5% have consumer durables worth Rs.3 to 4 lakhs, 18.2% have consumer durables worth Rs.4 to 5 lakhs, 14.5% have consumer durables worth Rs.5 to 6 lakhs and 11.6% have consumer durables worth Rs.6 lakhs and above.

It can also be seen that out of the 37 respondents who have consumer durables worth Rs. 6 lakhs and above, 23 (62.2%) belong to the personal finance score category less than 35, 10 (27.0%) belong to the category 35 to 45, 3 (8.1%) belong to 45 to 55 and 1 (2.7%) belong to the personal finance score category 55 and above.

Out of the 23 respondents who have consumer durables worth Rs. 1 to 2 lakhs, 15 (65.2%) belong to the personal finance score category less than 35, 7 (30.4%) belong to the category 35 to 45 and 1 (4.4%) belongs to the personal finance score category 55 and above.

The significance of association between personal finance score and total value of consumer durables is tested by using chi-square. Since the significance level of likelihood ratio is more than 0.05 (.122), it can be concluded that there is statistically no significant association between personal finance score and total value of consumer durables (Table 6.46(b)).

The average value of consumer durables held by category A is Rs.3,82,491 and it is Rs.4,42,682 in category B. Thus, we can see that category B has spent a higher amount for consumer durables.

Just like the spending on house, when it comes to consumer durables, personal finance seems to be irrelevant in deciding their spending. It is a fact that the Gulf-Keralites are the pioneers in introducing most of the new consumer durables to the country. It is observed that social pressure and prestige plays a vital role in the accumulation of consumer durables by the Gulf-Keralites, even if they are of no use to them. In acquiring modern house hold gadgets like washing machines, dish washers, microwaves and cooking range, they are guided by the feeling 'what the others think if I do not have these modern gadgets?'

6.18.5 Nature of Consumer Durables

Examining the nature of consumer durables held by the Gulf-returned shows that (Table 6.47) passenger vehicles (car, van, jeep, etc.) constitute the major item. It comes to 52.1% in category A and 57.2% in category B. The second major item is furniture, which is 19.1% in category A and 16.3% in category B. TV, VCR, VCD and Camera constitute the third important component in category A (6.0%) and washing machines and dishwashers in category B (5.0%). The fourth item is refrigerator. It constitutes 4.4% in category A and 3.9% in category B. Two wheelers is the fifth major item in category A and it is 4.3%. In category B computers constitute the fifth item (3.8%).

Other items constitute the sixth important component. It is 4.0% in category A and 3.5% in category B.

Thus, passenger vehicle is the major item of consumer durables. It comprises more than 50% of the total value of consumer durables.

6.19 Conclusion

In the previous chapter it was observed that category B (those who had personal financial planning during the Gulf-period) earned higher income than category A (those who had no personal financial planning during the Gulf-period), after their return from the Gulf. In this chapter, an effort was made to find out why and how category B earned a better return.

Even though, both the categories received almost the same income during their entire period of their stay in the Gulf, category B invested 69.1%, whereas, category A invested only 56.2% of their income. It was Rs.23,11,675 in category A and Rs.30,11,756 in category B. But here, what is more important is the nature of investments. On an average, category A invested Rs.14,56,260 in income generating investments, whereas, category B invested Rs.21,97,122, which is 50% higher than that of category A. This has resulted in more returns to category B after coming back from the Gulf. This can be proved by comparing the income received by category A and category B from investments alone in 2005 (after return from the Gulf). As shown in the previous chapter, it was Rs.1,09,025 in category A and Rs. 2,21,950 in category B.

Thus, it is clear that category B, through their personal financial planning and the resulting investments earned better returns than category A. Moreover, it has been observed that category B accepted more risk by investing in business ventures, shares, debentures, mutual funds, commercial vehicles and retirement plans and hence earned a higher return. The average value of assets held by category B (in the year 2005) is more than twice the value of assets held by category A. It is Rs.20,20,939 in category A and Rs.42,20,732 in category B. Therefore, it can be concluded that personal financial planning is highly relevant and those who had financial planning during the Gulf-period are better placed with respect to income and asset value, after their return from the Gulf.

Loans are availed more by category B and that too for productive purposes. This is also a reason for the better performance of category B, with respect to current income (in 2005).

Examination of the details of ancestral property received by the respondents reveals that the average value of ancestral property received by category A and category B is almost the same. Therefore, it is clear that both the categories started on a level ground and nobody had any edge over the other category, before going to the Gulf.

The Gulf-Keralites are accustomed to the use of many consumer durables while abroad. They have a tendency to accumulate all modern household gadgets and consumer durables at home, even though they are of no use to them. The average value of consumer durables held by a Gulf-returnee is Rs.3,90,251. This is much more than the value of consumer durables held by an average non-migrant Keralite.

Table 6.1(a)
Personal finance score and investments purchased during Gulf-period

Personal finance score	Investments purchased during Gulf-period (Rs. in lakhs)							Total
	Less than 10	10 – 20	20 – 30	30 – 40	40 – 50	50 – 60	60 and above	
Less than 35	29	60	80	20	9	6	1	205
	14.1%	29.3%	39.0%	9.8%	4.4%	2.9%	.5%	100.0%
35 - 45	12	23	20	2	8	5	2	72
	16.7%	31.9%	27.8%	2.8%	11.1%	6.9%	2.8%	100.0%
45 - 55	2	6	9	9	1	0	0	27
	7.4%	22.2%	33.3%	33.3%	3.7%	0.0%	0.0%	100.0%
55 and above	0	0	5	8	1	0	0	14
	0.0%	0.0%	35.7%	57.1%	7 1%	0.0%	0.0%	100.0%
Total	43	89	114	39	19	11	3	318
	13.5%	28.0%	35.8%	12.3%	6.0%	3.5%	.9%	100.0%

Table 6.1(b)
Chi-square test of table 6.1(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	60.845	18	.000
Likelihood Ratio	55.215	18	.000
Linear-by-Linear Association	8.275	1	.004
N of Valid Cases	318		

Table 6.2(a)
Total income and investments purchased during Gulf-period

Total income (Rs. in lakhs)	Investments purchased during Gulf-period (Rs. in lakhs)							Total
	Less than 10	10 – 20	20 – 30	30 – 40	40 – 50	50 – 60	60 and above	
20 – 40	35 30.7%	49 43.0%	24 21.1%	6 5.3%	0 0.0%	0 0.0%	0 0.0%	114 100.0%
40 – 60	4 3.0%	8 5.9%	86 63.7%	20 14.8%	10 7.4%	5 3.7%	2 1.5%	135 100.0%
60 – 80	4 7.5%	23 43.4%	4 7.5%	13 24.5%	5 9.4%	3 5.7%	1 1.9%	53 100.0%
80 – 100	0 0.0%	7 63.6%	0 0.0%	0 0.0%	2 18.2%	2 18.2%	0 0.0%	11 100.0%
100 and above	0 0.0%	2 40.0%	0 0.0%	0 0.0%	2 40.0%	1 20.0%	0 0.0%	5 100.0%
Total	43 13.5%	89 28.0%	114 35.8%	39 12.3%	19 6.0%	11 3.5%	3 .9%	318 100.0%

Table 6.2(b)
Chi-square test of table 6.2(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	187.919	24	.000
Likelihood Ratio	205.101	24	.000
Linear-by-Linear Association	44.205	1	.000
N of Valid Cases	318		

Table 6.3
Proportion of investments to total income

1 Category	2 Total income during Gulf-period (Rs. in lakhs)	3 Purchase of investments during Gulf-period (Rs. in lakhs)	4 % of 3 to 2
A	11409.00	6403.34	56.2%
B	1787.00	1234.82	69.1%
General	13196.00	7638.16	57.8%

Table 6.4(a)
Personal finance score and investments I

Personal finance score	Investments I (Rs. in lakhs)					Total
	Less than 5	5 – 10	10 – 15	15 – 20	20 and above	
Less than 35	37 18.0%	110 53.7%	24 11.7%	17 8.3%	17 8.3%	205 100.0%
35 – 45	24 33.3%	23 31.9%	12 16.7%	8 11.1%	5 6.9%	72 100.0%
45 – 55	6 22.2%	10 37.0%	6 22.2%	5 18.5%	0 0.0%	27 100.0%
55 and above	2 14.3%	6 42.9%	3 21.4%	3 21.4%	0 0.0%	14 100.0%
Total	69 21.7%	149 46.9%	45 14.2%	33 10.4%	22 6.9%	318 100.0%

Table 6.4(b)
Chi-square test of table 6.4(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.771	12	.030
Likelihood Ratio	24.571	12	.017
Linear-by-Linear Association	.031	1	.860
N of Valid Cases	318		

Table 6.5
Proportion of investments I in total investments

1 Category	2 Investments Purchased during Gulf-period (Rs. in lakhs)	3 Investments I (Rs. in lakhs)	4 % of 3 to 2
A	6403.34	2369.50	37.0%
B	1234.82	334.00	27.0%
General	7638.16	2703.50	35.4%

Table 6.6(a)
Component wise break up of Investments I

Category	Item	Mean	Std. deviation	Percentage mean
A	Land	1.62	2.61	19.0
	House	5.04	3.38	59.0
	Gold	1.88	1.84	22.0
	Total	8.55	6.27	100.0
B	Land	1.05	2.03	13.0
	House	5.62	3.72	69.0
	Gold	1.46	1.63	18.0
	Total	8.14	3.22	100.0

Table 6.6(b)
ANOVA table on the components of Investments I

Item	F	Sig.
Land * Category	2.041	.264
House * Category	1.231	.384
Gold * Category	1.685	.318
Total * Category	.294	.653

Table 6.7(a)
Personal finance score and value of land purchased

Personal finance score	Land purchased (Rs. in lakhs)							Total
	Nil	Less than 2	2 – 4	4 – 6	6 – 8	8 – 10	10 and above	
Less than 35	100	46	24	18	5	6	6	205
	48.8%	22.4%	11.7%	8.8%	2.4%	2.9%	2.9%	100.0%
35 - 45	39	15	7	4	3	2	2	72
	54.2%	20.8%	9.7%	5.6%	4.2%	2.8%	2.8%	100.0%
45 - 55	12	9	5	1	0	0	0	27
	44.4%	33.3%	18.5%	3.7%	0.0%	0.0%	0.0%	100.0%
55 and above	4	6	1	1	2	0	0	14
	28.6%	42.9%	7.1%	7 1%	14.3%	0.0%	0.0%	100.0%
Total	155	76	37	24	10	8	8	318
	48.7%	23.9%	11.6%	7.5%	3.1%	2.5%	2.5%	100.0%

Table 6.7(b)
Chi-square test of table 6.7(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.492	18	.490
Likelihood Ratio	17.521	18	.488
Linear-by-Linear Association	.165	1	.685
N of Valid Cases	318		

Table 6.8(a)
Personal finance score and value of house

Personal finance score	Value of house (Rs. in lakhs)				Total
	Nil	Less than 5	5 – 10	10 and above	
Less than 35	31 15.1%	84 41.0%	64 31.2%	26 12.7%	205 100.0%
35 – 45	16 22.2%	27 37.5%	22 30.6%	7 9.7%	72 100.0%
45 – 55	0 0.0%	14 51.9%	11 40.7%	2 7.4%	27 100.0%
55 and above	2 14.3%	7 50.0%	5 35.7%	0 0.0%	14 100.0%
Total	49 15.4%	132 41.5%	102 32.1%	35 11.0%	318 100.0%

Table 6.8(b)
Chi-square test of table 6.8(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.862	9	.285
Likelihood Ratio	16.214	9	.063
Linear-by-Linear Association	.214	1	.643
N of Valid Cases	318		

Table 6.9(a)
Personal finance score and value of gold purchased

Personal finance score	Gold purchased (Rs. in lakhs)							Total
	Nil	Less than 1	1 – 2	2 – 3	3 – 4	4 – 5	5 and above	
Less than 35	2	28	120	25	16	12	2	205
	1.0%	13.7%	58.5%	12.2%	7.8%	5.9%	1.0%	100.0%
35 - 45	1	13	38	8	6	5	1	72
	1.4%	18.1%	52.8%	11.1%	8.3%	6.9%	1.4%	100.0%
45 - 55	0	6	11	5	4	1	0	27
	0.0%	22.2%	40.7%	18.5%	14.8%	3.7%	0.0%	100.0%
55 and above	0	7	5	1	1	0	0	14
	0.0%	50.0%	35.7%	7 1%	7.1%	0.0%	0.0%	100.0%
Total	3	54	174	39	27	18	3	318
	.9%	17.0%	54.7%	12.3%	8.5%	5.7%	.9%	100.0%

Table 6.9(b)
Chi-square test of table 6.9(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.227	18	.441
Likelihood Ratio	16.630	18	.549
Linear-by-Linear Association	1.534	1	.216
N of Valid Cases	318		

Table 6.10(a)
Personal finance score and Investments II

Personal finance score	Investments II (Rs. in lakhs)					Total
	Less than 10	10 – 20	20 – 30	30 – 40	40 and above	
Less than 35	82	87	29	7	0	205
	40.0%	42.4%	14.1%	3.4%	0.0%	100.0%
35 – 45	28	29	10	4	1	72
	38.9%	40.3%	13.9%	5.6%	1.4%	100.0%
45 – 55	5	7	14	1	0	27
	18.5%	25.9%	51.9%	3.7%	0.0%	100.0%
55 and above	2	3	6	3	0	14
	14.3%	21.4%	42.9%	21.4%	0.0%	100.0%
Total	117	126	59	15	1	318
	36.8%	39.6%	18.6%	4.7%	.3%	100.0%

Table 6.10(b)
Chi-square test of table 6.10(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	44.095	12	.000
Likelihood Ratio	35.092	12	.000
Linear-by-Linear Association	20.342	1	.000
N of Valid Cases	318		

