

Baby Boomer Investment Decisions: Muang District, Nakhon Ratchasima, Thailand

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Abstract

This study is classified as descriptive research aimed at scrutinizing investment behaviors in the stock market among individuals from the baby boomer generation. Its focus lies on identifying personal determinants that influence these investment choices, specifically within service industry sectors listed on the Stock Exchange of Thailand. The research targets baby boomers residing in the Mueang District of Nakhon Ratchasima Province, born between 1946 to 1964, as its population and sample group. Given the absence of precise population figures, random sampling techniques were employed to ensure a representative sample in this non-probabilistic study. A quota sample of 400 individuals was selected. Data collection utilized a checklist questionnaire accompanied by a 5-level rating scale. Quantitative data underwent analysis employing descriptive statistics such as frequency, percentage, mean, and standard deviation, supplemented by statistical tests including the t-test and one-way ANOVA. The research findings indicated that, overall, the baby boomer generation in the Muang District of Nakhon Ratchasima Province exhibited a high level of inclination towards investment decisions in service industry sectors listed on the Stock Exchange of Thailand. A detailed examination of various facets influencing investment decision-making revealed consistently high scores across all aspects, encompassing securities, stock market dynamics, social and political factors, economic conditions, and other uncertainties. Furthermore, a comparative analysis of respondents' demographic characteristics such as gender, age, marital status, education level, average monthly income, and occupation unveiled no significant disparities concerning investment

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decisions on the Stock Exchange of Thailand. These conclusions were maintained at a significance level of 0.05.

Keywords: The Stock Exchange of Thailand, Investment Decisions, Baby Boomers

Introduction

The changing global population structure has led to a significant rise in the elderly population, primarily due to advancements in medicine and public health that have considerably extended the average human lifespan. In Thailand, there is a noticeable shift in the population structure, aligning with the evolving model for senior citizens. The enactment of the Elderly Act of 2003 underscores the rights of the elderly, encompassing provisions for medical services, educational opportunities, occupational support, social engagement, and personal development across various domains. These responsibilities, including providing financial assistance, traditional funeral arrangements, and establishing elderly care facilities, necessitate specialized expertise from government entities at both the central and regional levels, as well as state-owned enterprises. Moreover, the 2nd National Plan on the Elderly (2002-2021), first revised in 2009, aspires to ensure a high quality of life for the elderly, emphasizing dignity and self-sufficiency. To achieve these objectives, government agencies and local authorities actively participate in various initiatives aimed at enhancing the well-being of senior citizens. These initiatives are structured around five key strategies: 1) preparing the population for a quality elderly life, 2) promoting and developing the elderly, 3) fortifying the social safety net for elderly individuals, 4) managing the integrated development of elderly work at the national level, and 5) compiling, disseminating, and monitoring knowledge pertaining to the elderly and the implementation of the National Elderly Plan (Lama, 2012).

Presently, stock market investment is garnering increased attention and popularity among retirees, working individuals, and students who have savings and seek stable, long-term financial growth. This shift represents an alternative to depositing money in commercial banks or various financial institutions, where returns in the form of deposit interest rates have been consistently declining, making it less appealing for savers. Within the framework of economic principles in a liberal capitalist society, the relationship between consumers (individuals and families) and businesses (producers) is tightly intertwined. Consumers purchase goods and services from

producers, who in turn provide these products and services while also compensating consumers for their labor and capital contributions (Thai Stock Exchange (SET), 2021).

