Stories from Gojo's Financial Diaries

Diarist Jeya: The Silent Burden—Funerals and Financial Strain

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"My father-in-law passed away. My relatives and siblings helped us with the final rituals. If there is any sudden requirement, we will obtain a loan from our siblings...
Writing this financial diary helped our kids learn about our income and expenses...."

Diarist Jeya (name changed for privacy) is a 36-year-old housewife from the Chavakachcheri region in Sri Lanka. She lives with her husband and three children, aged 16, 12, and 6. From April 2022 to February 2024, her household participated in the Financial Diaries research project. Jeya has completed secondary GCE[1] (General Certificate of Education) and maintains the household's daily cash flow in the diary.

Her husband is a fisherman and the household's primary income earner. His daily income ranges from 2,000 to 3,000 LKR, occasionally reaching 5,000 LKR, resulting in an average monthly income of approximately 55,000 LKR. However, income levels fluctuate significantly in certain months, with lows of 11,500 LKR and highs of 88,000 LKR. The family also owns cows and chickens, though they did not generate any income from livestock during the research period, using them only for personal needs.

Financial Activity

In September 2023, the household borrowed 200,000 LKR from relatives to cover funeral expenses for Jeya's father-in-law. The following month, they conducted a memorial service, during which they received cash gifts totaling 200,000 LKR from villagers and relatives. Aside from this funeral-related loan, the household did not borrow any notable loans during the study period.

Figure 1 below depicts Jeya's monthly household inflow during the research period.

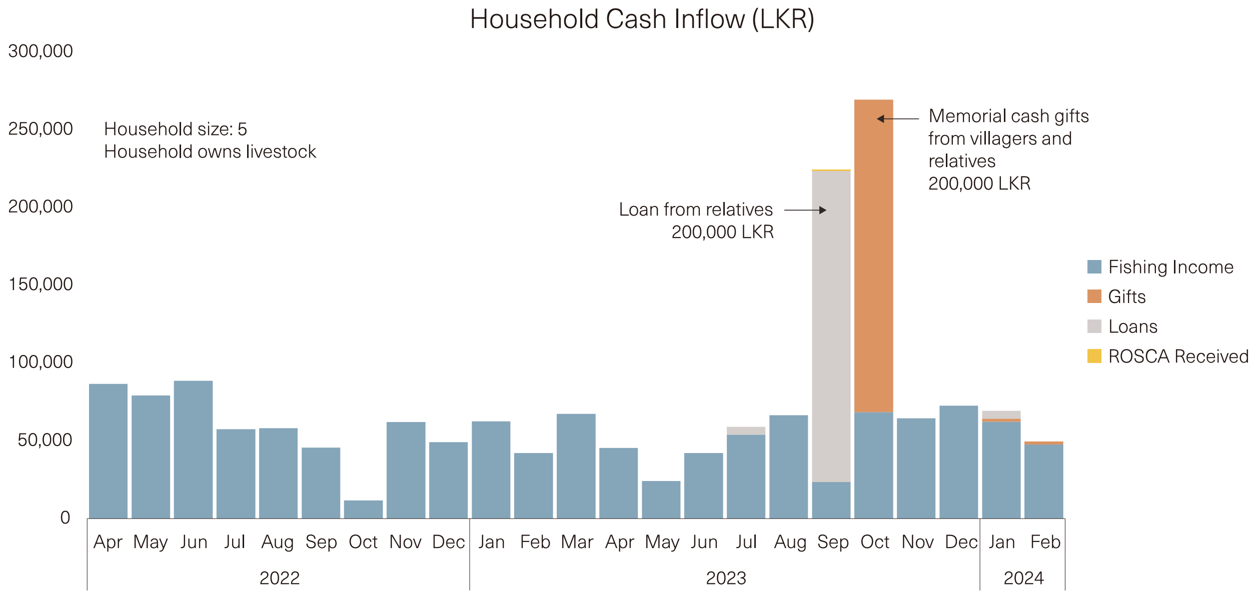

Figure 1

1 GCE—General Certificate of Education O / L (Ordinary Level) in Sri Lanka is an academic qualification awarded to students after completing secondary education, at the end of the 10th grade, around age 16.

Jeya and her husband manage their household expenses within their income. They provide for their children's education, pay utility bills, cover healthcare needs, and participate in a local community savings ROSCA (Rotating Savings and Credit Association). They also maintain a bank account with minimal savings. Jeya regularly saves money in home-based savings tills, depositing the accumulated amount into the bank.

