

A Study On Income, Expenditure, And Savings Pattern Of Interstate Migrant Workers In The Hotel And Hospitality Industry Of Coonoor Taluk

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Abstract

This study examines the income, expenditure, and savings patterns of interstate migrant workers employed in the hotel and hospitality sector of Coonoor Taluk, Nilgiris District, Tamil Nadu. Primary data were collected from 120 workers across 12 hotels using structured interviews. Percentage analysis, mean analysis, Pearson correlation, and chi-square tests were applied. Findings reveal that while migration improves earnings relative to native states, high living costs and remittance obligations leave limited scope for savings. Skilled workers such as chefs demonstrate better financial outcomes. The study highlights the need for policy interventions to strengthen social protection and financial inclusion for migrant workers.

Keywords: *Interstate Migration, Migrant Workers, Income Pattern, Expenditure Pattern, Savings Behaviour, Coonoor Taluk, Nilgiris, Tamil Nadu, Hotel Industry, Remittances.*

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I. Introduction

Interstate labour migration has become a defining feature of India's informal economy, driven by regional disparities in wages and employment. Tamil Nadu is a major destination for workers from Bihar, Uttar Pradesh, Odisha, and Jharkhand, who are absorbed into sectors such as construction, plantations, and hospitality.

Coonoor Taluk in the Nilgiris District is an important hill station and tourist centre where the hotel and hospitality industry depends significantly on interstate migrant workers for roles ranging from chefs and kitchen staff to housekeeping and cleaning personnel. Despite their economic contribution, these workers operate largely in informal arrangements with limited social protection.

This study examines the income, expenditure, and savings patterns of interstate migrant workers in Coonoor Taluk's hotel sector, filling a gap in micro-level empirical research on migrant labour in smaller semi-urban markets in South India.

II. Review Of Literature

Srivastava and Sutradhar (2016) studied labour migration to the construction and service sectors in India through field surveys, finding that migrants in low-skill occupations earned modest wages that were insufficient to generate meaningful savings after meeting basic consumption needs and remitting money to native households.

Mahapatro (2012) analysed internal migration and labour market outcomes in southern states, establishing that workers in the informal service and hospitality sectors demonstrated persistently low savings rates due to the combined burden of accommodation costs and regular financial transfers to dependent families in source states. A follow-up study by Mahapatro (2017) further confirmed that wage gains from migration in the hospitality sector were largely offset by rising cost of living at destination.

Das (2018) investigated the financial inclusion status of migrant workers and found that a large proportion remain outside the formal banking system, preferring informal money transfer channels for remittances and keeping savings in cash rather than financial instruments.

Srivastava (2020) examined the vulnerability of internal migrants in India and the portability of social security entitlements, concluding that interstate workers in informal employment — particularly in the hospitality and service sectors — remain largely outside formal social protection, making them acutely susceptible to income shocks from illness, injury, or seasonal unemployment.

Mathan (2025) conducted a field-based study on interstate migrant workers in Tirunelveli district's hotel industry using a mixed-method approach with 75 respondents. The study found that 66% of workers experienced wage deductions, 73% worked overtime without adequate compensation, and 66% had faced workplace accidents. Economic necessity drove 46% of migration decisions, and the study identified a critical gap between the legal

provisions of the Inter-State Migrant Workmen Act, 1979 and ground-level implementation, with workers largely unaware of their rights due to illiteracy and lack of trade union representation.

III. Objectives Of The Study

The study is guided by the following primary objectives:

1. To examine the socio-economic and demographic profile of interstate migrant workers employed in hotels in Coonoor Taluk.
2. To analyse the income levels and employment conditions of migrant workers in the hotel sector.
3. To study the monthly expenditure patterns of migrant workers across key consumption categories.
4. To examine the savings behaviour, remittance practices, and financial inclusion status of migrant workers.
5. To identify the major social and economic challenges faced by interstate migrant workers in Coonoor Taluk.
6. To test the statistical relationship between income, expenditure, savings, work experience, and educational qualification using correlation and chi-square analysis.

Hypotheses of the Study

The following null hypotheses are formulated and tested in the present study:

- H01: There is no significant relationship between the monthly income and monthly savings of interstate migrant workers.
- H02: There is no significant relationship between work experience and monthly income of migrant workers.
- H03: There is no significant association between the type of employment and the savings pattern of interstate migrant workers.
- H04: There is no significant association between the educational qualification and the income level of interstate migrant workers.

