

**YANGON UNIVERSITY OF ECONOMICS**  
**DEPARTMENT OF COMMERCE**  
**MASTER OF BANKING AND FINANCE PROGRAMME**

**SAVING BEHAVIOR OF GOVERNMENT STAFF FROM**  
**MYANMA ECONOMIC BANK**

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**OCTOBER, 2019**

**SAVING BEHAVIOR OF GOVERNMENT STAFF FROM  
MYANMA ECONOMIC BANK**

A thesis submitted as a partial fulfillment towards the requirements for the  
Degree of Master of Banking and Finance Programme

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## **ACKNOWLEDGEMENTS**

First and Foremost, I would like to express special thanks to Professor Dr. Tin Win, Rector, Yangon Institute of Economic for his kind support and wisdom always granted to MBF students. I am also grateful to Dr. Nilar Myint Htoo, Pro-Rector of Yangon Institute of Economics, for her continuous support and encouragement.

Secondly, I am very grateful to Professor Dr. Soe Thu, Programme Director, Head of Department, Department of Commerce, Yangon Institute of Economic for supporting, allowing me to write this knowledgeable thesis and her valuable guidance, been interest and encouragement at various-stages of my study.

I'm also greatly indebted to teachers, lecturers and professor of Yangon Institute of economic. I would like to express my special thanks to all professors, associate professors and lecturers of Department of commerce, for a great variety of knowledge and concept of banking and Finance during the study period of Master of Banking and Finance (MBF) programme. I'm proud to say great to all of them.

My thanks and appreciations also go to my colleagues, and U Mg Mg Nyein who have willingly helped me out with their abilities.

## **ABSTRACT**

This study aims to identify the trend of saving volume in Myanmar Economic Bank and to explore the saving behavior of Myanmar Economic Bank Staff. Therefore, the determinants of saving behavior among the Myanmar Economic Bank Staff in saving Branch (1), (2), (3), (4) are used in this study. For the research purpose, collected the data of 150 employees out of 350 employees from saving branches. Four main factors that generate the saving behavior are financial literacy, self control, parental socialization and peer influence. All these four factors shared the main role. Parent developing their children to save since childhood is an important factor to saving behaviors. Similarly, motivation from environments develops saving practice. Having financial literacy can value the saving practice. Moreover, Financial Literacy is an important factor that generate the saving behavior. However, the most important factor to saving behavior is self-control. (It is learnt that). It is seen that saving practice is formed due to family and friends. A person who is determined to save whatever the situation is by means of self control can also develop the saving behavior. In order to promote public saving and deliver knowledge of saving to public, financial institutions such as banks, insurance companies, microfinance companies need to conduct activities to stimulate saving behaviors for financial well-being of individual savers in Myanmar.

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# CHAPTER I

## INTRODUCTION

Saving can be defined as difference between individual disposable income and its consumption. Saving is the normal human nature. Hence, the term saving is in the sense of public saving, not in the sense of valuable such as gold bars, precious stones which are kept in strong hold of wealthy class. Saving can be known as the cash or physical products. Saving is the share of disposable income not spent on consumption of consumer goods but accumulated or invested straight in capital equipment or in paying off a home mortgage or not directly throughout purchase of securities.

There is a close link between savings and the process of economic development in developing countries. If all income is used on consumption, there shall be no saving, so that no investment can be made for investment. Saving plays an important role in the process of economic growth and development. Saving encourages investment that triggers the economic growth of one country. According to Harrod (1939) and Domar (1946), the speed of economic growth is determined by the ability to save because high saving rate will drive up the rate investment and consequently stimulate economic growth. Tang (2010) claimed that saving will lead to a long run economic growth and increases of savings eventually affect the capital accumulation. If the saving is low, then the investment will also be low leading to low capital formation. Saving is an important macroeconomic variable to be studied under the purview of the economic arena on an individual as well household basis.

People know that to be safe in future, they can make saving. There are many private banks and foreign banks in Myanmar. They are relentlessly trying to expend market share of financial industry with a strategic approach. Therefore, banks create innovated financial products such as E Banking, Mobile Banking, Core Banking and E-remittance. Similarly, customers chose the more profitable financial products. Therefore, customers saving behavior is important nowadays. Especially, household saving behavior is very important.

In the world, monetary power is one of the powerful tool that can influence and control over other people. Therefore, people are trying to get more money because they believe that if they can earn a lot of money, they will get power. This can be seen in the national level, Ainslie, G. (1975). To earn more money, people can use different ways and then one of these ways is saving.

## 1.1 Rationale of the Study

Myanmar is a developing country. Saving can be mobilized through voluntary or involuntary strategy. There are many factors to develop our country, one of the most important factors is money. Not only Myanmar people but also our country need money. Therefore, people are trying to get more money. To earn more money, people can try different ways and then one of these ways is savings. Savings is very important for living standard and development of the country. The saving type can be classified on the basis of the sector accounting for the saving distribution. It can be broadly classified under the three headings namely, (a) household sector saving (b) private sector saving and (c) public sector saving. The saving done or accrued by the individual members in a household consist of household sector saving. The public saving contributes to a large share in the Myanmar's economy which comprises of the individuals saving behavior at a larger scale including the financial as well as the financial assets. The individual at the household level makes a share to the national income computation of a country. Therefore, Household saving is very important. This study will try to present the saving behavior of Myanma Economic Bank Staff.

Out of 36 branches in Yangon, which are classified as district and township branches, saving branch (1), (2), (3), (4) in Kyauktada, of which 150 employees to be questioned was chosen to collect data for saving behavior.

People save money as a future contingency plan deposit its low interest rate. However, People can use saving as a stepping stone to deposit our insufficient money before it becomes enough to make a financial decision. However, investment is often defined as the act of putting fund into the productive uses. Investments are made or done to generate returns over the periods so that it can help capital formation of an individual. In contrast there always follows a risk of losing money in investment. The difference between saving and investments is that saving aims only on interest earned while investment targets not only on dividend which is a timely income but also on capital gain that gives much higher return than the interest on saving. sufficient income of which some portion can go to saving so that a developed, peaceful and prosperous society shall be made. To fulfil this obligation government usually enact minimum wage act.

Myanmar is a developing country. To study the staff saving behavior in Myanmar Economic Bank need to look into one aspect namely the determinants of savings. All activities relation with income, saving and consumption are studied in the science of economic. We have clear vision on the process of production, transporting and distribution or

economic activities, thanks to the modern of economics, which originated in ancient times as government budget control. Empire fell due to fail in facilitating basic economics activities. Revolution broke out due to inequality in the allocation of nation's wealth. The least duty of a government is to take stability and proper wellbeing of the nation, which depends mostly upon the economic might. Therefore, to lay down proper economic policy is another duty of a government.

There is a need to improve saving in Myanmar as the competitiveness of a country depends on its ability, among other things to save and therefore improve the level of investment. According to study, the household saving behavior of Myanma economic bank, people may know, they need to save. It provides the rationale for what make people want to save, and at the same time, look more deeply at the possible reasons that make people delay the decision to save. Myanma Economic Bank is currently facing a number of challenges, that limit their efficiency, such as outdated IT, operational systems, risk management systems, human resource capacity etc. This study will provide to keep up how market response and what customer need in current situation should be made by Myanma Economic Bank.

This study is to analyze and explain a saving behavior and understand the extent to which customers differ. Staffs are not similar and therefore do not display the same saving behavior, all staff experience their livelihood in different ways and each staff has a different composition and education level. This study provides the theory around why staff need to save. It provides the rationale for what people want to save, and at the same time, looks more deeply at the possible reasons that make people delay the decision to save.

This research is conducted to identify the factor affecting the saving behavior of Myanma Economic Bank, with purpose to create financial awareness among them toward saving. Furthermore, bank can develop more appropriate marketing strategies to tap and penetrate public savers in Myanmar. By doing this, the profitability and competitiveness of banks can be improved. It also helps the people to define what the factors that affecting their saving behavior, thus they can effectively monitor their children and ensure them on the right track of money management.

## **1.2 Objectives of the Study**

The following are the objectives of this study

- i. To identify the saving behavior of Myanmar Economic Bank Staff
- ii. To explore the influencing factors on saving behavior of Myanmar Economic Bank Staff

## **1.3 Scope and Method of the Study**

The scope of this study attempts to cover the saving behaviors of staffs who are working in the Myanmar Economic Banks. Myanmar Economic Bank constitutes 300 branches, which are classified as district branch, township and treasury. There are 36 MEB branches in Yangon of which I collected the data of 350 employees from saving branch 1 to 4. There are 341 Myanmar Economic Bank branches in Myanmar and 36 branches in Yangon but 4 branches of Myanmar Economic Bank namely saving branch 1,2,3,4 in Yangon would be studied. They had included 350 staffs in Myanmar Economic Bank saving branch 1 to 4. Among them 150 Staff, out of 40% of 350 staff from saving branch 1 to 4, are simple random sampling method. The sample can cover the different salaries group to understand the saving behaviors more deeply

. The primary data were collected from sampled respondents by survey using a structured questionnaire. The sample can cover the different salaries group to understand the saving behaviors more deeply This study is conducted data collection period is from May 2019 to June 2019. The required secondary data were collected from MEB bank report, previous research paper, international institutions reports, authorities reports and related books.

## **1.4 Organization of the Study**

The study is organized by five chapters. Chapter I starts with an introduction, the rationale of the study, objectives of the study, scope and method of the study and organization of the study. Chapter II discusses the theoretical frameworks that are relevant to this research, the proposed conceptual framework formed for the study. Chapter III describes profile of MEB bank and trend of saving volume in MEB bank. Chapter IV would be the presentation of data analysis results. Chapter V provides summarization on all the descriptive and inferential analysis stated in Chapter IV, justify the major findings and implications of the study and concludes with the limitations of study as well as recommendations for future study.

## CHAPTER II

### LITERATURE REVIEW

This chapter explains the theory concept of saving behavior and applied for the research and discover how each influencing factor affects the saving behavior by viewing past literatures related to the topic. This chapter also includes a proposed conceptual framework developed for the research objective. This chapter include saving habit, factors that enhance or boost to savings and so on. This chapter discusses about the factors that influence saving behavior. Moreover it added the information which former scholars have been found.

#### 2.1 Definition of Saving

Saving can be defined as a part of income but not spent or deferred consumption. There are different methods of saving include putting money aside in. Saving is the word was clarified by Keynes (1936) as the excess of income over what is spent on consumption. In details, saving also can be defining as a portion of disposal income, which excess after consumption of consumer goods. (Keynes.J.M (1936)).

According to the Maps world of finance, saving is defined as an understand on how people save in a country in order to realize the economic condition of that country. It is normal facts that if people are saving more, the levels of their personal disposable income are increasing as well. This also implies that the living standard of people will increase as well.

Saving can be defined as a kind of income but not spent or deferred consumption. There are different methods of saving include putting money aside in, for example, a deposit account, a pension account, an investment fund, or as cash. Saving also involves reducing expenditures, such as recurring costs. In terms of personal finance, saving generally specifies low-risk preservation of money, as in a deposit account, versus investment, wherein risk is higher; in economics more broadly, it refers to any income not used for immediate consumption. People can save their money in a few common types like saving account, money Markets, certificates of deposit, savings bonds and etc. (Vohwinkle.J.).

Saving refers to an activity occurring over time, a flow variable, whereas savings refers to something that exists at any one time, a stock variable. This distinction is often misunderstood, and even professional economists and investment professionals will often refer to "saving" as "savings".