Funeral Ceremony

Funeral ceremonies in Sri Lanka often involve elaborate rituals, communal meals, and religious observances. These events incur substantial costs, including expenses for coffins, food for funeral attendees, hiring monks, burial or cremation, transportation, and other logistical needs. For low-income households like Jeya's, these costs often exceed what they can afford, reaching several hundred thousand LKR.

Families frequently seek financial support from relatives, neighbors, or employers to meet these obligations and often turn to informal loans. Close relatives usually give loans with flexible repayment terms and often waive interest. In Jeya's case, the household had not started repaying the loan during the research period. In rural areas, some households participate in "Death relief societies" or "Funeral societies" that offer some assistance, but these are not always sufficient, leaving them financially vulnerable.

Figure 2 below depicts Jeya's monthly cash inflow and outflow during the research period.

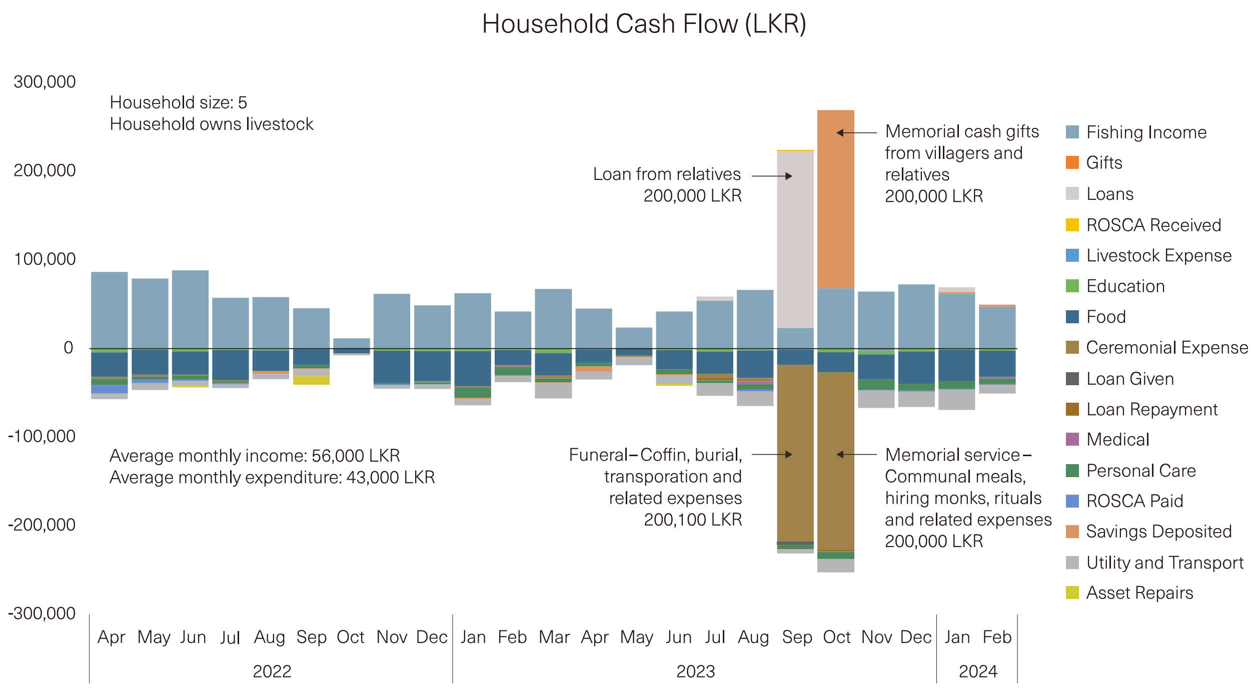

Figure 2

Conclusion

The household's financial records highlight unexpected high ceremonial costs despite managing day-to-day expenses through fishing income and small-scale savings. Funeral-related costs silently burden many low-income families, as cultural expectations compel them to hold elaborate ceremonies to honour the deceased, even at the expense of going into debt or exhausting savings. While these financial pressures are typical, they often go unspoken due to societal sensitivity and emotional distress surrounding the loss of family members.

Stories from financial diaries reveal that households with minimal savings remain financially vulnerable and often rely on close relatives primarily for immediate funds and flexible loan repayment terms during times of crisis. Still, not all households have access to relatives or friends who can lend substantial amounts. Financial institutions can step in by introducing funeral savings schemes or digital financial products with repayment terms tailored to household income patterns, helping build long-term financial stability. Additionally, institutions can actively engage fishing communities through financial literacy programs, enabling households to budget, save, and prepare for emergencies using available financial tools and services.