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For many Nepalis abroad, the question of returning home is never purely financial. As the experience of returnees who later leave again shows, employment, community and daily life matter too. Parents are ageing. Children are growing up somewhere else. A house in Nepal sits empty. A career abroad becomes more secure at exactly the moment home begins to feel further away.

But emotion alone is a poor way to make an irreversible financial decision. The useful question is not simply, "Can I earn as much in Nepal?" For most returnees, the answer will be no. The better question is: **after housing, schooling, healthcare, transport, taxes, savings and the assets you already own, what**

standard of life can each option actually buy?

This is where the mathematics becomes more interesting than the salary comparison.

The wrong calculation: foreign salary versus Nepal salary

Suppose a Nepali professional abroad earns the equivalent of NPR 500,000 a month and believes a comparable role in Nepal would pay NPR 150,000. At first glance, returning appears to destroy NPR 350,000 of monthly income.

That conclusion is incomplete. Income is not wealth. The more useful equation is:

Monthly investable surplus = net household income – recurring household expenses – debt obligations.

If the overseas household spends NPR 380,000 each month on rent, childcare, transport, insurance and living costs, its investable surplus is NPR 120,000. If the same family owns a debt-free home in Nepal and can live on NPR 110,000 while earning NPR 200,000 from salaries, remote work or business income, its surplus is NPR 90,000.

The headline income has fallen 60 percent. The amount available to build wealth has fallen only 25 percent.

That is an illustrative scenario, not a claim about a typical household. Its purpose is to show why return decisions should be made from the bottom of the household budget upward rather than from salary downward.

Start with the number that matters: annual savings

A useful return-to-Nepal calculation has five variables:

R = expected annual net income in Nepal

C = annual cost of living in Nepal

**F = annual financial commitments that continue after
returning**

O = annual opportunity cost of leaving the overseas career

**A = annual value created by assets or advantages already
available in Nepal.**

A simplified return value can then be written as:

Return financial position = $R - C - F - O + A$.

The controversial variable is A. Traditional salary comparisons often ignore it completely. Yet a family-owned house, inherited land, an existing business, grandparents who can help with childcare, or the ability to work remotely for an overseas employer can change the economics dramatically.

The opposite is also true. A returnee who must rent in Kathmandu, pay private-school fees for two children, buy a vehicle and accept a much lower salary may discover that “cheap Nepal” is not cheap relative to local earnings.

Housing can reverse the equation

Housing is often the largest hidden advantage available to a returning Nepali.

In Nepal Digest’s recent analysis, *Why Does Kathmandu Feel So Expensive When Nepali Incomes Are So Low?*, we showed why affordability depends more on the ratio between income and costs than on prices converted into dollars. A Kathmandu household that avoids NPR 25,000–35,000 in monthly rent because it owns its home reduces annual cash expenditure by NPR 300,000–420,000.

Economically, that saving behaves much like additional after-tax income.

Consider two returnees earning the same NPR 180,000 monthly household income. One owns a suitable home; the other pays NPR 35,000 in rent. Before any other difference, the homeowner retains NPR 420,000 more each year. Over ten years, ignoring inflation and investment returns, that is NPR 4.2 million.

But property can also mislead. Owning land that produces no income does not pay school fees. An oversized family house may carry maintenance costs. A returnee who counts illiquid property as though it were monthly cash flow can feel wealthy on paper and constrained in practice.

The family budget matters more than the individual budget

Returning alone and returning with a spouse and two school-age children are different financial decisions.

Nepal Digest's earlier middle-class household model estimated a four-person Kathmandu Valley family could plausibly spend roughly NPR 101,000–167,000 per month before savings under assumptions that included rent and private education. It was an illustrative model, not an official national benchmark.

That range matters because a returnee earning NPR 150,000 may appear well-paid by local standards but have little room left if the household chooses the upper-cost version of Kathmandu life.

The financial question is therefore not “What salary can I get in Nepal?” It is “What household system am I returning to?”

Education can become the deciding variable

Families returning from the Gulf, Australia, Europe, North America or East Asia often discover that schooling is both a financial and cultural decision.

A family comfortable with public or moderately priced private education may have a very different Nepal budget from one seeking an international curriculum. Add school transport, activities, admissions and two children, and education can consume a substantial part of a returnee salary.

This is also where the non-financial calculation matters. A lower-cost school that does not work for a child is not genuinely cheaper. A return plan should therefore price the education the family would actually choose, not the cheapest theoretical option.

Healthcare needs a risk budget, not just a monthly budget

Healthcare is easy to underestimate because it does not arrive as an identical bill every month. A family may spend little for half a year and then face specialist consultations, diagnostics, dental treatment, medicines or hospital costs.

Returning families should therefore maintain a separate medical reserve. This becomes more important when returning with

elderly parents or family members who need continuing treatment.

The relevant comparison with life abroad is not simply insurance premium versus hospital price. It includes coverage, waiting time, quality, access to specialists and the financial consequence of a serious event.

The opportunity cost is real

The strongest argument against returning is often not today's salary difference. It is tomorrow's.

A professional earning well abroad may be on a career path where income, pension contributions and accumulated investments rise substantially over the next decade. Returning can interrupt that compounding.