However, increased saving does not always correspond to increased investment. If savings are stashed in or under a mattress, or otherwise not deposited into a financial intermediary such as a bank, there is no chance for those savings to be recycled as investment by business. This means that saving may increase without increasing investment, possibly causing a shortfall of demand (a pile-up of inventories, a cut-back of production, employment, and income, and thus a recession) rather than to economic growth. In the short term, if saving falls below investment, it can lead to a growth of aggregate demand and an economic boom. In the long term if saving falls below investment it eventually reduces investment and detracts from future growth.

## **2.2 Saving Behavior**

The word “saving” contained broad-based meaning and numerous explanations. In economic contexts, saving is defined as the residual income after deducting current consumption over a certain period of time (Browning & Lusardi, 1996; Warneryd, 1999). Conversely, saving in psychological context is referred to the process of not spending money for current period in order to be used in future (Warneryd, 1999). In other word, saving behavior is the combination of perceptions of future needs, a saving decision and a saving action. On the other hand, people are likely to define saving as investing, putting money in a bank account, speculating and paying off mortgages (Warneryd, 1999).

In macroeconomics and policy making level the governing factors to public savings are the healthiness of national economy, employment rate, average income of the general public, scores on economic development, central bank interest rate and public consumption. It is well known to all economists, policy makers and scholars of economics or political economy. However, in micro and operational level other factors should be considered, in addition to the above mentioned. It is also essential to do extensive research so that related agencies such as depository institution and bank may make required policy strategic plan and decision making.

Bank and financial institution need substantial, reliable saving deposit, on which management generates for marketing to launch a successful product. Since they depend on customer’s deposit, it is essential for them to know the governing factors on savings. Since market behave on human nature, it is difficult to control and predict the volume of savings.

Therefore, it becomes the essential duty of bank and financial institutions to make research on savings to drive as they aim to. Tsun Tzu, a famous Chinese warrior between 300 to 200 BC once said the key to win a battle is to know thyself and the enemy. As his concept is accepted both in military and all kind of management, it becomes the indispensable task of financial institutions to collect, restore and make research on customers' savings. Since microeconomics approach and market research becomes vital, theoretical model and field data should be compared and tried. In this sense scholars and economists have made study and research model on savings. Thanks to their work and strife, we are lucky enough to study determinants of saving behavior following predecessors' trail.

Saving behavior is defined as an understand on how people save in a country in order to realize the economic condition of the country. People are saving more, the levels of their personal disposable income are increasing as well. This also implies that the living standard of people will increase as well. The large heterogeneity in saving behavior is associate to country and time differences in levels of development, growth performance, and fiscal and financial policies. People can save their money in a few common types like savings account, money market, saving certificates, savings bonds and etc. The higher interest rates lead to increased savings and financial intermediation in improving the efficiency of savings and investment. People save especially for “ rainy days ” for their children , for their retirement and for “ later ”. Moreover culture is also a significant driver of saving behavior .

### **2.3 Influencing Factors on Saving Behavior**

In this chapter presents financial literacy, Parental socialization, Peer influence and self- control, which are four factors that influences the saving behavior.

#### **2.3.1 Financial Literacy**

Financial literacy is defined as sufficient knowledge of personal finance facts and terms for successful personal financial management (Garman & Fogue, 1997). Meanwhile, Anthes (2004) defines financial literacy as the ability to read, analyse, manage and communicate about the personal financial conditions that affect the material wellbeing. Investment is really important to further development of a nation. For a better and stronger development in investment it is necessarily needed the better financial knowledge of general public. People with broad financial knowledge are smart enough to invest their wealth where to invest. There are numerous forms of investment such as buying foreign currencies,

collecting precious metal, stones and jewellery, buying real estates and stock, shares, bonds and mostly in saving. However, investment is a factor to development of a nation. Only if the people of a nation has a sense of finance, there shall be strong investment. People must be smart in investment without spending all of their earning. If one spends all what he earns there shall be no investment earning weakness in national development. Therefore the wealth of financial knowledge is related to efficient/ strong saving.

It is important for responsible authorities to educate their people a strong financial knowledge. Some private owned banks disseminate financial knowledge in the form of booklet, brochures, handout advertisement in which their new financial services, such as child saving plan, new type of fixed deposit and so on appear. People without financial knowledge may face lossess because of spending wrongly their wealth. Due to lack of former saving there shall be weakness in development of nation. Only with the strong financial knowledge, successful investment is possible.

Delafrooz and Laily (2011) have conducted a study in Malaysia to examine the degree to which financial literacy influenced the saving behavior. This research had been conducted via quantitative methodology by distributing self-administered questionnaires to 2246 employees in the public and private sectors. The finding shows that saving behavior is significantly influenced by the financial literacy whereby individuals with low level of financial literacy are not intended to save and eventually encounter financial problems in future.

The study of Hilgert, Hogarth and Beverly (2003) is found to be consistent with the above study. The researchers explore the connection between knowledge and behavior of US Household by using the secondary data adopted from the University of Michigan's monthly Surveys of Consumers conducted in 2001. This survey was carried out by interviewing 1004 households within the stat via telephone. The researchers found that the correlation between financial knowledge and saving behavior was significant. Result shows that households obtain higher financial scores (answered the quiz correctly) tend to have higher scores on saving index (achieved more saving practices). Thus, the researchers concluded that increase in financial knowledge can lead to better saving behavior.

In addition, the research of Sabri and MacDonald (2010) also demonstrates that financial literacy had a positive and significant effect on college students' savings behavior. The research is based from Malaysia. The result of this research suggests that participants who have greater knowledge on personal finance tend to engage in effective saving behavior.

### **2.3.2 Parental Socialization**

Parental socialization and saving behavior are connected. In Myanmar traditions children have piggy saving can, which are for saving purpose. Children save some portion of their pocket money by means of these piggy can. Parent encourage their children to save developing until adulthood. Applying these habit, the children can have saving habit when they become adult.

Some parents teach their children how to spend when they have their pocket money. Such a habit forms savings behavior to the children when they become adult. Sometimes children let their parents keep their pocket money so that their parent can spend when need. By doing so, children develop saving behavior. Moreover, children imitate their parent habit of saving. Apart from saving in banks, some parents invest in gold and precious metal, foreign currencies and real estate so that their children imitate their habit and develop saving behavior. Some people try to save from their pocket money. Parents should develop their children to have saving habit, so that saving behavior may develop. With only saved money, we can spend in contingency situation.

Parental socialization is connected to financial literacy, though there is a little proof due to difficulty in data collecting. In a transition economy like in many developing countries, where the rich and poor gap is too high, parental socialization factor shall be more influential.

Webley and Nyhus (2005) have investigated the concept in respect of parents' behavior in influencing the economic behavior of their children. The results show that parental behavior and parental orientation have a weak but clear impact on the economic behavior of their children and in adulthood. The research was conducted in Netherlands with 690 Dutch participants who are 191 husbands, 191 wives, and 308 children aged from 16 to 21. DNB Household Survey (DHS) was used in this research which includes detailed information on financial behavior and various psychological concepts of the parents and children.

According to Otto (2009), there is empirical evidence that parents can promote the development of skills to their children that are important for saving. The purpose of the research is to investigate the role of parents in developing their children's saving ability and competence in adolescence. A total number of 446 students aged 13 to 14 from Devon, England were included in this research. A questionnaire on money management was given to the students during their normal school lesson.

Furnham (1999) studied to investigate the saving and spending habits of young people. A total amount of 158 males and 122 female's British children and adolescent from South East of England participated in the research. The participants were requested to answer a set of questionnaire and the results showed that most of the children and adolescents' saving behavior was caused by parental requests and requirements.

### **2.3.3 Peer Influence**

A study was done by Erskine, Kier, Leund, and Sproule (2005) to examine further predictors for the saving behavior of young people. The study was conducted in Toronto, Canada and a total number of 1806 young Canadians aged 12 to 24 participated in this research. According to the economic theory of time preference and psychological theories about adolescent crowds, they predicted that the groups would be more patient and more likely to save money if they are placed high on the adult or academic-oriented dimension while the groups that are placed high on the peer-oriented dimension were expected to be less patient and less likely to save money. Thus, the result indicates that peer influence has an impact on individuals' saving behavior.

Saving behavior of some people is related with environment circumstance, and influence. (It can be seen that) Some youngster save because their colleagues save. Therefore saving behavior and peer influence are related. Some save because their family members save. Whenever, anyone in family, say brother and sister has passbook. The rest of the family save. Some save for retirement plan. Some come to save after discussing with their friend saving experience. If someone's friends are not used to saving and spendthrift he shall not be used to saving and shall spend easily without thinking. So Peer Influence, which is a near cause to saving behavior is also an important factor. Sometimes, inspite of having strong will to save, we usually can't avoid spending when friends gather. However, friends, brothers and sisters save, having pass books we save also. Therefore, saving behavior is related to peer influence, which is important to saving behavior.

In the study of Duflo and Saez (2001), the researchers found that peer effects play an important role in retirement savings decisions. The survey was conducted in United States by using individual data from employees of a large university with 12,172 employees which divided into 358 departments. The purpose of the study was to examine the relationship between role of information and social interaction in retirement plan decision. These findings suggested that members of the same group share a common environment, which may influence their behavior. The reason is people with similar preferences tend to belong to the

same group. Both of these factors generate a correlation between group behavior and individual behavior and individual behavior which consequently affect their saving behavior.

Besides, Beshears, Choi, Laibson, Madrian and Milkman (2010) have conducted a field experiment involving 15000 employees from 500 manufacturing firms in USA about retirement saving behavior. The population is divided into two major groups which are employees who contributed to company retirement saving plan and employees who had no contribution to the plan. They found that there is a weak correlation between peer influence and retirement saving behavior as the peer influence only encourages a small amount of co-workers to participate in the retirement saving plan.

#### **2.3.4 Self -Control**

Self-control is the ability to identify and regulate one's emotions and desires. It is characterized by the exertion of will, self-discipline, and ability to delay gratification (Baumeister, 2002).

Self-control which is one of the four factors that boosts up saving behavior is a very important factor. A person who has saving habit, and believes in regular saving saves regularly. How much lower income, he saves regularly. He saves monthly for old age. Ever his high cost he saves. A man of such a determined self control save regularly whatever the circumstance is. In relating with saving behavior, a man of self control likes any form of saving. He saves regularly. The more he earns the more he saves. He spend rarely, only if necessary. When he spends, he spends thoughtfully. He does not think it is hard for him to save. Whenever, there is income he doesn't spend instantly on things which are not useful to him. A man of self control tries to save whatever the circumstance maybe. Therefore, self control is the most important factor to saving behavior. To have sense of self control for people, to make right choice for people and to have knowledge on financial literacy are important. Therefore responsible authorities concerned and organization should educate and raise financial knowledge to general public.

People are not wise enough to make the right choice or right decisions, including financial ones. To control oneself is not only difficult but also irresistible, so is making in financial decision. Another aspect is that human spending is always not only for necessary cause, i.e, basic needs such as food, clothing, shelter and medical care, but for pleasure, entertainment or ever gambling. In the 90's an Indian cartoonist drew a post in an Indian newspaper, saying today problem is unnecessary luxury things become more necessary in our

modern life: this cartoon and thought becomes more true in today 21<sup>st</sup> century. Modern day marketing technique on new, now products induce people, making irresistible.