Table 6.11
Proportion of Investments II in total Investments

1 Category	2 Investments purchased during Gulf-period (Rs. in lakhs)	3 Investments II (Rs. in lakhs)	4 % of 3 to 2
A	6403.34	4033.84	63.0%
B	1234.82	900.82	73.0%
General	7638.16	4934.66	64.6%

Table 6.12(a)

Component wise break up of Investments II

Category	Item	Mean	Std. deviation	Percentage mean
A	Agricultural land	1.89	2.31	13.0
	Investment in business	1.71	4.66	11.8
	Commercial vehicles	0.56	0.55	3.8
	Shares, Debentures, etc.	1.63	1.75	11.2
	Life insurance	1.18	1.01	8.1
	Bank deposit	5.90	3.27	40.5
	Post office savings	0.22	0.34	1.5
	Annuities	0.06	0.84	0.4
	Retirement plans	0.09	0.26	0.6
	KVP, IVP, NSC, etc.	0.11	0.35	0.8
	Chits and Kuries	0.61	0.48	4.2
	Other investments	0.60	0.35	4.1
	Total	14.56	8.51	100.0
B	Agricultural land	3.92	2.73	17.8
	Investment in business	5.46	3.16	24.8
	Commercial vehicles	2.46	2.46	11.2
	Shares, Debentures, etc.	2.23	2.84	10.1
	Life insurance	2.12	1.87	9.7
	Bank deposit	3.73	2.64	17.0
	Post office savings	0.11	0.19	0.5
	Annuities	0.03	0.79	0.1
	Retirement plans	0.27	0.24	1.2
	KVP, IVP, NSC, etc.	0.22	0.24	1.0
	Chits and Kuries	1.15	0.90	5.3
	Other investments	0.26	0.20	1.2
	Total	21.97	8.57	100.0

Table 6.12(b)

ANOVA table on the components of Investments II

Item	F	Sig.
Agricultural land * Category	8.411	.000
Investment in business * Category	10.643	.000
Commercial vehicles * Category	5.414	.000
Shares, Debentures, etc. * Category	3.614	.009
Life insurance * Category	2.211	.021
Bank deposit * Category	12.716	.000
Post office savings * Category	1.568	.059
Annuities * Category	1.383	.062
Retirement plans * Category	4.003	.008
KVP, IVP, NSC, etc. * Category	1.814	.052
Chits and Kuries * Category	2.011	.026
Other investments * Category	4.118	.007
Total * Category	36.431	.000

Table 6.13(a)

Personal finance score and value of agricultural land purchased

Personal finance score	**Agricultural land purchased (Rs. in lakhs)**							**Total**
	Nil	Less than 2	2 – 4	4 – 6	6 – 8	8 – 10	10 and above	
Less than 35	98 47.8%	35 17.1%	31 15.1%	19 9.3%	13 6.3%	5 2.4%	4 2.0%	205 100.0%
35 – 45	37 51.4%	12 16.7%	10 13.9%	6 8.3%	4 5.6%	1 1.4%	2 2.8%	72 100.0%
45 – 55	9 33.3%	2 7.4%	2 7.4%	7 25.9%	5 18.5%	1 3.7%	1 3.7%	27 100.0%
55 and above	4 28.6%	1 7.1%	1 7 1%	3 21.4%	1 7.1%	2 14.3%	2 14.3%	14 100.0%
Total	148 46.5%	50 15.7%	44 13.8%	35 11.0%	23 7.2%	9 2.8%	9 2.8%	318 100.0%

Table 6.13(b)

Chi-square test of table 6.13(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	33.504	18	.014
Likelihood Ratio	25.047	18	.124
Linear-by-Linear Association	11.813	1	.001
N of Valid Cases	318		

Table 6.14(a)

Personal finance score and investment in business

Personal finance score	Investment in business (Rs. in lakhs)								Total
	Nil	Less than 2	2 – 4	4 – 6	6 – 8	8 – 10	10 – 12	12 and above	
Less than 35	176	0	1	4	3	7	8	6	205
	85.9%	0.0%	.5%	2.0%	1.5%	3.4%	3.9%	2.9%	100.0%
35 – 45	52	0	1	2	3	4	5	5	72
	72.2%	0.0%	1.4%	2.8%	4.2%	5.6%	6.9%	6.9%	100.0%
45 – 55	19	0	0	0	0	0	1	7	27
	70.4%	0.0%	0.0%	0.0%	0.0%	0.0%	3.7%	25.9%	100.0%
55 and above	4	0	0	0	1	1	1	7	14
	28.6%	0.0%	0.0%	0.0%	7 1%	7.1%	7 1%	50.0%	100.0%
Total	251	0	2	6	7	12	15	25	318
	78.9%	0.0%	.6%	1.9%	2.2%	3.8%	4.7%	7.9%	100.0%

Table 6.14(b)

Chi-square test of table 6.14(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	65.440	21	.000
Likelihood Ratio	48.861	21	.001
Linear-by-Linear Association	35.283	1	.000
N of Valid Cases	318		

Table 6.15(a)

Personal finance score and value of commercial vehicles

Personal finance score	Commercial vehicles (Rs. in lakhs)				Total
	Nil	Less than 5	5 – 10	10 and above	
Less than 35	190 92.7%	5 2.4%	6 2.9%	4 2.0%	205 100.0%
35 – 45	65 90.3%	3 4.2%	2 2.8%	2 2.8%	72 100.0%
45 – 55	21 77.8%	1 3.7%	2 7.4%	3 11.1%	27 100.0%
55 and above	10 71.4%	1 7 1%	2 14.3%	1 7.1%	14 100.0%
Total	286 89.9%	10 3.1%	12 3.8%	10 3.1%	318 100.0%

Table 6.15(b)

Chi-square test of table 6.15(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.195	9	.026
Likelihood Ratio	10.974	9	.027
Linear-by-Linear Association	10.505	1	.001
N of Valid Cases	318		

Table 6.16(a)

Personal finance score and investment in shares, debentures and mutual funds

Personal finance score	Shares, debentures and mutual funds (Rs. in lakhs)							Total
	Nil	Less than 1	1 – 2	2 – 3	3 – 4	4 – 5	5 and above	
Less than 35	130 63.4%	2 1.0%	11 5.4%	10 4.9%	19 9.3%	24 11.7%	9 4.4%	205 100.0%
35 - 45	32 44.4%	1 1.4%	6 8.3%	7 9.7%	9 12.5%	12 16.7%	5 6.9%	72 100.0%
45 - 55	16 59.3%	1 3.7%	0 0.0%	2 7.4%	1 3.7%	6 22.2%	1 3.7%	27 100.0%
55 and above	3 21.4%	0 0.0%	1 7 1%	0 0.0%	2 14.3%	6 42.9%	2 14.3%	14 100.0%
Total	181 56.9%	4 1.3%	18 5.7%	19 6.0%	31 9.7%	48 15.1%	17 5.3%	318 100.0%

Table 6.16(b)

Chi-square test of table 6.16(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.342	18	.047
Likelihood Ratio	28.352	18	.047
Linear-by-Linear Association	11.866	1	.001
N of Valid Cases	318		

Table 6.17(a)

Personal finance score and life insurance

Personal finance score	Life insurance (Rs. In lakhs)							Total
	Less than 1	1 – 2	2 – 3	3 – 4	4 – 5	5 – 10	10 and above	
Less than 35	114	55	18	10	5	2	1	205
	55.6%	26.8%	8.8%	4.9%	2.4%	1.0%	.5%	100.0%
35 - 45	36	20	7	4	3	1	1	72
	50.0%	27.8%	9.7%	5.6%	4.2%	1.4%	1.4%	100.0%
45 - 55	10	9	6	2	0	0	0	27
	37.0%	33.3%	22.2%	7.4%	0.0%	0.0%	0.0%	100.0%
55 and above	1	4	5	1	2	1	0	14
	7.1%	28.6%	35.7%	7 1%	14.3%	7 1%	0.0%	100.0%
Total	161	88	36	17	10	4	2	318
	50.6%	27.7%	11.3%	5.3%	3.1%	1.3%	.6%	100.0%

Table 6.17(b)

Chi-square test of table 6.17(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	31.764	18	.023
Likelihood Ratio	28.273	18	.048
Linear-by-Linear Association	12.646	1	.000
N of Valid Cases	318		

Table 6.18(a)

Personal finance score and bank deposit

Personal finance score	**Bank deposit (Rs. in lakhs)**							**Total**
	Less than 2	2 – 4	4 – 6	6 – 8	8 – 10	10 – 12	12 and above	
Less than 35	36	40	46	40	16	17	10	205
	17.6%	19.5%	22.4%	19.5%	7.8%	8.3%	4.9%	100.0%
35 - 45	6	15	15	15	9	8	4	72
	8.3%	20.8%	20.8%	20.8%	12.5%	11.1%	5.6%	100.0%
45 - 55	9	7	7	3	1	0	0	27
	33.3%	25.9%	25.9%	11.1%	3.7%	0.0%	0.0%	100.0%
55 and above	5	4	3	1	1	0	0	14
	35.7%	28.6%	21.4%	7.1%	7 1%	0.0%	0.0%	100.0%
Total	56	66	71	59	27	25	14	318
	17.6%	20.8%	22.3%	18.6%	8.5%	7.9%	4.4%	100.0%

Table 6.18(b)

Chi-square test of table 6.18(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.756	18	.243
Likelihood Ratio	26.499	18	.089
Linear-by-Linear Association	6.259	1	.012
N of Valid Cases	318		

Table 6.19(a)

Personal finance score and post office savings

Personal finance score	Post office savings (in Rs.)				Total
	Nil	Less than 25,000	25,000 - 50,000	50,000 and above	
Less than 35	116 56.6%	34 16.6%	35 17 1%	20 9.8%	205 100.0%
35 – 45	31 43.1%	13 18.1%	15 20.8%	13 18.1%	72 100.0%
45 – 55	16 59.3%	6 22.2%	4 14.8%	1 3.7%	27 100.0%
55 and above	10 71.4%	3 21.4%	1 7 1%	0 0.0%	14 100.0%
Total	173 54.4%	56 17.6%	55 17.3%	34 10.7%	318 100.0%

Table 6.19(b)

Chi-square test of table 6.19(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.326	9	.254
Likelihood Ratio	12.857	9	.169
Linear-by-Linear Association	.459	1	.498
N of Valid Cases	318		

Table 6.20(a)

Personal finance score and annuities

Personal finance score	**Annuities (in Rs.)**				**Total**
	Nil	Less than 50,000	50,000 – 1,00,000	1,00,000 and above	
Less than 35	182 88.8%	11 5.4%	8 3.9%	4 2.0%	205 100.0%
35 – 45	65 90.3%	3 4.2%	3 4.2%	1 1.4%	72 100.0%
45 – 55	26 96.3%	0 0.0%	1 3.7%	0 0.0%	27 100.0%
55 and above	13 92.9%	0 0.0%	1 7.1%	0 0.0%	14 100.0%
Total	286 89.9%	14 4.4%	13 4.1%	5 1.6%	318 100.0%

Table 6.20(b)

Chi-square test of table 6.20(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.607	9	.935
Likelihood Ratio	5.955	9	.744
Linear-by-Linear Association	.716	1	.397
N of Valid Cases	318		

Table 6.21(a)

Personal finance score and investment in retirement plans

Personal finance score	**Investment in retirement plans (in Rs.)**				**Total**
	Nil	Less than 50,000	50,000 – 1,00,000	1,00,000 and above	
Less than 35	181 88.3%	8 3.9%	12 5.9%	4 2.0%	205 100.0%
35 – 45	63 87.5%	3 4.2%	5 6.9%	1 1.4%	72 100.0%
45 – 55	17 63.0%	4 14.8%	5 18.5%	1 3.7%	27 100.0%
55 and above	8 57.1%	2 14.3%	3 21.4%	1 7 1%	14 100.0%
Total	269 84.6%	17 5.3%	25 7.9%	7 2.2%	318 100.0%

Table 6.21(b)

Chi-square test of table 6.21(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.162	9	.012
Likelihood Ratio	16.777	9	.042
Linear-by-Linear Association	12.496	1	.000
N of Valid Cases	318		

Table 6.22(a)

Personal finance score and investment in KVP, IVP, NSC, etc

Personal finance score	**Investment in KVP, IVP, NSC, etc.**				**Total**
	Nil	Less than 50,000	50,000 – 1,00,000	1,00,000 and above	
Less than 35	174 84.9%	10 4.9%	17 8.3%	4 2.0%	205 100.0%
35 – 45	61 84.7%	4 5.6%	5 6.9%	2 2.8%	72 100.0%
45 – 55	15 55.6%	6 22.2%	5 18.5%	1 3.7%	27 100.0%
55 and above	9 64.3%	2 14.3%	2 14.3%	1 7.1%	14 100.0%
Total	259 81.4%	22 6.9%	29 9.1%	8 2.5%	318 100.0%

Table 6.22(b)

Chi-square test of table 6.22(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.960	9	.018
Likelihood Ratio	15.744	9	.072
Linear-by-Linear Association	7.490	1	.006
N of Valid Cases	318		

Table 6.23(a)

Personal finance score and chits and kuries

Personal finance score	**Chits and kuries (Rs. in lakhs)**						**Total**
	Nil	Less than 0.5	0.5 – 1.0	1.0 – 1.5	1.5 – 2.0	2.0 and above	
Less than 35	93 45.4%	24 11.7%	38 18.5%	27 13.2%	17 8.3%	6 2.9%	205 100.0%
35 - 45	29 40.3%	9 12.5%	15 20.8%	12 16.7%	5 6.9%	2 2.8%	72 100.0%
45 - 55	7 25.9%	0 0.0%	4 14.8%	5 18.5%	7 25.9%	4 14.8%	27 100.0%
55 and above	4 28.6%	0 0.0%	2 14.3%	3 21.4%	3 21.4%	2 14.3%	14 100.0%
Total	133 41.8%	33 10.4%	59 18.6%	47 14.8%	32 10.1%	14 4.4%	318 100.0%

