

Gulf remittances & spending behavior of migrant Muslim households in Wandoor block, Malappuram district, Kerala

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Abstract

The research intends to expose that the operational financial activities of Gulf households should be studied on the quantitative basis, which has been based on quantitative data from 313 participants. The researcher was able to extract some crucial themes, including households' balanced spending and saving habits, the impact of remittances on household finances, and the likelihood of socioeconomic characteristics such as education and residence on financial decisions. Even though the relation shows that a strong association exists between remittance and household consumption, a causative relationship needs to be studied further. Regression models show that a significant impact on the level of spending tendency is of the highest value, for the medium and the high value, and for the low value of the variable of remittance amount. However, the models indicate that more elements need to be integrated in order to get a proper understanding. This study lays the foundation for future research using bigger and more varied populations in examining a broader variety of financial parameters and causal relationships. Implications from the study seem to extend far beyond understanding financial practices to aspects of designing targeted interventions and measurements to increase financial security and stability in the Gulf area.

Keywords: Financial behaviour, financial literacy, Gulf countries, Household Expenditure, Socio-economic factors.

1. Introduction

Migration has long been a defining feature of human civilization, shaping social and economic landscapes across the world (Malik, 2023). In recent decades, the Gulf region has become a major destination for migrant workers seeking employment and better living standards (Onyeaka et al., 2021). The Gulf Cooperation Council (GCC) countries attract millions of migrants from diverse nationalities, including large numbers from India, Pakistan, the Philippines, and Bangladesh (Modarres, 2010). Among Indian states, Kerala has been particularly prominent, contributing significantly to Gulf migration flows (Khadria, 2006).

The inflow of remittances from the Gulf has profoundly transformed Kerala's economy and society (Oommen, 2016). These remittances are not only a vital source of household income but also influence consumption, investment, and broader development dynamics (Gallo, 2013; Zachariah & Rajan, 2007). Their impact extends beyond economics, affecting household welfare, social mobility, and well-being (Ojo, 2023). Understanding this relationship provides valuable insights for policymakers and development practitioners (De Haas, 2007). Exploring the spending behavior of migrant households also sheds light on migration-related issues such as integration into host societies, the role of transnational networks, and the importance of financial literacy in managing remittances effectively (Zewdu, 2014). This study focuses on Wandoor Block, Malappuram District, Kerala, a region with a high concentration of migrant Muslim households employed in the Gulf (Kohli, 2014). The objective is to analyze how factors such as the remittance amount, education level of household heads, employment status of members, and duration of stay in Gulf countries influence monthly household expenditure and savings. Additionally, the mediating role of financial literacy is examined to provide a comprehensive picture of household financial practices and their implications for well-being and regional development.

2. Theoretical Background

2.1 Monthly Household Expenditure

The monthly household expenditure of Gulf remittances and spending behavior of migrant Muslims in Kerala are influenced by a multitude of factors that have been extensively discussed in existing literature. It is indicated that the socioeconomic situation, levels of poverty, rates of unemployment, availability of opportunities such as Umrah and free visa provisions to Saudi Arabia, existence of usual dowry schemes, and the prevalence of a culture promoting extravagant wedding ceremonies within the local community act as key motivators for Muslims originating from the Malappuram district to seek opportunities for migration to Gulf countries, as highlighted by (Ajmal et al., 2019). The influx of Gulf remittances into Kerala has been noted to bring about notable economic transformations in the region, resulting in elevated levels of income, enhanced patterns of consumption, and increased asset acquisition among migrant households. However, this economic boost has had adverse repercussions on non-migrant households hailing from impoverished middle-class and fixed-income brackets, as outlined by Prakash (1998). Despite the substantial sums being remitted back, a considerable portion of Gulf returnees from Kerala face challenges in making ends meet, grappling with insufficient income to cover their expenses and limited entrepreneurial capabilities to initiate their own ventures, as documented by (Thomas et al., 2008). The migration of individuals to the Gulf from Kerala has played a significant role in bolstering the state's economy and enhancing the educational background of those who migrate, as pointed out by Irudaya et al. (2019). The utilization of remittances by migrant Muslim communities in Kerala is heavily influenced by the perception of income and the varying ethnic structures present, both of which significantly shape their consumption habits, exchange practices, and investment strategies, as discussed by Prema & Kurien (1994). Households that receive remittances typically allocate a larger proportion of their monthly earnings towards the purchase of non-food durable goods. Additionally, the inflow of remittances enables these households to save, invest in assets such as land and buildings, and enhance their human capital. Those households that allocate a significant portion of their budget towards education and healthcare tend to witness a higher prevalence of skilled migration to regions like the Global North or Oceania, deviating from the conventional pattern of low-skilled migration to the Gulf. Consequently, policies aimed at fostering these emerging trends in migration are likely to sustain the growth of remittance inflows and facilitate the broader process of socioeconomic advancement within Kerala, as highlighted by (Sunny et al., 2020).