Moreover, government policy encourages people on spending, since the national economy depends on public consumption. Due to circumstances like these, people spend more and can save less depending on their low-income level. In a developing economy, income to majority is uncertain and unstable, creating functions in savings.

However, people who are used to savings must suppress pure and persuasion to misuse of income. Here mentioned are some research on “self-control” made by prominent scholars of economics.

In research of Esenvalde (2010) has provides empirical evidence that self-control was positively associated with saving behavior. The author claimed that self-control is a very solid and uniformly factor used to explain saving behavior. In this research, snowball sampling method has been adopted and survey questionnaires were mailed to target respondents. Primary data were collected from 272 employees with regular incomes in the United States.

According to Lim, Sia, and Gan (2011), there is a significant impact of self-control on saving behavior. This study was conducted in Malaysia whereby 500 survey questionnaires were distributed to participants who aged above 21. In this study, the researchers found that ability of individual to maintain self-control for saving depends on the strength of two opposing forces known as desire and willpower. The finding shows that people are more likely to save if they are able to control themselves via implementing sound budgeting and economic cost assessment.

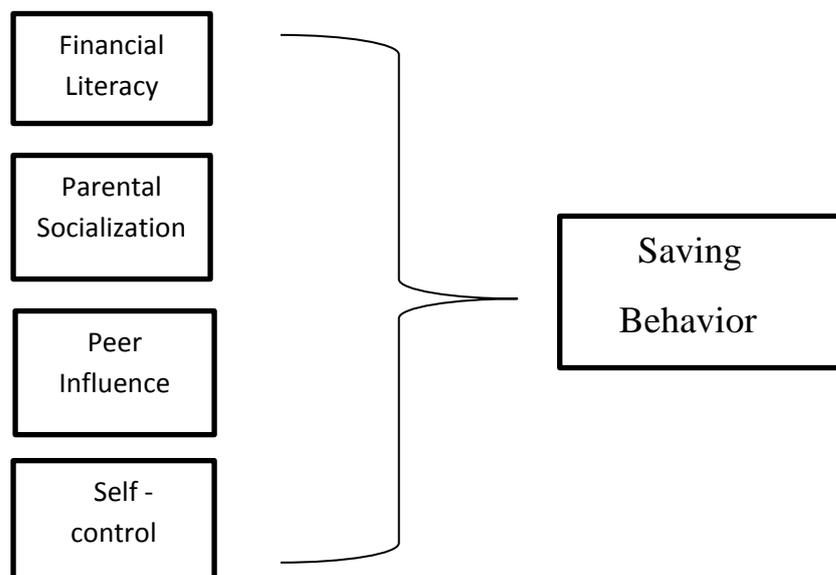
In the study of Otto (2009) which is aimed to investigate the measures that enhance our understanding and predict saving during adolescence. Yet, the paper also studied on whether the adolescent likes spending a lot or finds it difficult to resist temptation. From the research, it was found that conscientiousness was associated with positive saving attitudes (Nyhus, 2002) and financial self-control (Warneryd, 1996). In addition, it was found that psychological variables relevant to adult saving yet highlights that self-control and ability to delay gratification are important skills for saving when young. The research was conducted by requesting 290 students from two colleges which are Exmouth Community College and Clyst Vale Community College in United Kingdom to complete a four-page anonymous questionnaire that consists of five parts.

## 2.4 Conceptual Framework of the Study

The relationship between financial literacy and saving behavior specified in the proposed framework is supported by the study of Sabir et al. (2008) that concluded that financial literacy is an important factor in determining the saving behavior and financial problems. The economic behavior of an individual can be affected by parental socialization. This is supported by the study of Cude et al. (2006) who found that parents are playing the central role in the financial socialization of their children. According to Inkeles (1969), peer groups are more influential during adolescent. In addition, Youniss and Haynie, (1992) mentioned that the influence of peers, parents remain strong socializing agents through young adults. Self-control is frequently mentioned as an important determinant of an individual's saving and spending, both in economic and economics psychological literature.

Based on above literature, the research model shown in Figure (2.1) is constructed on the basis of the number of researches done in the area of household saving behavior specifically and broadly on private staff behavior. The following model shows a relationship between dependent variable (DV) and independent variables (IV). Household saving behavior of staffs in MEB bank are perceived as dependent variable whereas financial literacy, family influence, peer influence and self-control are the independent variables that influence the staff's household saving behavior.

**Figure 2.1 Conceptual Framework**



The above framework is adapted from the framework developed by Lim et al (2011). The framework is formulated to explain the relationship of influencing factors (financial literacy, parental socialization, peer influence and self-control) and saving behavior of government staff from Myanma Economic Bank.

## **CHAPTER III**

### **PROFILE OF THE MYANMA ECONOMIC BANK**

Myanma Economic Bank is a solely state owned commercial bank, providing limited financial service to public in socialist era, mainly of government departments, with strict orders and regulation. As time passed, Myanma Economic Bank with a vast network with more than 300 branches also provides variety of financial services due to market competition.

#### **3.1 The Historical Background of Myanma Economic Bank**

MEB, which was established on 2<sup>nd</sup> April 1976, was originated from the State Commercial Bank (SCB) founded in 1954. In accordance with the State Commercial Bank Law, the State Commercial Bank (SCB), the first and foremost state-owned commercial bank in Myanmar, was established in 1954 with the aim to raise the entire peoples economic development through a nationwide banking system. Since its establishment, the SCB expended its service areas as well as its number of branches throughout the country year by year. There were 40 SCB branches throughout the country in 1962.

Myanmar changes its course to socialism in 1962 and all existing banks were nationalized in 1963. To be in line with the Peoples Bank of the Union of Burma Act of 1967, all the nationalized banks were merged together as a monolithic bank called Peoples Bank of the Union of Burma. However, well aware of inefficiency of the monolithic banking system to the economy, the Bank Act of 1975 was promulgated and the Peoples Bank was re-established into four state-owned banks: Union of Burma Bank (UBB), MEB, MFTB and MAB with effect from 2<sup>nd</sup> April 1976. Though MEB was the successor of the former SCB, it provided only domestic banking services while the MFTB and MAB rendered foreign exchange transactions and seasonal loans for agricultural development, respectively.

Savings Banks had a long history with her own activities in Myanmar. After the British Colonization of Myanmar, Postal Savings bank service was introduced by 399 post offices throughout the country to utilize banking service for rural people at low cost and to make habit of savings for public and school children in 1913. Postal Banking started to conduct together with savings banks. At that time, people in Burma (Myanmar) were used to buy gold and jewelry and landed properties as savings. It is very interesting to learn that interest rate of the postal savings bank was 2.50 percent in 1936. Commercial banks in cities

accepted savings deposits as well. But in the other townships, postal savings dominated the business.<sup>1</sup>

At the post of office government savings bank service and selling of 5 years savings certificate were provided with two kinds of savings systems. These were conducted under the following law and rules.

- (1) The Government Savings Bank's Act, 1873
- (2) The Post Office Cash Certificate Act, 1917
- (3) Post Office 5-Year Cash Certificate Rules
- (4) Rules for the Guidance of Depositors in Government Savings Banks (1947) pre-independent period in the Soranto Villa plan, drawn at the Soranto Villa on Pyay Road, Yangon, the savings system invented by the government must be encouraged with must effort, the propaganda must be transmitted not to waste the money necessary for the country by investing in land and jewelry such as gold and diamond.

Therefore, following laws were promulgated on May 20, 1947. Moreover the following rules were enacted after independent.

- (1) The Savings Stamp Act, 1947
- (2) The Savings Certificate Act, 1947

Then, the savings branch was expanded in the ministry of revenue and the propaganda was made to the public, and from 1955, the government savings bank, savings certificate and postal money certificate were conducted by the control of money requirement was conducted through post office master. The account was supervised by the post and telecom department.

After nationalization of private banks in 1963 the savings branch was incorporate in the privatization committee of bank the savings bank was on October 1, 1965 and savings certificate was on October1, 1972 under taken by the bank. In 1967, according to the Union of Myanmar people bank law, November11, 1969 it was reformed as Union of Myanmar People banks all branches, saving bank office and saving bank activities were supervised as Savings and Securities Department. According to 1975 banking law, Myanma Economic Bank was renamed and Myanma Economic Bank (Head Office) Savings Department supervised for the smooth running of savings bank activities.

After 1988, the law was substitute in order to be consistence with the current economic situation and system were amended and substituted and revoked. After hand over of savings banks from Post of Office, MEB provided to widely operate savings banks activities by opening four specialized saving branches in Yangon downtown area. And then any MEB Branches and 37 saving banks agencies served to facilitate saving functions in all over Myanmar. Therefore, MEB has increased savings deposit year by year.

Now MEB provides savings banks at District branches (76), Township Branches (215), Treasury (18).

Savings Banks carry out certain financial activities for customers in Myanmar. These Objectives are

- (a) To cultivate the practice of thrift among the people.
- (b) To cause savings to be made by a secure method of saving
- (c) To promote the mobilization of financial resources
- (d) To raise the standard of living of the people.<sup>2</sup>

It is necessary for developing Myanmar to maintain the existing development and to catch up with the developed nation. So it is necessary to improve the economic sector out of the 3 sectors of politic, economic and social with vehemence. In the economic sector it is necessary to upgrade the state economy and private economic. It is necessary to utilize the productive power of man, money and material. The state is developing the market economy. Among the financial institute, the important bank for supporting the economic should be studied on crucial role of banking sector especially "Savings Banks".

### **3.2 Profile of the Myanma Economic Bank (MEB)**

MEB is under the Ministry of planning & Finance. Managing Director is the Chief Executive Officer of the bank. Four General Managers support the Managing Director, taking charge of duties delegated to them. MEB has 3 Executive Committee, namely, the Management Committee, the Advisory Committee and the Credit Committee. The highest executive powers of the MEB are vested in the Management Committee. It makes policy recommendations for causing better banking services. It sees to the bank's daily operations and gives directions as necessary, so as to cause smooth functioning of the bank. The Advisory Committee gives advice to the Managing Director for administrative purpose. The Credit Committee provides recommendations for the credit policy of the bank.

MEB includes 7 Head Office Departments, 14 State/Divisional Offices and 341 Branches.

MEB Head Office was opened in Naypyitaw in February 2006 and Administration Department and respective sections of head office departments were moved from Yangon to Naypyitaw since May 2006. The grand opening of the new MEB Building was held on 21st October 2008 and Naypyitaw Bank Branch commenced its banking operations on the same day. All Head Office departments moved to Naypyitaw accordingly.

MEB is the State-owned Commercial Bank not only rendering commercial banking but also treasury banking services, it provides essentially a full range of traditional banking services, including foreign exchange transactions in specially designated branches in most of which are in 'border trade areas. Much of these are made to traders of various kinds, particularly of agricultural commodities, around 75 % of the Bank's loan portfolio. MEB also provides finance to state-owned and 'cooperative' enterprises, and has a number of 'social responsibility' roles, including the provision of interest-free housing loans to government employees (via a division of the MEB that goes under the name of the 'Government Employees Bank'.

In these days, it is not an easy task for a treasurer or a banker for the task of deposit orientation as every bank in Myanmar need to conduct banking operation with CBM regulations. Banks need to maintain their deposit level very carefully both from institutions and individuals at the same time. It is one of the main reasons why private banks and newly founded banks in Myanmar are thriving to maintain deposit level by offering incentives to saving customers in creative and attractive ways.