The investment cycle encompasses several components, including consumer living expenses, consumer income, business income, and production costs. Improving the quality of life in Thailand requires distinguishing between savings and investments. Savings typically involve gradually accumulating funds in low-risk assets such as deposits, ensuring liquidity for short-term needs. However, it's essential not to overinvest in such assets, as they offer relatively low returns. In contrast, investments involve directing savings into riskier assets to achieve higher returns. Therefore, investment decisions should be carefully considered based on individual goals and financial requirements. Investments can be broadly categorized into three main types: 1) consumption-oriented investments, which involve purchasing assets for personal satisfaction without profit motives, 2) business investments aimed at generating profits through asset acquisition and business operations, and 3) securities investments, encompassing bonds, debentures, and equity investments. Securities investments are considered indirect investments, distinct from direct involvement in business operations, and typically yield returns in the form of interest or dividends, depending on the type of securities. This approach reduces risk for investors. In response to these economic dynamics, Thai listed companies have diligently developed their corporate governance systems in alignment with best practices. Recent revisions to good corporate governance principles have been made since 2006, integrating recommendations from the Organization for Economic Co-operation and Development (OECD) and the World Bank. The Thai Institute of Directors Association has been instrumental in continuously monitoring and reporting on the corporate governance performance of Thai listed companies through comprehensive surveys. Empirical evidence has consistently demonstrated a positive correlation between adherence to good corporate governance practices and company performance. Companies that improve their compliance with corporate governance principles tend to exhibit enhanced corporate governance scores and subsequently achieve better financial performance, as measured by Return on Equity (ROE) and Return on Total Assets (ROA). Conversely, companies that exhibit declining compliance with corporate governance principles and lower corporate governance scores often experience adverse effects, making them less appealing to investors (Thai Stock Exchange (SET), 2021).

The aforementioned context has inspired our research team to investigate public investments in the stock market, particularly to provide guidance for making sound investment decisions in the service industry segment of the Stock Exchange of Thailand. Our aim is to enhance efficiency in line with current trends and prospects. By equipping investors with the knowledge and tools needed to make informed investment choices, we aspire to empower them to achieve their financial goals and apply these principles to other investment opportunities, ultimately securing their future financial well-being.

Research's objective

1. Investigating Investment Decisions in the Service Industry Group on the Stock Exchange of Thailand among the Baby Boomer Generation in Muang District, Nakhon Ratchasima Province.
2. Examining the Personal Factors of Baby Boomer Generation Respondents in Mueang District, Nakhon Ratchasima Province.

Hypothesis

A comparative analysis of the status characteristics among respondents, including gender, age, status, education, income, and occupation, reveals that they exhibit a similar average level concerning investment decisions on the Stock Exchange of Thailand.

Conceptual framework

The research team has integrated insights from academia concerning investment decision-making, encompassing various dimensions: 1) Economic considerations 2) Socio-political factors 3) Uncertain factors in diverse domains 4) Aspects tied to the stock market 5) Aspects linked to securities. The investigation into investment behavior involves the following key elements: 1) Investment duration 2) Selection of securities companies for service utilization 3) Magnitude of funds allocated for investment 4) Sources of funds, by analyzing relevant theoretical concepts, the research endeavors to fulfill its objectives effectively as illustrated in Figure 1.