Table 6.23(b)

Chi-square test of table 6.23(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	30.626	15	.010
Likelihood Ratio	29.207	15	.015
Linear-by-Linear Association	15.841	1	.000
N of Valid Cases	318		

Table 6.24(a)

Personal finance score and value of other investments

Personal finance score	**Value of other investments (Rs. in lakhs)**						**Total**
	Nil	Less than 0.5	0.5 – 1.0	1.0 – 1.5	1.5 – 2.0	2.0 and above	
Less than 35	111	10	16	40	18	10	205
	54.1%	4.9%	7.8%	19.5%	8.8%	4.9%	100.0%
35 - 45	38	4	6	13	7	4	72
	52.8%	5.6%	8.3%	18.1%	9.7%	5.6%	100.0%
45 - 55	19	1	4	3	0	0	27
	70.4%	3.7%	14.8%	11.1%	0.0%	0.0%	100.0%
55 and above	10	1	2	1	0	0	14
	71.4%	7 1%	14.3%	7.1%	0.0%	0.0%	100.0%
Total	178	16	28	57	25	14	318
	56.0%	5.0%	8.8%	17.9%	7.9%	4.4%	100.0%

Table 6.24(b)

Chi-square test of table 6.24(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.739	15	.699
Likelihood Ratio	16.706	15	.337
Linear-by-Linear Association	5.200	1	.023
N of Valid Cases	318		

Table 6.25(a)
Personal finance score and value of asset holding

Personal finance score		Asset value at the time of migration	Assets purchased during Gulf-period	Assets purchased after coming back	Present value of assets
Less than 35	Mean	2.0227	23.1216	1.9365	19.7073
	N	205	205	205	205
	Std. Dev.	0.5566	11.0864	1.2134	10.1112
35 – 45	Mean	1.9236	23.1027	1.8194	21.6388
	N	72	72	72	72
	Std. Dev.	0.9056	11.4681	1.1184	10.4281
45 – 55	Mean	2.2871	30.2037	9.4814	39.5556
	N	27	27	27	27
	Std. Dev.	1.0330	11.2865	5.4214	14.0284
55 and above	Mean	2.2142	29.9514	9.7857	47.3214
	N	14	14	14	14
	Std. Dev.	1 1938	11.4488	5.6872	14.2841

Table 6.25(b)
ANOVA table on asset holding

	F	Sig.
Asset value at the time of migration * personal finance score	2.179	.090
Assets purchased during Gulf-period * personal finance score	3.326	.020
Assets purchased after coming back * personal finance score	6.814	.000
Present value of assets * personal finance score	38.923	.000

Table 6.26

Present value of assets

Item	**Category**			
	A		**B**	
	Amount (Rs. in lakhs)	**% to total**	**Amount (Rs. in lakhs)**	**% to total**
Land and house	1916.00	34.2%	422.00	24.4%
Agricultural land	713.00	12.7%	268.50	15.5%
Investment in business	604.00	10.8%	394.00	22.8%
Gold	208.50	3.7%	65.00	3.8%
Commercial vehicles	141.00	2.5%	90.50	5.2%
Shares, Debentures, etc.	212.00	3.8%	121.00	7.0%
Life insurance	340.00	6.1%	102.00	5.9%
Bank deposit	1021.00	18.2%	165.00	9.5%
Post office savings	40.50	0.7%	16.00	0.9%
Annuities	21.00	0.4%	4.50	0.3%
Retirement plans	36.00	0.6%	21.00	1.2%
KVP, IVP, NSC, etc.	11.00	0.2%	10.00	0.6%
Chits and Kuries	104.00	1.9%	26.00	1.5%
Other investments	230.00	4.1%	25.00	1.4%
Total	5598.00	100.0%	1730.50	100.0%
Average (Rs.)	20,20,939		42,20,732	

Table 6.27(a)

Personal finance score and present value of assets

Personal finance score	**Present value of assets (Rs. in lakhs)**						**Total**
	Less than 10	10 - 20	20 - 30	30 - 40	40 - 50	50 and above	
Less than 35	43 21.0%	59 28.8%	70 34.1%	17 8.3%	10 4.9%	6 2.9%	205 100.0%
35 – 45	10 13.9%	26 36.1%	23 31.9%	7 9.7%	4 5.6%	2 2.8%	72 100.0%
45 – 55	0 0.0%	1 3.7%	5 18.5%	5 18.5%	9 33.3%	7 25.9%	27 100.0%
55 and above	0 0.0%	0 0.0%	2 14.3%	3 21.4%	6 42.9%	3 21.4%	14 100.0%
Total	53 16.7%	86 27.0%	100 31.4%	32 10.1%	29 9.1%	18 5.7%	318 100.0%

Table 6.27(b)

Chi-square test of table 6.27(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	98.064	15	.000
Likelihood Ratio	85.859	15	.000
Linear-by-Linear Association	60.911	1	.000
N of Valid Cases	318		

Table 6.28(a)
Group statistics (t test for present value of assets)

	Category	N	Mean	Std. Deviation	Std. Error Mean
Present value of assets	A	277	20.2094	10.2355	.6150
	B	41	42.2073	14.0192	2.1894

Table 6.28(b)
Independent samples test

		Levene's test for Equality of Variances		t-test for Equality of Means						
									95% confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2 tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Present value of assets	Equal variance assumed	11.029	.001	-12.186	316	.000	-21.9979	1.8052	-25.5497	-18.4462
	Equal variance not assumed			-9.673	46.519	.000	-21.9979	2.2742	-26.5742	-17.4217

Table 6.29(a)
Group statistics (t test for total value of investments purchased during Gulf-period)

	Category	N	Mean	Std. Deviation	Std. Error Mean
Total value of Investments purchased during Gulf-period	A	277	23.1168	11.0782	.6656
	B	41	30.1176	11.2924	1.7636

Table 6.29(b)
Independent samples test

		Levene's test for Equality of Variances		t-test for Equality of Means						
									95% confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2 tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Total value of Investments purchased during Gulf-period	Equal variance assumed	.117	.733	-3.767	316	.000	-7.0008	1.8583	-10.6571	-3.3446
	Equal variance not assumed			-3.714	52.055	.000	-7.0008	1.8850	-10.7833	-3.2184

Table 6.30(a)
Group Statistics (t test for investments I purchased during Gulf-period)

	Category	N	Mean	Std. Deviation	Std. Error Mean
Investments I purchased during Gulf-period	A	277	8.5542	6.2769	.3771
	B	41	8.1463	3.2215	.5031

Table 6.30(b)
Independent samples test

		Levene's test for Equality of Variances		t-test for Equality of Means						
									95% confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2 tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Investments I purchased during Gulf-period	Equal variance assumed	9.208	.003	.408	316	.684	.4078	1.0002	-1.5600	2.3756
	Equal variance not assumed			.649	93.314	.518	.4078	.6288	-.8408	1.6564

Table 6.31(a)
Group Statistics (t test for investments II purchased during Gulf-period)

	Category	N	Mean	Std. Deviation	Std. Error Mean
Investments II purchased during Gulf-period	A	277	14.5626	8.5103	.5113
	B	41	21.9712	8.5755	1.3393

Table 6.31(b)
Independent samples test

		Levene's test for Equality of Variances		t-test for Equality of Means						
									95% confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2 tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Investments II purchased during Gulf-period	Equal variance assumed	.636	.426	-5.197	316	.000	-7.4086	1.4254	-10.2132	-4.6041
	Equal variance not assumed			-5.168	52.351	.000	-7.4086	1.4336	-10.2848	-4.5324

Table 6.32(a)
Descriptive statistics (Correlation)

	Mean	Std. Deviation	N
Total Income	41.1877	15.2045	277
Total Investment	23.1167	10.8295	277

Table 6.32(b)
Correlations (Total income and total investments of category A)

		Income	Investment
Total Income	Pearson correlation	1.000	.447
	Sig. (2-tailed)		131
	N	277	277
Total Investment	Pearson correlation	.447	1.000
	Sig. (2-tailed)	131	
	N	277	277

Table 6.33(a)
Descriptive statistics (Correlation)

	Mean	Std. Deviation	N
Total Income	43.5853	13.2275	41
Total Investment	30.1175	11.4756	41

Table 6.33(b)
Correlations (Total income and total investments of category B)

		Income	Investment
Total Income	Pearson correlation	1.000	.753
	Sig. (2-tailed)		.000
	N	41	41
Total Investment	Pearson correlation	.753	1.000
	Sig. (2-tailed)	.000	
	N	41	41

Table 6.34

Personal finance score and investments

Personal finance score	Investments purchased during Gulf-period (Rs. in lakhs)							Total
	Less than 10	10 – 20	20 – 30	30 – 40	40 – 50	50 – 60	60 and above	
Less than 35	29 14.1%	60 29.3%	80 39.0%	20 9.8%	9 4.4%	6 2.9%	1 .5%	205 100.0%
35 - 45	12 16.7%	23 31.9%	20 27.8%	2 2.8%	8 11.1%	5 6.9%	2 2.8%	72 100.0%
45 - 55	2 7.4%	6 22.2%	9 33.3%	9 33.3%	1 3.7%	0 0.0%	0 0.0%	27 100.0%
55 and above	0 0.0%	0 0.0%	5 35.7%	8 57 1%	1 7 1%	0 0.0%	0 0.0%	14 100.0%
Total	43 13.5%	89 28.0%	114 35.8%	39 12.3%	19 6.0%	11 3.5%	3 .9%	318 100.0%

Table 6.35

Personal finance score and investment in income generating assets

Personal finance score	Investments II (Rs. in lakhs)					Total
	Less than 10	10 – 20	20 – 30	30 – 40	40 and above	
Less than 35	82 40.0%	87 42.4%	29 14.1%	7 3.4%	0 0.0%	205 100.0%
35 – 45	28 38.9%	29 40.3%	10 13.9%	4 5.6%	1 1.4%	72 100.0%
45 – 55	5 18.5%	7 25.9%	14 51.9%	1 3.7%	0 0.0%	27 100.0%
55 and above	2 14.3%	3 21.4%	6 42.9%	3 21.4%	0 0.0%	14 100.0%
Total	117 36.8%	126 39.6%	59 18.6%	15 4.7%	1 .3%	318 100.0%

Table 6.36(a)
Personal finance score and total liability in 2001

Personal finance score	Total liability in 2001 (Rs. in lakhs)						Total
	Nil	Less than 1	1 – 2	2 – 3	3 – 4	4 and above	
Less than 35	118	4	35	30	11	7	205
	57.6%	2.0%	17.1%	14.6%	5.4%	3.4%	100.0%
35 - 45	31	2	12	17	6	4	72
	43.1%	2.8%	16.7%	23.6%	8.3%	5.6%	100.0%
45 - 55	7	0	4	8	6	2	27
	25.9%	0.0%	14.8%	29.6%	22.2%	7.4%	100.0%
55 and above	3	0	2	4	3	2	14
	21.4%	0.0%	14.3%	28.6%	21.4%	14.3%	100.0%
Total	159	6	53	59	26	15	318
	50.0%	1.9%	16.7%	18.6%	8.2%	4.7%	100.0%

Table 6.36(b)
Chi-square test of table 6.36(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	30.372	15	.011
Likelihood Ratio	28.296	15	.020
Linear-by-Linear Association	24.583	1	.000
N of Valid Cases	318		

Table 6.37
Nature of liabilities in 2001 (as % to total)

Item	Category	
	A	**B**
Housing loan	59.0	64.0
Vehicle loan	28.0	23.0
Other loans	13.0	13.0
Total	100.0	100.0

Table 6.38(a)
Personal finance score and total current liability

Personal Finance Score	Total current liability (Rs. in lakhs)						Total
	Nil	Less than 1	1 – 2	2 – 3	3 – 4	4 and above	
Less than 35	160 78.0%	8 3.9%	15 7.3%	7 3.4%	7 3.4%	8 3.9%	205 100.0%
35 - 45	48 66.7%	3 4.2%	7 9.7%	4 5.6%	4 5.6%	6 8.3%	72 100.0%
45 - 55	17 63.0%	1 3.7%	1 3.7%	2 7.4%	2 7.4%	4 14.8%	27 100.0%
55 and above	4 28.6%	1 7.1%	1 7.1%	2 14.3%	2 14.3%	4 28.6%	14 100.0%
Total	229 72.0%	13 4.1%	24 7.5%	15 4.7%	15 4.7%	22 6.9%	318 100.0%

Table 6.38(b)
Chi-square test of table 6.38(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.421	15	.014
Likelihood Ratio	24.320	15	.040
Linear-by-Linear Association	23.949	1	.000
N of Valid Cases	318		

Table 6.39
Nature of present liability (as % to total)

Item	Category	
	A	B
Housing loan	52.0	42.0
Vehicle loan	26.0	11.0
Other loans	22.0	47.0
Total	100.0	100.0

Table 6.40(a)
Value of liability

Category		Liability in 2001	Current liability
A	Mean	1.1312	.5437
	Std. Deviation	1.0121	.4213
B	Mean	2.3243	1.4865
	Std. Deviation	1.9760	1.1324

Table 6.40(b)
ANOVA table on liability

	F	Sig.
Liability in 2001 * Category	1.721	.003
Current liability * Category	1.023	.029

