

**Independent Study Title** Factors Affecting Household Saving in Mueang District,  
Chiang Mai Province

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**ABSTRACT**

This study attempted to examine saving behavior, saving patterns, factors affecting saving, and the interrelationship among various factors involving saving of households in the Mueang District area of Chiang Mai Province. Information was collected from 400 samples of households identified by purposive sampling technique to cover households which had family heads in working age group or between 35 and 60 years old that could afford saving, using questionnaire interview. Analysis was performed upon the results of descriptive statistics including frequency and percentage as well as Chi-square test.

Among the 400 samples, 331 households (82.8%) did have saving while the remaining 69 households (17.2%) admitted they had no saving due to heavy expenditure. The majority of households that had saving possessed following characteristics: male household head, aged 46-50, bachelor's degree graduate, married, engaged in trading as principal occupation and in employment market as secondary occupation, with spouse working as employee, with 2 children as family dependents, having 30,001-40,000 baht monthly family income and spending in the range of 30,001-40,000 baht monthly. The primary household expenditure went for food, clothes and consumer products. On the average, each household possessed two credit cards to pay

expenses, and the debt burden resulted from credit card utilization would be taken into consideration each time before activating the use of credit card. The total arrear of a household ranged between 100,001-500,000 baht mainly the balances to be paid for credit cards, consumer product installment purchase and vehicle leasing.

On saving behavior, this study found the household in Chiang Mai Province were aware of the government's sufficiency economy policy but with moderate level of knowledge. They did financial planning considering their income and making reasonable judgment before buying or spending. Most households made saving in response to the sufficiency economy policy by setting aside 1,001-5,000 baht when receiving paycheck every month as intended saving. The main objectives of saving were to ascertain family security, to be used when one becomes old or ill, and to spend in case of emergency respectively. Most households had saved for 10-12 years.

Saving among households under study was in various patterns including saving with commercial banks, subscription to the Social Security Fund and contribution to the Retirement Fund. It could also occur in the form of wealth accumulation outside the formal financial system by buying gold and fixed asset like land.

The study of factors affecting saving found that the marketing factors inducing saving were product varieties, safety of saving in term of no reduction in future value, rates of return to saving, promotion campaign of financial institutions like home-visit to mobilize household saving, activities to encourage saving, and promotion through media. The factors of inflation and government saving policy did have effect on household saving but not the marketing factors in location of financial institutions and political stability.

The results of Chi-square test ( $\chi^2$ -test) confirmed that the factors of age of household head, education, principal occupation, number of child dependents, total income, total expenditure, and total outstanding debt were associated with saving at  $\alpha = 0.05$  statistically significant level.