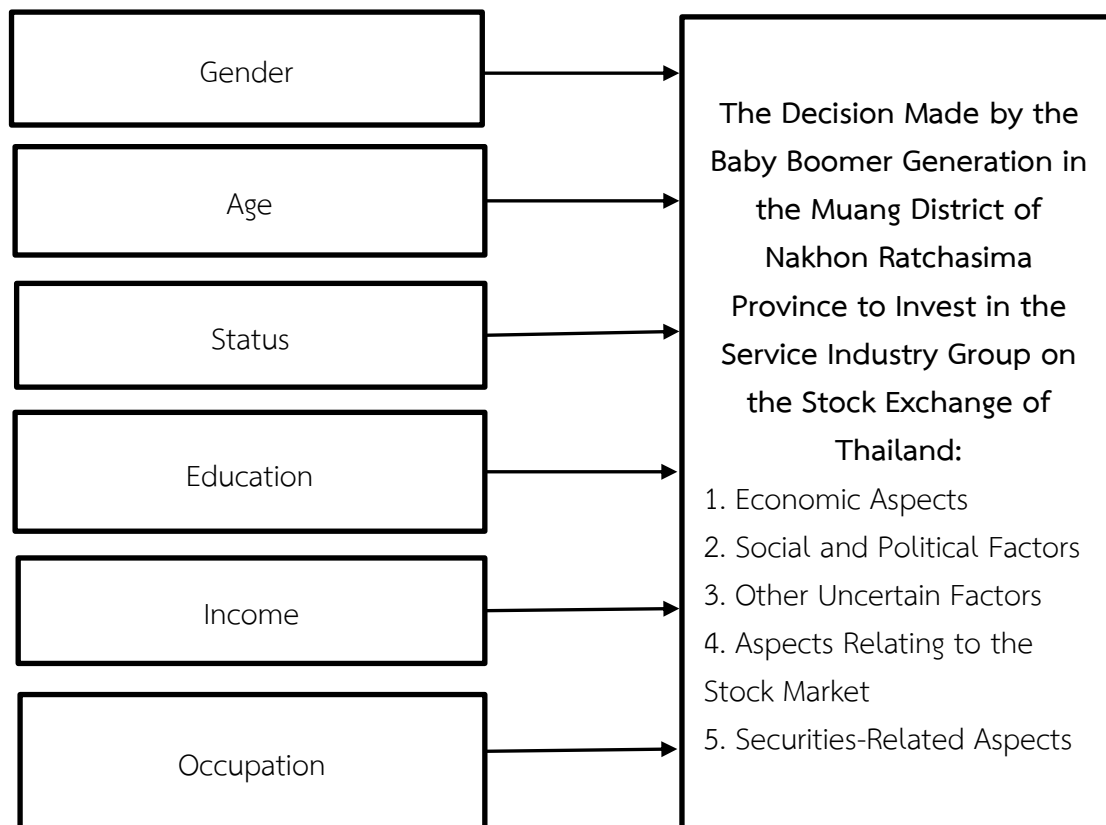


Figure 1 Conceptual framework

Literature review

1. Baby Boomer Generation

The Baby Boomer Generation refers to the demographic cohort born during the post-World War II years, roughly between the mid-1940s and the mid-1960s (Williams, R., & Davis, M. 2017). This generation received its name due to the significant spike in birth rates during this period, symbolizing a "boom" in the population. Baby Boomers are characterized by their unique experiences and cultural influences, which have left an indelible mark on society. The Baby Boomer Generation witnessed transformative events such as the Civil Rights Movement, the Vietnam War, the rise of rock 'n' roll music, and the advent of the internet. They grew up in an era of significant technological advancements, witnessing the birth of television, space exploration, and the personal computer revolution. In terms of work and career, Baby Boomers were typically known for their loyalty to employers and had long tenures with a single company (Brown, C., 2018). They experienced economic prosperity in their youth and contributed to the growth of the middle class. Many Baby Boomers are now reaching retirement age, which has implications for pension systems and healthcare.

As a generation, Baby Boomers have played a pivotal role in shaping social, political, and economic landscapes. Their values, attitudes, and preferences have influenced consumer markets, healthcare systems, and retirement planning. Understanding the Baby Boomer Generation is essential for addressing the challenges and opportunities associated with an aging population and for tailoring policies and services to meet their needs in the 21st century. (Strauss, W., & Howe, N., 1997)

2. Concepts for Deciding to Invest in the Service Industry Sector on the Stock Exchange of Thailand

Deciding to invest in the service industry sector on the Stock Exchange of Thailand involves a careful consideration of various critical concepts. Firstly, investors should evaluate economic factors such as the overall health of the Thai economy, including GDP growth, inflation rates, and fiscal policies, as these can significantly impact the service industry. Social and political factors also play a role, including consumer trends, government regulations, and political stability. Furthermore, understanding the stock market itself is crucial. Investors must grasp concepts related to stock valuation, market volatility, and industry-specific trends within the service sector. Analyzing securities aspects involves assessing the performance of specific companies within the service industry, including their financial stability, growth prospects, and competitive positioning. (Thai Stock Exchange (SET), 2021)

In summary, successful investment in the service industry sector on the Stock Exchange of Thailand requires a multifaceted approach that incorporates economic, social, political, stock market, and securities-related concepts. A thorough understanding of these factors is vital for making informed and profitable investment decisions.

The Baby Boomer Generation's decision to invest in the Service Industry Group on the Stock Exchange of Thailand signifies a pivotal shift in investment preferences. This cohort, born between the mid-1940s and mid-1960s, seeks stability and long-term financial growth amidst economic fluctuations. Their choice reflects a strategic response to low returns on traditional savings and the need to combat inflation. Furthermore, it aligns with a desire for financial independence and the capacity to manage savings effectively. This shift is influenced by economic considerations, the desire for diversified portfolios, and the recognition of the service industry's potential for value generation. In essence, Baby Boomers' investment decisions mirror their adaptability and determination to secure their financial future.

