



Financial Literacy of Muslim Local State Officers in the Southern Border Provinces of Thailand

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Article Info

ISSN (online): 2582-7138

Volume: 05

Issue: 06

Novembar-December 2024

Received: 01-09-2024

Accepted: 03-10-2024

Page No: 373-376

Abstract

This study aims to examine the financial literacy of Muslim local government officers in the three southern border provinces of Thailand, analyzing differences across personal demographic factors. This quantitative research utilized questionnaires for data collection, with a sample comprising 510 Muslim local government officers from Yala, Pattani, and Narathiwat provinces. Statistical analyses included frequency, percentage, and calculations performed with SPSS using the independent sample t-test to compare two independent groups and One-way Analysis of Variance (One-way ANOVA) for comparing the means of two or more groups.

The findings revealed that female officers had a higher average financial literacy than male officers. In terms of age, older officers generally demonstrated greater financial experience and understanding. Education level was positively associated with financial knowledge and skills, as officers with higher education levels tended to exhibit better financial literacy. Marital status also showed a significant effect, with married individuals demonstrating higher financial literacy compared to other statuses. Additionally, officers with higher average monthly incomes displayed superior financial management knowledge and skills. These results offer practical insights for enhancing financial literacy among Muslim local government officers in Thailand's three southern border provinces.

Keywords: Financial literacy, Muslim local state officers, Three southern border provinces

Introduction

Financial literacy is a crucial factor in improving individuals' quality of life, particularly for Muslim local government officers in Thailand's three southern border provinces. This region is known for its cultural and social diversity, which influences the lifestyle and work of local officials. Civil servants with strong financial knowledge and understanding can manage financial resources more effectively, enabling them to better meet their daily financial needs and goals. This concept aligns with the view of Darren Buckley, Managing Director of Citibank, who noted that in an era of rapid global change, financial literacy is essential for everyone's daily life. Financial knowledge goes beyond financial education alone; it encompasses the ability to apply that knowledge to achieve financial stability, security, and growth. Similarly, Piyabutr Cholvijarn, Chairman of the Kenan Foundation Asia, emphasized that financial literacy significantly impacts income inequality and poverty, and good financial management forms a foundational element of a stable and improved quality of life.

Personal financial literacy enables individuals to plan expenditures, save, and invest systematically, contributing to overall financial security and quality of life. Good financial management not only reduces debt burdens but also opens opportunities for financial advancement in the future. Additionally, financial literacy serves as a risk management tool, which is essential in uncertain environments, such as during economic shifts or unforeseen events.

Therefore, fostering financial literacy among Muslim local government officers in the three southern border provinces should be a priority. Developing training programs and activities that emphasize financial skills will help these officers apply financial knowledge effectively in their daily lives.

Building financial literacy within this group not only enhances individual skills but also contributes to the sustainable social and economic development of their communities.

Literature Review

Financial Literacy

The concept of financial literacy involves the study and understanding of an individual's ability to manage and make financial decisions. It encompasses knowledge of money management, saving, investing, debt management, and understanding fundamental financial concepts such as interest rates, inflation, and risk. Sufficient financial literacy is essential for individuals to live securely and make effective financial plans.

1. Basic Financial Knowledge

Basic financial knowledge includes essential financial concepts needed for daily life management, such as interest calculation, understanding inflation, and debt management strategies. This foundational knowledge is crucial for establishing sound financial behaviors and helps prevent long-term financial issues (Lusardi & Mitchell, 2014) ^[4].

2. Personal Financial Management

Personal financial management lies at the heart of financial literacy, focusing on income management, expenditure, saving, risk management, and investing. Individuals with expertise in this area can develop better financial plans to prepare for the future, such as retirement planning, emergency funds, and debt management (Hilgert, Hogarth, & Beverly, 2003) ^[1].

3. Financial Decision-Making Behavior

This concept addresses the processes individuals use in making financial decisions, often influenced by emotions and cognitive biases, such as risk perception and uncertainty. Those with adequate financial literacy tend to make better decisions and manage financial risks more effectively.

4. Investment Literacy

Understanding capital markets and investment is a crucial component of financial literacy. Individuals knowledgeable in investment literacy can evaluate and select investments based on risk and expected returns. Concepts such as risk diversification and investment opportunity analysis are vital for building an effective investment portfolio (van Rooij, Lusardi, & Alessie, 2011) ^[3].

5. Debt Management Literacy

Financial knowledge of debt management is essential for maintaining financial stability. Individuals proficient in this area can manage debt effectively, including understanding real interest rates, calculating minimum payments, and avoiding excessive debt.

Financial Planning

Hallman and Rosenbloom described personal financial planning as the creation of a comprehensive and coordinated financial plan tailored to meet an individual's financial goals. The core of this concept lies in aligning one's financial plan with overall personal finances, based on individual financial objectives. Most people employ various financial tools before achieving their full financial goals. Thus, fundamental

financial tools—such as stocks, bonds, mutual funds, insurance, annual bonuses, financial markets, deposits, pensions, personal loans, and real estate—are essential to financial planning.