2.2 Employment Status of Household Members

The employment status of household members is subject to the influence of numerous factors, such as the presence of young children, the involvement of husbands in household duties, and the reception of remittances. Recent studies have demonstrated that the existence of young children within a household can significantly impact a woman's decision-making process regarding whether to pursue wage employment or engage in self-employment. The option of self-employment is perceived to offer greater flexibility in effectively managing both domestic responsibilities and employment-related tasks (Nataliya & Mokrytska, 2023). Moreover, it is crucial to consider the significance of the role that husbands play within the dynamics of the household, particularly in relation to how their actions and decisions can potentially influence a woman's choices regarding her employment opportunities. This influence stems from the financial and human capital resources that husbands bring to the table, which in turn can sway a woman's decision-making process when it comes to opting between traditional wage-based employment or entrepreneurial self-employment ventures (Richard et al., 1998). Furthermore, an additional layer to this intricate web of household dynamics is the impact of remittances on the labour market participation and engagement of family members who are left behind. Research by Carol & Kaufman (2015) has revealed that the inflow of remittances can significantly alter the landscape of economic activities within the household, with a notable decrease in the likelihood of wage employment and a simultaneous increase in the propensity for engaging in small-scale self-employment endeavors. Nevertheless, it is essential to acknowledge that while remittances can indeed play a role in shaping the economic activities of households, their overall impact on broader economic development initiatives may be constrained. This limitation arises from the fact that self-employment in small-scale ventures may not always guarantee a steady and reliable stream of income, as highlighted by the findings of Florin et al. (2019).

3. Literature Review

(Mizanur Rahman, 2013) explored the gender sizes of remittances cutting-edge the context of provisional relocation in Asia. It argued that both gender and the context of remittances influence the behaviour of migrants, and that understanding these factors is crucial for seizing the difficulty of payments and their influence on growth. The study examined four key aspects where gender plays a significant role in remittances. The findings revealed gender-differentiated designs, such as female migrants remitting a greater share of their earnings, preferences for recipients, and differences in control and investment of remittances between men and women. (Mukherjee, 2017) discussed the significant role of remittances in India, particularly the use of migration remittances for housing, property, land, and education. It highlighted the increasing attention to social remittances and India's position as a leader in receiving them. The article also touched on economic remittances from the Gulf and explored how people adopt certain practices in their daily lives. Additionally, it references several scholars and their work on migration, remittances, and social capital. (Khan, 2019) discussed the forced migration of Muslims from the Malappuram district in Kerala, India, to the Gulf countries, focusing on the factors that drove this migratory pattern. While existing literature primarily attributes migration from Kerala to economic reasons, the chapter revealed that the migration of Muslim youth from Malappuram was also influenced by socioeconomic conditions, poverty, unemployment, and cultural factors. The chapter highlighted the forced nature of this emigration and provides insights into the complex motivations behind it. Additionally, the text included several references and acknowledgments to individuals and institutions involved in the research. The studies undertaken by Rahman et al. (2025) and VP (2024) presented a unique perspective on Gulf migration as a household and community strategy of subsistence, stressing remittances, social reproduction, and socioeconomic transformation. The study by Rahman et al. engaged qualitative interviews with migrant households located in Bihar, India, while VP investigated empirical data about Kerala's emigration, remittances, and socioeconomic discourses. In sum, both studies suggest that Gulf labor is effective at defining household well-being, sustaining livelihoods, and altering life at the community level. Kerala's case is illustrative of large-scale reliance on remittances, accounting for almost 36% of its net product, while migration is beneficial for household subsistence and enhanced quality of life in Bihar.

(Gallo, 2013) explored the relationship between social remittances and migrant families in rural South India, focusing on the perspective of migrant elites' identity politics. It emphasized the historical context and the influence of different migrant destinations on the moral evaluation of remittances for kinship well-being. The article highlighted the dual interpretation of "foreign money" by migrant elites, which

symbolized loyalty to family and community, yet also represents the distance between kin. Remittances are seen not only as a means of family upkeep but also as a social singularity that raises questions about kinship solidarity and morality. The study provided insights into the complexities of migrant remittances and their impact on family dynamics in the context of migration. (Gardner, 2011) discussed the dynamics of migration and transmittal movements in the Gulf region, focused on the impact of labour migration, particularly from South Asia. It highlighted the exploitative conditions faced by migrant workers, including the kafala system, which ties workers to sponsors and leads to passport confiscation and debt bondage. The text also addresses the gendered aspects of migration, such as the role of female domestic workers. It underscores broader social and economic implications, as well as the growing critique and debate surrounding migrant labour practices in the Gulf.