Table 6.41
Distribution based on the value of ancestral property received

Ancestral property received (Rs.)	Category			
	A		B	
	No.	%	No.	%
Nil	97	35.0	17	41.4
Less than 100000	19	6.8	1	2.4
100000 – 200000	31	11.2	5	12.2
200000 – 300000	97	35.0	13	31.7
300000 and above	33	12.0	5	12.3
Total	277	100.0	41	100.0
Average (Rs.)	152347		147560	

Table 6.42
Components of ancestral property

Item	Category			
	A		B	
	Amount (Rs. in lakhs)	% to total	Amount (Rs. in lakhs)	% to total
Land for house construction	266.50	63.1	32.00	52.9
Agricultural land	75.00	17.8	18.50	30.6
House	71.50	16.9	9.00	14.9
Business	2.50	0.7	0.00	0.0
Gold	4.50	1.1	0.50	0.8
Bank deposit	2.00	0.4	0.50	0.8
Total	422.00	100.0	60.50	100.0

Table 6.43(a)
Consumer durables purchased during the Gulf-period

Personal finance score	Consumer durables purchased during Gulf-period (Rs. in lakhs)						Total
	Less than 1	1 – 2	2 – 3	3 – 4	4 – 5	5 and above	
Less than 35	27	61	50	35	18	14	205
	13.2%	29.8%	24.4%	17 1%	8.8%	6.8%	100.0%
35 - 45	12	19	17	12	7	5	72
	16.7%	26.4%	23.6%	16.7%	9.7%	6.9%	100.0%
45 - 55	1	7	12	3	2	2	27
	3.7%	25.9%	44.4%	11.1%	7.4%	7.4%	100.0%
55 and above	1	3	7	2	1	0	14
	7 1%	21.4%	50.0%	14.3%	7.1%	0.0%	100.0%
Total	41	90	86	52	28	21	318
	12.9%	28.3%	27.0%	16.4%	8.8%	6.6%	100.0%

Table 6.43(b)
Chi-square test of table 6.43(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.779	15	.696
Likelihood Ratio	12.473	15	.643
Linear-by-Linear Association	.030	1	.863
N of Valid Cases	318		

Table 6.44(a)
Consumer durables brought from Gulf

Personal finance score	**Consumer durables brought from Gulf (Rs. in lakhs)**			**Total**
	Less than 1	1 – 2	2 and above	
Less than 35	60 29.3%	120 58.5%	25 12.2%	205 100.0%
35 - 45	18 25.0%	43 59.7%	11 15.3%	72 100.0%
45 - 55	6 22.2%	18 66.7%	3 11.1%	27 100.0%
55 and above	3 21.4%	9 64.3%	2 14.3%	14 100.0%
Total	87 27.4%	190 59.7%	41 12.9%	318 100.0%

Table 6.44(b)
Chi-square test of Table 6.44(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.657	6	.948
Likelihood Ratio	1.666	6	.948
Linear-by-Linear Association	.829	1	.363
N of Valid Cases	318		

Table 6.45(a)
Consumer durables purchased after return from Gulf

Personal finance score	Consumer durables purchased after coming back (Rs. in lakhs)					Total
	Nil	Less than 1	1 – 3	3 – 5	5 and above	
Less than 35	34	135	18	16	2	205
	16.6%	65.9%	8.8%	7.8%	1.0%	100.0%
35 – 45	8	50	7	6	1	72
	11.1%	69.4%	9.7%	8.3%	1.4%	100.0%
45 – 55	5	18	2	1	1	27
	18.5%	66.7%	7.4%	3.7%	3.7%	100.0%
55 and above	2	9	1	1	1	14
	14.3%	64.3%	7.1%	7.1%	7.1%	100.0%
Total	49	212	28	24	5	318
	15.4%	66.7%	8.8%	7.5%	1.6%	100.0%

Table 6.45(b)
Chi-square test of table 6.45(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.148	12	.908
Likelihood Ratio	4.912	12	.961
Linear-by-Linear Association	.419	1	.517
N of Valid Cases	318		

Table 6.46(a)
Total value of consumer durables

Personal finance score	Total value of consumer durables (Rs. in lakhs)						Total
	1 – 2	2 – 3	3 – 4	4 – 5	5 – 6	6 and above	
Less than 35	15 7.3%	42 20.5%	63 30.7%	32 15.6%	30 14.6%	23 11.2%	205 100.0%
35 - 45	7 9.7%	13 18.1%	23 31.9%	10 13.9%	9 12.5%	10 13.9%	72 100.0%
45 - 55	0 0.0%	1 3.7%	8 29.6%	10 37.0%	5 18.5%	3 11.1%	27 100.0%
55 and above	1 7.1%	1 7 1%	3 21.4%	6 42.9%	2 14.3%	1 7 1%	14 100.0%
Total	23 7.2%	57 17.9%	97 30.5%	58 18.2%	46 14.5%	37 11.6%	318 100.0%

Table 6.46(b)
Chi-square test of table 6.46(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.220	15	164
Likelihood Ratio	21.477	15	122
Linear-by-Linear Association	2.541	1	.111
N of Valid Cases	318		

Table 6.47
Nature of consumer durables (as % to total)

Sl.No.	Item	Category	
		A	B
1	Passenger vehicles	52.1	57.2
2	Furniture	19.1	16.3
3	TV, VCR, VCD & Camera	6.0	3.3
4	Refrigerator	4.4	3.9
5	Two wheelers	4.3	3.1
6	Others	4.0	3.5
7	Washing machine & Dish washer	3.0	5.0
8	Computer	2.8	3.8
9	Air conditioner	2.6	2.2
10	Music system	0.9	0.8
11	Microwave & Cooking range	0.8	0.9
	Total	100.0	100.0

CHAPTER - VII

PERSONAL FINANCE AND CURRENT INCOME

Chapter - VII
PERSONAL FINANCE AND CURRENT INCOME

In the previous chapter, the researcher has examined the investments, liabilities, ancestral property and consumer durables of the Gulf-returned Keralites with financial planning and without financial planning. A comparative analysis of income, expenditure and investments of the two categories (A and B) during the Gulf-period and their implications on current income (in the year 2005) are included in this chapter.

As indicated earlier, personal financial planning is directed towards personal financial freedom. Personal finance helps an individual to plan his income, expenditure, savings and investments to maximise the wealth of the family and generate adequate income to ensure the happiness of the family. The respondents have worked in the Gulf countries for an average period of 15.80 years and earned an average income of Rs.43,50,000. It is found that 41 respondents (12.89%) had personal financial planning during the Gulf-period. It is expected that all the 41 respondents should be able to generate sufficient returns out of their investments to meet their current financial requirements. Here, an effort is made to find out their current income, expenditure, and savings. Specifically, the question under consideration is whether the respondents who had personal financial planning during the Gulf-period are able to meet their current expenses out of their current income. If not, what are the reasons for the inadequacy of current income (in the year 2005), in spite of their financial planning?

Similarly, it is revealed that 277 respondents had no personal financial planning during the Gulf-period. It is also proposed to find out how many of them are able to meet their current expenses out of current income and how they manage to earn sufficient income in the absence of financial planning?

Based on the presence or absence of financial planning during the Gulf-period and the current income of the respondents, they are classified into different categories. These categories and the number of respondents in each category are presented in table 7.1 for easy reference.

Thus, the respondents are categorised into four groups, based on the presence or absence of financial planning during the Gulf-period and their current income – Ax, Ay, Bx and By. This categorisation is presented in table 7.2 in a summarised form for quick reference.

Ax – Those who had no financial planning during the Gulf-period and presently facing the problem of inadequate income.

Ay – Those who had no financial planning during the Gulf-period, but presently earning adequate income.

Bx – Those who had financial planning during the Gulf-period, but presently facing the problem of inadequate income.

By – Those who had financial planning during the Gulf-period and presently earning adequate income.

It can be seen from table 7.2 that category Ax consists of 208 respondents who had no financial planning during the Gulf-period, are presently facing the problem of inadequate income. Sixty-nine respondents had no financial planning during the Gulf-period, but presently earn adequate income (sufficient income to cover their consumption expenditure). They are shown as category Ay. Category Bx consists of those who had financial planning during the Gulf-period, but presently facing the problem of inadequate income. There are 11 respondents in this category. Category By consists of 30 respondents who had financial planning during the Gulf-period, and earning adequate income presently.

This chapter is divided into three sections. The first section contains a comparative analysis of income, expenditure, savings and investments of category Bx and By. In the second section, the researcher makes a comparative analysis of income, expenditure, savings and investments of category Ax and Ay. The opinion of the respondents regarding their standard of living during the Gulf-period and after return from the Gulf, intention to go back to Gulf, financial practices in future, etc. are examined in the third section.

7.1 Income, Expenditure, Savings and Investments of Category Bx

As indicated earlier, 11 respondents (category Bx) out of 41 who had financial planning during the Gulf-period presently face the problem of inadequate income to meet their family expenses. In other words, 11 respondents have failed to generate income to cover their current expenditure (in the year 2005), in spite of their financial planning.

The major sources of income of the Gulf-returned Keralites are investments, employment, business, agriculture and salary of the spouse working in India or abroad. An analysis of income of category Bx (Table 7.3) reveals that their average annual income in 2005 is Rs.86,364. It is Rs.2,95,000 in category By. Thus, it can be seen that the average annual income of category Bx is only 29% of the annual income of category By.

The current average annual expenditure of category Bx (in the year 2005) is Rs.99,090. It is Rs.1,55,367 in category By. Thus, as per table 7.3 category Bx has an average deficiency of Rs.12,726. At the same time, category By has an average surplus of Rs.1,39,633.

An effort has been made by the researcher to analyse the reasons for the inadequacy of current income of category Bx, in spite of their financial planning. Their total income during the Gulf-period, average annual income, average annual expenditure, pattern of savings and investments are examined in detail in the following pages. Then, they (category Bx) are compared with the respondents in category By.

7.1.1 Total Income during the Gulf-period

Details regarding the income of the 11 respondents in category Bx are given in table 7.4. It also facilitates comparison of income earned by categories Bx and By from the Gulf and also from India.

It can be seen from table 7.4 that the average income earned by the 11 respondents in category Bx from the Gulf is only Rs.32.50 lakhs, whereas, it is Rs.46.62 lakhs in category By. Thus it is very clear that the income of the respondents in category Bx is far below the average income of category By. The average remittance (in cash, gold and consumer durables) of category Bx is also much lower than that of category By. The average remittance is Rs.39.68 lakhs in category By and it is only Rs.27.50 lakhs in category Bx.

Other income earned by category Bx in India during the period of their stay in the Gulf is also worth noting. Other income includes rent, interest, dividend, agricultural income and salary of the spouse working in India. The average amount of other income is Rs.8.04 lakhs in category By and Rs.4.80 lakhs in category Bx.

When comparing the aggregate income of Bx and By during the Gulf-period, it can be seen that category Bx earned only Rs.32.30 lakhs, whereas, it is Rs.47.72 lakhs in category By. Thus, it is clear that the aggregate income of category Bx is much lower and it is only 68% of the income earned by category By.

7.1.2 Average Annual Income

The researcher has also examined the average annual income of category Bx. On an average, the Bx category has worked for 16.5 years in the Gulf, and in the case of category By, it is 15.28 years. The average annual income of category Bx is Rs.1.95 lakhs and it is Rs.3.12 lakhs in category By.

Thus, the above statistics reveal that the income of category Bx is much below the income of category By. To be precise, the average annual income of category Bx is only 62.50% of the income of category By.

7.1.3 Annual Expenditure

The researcher has studied the average annual expenditure of category Bx in the year 2001 (when they were in the Gulf) and in the year 2005 (after their return) and it has been compared with the expenditure of category By in the years 2001 and 2005. During the Gulf-period (in the year 2001), the annual average expenditure is Rs.1,35,000 in category Bx and Rs.1,34,633 in category By. Thus, it can be seen from table 7.5 that the average expenditure of category Bx is slightly higher than that of category By even though their income is lower than that of category By.

After return from the Gulf (in the year 2005), the average expenditure are Rs.99,090 and Rs.1,55,367, respectively in categories Bx and By.

It is also worth noting that the average expenditure of category Bx has declined sharply from Rs.1,35,000 in the year 2001 to Rs.99,545 in the year 2005. This is due to the decline in income after their return from the Gulf. On the other hand, category By is able to maintain their flow of income even after their return from the Gulf and hence, they are able to maintain their level of expenditure and there by the standard of living. Their average expenditure has increased from Rs.1,34,633 in 2001 to Rs.1,55,367, in 2005.

7.1.4 Spending Pattern

The spending pattern of category Bx has been analysed, and it has been compared with that of category By.

The average aggregate income of the respondents in category Bx during the Gulf-period was Rs.32,30,000. They utilised 65% of the total income for purchasing investments. It was 70% in the case of category By. In other words, 35% of the total income was used by category Bx for day-to-day expenses. It was 30% in category By. Table 7.6 shows the total income during the Gulf-period, purchase of investments and the percentage in different categories. It can be seen that the percentage of total income utilised for purchasing assets and investments is less in category Bx, when compared with category By.

Researcher has also examined the average amount utilised by category Bx and category By for purchasing investments. It can be seen from table 7.7 that the average value of investments purchased by the respondents in category Bx is only Rs.20,99,545. It is Rs.33,46,233 in category By. Thus, it is clear that the amount spent by category Bx for purchasing investments is only 62.74% of the amount spent by category By for the same purpose.

7.1.5 Investments I

There is a tendency among the Gulf-Keralites to invest a substantial portion of their earnings in non-productive assets like house, gold, etc.

The Bx category has invested Rs.103.11 lakhs in non-income generating assets, which is 45% of their total investments during the Gulf-period. The percentage of non-income generating assets to the total investments is 23% in category By. On an average, category Bx has invested Rs. 9,37,363 in non-income generating assets, whereas category By has invested Rs. 7,69,633. Thus, it is clear that the percentage of non-income generating assets is high in the case of category Bx.

