

## Key Determinants of Retirement Financial Planning in Thailand



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**ABSTRACT:** This study examines the key factors affecting financial planning for retirement among Thai citizens. The research aims to analyze how Thai individuals prepare for their retirement, evaluate the impact of personal factors—such as gender, age, marital status, education, occupation, geographic location, and income—on financial planning, and identify the factors that significantly shape financial preparedness for retirement. A sample of 200 Thai citizens aged 20 and above was surveyed using structured questionnaires. The findings reveal that the majority of respondents were female, aged between 20 and 30, single, and holding a bachelor's degree. Most participants reported an income range of 15,001–20,000 Baht and were employed in corporate roles. The study further highlights how personal factors, particularly age, influence financial decisions related to post-retirement living expenses, medical costs, travel budgets, and savings channels. These insights underscore the need for greater financial literacy and structured retirement planning to enhance long-term financial security among Thai citizens.

**KEYWORDS:** Financial Planning, Retirement, Economic Conditions, Personal Finance

### 1. INTRODUCTION

In Thailand, many working individuals rely on their monthly salaries to cover essential living expenses like housing, transportation, utilities, internet, and healthcare. However, saving for the future or unexpected emergencies is often a challenge. As a result, financial planning for retirement becomes even more crucial. Despite its importance, many Thai workers—especially middle-income earners—view retirement planning as something complicated or distant, leading to delays in financial preparation. Good financial planning requires consistent saving habits and smart investment choices that consider risks like taxes, inflation, and interest rates. Just like a roadmap helps travelers navigate their journey, early financial planning provides a clear direction toward financial security and independence. The sooner individuals start preparing, the more confident they will be in their retirement years. This research explores three main aspects of retirement financial planning. First, it examines how personal factors—such as gender, age, education, occupation, location, and income—affect financial decision-making. Second, it looks at how Thai citizens engage with financial planning, including their access to financial resources, levels of financial literacy, and views on economic conditions. Lastly, it investigates the most influential factors in retirement planning, such as preferred savings methods, retirement age expectations, projected post-retirement expenses, and strategies for achieving financial stability in later life.

### 2. LITERATURE REVIEW

Sirinuth (2005) describes personal financial planning as the process of managing money to achieve specific financial objectives. These objectives can be divided into two categories: (1) monetary goals, such as saving for a child's education, retirement, or purchasing a home, which depend on economic factors, and (2) non-monetary goals, such as leading a fulfilling family life or supporting charitable causes, which may not require direct financial investment.

According to the Stock Exchange of Thailand, retirement marks the cessation of full-time employment, leading to a loss of steady income while expenses continue. Typically, the retirement age in Thailand falls between 55 and 60 years, depending on professional or government regulations.

In Thailand, a survey conducted by ABAC Poll (2009) examined financial behaviors among younger generations, particularly those earning 75,000 baht per month or more. The study, which included 447 respondents, found that this group tended to be cautious with spending, making calculated financial decisions based on expected benefits. Most participants preferred saving money in banks rather than exploring alternative investment options, reflecting a conservative financial mindset and a reluctance to engage in high-risk investments.

## Key Determinants of Retirement Financial Planning in Thailand

Supani (2005) explored financial planning for housing among residents of Chulalongkorn University dormitories. The study found that while 59% of respondents had financial plans for housing, many struggled with financial challenges such as rising living costs and insufficient income. Similarly, Chanpen (2009) examined personal finance management among working-age groups in Bangkok. Interviews with 512 participants revealed that 46.8% had a solid understanding of financial planning, often following government financial policies. Many respondents followed a structured approach, dividing their income into four parts—spending three portions and saving one.

### 3. DATA AND METHODOLOGY

The target population used in this study was Thailand's population aged twenty years and over. The sample group used in this study was Thailand residents aged twenty years and over. For the research study, the researcher selected two The data collection tool is a questionnaire developed by the researcher based on theoretical concepts and related research. The questionnaire was divided into 3 parts, namely:

Part 1: Data on personal factors of the sample group include gender, age, status, educational level. By nature, the questions used for Average Monthly Income, Area and Occupation are closed-ended. There are seven items, which are (Dichotomous Questions) number 1 and (Multiple Choice Questions) number 6.

Part 2: Factors Influencing Financial Planning After Thai Retirement. This is a questionnaire about public opinion on factors influencing financial planning after retirement of Thai people. Using "closed-ended questions" and "Likert scale", data types, measures, or intervals will be measured, followed by criteria for 5 levels.

Part 3: Information About Thai People's Retirement Financial Planning It is a questionnaire related to personal financial planning. By the nature of the questions used, they will be closed-ended questions, which are multiple choice questions consisting of 6 items.

### 4. RESEARCH RESULTS

The survey reveals that the majority of respondents were female, accounting for 78.5%. Most were between 20 and 30 years old (74%), single (77%), and held a bachelor's degree (76.5%). Additionally, 50% were employed as company officers, and 74% resided in the Central region. Regarding income, 22% reported a monthly salary of 15,001–20,000 Baht which is considered a middle class income in Thailand.

**Table 1 Categorized Factors Influencing Thai Citizens' Retirement Financial Planning**

Related Factors	Mean	Std. Deviation	Influence Level
Receive Information	3.6033	0.82425	Moderate influence
Financial planning knowledge	3.8300	0.77797	Moderate influence
Economic conditions	4.0750	0.82631	Strongly Influence
Other factors	4.0825	0.73418	Strongly Influence
Total	3.90	0.79	Moderate influence

*Source: from this research*

From Table 1, it was found that the respondents had overall planning and implementation of financial plans for retirement at the Moderate influence level ( $\bar{X} = 3.90$ ). When considering each aspect, it was found that all aspects were practiced at the Strongly Influence level. And the moderate influences, respectively, are as follows: plan for other factors ( $\bar{X} = 4.08$ ), plan for economic conditions ( $\bar{X} = 4.07$ ), plan for financial planning knowledge ( $\bar{X} = 3.83$ ) and receiving information ( $\bar{X} = 3.60$ ).

