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ORIGINAL PAPER

LIVING ABROAD & SPENDING MORE: A STUDY ON THE ECONOMIC PRESSURE FACED BY INDIAN DIASPORA

Dr. P. Karthika
Associate Professor, Department of Commerce (IB)
Nallamuthu Gounder Mahalingam College
Pollachi -Tamilnadu (India)

ABSTRACT: *In an increasingly interconnected world, millions of Indians have chosen to live and work abroad in search of better career opportunities, advanced education, and improved living standards. These Non-Resident Indians (NRIs) contribute significantly to both the global economy and India's economic landscape through remittances and investments. However, behind the apparent financial success lies a complex reality one marked by rising economic pressures and financial commitments. This study aims to address the economic pressures and income and expenditure behavior of 467 Non-Resident Indian from various countries.A well-structured questionnaire has been framed and issued through mail by adopting snowball sampling technique. The collected samples were analysed by using simple percentage, chi-square test and weighted average ranking method. The findings revealed that the most burdening expense for the respondents was house rent, which took up a major share of their income. This was followed by home and host country taxes, adding further financial pressure.The Chi-square test indicates that income level strongly influences the financial pressure and lifestyle adjustments of the Indian diaspora living abroad. Overall, these expenses highlight the economic strain and cost-of-living challenges faced by the respondents.*

KEYWORDS: *Career, Cost Of Living, Remittances, Investments, Burdening Expenses*

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1. INTRODUCTION

The growing number of Non-Resident Indians (NRIs) is a reflection of globalization and the expanding opportunities abroad. While living abroad can offer better career prospects, higher wages, and an improved quality of life, it often comes with a unique set of financial challenges. One of the most significant concerns faced by NRIs is the economic pressure arising from the cost of living, family obligations, and the complexities of managing finances across borders. This study delves into the various economic pressures faced by NRIs, particularly in terms of higher living costs, remittances, and the financial burden of maintaining a lifestyle that aligns with both their aspirations and their family's needs back home. Understanding these financial pressures is crucial, as it not only sheds light on the economic well-being of NRIs but also helps policymakers, financial advisors, and families to better navigate the challenges that come with living and working abroad. In an increasingly globalized economy, the role of Non-Resident Indians (NRIs) has gained prominence due to their significant contributions to foreign remittances and international trade relations. Economic well-being, a crucial dimension of overall life satisfaction, reflects an individual's ability to earn, spend, save, and remit money effectively while maintaining a reasonable standard of living. The present study delves into the various factors affecting the economic well-being of NRIs, with a focus on income levels, cost of living, expense burdens, and remittance behavior.

2. REVIEW OF LITERATURE

- **Anu Abraham (2019)** Determinants of International Remittance: Evidence from Kerala, India. The results suggest that the migrant's individual characters have a strong influence in the remittance-sending behaviour while the characteristics of the remittance-receiving household have a weaker influence. The migration-specific characteristics the duration of migration, destination country and presence of dependents abroad significantly affect the amount of remittance sent.
- **Devendra sing (2020)** mad a study on investment pattern of NRIS. The study focuses on the investment behaviour of NRIS on Gujarat with specific region. The factors of stability of Government, safety protection, infrastructure and Government policy are the major factors and have a positive impact on NRI investment patterns in Gujarat.
- **MahammandTauseaa P and Dr. NiyazPanakaje (2021)** was undertaken a study on NRI's perception towards work environment in overseas.The results showed that, there is need for technical education to get better salary in Gulf. Many of the NRIs perceive that providing better education to their children because of having job in Gulf. It has significantly associated with gender.

3. STATEMENT OF THE PROBLEM

Despite earning higher incomes abroad, many NRIs face significant financial stress due to high living expenses, family responsibilities, and remittance obligations. NRIs often face the dual burden of managing high living expenses in foreign countries while simultaneously supporting their families in India through regular remittances, investments, and social obligations. Fluctuating currency exchange rates, inflation in host countries, educational expenses, healthcare costs, taxation complexities, and the emotional need to maintain a high standard of living contribute to this financial strain. Moreover, the pressure to uphold cultural expectations, sponsor family events, and save for eventual return migration or retirement adds further to their economic burden.This study aims to fill gaps in the existing literature by focusing specifically on NRIs and the unique challenges they face, particularly in terms of adaptation, economic stability, and social integration.