Table 7.8 shows the details of investments I (non-income generating).

7.1.6 Investments II

Table 7.9 shows the investments purchased during the Gulf-period by different categories and the amount of income generating investments. It can be seen that, category Bx has invested Rs.127.84 lakhs in income generating investments, which is 55% of total investments, whereas category By has invested Rs.772.98 lakhs, which comes to 77% of total investments. The average investment in income generating items (investment II) is Rs.11,62,182 in category Bx and Rs. 25,76,600 in category By.

Thus, it is clear that the average amount of investment in income generating items is much lower in category Bx in comparison with category By. To be precise, it is only 45% of the investments of category By.

The above analyses reveal the following:

1. The income earned by the 11 respondents in category Bx during the Gulf-period is less than the income of the respondents in By category.
2. The average annual expenditure of category Bx during the Gulf-period is slightly higher than that of category By even though their income is lower than that of category By.
3. The average value of investments purchased during the Gulf-period by the respondents in category Bx is less when compared to category By.
4. The average amount of investments in income generating items is much lower in category Bx, when compared to category By.

Because of the above reasons, the 11 respondents who are categorised as Bx failed to generate sufficient income, after their return from the Gulf, in spite of their financial planning during the Gulf-period. Hence, they are in financial difficulties. Therefore, in order to achieve financial freedom, a person should make all efforts to increase his income and should ensure that:

a) he has sufficient income,

b) expenses are within control,

c) a reasonable portion of income is invested in assets, and

d) a major portion of investments is in income generating assets.

7.2 Financial Planning and Current Income

As mentioned in the beginning of this chapter, 277 respondents had no financial planning during the Gulf-period. Out of them, 208 respondents (category Ax) now face the problem of inadequate income to meet their current expenditure (in the year 2005). The remaining 69 (category Ay) earn adequate income (refer table 7.2).

An effort has been made by the researcher to find out how they (category Ay) managed to earn sufficient income in the absence of financial planning during the Gulf-period. Total income, expenditure, investments and current earnings of these two categories Ax and Ay – are analysed and compared in detail in this section.

7.2.1 Current Income and Expenditure

An analysis of the income of category Ay in 2005 (Table 7 10) shows that their average income (after return from the Gulf) is Rs.2,88,696. It is only Rs.84,279 in category Ax. Thus, it can be seen that the income of category Ay is 3.5 times the income of category Ax.

The annual average expenditure is Rs.1,56,652 in category Ay and Rs.99,183 in Ax. Thus, it is clear that category Ay is able to maintain their standard of living and save some money, even after their return from the Gulf. On the other hand, category Ax is in financial difficulty because their income after return is not sufficient to meet their household expenses. Thus, the respondents in category Ay have an average annual savings of Rs.1,32,044, whereas, the respondents in category Ax have an average deficiency of Rs.14,904.

7.2.2 Total Income from the Gulf

The details regarding the total income of the two categories Ax and Ay are given in table 7.11.

Ax – Those who had no financial planning during the Gulf-period, and are presently facing the problem of inadequate income.

Ay – Those who had no financial planning during the Gulf-period, but are presently earning adequate income.

Table 7 11 shows that the average aggregate income of the respondents from the Gulf in category Ax is only Rs.38.02 lakhs, whereas, the same is Rs.60.37 lakhs in the case of category Ay. The average remittance to India is Rs.31.19 lakhs and Rs.51.20 lakhs, and the average amount of other income is

Rs.4.35 lakhs and Rs.6.98 lakhs respectively in categories Ax and Ay. The average aggregate income of category Ax is only Rs.35.54 lakhs, whereas, it is Rs.58.18 lakhs in the case of category Ay.

Thus, the income statistics reveal that the income of category Ay is much higher than that of category Ax. More specifically, the total income of category Ay is 64% higher than the total income of category Ax.

7.2.3 Spending Pattern

Analysis of the spending pattern of category Ay and its comparison with category Ax are presented in the following paragraphs. The average aggregate income of the respondents in category Ay is Rs.58.18 lakhs. It can be seen from table 7.12 that they have utilised 65% of their income for purchasing investments. Ax category has utilised only 51% of the income for purchasing investments.

Thus, it is evident that Ay category invested a very high proportion of their income in investments. In other words, they have spent only 35% of their total income for day-to-day household expenses.

7.2.4 Investments I

The general complaint about the Gulf-Keralites is that they invest a substantial portion of their income in non-productive assets. However, it is observed that in the case of category Ay, only 28% of their total investments is non-income generating. The remaining 72% is invested in income generating investments. In the case of category Ax, the percentage of non-income generating assets is 43% (Table 7 13).

7.2.5 Investments II

The average amount of investments II (income generating) in category Ay is Rs.27,23,188 and in category Ax it is only Rs.10,35,980. The percentage of income generating investments in the total investments is shown in table 7 14. It can be seen that 72% of the total investments of category Ay is income generating; while it is only 57% in category Ax.

Thus, it is clear that the percentage of income generating investments is higher in the case of category Ay. The average amount of income generating investments of category Ay is 2.5 times more than that of category Ax.

The following are the findings of the above analyses.

1. The aggregate income of category Ay during the Gulf-period is very high and it is much higher than the income of category Ax.
2. The respondents in category Ay utilised 65% of their income for purchasing investments, which is very high when compared to the 51% of category Ax.
3. It is also observed that 72% of the investments of category Ay are income generating. It is only 57% in the case of category Ax.
4. The average amount of income generating investments of category Ay is Rs.27,23,188. It is only Rs.10,35,980 for Ax. In other words, category Ay has income generating investments, 2.5 times more than that of category Ax.

The above findings lead to the conclusion that high income during the Gulf-period and the resultant high investments in income generating assets has helped the respondents in category Ay to earn high income (in the year 2005), even in the absence of personal financial planning.

7.2.6 Category Ay and By

Here, the researcher feels that the current earnings (in the year 2005) of category Ay would have been much more, if they had financial planning. In order to examine that, an effort has been made to compare the current earnings of category Ay with category By. (Ay category consists of 69 respondents who had no financial planning during the Gulf-period, but presently earning adequate income. By category consists of 30 respondents who had financial planning during the Gulf-period and presently earning adequate income).

It can be seen from the table 7.15 that category Ay invested 46.8% of the aggregate income in income generating assets and it is 54.0% in category By.

The rate of return enjoyed by category Ay is 10.60% and it is 11.45% in category By, on their investments. In other words, category Ay (those who had no personal financial planning) earned an average income of Rs.2,88,696 in the year 2005 by investing Rs.27,23,188 in income generating assets. At the same time, category By (those who had personal financial planning) earned an average income of Rs.2,95,000, by investing a lesser amount, Rs.25,76,600. It can be concluded that the higher rate of return enjoyed by category By is the outcome of their financial planning during the Gulf-period in selecting and investing in income generating assets. If category Ay had resorted to personal financial planning, they could have earned a higher return because the aggregate income of category Ay during the Gulf-period was much higher than category By.

7.3 Opinion about Standard of Living

The quality of life is closely tied to the level or standard of living a person maintains. Because of remittances, the standard of living has improved considerably in the migrant households.

Standard of living is 'the level of material comfort as measured by the goods, services and luxuries available to an individual, group or a nation' However, the standard of living includes not only the material articles of consumption but also the number of dependents in a family, the environment, the educational opportunities, and the amount spent for health, recreation, and social services. The evaluation of the standard of living is relative, depending upon the judgment of the observer as to what constitutes a high or low scale. A relative index to the standard of living of a certain economic group can be gathered from a comparison of the cost of living and the level of personal income.

7.3.1 Standard of Living after Migration

All the 318 respondents opined that the standard of living of their families has increased considerably due to their migration to the Gulf.

7.3.2 Financial Status and Social Status

The respondents were also enquired about their financial status due to their employment abroad. Here also all the 318 respondents reported that the financial status has increased due to their employment in the Gulf. Regarding social status also, all are of the opinion that it has increased considerably owing to the Gulf migration.

Thus, it is clear that the financial status, social status and the standard of living of the family of the respondents has increased considerably after migration to the Gulf.

7.3.3 Standard of Living after Return from the Gulf

The researcher has also enquired about their opinion about the standard of living after their return from the Gulf. From category A, 71% and from category B, 30% have reported that the standard of living has decreased after their return. The remaining 29% in category A and 70% in category B are of the view that their standard of living has not decreased even after their return from the Gulf (Table 7.16).

Thus, it is clear that 70% of the respondents who had financial planning are able to maintain the standard of living, even after their return from the Gulf. This is, due to the high income generated by them from their investments after their return from the Gulf.

7.3.4 Current Income and Satisfaction

An enquiry has also been made by the researcher to find out whether the respondents are satisfied with their current income. Table 7 17(a) reveals that 59 respondents (18.6%) are satisfied with the current income and the remaining 259 respondents (81.4%) are not satisfied. Category wise, 70.0% (29 respondents) from category B are satisfied, whereas, only 10.8% (30 respondents) from category A are satisfied with the present income.

Further, current income-satisfaction cross tabulation reveals that, out of the 59 respondents who are satisfied with their current income, 4 (6.8%) has a current income of less than Rs. 1 lakh, 12 (20.3%) has Rs. 1 to 2 lakhs, 16 (27.2%) has Rs. 2 to 3 lakhs, 14 (23.8%) has Rs. 3 to 4 lakhs, 10 (16.9%) has Rs. 4 to 5 lakhs and 3 (5.0%) has a current income of Rs. 5 lakhs and above. Out of the 259 who are not satisfied with their current income, 182 (70.3%) has a current income of less than Rs. 1 lakh, 41 (15.9%) has Rs. 1 to 2 lakhs, 23 (8.8%) has Rs. 2 to 3 lakhs, 10 (3.8%) has Rs. 3 to 4 lakhs, 2 (0.8%) has Rs. 4 to 5 lakhs and 1 (0.4%) has a current income of Rs. 5 lakhs and above.

The statistical significance of association between current income and satisfaction of the respondents is tested by applying chi-square. As per table 7.17(b), the significance of the likelihood ratio is .000. Hence, it can be concluded that there is statistically significant association between current income and satisfaction of the respondents. From the distribution of the respondents as per table 7 17(a), it can be seen that majority in the high-income group are satisfied. It can also be seen that the percentage of respondents satisfied with current income increases as the range of income increases.

7.3.5 Current Income and Intension to go back to Gulf

An enquiry has also been made to understand whether the respondents intend to go back to the Gulf, if an opportunity comes. As per table 7.18(a), it can be seen that 216 (67.9%) intend to go back to Gulf and 102 (32.1%) have no intention to go back. Category wise, 74% from category A and 24% from category B are willing to go back to the Gulf.

Further, out of the 216 respondents who intend to go back to the Gulf, 163 (75.5%), 29 (13.5%), 23 (10.6%), 0 (0.0%), 1 (0.4%) and 0 (0.0%) and out of 102 who have no intention to go back to Gulf, 23 (22.5%), 24 (23.5%), 16 (15.7%), 24 (23.5%), 11 (10.9%) and 4 (3.9%) has a current income of less than Rs.1 lakh, Rs. 1 to 2 lakhs, Rs. 2 to 3 lakhs, Rs. 3 to 4 lakhs, Rs. 4 to 5 lakhs and Rs. 5 lakhs and above, respectively.

The association between current income and intention to go back to the Gulf is statistically tested by using chi-square. It can be seen from table 7 18(b) that the significance level of likelihood ratio is .000. As it is less than 0.05, it can be concluded that there is statistically significant association between current income and intention to go back to the Gulf.

The distribution of the respondents (Table 7.18(a)) reveals that the low-income earners are intending to go back to the Gulf. The percentage of respondents intending to go back to the Gulf decreases as the range of current income increases. In other words, it is the low income earners who intend to go back to the Gulf.

7.3.6 Personal Finance Score and Future Financial Practices

Finally, the respondents were asked whether they would follow the same financial practices if they go to the Gulf once again. Interestingly, 280 (88.0%) reported in the negative and only 38 (12.0%) reported that they would follow the same financial practices (see table 7.19(a)). Thus, it is clear that the majority realised that their way of financial management was wrong. However, it is of no use because it is too late to make any corrections.

Cross tabulation based on personal finance score reveals that, out of the 38 respondents who reported that they would follow the same financial practices in the future, 5 (13.1%) belong to the personal finance score category less than 35, 10 (26.3%) belong to the personal finance score category 35 to 45, 15 (39.6%) belong to the personal finance score category 45 to 55 and 8 (21.0%) belong to the personal finance score category 55 and above. Out of the 280 who replied in the negative, 200 (71.4%) belong to the personal finance score category less than 35, 62 (22.2%) belong to the personal finance score category 35 to 45, 12 (4.3%) belong to the personal finance score category 45 to 55 and 6 (2.1%) belong to the personal finance score category 55 and above.

The association between personal finance score and future financial practices is statistically tested by using chi-square. It can be seen from table

7.19(b) that the significance level of likelihood ratio is .000. As it is less than 0.05, it can be concluded that there is statistically significant association between personal finance score and future financial practices.

The distribution of the respondents as per table 7 19(a) reveals that the percentage of respondents who would follow the same financial practices in future increases as the personal finance score increases.

Thus, the conclusion is that the majority of the respondents who had financial planning during the Gulf-period are satisfied with their present income. They are also able to maintain their standard of living and they do not intend to go back to the Gulf.