If someone can save NPR 2.4 million annually abroad but only NPR 1.0 million after returning, the immediate savings gap is NPR 1.4 million a year. Over ten years, before investment returns, that is NPR 14 million.

If those overseas savings would otherwise be invested, the opportunity cost becomes larger. At a hypothetical 6 percent annual return, investing NPR 1.4 million at the end of each year for ten years would produce roughly NPR 18.5 million. This is an illustration, not a forecast or guaranteed investment return.

That number deserves to be placed beside the benefits of returning—not used to automatically defeat them.

Because money is not the only asset that compounds

Parents also age for ten years. Children build identities for ten years. Friendships weaken or deepen. Professional networks form somewhere. The ability to return comfortably can itself decline as a family becomes more embedded abroad.

These are not arguments for returning. They are arguments against pretending that only financial assets compound.

A family that values proximity to grandparents may rationally accept lower savings. Another may conclude that financial security abroad gives parents and children greater long-term freedom. Neither conclusion can be derived from an exchange-rate conversion.

Nepal's economy itself is built around migration

The return question matters nationally because migration is not peripheral to Nepal's economy. Nepal Rastra Bank reports workers' remittances equivalent to **35.8 percent of GDP in fiscal year 2025/26**. The first month of 2026/27 alone recorded roughly NPR 215 billion in remittance inflows.

Those numbers show how deeply overseas earnings support Nepali households and the wider economy. They also reveal a paradox: Nepal benefits enormously when its citizens earn abroad, while families and policymakers continue to ask how more of those people, skills and savings might eventually return.

IOM research on returnee migrant workers has repeatedly identified reintegration as more than finding a job. Sustainable return involves economic, labour-market, social and psychosocial dimensions. Skills acquired abroad do not automatically translate into suitable opportunities at home.

The returnee's skills discount

One of the biggest risks is assuming that years of overseas experience will be priced by the Nepali labour market at the same relative value.

Sometimes it will. International experience can be valuable in technology, finance, hospitality, management, healthcare and specialist professions. But labour markets price skills according to local demand and business productivity, not according to how difficult they were to acquire.

A returnee should therefore test the market before moving: interview remotely, speak to employers, price consulting work, investigate remote contracts and validate business demand.

Returning first and discovering the income later is not bravery. It is poor financial planning.

Remote income changes the mathematics completely

The strongest return model may be neither a conventional Nepali salary nor permanent overseas residence.

If a professional can retain foreign clients or remote employment while living in Nepal—subject to applicable employment, tax, foreign-exchange and regulatory rules—the income-cost mismatch can work in the returnee's favour.

Nepal Digest has explored this possibility in *Can You Build a Global Career Without Leaving Nepal?* and *Working for a Foreign Company from Nepal*. The opportunity is real, but it should not be romanticised: stable contracts, payment channels, tax compliance, time zones and career progression all matter.

Do not return with your entire balance sheet exposed

A common mistake is to convert the return decision into a single large bet: resign, sell overseas assets, move all savings, buy property and start a business simultaneously.

That removes optionality precisely when uncertainty is highest.

A more resilient return plan separates decisions. Keep an emergency reserve. Test the Nepal income source. Rent before buying if the family is unsure where it wants to live. Avoid committing all accumulated savings to one business. Maintain professional relationships abroad.

The goal is not to prepare for failure. It is to make the cost of changing course survivable.

A simple return-to-Nepal stress test

Before making the move, calculate three versions of the first two years.

Base case: the Nepal income and expenses you genuinely expect.

Downside case: income is 25 percent lower than expected and household costs are 15 percent higher.

Transition case: the first six months produce little or no Nepal income while relocation, school admissions, deposits, vehicles and setup expenses arrive immediately.

If the return plan survives only the optimistic case, it is not financially ready.

So when does returning make financial sense?

Returning becomes easier to justify financially when several conditions overlap: housing is already available; debt is low; the family has a credible Nepal or remote income source; schooling and healthcare choices fit the budget; emergency savings can cover a long transition; and the household is not sacrificing an overseas savings rate that it considers essential to its future.

The case becomes weaker when the move depends on immediately finding a high-paying local job, requires large new debt, consumes most accumulated savings, or assumes that a business will become profitable quickly.

There is also a third category: returning may not maximise wealth but may still maximise the life a family actually wants.

That is a legitimate conclusion—but it should be made consciously.

The better question

The Nepali diaspora often frames return as a choice between money and home. That is too simple.

The real decision is between two different household economies, two career paths, two sets of relationships and two versions of the future.

Do the mathematics first. Calculate actual savings, not salary. Put a value on housing already owned. Price the school you would really choose. Stress-test income. Protect liquidity. Measure what you are giving up abroad.

Then acknowledge what the spreadsheet cannot measure.

A return to Nepal should not be justified by nostalgia, nor rejected because the foreign salary is larger. The financially serious question is simpler:

After everything that matters is counted, which life is sustainable?

Methodology note: Financial examples in this article are illustrative scenarios, not personalised financial advice or claims about typical Nepali households. Current remittance figures are from Nepal Rastra Bank. Reintegration context draws on IOM and ILO research on return migration. Household-cost references link to Nepal Digest's previously published illustrative Kathmandu models.

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