Financial Risk

Financial risk refers to the risk associated with financing through debt, impacting the burden of interest and principal repayments upon maturity. Financial risks are categorized into market risk, asset-liability mismatch, liquidity risk, and credit risk (Nareumol Saardchom, Bussakorn Watcharasriroj, & Vasita Boonsathorn; Aurora & Bacovia). Personal risk refers to the impact arising from decision-making under uncertainty, with attempts to protect interests against unpredictable factors that could affect goal attainment (Hwang; Probodono et al). Risk factors are classified into four areas: strategic, operational, financial, and safety of individuals and assets (The Office of Internal Audit, Kasetsart University; Association of Internal Auditors of Thailand and The Stock Exchange of Thailand, 2008). Personal risk management involves identifying risks, analyzing them, and developing control measures to prevent or mitigate risk, often influenced by beliefs and attitudes.

The American Association of Collegiate Schools of Business (AACSB) underscores the importance of financial planning education, mandating courses related to personal financial planning as core requirements for business students in the United States.

Research Methodology

This study utilizes a causal research design, collecting data through a cross-sectional survey. The sample size was determined using G-Power with a significance level of 0.95 and an effect size of 0.02, resulting in a sample size of 485 participants. However, to account for potential errors in questionnaire collection and incomplete responses, an additional 5% of the sample size was added as a reserve. Therefore, the final sample size for this study was set at 510 participants, representing the overall population. Quota sampling was employed for sample selection.

Research Instrument

The research instrument was a questionnaire developed based on a literature review, consisting of two sections: Section 1 focused on demographic factors, collecting general information about Muslim government officers residing in the three southern border provinces of Thailand, including gender, age, education level, marital status, and average monthly income. Section 2 contained questions on financial literacy, covering topics such as financial concept comprehension, financial planning skills, and risk management skills.

Data Analysis and Statistical Methods

1. Descriptive Statistics: Frequency and percentage were used to analyze demographic information of the sample, while mean and standard deviation were used to analyze financial literacy data.
2. Inferential Statistics: The inferential statistical methods included T-test and One-way Analysis of Variance (One-way ANOVA) to examine differences across groups.

Results

The findings on the financial literacy of Muslim local

government officers in the three southern border provinces of Thailand reveal key trends and significant points, as detailed below.

The majority of the study's sample population were female (53.5%), aged between 30 and 40 years (45.7%), holding a bachelor's degree or equivalent (74.9%), married (55.9%), and with an average monthly income of 15,000-30,000 baht

(52.2%).

Analysis of Differences between Groups

An analysis of demographic differences showed varying effects on financial literacy, using T-tests to compare the mean financial literacy levels between two groups, with the level of statistical significance set at 0.05.

Table 1: Comparison of Financial Literacy Differences: Classified by Gender

Variable	SEX	Mean	Std. Deviation	t	sig
Financial Literacy					
Financial Concept Understanding	Male	4.081	0.458	1.778	0.076
	Female	4.155	0.473		
Financial Planning Skills	Male	4.105	0.446	1.209	0.227
	Female	4.155	0.467		
Risk Management Skills	Male	4.165	0.433	1.667	0.096
	Female	4.231	0.460		

*Statistical significance at the 0.05 level

From Table 1, it is observed that the financial literacy variable shows a Sig. value greater than 0.05, exceeding the statistical significance threshold in all areas. This indicates that gender differences do not have a statistically significant impact on financial literacy at the 0.05 level, although the mean scores for female participants are higher than those for male participants across all aspects.

The analysis of demographic differences affecting financial literacy employed an F-test or One-way Analysis of Variance (One-way ANOVA) due to the presence of more than two groups. When significant differences were found, multiple comparisons were conducted using pairwise testing (Multiple Comparisons) with a statistical significance level of 0.05. The findings reveal that age differences are significantly associated with financial literacy, financial well-being, and job performance at the 0.05 level. This indicates that age is related to financial literacy, financial well-being, and job performance in all areas.

In pairwise comparisons using the Least Significant Difference (LSD) method, at a significance level of 0.05, it was found that:

- Financial Concept Understanding:** Government officers under 30 years of age have significantly different financial concept understanding compared to those aged 40-50. Officers aged 30-40 differ from those aged 40-50, and those aged 40-50 differ from officers aged 50 and above.
- Financial Planning Skills:** Officers under 30 years of age show significant differences in financial planning skills compared to those aged 40-50. Officers aged 30-40 also differ from those aged 40-50, and those aged 40-50 differ from officers aged 50 and above.
- Risk Management Skills:** Officers under 30 have significantly different risk management skills compared to those aged 40-50. Officers aged 30-40 differ from those aged 40-50, and officers aged 40-50 differ from those aged 50 and above.

