

Stories from Gojo's Financial Diaries

Diarist Suman:

Building resilience through
foreign remittances



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"I got a loan of 150000 to start a small candle-making business at home, but it didn't work, and I'm still paying it back."

Women from low-income households often migrate in pursuit of better economic opportunities, leaving their children and homes behind. Sometimes, poverty, debt, limited job options, and even relational issues force women to migrate. The story of Suman from Sri Lanka Financial Diaries offers a look into this reality.

Suman (name changed) is a 60-year-old grandmother and diarist from Narammala, Sri Lanka. She has two married daughters and a son; one of her daughters is employed in the Middle East. At present, Suman resides with her son and provides care for her 11-year-old granddaughter, who lives with her while her mother works abroad. Suman's son-in-law does not support the household financially, which led

her daughter to look for better-paying working options outside the country. Suman took part in the Financial Diaries research from November 2021 to February 2024.

The household's primary income source is foreign remittances sent by her daughter, received through both the Bank of Ceylon (BOC) and the Commercial Bank. Suman supplements this income through her hard work as a garden keeper, modest earnings from small-scale black pepper sales, and occasional cash support from her relatives. At the start of the research, the household received around LKR 4,000 per month from the Samurdhi welfare program given by the Sri Lankan government for low-income families. However, this support later stopped due to her daughter's overseas employment.

Figure 1 below depicts Suman's monthly inflows during the research period.

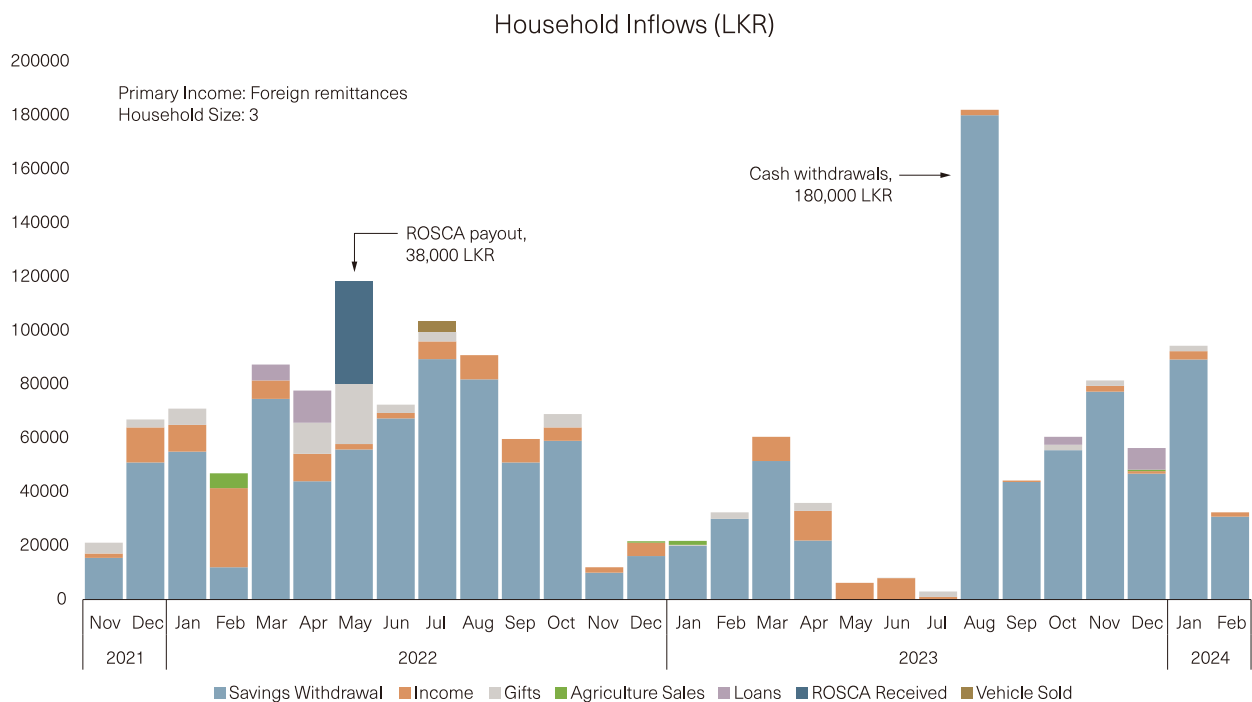


Figure 1

The above visual illustrates the household's financial diary data from November 2021 to February 2024. The records reveal that remittance withdrawals dominate total inflows, amounting to LKR 1.33 million over the period. These withdrawals occur regularly to cover daily expenses, though the monthly amounts fluctuate considerably while local income remains modest at LKR 156,750. The records also show a notable ROSCA payout of LKR 38,000 in May 2022, alongside small informal borrowings totaling LKR 29,000, but no evidence of formal bank loans. In August 2023, the family withdrew LKR 180,000 in remittances to finance a major household ceremony, highlighting both cultural commitments and reliance on external income.

Events and Expenditures

Over the study period, Suman navigated a mix of one-off and recurring obligations that shaped household cash flow.

Education

Suman prioritizes her granddaughter's learning and makes recurring education payments, especially for extra tuition in IT, mathematics, and science. Her granddaughter also attends English classes and learns local dance forms. The diaries record regular, ongoing payments for these activities, underscoring education as a steady household commitment.