4. Research Methodology

This study uses a quantitative research approach to investigate the effects of remittance amount, household head education level, household members' employment status, and length of stay in Gulf countries on monthly household expenditure and savings rate among migrant Muslim households. A stratified random selection approach was used to choose a sample of 313 houses, ensuring representation from various sections of the block. A standardized questionnaire was distributed to the heads of the chosen homes. The questionnaire used Likert scales to assess characteristics of interest such as remittance amount, education level, employment position, duration of stay, monthly spending, savings rate, and financial literacy. To guarantee clarity and reliability, the questionnaire was pretested on a small sample size. SPSS was used for quantitative analysis. The data was summarized using descriptive statistics such as mean, standard deviation, and frequency. Inferential statistics such as correlation analysis, regression analysis, and mediation analysis were employed to investigate the connections between variables and test hypotheses. Ethical issues were considered throughout the study procedure. All participants provided informed consent and were assured of their secrecy and anonymity. Participation in the study was optional, and individuals could quit at any moment with no penalty. The study's limitations include its focus on a specific geographic area and demographic group, which may limit the findings' generalizability, the use of self-reported data, which may introduce bias, and the study's cross-sectional design, which limits the ability to establish causality between variables. Despite these limitations, this study sheds light on the spending habits of migrant Muslim households in Wandoor Block and adds to the current literature on migration, remittances, and household welfare. Theoretical Framework shown in Figure 1.

4.1 Theoretical Framework

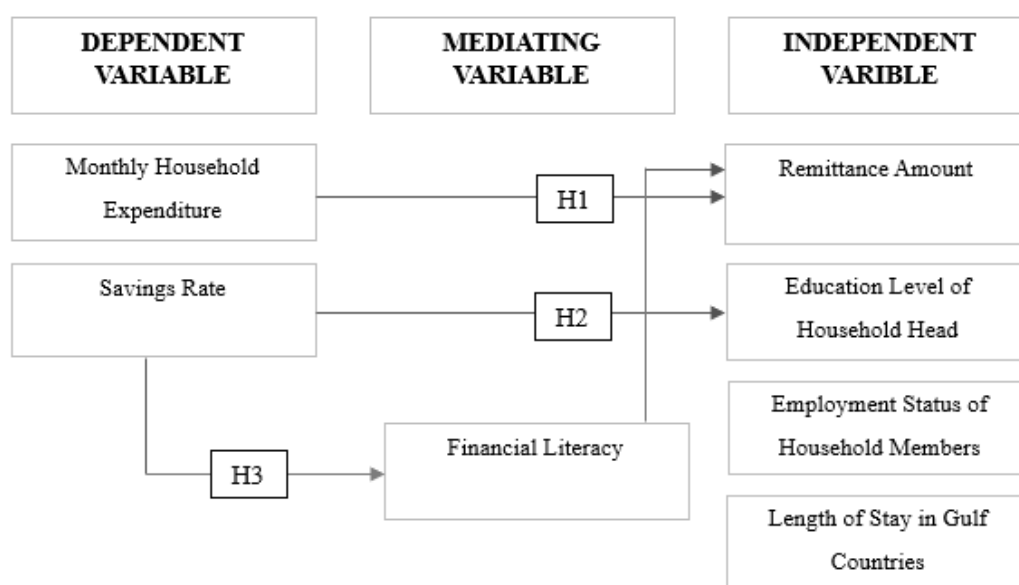


Fig 1: Theoretical Framework

Hypothesis 1:

- Null Hypothesis (H0): There is no significant association between remittance amount and monthly household expenditure.
- Alternative Hypothesis (H1): There is a significant positive relationship between remittance amount and monthly household expenditure.

Hypothesis 2:

- Null Hypothesis (H0): There is no significant association between the education level of the household head and the savings rate.
- Alternative Hypothesis (H1): There is a significant positive relationship between the education level of the household head and the savings rate.

Hypothesis 3:

- Null Hypothesis (H0): Financial literacy does not mediate the relationship between remittance amount and savings rate.
- Alternative Hypothesis (H1): Financial literacy mediates the relationship between remittance amount and savings rate, such that higher financial literacy strengthens the positive relationship between remittance amount and savings rate.