IV. Methodology

Sources of Data

The study relies on both primary and secondary data. Primary data were gathered through structured personal interviews using a pre-tested questionnaire administered to interstate migrant workers in 12 hotels across Coonoor Taluk. Secondary data were drawn from published government reports, academic journals, books, and prior empirical studies on migration and labour economics in India.

Study Area

Coonoor Taluk is located in the Nilgiris District of Tamil Nadu at an altitude of approximately 1,858 metres above sea level. It is the second largest hill station in the Nilgiris and an important commercial and tourist destination. The local hospitality industry — comprising hotels, guest houses, and restaurants — employs a sizeable number of interstate migrant workers, particularly from northern and eastern Indian states.

Sample Size and Sampling Method

All 12 registered hotels operating in Coonoor Taluk were selected for the study, ensuring comprehensive coverage of the hospitality sector. A total of 120 interstate migrant workers were sampled from these hotels — an average of 10 respondents per hotel — using simple random sampling. The sample includes workers across diverse functional roles including chefs, assistant chefs, kitchen helpers, waiters, housekeeping staff, and cleaning personnel.

Data Collection

Data were collected over a period of two months through direct personal interviews with migrant workers at their workplaces. The questionnaire was pre-tested on a pilot group of 15 respondents and refined prior to final data collection. For respondents with limited proficiency in Tamil or English, the questionnaire was administered with the assistance of a bilingual interpreter.

Statistical Tools for Analysis

The data were analysed using the following statistical tools:

- Percentage Analysis: To examine the distribution of respondents across socio-economic, employment, income, expenditure, and savings categories.
- Mean Analysis: To compute average monthly income, expenditure, and savings of migrant workers.
- Pearson Correlation Analysis: To test the strength and direction of linear relationships between continuous variables — specifically income and savings, and income and expenditure.
- Chi-Square Test of Independence: To examine associations between categorical variables such as type of employment and savings pattern, and educational qualification and income level.

- Tabular and Graphical Analysis: To present data in structured tables and interpretive figures.

Socio-Economic Profile of Respondents

Table 1 summarises the key demographic characteristics of the 120 interstate migrant workers surveyed in Coonoor Taluk.

Table 1: Socio-Economic Profile of Interstate Migrant Workers

Characteristic	Category	No. of Respondents	Percentage (%)
Age Group	20–25 years	28	23.3
	26–30 years	41	34.2
	31–40 years	38	31.7
	Above 40 years	13	10.8
Gender	Male	108	90.0
	Female	12	10.0
Marital Status	Married	86	71.7
	Unmarried	34	28.3
Native State	Bihar	42	35.0
	Uttar Pradesh	35	29.2
	Odisha	21	17.5
	Jharkhand	14	11.7
	Others	8	6.6
Education	Illiterate	12	10.0
	Primary	29	24.2
	Secondary	41	34.2
	Higher Secondary	28	23.3
	Graduate & above	10	8.3
Work Role	Chef / Head Cook	18	15.0
	Assistant Chef	22	18.3
	Kitchen Helper	25	20.8
	Waiter / Service Staff	27	22.5
	Housekeeping	18	15.0
	Cleaning Staff	10	8.4

The majority of respondents (57.5%) fall in the 20–30 age bracket, reflecting the predominantly young workforce characteristic of interstate migration. Male workers account for 90% of the sample, consistent with gender patterns observed in circular migration studies across India. Bihar (35.0%) and Uttar Pradesh (29.2%) are the primary source states, collectively accounting for over 64% of respondents. Secondary level education is the most common educational attainment (34.2%), while 10% of respondents are illiterate. Waiters and kitchen helpers constitute the largest work categories, together representing over 43% of the sample.

Income Pattern of Migrant Workers

The monthly income of interstate migrant workers in the hotel sector of Coonoor Taluk varies considerably by job role, level of skill, and employment type. Table 2 presents the distribution of respondents across income categories by work role.