Methodology

1. Research method

This research is framed as a quantitative study, specifically adopting the nature of survey research with a focus on descriptive research. The research team has integrated insights from academia concerning investment decision-making, encompassing various dimensions: 1) Economic considerations 2) Socio-political factors 3) Uncertain factors in diverse domains 4) Aspects tied to the stock market 5) Aspects linked to securities. The investigation into investment behavior involves the following key elements: 1) Investment duration 2) Selection of securities companies for service utilization 3) Magnitude of funds allocated for investment 4) Sources of funds. By analyzing relevant theoretical concepts, the research endeavors to fulfill its objectives effectively.

2. Population and sample

The research population consists of Baby Boomers residing in the Muang District of Nakhon Ratchasima Province, with a specific focus on those born between 1946 to 1964, particularly urban residents within this city district. Given the lack of precise population data, non-probability sampling methods were employed, leveraging random sampling techniques to ensure representativeness. The Quota Sampling Technique was utilized to select 400 cases. Additionally, data collection was carried out using a simple random sampling method, emphasizing the importance of enabling respondents to willingly provide information through voluntary questionnaires, as these responses constitute crucial data for the research.

3. Research instruments

In this research, a questionnaire served as the primary data collection tool. The questionnaire was structured as a checklist, comprising three distinct parts. Part 1 gathered personal information about the respondents, including gender, age, education, occupation, income, the securities companies they utilized, the amount of money invested, and the source of funds. Part 3 focused on investment decision-related information, encompassing economic, social, and political aspects, as well as other uncertain factors, pertaining to both the stock market and securities. The questionnaire employed a 5-level Likert's rating scale, ranging from the highest decision-making level (score level 5) to the lowest (score level 1). Interpretation followed the Class Interval principle: an average score falling between 4.51 and 5.00 indicated high-level decision-making, while an average score ranging from 1.00 to 1.49 denoted the lowest-level decision-making. According to the alpha coefficient criterion, the value should not be less than 0.70. When testing for the validity and reliability of the questionnaire, the obtained alpha coefficient result was 0.86, which

was deemed acceptable. This indicates the questionnaire's capability to gather data effectively among sample groups (Kajornatthapol et al., 2020).

4. Data collection

The research team gathered data through questionnaires administered to the specified sample size. The information obtained from this data collection was subjected to statistical analysis. This analytical process was undertaken to facilitate the summarization and discussion of research findings, ultimately leading to the achievement of the research objectives.

5. Data analysis

The research team employed statistics that were both relevant and aligned with the research objectives. These statistics were utilized to conduct descriptive analyses through a dedicated software program, facilitating the examination of respondents' personal characteristics. The descriptive statistics encompassed measures such as mean, percentage, and standard deviation, serving to elucidate the distribution properties and characteristics of variable data. Additionally, the team conducted statistical hypothesis testing, leveraging methods like the t-test distribution and one-way analysis of variance (One-Way ANOVA). These analytical tools were instrumental in assessing research hypotheses and variances, aligning with the study's objectives.

Results

General Information about the 400 Research Respondents: Among the respondents, the majority were male, making up 234 individuals or 58.50 percent of the sample. Their ages ranged from 40 to 59 years, representing 53.00 percent of the total. Marital status-wise, 242 individuals were married, constituting 60.50 percent. Furthermore, 253 respondents held bachelor's degrees, accounting for 63.25 percent. In terms of income, 217 participants reported earnings exceeding 50,001 baht, equating to 54.32 percent. Regarding occupation, 203 respondents were engaged in private businesses, comprising 50.75 percent. Additionally, 158 respondents had 4-5 years of investment experience, making up 39.50 percent. Notably, 138 respondents invested for over 1 year, representing 34.50 percent. 129 individuals were classified as resourceful investors, accounting for 32.25 percent. Among those surveyed, 139 respondents utilized the services of Bualuang Securities Public Company Limited, constituting 34.75 percent. A significant 364 respondents, or 91.00 percent, employed cash accounts as their preferred payment method. Furthermore, 375 individuals, representing 93.75 percent, favored investment centers. Roughly 192 respondents, constituting 48.00 percent, invested amounts less than 50,000 baht. Notably, 381

individuals, or 95.25 percent, sourced their investment funds from savings. The decisions to buy and sell stocks were predominantly driven by their personal beliefs, with 315 respondents, comprising 78.75 percent. When seeking investment information, 266 individuals turned to online sources and websites, representing 66.50 percent. A significant portion, 212 respondents or 53.00 percent, held 3-5 securities in their portfolios.