As one of the market players in the Myanmar Banking sector, MEB needs to compete against other banks, especially with private banks with aggressive marketing strategies. MEB offer nothing but Trust which is the most fundamental incentive for every customer throughout Myanmar. It is undeniable that Myanmar Economic Bank is the most trustworthy bank in Myanmar Banking Sector and serving the public for many years. As MEB usually have enough deposit level, incentives for customers are not offered in attractive ways such as interest payment for ATM Card Holders.

MEB has the largest commercial banking network in Myanmar maintains the deposit base of over Kyats 70 billion of any financial institution and is heavily weighted towards domestic savings. The bank's loan portfolio is directed to 70% private sector, 10% cooperative and 20% government employee borrowers. It paid up capital amounts to K 220

million. MEB is organized with 6 main departments with States and Regional Branches, Districts and Township branches, treasury branches and Saving Agency.

At present, functions of MEB include maintaining State Fund Account (SFA) system and banking service for all the government agencies, including Ministries, Departments, State Economic Enterprises, etc. and provide Monthly Pension Payment for all retired government servants, both civil and military. Furthermore, all MEB branches except those in Yangon, Mandalay and Naypyitaw handle and manage 'Currency Chest' transactions on behalf of the Central Bank of Myanmar. In addition, MEB offers Commercial Banking Services such as saving deposit accounts, saving certificates, current accounts, credit facilities, payment orders, FOREX services and border trade services.

MEB accepts saving deposits in all of its bank branches and any individuals can open saving bank accounts at any of MEB branches. To nurture saving habit of the people, depositors are allowed to withdraw from their saving deposit accounts only once a week however, there is no limit on the amount for withdrawal. Major types of Saving Deposits are Single Account, Minor Account, Joint (A) or Joint (B) Account, Security Deposit Account, and Public Account. Interest Rates on Saving Deposits Interest on Saving Deposits is 8% per annual since January 1, 2012.

MEB is selling Saving Certificates with 12 year maturity to the people bearing the interest rate of 9% per annum. However, interest can be allowed on yearly basis and if you encash your Saving Certificate There are 5 kinds of Saving Certificates with different face values, ranging from Kyats 10,000, 50,000, 100,000, 500,000, and 1000,000. MEB offers 5 types of Fixed Deposits to its customers with different maturities, 1 month, 3 months, 6 months, 9 months and 1 year with the interest rates of 8%, 8.125%, 8.25% and 8.375% per annual respectively.

At MEB, individuals, business persons, companies, Social and Community Groups can be opened Current Accounts (checking Accounts) at all its branches. MEB provides the following types of loans and advances to businesses engaged in production, trade, transportation, construction and service industries, Short-term loans (up to one year), Mid-term loans (3 to 5 years) and Long-term loans (above 5 years up to 10 years). Loans and advances are renewable on the basis of liquidity and credit-worthiness. Interest Rates on Loans and Advances are 13% per annum for Short-term overdrafts and Short-term loans and 12.5% per annum on Mid-term Loans (3 to 5 years) and long-term loans (above 5 up to 10 years). Other Service Charges on Loans and Advances Service charges of 1% on the total

limit of loans and overdraft and commitment fees of 1% on unwithdrawn amount of loans and overdraft are charged since January 1, 2006.

MEB also provides banking services in border areas to facilitate border trade transactions. The Branches render border trade services in Muse Branch, Ban Maw Branch, Tachilake Branch, Kyaing Ton Branch, Mywaddy Branch, Kaw Thaung Branch, Sittwe Branch, Maungdaw Branch, Tiddim Branch, Tamu Branch, Myitkyina Branch, Kunlong Branch, Myatke Branch, Dawei Branch, Htantalan Branch and Pharsaung Branch.<sup>3</sup>

### **3.3 Services Provide by saving banks**

The New banking laws broaden the scope of the banking activities, enabling both state owned and private banks to cater to the needs of the proper functioning of the market economic activities in the economy after banking system reforms in the 1990s. The MEB, the successor of the State Commercial Bank of 1954, has over 300 branches, forming the largest banking network in the country. The MEB provides to Commercial Banking services. Commercial banks provide the following services such as accepting deposits making business loans and offering basic investment products. Borrowing is done through taking all kinds of deposit. One way of receiving deposit is current account. The second type is saving deposit account, selling saving certificates, fixed deposit accounts. And then, the bank is obliged to repay money together with the interest in return for the right demand from the client. The present and potential effect deposits accounts have on the financial condition of the bank. My study consists of only second type of deposit.

Saving Deposits mean money deposited in a bank account or money saved by purchasing saving certificates. MEB can do above these two cases because MEB accepts deposits in three forms. They are:

- (a) Saving Deposits
- (b) Saving Certificates
- (c) Fixed Deposits

#### **(a) Saving Deposit**

Saving deposits are accepted at all branches of MEB to promote domestic savings under the Savings Banks Law which was enacted on June 11, 1992. (Only in 6 Banking Branches located in Yangon downtown area does not accept saving deposits and there are 4

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specialized Saving Banks existed in the area). Eligible Individual and organization can open Saving Deposit Account. The person concerned will have to come to the bank himself/herself. They will also have to bring their national **identity** card. A passbook is issued to account holder(s) upon successful opening of an account. It is issued free of charges. The bank will take the specimen signature of account holder(s). Initial deposit and minimum balance require keeping 10000 kyats. Currently, Myanma Economic Bank offers an interest rate of 8% on saving deposits per annually but Myanma Economic Bank calculated interest on monthly basis with 8% per annual interest rate but credited to customer's account on annual closing causing no monthly compounded.

The followings are Types of Saving Deposits Account:

- (i) **Single Account** – The depositor must be come to the bank with the National identity card and with any amount and the least amount are 10,000. The depositor must be entitled according to the Savings Law (11<sup>th</sup> June 1992): Exhibition 4 Any person who has attained majority May open a savings bank account or purchase savings certificates for himself.
- (ii) **Minor Account** – The depositor must be applying the minor account with Certificate of Date of Birth to be opened account minor. At least one of the parents or a guardian is required to sign on behalf the minor account holder. Withdrawals can be made at the account holding branch by the parents or guardian.

The depositor must be entitled according to the Savings Law (11<sup>th</sup> June 1992): Minor means a person who has not attained the age of 18 years. A person who has attained majority may on behalf of a minor: - (a) open a savings bank account; (b) Purchase savings certificates. Provided that in purchasing a savings certificate, it shall be for not more than two minors.

- (iii) **Joint (A) or Joint (B) Account**–The depositor can open by more than two persons. According to the savings law, two or more persons who have attained majority may open a joint savings bank account and purchase savings certificates. There are two types of joint accounts: They are:

**Joint A** –withdraw the cash can do all persons will sign.

**Joint B** –withdraw the cash can do any one will sign.

- (iv) **Security Deposit Account** – A person who is responsible for furnishing a security deposit may open a savings bank account or purchase savings certificates for the amount of money to be furnished as security with the consent of the department or organization demanding security. No one shall have the right to open a savings bank

account or to purchase savings certificates with State-owned finances or with money belonging to an organization in which the State has subscribed funds.

- (v) **Public Account** – The organization must be entitled to open saving bank accounts and purchase savings certificates with their own funds:
- (a) Organizations formed for savings and welfare;
  - (b) Libraries;
  - (c) Religious organizations;
  - (d) Co-operative **credit** societies;
  - (e) Associations, **social associations**
  - (f) Regiment and forces;
  - (g) Organizations which are permitted from time to time by the Ministry.

Similar to the other types of banks, MEB's Savings Banks provide accepting deposits and cash withdrawal services for their customers. For the service of Accepting Deposits, account holders or representative can deposit amount in their accounts frequently during bank opening hours. And also deposit into accounts with cheques, payment order, and send bank draft by using the methods of fund transfer, clearing and collection.

Withdrawals process includes that account holders can withdraw from saving account personally once a week. It can be made at designated branches of MEB with the latter of authority but the accountholder(s). Representatives can withdraw on behalf at account holding branch just by a simple presentation of their ID, the passbook and withdraw form signed by the account holder(s). The signature must be same as the signature specimen when the account opening was made. There is no ceiling on the maximum amount that can be drawn through a saving account. It couldn't be withdrawing the cash without pass book.

Other services of the savings banks are transferring, duplicating Pass book when customers' lost them, nomination, Deceased Claim, Dormant Account and Closure of Accounts.

**Transfers**-Deposit money can be easily transferred from any MEB branch and other private banks directly to anyone with an account. And Savings Bank accounts can be transferred from one branch to another branch at the request of the account holder(s).

**Duplicate Pass book**-Account holders are required to keep their pass books in palace of safety as the Bank will not be responsible for any loss or fraudulent withdrawal arising out of the loss of a pass book due to depositor's negligence. However, the Pass Book is lost / destroyed/spoilt the depositor should present an application in the form prescribed for the

purpose. Duplicate Pass Books are issued only after confirming the genuineness of the application and verification of the depositor's identity, signature and the account balance. In case the original Pass Book is submitted after issue of Duplicate pass Book, transactions are not entered in the original Pass Book. A depositor has the right to in the case of loss or damage of a savings record or savings certificate claim a new record or certificate in the manner prescribed and on payment of the fees prescribed.

**Nomination-** The nomination facility is available on Savings Bank Accounts and the account holders are advised to avail of this facility for smooth settlement of claim by legal heirs in unforeseen circumstances. A depositor may, in opening a saving bank account or in purchasing a savings certificates, nominate his beneficiaries for the deposits and interests to one or more persons as self-desire. there on only in the following order:-

- (a) Wife, husband, child, or
- (b) If they are not alive, grandchild, or
- (c) If the grandchild is not alive, brother, sister, parent, or
- (d) If they are not alive, other person

**Deceased Claim-**If the depositor has registered nomination with the Bank; - the balance outstanding in the account of the deceased depositor will be transferred to the account paid to the nominee after the Bank is satisfied about the identity of the nominee and other necessary details.

In a joint deposit account, when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). A depositor has the right to in the case of opening of a joint savings bank account or purchase of joint savings certificates under section 6, make withdrawals of the money by any survivor or survivors on the death of account holder.

**Dormant Accounts-**A saving deposit account which are not use from a long time or the accounts in which no transactions are made inactive after a period of 4 years and made dormant account. However, depositors have re-activated their dormant account with their request application letter. After a period of 5 years, dormant accounts become reserve for contingency.

**Closure of Accounts** - The account holder wants to close the account, the customer must give the saving pass book to the bank and the bank will claim the interest and balance. Joint accounts can be closed only at the request of all such joint signatories. The Savings bank may close an existing savings bank account or refund the value of savings certificate which has been sold.

## **Saving Certificate**

MEB is selling Saving Certificates with 12 years maturity to the people bearing the interest rate of 9% per annum. However, interest can be allowed on yearly basis and if you encase your Saving Certificate. There are 5 kinds of Saving Certificates with different face values: 10,000 K, 50,000 K, 100,000 K, 500,000 K, and 1000,000 K.

## **Fixed Deposit**

MEB was introduced fixed deposit accounts in Yangon area in 1.6.1992. In 1.10 1994 all district branches of MEB and in 2.1.2014 all township branches of MEB provided fixed deposit accounts. Fixed Deposit accounts are for eligible individuals and organization looking for a higher yield on their cash return. Depositors may open the following types of fixed deposit account on MEB: - Personal / individual through

- Joint account by two person / more than two persons
- Company Limited account
- Organization account

MEB offers its customers 4 types of Fixed Deposits with different maturities, 3 months' deposit, 6 months' deposit, 9 months' deposit and one-year deposit with the interest rates of 8 %, 8.125%, 8.25% and 8.375 % per annual respectively.