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4. Objectives Of The Study

(i) To examine the income and expenditure pattern of NRIs.
(ii) To analyze the standard of living and cost of living in host countries.
(iii) To identify the most burdensome expenses for NRIs.
(iv) To determine the variables associated with economic condition of Non-Resident Indians

5. Research Methodology

(i) This study is based on primary data collected from 467 NRIs for a period of 12 months (December 2023- December 2024) through structured questionnaires from various countries around world and states in India. The period of study is 2022-25.

(ii) The snowball sampling method has been adopted for this study. The samples of majority of Non-Resident Indians (NRIs) in the study are from Malaysia and Saudi Arabia (10.49% each), followed closely by Singapore (10.1%) and the United Arab Emirates (9.2%). A considerable number also reside in the United States (8.8%), Dubai, and the United Kingdom (8.1% each). Smaller but notable representations are from Kuwait (6.0%), Canada, Sweden, and Switzerland (around 4.7% each), and Oman (4.49%). The least number of respondents are from Germany, Thailand, and London, each contributing around 3–4%. Overall, the data indicates that a significant proportion of NRIs are concentrated in Middle Eastern and Southeast Asian countries, with a fair presence in Western nations.

(iii) The sample data indicates that a majority of the Non-Resident Indian (NRI) respondents hail from Tamil Nadu (28.7%), followed by Kerala (20.3%) and Karnataka (7.7%), showing a strong representation from the southern region of India. A moderate share of respondents comes from Maharashtra (6.6%), Andhra Pradesh (5.8%), Delhi and Rajasthan (4.9% each), and Gujarat (4.1%). A smaller proportion is observed from Chhattisgarh, Telangana, Madhya Pradesh, Puducherry, and Punjab (around 3% each). Overall, the findings suggest that the majority of NRIs in the study originate from South Indian states, reflecting the region's higher migration and employment opportunities abroad.

(iv) The analysis involves:
- ✓ Simple percentage analysis
- ✓ Chi-Square Test
- ✓ Weighted Average Ranking Method

These tools were used to evaluate income, cost of living, standard of living, expense burden, and remittance usage and also the most burdening expenses in abroad for NRIs.

6. Scope And Limitations

Scope: The study is limited to NRIs from selected Indian states across various occupations and countries. It offers a micro-level view of financial patterns and remittance behavior.

Limitations:

- The study focuses on a limited sample size.
- Regional and occupational diversity may not represent the entire NRI population.
- Results are based on self-reported data, subject to bias.

7. Analysis And Interpretation

7.1 Financial Patterns of Non-Resident Indians

The Simple Percentage Analysis provides a clear overview of the distribution and proportion of key economic variables among Non-Resident Indians (NRIs). This method helps in understanding the patterns of monthly income, cost of living, standard of living, expense burden, and remittance

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behavior. By calculating the percentage share of each variable, it becomes easier to identify major areas of financial strain and the extent to which NRIs allocate their income to meet living expenses and support families in India. This analysis serves as a foundation for further statistical tests, offering a descriptive insight into the financial status and economic priorities of the respondents.

Table 1: Financial patterns of non-resident Indians

S.No.	Particulars	(N=467)	Percentage (%)
1	**Income Per month**		
	Up to One Lakhs	67	14.3
	One – Two Lakhs	**149**	**31.9**
	Two-Three Lakhs	104	22.3
	More than Three Lakhs	147	31.5
2	**Monthly Cost of Living**		
	Up to 20%	68	14.6
	20% to 40%	**256**	**54.8**
	40% to 60%	60	12.8
	Above 60%	83	17.8
3	**Affordability of Standard Of Living**		
	Managed with normal Earnings		
	Sacrifice wants & Needs	**226**	**48.4**
	Managed with Over Time work	83	17.5
	Not at all managed	98	21.0
		61	13.1
4	**Percentage of Remittance**		
	40%	**279**	**59.7**
	50%	55	11.8
	70%	24	5.1
	Above 70%	28	6.0
	NIL	81	17.3

