

FACTORS RELATED TO ROLE MODEL OF FINANCIAL PLANNING FOR RETIREMENT OF SIRINDHRON COLLEGE OF PUBLIC HEALTH'S GOVERNMENT OFFICIALS

Rujee Charupash
Department of General Education,
Sirindhron College of Public Health Khon Kean Province,
Khon Kaen, Thailand.
E-mail: rcharupash09@gmail.com

ABSTRACT

As there is an increasing number of Sirindhron College of Public Health's government officials retiring each year, a proper financial preparation is needed to prevent any possible financial difficulties. Therefore, the study examines financial preparedness and the factors that affect saving and investment. 261 sample sizes are in 7 Colleges nationwide, selected by purposive sampling. Data collected by questionnaires and analyzed by percentile, mean, Chi-Square and Correlation Analysis.

Results: *The government officers were saving money in bank or cooperative accounts. Most have a sound understanding of financial planning and prioritize the size of their monthly income and professional compensation, their expenses along with other factors and that will help them save up. The factors that affect on saving has a statistical importance as they correlate to personal factors (age), everyday expenses, and debt factor. Their educational level correlates to saving by buying stocks; regular income has a correlation with saving in Government Pension Funds and other investment. In summary, the sample group who is quite prepared to retire by using savings and are careful with their income and expenses. They have a various forms of saving. However, this study is done by questionnaires so other methods should be used.*

Keywords: *factors related, financial planning, retirement*

Introduction

Data by Foundation of Thai Gerontology Research and Development institute (TGRI) (2015:17-19) indicates an increase in elderly in Thailand in proportion to the population pyramid in B.E.2014 of 65 million people. Therefore, 60 year-olds will make up to 15.30% and it is predicted that in B.E.2021 Thailand will become a complete aged society. Therefore, that mean that there is 20% increase in 60 year-olds in Thai population and at present a small number of Thai fund the elderly who stay alone or/and stay with couple that make they more self dependent, especially in terms of finance. For the government officers retirement within 5-10 years, the number of retirees will reach 7.29 and 21.95% among all official governments .So that , their financial plan after retirement will be important for the retired government officers in order to get a sufficient amount of money for living expenses and healthcare

when they do not work and income decrease .For financial planning before retirement as a model of the financial management, this is the process of calculating the sufficient amount of money that each person has to maintain after retirement for daily living and for their healthcare. The study of the financial planning retirement is the important for the governmental officers to prepare for retirement .There is a study of factors affecting financial planning for retirement-age population group , such as Pattanee Thongpug (2012: abstract) who studied “The personal finance planning of retirement :a case study of the Bangkok school teachers” which found that the personal factors such as gender ,married persons, family size of 3-5 persons tend to have the deposit in the Government Pension Fund model for retirement ,bank deposit and stocks in cooperatives. In other words, they need knowledge in personal financial planning. This is the study in teachers group. So that, the research focusing in the governmental officers who work at Sirindhron Colleges of Public Health located nationwide .Because each year there is an increase in the number of retirees most of whom are lecturers who teach students, giving them the opportunities to teach and instill discipline how to expenses and financial planning . Most importantly ,there is not no one who has previous knowledge about personal financial planning in this group. Therefore, the researchers are interested in factors affecting of financial planning retirement and expect results to be cooperate in the formulation of executives policy for supporting and developing the governmental officers of Sirindhron College of Public Health in order to gain and acknowledge about their financial status for self-sufficiency before retirement .Otherwise, this results can be used to be as data for teaching students in the mathematics and life science subjects under the assets management module .

Purpose of study

1. To study the readiness for retirement of the governmental officers of Sirindhron College of Public Health
2. To study the relation between factor relating to financial planning retirement of the governmental officers of Sirindhron College of Public Health.

Conceptual frame work

1. Independent Variables

1.1 Personal factors as: gender, age, level of education, career position, income, couple's career and personal dependency.

1.2 Factors affecting readiness for retirement : Preparation of income on retirement and ways to manage incomes.

1.3 Factors affecting opinions on financial planning for retirement: understanding financial planning for retirement and a focus on income, expenses, liability, saving and investment.

2. Dependent Variables such as saving and investment models : pension, mutual funds (RMF and LTF), bond, stock, stock of the cooperative, insurance and others investment (gold, amulets and artifact)

Research Methodology

A descriptive research which used population of 474 all of which are government officers such as dentists, pharmacists, registered nurses, lectures, public Health Technical Officers, finance and accounting analysts, general administration officers, supply analysts, human resource officers, public health officers, finance and accounting officers, supply officers, librarian, technician, dental assistant and pharmacy technicians at Sirindhorn College of Public Health nationwide. The are 210 Sample size which was used by Non - probability sampling (Purposive random sampling)

Tools and Collecting data

Developed tools research from questionnaires of Pattanee Thongpug (2013:76-80) and Ktipron Sithipun.(2009:55-67)), then tested for validity by the expert and 30 government officers of the Boromarajonani College of Nursing, Khon Kaen and reliability by Cronbach's Alpha Coefficient (=0.78) and delivered by mail. These have returned rate 58.85%.