7.4 Current Income and Expenditure

Now, the researcher feels it worthwhile to examine the present situation of the Gulf-returned Keralites with respect to their current income and expenditure. As shown in table 7.2, out of the 41 respondents in category B, 30 (73%) have sufficient income to meet their current household expenses. In category A, only 69 out of 277 (25%) have sufficient income to meet current household expenditure. In other words, the current expenditure of 75% of the respondents in category A and 27% of the respondents in category B exceeds their current income. A detailed examination reveals the following:

Most of the migrant households were poor before they started to receive remittances from abroad. Gulf migration has resulted in a sudden increase in their income. Hoping that this bonanza would continue for long, they began to spend lavishly, inevitably improving their standard of living. One of the priority items of disposition of emigrants' savings was improvement of the quality of housing. Most of the migrant houses can be characterised as 'luxurious' or 'very good'

Conspicuous consumption is a hallmark of Gulf-Keralites. Regarding household amenities and consumer durables, they outrun the non-migrant households. The Gulf migrants introduced many of the consumer durables for the first time in Kerala, from abroad. It is also observed that the Gulf-Keralites spent heavily for the education of their children. Almost all the children are studying in unaided English medium schools where the fees are exorbitant. Some of them are residing in boarding houses. Since 14% of the respondents have two-wheelers and 37% have four-wheelers (car, van and jeep), their spending on conveyance is also significantly high.

7.5 Comparison of Income and Expenditure during the Gulf-period and after Return

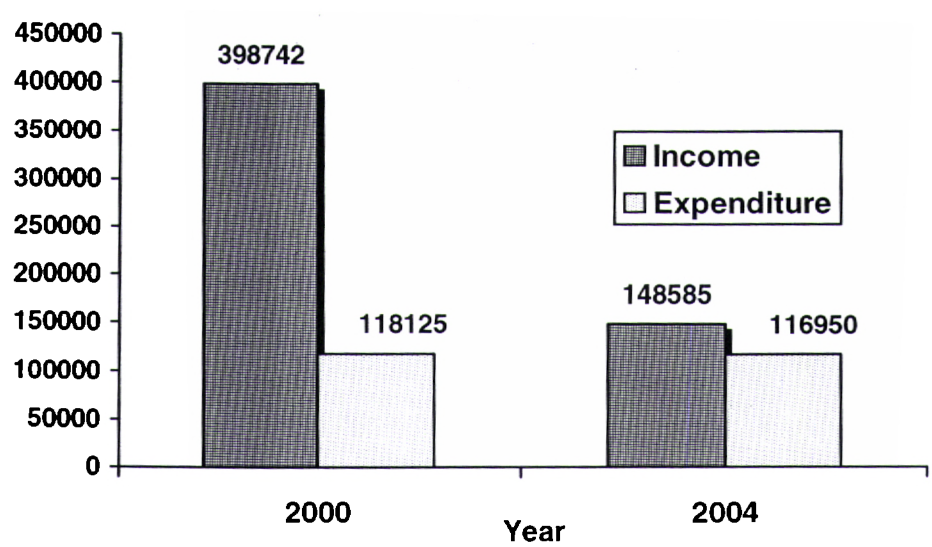
The household consumption expenditure of the Gulf-returnees has not decreased after their return from the Gulf, in spite of a substantial decrease in income. It is observed that no effort has been made from the part of the households to reduce their spending on consumption items. The average annual expenditure after return from the Gulf is 99% of the average expenditure during the Gulf-period (Table 7.20). Specifically, it is Rs.1,18,125 during the Gulf-period and Rs.1,16,950 after their return from the Gulf. At the same time, the average income after return from the Gulf is only 37% of the average income during the Gulf-period. It is Rs. 3,98,742 during the Gulf-period and Rs. 1,48,585 after their return from the Gulf.

Similarly, it can also be seen from table 7.20 that, during the Gulf-period, the average annual consumption expenditure is only 30% of the average annual income during that period. However, after return from the Gulf, 79% of the average annual income is spent for consumption purpose. Thus, it is clear that the level of expenditure is more than what they can afford.

The average income and expenditure during the Gulf-period and after return are depicted in the following chart.

Figure 7.1

Pattern of income and expenditure



During the Gulf-period, as they had high income, the households spent lavishly on household consumption items, inevitably improving their standard of living. After their return from the Gulf, they find it difficult to reduce their standard of living mainly because of social pressure.

7.5.1 Social Pressure

Social pressure refers to the pressure exerted by the society on the Gulf-returned Keralites to maintain their standard of living. It prevents them from reducing their level of expenditure. The social pressure has increased the volume of money to be spent on occasions like marriages and added new ones to the list like birthday party, farewell party, bachelor's party, etc. The Gulf-Keralites have made generous contributions to public and private philanthropic campaigns. Besides, they are known to have contributed liberally for the renovation of religious institutions and for the construction of temples, mosques and churches in their home villages.

The Gulf-Keralites are always placed in the upper strata of the society and they are expected to live in that particular level even after their return from the Gulf. Here, it is not the functional utility or economic utility, which leads a person to buy or do something, but in the layman's language, "what will others think" or the emphasis is not on the person who is spending but the others. Hence, they are forced to spend beyond their means, in spite of their low income after their return from the Gulf.

Other than social pressure, the Gulf-returned Keralites also face pressure from their children, which we can call 'internal pressure'. The children are accustomed to an elite life style during the Gulf-period and they are reluctant to curtail their spending on cinema, clothing, mobile phone, two wheelers and fast food. All these lead to financial crisis immediately after the return of the migrant.

Because of return, the income of the Gulf returnee has declined drastically, but the expenditure remained almost stable. Thus, there is a wide gap between income and expenditure, after their return from the Gulf. It is observed that 219 out of 318 (69%) have deficiency in the year 2005. It is also observed that 156 respondents met the deficiency by drawing from bank. Some Gulf returnees have sold assets, particularly land that they have acquired during the Gulf-period, in order to meet expenses.

7.6 Conclusion

It can be concluded that majority of those who migrated to the Gulf countries actually returned to where they have started, financially. In fact, they went to the Gulf countries and worked hard for a better future. During the Gulf-period, they have earned sufficient income. However, what they earned has been scrupulously spent on consumption items leaving very little for savings and investments. Major portion of their investments is in non-income generating items, and one day when they come back to Kerala, in fact, they are back to square one where their income is inadequate to meet their expenditure.

Moreover, due to high income during the Gulf-period, their family members attained a higher standard of living, and though the Gulf migrant returned, the family finds it difficult to curtail their expenditure because some of them are committed, like expenditure on education.

Majority of the Gulf-returned Keralites have neither the financial strength nor the entrepreneurial abilities and leadership qualities to start their own business or industrial establishments. Most of them have already spent their savings and started selling the assets and properties to maintain the relatively high standard of living they have been accustomed to following migration. In short, they are in more difficulty than earlier.

Table 7.1
Categorisation of respondents based on financial planning and current income

District	TVM				PTA				TCR				MAL				CAL				GEN			
Total no.	77				53				72				60				56				318			
Category	A		B		A		B		A		B		A		B		A		B		A		B	
No.	66		11		44		9		62		10		55		5		50		6		277		41	
Category	Ax	Ay	Bx	By	Ax	Ay	Bx	By	Ax	Ay	Bx	By	Ax	Ay	Bx	By	Ax	Ay	Bx	By	Ax	Ay	Bx	By
No.	46	20	3	8	32	12	3	6	46	16	3	7	45	10	0	5	39	11	2	4	208	69	11	30

Ax – Those who had no financial planning during the Gulf-period and presently facing the problem of inadequate income.

Ay – Those who had no financial planning during the Gulf-period, but presently earning adequate income.

Bx – Those who had financial planning during the Gulf-period, but presently facing the problem of inadequate income.

By – Those who had financial planning during the Gulf-period and presently earning adequate income.

Table 7.2
Table showing different categories of respondents

Category	Presently facing the problem of inadequate income	Presently earning adequate income	Total No. of respondents
Respondents who had no financial planning during Gulf-period	208 (Category Ax)	69 (Category Ay)	277 (Category A)
Respondents who had financial planning during Gulf-period	11 (Category Bx)	30 (Category By)	41 (Category B)
Total	219	99	318

Table 7.3
Table showing current income and expenditure (in 2005)

Particulars	Category	
	Bx	By
Average current income (Rs.)	86,364	2,95,000
Average current expenditure (Rs.)	99,090	1,55,367
Average surplus / deficiency (Rs.)	(-) 12,726	1,39,633

Table 7.4
Income details of categories Bx and By (Rs. in lakhs)

Particulars	Category	
	Bx	By
Average income from Gulf	32.50	62.00
Average remittance to India	27.50	39.68
Average amount of other income	4.80	8.04
Total income during Gulf-period (average amount)	32.30	47.72

Table 7.5
Average expenditure of categories Bx and By in 2001 and 2005

Category	Average expenditure (in Rs.)	
	During Gulf-period (2001)	After return from Gulf (2005)
Bx	1,35,000	99,090
By	1,34,633	1,55,367

Table 7.6
Aggregate income and purchase of investments during the Gulf-period

1 Category	2 Total income (Rs. in lakhs)	3 Purchase of Investments during the Gulf-period (Rs. in lakhs)	4 % of 3 to 2
Bx	355.30	230.95	65%
By	1431.70	1003.87	70%

Table 7.7
Average total income and purchase of investments during the Gulf-period

Category	Total income (average in Rs.)	Investments purchased during Gulf-period (Average value in Rs.)
Bx	32,30,000	20,99,545
By	47,72,333	33,46,233

Table 7.8
Table showing the details of investments I

1 Category	2 Investments purchased during Gulf-period (Rs. in lakhs)	3 Investments I (Rs. in lakhs)	4 % of 3 to 2
Bx	230.95	103.11	45%
By	1003.87	230.89	23%

Table 7.9
Table showing the details of investments II

1 Category	2 Investments purchased during Gulf-period (Rs. In lakhs)	3 Investments II (Rs. In lakhs)	4 % of 3 to 2
Bx	230.95	127.84	55%
By	1003.87	772.98	77%

Table 7.10
Table showing income and expenditure in 2005 (Ax and Ay)
(in Rs.)

Particulars	Category	
	Ax	Ay
Average annual income	84,279	2,88,696
Average annual expenditure	99,183	1,56,652
Average surplus / deficiency	(-) 14,904	1,32,044

Table 7.11
Table showing income details of categories Ax and Ay (in Rs.)

Particulars	Category	
	Ax	Ay
Average income from the Gulf	38,02,525	60,37,318
Average remittance to India	31,19,711	51,20,290
Average amount of other income	4,35,096	6,98,550
Total income (Average)	35,54,807	58,18,840

Table 7.12
Total income and purchase of investments during the Gulf-period

1 Category	2 Total income (Rs. in lakhs)	3 Purchase of Investments during the Gulf-period (Rs. in lakhs)	4 % of 3 to 2
Ay	4015	2609.75	65%
Ax	7394	3793.59	51%

Table 7.13
Table showing the details of investments I (Ax and Ay)

1 Category	2 Investments purchased during Gulf-period (Rs. in lakhs)	3 Investments I (Rs. in lakhs)	4 % of 3 to 2
Ay	2609.75	730.75	28%
Ax	3793.59	1638.75	43%

Table 7.14
Investments II in categories Ax and Ay

1 Category	2 Investments purchased during Gulf-period (Rs. in lakhs)	3 Investments II (Income generating) (Rs. in lakhs)	4 Average amount of investments II (in Rs.)	5 % of 3 to 2
Ax	3793.59	2154.84	10,35,980	57%
Ay	2609.75	1879.00	27,23,188	72%

Table 7.15
Details of categories Ay and By

particulars	Category	
	Ay	By
Aggregate income during Gulf-period (average in Rs.)	58,18,840	47,72,333
Investment in income generating assets (average in Rs.)	27,23,188	25,76,600
% of income generating assets to aggregate income	46.8%	54.0%
Average earnings in 2005 (Rs.)	2,88,696	2,95,000
Rate of return on income generating assets	10.60%	11.45%

Table 7.16
Opinion about the standard of living after return from Gulf

Opinion	Category A		Category B	
	No.	%	No.	%
Standard of living has declined	197	71	12	30
Standard of living has not declined	80	29	29	70
Total	277	100	41	100

Table 7.17(a)
Current income and satisfaction

Current income (Rs. in lakhs)	Satisfied with the current income		Total
	yes	No	
0 – 1	4 2.2%	182 97.8%	186 100.0%
1 – 2	12 22.6%	41 77.4%	53 100.0%
2 – 3	16 41.0%	23 59.0%	39 100.0%
3 – 4	14 58.3%	10 41.7%	24 100.0%
4 – 5	10 83.3%	2 16.7%	12 100.0%
5 and above	3 75.0%	1 25.0%	4 100.0%
Total	59 18.6%	259 81.4%	318 100.0%

Table 7.17(b)

Chi-Square Test of table 7.17(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	113.628	5	.000
Likelihood Ratio	109.033	5	.000
Linear-by-Linear Association	111.701	1	.000
N of Valid Cases	318		

Table 7.18(a)
Current income and intention to go back to Gulf

Current income (Rs. in lakhs)	Intention to go back to Gulf		Total
	yes	No	
0 – 1	163 87.6%	23 12.4%	186 100.0%
1 – 2	29 54.7%	24 45.3%	53 100.0%
2 – 3	23 59.0%	16 41.0%	39 100.0%
3 – 4	0 0.0%	24 100.0%	24 100.0%
4 – 5	1 8.3%	11 91.7%	12 100.0%
5 and above	0 0.0%	4 100.0%	4 100.0%
Total	216 67.9%	102 32.1%	318 100.0%

Table 7.18(b)
Chi-Square Test of table 7.18(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	117.696	5	.000
Likelihood Ratio	127 180	5	.000
Linear-by-Linear Association	103.932	1	.000
N of Valid Cases	318		

Table 7.19(a)
Personal finance score and future financial practices

Personal finance score	Will you follow the same financial practices if you go to Gulf once again		Total
	yes	No	
Less than 35	5 2.4%	200 97.6%	205 100.0%
35 - 45	10 13.9%	62 86.1%	72 100.0%
45 - 55	15 55.6%	12 44.4%	27 100.0%
55 and above	8 57.1%	6 42.9%	14 100.0%
Total	38 11.9%	280 88.1%	318 100.0%

Table 7.19(b)
Chi-Square Test of table 7.19(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	93.851	3	.000
Likelihood Ratio	71.472	3	.000
Linear-by-Linear Association	84.141	1	.000
N of Valid Cases	318		

Table 7.20
Comparison of income and expenditure during Gulf-period and after return

No.	Particulars	Category		Total
		A	B	
1.	Average income during the Gulf-period (in Rs.)	3,98,195	4,02,439	3,98,742
2.	Average income after return from Gulf (in Rs.)	1,35,200	2,39,025	1,48,585
3.	Percentage of 2 to 1	34%	59%	37%
4.	Average expenditure during Gulf-period (in Rs.)	1,15,665	1,34,730	1,18,125
5.	Average expenditure after return from Gulf (in Rs.)	1,13,500	1,40,270	1,16,950
6.	Percentage of 5 to 4	98%	104%	99%
7.	Percentage of 4 to 1	29%	33%	30%
8.	Percentage of 5 to 2	84%	59%	79%

CHAPTER - VIII

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Chapter - VIII

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

8.1 The Gulf-Keralites are considered to be the wealth of India and the strength of Kerala. It is generally observed that many of the Gulf-returned Keralites are in financial difficulty and are struggling hard to make both ends meet. The present study was conducted to find out whether the Gulf-returned Keralites had personal financial planning during the Gulf-period, and what was the nature of their income, expenditure, savings and investments during the Gulf-period and after return.