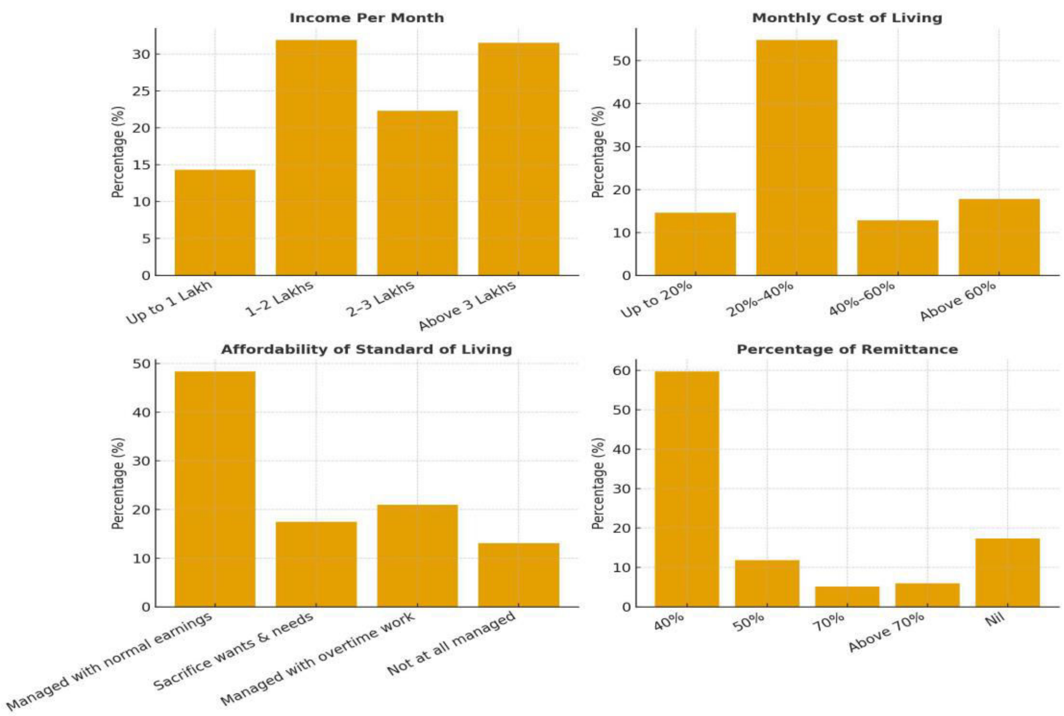

Figure 1: Significant proportion of Non resident Indians

Analysis of Table 1 reveals that a significant proportion of Non-Resident Indians (NRIs), 31.9%, report a monthly income ranging between one lakh and two lakhs . In terms of expenditure, 54.8% of

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respondents allocate 20% to 40% of their income toward meeting essential living costs, including housing, utilities, and daily necessities, indicating the substantial financial commitments in host countries. Despite these obligations, 48.4% of NRIs are able to sustain a minimum standard of living with their regular earnings, reflecting effective financial management. Furthermore, 59.7% of the respondents remit approximately 40% of their monthly income to India, underscoring their ongoing economic support for family and investment purposes. Collectively, these findings highlight the dual financial responsibilities faced by NRIs managing living costs abroad while meeting remittance obligations which play a critical role in determining their overall expense burden and financial well-being.

7.2 Expenses Burden

The NRIs who are living in abroad has to meet many challenges. In order to find out the most burdening expenses for them the following has been prepared. In this table the expenses which are incurred by the NRIs are listed below and how much these expenses are burdening to them are measured by giving five point likert scaling technique. The scores allotted for NRIs as 5,4,3,2,1 with highly agree, agree, Neutral, disagree and highly disagree.

Table 2: Expenses Burden - Weighted Average Ranking Method

Expenses	Highly Agree	Agree	Neutral	Disagree	Highly Disagree	Total	Mean score	Rank
House Rent	213	128	64	52	10	1883	4.03	1
Home & Host country tax	160	120	107	56	24	1737	3.72	2
Grocery & Utility bills	111	190	93	63	10	1730	3.70	3
Medical expenses	91	181	113	64	18	1664	3.56	4
Entertainment & vacations	173	30	140	106	18	1635	3.50	5
Entertainment &vacations	173	30	140	106	18	1635	3.50	5
Mobile bills & Internet	48	219	110	81	09	1617	3.46	6
Currency Exchange Rates	131	103	104	93	36	1601	3.43	7
Travelling to Home Country	103	86	170	67	41	1544	3.31	8
Clothing	60	110	141	138	60	1499	3.21	9
Food/ Hotel food	37	240	101	80	09	1450	3.10	10
Conveyance for work	36	161	126	99	45	1445	3.09	11
Personal Grooming expenses	30	120	170	121	26	1408	3.01	12

From the above table, it is inferred that, most of the NRIs have more burden on house rent (4.03) ranked as first followed by home and host country tax (3.72) rates ranked second. The third rank is for grocery bill(3.70) which give burden to them compared with home country expenses. There was more on medical expenses(3.56) ranked fourth. Entertainment and vacation (3.50) expenses are fifth in place. The NRIs mobile and internet bills (3.46), currency exchange rates(3.43) and travelling to home country (3.31)expenses are sixth, seventh and eighth ranks respectively. The least burden expense which was spent by the NRIs are personal grooming (3.01) expenses ranked twelve. It is concluded that, from this collected sample, the NRIs residential expense of house rent are giving more burden to them and home and host country taxes.