Table 2: Monthly Income Distribution by Work Role

Work Role	Below ₹10,000	₹10,001–₹15,000	₹15,001–₹20,000	Above ₹20,000	Mean Income (₹)
Chef / Head Cook	0	2	8	8	21,500
Assistant Chef	0	4	12	6	19,200
Kitchen Helper	8	12	5	0	11,800
Waiter / Service	3	15	9	0	13,600
Housekeeping	6	10	2	0	11,200
Cleaning Staff	7	3	0	0	9,400
Total (120)	24 (20.0%)	46 (38.3%)	36 (30.0%)	14 (11.7%)	14,950

The mean monthly income across all respondents is Rs. 14,950. Skilled workers such as chefs and assistant chefs command significantly higher wages, with mean incomes of Rs. 21,500 and Rs. 19,200 respectively. In contrast, cleaning staff and kitchen helpers record the lowest average incomes, at Rs. 9,400 and Rs. 11,800. A majority of respondents (38.3%) fall in the Rs. 10,001–Rs. 15,000 income bracket. Additional income in the form of tips is reported by 61.7% of respondents, primarily waiters and kitchen staff.

Expenditure Pattern of Migrant Workers

Expenditure patterns of interstate migrant workers reflect both the relatively high cost of living in a hill station destination and the social obligations of supporting dependent family members in their native states. Table 3 presents the mean monthly expenditure across key categories.

Table 3: Mean Monthly Expenditure Pattern of Migrant Workers

Expenditure Category	Mean Amount (₹)	% of Mean Income
Food and Groceries	4,280	28.6%
Accommodation / Rent	2,490	16.7%
Transport	1,320	8.8%
Communication (Mobile/Internet)	520	3.5%
Personal and Clothing Expenses	680	4.6%
Healthcare	450	3.0%
Remittances to Family	3,810	25.5%
Miscellaneous	400	2.7%
Total Average Expenditure	13,950	93.3%

Food and groceries constitute the single largest expenditure item, absorbing approximately 28.6% of mean monthly income. Remittances to native families represent the second largest outflow at 25.5%, underscoring the critical function of migration in sustaining the economic welfare of households in source states. Accommodation costs account for 16.7% of income — a figure that is comparatively lower for workers provided employer-arranged housing. On average, total monthly expenditure amounts to Rs. 13,950, leaving a net monthly surplus of approximately Rs. 1,000 available for savings after all expenditures.

Savings and Remittance Behaviour

Savings Pattern

Table 4 presents the distribution of respondents by their monthly savings levels.

Table 4: Monthly Savings Distribution of Migrant Workers

Monthly Savings	No. of Respondents	Percentage (%)
No savings	21	17.5
Below ₹1,000	32	26.7
₹1,001 – ₹2,000	28	23.3
₹2,001 – ₹5,000	27	22.5
Above ₹5,000	12	10.0
Total	120	100.0

Savings levels among migrant workers are modest. Approximately 17.5% of respondents reported no savings at all, while 26.7% save below Rs. 1,000 per month. Only 10% manage to save more than Rs. 5,000 monthly. Workers in higher-income roles — particularly chefs — demonstrate greater savings capacity, while cleaning staff and housekeeping workers frequently record zero savings. The majority of workers (62.5%) prefer to maintain savings in bank accounts, while 24.2% keep cash savings, and 13.3% use digital wallets or post office savings.

Remittance Behaviour

Remittances represent a fundamental motivation for migration and a principal use of migrant income. Of the 120 respondents, 103 (85.8%) remit money to their families regularly. The mean monthly remittance amount is Rs. 3,810, channelled predominantly through UPI (42.7%), bank transfers (38.3%), and money transfer agents (19.0%). For most migrant households in source states, remittances constitute the primary or sole source of income, funding food, healthcare, and children's education.

V. Statistical Analysis

Correlation Analysis: Income and Savings

Pearson correlation was used to test H01: the relationship between monthly income and monthly savings of migrant workers.

Table 5: Pearson Correlation – Income vs. Savings and Expenditure

Variable Pair	Pearson r	Significance (p-value)	Interpretation
Income & Monthly Savings	0.712	0.000 (<0.01)	Strong positive correlation — H01 rejected
Income & Monthly Expenditure	0.584	0.000 (<0.01)	Moderate positive correlation
Work Experience & Income	0.641	0.000 (<0.01)	Strong positive — H02 rejected

The Pearson correlation coefficient between income and savings ($r = 0.712$, $p < 0.01$) indicates a strong positive relationship, confirming that higher-income workers save proportionally more. The relationship between work experience and income ($r = 0.641$, $p < 0.01$) suggests that accumulated experience, which typically translates into skill upgrading, is positively associated with income improvement. Both null hypotheses H01 and H02 are therefore rejected at the 1% level of significance.

Chi-Square Test: Employment Type and Savings Pattern

A chi-square test of independence was applied to examine the association between employment type (permanent, contract, daily wage) and savings pattern (saves regularly, saves occasionally, no savings) to test H03.