5. Outcomes

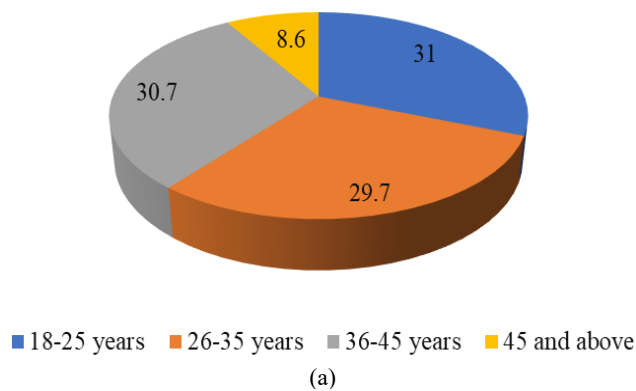
5.1 Demographic Variables:

The demographic table provides an overview of the respondents in terms of age, gender, marital status, education, occupation, and length of stay in Gulf countries. The data shows a balanced distribution across age groups, gender, and marital status. Educational background ranges from no formal education to graduates and above, while occupational status includes unemployed, labourers, skilled workers, professionals, and others. The length of stay in Gulf countries also varies, with most respondents having lived abroad between one to six years. Overall, the table highlights the diversity of the sample population.

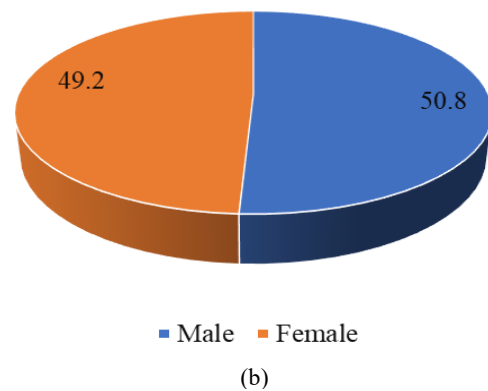
Table 1: Demographic Variables

	Category	Frequency	Percentage
Age	18-25 years	97	31.0
	26-35 years	93	29.7
	36-45 years	96	30.7
	45 and above	27	8.6
Gender	Male	159	50.8
	Female	154	49.2
Marital Status	Single	158	50.5
	Married	155	49.5
Education	No formal education	81	25.9
	Primary education	78	24.9
	Secondary education	72	23.0
	Graduate and above	82	26.2
Occupation	Unemployed	90	28.8
	Labourer	92	29.4
	Skilled worker	16	5.1
	Professional	93	29.7
	Others	22	7.0
Length Of Stay in Gulf Countries	Less than 1 year	80	25.6
	1-3 years	109	34.8
	4-6 years	93	29.7
	More than 7 years	31	9.9