Details of questionnaires:

Part 1: Personal factors as: gender, age, level of education, career position, income, spouse's career and personal dependency.

Part 2: Factors affecting the readiness for retirement as: Preparation of incomes for retirement and ways to manage income.

Part 3: Factors affecting opinions on financial planning for retirement as: understanding of financial planning for retirement and a focus on income, expenses, liability, saving and investment models such as ; pension, mutual funds (RMF and LTF), bond, stock, stock of the cooperative ,insurance and others investment (gold, amulets and artifact). Personal factors data analyst and inferential statistics (Chi-Square and Correlation Analysis) to analyst the relation between factor relating and financial planning retirement.

Results

1. Personal factors of respondents

Of all 123 respondents (58.85 % of sample size), the most prevalent personal factors in each category : career position registered Nurses (20.3%), female(75.6%) ,higher upper-class Bachelor degree education (49.6%) , age range 31-40 years (24.4%) , marital status married (51.2%) , spouse career government officer/state enterprise employee (50.0%) and no dependent children (69.9%).

2. Factors affecting the readiness for retirement

2.1 Income Readiness

The study found that the respondents who have saved up income for retirement agree that the sufficient income per month for comfortable living is between 20000-400000 Baht /month (48.7%). This represent the main source of income which is deposited in banks and savings cooperatives.

2.2 The understanding of personal financial planning for retirement.

Found that the respondents set the first priority on security of life and property (68.29%). If ignored, the lack of attention to the importance of financial planning may cause financial loss on the cost of everyday life when an event occurs unexpectedly (80.5%).

2.3 Comments on the importance of the factors associated with a form of financial planning for retirement.

Factors affecting financial planning for retirement such as amount of income, expenses, liabilities and saving and investment.

The study found that the respondents give the highest priority to factors affecting income ,revenues, liabilities and saving and investment which in turn affect financial planning for retirement. This includes income such as monthly income (salary, professional fees) (mean =4.53) ,mortgage ,car payment ,etc. (mean =4.54) , factor of liabilities on topic loan (home purchase loan ,car purchase loan) (mean =4.87) and amount of savings and investments from pension ,RMF,LTF fund that appear on table 1.

Table 1: Means, Standard Deviation, and set prioritizing of factors of income which affect financial planning for retirement based on monthly income

Factors that affected financial planning for retirement	Number of respondents and mean, S.D.							Interpreting
	most	much	moderate	less	least	mean	S.D.	
Income								
monthly income (salaries, professional fees) n=116	66	37	11	1	1	4.53	0.771	most
factor of expense								
Mortgage, car payment, etc. n=117	51	42	16	5	3	4.54	0.928	most
Liabilities								
Loan (home purchase loan ,car purchase loan) n=116	43	37	22	6	8	4.87	1.176	most
Amount of savings and investments								

Pension n=113	34	44	27	3	5	3.88	1.019	more
RMF,LTF fund n=108	17	48	27	7	9	3.53	1.098	more

2.4 The relationship between the factors in relation to patterns of saving and investment.

2.4.1 Personal factors such as gender, age, career position, educational level, families status, incomes and family dependency have a direct relation to patterns of saving and investment. However, the results found that only age and educational level have any correlation to the ways of saving and investment. Therefore, it can be concluded that age has the relation to all of patterns of saving and investment in statistically significant level at (0.05,0.01). However, pensions and stock cooperatives must be exempted and educational level is only related to buying stocks in statistically significant level at 0.05) as appear on table 2.

Table 2: Results of test related between personal factors (age and education) and form of savings and investment.

Personal factors	Form of savings and investment							
	Pension Fund	RMF LTF fund	Mutual fund	Bonds	Stock	stock cooperatives	insurance saving	Other investment (gold, mulets antiques ,etc.
Age (n=111)	-.006	-.243* Sig	-.255** Sig	-.299** Sig	-.382** Sig	-.170	-.241* Sig	-.266** Sig
Educational level (n=113)	.138	-.091	-.036	-.105	-.215* Sig	.009	-.060	-.182

Notes: ** Significant at the 0.01 level (2-tailed)

* Significant at the 0.05 level (2-tailed)

2.4.2 Factors in terms of the size of income, revenues, liabilities and saving and investment which affect financial planning for retirement as found that 1) all of income size that related to saving and investments, especially the unexpected income and other income has a correlation with all of saving and investment in statistically significant (level 0.01, 0.05) excepted only saving by gold, amulets and antiques

2) The size of revenues

The study found that all of the revenue sizes which related to all forms of saving and investments at statistically significant level (0.01, 0.05) and all of the

liability sizes related to all of the form of saving and investments in statistically significant level (0.01 ,0.05) which appear on table 3.