Certificate of fixed deposit will be issued to the depositor by name. Certificate of fixed depositor is not transferable. It cannot be taken out by anyone on behalf of the depositor. When withdrawing cash, the certificate must be signed on the back and presented to the bank. If the certificate is lost or damaged, the depositor must inform the bank with request letter, and duplicate certificate are issued by making "Indemnity bond".

Whenever it comes up to the fixed of deposit interest is calculated. For the deposits that still remain yet to be drawn even after the end of time, no interest will be paid for the particular period of time. No depositors are entitled to get interest for the deposits withdrawn before the end of a fixed length of time. The bank has authority to change the interest rate from time to time.

If the account holder died, the payment of the balance in the deposit account will be paid to the survivor / nominee of a deceased deposit account holder represents a valid discharge of the bank' liability provided. If one of a joint account s more than one died, the payment of the balance in the deposit account will be paid to the next one remaining. If the balance in the deposit account will be wanted to deposit in the bank, the name will be updated and a new fixed deposit certificate will be issued. If the financial authorized person of an

organization, or an association or a company died the successor must send the new specimen signature to the bank with meeting resolution and order mentioning that the successor to the deceased will continued to do the financial power.

### 3.4 Growth of Savings Volume in MEB

This topic presents the accounts and amount of saving deposit and fixed deposit, which are the main deposit of public in Myanma Economic Bank. Saving deposit of MEB bank from 2007-2008 to 2017-2018 are shown in following Table (3.1).

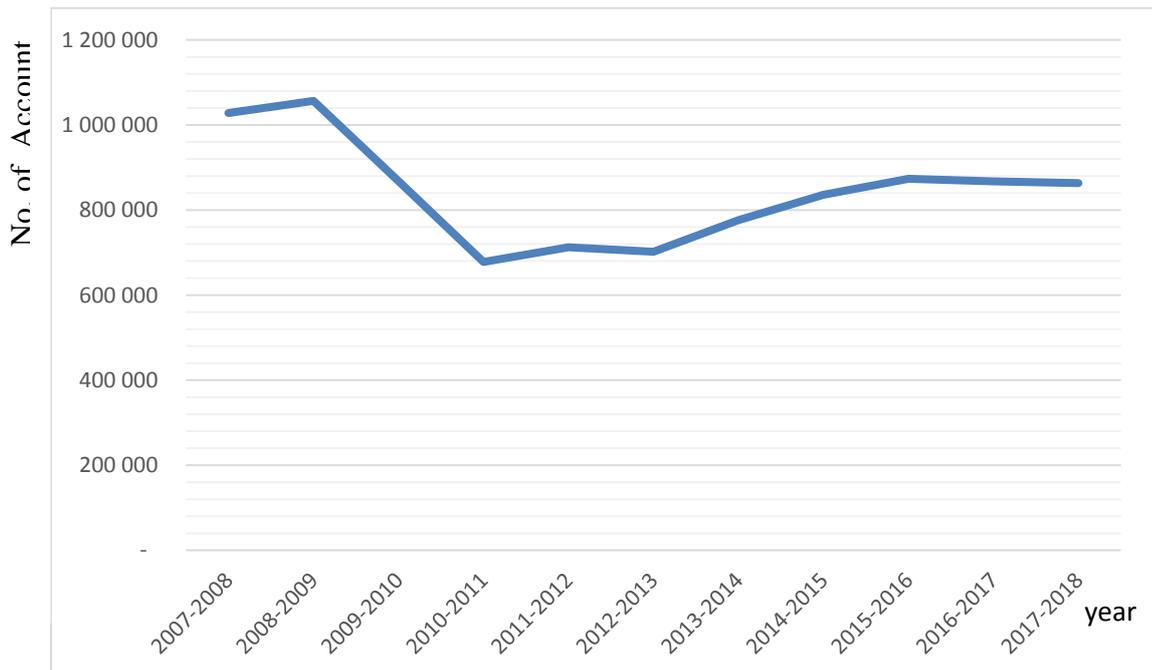
**Table (3.1) Saving Deposit Growth in MEB from 2007-2008 to 2017-2018**

Fiscal Year	Saving Deposit Account		Saving Deposit Amount(kyat million)	
	Number	Percent	Kyat million	Percent
2007-2008	1027930		637553	
2008-2009	1056607	2.78	874411	37.3
2009-2010	868018	(-)17.8	1210269	38.25
2010-2011	677902	(-)21.9	1557343	28.67
2011-2012	712493	5.1	1883839	20.96
2012-2013	701754	(-)1.5	2218090	17.74
2013-2014	776285	10.6	2512205	13.25
2014-2015	835882	7.6	2800836	11.48
2015-2016	873307	4.4	3512608	25.41
2016-2017	867367	(-)0.06	3846703	9.5
2017-2018	863357	(-)0.46	4280294	11.27

Source: Myanma Economic Bank,

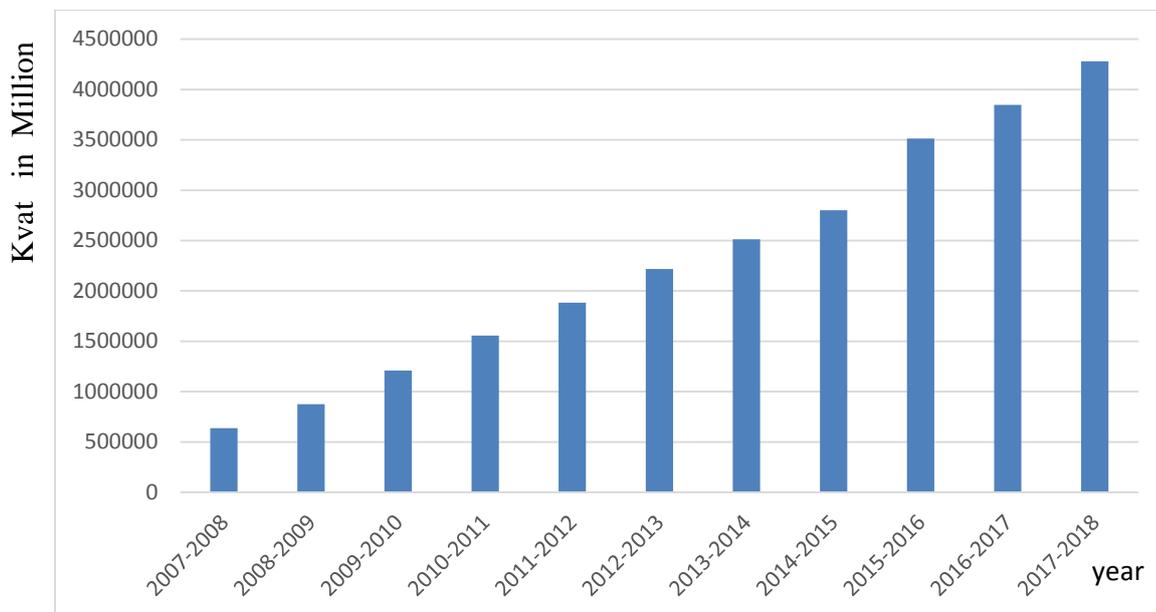
According to Table 3.1, it shows that the amount of saving with saving passbook increased over 3642 Billion MMK in the last decade.

Figure (3.1) Number of Saving Deposit Account from 2007 to 2018



Source: Myanmar Economic Bank

Figure (3.2) Saving Deposit Growth in Amount (kyat in Million)



Source: Myanmar Economic Bank

The amount of saving deposit has grown from Fiscal Year 2008-2009 to Fiscal Year 2017-2018 in Table 3.1. It can be seen that the number of savings A/C has decreased in 2009-2010 compared to 2008-2009, however increase in savings volume and increase percentage is the greatest. Although there were periods, when the number of saving deposit decreased, the volume of savings never decreased instead increase annually.

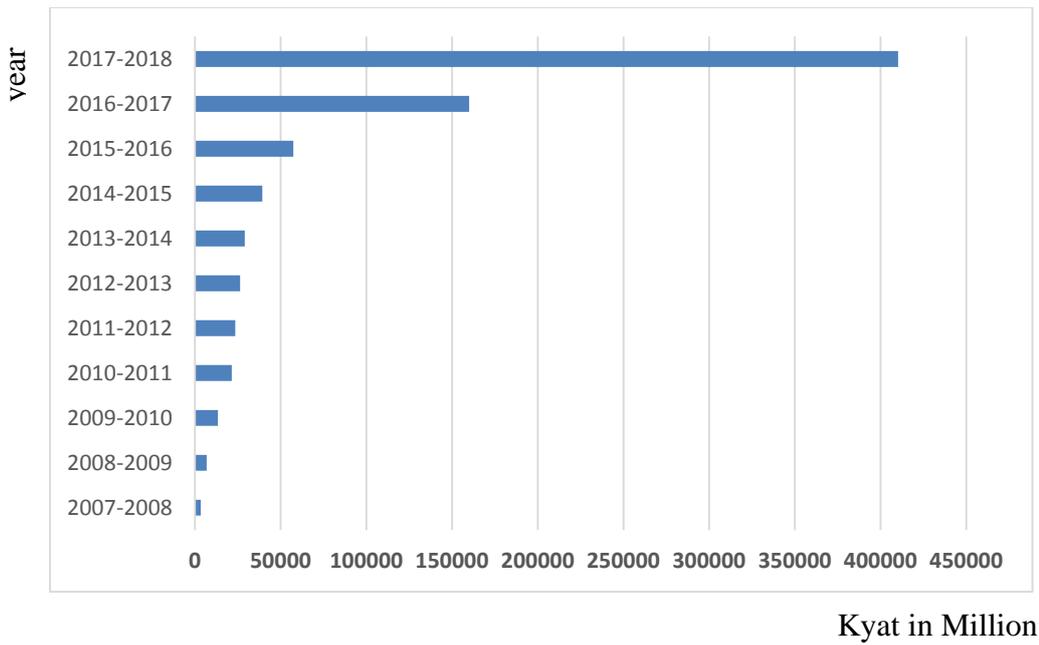
**Table (3.2) Fixed Deposit Growth in MEB from 2007, 2008 to 2017-2018**

Fiscal Year	Fixed Deposit Account		Saving Deposit Amount(kyat million)	
	Number	Percent	Kyat million	Percent
2007-2008	699		3313	
2008-2009	902	29.4	6791	104
2009-2010	1429	58.42	13352	96.61
2010-2011	2020	41.35	21457	60.70
2011-2012	2118	4.85	23550	9.75
2012-2013	1393	(-)34.23	26374	11.99
2013-2014	1668	19.74	29055	10.16
2014-2015	1721	3.17	39304	35.27
2015-2016	2273	32.07	57415	46.07
2016-2017	2974	30.84	159964	178.61
2017-2018	6335	113.01	410258	64.1