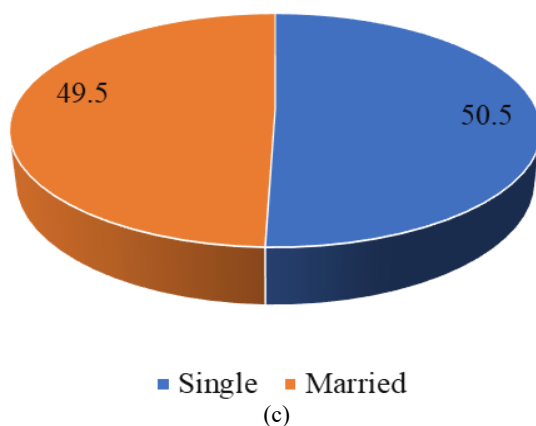
Age



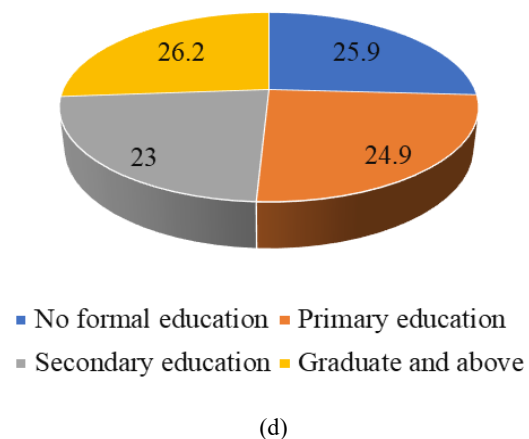
Gender



Marital Status



Education



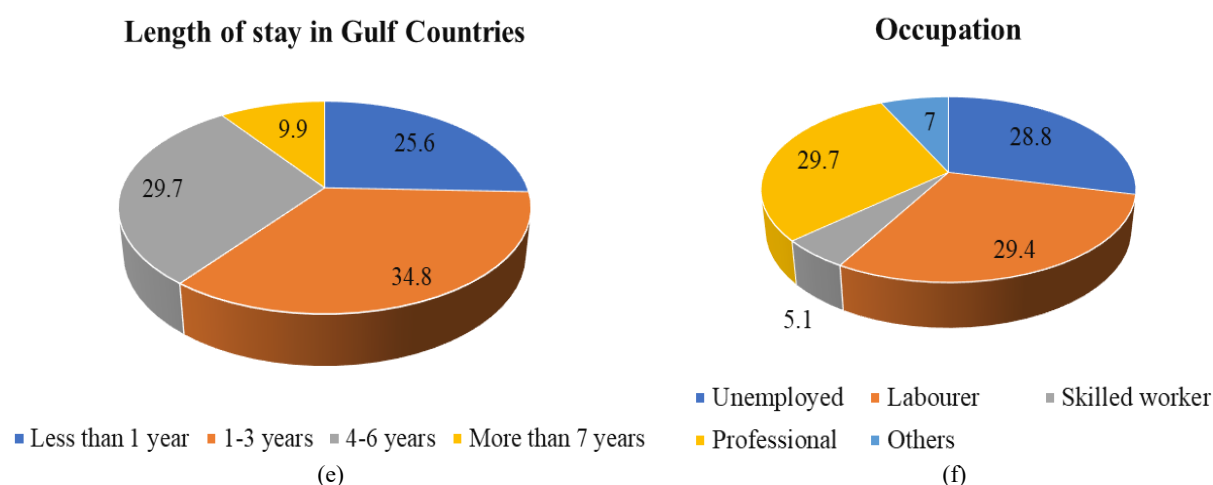


Fig 2: Frequency distribution of demographic factors

The findings of the demographic and occupational survey in Table 1 and figure 2 shows interesting results among Gulf inhabitants. The demographic patterns are characterized by a near equality of both genders, with the majority falling in the age range of 18-35 years old: 31% falling between 18 and 25 years. Besides a slight tendency to single persons (50.5%), the study has a big married population (49.5%). Notably, most of the workforce is literate in various positions of responsibility. Most respondents had some qualification of graduate and above (26.2%), while both primary and secondary schooling were present about 25% each. A big section of respondents does not have formal education, but at the same time, there are quite a few responding to seek an opportunity to improve their abilities. One of the dividing pictures presented by the employment landscape is that more than one-third of the respondents are now out of work (28.8%). Laborers are similarly numbered (29.4%), which is indicative of a blue-collar workforce. It's heartening to see a healthy mix of professionals (29.7%) and skilled workers (5.1%). Further, the study looks at residence trends in the Gulf area. Most respondents, 34.8%, had resided there for 1-3 years, indicating a possible short-stay population. A considerable number of respondents, 25.6%, have been living there for less than one year, a distinct indication of recent migration movements. Another big group of people, which represents 29.7% of respondents, are living in the Gulf nations for 4-6 years. The proportion of long-term residents, those having stayed longer than seven years, constitutes a smaller proportion (9.9%). This research on the demographics of the Gulf countries and the employment situation provides valuable input for policymakers and enterprises alike. It reinforces the need for programmed policies and actions toward the betterment of the young employment, educational achievement, and the development of a diversified and skilled workforce. Understanding these patterns of resident hood will help in the continued establishment of a vibrant and affluent society in the Gulf region.

Table 2: Descriptive Statistics

Variables	Mean	Std. Deviation	Total
MHE (Monthly Household Expenditure)	3.899	0.88363	313
SR (Savings Rate)	3.8626	0.8679	313
RA (Remittance Amount)	3.8268	0.85007	313
ELHH (Education Level of Household Head)	3.8288	0.84478	313
ESHM (Employment Status of Household Members)	3.8288	0.87138	313
LSGC (Length of Stay in Gulf Countries)	3.7048	0.86884	313
FL (Financial Literacy)	3.8332	0.86257	313

Table 2 gives insight into the financial situation of 313 families living in Gulf nations. On average, families spend about 3.9 dollars on monthly costs, while they also save an equivalent amount (3.86, standard deviation: 0.87). This sets up a culture of saving. Remittances have a persistent mean (3.83, standard deviation: 0.85), which may focus these households on helping and providing financial aid to other persons. In terms of household characteristics, a variance of nearly 3.83 (standard deviation: 0.85) in the average education level of heads of households demands further analysis to establish specific educational achievement. Work status has a comparable mean (3.83), with somewhat higher variance, implying work arrangements in families vary. While looking at the residency pattern, there is a mixed pattern with an average stay of 3.7 years (standard deviation: 0.87), as well as very recent arrivals and existing residents. Finally, the average financial literacy score (3.83, standard deviation: 0.86) suggests a need for improving knowledge and skill in financial aspects. The data provides a base to help understand what the financial behaviors are in the Gulf region. With further analysis, it could be possible to determine whether such patterns have an association with the results in the household's financial well-being.

