

Investment Behavior of Non-Resident Indians (Nris) in Kerala: The Mediating Role of Islamic Beliefs and the Moderating Impact of Financial Literacy

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Abstract: *This paper investigates the investment behavior of Non Resident Indians (NRIs) from Kerala such that an attempt is made to understand its causality with the Islamic belief and financial literacy. The article hypothesizes whether Investment choice may be mediated by Islamic beliefs promoting ethical investment choices and risk tolerances, and also financial literacy that may moderate this relationship by decreasing or increasing investment diversification and risk management. A sample of 397 NRIs in North Kerala will be collected for data collection by using stratified random sampling. Inferring tests including Andre F Haynes mediation and moderation analysis will be done to answer the research questions and the hypotheses were tested using SPSS. Our findings states that financial literacy plays a dominant role in NRI investment behavior and which provide an insight for policymakers and financial institutions how to tailor investment products to meet the specific tastes of NRIs that hinge on religion and finance. The mediation analysis also confirmed that Islamic beliefs influence investment behavior but this effect is conditional on financial literacy. The study reveals that financially literate individuals are more open to a broader range of investments. These findings underscore the importance of promoting financial literacy programs to help NRIs make better-informed investment choices, ultimately leading to more financially stable outcomes.*

Keywords: Investment Behavior – Islamic Beliefs – Financial Literacy - Sharia compliance - Investment decision – Migration – Faith based investments