Loan Repayments

Debt and pledges also thread through Suman's diaries. Before the research period, Suman borrowed LKR 150,000 to start a home candle-making venture that ultimately failed, and she

continues to repay that loan. She also pawned a gold item at the Bank of Ceylon and made part-payments toward its redemption, including a notable payment of LKR 32,000 in September 2023.

ROSCA and Equipment Premiums

Community finance plays a key role in Suman's day-to-day livelihood. In 2022, the household engaged in ROSCA, but in 2023 and 2024, records reveal regular equipment premiums, made for electronic appliances like a television for LKR 6800 and towards a rice cooker for LKR 500 per week.

Ceremony

A significant expenditure took place in August 2023, when a cash withdrawal of LKR 180,000 financed a family ceremony, with LKR 45,000 for catering, LKR 35,000 for clothing and accessories, LKR 15,000 for religious rituals, and LKR 7,000 for transport. Drawn from accumulated remittance savings, the spending shows how cultural obligations can override a typical household consumption pattern.

Savings and Community Engagement

Suman maintains strong community ties, making regular subscriptions to several local societies, including the Samurdhi Society, the local funeral society, the elders' society, and the women's welfare society. She also makes consistent deposits into a Diriya Matha savings scheme, run by Samurdhi banks, strengthening both her social capital and a modest financial safety net.

Overall, food and savings deposits account for the top outflows, followed by utility, education, and personal care. Figure 2 below illustrates the monthly overall cash flow trends during the research period.

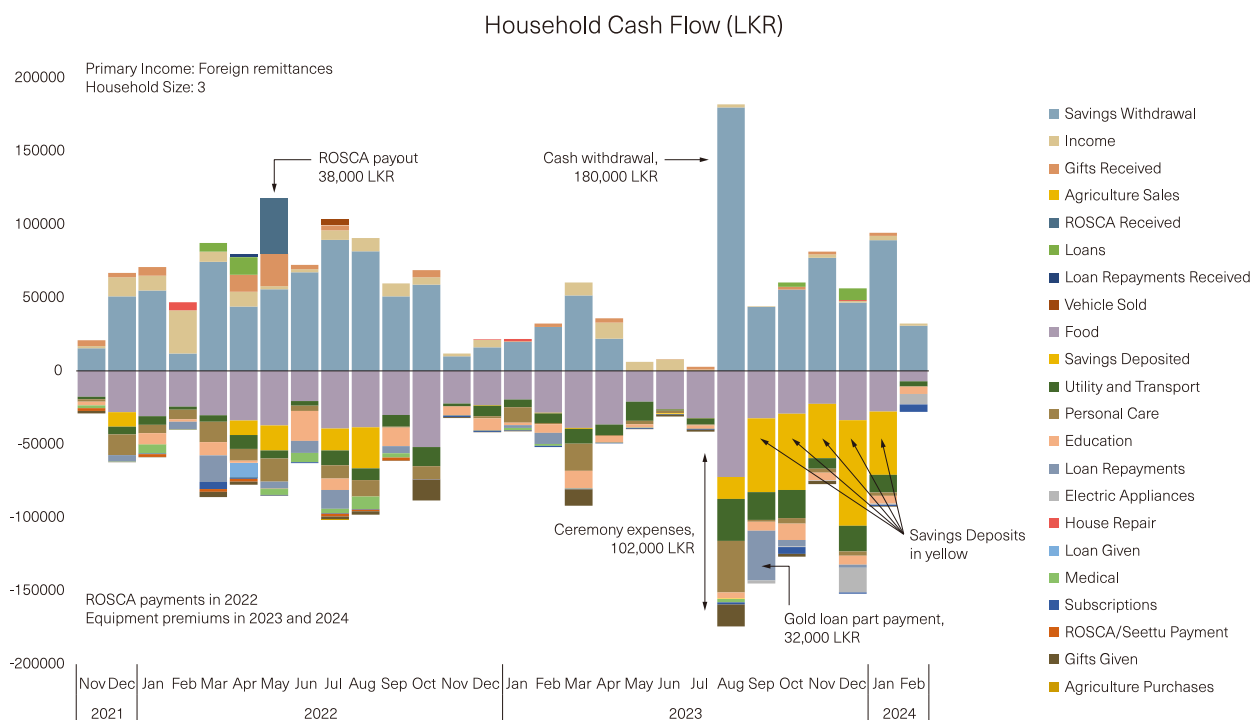


Figure 2

Conclusion

Suman's household sustains itself through a careful blend of foreign remittances, small local earnings, and community finance. She uses remittance withdrawals to cover daily needs, while ROSCA payouts and modest pepper sales help smooth income gaps. She also invests in education, repays loans from past failed ventures, makes part-payments on gold loans, pays small equipment premiums, and manages large one-off ceremonial expenses, all of which reflect a gradual improvement in living standards.

A reliable overseas job opportunity and steady foreign remittances improve the household's livelihood, strengthen resilience under financial pressures, and create greater financial

independence for women. However, depending solely on a single external income stream also exposes the family to concentration risk. In addition, the long-term separation of the child from her mother places such children at risk of neglect, though in this case, a responsible grandparent has stepped in as the primary caregiver.

Suman's story demonstrates both resilience and fragility. To safeguard recent progress, she can strengthen her position by building small emergency buffers, separating remittance savings from routine spending, and exploring affordable microinsurance. These steps can reduce vulnerability and help keep her grandchild's educational aspirations within reach.