Source: Regional department of saving, Myanma Economics Bank

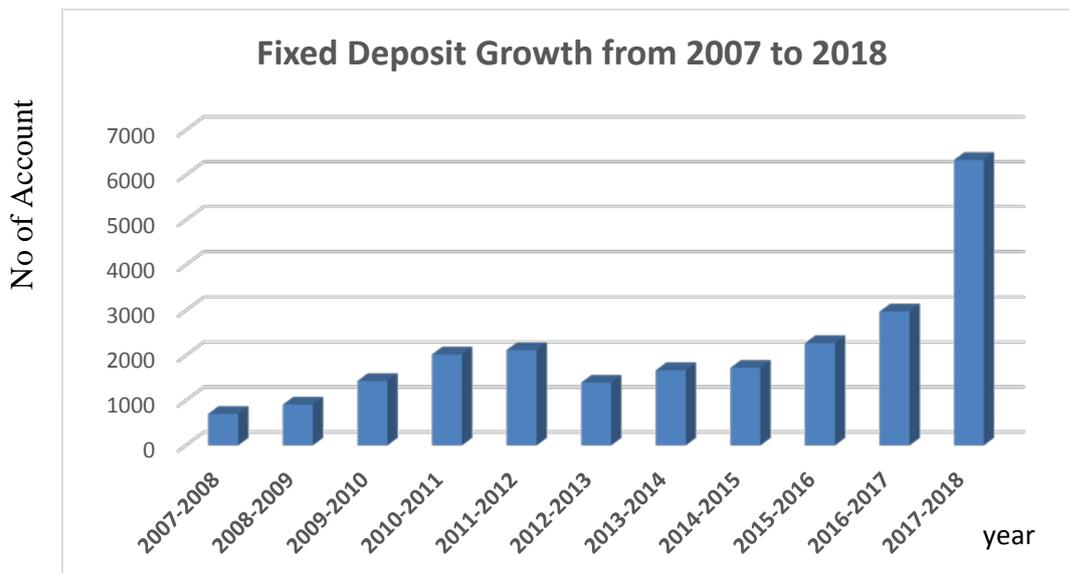
The volume of fixed deposit has increased in Table (3.2), from year to year. The number of fixed deposit customer decreased in 2012-2013 compared to 2011-2012, though the volume of fixed deposit does not decrease. The volume of fixed deposit has risen 178% from 2015-2016 to 2016-2017.

**Figure (3.3) Amount of Fixed Deposit Growth in MEB from 2007, 2008 to 2017-2018**



Source: Myanmar Economic Bank

**Figure (3.4) Number of Fixed Deposit Accounts Growth in MEB from 2007- 2008 to 2017-2018**



Source: Myanmar Economic Bank

## CHAPTER IV

### ANALYSIS ON THE SAVING BEHAVIOR OF GOVERNMENT STAFF FROM MEB

This study is an explanatory study on the determinants of household saving behavior among MEB staff in selected branches of MEB saving bank, Yangon. Quantitative method is employed the empirical assessments consist of numerical measurement and analysis. In this chapter, 150 copies of questionnaire collected are analyzed by using SPSS version 22 software. The results are explained by using descriptive analysis, reliability test, and inferential analyzed by using multiple linear regression model.

#### 4.1 Research Design

In order to examine the influencing factors on household saving behavior in staffs of Myanmar Economic Bank, primary data collection method is used to obtain information and opinions directly and specifically from the sampled staffs of MEB. Self-administered questionnaire method has been used to obtain data.

The study adapts the questionnaires from various past studied related to the topic and mainly used Likert scale measurement for all the variables constructed in the proposed theoretical framework. The questionnaire has been dividing into two sections where by section A consists of demographic profiles of the respondents while the four independent variables and dependent variable are asked in section B.

This study will focus on Myanmar Economic Bank. They had included 350 staffs in MEB saving branch 1 to 4. Among them 150 staffs (above 40% of total staffs in MEB) are selected by simple random sampling method. The sample can cover the different salaries group to understand the saving behaviors more deeply. After collecting the data, the processed data are further analyzed by SPSS version 22. This thesis would utilize the following statistical tools:

1. Data organizing and description
2. Cronbach's Alpha for reliability statistics
3. Multiple linear regression analysis.

#### 4.2 Demographic Profile of Respondents

This section presents the profiles of selected sample staff in MEB. The profiles cover the staff's gender, age, marital status, education, occupation status (level), number of family member, average monthly income, average monthly saving amount, habit of saving behavior

and reason of saving. All the data obtained from the questionnaires collected are interpreted and summarized in frequency distribution and percentage distribution. The frequency analysis of selected employee's demographic data is illustrated through the table of frequency counts, and their respective percentage.

### **Gender of Respondents**

The respondents are not only males, but also females. Table (4.1) and figure (4.1) show the gender of respondents.

**Table (4.1): Gender of Respondents**

<b>Category</b>	<b>No. of Respondents</b>	<b>Percent</b>
Male	16	11
Female	134	89
Total	150	100

Source: Survey data, June 2019

As shown in Table (4.1), the sample consists of 11% males and 89% females. It can be observed those female groups are more than male group.

### **Age Group of Respondents**

Age groups are classified into five groups under 18, between 19-30, 31-40, 41-50 and above 50.

**Table (4.2): Age Group of Respondents**

<b>Age (in year)</b>	<b>No. of Respondents</b>	<b>Percent</b>
19-30	12	8
31-40	40	27
41-50	64	43
51-60	34	22
Total	150	100

Source: Survey data, June 2019

Ages of respondents are classified into five groups. As shown in table 4.2, they illustrate among 150 respondents, the highest percentage is 43% which is between 41 and 50 years old. Second highest group is 27% which is between 31 and 40 years old. It can be observed that the smallest group is 8% which is between 19 and 30 years old. Most respondents from these age groups are in employment and they have regular income. In addition, this mature level of age group 41 to 50 years has saving behavior.

### **Marital Status of Respondents**

Marital Status is divided into two categories; single and married. Marital status of target respondents has been surveyed for this study. This is showed in the following table (4.3).

**Table (4.3) : Marital Status of Respondents**

<b>Category</b>	<b>No. of Respondents</b>	<b>Percent</b>
Single	76	51
Married	74	49
Total	150	100

Source: Survey data, June 2019

In term of percentage, Single respondents have the larger share with 51% than the married respondents with 49%. It is found that 76 respondents are single, and 74 respondents are married. The single customers also have the surplus income therefore they are more saving.

### **Education Level of Respondents**

Table (4.4) presents the distribution of education levels of respondents. There are three education levels among the respondents in the sample: under graduate, graduate, and post graduate.

**Table (4.4): Education Level of Respondents**

<b>Education Level</b>	<b>No. of Respondents</b>	<b>Percent</b>
Under Graduate	9	6
Graduate	134	89
Post Graduate	7	5
Total	150	100

Source: Survey data, June 2019

The education levels of respondents can influence on the knowledge of financial literacy. According to the Table 4.4, 6% of the total respondents are under graduate, 89% of the total respondents are graduates. Other 5% of respondents are post graduate Therefore; the dominant groups are graduate level.

### **Position Level of Respondents**

When the selected respondents are asked about their occupation, results are shown in the following Table (4.5).

**Table (4.5): Position Level of Respondents**

<b>Position Level</b>	<b>Respondents</b>	<b>Percent</b>
Manager	15	10
Supervisor	30	20
Staff	105	70
<b>Total</b>	<b>150</b>	<b>100</b>

Source: Survey data, June 2019

There are three category of position level in survey questionnaire: Manager, Supervisor and Operation Staff. Table 4.5 and figure 4.3 show that the position level of the respondents of the current research. It is illustrated that 90% are supervisor and operation staff, 10% are manager.

#### **Family Size of Respondents**

When the selected respondents are asked about their no. of family size, results are shown in the following table (4.6).

**Table (4.6): Family Size of Respondents**

<b>No. of Family Member</b>	<b>No. of Respondents</b>	<b>Percent</b>
1	5	3
2-4	89	59
5-7	41	28
>7	15	10
Total	150	100

Source: Survey data, June 2019

There are four category of the respondent's family size in survey questionnaire: only one, two to four, five to seven and seven and above. Table (4.6) show that the size of the family member of the respondents of the current research. It is illustrated that 59% have two to four family member, 28% have five to seven, and 10% are seven and above and remaining 3% are only one family member.

### **Housing Status of Respondents**

Housing Status is divided into two categories: Home owner and tenant. Housing status of target respondents has been surveyed for this study. This is showed in the following Table (4.7).

**Table (4.7): Housing Status of Respondents**

<b>Category</b>	<b>No. of Respondents</b>	<b>Percent</b>
Owner	124	83
Tenant	26	17
Total	150	100

Source: Survey data, June 2019

In term of percentage, home owner has the larger share with 83% than the tenant respondents with 17%. According to the survey, Home owner are more likely to save than tenant.

### **Monthly Income Level of Respondents**

In this study, approximate monthly average income is broadly divided into four levels. Table (4.8) shows the distribution of income level of respondents.

**Table (4.8): Monthly Income Level of Respondents**

<b>Income Level (kyats)</b>	<b>Respondents</b>	<b>Percent</b>
<1,00,000	3	2
1,00,000-2,00,000	30	20
2,00,000-3,00,000	111	74
3,00,000-4,00,000	6	4
Total	150	100

Source: Survey data, June 2019

Table (4.8) illustrate the income level of respondents per month. The first income level is above 2-3 lakhs with 74% respondents and the second income level is between 1-2 Lakh with 20% respondent and third income level is between 3-4 lakhs with 4%. The 2% of total respondents are with the income of less than 1 lakh per month.

### Monthly Saving Amount of Respondents

In this study, approximate monthly average saving amount is broadly divided into five levels. Table (4.9) and shows the distribution of saving amount level of respondents.

**Table (4.9): Monthly Saving Amount of Respondents**

<b>Saving Level(kyats)</b>	<b>No. of Respondents</b>	<b>Percent</b>
<50,000	119	79
50,001-1,00,000	13	9
1,00,001-2,00,000	3	2
2,00,001-3,00,000	5	3
3,00,000>	10	7
Total	150	100

Source: Survey data, June 2019

Table (4.9) illustrates the saving level of respondents per month. The highest saving level is under 50000 kyats with 79% respondents and the second highest saving level is between 50000 and 100000 kyats with 9% (13 out of 150) respondent. The remaining 7% (10 out of 150) respondents are saving above 300000 per month. 3% (5 out of 150) are saving between 200001 and 300000 per month. The remaining 2% (3 out of 150) respondents are save between 100001 and 200000 per month. As a result, the majority of respondents are save under 50000 kyats that has 79%.

### Part-time Job Engagement of Respondents

When the selected respondents are asked about engagement in part time job results are shown in the following table (4.10).

**Table (4.10) : Part-time Job Engagement of Respondents**

<b>Response</b>	<b>No. of Respondents</b>	<b>Percent (%)</b>
Yes	4	3
No	146	97
Total	150	100

Source: Survey data, June 2019

Table (4.10) shows that 97% of the respondents did not engage in part-time whereas 3% reported that they engaged in part-time. Most of the part time job are teaching.

### **Reason of Saving by Respondents**

When the selected respondents are asked about their reason of saving what they are in, results are shown in the following table (4.11).

**Table (4.11): Reason of Saving by Respondents**

<b>Reason</b>	<b>No. of Respondents</b>	<b>Percentage</b>
To buy expensive items	8	5%
To increase in value of saving money	54	36%
To spend for emergencies affairs	84	56%
To spend it during retirement	4	3%
	150	100

Source: Survey data, June 2019

Table (4.11), shows that the majority of saving's purpose is for contingency which is 56% and to save merely and to increase their saving's volume is the second largest, which is 36%. Therefore 92% of the respondents are save money to increase in value of saving money and to spend for emergencies affaires.

### **4.3 Assessment of the Reliability of the Scale**

This study has extensively used Likert scales. Thus, before they are used, it should be checked their reliability. The reliability of a scale is defined as its ability to consistently measure the phenomenon it is designed to measure. Examining the internal consistency of the test enables the researcher to determine which item are not consistent with the test in measuring the phenomenon under investigation.