8.2 The first chapter introduced the study and gave the methodology. Subsequent chapters dealt with the theoretical concepts and status analysis. This was followed by the analysis of personal financial planning and data analysis.

8.3 The various findings and conclusions of the study are stated in the relevant chapters. However, it is considered suitable to provide a summary of these findings and conclusions in this chapter. General analysis and the socio-economic analyses of the respondents revealed the following:

The majority of the respondents (59%) who returned from the Gulf belong to the age group 36 – 45. The average age of the respondents is 43.5 years. Based on the age structure of the respondents, it can be concluded that their return is not for retirement purpose.

- In the case of Gulf-migration, Muslims have an edge over the rest of the communities for a variety of reasons. It is also revealed that a major group of 53.1% of the Gulf returnees is Muslims followed by Christians (27.0%).
- Prior to migration, 53.4% of the respondents were either employed or doing business in India. Thus, the majority of them were earning income before going to the Gulf. However, their annual earnings revealed that they were

economically backward at the time of migration. Therefore, it is clear that the majority of them went to the Gulf for better economic prospects.

- 46% of the respondents were married at the time of first migration. The respondents who married after going to the Gulf received a higher amount of dowry, on an average, which is 3.5 times higher than the average dowry received by those who married before going to the Gulf.
- A major group of 40% returned from Saudi Arabia, followed by 27% from UAE.
- The sample consists of Gulf-returned Keralites who have a service of 10 to 25 years in the Gulf. The average length of service of the respondents in the Gulf is 15.80 years.
- Study revealed that 85% returned due to retrenchment, expiry of contract or non-renewal of visas. Only 15% returned voluntarily or due to other reasons. Nearly 85% reported that their return was at the unexpected time.
- Out of the 318 respondents only 41 (12.89%) had personal financial planning during the Gulf-period. In other words, the vast majority (87 11%) had no personal financial planning during the Gulf-period.

8.4 The present study was conducted by formulating four hypotheses. The first hypothesis is 'There is significant difference in income, expenditure, savings and investments of the Gulf-returned Keralites with financial planning and without financial planning' Statistical analyses revealed the following:

- In the year 2001 (when all the respondents were in the Gulf), there is no significant difference in income between category A and category B.
- Similarly, there is no significant difference in total income from all sources during the entire period of their stay in the Gulf, between category A and category B.
- During the Gulf period (in the year 2001), there is no significant difference in expenditure between category A and category B.

8.5 Thus, the statistical analyses reveal that during the Gulf-period, there is no significant difference in income between category A and category B. Similarly, there is no significant difference in expenditure between category A and category B. In short, both category A and category B were similarly placed with respect to their income and expenditure during the Gulf-period.

- After return from the Gulf (in the year 2005), there is significant difference in the income between category A and category B. The average income of category B is significantly higher than that of category A (Rs.1.35 lakhs in category A and Rs.2.39 lakhs in category B).
- In 2005 (i.e., after return from the Gulf), there is significant difference in expenditure between category A and category B (Rs.1.13 lakhs in category A and Rs.1.40 lakhs in category B).

8.6 In category A, their income after return is only 34% of their income during the Gulf-period and it is 59% in category B. In other words category B earned a higher income, which is 77% higher than the income earned by those who had no financial planning. The higher income earned by category B can be attributed to their financial planning during the Gulf-period. Their investments in business, agriculture and other items during the Gulf-period yielded better returns. Category B earned an average return of Rs.2.21,950 from their investments alone, in the year 2005, whereas category A earned only Rs.1,09,025. Thus, it can be stated beyond doubt that the financial planning and the resultant investments of category B during their Gulf-period helped them to earn better returns after coming back from the Gulf.

- There is significant difference in the total value of investments purchased by the Gulf-returned Keralites without financial planning (category A) and with financial planning (category B). It is Rs.23,11,675 in category A and Rs.30,11,756 in category B.
- There is no significant difference in the value of non-income generating assets purchased by category A and category B.

- There is significant difference in the value of income generating assets purchased by category A and category B. The value of income generating assets purchased by category B is 50% higher than that of category A (Rs.14,56,260 in category A and Rs.21,97,122 in category B).

8.7 The total income from all the sources during the entire period of stay in the Gulf is almost the same in both the categories. But the total value of investments acquired by category B is much more (30% higher) than the value of investments acquired by category A. Similarly, category B invested a major portion of their total income in income generating assets. Moreover, they accepted more risk by investing in business ventures, shares, debentures, mutual funds, commercial vehicles, etc. This can be attributed to their personal financial planning. As a result of that they are able to generate better returns than category A, after coming back from the Gulf.

8.8 Comparison of income and expenditure in the year 2005 reveals that in category A (those who had no personal financial planning during the Gulf-period), the vast majority, i.e., 208 out of 277 respondents (75.11%) does not have sufficient income to meet their household expenses in 2005. In category B only 11 out of 41 (26.9%) are in financial difficulty.

8.9 Therefore, the inference is that personal financial planning of category B during the Gulf-period helped them to earn higher income after their return from the Gulf. Hence, it can be concluded that financial planning is highly relevant and those who planned their finance properly are better placed with respect to income, after their return from the Gulf.

8.10 The second hypothesis is that 'There is significant relationship between income and expenditure and between income and investments'.

- The study revealed that during the Gulf-period, there is significant relationship between income and expenditure, both in category A and category B.

- After return from the Gulf, there is no significant relationship between income and expenditure in category A, whereas, in category B, there is significant relationship between income and expenditure.
- The relationship between income and investments of category A during the Gulf-period is not significant, whereas, in category B, there is significant, positive relationship between income and investments.

8.11 The third hypothesis is that 'Financial planning resulted in increasing the level of investments' The statistical analyses reveal that financial planning resulted in increasing the level of investments. Further analysis shows that financial planning resulted in increasing the level of investments in income generating assets. Thus, the third hypothesis is accepted and it can be concluded that personal financial planning helps and motivates a person to invest more and that too in income generating items.

8.12 The fourth hypothesis is that 'Those who had personal financial planning are now better placed with respect to current income and asset value, than those who had no personal financial planning during the Gulf-period' The average income of category B after their return from the Gulf (in 2005) is 77% more than the income earned by category A (Rs.1,35,200 in category A and Rs.2,39,025 in category B). t test reveals that there is significant difference in income between category A and category B. Similarly, the average value of assets held by category B in the year 2005 is more than double the value of assets held by category A (Rs.20,20,939 in category A and Rs.42,20,732 in category B). t test shows that there is significant difference in the present value of assets held by category A and category B. Hence, it can be concluded that those who had personal financial planning are now better placed with respect to current income and asset value, than those who had no personal financial planning during the Gulf-period. Thus, the fourth hypothesis is also accepted.

8.13 Apart from testing the above hypotheses, the study has evaluated some related factors and revealed the following.

- Loans and borrowing facilities are availed more by category B and that too for productive purposes. This is also a reason for better performance of category B with respect to current income.
- The average value of ancestral property received by category A and category B remains almost the same. Therefore, it is clear that both the categories started on a level ground and nobody had any edge over the other category, before going to the Gulf.
- Just like the spending on house, when it comes to consumer durables, personal finance seems to be irrelevant in deciding their spending. The average value of consumer durables held by a Gulf-returnee is much more than the value of consumer durables held by an average non-migrant Keralite.

8.14 In spite of their financial planning, some respondents are facing financial difficulties. At the same time some respondents in category A are earning sufficient income, after coming back from the Gulf. This aspect has been analysed in detail.

8.15 Eleven respondents out of 41 from category B (those who had financial planning during the Gulf-period) presently (in the year 2005) face the problem of inadequate income to meet their household expenses. In other words, 11 respondents have failed to generate income to cover their current expenditure, in spite of their financial planning. These 11 are categorised as Bx.

- Low income of category Bx during the Gulf period, high expenses and low investments, especially in income generating items resulted in low returns after coming back from the Gulf and hence they are in financial difficulty.

8.16 As far as the Gulf-Keralites are concerned, investing in income generating avenues is significant because, after coming back from the Gulf they have to depend on the income from their investments. But, here, the 11 respondents in category B failed to invest adequately and hence they are in financial difficulty.

8.17 Sixty nine respondents out of the 277 in category A (those who had no personal financial planning during the Gulf-period) earned high income in 2005 even in the absence of personal financial planning. These 69 respondents are categorised as Ay.

- Analyses lead to the conclusion that high income during the Gulf-period and the resultant high investments in income generating assets has helped the respondents in category Ay to earn high current income, even in the absence of personal financial planning.

8.18 This finding also substantiates the fact that investments are important. Even though the 69 respondents in category A had no personal financial planning during the Gulf-period, they earned high income in 2005 out of their investments.

8.19 If these 69 respondents (category Ay) had resorted to personal financial planning, they could have earned much more returns because the aggregate income of category Ay during the Gulf-period is much higher than the income of any other category.

- The majority of the respondents from category B (those who had financial planning during the Gulf-period) are satisfied with their present income. They are also able to maintain their standard of living and they do not intend to go back to the Gulf.
- Finally, the respondents were asked whether they would follow the same financial practices if they go to the Gulf once again. Interestingly, 280 (88.0%) reported in the negative and only 38 (12.0%) reported that they would follow the same financial practices. Thus, it is clear that the majority realised that their way of financial management was wrong.

8.20 Conclusion

8.20.1 The majority of the respondents were socially and economically backward at the time of migration. Gulf migration has resulted in a sudden increase in their income. Hoping that this bonanza would continue for long, the family of the migrants began to spend lavishly, inevitably improving their standard of living. One of the priority items of disposition of emigrants' savings was improvement of the quality of housing. Most of the migrant houses can be characterised as 'luxurious' or 'very good'

8.20.2 Conspicuous consumption is a hallmark of Gulf-Keralites. Regarding household amenities and consumer durables, they outrun the non-migrant households. Many of the consumer durables were introduced for the first time in Kerala by the Gulf-migrants, from abroad. It is also observed that the Gulf-Keralites spent heavily for the education of their children. Almost all the children are studying in unaided English medium schools where the fees are exorbitant. Some of them are residing in boarding houses. Since 14% of the Gulf returnees have two-wheelers and 37% have four-wheelers (car, van and jeep), their spending on conveyance is also significantly high.

8.20.3 The household consumption expenditure of the Gulf returnees has not decreased after their return from the Gulf, in spite of a substantial decrease in income. It is observed that no effort has been made from the part of the households to reduce their spending on consumption items. The average annual expenditure after return from the Gulf is 99% of the average expenditure during the Gulf-period. Specifically, it is Rs.1,18,125 during the Gulf-period and Rs.1,16,950 after their return from the Gulf. At the same time, the average income after return from the Gulf is only 37% of the average income during the Gulf-period. It is Rs. 3,98,742 during the Gulf-period and Rs. 1,48,585 after return from the Gulf.

8.20.4 After their return from the Gulf, they find it difficult to reduce their standard of living mainly due to social pressure. Because of return, the income of the respondents declined drastically, but the expenditure remained almost stable. Thus, there is a wide gap between income and expenditure, after their return from the Gulf. It is observed that 219 out of 318 (69%) have deficiency in the year 2005. It is also observed that 156 respondents met the deficiency by drawing from banks. Some respondents have sold assets, particularly land that they have acquired during the Gulf-period, in order to meet the deficiency.

8.20.5 It can be concluded that the majority of those who migrated to the Gulf countries actually returned to where they have started, financially. In fact, they went to the Gulf countries and worked hard for economic prosperity. During the Gulf-period, they have earned sufficient income. However, what they earned has been scrupulously spent on consumption items leaving very little for savings and investments. A major portion of their investments is in non-income generating items, and when they come back to Kerala, in fact, they are back to square one where their income is inadequate to meet their household expenditure. Moreover, due to high income during the Gulf-period, the members of the family attained a higher standard of living, and though the Gulf migrant returned, the family finds it difficult to curtail their expenditure because some of them are committed, like expenditure on education.

8.20.6 The majority of the Gulf-returned Keralites have neither the financial strength nor the entrepreneurial abilities and leadership qualities to start their own business or industrial establishments. Most of them have already spent their savings and started selling the assets and properties to maintain the relatively high standard living they have been accustomed to following migration. In short, they are in more difficulty than earlier.