Table 6: Chi-Square Test – Employment Type vs. Savings Pattern

Test Parameter	Value
Chi-Square Value (χ^2)	18.46
Degrees of Freedom	4
p-value	0.001 (<0.05)

Test Parameter	Value
Decision	H03 Rejected – Significant Association Exists

The chi-square test yields a statistic of 18.46 with 4 degrees of freedom ($p = 0.001$), indicating a statistically significant association between employment type and savings pattern at the 5% level. Permanent employees demonstrate a significantly higher propensity for regular savings compared to contract and daily wage workers, whose income irregularity limits their capacity to save consistently. H03 is therefore rejected.

Chi-Square Test: Educational Qualification and Income Level

A chi-square test was also applied to determine whether educational qualification is significantly associated with income level, testing H04.

Table 7: Chi-Square Test – Educational Qualification vs. Income Level

Test Parameter	Value
Chi-Square Value (χ^2)	22.31
Degrees of Freedom	8
p-value	0.004 (<0.05)
Decision	H04 Rejected – Significant Association Exists

The result ($\chi^2 = 22.31$, $df = 8$, $p = 0.004$) indicates a statistically significant association between educational qualification and income level. Respondents with higher secondary or graduate-level education are more likely to be employed in skilled roles — such as chef or assistant chef — and correspondingly earn higher monthly incomes. H04 is therefore rejected. This finding reaffirms the importance of education and vocational training in enhancing the economic outcomes of migrant workers.

VI. Problems Faced By Migrant Workers

Respondents were asked to identify the major problems encountered in Coonoor Taluk. Table 8 summarises the key challenges reported.

Table 8: Major Problems Reported by Interstate Migrant Workers

Problem Area	No. of Respondents	Percentage (%)
Language barrier with locals and supervisors	89	74.2
Low wages relative to cost of living	82	68.3
Inadequate or overcrowded housing	76	63.3
Lack of social security / health insurance	71	59.2
Health issues due to climate change	64	53.3
Lack of job security and irregular employment	58	48.3
Discrimination and social exclusion	41	34.2
Difficulty accessing banking and financial services	36	30.0

Language barriers represent the most widely cited challenge (74.2%), reflecting the linguistic distance between northern and eastern Indian workers and the predominantly Tamil-speaking environment of Coonoor. Low wages relative to the local cost of living (68.3%) and housing inadequacy (63.3%) follow closely as pressing concerns. Over half of respondents lack access to any form of social security or health insurance, leaving them highly exposed to income shocks arising from illness or work injury. These findings collectively point to a pattern of structural vulnerability characteristic of informal migrant labour markets.

VII. Major Findings

The study yields the following key findings:

1. Interstate migrant workers in Coonoor's hotel sector are predominantly young males (aged 20–35) from Bihar and Uttar Pradesh, most of whom hold secondary-level educational qualifications.
2. Mean monthly income across all respondents is Rs. 14,950, with a wide disparity between skilled workers (chefs: Rs. 21,500) and unskilled workers (cleaning staff: Rs. 9,400).
3. Total mean monthly expenditure is Rs. 13,950, leaving an average surplus of approximately Rs. 1,000, indicating a severely constrained capacity for savings.
4. Remittances to native families account for 25.5% of monthly income on average, reflecting the central function of migration as a household income support strategy.
5. Savings levels are generally low; 17.5% of respondents report zero savings and 26.7% save below Rs. 1,000 per month.
6. Pearson correlation confirms a strong positive relationship between income and savings ($r = 0.712$, $p < 0.01$) and between work experience and income ($r = 0.641$, $p < 0.01$).
7. Chi-square analysis reveals significant associations between employment type and savings pattern, and between educational qualification and income level.
8. Language barriers, low wages, housing inadequacy, and lack of social security are the most prevalent challenges reported by migrant workers.

VIII. Conclusion

This study examined the income, expenditure, and savings patterns of interstate migrant workers in the hotel and hospitality sector of Coonoor Taluk. While migration offers better income than native states, high living costs, remittance obligations, and informal employment arrangements limit savings capacity. Statistical analysis confirms significant relationships between income, savings, education, and employment type. Skilled workers such as chefs demonstrate better financial outcomes, underscoring the value of vocational skill. Strengthening wage regulation, social protection, and financial inclusion remains essential for improving the welfare of this vulnerable segment of the workforce.

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