5.2 Test Statistics

Table 3: T- Test

Test Value = 0						
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
MHE	78.066	312	0.000	3.89904	3.8008	3.9973
SR	78.738	312	0.000	3.86262	3.7661	3.9591
RA	79.645	312	0.000	3.82684	3.7323	3.9214
ELHH	80.183	312	0.000	3.82875	3.7348	3.9227
ESHM	77.736	312	0.000	3.82875	3.7318	3.9257
LSGCs	75.439	312	0.000	3.70479	3.6082	3.8014
FL	78.622	312	0.000	3.83323	3.7373	3.9292

Table 3 shows the differences between two sets (likely a test and control group) of Gulf nation household financial measures statistically. All measurements (MHE, SR, RA, etc.) have very high t-values and extremely low p-values (0.000), proving a significant difference between groups with 99.99% confidence. The "Mean Difference" column indicates the average value that the test group will have of any given variable relative to the control group. The "Confidence Interval" specifies the range within which the true difference between population averages is most likely to occur. So, though the data is important, an understanding of the context in which the analysis was conducted would provide a fuller view.

5.3 Factor Analysis

Table 4: Factor Analysis

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.936
Bartlett's Test of Sphericity	Approx. Chi-Square	2656.010
	df	21
	Sig.	0.000

The Kaiser-Meyer-Olkin measure of sampling adequacy is 0.936 in Table 4. In general, KMO values of more than 0.8 are regarded as satisfactory and suggest a sufficient sample for factor analysis. Such a value, especially this high, indicates a perfect match in this current case for the analysis of factors. The chi-square value of the Bartlett's test was estimated to be 2656.010, which corresponds to a level of significance of 0.000. A significant Bartlett's test (shown by a p-value of 0.000) implies that the data is unlikely to be identical, implying that the variables are likely correlated, which is a necessary assumption for component analysis to proceed.

In simpler terms, both tests provide strong evidence that your data meets the assumptions required for factor analysis. The high KMO value indicates the variables share enough common variance to be suitable for factor analysis, and the significant Bartlett's Test suggests the variables are not independent, which is a necessity for the technique. Overall, these results are very positive and suggest you can proceed with factor analysis with confidence.

6. Hypothesis Testing

6.1 H1: Relationship between remittance amount (RA) and monthly household expenditure (MHE).

Correlation Analysis:

Table 5: Correlation Analysis

	RA	MHE
Pearson Correlation	0.846	0.846
	MHE	0.000
		0.000

The correlation coefficient between remittance amount (RA) and monthly household expenditure (MHE) is 0.846 in Table 5. That's a significant positive association, meaning larger remittance amounts go with higher monthly household consumption. But correlation doesn't suggest action. Just because two variables are linked does not mean that one causes the other. Other things may come into play, too. For instance, households that have higher spending may be more likely to have family members working overseas and receiving remittances. Further, cultural influence or social convention in certain communities may affect not only remittance sending but also spending behaviour. Further investigation would be required to determine causality between the two variables.

Regression Analysis:

Table 6: Typical summary

Model	R	RS	ARS	SEE
1	0.846	0.716	0.715	0.47176

A statistical study was followed to inspect the connotation between the remittance amount (RA) and monthly household expenditure (MHE) in Table 6 and Figure 3. However, the results indicate a strong positive association (0.846) between these two parameters. This means that households with higher remittances tend to spend more money every month. This study has reported a favourable relationship of remittance quantities to household consumption. The model may have been a good beginning, but more research could have been carried out to investigate further potential features affecting the spending patterns, and may even increase the explanatory power of the model

RS- R Square, ARS- Adjusted R Square, SEE- Std. Error of the Estimate

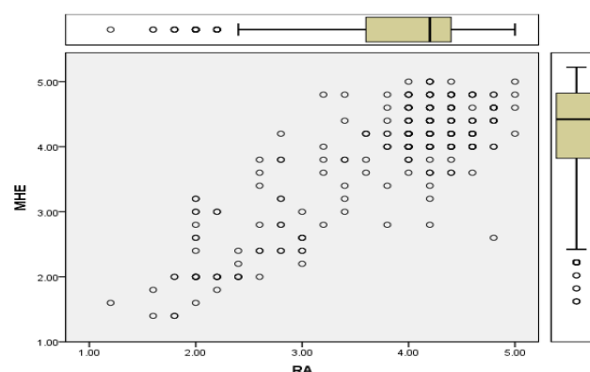


Fig 3: Regression Scatterplot for H1

The regression model identifies how remittance amount (RA) impacts monthly household expenditure (MHE) in Table 7. The model clarifies 78.36% of the alteration in expenditure (sum of squares: 174.395) as a function of remittance amounts. Therefore, the relationship between an increase in remittances and an increase in household expenditure is true; more precisely, the model accurately reflects the relationship. However, we must further analyze the remaining unexplained variance in expenditure (sum of squares: 69.215). This implies that remittances are not the only factor influencing household consumption. Despite having a good base (based on previous findings, R-squared might likely range from around 0.715), research can be done on uncovering those other factors that could enhance the model to forecast better spending patterns.