Table 3 The test results of relation between income, expenditure, debt and savings invested in financial planning for retirement is associated with a form of savings and investment.

Factors		form of savings and investment							
		Pension Fund	RMF LTF fund	Mutual fund	Bonds	Stock	stock cooperatives	insurance saving	Other investment gold, amulets antiques ,etc
The size of incomes	Extra income n=87	.485** Sig.	.407** Sig.	.433** Sig.	.370 ** Sig.	.427** Sig.	.454** Sig.	.345** Sig.	.205
	Other income n=87	.594** Sig.	.480** Sig.	.488** Sig.	.422** Sig.	.470** Sig.	.498** Sig.	.361** Sig.	.278** Sig.
The size of revenues	Costs Settlements (mortgage, car , etc.) n=103	.444** Sig.	.314** Sig.	.322** Sig.	.237* Sig.	.223*Si g.	.275** Sig.	.198** Sig.	.330** Sig.
	Revenues (food clothes, utilities etc. n=112	.356** Sig.	.340** Sig.	.323** Sig.	.155	.200* Sig.	.191* Sig.	.067	.140
	Cost of vacation n=112	.344** Sig.	.523** Sig.	.531** Sig.	.497** Sig.	.571** Sig.	.489** Sig.	.409** Sig.	.391** Sig.
	cost for education n=113	.325** Sig.	.365** Sig.	.359** Sig.	.273** Sig.	.316** Sig.	.285** Sig.	.185	.243* Sig.
	cost to health n=113	.323** Sig.	.429** Sig.	.404** Sig.	.302** Sig.	.353** Sig.	.353** Sig.	.279** Sig.	.320** Sig.
	Social costs n=112	.295** Sig.	.402** Sig.	.432** Sig.	.379** Sig.	.492** Sig.	.512** Sig.	.453** Sig.	.448** Sig.
	Other cost n=112	.283** Sig.	.404** Sig.	.514** Sig.	.477** Sig.	.587** Sig.	.570** Sig.	.516** Sig.	.583** Sig.
The size of liabilities	Loan (home, car, etc.) n=111	.489** Sig.	.294** Sig.	.349** Sig.	.270** Sig.	.367** Sig.	.398** Sig.	.241* Sig.	.162
	Credit card n=110	.312** Sig.	.466** Sig.	.419** Sig.	.439** Sig.	.414** Sig.	.381** Sig.	.359** Sig.	.385** Sig.
	Other loan n=77	.277** Sig.	.609** Sig.	.558** Sig.	.557** Sig.	.608** Sig.	.481** Sig.	.533** Sig.	.524** Sig.

Note ** Significant at the 0.01 level (2-tailed)

* Significant at the 0.05 level (2-tailed)

Conclusions

The government officers were saving money in bank or cooperative accounts. Most have a sound understanding of financial planning and prioritize the size of their monthly income and professional compensation, their expenses along with other factors and that will help them save up. The factors that affect saving has a statistical importance as they correlate to personal factors (age),

everyday expenses, and debt factor. Their educational level correlates to saving by buying stocks, regular income has a correlation with saving in Government Pension Funds and other investment. In summary, the sample group who is quite prepared to retire by using savings and are careful with their income and expenses. They have a various forms of saving.

Suggestion

This study is a survey of the factors related to personal financial planning in preparation for retirement only. Therefore, the information on some of the respondents have a bias or an answer is untrue. As The reviews are supposed to be confidential, private, each agency should have to warn staff about the importance of pre-planning and financial literacy. Staff are open minded. Information that can be used on their own in the future, which all face when it was retired.

Acknowledgement

A researcher would like to thank the Research Department of Sirindhron College of Public Health ,Khon Kaen Province who contributed budgets and all of the govermental officersat all of Sirindhron College of Public Health nationwide who be the sample size who cooperating respondents.

References

- 1.Kttipron Sithipun.(2009).*The influence factors to personal finance planning of people in Bangkok*.Unpublished manuscript, the individual study of the MBA ,Bangkok University.
- 2.Pattanee Thongpug .(2012).*The personal finance planning of retirement :a case study of the Bangkok school teachers*. Unpublished manuscript, the study of the Dhurakij Pundit University
3. Foundation of Thai Gerontology Research and Development institute (TGRI).(2015).*The situation of Thailand elderly ,B.E.2015*. [web block].Retrieved from https://www.m-society.go.th/article_attach/16057/19114.pdf.
4. Thailand stock Market.(2012).*Knowledge Investment*.[Electronic data]. Retrieved from tsi-thailand.org/index.php?option=com-content&task=view&id=1536&Itemid=1438.