Opinion Analysis on Investment Decisions in the Stock Exchange for the Baby Boomer Generation: Service Industry Group on the Stock Exchange of Thailand. The overall investment decision level was high ($\bar{x}=4.17$, S.D.=0.74). Examining each aspect in descending order, all facets of investment decision-making also exhibited high levels, including securities ($\bar{x}=4.38$, S.D.=0.79), Securities Exchange ($\bar{x}=4.15$, S.D.=0.62), Social and Political factors ($\bar{x}=4.11$, S.D.=0.81), Economic aspects ($\bar{x}=4.10$, S.D.=0.72), and other uncertain factors ($\bar{x}=4.03$, S.D.=0.78), as indicated in Table 1.

Analysis of Opinion Levels Regarding Investment Decisions in the Stock Market for the Baby Boomer Generation: Service Industry Groups on the Stock Exchange of Thailand. When evaluating each aspect, the following findings emerged:

1. Economic Aspect ($\bar{x}=4.10$, S.D.= 0.72): The investment decision level was high. Notably, the country's economic growth rate ($\bar{x}=4.24$, S.D.= 0.70) displayed the highest investment decision level. Economic liquidity ($\bar{x}=4.19$, S.D.= 0.48) and foreign exchange rates ($\bar{x}=4.12$, S.D.= 0.74) also indicated high investment decision levels.

2. Social and Political Aspect ($\bar{x}=4.11$, S.D.= 0.81): Investment decision levels were high. Specifically, opening the market to foreign countries ($\bar{x}= 4.21$, S.D.=0.80) displayed the highest level. Tax rate setting ($\bar{x}= 4.12$, S.D.=0.79) and investment promotion ($\bar{x}= 3.98$, S.D.=0.84) also indicated high decision-making levels.

3. Uncertainty in Other Areas ($\bar{x}=4.03$, S.D.= 0.78): Investment decision levels were high. Notably, terrorism ($\bar{x}=4.10$, S.D.=0.80), severe natural disasters ($\bar{x}=4.00$, S.D.=0.78), and serious infectious diseases ($\bar{x}=3.98$, S.D.=0.75) demonstrated high investment decision levels.

4. Stock Market Aspect ($\bar{x}=4.15$, S.D.= 0.62): Investment decision levels were high. Specifically, unfavorable operating profit or interest rates for investors ($\bar{x}=4.25$, S.D.=0.79) and stringent or lax regulations ($\bar{x}=4.21$, S.D.=0.86) displayed the highest levels. Rumors ($\bar{x}=3.98$, S.D.=0.82) indicated a high investment decision level.

5. Securities Aspect ($\bar{x}=4.38$, S.D.= 0.79): Investment decision levels were high. Notably, company profits ($\bar{x}=4.52$, S.D.=0.74), financial status ($\bar{x}=4.35$, S.D.=0.76), and news about executives ($\bar{x}=4.35$, S.D.=0.87) displayed the highest investment decision levels.

Comparative testing of respondent characteristics, including gender, age, marital status, education level, average monthly income, and occupation, revealed no significant differences in their average levels concerning investment decisions in the Stock Exchange of Thailand, as illustrated in Figure 2. The significance level was set at 0.05.

Table 1 Presents the Average Values, Standard Deviations, and the Overall Opinion Levels Regarding the Decision Made by the Baby Boomer Generation in the Muang District of Nakhon Ratchasima Province to Invest in the Service Industry Group on the Stock Exchange of Thailand