Table 7: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	174.395	1	174.395	783.603	0.000
Residual	69.215	311	0.223		
Total	243.610	312			

a. Dependent Variable: MHE
b. Predictors: (Constant), RA

6.2 H2: Relationship between the education level of the household head (ELHH) and the savings rate (SR).

Correlation Analysis:

Table 8: Correlation Analysis of the education level of the household head and savings rate

	ELHH	SR
Pearson Correlation	0.806	0.806
	SR	0.000

Considering ELHH in Table 8, which is the percentage of household heads with a certain educational level, along with savings rates (SR), we get an interesting pattern. The presented statistics demonstrate a very positive correlation (0.806) between these two aspects. In other words, families with more educated heads have higher savings rates. As for this obvious link, it is important to stress that there may exist additional explanations for this association, such as a higher salary accompanying higher education, which may give more discretionary cash for saving.

Regression Analysis

Table 9: Typical summary

Model	R	RS	ARS	SEE
1	0.806	0.649	0.648	0.51485

RS- R Square, ARS- Adjusted R Square, SEE- Std. Error of the Estimate

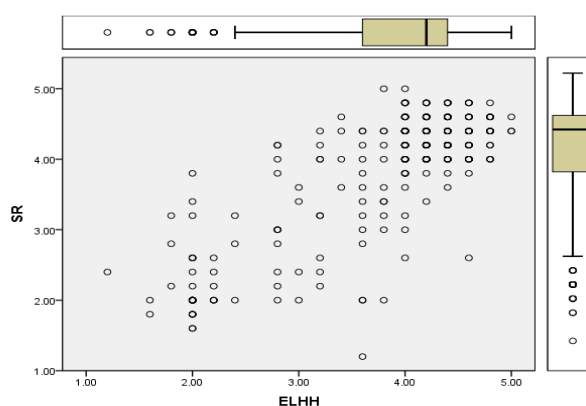


Fig 4: Regression Scatterplot for H2

A statistical model has been developed to determine the relationship of ELHH (household heads' education level) with their savings rate (SR) in Table 9 and Figure 4. According to the findings, it is shown that there is a robust optimistic correlation (0.806) between the two variables, indicating that families headed by persons with higher education levels save a bigger share of their income. The model explains about 64.8% of the variance in the savings rates dependent on the teaching level of the head of the household. In other words, the model may give an estimate of about 64.8% of the subsequent increase in the savings rate of a household for each degree of schooling. The data seem to fit the model well because predicted savings rates are approximately a perfect match with the observed

Table 10: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	152.575	1	152.575	575.597	0.000
Residual	82.438	311	0.265		
Total	235.013	312			

a. Dependent Variable: SR
b. Predictors: (Constant), ELHH

Table 10 shows how an education degree influences savings behaviour. It is a regression model that considers the impact of the equal of education possessed by the domestic head (ELHH) on the savings rate (SR). According to the explanation of variance, which is 152.575 of the total variation in savings rates, the model takes a substantive share of explaining the variation. To put it differently, the model has a good fit in the way education level (ELHH) leads to higher savings rates (SR). It is however important to note the unexplained range in savings rates, left over by the model (sum of squares: 82.44). This shows that variables other than education influence how much a household saves. Even though the model provides good grounds (R-squared likely around 0.648 based on past studies), more inquiry might be required to unearth them.

6.3 H3: Relationship between remittance amount and savings rate, such that higher financial literacy (FL) strengthens the positive relationship between remittance amount (RA) and savings rate (SR).

Mediating Analysis:

Table 11: Typical Summary

R	R-sq.	MSE	F	df1	df2	p
0.8118	0.6591	0.2545	601.1757	1.0000	311.0000	0.0000

A statistical Table 11 has been undertaken to determine certain elements impacting the result (most probably economic or social). The findings indicate a strong and statistically significant relationship (R: 0.8118, p-value: 0.000) between the measured variables and the result. Simply put, the model describes quite adequately how these factors influence the result. The model accounts for an important share (about 65.9%) of the variance in results depending on the factors considered. This could thus imply an extremely strong relationship between the causes and results. However, one should keep in mind the fact that it might not be the only factor other than those contained within the model. Further study could therefore be required to get even more insight into these additional influences and possibly make the model better in predicting the result.