Following is the testing regarding whether gender has an influence on Thai people's financial planning after retirement in terms of retirement savings channels. According to Table 2, it shows that gender is a significant factor related to financial planning.

**Table 2 Gender and Retirement Savings Channels**

Retirement savings channels	Gender		Total
	Male	Female	

## Key Determinants of Retirement Financial Planning in Thailand

Invest in stocks	21	31	52
Invest in mixed funds	9	33	42
Buy savings insurance	4	39	43
Fixed deposit	5	51	56
Bond	4	3	7
Total	43	157	200
Chi-Square	p=0.000		

\*. Significant at the 0.05 level (2-tailed).

*Source: From this research*

Table 3 is testing whether age is an important factor on Thai people's financial planning after retirement in terms of monthly living budget after retirement. According to Table 3, it is shown that age is an important factor related to living budget after retirement.

**Table 3 Age and Monthly Living Budget After Retirement**

Monthly living budget after retirement	Age				Total
	20-30 Years	31-40 Years	41-50 Years	Overs 51 Years	
Less than 20,000 Baht	20	5	5	3	33
20,001-30,000 Baht	48	15	2	2	67
30,001-40,000 Baht	32	7	0	0	39
40,001-50,000 Baht	17	5	0	0	22
50,001-60,000 Baht	13	5	0	0	18
Over 60,001 Baht	18	2	1	0	21
Total	148	39	8	5	200
Chi-Square	p=0.038				

\*. Significant at the 0.05 level (2-tailed).

*Source: From this research*

One step further, this research would like to know whether age and medical expenses plays an important role after retirement since when humans are getting older, the chances to be ill are higher. From Table 4, it is shown that age and medical expenses are highly related. This is a reasonable result.

**Table 4 Age and Spend Per Month on Medical Expenses in Retirement**

Spend per month on medical expenses in retirement	Age				Total
	20-30 Years	31-40 Years	41-50 Years	Overs 51 Years	
Less than 5,000 Baht	23	15	6	4	48
5,001-6,000 Baht	43	6	2	1	52
6,001-7,000 Baht	21	6	0	0	27
7,001-8,000 Baht	21	1	0	0	22
8,001-9,000 Baht	10	6	0	0	16
Over 9,001 Baht	30	5	0	0	35
Total	148	39	8	5	200

## Key Determinants of Retirement Financial Planning in Thailand

Chi-Square p=0.000

\*. Significant at the 0.05 level (2-tailed).

*Source: From this research*

On the other hand, nowadays, when people retire and are in good health, they tend to travel more to enjoy their retirement. Therefore, this research aims to examine whether age influences Thai people's financial planning for retirement, specifically regarding their monthly spending on travel after retirement. From Table 5, it is shown that age is an important factor on monthly spending on travel after retirement.

**Table 5 Age and Spend Per Month on Retirement Travel**

Spend per month on retirement travel	Age				Total
	20-30 Years	31-40 Years	41-50 Years	Overs 51 Years	
1,000-3,000 Baht	6	3	3	0	12
3,001-5,000 Baht	20	7	1	1	29
5,001-7,000 Baht	34	10	0	1	45
7,001-9,000 Baht	15	1	0	0	16
9,001-11,000 Baht	20	7	3	0	30
Over 11,001 Baht	53	11	1	3	68
Total	148	39	8	5	200
Chi-Square	p=0.029				

\*. Significant at the 0.05 level (2-tailed).

*Source: From this research*

On the hand, it would be interesting to know how people plane their financials after retirement in terms of channels. Table 6 shows the result. It is shown that most people tend to plan retirement financials by themselves.

**Table 6 Status and Channels for Preparing Financial Plans after Retirement**

Channels for preparing financial plans after retirement	Status			Total
	Singer	Marry	Divorce	
Plan by yourself	126	35	2	163
Plan through a company	6	0	0	6
Plan through financial planning advisory services	20	8	0	28
Other	2	0	1	3
Total	154	43	3	200
Chi-Square	p=0.001			

\*. Significant at the 0.05 level (2-tailed).

*Source: From this research*

## 5. CONCLUSION

Researchers analyzed a sample of 200 individuals, with the majority being female. The sample included 157 individuals aged between 20 and 30 years old, who were single, held a bachelor's degree, worked as company officers, lived in the Central region, and had a monthly income between 15,001 and 20,000 Baht.

These findings align with Kittiporn (2010), who studied the factors influencing personal financial planning in Bangkok. His study similarly found that individuals aged 20–30, who were single, held a bachelor's degree, and worked as company officers, formed the dominant demographic group.

## Key Determinants of Retirement Financial Planning in Thailand

The study found that the sample group reported a moderate level of influence from factors affecting Thai people's financial planning after retirement. When analyzed individually, it is found that education were identified as having a high level of influence and knowledge and understanding of financial planning and perception of financial information had a moderate impact. These findings are consistent with Sirinuj (2005).

Most respondents reported that they personally managed their own financial planning for retirement. This study found that most Thai people prefer to retire at the age between 51 and 55, plan a monthly budget of 20,001–30,000 Baht for living expenses, plan medical expenses between 5,001–6,000 Baht per month, and project travel expenses over 11,001 Baht per month.

In conclusion, the study confirms that both age and income play significant roles in shaping Thai citizens' financial planning for retirement. Individuals adapt their strategies based on economic conditions, financial knowledge, and perceived risks, with a preference for conservative savings methods such as fixed deposits.

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