The object is to remove the inconsistent items and improve the internal consistency of the test. In this study, Cronbach's alpha value is used as a measure of the internal consistency of the scales used in the questionnaire. Cronbach's alpha is a single correlation coefficient that is an estimate of the average of all the correlation coefficients of the items within a test. If alpha value is high, then this suggests that all the items are reliable, and the entire test is internally consistent. If alpha is low, then at least one of items are unreliable and must be identified via item analysis procedure. However, as per DeVellis (2003), the Cronbach's alpha value should ideally be above 0.7.

**Table (4.12): Results of Cronbach's Alpha Value**

Variables	Number of Items	Cronbach's Alpha
Financial Literacy	7	.863
Parental Socialization	9	.900
Peer Influence	10	.783
Self-Control	15	.898
Saving Behavior	8	.917

Source: Survey data, June 2019

The results of the Cronbach's alpha value are between 0.783 and 0.917, suggesting very good internal consistency and reliability for the scale with this sample.

#### 4.4 Descriptive Analysis for Influencing Factor and Saving Behavior

Measurement refers to the assignment of numbers to objects or event systematically. The four levels of measurement scales are nominal, ordinal, interval and ratio. interval scale measurement is employed to measure the independent variables and dependent variable. All the independent and dependent variables are measured via five-point Likert scale ranging from strongly disagree (1) to strongly agree (5). The respondents were asked to rate on the statements that describe their saving behavior. A higher scale demonstrates the respondents practices effective saving behavior and vice versa.

##### 4.4.1 Financial Literacy

Seven questions are designed to obtain the agreement level of respondents on the extent to which the financial literacy they possessed. The higher level of mean score indicates respondents possess greater financial literacy and vice versa.

**Table (4.13): Financial Literacy of MEB Staff**

No.	Statement	Mean
1.	I have better understanding of how to invest my money	4.32
2.	I have better understanding of why do I save	4.23
3.	I have a very clear idea of how much part of my income is saved	4.01
4.	I have the ability to save regularly	3.67
5.	I have little or no difficulty in managing my money	4.10
6.	I have better understanding of financial instruments (eg. Gold, jewellery real-estate)	3.59
7.	I have the ability to prepare my own weekly (monthly) budget	4.26
<b>Average</b>		<b>4.03</b>

Source: Survey Results June 2019

As a result of Table (4.13), having the better understanding of how to invest their money has the highest mean scores of 4.32. However, having better understand on other financial instruments, such as gold, silver, precious stones and real estates is the lowest mean scores of 3.59 in financial literacy. The overall mean of the financial literacy is 4.03 which means that the staffs of MEB possess the enhanced knowledge for financial literacy.

#### 4.4.2 Parental Socialization

Eight questions are constructed to lead the relationship between respondents' saving behavior and their parents. A high mean score shows a greater influence of parental socialization to the respondents' saving behavior and vice versa.

**Table (4.14): Parental Socialization of MEB Staff**

No.	Statement	Mean
1.	My parents encourage to save	4.00
2.	I always talk about money management with my parents	3.54
3.	It's good when I saved since childhood	3.78
4.	It's a good thing to ask my parents to keep hold of my money sometimes to help me save	4.01
5.	My parents save money	3.96
6.	My parents collect gold, jewelry or make investment such as securities or real estate	3.18
7.	I save money from my pocket	3.58
8.	Saving is something I do regularly because my parents wanted me to save when I was little	3.63
<b>Average</b>		<b>3.71</b>

Source: Survey Results June 2019

As a result of Table (4.14), asking their parents to keep hold of their moneys has the highest mean scores of 4.02. However, collecting gold, jewelry or make investment is the lowest mean scores of 3.18. The overall mean value of the parental socialization is 3.71 which means that the staffs of MEB appreciate of parents' advice on saving behavior.

### 4.4.3 Peer Influence

In measuring the extent of peer influence, ten questions are constructed. These questions aid in rating the extent which respondents are being influenced by their peers upon their saving behavior. Hence, a higher mean scores signifies greater peer influence and vice versa.

**Table (4.15): Peer Influence of MEB Staff**

No.	Statement	Mean
1.	My friends save money.	3.56
2.	My family member save money.	3.70
3.	I save money for after retirement.	3.85
4.	I save because my friends save.	2.89
5.	I save a little part of income.	3.86
6.	I save with saving passport.	3.99
7.	I always discuss about money management issue (saving) with my friends.	3.16
8.	I always compare the amount of saving and spending with my friends.	3.26
9.	I always spend my leisure time with friends.	2.60
10.	I always involve in money spending activities with friends.	2.70
Overall Average Value		<b>3.36</b>

Source: Survey Results June 2019

As a result of Table (4.15), saving with saving passport is the highest mean scores of 3.99. However, spending my leisure time with friends is the lowest mean scores of 2.70. The overall mean value of the peer influence is 3.36 which point out that the staffs of MEB fairly stimulus by their colleagues.

### 4.4.4 Self-Control

Another fifteen questions have been set up to measure the influence of self-control on the saving behavior of private staff. A higher mean score indicates respondents have been greater influenced which results a lower self-control and vice versa.

**Table (4.16): Self-Control of MEB Staff**

<b>No.</b>	<b>Statement</b>	<b>Mean</b>
1.	I save with determination of fixed amount.	3.49
2.	I save in spite of my low income.	4.52
3.	I save regularly.	4.55
4.	I save for my old age.	4.18
5.	I enjoy many types of saving plan.	3.83
6.	I save monthly after spending.	4.12
7.	I save monthly.	4.48
8.	I save in spite of cash running out.	3.92
9.	I save more when I have more income.	4.80
10.	I insert my saving sometimes.	3.86
11.	I save based upon fixed projection.	3.49
12.	I make choice on my spending.	3.72
13.	I do save, because I think it's not too hard.	3.45
14.	I enjoy spending money on things that aren't practical.	4.08
15.	When I get money, I never spend it immediately (within 1 or 2 days.)	4.11
<b>Overall Average Value</b>		<b>4.04</b>

Source: Survey Results June 2019

As a result of Table (4.16), saving more when they have more money is the highest mean scores of 4.80. However, thinking about saving is not too hard is the lowest mean scores of 3.45. The overall mean value of the self-control is 4.04 which means that MEB staffs control their spending money for save.

#### **4.5 Saving Behavior**

Meanwhile, this study also employs a five-point Likert scale to measure the saving behavior of the respondents. The respondents were asked to rate on the statements that describe their saving behavior. A higher scale demonstrates the respondents practices effective saving behavior and vice versa.

**Table (4.17): Saving Behavior of MEB Staff**

No.	Perception of Saving Behavior	Mean
1.	I put money aside on a regular basis for the future	4.73
2.	In order to save, I often compare prices before I make a purchase	4.58
3.	In order to save, I often consider whether the real necessity before I make a purchase	3.91
4.	In order to save, I always follow a careful monthly budget	3.92
5.	I always have money available in the event of emergency	4.76
6.	In order to save, I plan to reduce my expenditure	3.85
7.	I save to achieve certain goals	4.88
8.	I save until the end of my semester	3.88
<b>Overall Average Value</b>		<b>4.31</b>

Source: Survey Results June 2019

As a result of Table (4.17), saving to achieve certain goals is the highest mean scores of 4.88. However, saving until the end of my semester is the lowest mean scores of 3.88. The overall mean value of the household saving behavior of MEB staffs is 4.31 which means that MEB staffs have highest saving behavior to achieve certain goal.

#### **4.5.1 Saving Behavior on Influencing Factor of MEB Staff**

Multiple regression analysis is conducted to determine the relationship between two or more independent variables and one dependent variable by calculating the coefficient of multiple determination and regression equation (Saunders et al., 2009). Practically, multiple regression analysis provides an understanding on whether there is a relationship exists between the independent variables and dependent variable, how strong the relationship is, whether the relationship is positively or negatively skewed and the proper way to describe the relationship. The strength of the relationship between independent variables and dependents is determined by the coefficient of determination ( $r$ ) as it measures the proportion of the variation in a dependent variable that can be explained by the independent variables. In other word, how well the saving behavior of staffs of MEB (dependent variable) can be explained by the financial literacy, parental socialization, peer influence and self-control.

The output from generating multiple linear regression model is shown in Table (4.18).

**Table (4.18): Relationship between the Influencing Factors on Saving Behavior of MEB Staff**

Influencing Factor	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.822	3.502		.806	.422
Financial Literacy	.874	.160	.352	5.472	.000
Parental Socialization	.348	.109	.218	3.203	.002
Peer Influence	.448	.122	.277	3.666	.000
Self-Control	.981	.178	.452	5.51	.000
N=150, $R^2 = .710$ , $F = 36.78$ (p-value = 0.000) DW = 1.86					

Source: Survey Results June 2019

According to the result, 4 factors that influence the saving behavior are significant and  $r^2$  is 0.7 so that it is strong.

According to the estimated multiple linear regression model, the F-value of 36.78 is significant at the 0.01 level. This indicates that the overall regression model with these four independent variables can well explain the variation the staff's household behavior. The  $R^2$  for the model is 0.710 which indicates 71% of the variation in saving behavior can explained by the variation of all influencing factor. The linear equation above shows that financial literacy, parental socialization, peer influence and self-control have significant positive relationship with household saving behavior since resulted p value is less than 0.01.

According to the results, self-control ( $\beta_4 = 0.981$ ) with .452 standardize coefficient has the greatest impact on saving behavior of MEB staffs. This can be explained as every unit increase in self-control will result an increase of 0.981 scores in staff's household saving behavior, holding other variables constant. Subsequently, financial literacy ( $\beta_1 = 0.874$ ) has the second strongest impact and followed by peer influence ( $\beta_3 = 0.448$ ).

## **CHAPTER V**

### **CONCLUSION**

After presenting and interpreting the details of analysis, this chapter will discuss on the major findings, recommendations and suggestions, and the last part is suggestion for further study.

#### **5.1 Findings**

The descriptive analysis results derived from the previous chapter shows that majority respondents are female and fall into the age group between 41-50 years old. Single consists less than half of the total respondents. Most of the MEB Staff reported that they receive monthly income between 2 and 3 lakhs from their job and they cannot engage in part-time job as well. Based on the result in previous chapter, there is sufficient evidence to conclude that the self-control has a significant relationship with saving behavior of the MEB Staff. This finding indicates that MEB Staffs with higher level of self-control are more likely to save. Therefore, self-control have significant influence over the saving behavior of MEB Staff. Moreover, peer is the salient referent of an individual and one can be easily influenced by peer's behavior. Furthermore, the generated result shows a relationship between parental socialization and saving behavior.

Living standard can be measured by income and saving level. Saving behavior varies on development level of a country. People save on various types. Although the purpose of saving is to spend on various things, it may change due to economic circumstances. Rise and fall of saving volume depends on interest rate. Whenever the interest rate becomes higher, there is an economic development a rise in income level of people so that they may save more.

It is observed that the number of saving customers increases year by year. Saving by passbook and saving by fixed deposit which are save most grows annually. It is also found that the number of male employees become less in respondents by gender. The age group of saving customers of MEB employees covers most between 41 and 50. The ratio between married and single does not differ much. The married covers over half of the total.