Table 12: Model of Retirement Age (RA) and Family Location (FL)

	coefficient	SE	t	p
Constant	0.2453	0.1064	2.3049	0.0218
RA	0.6855	0.0446	15.3669	0.0000
FL	0.2593	0.0440	5.8974	0.0000

This analysis goes deeper into understanding the factors that have previously been analyzed with a given outcome variable. It would probably use a multiple regression model with the combined influence of two factors: retirement age (RA) and family location (FL). Retirement age (RA) has a positive and statistically significant correlation (coefficient: 0.6855, p-value: 0.000) with the outcome. In simpler terms, as people delay retirement, the outcome variable tends to increase along with it. A clear association exists between working longer and the outcome. Family location (FL) is, in turn, also associated with a positive and significant correlation (coefficient: 0.2593, p-value: 0.000) with the outcome. However, FL can be interpreted within how it is coded in the model. If higher FL value codes indicate urban places, this outcome's result implies that the urban population may have a greater value of the outcome variable compared to the rural population.

7. Discussion

This study investigates the financial behavior of households in the Gulf countries. Although on average the households do not seem to have very much difference between spending and saving, a closer look brings out interesting features. Remittances are relevant to the finances of households and would be quite the best for inquiry on how the income is used and differences from various household characteristics. Residency status and education might influence financial decisions, which need to be explored further. The average financial literacy score suggests there is room for improvement in financial knowledge and management. The statistical analysis showed a positive correlation between the remittance amount and the spending, but sought to go beyond mere correlation to explore the nature of the causal relationship. The regression models appeared to show that spending and saving tendencies in remittance amount and education level, respectively, had a significant impact. However, a complete picture would need more consideration of some other elements. These findings are associations, and correlation does not mean causation. While the results suggest that an increase in remittances is associated with increased household expenditure, further work is needed to validate whether remittances cause these changes. Future research could use longitudinal data to follow households over time, or use experimental/quasi-experimental methods, such as difference-in-differences, to account for the effects of policy or economic shocks. More advanced mediation analyses, such as structural equation modelling (SEM) or instrumental variable regression (IVR), might help identify causal pathways and account for endogeneity. Another caveat here is the geographical focus. This study was conducted in Wandoor Block, Malappuram District, where the concentration of Gulf migrants is particularly high - similarly, the other districts of Kerala and the Indian states also exhibit similar patterns. Expanding the analysis across geographical boundaries would provide more generalizability and enhance whether the patterns observed in expenditure and savings behaviours reflect broader migrant household behavior or localised differences. This work is representative of research that will be carried out in the future. Future research with bigger and more varied samples, examining a broader variety of financial variables and causal linkages, would be advantageous. Moreover, implementing financial literacy activities could help in improving financial management in these households.

8. Implication

This study's findings on household financial behaviours in the Gulf countries hold several key implications:

- **Policy and Product Development:** It is a realization that remittances and financial literacy gaps result in policy and product development. This can be beneficial in creating policies that encourage wise spending of remittance money and in initiatives that would help increase financial literacy. This would also mean that banks could work on new products that may be differentiated in offering solutions that fit these households differently, according to this study, taking into consideration the personal requirement of remittance inflows, savings aspirations, and the other unique needs this group of households requires.

- **Focused Financial Education:** The study indicates a need for focused financial education programs. The programs may address the specific financial difficulties this household faces, such as managing the money from remittances, budgeting, saving for retirement, and proper management of debt.
- **Improved Planning for Financial Planning:** Understanding the financial features of these households would permit financial advisers to develop more relevant and successful. This may include incorporating remittances, retiring later, and adjusting investment schemes to personal objectives.
- **This creates the way for more investigation:** A study of causal relationships between remittances and expenditure patterns may provide more knowledge. Further inquiry may be afforded through the study of the financial activities of other sub-groups within the community, such as recent arrivals against established residents, and different levels of income.

9. Conclusion

The paper, therefore, serves to provide information about the financial practices of Gulf households. Although they generally balance spending and saving, a more detailed analysis revealed some surprising trends. Whereas remittances play an important role, their use and modifications according to family factors require a more detailed investigation. Socioeconomic variables like education and residency are likely to impact financial decisions and require further investigation. The average financial literacy score shows there is potential for growth in financial knowledge and management. The statistical study reveals a positive association between remittance amount and expenditure; therefore, one needs to investigate causal links beyond correlations. According to the work, remittance amount and education level significantly influenced spending and savings habits. However, addressing additional elements is very important for a complete picture. This study is limited in scope and is a starting point for further research. More work, therefore, needs to be done in this research area, extending beyond large and varied samples to a comprehensive suite of financial variables and causal linkages. In addition, the course of financial management within these households can be improved through running financial literacy initiatives. This study goes beyond comprehension of financial practice. It identifies a potential basis for the development of focused interventions and approaches, such as remittance management policies, financial education programs, and specific financial planning advice, to enhance the financial position of the Gulf households. This insight can help governments, financial institutions, and people make more informed decisions that increase their financial security and stability in the region.

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