Furthermore, the study found that differences in educational level were significantly associated with financial literacy, financial well-being, and job performance at the 0.05 significance level. This indicates that educational level is related to financial literacy, financial well-being, and job performance across all areas. Pairwise comparisons were conducted using the Least Significant Difference (LSD)

method, with a statistical significance level of 0.05. The results showed that government officers with less than a bachelor's degree had significantly different levels of financial literacy compared to those with a bachelor's degree or higher across all areas of financial literacy.

The study also revealed that marital status was significantly associated with financial literacy in all areas at the 0.05 significance level. Pairwise comparisons using the LSD method found significant differences in financial literacy levels based on marital status. Specifically:

- Financial Concept Understanding:** Single officers had significantly different levels of financial concept understanding compared to those who were married or widowed. Married officers also differed significantly from widowed officers, and officers who were separated/divorced showed differences in financial concept understanding compared to widowed officers.
- Financial Planning Skills:** Single officers showed significant differences in financial planning skills compared to married and widowed officers. Married officers also differed significantly from officers who were separated/divorced and widowed. Officers who were separated/divorced had significantly different financial planning skills compared to widowed officers.
- Risk Management Skills:** Single officers demonstrated significant differences in risk management skills compared to married and widowed officers. Married officers also differed significantly from those who were separated/divorced and widowed, while officers who were separated/divorced had significantly different risk management skills compared to widowed officers.

A comparative study on income found that differences in average monthly income were significantly associated with financial literacy at the 0.05 significance level. This indicates that average monthly income is related to financial literacy across all areas. Pairwise comparisons were conducted using the Least Significant Difference (LSD) method, with a statistical significance level of 0.05. The results showed the following distinctions in financial literacy based on income:

- Financial Concept Understanding:** Government officers with an income of less than 15,000 baht had significantly different levels of financial concept understanding compared to those with an income of 15,000-30,000 baht, 30,001-45,000 baht, and above

- 45,000 baht. Additionally, officers earning 15,000-30,000 baht showed significant differences in financial concept understanding compared to those earning 30,001-45,000 baht and above 45,000 baht.
2. **Financial Planning Skills:** Officers with an income of less than 15,000 baht demonstrated significantly different financial planning skills compared to those earning 30,001-45,000 baht and above 45,000 baht. Furthermore, officers with an income of 15,000-30,000 baht had significantly different financial planning skills compared to those with an income of 30,001-45,000 baht and above 45,000 baht.
 3. **Risk Management Skills:** Officers with an income of less than 15,000 baht showed significant differences in risk management skills compared to those with an income of 30,001-45,000 baht and above 45,000 baht. Similarly, officers earning 15,000-30,000 baht demonstrated significantly different risk management skills compared to those with an income of 30,001-45,000 baht and above 45,000 baht.

Discussion

Financial literacy is essential in enabling Muslim local government officers in the three southern border provinces of Thailand to manage financial resources effectively. A solid understanding of financial concepts supports appropriate spending, saving, and investing, contributing to stability in both personal and professional life.

Financial planning is another critical skill for local government officers. Effective planning helps them set clear financial goals and monitor progress toward achieving them. Officers should learn to budget, calculate expenses and income, and establish emergency funds to be better prepared for unexpected situations. Lusardi and Mitchell (2014)^[4] highlighted that fundamental financial knowledge is crucial for fostering sound financial behaviors and preventing long-term financial issues. According to Hilgert, Hogarth, and Beverly (2003)^[1], effective financial management is essential for better financial planning, preparing for the future, such as retirement, emergency savings, and debt management.

Risk management skills are also a vital component in building financial security. Officers must be able to assess risks across four categories, as outlined by Hwang and Probohudono et al, which may arise from investments or everyday expenses. Recognizing and assessing risks allows officers to select suitable investment methods and better cope with economic uncertainties. Organizations should provide training to develop these skills among officers, strengthening their financial management capabilities.

Moreover, enhancing financial literacy equips officers with the skills to advise local citizens, promoting sustainable financial stability within the community. Fostering financial knowledge among the public can drive local economic change and strengthen communities, enabling them to be more self-reliant in the future.

Conclusion

The research findings indicate that financial literacy among Muslim local government officers in Thailand's three southern border provinces varies according to demographic factors such as gender, age, education level, marital status, and average monthly income. Female officers demonstrated higher financial knowledge in certain areas, such as

investment skills and financial management, while older groups tended to possess greater financial experience and understanding. Developing targeted training programs tailored to specific age and gender groups could enhance the practical application of financial knowledge for these officers.

Furthermore, education level, marital status, and average monthly income were also significant factors influencing financial literacy and management skills. Officers with higher education levels and income exhibited better financial skills. These insights can be applied to inform the planning and development of financial literacy policies, thereby improving the effectiveness of training programs and ensuring they meet the needs of Muslim local government officers in the three southern border provinces.

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