The Decision Made by the Baby Boomer Generation in the Muang District of Nakhon Ratchasima Province to Invest in the Service Industry Group on the Stock Exchange of Thailand		\bar{x}	S.D.	Investment Decision Level
1. Economic Aspect		4.10	0.72	High
1. Economic Liquidity		4.19	0.48	High
2. Interest Rate		4.02	0.72	High
3. International Currency Exchange Rates		4.12	0.74	High
4. International Production and Competitiveness		4.02	0.80	High
5. Economic Conditions of Trading Partner Countries		3.98	0.86	High
6. National Economic Growth Rate		4.24	0.70	Highest
2. Social and Political Aspects		4.11	0.81	High
1. Determination of Tax Rates		4.12	0.79	High
2. Investment Promotion		3.98	0.84	High
3. Market Opening to Foreign Countries		4.21	0.80	Highest
3. Other Uncertain Areas		4.03	0.78	High
1. Severe Natural Disasters		4.00	0.78	High
2. Terrorism		4.10	0.80	High
3. Serious Infectious Diseases		3.98	0.75	High
4. Concerning the Stock Market		4.15	0.62	High
1. Rumors		3.98	0.82	High
2. Stringent or Lax Regulations		4.21	0.86	Highest
3. Operating Profit or Interest Rates Inconducive to Investors		4.25	0.79	Highest

Table 1 Cons.

The Decision Made by the Baby Boomer Generation in the Muang District of Nakhon Ratchasima Province to Invest in the Service Industry Group on the Stock Exchange of Thailand			
	\bar{x}	S.D.	Investment Decision Level
5. Securities Aspects	4.38	0.79	Highest
1. Company Profits	4.52	0.74	Highest
2. Financial Status	4.35	0.76	Highest
3. Capital Increase Announcements	4.28	0.77	Highest
4. Executive News	4.35	0.87	Highest
Overall Average	4.17	0.74	High