8.20.7 Category wise, category B is better placed with respect to current income and present value of assets held. As a result of their financial planning, category B invested a major portion of their income in income generating items. Moreover, they accepted more risk by investing in business ventures, shares, debentures, mutual funds, commercial vehicles, etc. On the other hand, category A (those who had no personal financial planning during the Gulf-period) invested a lesser amount and that too in non-income generating items or low-income generating items.

8.20.8 There exists a positive relationship between risk and return. Higher the risk, higher will be the return, and vice versa. Thus, category B earned a higher amount of return in the year 2005 out of their personal financial planning and the resultant investments in income generating items. As their investments are in assets having high growth potential (at the same time, risky), the present value of assets held by category B is much higher than that of category A. Thus, it can be concluded that personal financial planning is relevant and those who had personal financial planning during the Gulf-period are better placed with respect to income and asset value, after their return from the Gulf.

8.21 Recommendations

Even though the study is about Gulf-returned Keralites, the real beneficiaries are those who are still working in the Gulf. There is an old saying that 'the fools study from their own experience and the wise people study from the experience of others' The following recommendations would be beneficial to the Gulf-Keralites.

1. The Gulf-Keralites should realise the fact that their employment abroad is purely temporary and hence, the high earnings are also temporary.
2. Household expenses may be controlled with the co-operation of all the family members.
3. There should be regularity in savings and the savings may be wisely invested.
4. Savings may be invested in income generating investments.
5. Investments in non-income generating assets may be kept minimal.
6. Efforts should be made by the Government and other agencies to make people aware of the various schemes of investments, especially about shares, debentures and mutual funds.
7. Only the essential consumer durables may be purchased.
8. One has to purposefully and deliberately go in for investments as more investments result in more income and more income leads to more savings.

9. The State Government may formulate a savings scheme for the Gulf migrants with the help of banks or mutual funds or institutions like Kerala State Financial Enterprises, based on contributions from migrants.
10. The Department of Non-resident Keralite Affairs (NORKA) should co-ordinate the promotion of NRI investments with the Department of Industries of the Government and other agencies concerned.

8.22 Scope for Further Research

There is immense scope for further research in continuation to the present study. As the majority of the Gulf-returned Keralites are in financial difficulty, further research is needed on the rehabilitation of the Gulf-returnees. As it is found that those who had personal financial planning during the Gulf-period are better placed, the scope of personal financial education among Gulf-Keralites is another area where further studies can be made.

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Appendices

PERSONAL FINANCE OF GULF-RETURNED KERALITES

Schedule

1. Name
2. Age
3. Religion
4. Qualification
5. Your status before going to the Gulf

   Employed ☐ Unemployed ☐ Doing Business ☐

6. Annual earnings before going to the Gulf:
7. Marital Status before going to the Gulf: Single ☐ Married ☐
8. Status of your wife at the time of marriage:

   Unemployed ☐ Employed in India ☐ Employed Abroad ☐

9. Educational qualification of your wife
10. Amount of dowry received:
11. Country in which you have worked:
12. Years of service in Gulf:..................
13. Year of return from Gulf:
14. Reason for return: 1. Visa not renewed ☐ 2. Expiry of contract ☐

    3. Retrenchment ☐ 4. Voluntary retirement ☐ 5. Other reasons ☐

15. Total income from Gulf (Rs.):.............................
16. Total remittance to India

    1. In cash (Rs.)

    2. Gold:

    3. Consumer durables:

17. Income from other sources during this period:

    Income from business

    Agricultural income

    Income from investments

    Income of spouse

18. Occupation of your father
19. Was your return at the expected time Yes ☐ No ☐
20. No. of members in your house including children

    Before going to Gulf During Gulf period............. At present ....

21. Income in 2001 Remittance from Gulf
Income from Business
Income from investments
Income from agriculture
Income of spouse

22. Total income in the year 2000
23. Total income in the year 1999

24. Number of Children and their details:

Sl. No.	Sex	Age	Qualification	Marital status	If employed give details

25. Details of Liabilities:

Sl. No.	Liability	Before Migration	During Gulf Period	After coming back
1.	Housing loan			
2.	Vehicle loan			
3.	Other Loans			
	TOTAL			

26. Value of ancestral property received

Sl. No.	Property	Value
1.	Land	
2.	Agricultural land	
3.	House	
4.	Gold	
5.	Business	
6.	Bank deposit	
	TOTAL	

27. Details of ANNUAL expenditure in Rs.:

Sl. No.	Particulars	Before going to Gulf	During Gulf-period	After coming back
1.	FOOD (a) Provision, Vegetables, Gas & Fuel (b) Fish, Meat, Egg & Milk (c) Bakery, Fruits, etc			
2.	HOUSING (a) Rent, Electricity, Water, Repairs &Maintenance (b) Telephone	....	....	....
3.	CLOTHING (Cost of purchase, stitching, Footwear, etc)			
4.	EDUCATION (Books, Fees, News paper, Journals, Boarding/Hostel fees, etc)			
5.	MEDICAL CARE (Hospital bill, Medicine, Medical insurance)			
6.	CONVEYANCE (a) Train & Bus fair (b) Taxi fair (c) Maintenance, Tax, and fuel of two wheeler, car (d) Driver's salary			
7	SOCIAL OBLIGATIONS (Gifts & Donations to relatives and friends)			
8.	ENTERTAINMENT (a) Movie, Cassette, CD, Cable TV etc. (b) Picnic, Parties, Food from outside	....	....	....
9.	PERSONAL HABITS (Cigarettes, Drinks, Gardening, Other Hobbies, etc)			
10.	OTHER EXPENSES (a) Servant's salary (b) Taxes, Postage, Stationary & Sunday expenses	....	....	....
	TOTAL			

28. Details of consumer durables purchased

Sl. No.	Item	Ancestral items	Before going to Gulf	During Gulf period	After coming back
1.	Furniture				
2.	Two wheeler				
3.	Car/Van				
4.	T.V., V.C.R., Camera				
5.	Refrigerator				
6.	Air conditioner				
7.	Music System				
8.	Computer				
9.	Washing machine, Dish washer				
10.	Micro wave, Cooking range				
11.	Others				
	TOTAL				

29. Details of assets and investments purchased:

Sl. No.	Item	Before migration	During Gulf period	After coming back	Present balance
1.	Land (for house construction)				
2.	Agricultural land				
3.	House (constructed or purchased)				
4.	Investment in business				
5.	Gold				
6.	Vehicles (Bus, Lorry etc.)				
7.	Shares, Debentures and Mutual Fund				
8.	Life Insurance				
9.	Bank Deposit				
10.	Post Office savings				
11.	Annuities				
12.	Retirement plans				
13.	KVP, IVP, NSC, etc				
14.	Chits and kuries				
15.	Others				
	Total				

30. Present status:

Employed ☐ Unemployed ☐ Doing business ☐

31. Present status of your spouse: Employed ☐ Unemployed ☐ Doing business ☐

32. Present annual earnings:
   1. From employment
   2. From business
   3. From investments
   4. From agriculture
   5. Income of spouse

33. Are you satisfied with the present income:

Yes ☐ No ☐

34. Present annual expenditure:

35. If the present annual expenditure exceeds income, how do you make up the deficiency?

By drawing from bank ☐ By borrowing ☐ Selling assets/property ☐

36. Would you like to go back to Gulf: Yes ☐ No ☐

37 Would you follow the same financial practices if you Go to the Gulf once again Yes ☐ No ☐

38. Extend of personal financial planning during Gulf period (Tick mark appropriate answer)

(a) Maintain family financial accounts
   1. Always ☐ 2. Often ☐ 3. Occasionally ☐
   4. Rarely ☐ 5. Never ☐

(b) Plan to increase income and decrease expenditure
   1. Quite often ☐ 2. Often ☐ 3. Occasionally ☐
   4. Rarely ☐ 5. Never ☐

(c) Planning for non-recurring expenditure
   1. Always ☐ 2. Often ☐ 3. Occasionally ☐
   4. Rarely ☐ 5. Never ☐

(d) Priority based spending plan
   1. Always ☐ 2. Often ☐ 3. Occasionally ☐
   4. Rarely ☐ 5. Never ☐

(e) Wise use of loan and borrowing facilities
   1. Quite often ☐ 2. Often ☐ 3. Occasionally ☐
   4. Rarely ☐ 5. Never ☐

(f) Regularity in savings
   1. Most regular ☐ 2. Regular ☐ 3. Neutral ☐
   4. Not regular ☐ 5. Not at all regular ☐

(g) Investment planning
   1. Very clear ☐ 2. Clear ☐ 3. Undecided ☐
   4. Not clear ☐ 5. Not at all clear ☐

(h) Awareness about investment schemes
   1. Most aware ☐ 2. Aware ☐ 3. Neutral ☐
   4. Not aware ☐ 5. Not at all aware ☐

(i) Right insurance coverage
1. Well covered ☐ 2. Adequate ☐ 3. Covered ☐
4. Not adequate ☐ 5. Not covered ☐

(j) Retirement and estate planning
1. Highly favourable 2. Favourable 3. Neutral
4. Unfavourable 5. Not at all favourable

(k) Practice of family budgeting
1. Quite often ☐ 2. Often ☐ 3. Occasionally ☐
4. Rarely ☐ 5. Never ☐

(l) Compare income and expenditure with budget
1. Always ☐ 2. Often ☐ 3. Occasionally ☐
4. Rarely ☐ 5. Never ☐

(m) Clarity regarding long term financial objectives
1. Very clear ☐ 2. Clear ☐ 3. Undecided ☐
4. Not clear ☐ 5. Not at all clear ☐

(n) Clarity regarding short term financial objectives
1. Very clear ☐ 2. Clear ☐ 3. Undecided ☐
4. Not clear ☐ 5. Not at all clear ☐

(o) Importance of financial freedom
1. Most essential ☐ 2. Essential ☐ 3. Undesirable ☐
4. Not essential ☐ 5. Not at all essential ☐

39. Whether the standard of living of your family has increased after your migration:

Yes ☐ No ☐

40. Is there any increase in financial status due to your employment abroad:

Yes ☐ No ☐

41. Is there any increase in your social status due to your employment abroad:

Yes ☐ No ☐

42. Is there any decrease in the standard of living of your family after your return from Gulf:

Yes ☐ No ☐

43. Would you like to go back to Gulf: Yes ☐ No ☐

44. Would you follow the same financial practices if you

Go to the Gulf once again Yes ☐ No ☐

Components of heads of expenditure

Expenditure on food includes provision, vegetables, fish, meat, egg, milk, bakery items, fruits, gas, and fuel.

Expenditure on housing includes rent, electricity, water, repairs, maintenance, and telephone charge.

Expenditure on clothing includes cost of purchasing cloth, stitching charges and footwear.

Expenditure on education includes books, fees, hostel fees, newspapers, journals, etc.

Expenditure on Medical care includes hospital bills, medicines, and medical insurance.

Expenditure on conveyance includes train fare, bus fare, taxi fare, maintenance, tax and fuel expenditure for two wheelers, and four wheelers, and drivers' salary.

Expenditure on social obligations includes expenses during festivals and celebrations and gifts and donations to relatives and friends.

Expenditure on entertainment includes movies, audio and videocassettes, CDs, cable TV, picnic, parties, food from outside, etc.

Expenditure on personal habits includes cigarettes, drinks, gardening and other hobbies.

Other expenses include servants' salary, taxes, postage, stationary and other sundry expenses.

2. Those who are employed in India in the Government sector or in quasi-Government sector, when leaving for the Gulf, have to come back at the expiry of their sanctioned leave period.
3. Some migrants, at the time of leaving for the Gulf, fix a target amount of savings for his requirements in India. Once the target is achieved, he may quit voluntarily and return to the homeland.
4. It is also noted that some migrants come back purely on personal grounds including family and health problems.
5. Though the number is negligible, it is learnt that some workers are sent back by the foreign Governments on disciplinary grounds and ethical reasons.

The study shows that non-renewal of visa is the major reason for return from the Gulf. 105 respondents (33.0%) out of 318 returned on account of this reason. Table 4.14 reveals that 98 (30.8%) returned due to expiry of contract; 67 (21.1%) due to retrenchment; 29 (9.1%) returned voluntarily and 19 (6.0%) due to other reasons

In short 85% of the respondents were forced to return to Kerala against their will and wish. The researcher has also enquired whether their return from the Gulf was at the expected time. A major group of 84% reported that their return was at the unexpected time and hence abrupt.

4.15 Number of Children

It has been reported that 178 respondents (56.0%) have two children each, 57 (17.9%) have three children each, 47 (14.8%) have one child each, 29 (9.1%) have four children each, four respondents have five children each and three respondents have no children. Thus, it can be seen that the majority (56.0%) have two children each.

In all the districts, the major groups have two children each (table 4.15). The 318 respondents have 710 children in total, and thus having an average of

Table 5.29(a)
Personal finance score and total income generated in India during the Gulf-period

Personal Finance Score	Income generated in India during Gulf-period (Rs. in lakhs)				Total
	Less than 2	2 – 4	4 – 6	6 and above	
Less than 35	8 3.9%	83 40.5%	82 40.0%	32 15.6%	205 100.0%
35 - 45	6 8.3%	22 30.6%	29 40.3%	15 20.8%	72 100.0%
45 - 55	1 3.7%	2 7.4%	8 29.6%	16 59.3%	27 100.0%
55 and above	0 0.0%	2 14.3%	5 35.7%	7 50.0%	14 100.0%
Total	15 4.7%	109 34.3%	124 39.0%	70 22.0%	318 100.0%

Table 5.29(b)
Chi-Square test of table 5.29(a)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	39.512	9	.000
Likelihood Ratio	36.583	9	.000
Linear-by-Linear Association	20.758	1	.000
N of Valid Cases	318		