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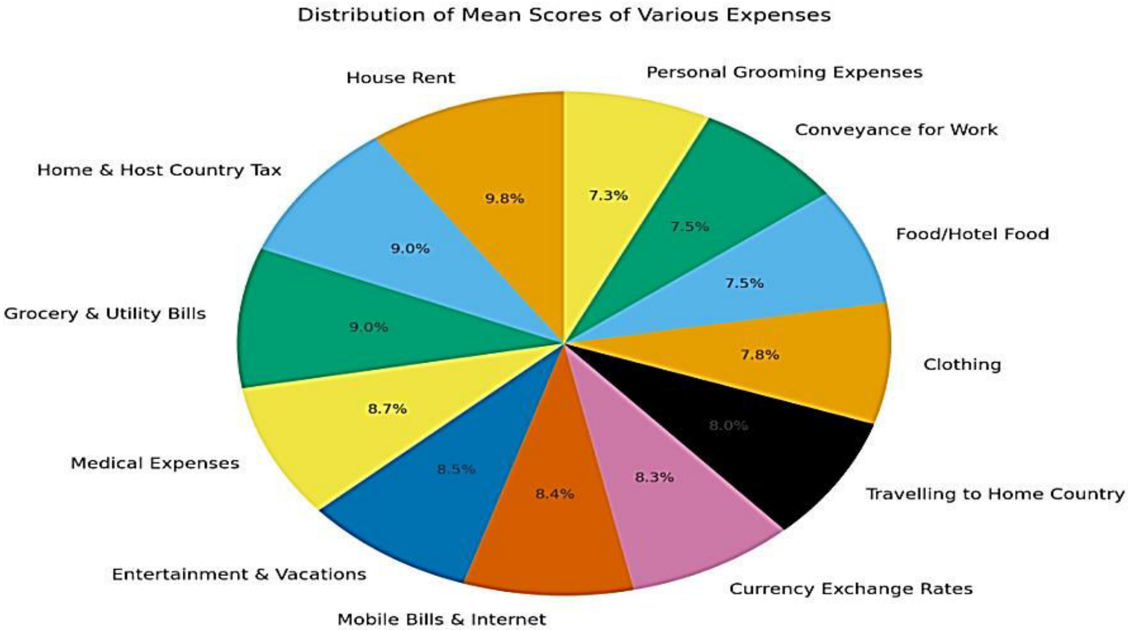

Figure 2: Distribution of mean score of various expenses

Table 3: Chi-Square Analysis of Income and Economic conditions among Non-Resident Indians.

S.No.	Variables Associated with Monthly Income	Calculated χ^2 Value	d.f	p-value	Level of Significance (0.05)	Result / Interpretation
1	Monthly Cost of Living	19.82	9	0.019	Significant	Higher-income NRIs spend a greater share of income on living expenses.
2	Affordability of Standard of Living	23.67	9	0.005	Significant	Higher earners manage comfortably, while lower earners sacrifice needs or rely on overtime.
3	Percentage of Remittance	21.54	12	0.043	Significant	Middle-income NRIs remit more, showing strong family responsibilities despite living costs.

A chi-square analysis result shows a significant relationship between monthly income and key economic variables such as cost of living, standard of living, and remittance behavior. This indicates that income level directly influences the financial adjustments and lifestyle of the Indian diaspora. Higher-income NRIs face increased expenses and lifestyle demands, while middle and lower-income groups experience greater financial pressure and responsibilities. The findings strongly support the research theme, 'Living Abroad, Spending More.

8. SUGGESTIONS

- NRIs should seek affordable housing and explore tax-saving options.
- Financial literacy programs must be promoted among emigrants.
- Employers should provide financial support packages including housing allowances.
- Government can negotiate bilateral agreements to reduce double taxation.
- Encourage diversified remittance usage beyond family and construction.

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9. CONCLUSION

Economic well-being among NRIs is not merely a function of income but a balance between earnings, expenses, remittances, and quality of life. This study finds that although many NRIs enjoy higher earnings, a significant portion still struggle with financial burdens due to high living costs and family obligations. Policy-level changes and better financial planning can alleviate these challenges, enabling NRIs to contribute more effectively to both their host and home countries.

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