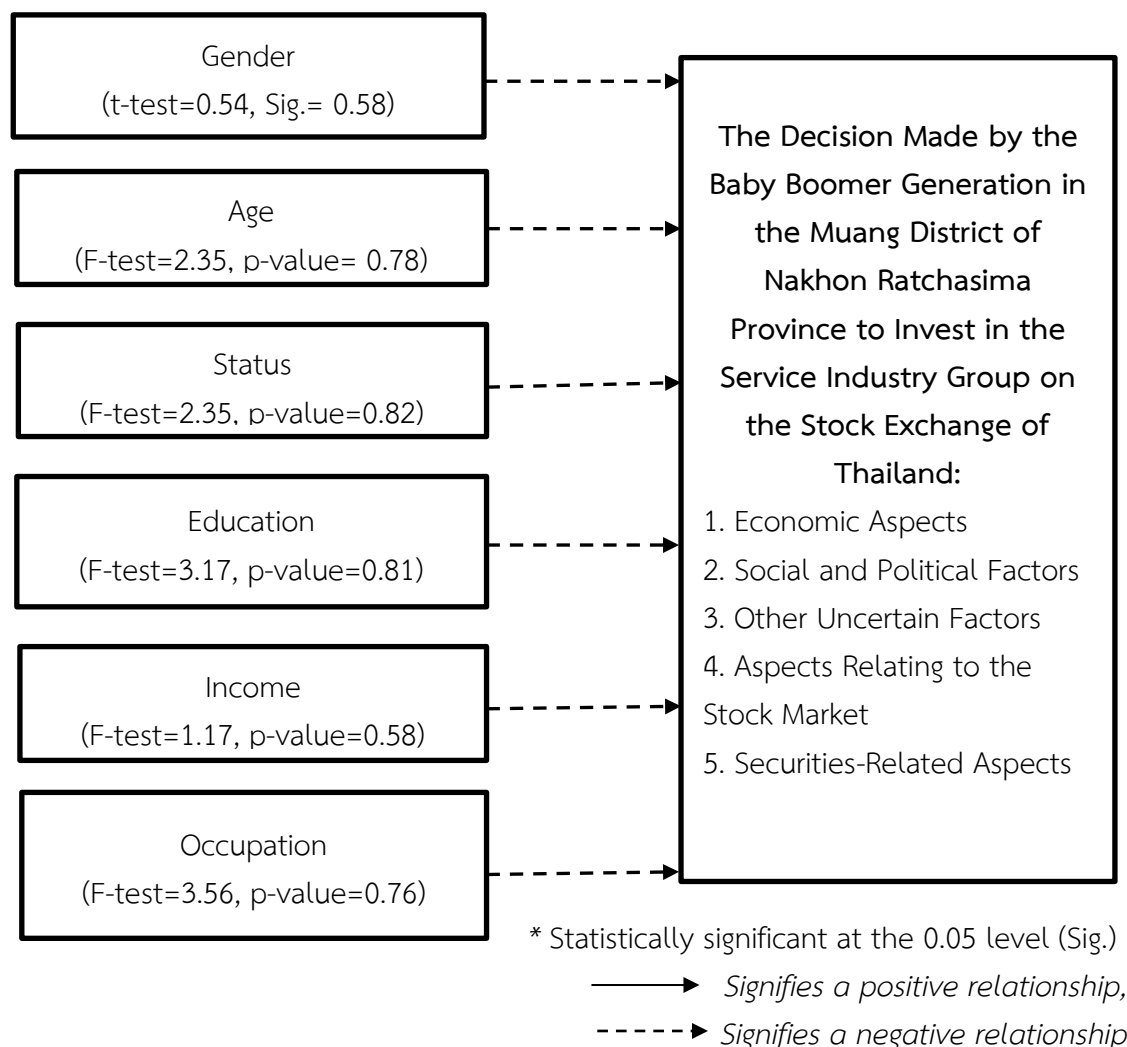


Figure 2 Summary of Research Hypotheses

Discussion and conclusions

Research on the Decision to Invest in the Service Industry Group on the Stock Exchange of Thailand by the Baby Boomer Generation in Muang District, Nakhon Ratchasima Province explores two key issues, as outlined below:

1. The overall level of investment decisions was high. When evaluating each aspect from highest to lowest, it became evident that the investment decision level was consistently high across all aspects. This includes securities, the stock market, social and political factors, economic factors, and other uncertain areas. These findings align with the research conducted by Phan Thi Xiem Thanh, (2021) who studied investment factors and decisions in stocks and derivatives among investors at Phu Hang Securities Company (PHS) in Vietnam. Phan Thi Xiem Thanh employed the Kaiser-Meyer-Olkin Measure of Sampling Adequacy, which yielded a value of 0.826, indicating the data's suitability for sampling. Furthermore, the study extracted 11 principal components that explained 66.080% of the variance. Notably, the most influential factors included return on investment, source of investment, company image, investment target, macroeconomic data, accounting information, competitive situation, confidence, fundamental data, and economic conditions. Conversely, information had the least impact. These findings are in line with the concept elucidated by Oriana-Helena, (2014) emphasizing that decision implementation involves taking actions and gathering and analyzing relevant information. As Jalal-Karim, (2013) underscored, the implementation of decisions is a pivotal aspect influencing investment outcomes.

2. Comparison of Respondent Characteristics in Relation to Investment Decisions in the Stock Exchange of Thailand. A comparison of the status characteristics of respondents, including gender, age, marital status, education level, average monthly income, and occupation, revealed no significant differences in their average levels of investment decisions in the Stock Exchange of Thailand. The significance level was set at 0.05, aligning with the findings of Phan Thi Xiem Thanh, (2021). Thanh's study examined investment conditions and decisions among investors at Phu Hang Securities Company (PHS) in Vietnam, classifying them based on occupational group, business type, order sending method, and instrument type. Thanh found significant differences in occupational groups, with factors such as image and competitive situation having the most impact, followed by macro-level information and economic conditions. Similarly, Oriana-Helena Negulescu, (2014) on personal factors influencing investment decisions in the Stock Exchange of Thailand revealed that different income levels among sample groups significantly influenced investment decisions. Additionally, the study found significant differences in factors related to image, competitive situation, accounting information, and macro-level information, depending on business types

and order delivery methods. Furthermore, variations in types of investment instruments resulted in significant differences in accounting information and basic information.

These findings emphasize the multifaceted nature of investment decisions and the influence of various factors across different demographic and occupational groups.

Recommendation

1. Recommendations for implementing

1.1 Developing services tailored to investors, aligning the costs and returns with their investment goals.

1.2 Offering insights into risk assessment, investment, and effective investment strategies.

1.3 Advancing investment behavior to serve as a future-ready database meeting investors' evolving needs.

2. Future research direction

Future research should explore investors in diverse contexts and regions, delving into various financial products and fundamental knowledge. This exploration will shed light on factors for optimizing financial management and efficiency, ensuring maximum returns on investment in different scenarios.

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