Married couple consists more than half of the total employees. The collected employees from saving branches (1),(2),(3),(4) are middle aged person. Non graduate and post graduate employees are minority. Family members of 2 to 4 consist of more than half. Most employees have own house or flat. Most employees do not work part time job. Many of those who save, save less than 50,000. Majority of MEB employees save for contingency

purpose not for spending or luxury items. Myanmar Economic Bank employees understand well about saving but they are weak in the knowledge of other financial products such as investment. The more their income of employees, the more they save. Some save only the rest or the spending but some rarely spend their income. Most employees do not work part time. The majority purpose of saving is for contingency use which covers more than half.

The most influencing saving behavior to MEB employees most is self-control. Due to above fact, if some banks want to increase saving volume, they must persuade the customer. The influence of self-control plays a vital role to MEB's employees and they are used to saving due to other financial knowledge.

## **5.2 Recommendations and Suggestions**

The research has provided the findings on how each factor can influence the MEB Staff's saving behavior. If saving behavior is not practiced by the MEB's Staff, they may eventually have encountered financial problems such as unable to repay the staff loans and poor financial management. Thus, the researcher believes this study can provide practical implications to the public savers and financial institutions by identifying the factors affecting MEB Staff's saving behaviors.

This study will help retail banks to gain better understanding of saving behavior among private staff in Myanmar. Therefore, the findings enlighten the retail banks to discover new opportunities for acquiring this group of private staff as their valuable customers. Retail banks can develop financial products or services according to the needs and preferences of private staff so as to match or exceed their expectations. The investment amount of a country comes from public savings. MEB employees are also the citizen of Union of Myanmar. Governing factors of saving of MEB employees, also influence to other employees. Therefore, to develop the saving behavior of all employees, the responsible authority should launch educative program on saving. Moreover, they should carry out on plan to develop the financial literacy. It is hard to educate people with limited financial resource about financial literacy. People with Financial Literacy are stronger in managing finance than other people so that they should share their knowledge. It can be seen that people with financial literacy are stronger in managing finance. In spite of financial literacy's usefulness, it is hard for people with limited finance resource to educate financial literacy.

Understanding about the fact that parents could play an important role in facilitating their children saving behavior is important for retail banks to design their marketing

strategies in targeting the young savers. Instead of directly communicate the financial products to the young savers, retail banks can offer more attractive saving schemes to encourage saving among parents since their attitude and behavior are highly adhered by their children. Therefore, retail banks can attract the young savers indirectly through their parents' behavior.

Based on the result of analysis, banks including state owned MEB and financial institutions have strived and are striving to accumulate public savings, which is the mean of banks investment. Banks are serious about their deposit, which is mainly the form of public savings so that they can turn into loans and advances to increase their income. To accumulate the saving deposit, many commercial banks in Myanmar have developed various type of savings such as, aged person savings, minor saving, marriage saving and so on, while MEB can practice old type of account only, which is based on public trust.

Moreover, the study also enlightens the retail banks that peer influence is a significant factor to stride forward to a high saving generation. For instance, private staff who surrounded by peers who do practice saving are more likely to save as they believed by doing so ensure them to fit into the group easily. As a result, retail banks can easily promote their product among this flock of savers as the private staff are more likely to spread the relevant information among their peers. Thus, this study eventually helps the retail bank to design an effective marketing strategy and alleviate the cost of advertising. Whilst the retail banks is possible to attain more potential customers since the effect of peer influence is tremendous.

The findings in this study are useful not only for general public but also for financial institutions. Having identified that financial literacy is the key factor for private staff to maintain an effective saving behavior, it becomes clear that increasing of financial literacy will enable the private staff to manage their income and expenses more effectively. As most research has emphasized, financial education is the best way to enhance private staff's financial knowledge and skills.

In the analytical point of view, given the study is insufficient to explain all the systematic variance, future research is recommended to comprise mediating factors to better explain the relationship between independent variables and dependent variable.

### **5.3 Needs for Future Research**

Banks, including retail banking institution normally receive public savings as main deposit. In fact, banks are financial institutions that depends on public savings as their main source of funds and convert then to various kinds of loan making a spread margin of profit. Since loans, use of fund is important, deposit which is in the form of saving and source of fund is as important as loan. To manage the source of fund and use of fund requires sound and competent policy and analytical research which demands influential behavior on public savings. By doing so, management may lay down strong and potent policy on public saving.

This study has suggested several directions for further study in the future. According to the law of large numbers, larger sample size is more likely to be representative and the sample mean is more likely to equal the population mean. Therefore, further study should draw a larger sample size to generate a more accurate and representative manners.

In a nutshell, it is essential for conducting future study in deep on this topic because the saving of private staff is foreseen as a vital issue for our country to achieve high saving generation. Besides, the further study should be conducted a longitudinal research to observe the saving behavior not only private company staff and but also government staff. This would facilitate the researchers to gain valuable data which would provide a robust finding on how each factor affecting the company staff saving behavior government staff saving behavior.

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# MASTER OF BANKING AND FINANCE PROGRAMME

## FINAL YEAR PROJECT

### SAVING BEHAVIOR OF GOVERNMENT STAFF FROM MYANMA ECONOMIC BANK

#### Survey Questionnaire

Dear respondents,

We are final year graduate students of Master of Banking and Finance Programme, from Yangon University of Economic (YUE). The purpose of this survey is to exam if the household saving behavior in Myanma Economic Bank can be determined by factors such as Financial literacy, parental socialization, peer influence, and self-control.

Thank you for your participation

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#### **Instructions:**

1. There are Two (2) sections in this questionnaire. Please answer ALL questions in ALL sections.
2. Completion of this form will take you approximately 10 to 15 minutes.
3. Please feel free to share your comment in the space provided. The contents of this questionnaire will be kept strictly confidential.

#### **Section A: Demographic Profile**

Please indicate (✓) in the appropriate information about yourself. Each question should only have ONE answer. All responses are strictly confidential.

##### **1. Gender**

1. Male                       2. Female

##### **2. Age Group**

1.19-30               2.31-40               3.41-50               4.51-60               5.Over 60

##### **3. Marital Stautus**

1. Single                       2. Married

**4. Education**

1. Under Graduate       2. Graduate       3. Post Graduate

**5. Occupation Status (Level)**

1. Management Staff       2. Executive       3. Supervisor and

**6. Number of Family Member**

1. Only One       2.2-4       3.5-7       4.7 and above

7.

**8. Home Owner (or) Renter**

- 1.Owner       2. Renter

**8. Current Salary or Wages**

How much current salary do you get from your office per month?

- 1.Less than Ks 1 lakh       2. Ks 1 lakh-2 lakhs       3.Ks2lakhs-3lakhs  
 4.Ks 3 lakhs-5 lakh       5. Ks 5 lakhs and above

**9. Saving Amount**

How much save money from your salary?

- 1.Less than Ks 50000       2. Ks 50001 – 1 lakhs       3.Ks lakhs-2 lakhs  
 4.Ks 2 lakhs-3 lakh       5. Ks 3 lakhs and above

**10. Extra Income for other Job**

Do you engage in part-time?

1. Yes       2.No

**11. Do you have money saving habit?**

- 1.Yes       2.No

**12. Reason of Saving**

1. To buy expensive items money       2. To increase in value of saving  
 3.To spent for emergencies affairs       4. To depend it during retirement

**Section B: Independent and Dependent Variables**

Please circle your answer to each statement using 5 Likert scale [(1) = strongly disagree; (2) = disagree; (3) = neutral; (4) = agree and (5) = strongly agree]

<b>Saving Behaviour (Dependent Variables)</b>						
No	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I put money aside on a regular basis for the future	1	2	3	4	5
2	In order to save, I often compare prices before I make a purchase	1	2	3	4	5
3	In order to save, I often consider whether the real necessity before I make a purchase	1	2	3	4	5
4	In order to save, I always follow a careful monthly budget	1	2	3	4	5
5	I always have money available in the event of emergency	1	2	3	4	5
6	In order to save, I plan to reduce my expenditure	1	2	3	4	5
7	I save to achieve certain goals	1	2	3	4	5
8	I save until the end of my semester	1	2	3	4	5

<b>Financial Literacy (1<sup>st</sup> Independent Variable)</b>						
No	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I have better understanding of how to invest my money	1	2	3	4	5
2	I have better understanding of why do I save	1	2	3	4	5
3	I have a very clear idea of how much part of my income is saved	1	2	3	4	5
4	I have the ability to save regularly	1	2	3	4	5
5	I have little or no difficulty in managing my money	1	2	3	4	5
6	I have better understanding of financial instruments (eg. Gold, jewellery real- estate)	1	2	3	4	5
7	I have the ability to prepare my own weekly (monthly) budget	1	2	3	4	5

Determinants of saving behaviour among the customers of Myanmar Economic Bank

<b>Parental Socialization (2<sup>nd</sup> Independent Variable)</b>						
No	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	My parents encourage to save	1	2	3	4	5
2	I always talk about money management with my parents	1	2	3	4	5
3	It's good when I saved since childhood	1	2	3	4	5
4	It's a good thing to ask my parents to keep hold of my money sometimes to help me save	1	2	3	4	5
5	My parents save money	1	2	3	4	5
6	My parents collect gold, jewellery or make investment such as securities or real estate	1	2	3	4	5
7	I save money from my pocket	1	2	3	4	5
8	Saving is something I do regularly because my parents wanted me to save when I was little	1	2	3	4	5
9	My parents save money	1	2	3	4	5

<b>Peer Influence (3<sup>rd</sup> Independent Variable)</b>						
No	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	My friends save money	1	2	3	4	5
2	My family member save money	1	2	3	4	5
3	I save money for after retirement	1	2	3	4	5
4	I save because my friends save	1	2	3	4	5
5	I save a little part of income	1	2	3	4	5
6	I save with saving passport	1	2	3	4	5
7	I always discuss about money management issue (saving) with my friends	1	2	3	4	5
8	I always compare the amount of saving and spending with my friends	1	2	3	4	5
9	I always spend my leisure time with friends	1	2	3	4	5
10	I always involve in money spending activities with friends	1	2	3	4	5

Determinants of saving behaviour among the customers of Myanmar Economic Bank

<b>Self-Control (4<sup>rd</sup> Independent Variable)</b>						
No	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I save with determination of fixed amount	1	2	3	4	5
2	I save in spite of my low income	1	2	3	4	5
3	I save regularly	1	2	3	4	5
4	I save for my old age	1	2	3	4	5
5	I enjoy many types of saving plan	1	2	3	4	5
6	I save monthly after spending	1	2	3	4	5
7	I save monthly	1	2	3	4	5
8	I save in spite of cash running out	1	2	3	4	5
9	I save more when I have more income	1	2	3	4	5
10	I withdraw my saving sometimes	1	2	3	4	5
11	I save based upon fixed projection	1	2	3	4	5
12	I make choice on my spending	1	2	3	4	5
13	I don't save, because I think it's too hard	1	2	3	4	5
14	I enjoy spending money on things that aren't practical	1	2	3	4	5
15	When I get money, I always spend it immediately (within 1 or 2 days)	1	2	3	4	5

## Appendix

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	Total Score of Financial Literacy, Total Score of Peer Influence, Total Score of Parental Socialization, Total Score of Social Control		Enter

- a. Dependent Variable: Total Score of Saving Behavior  
 b. All requested variables entered.

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.710 <sup>a</sup>	.504	.490	5.25037

- a. Predictors: (Constant), Total Score of Financial Literacy, Total Score of Peer Influence, Total Score of Parental Socialization, Total Score of Social Control

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4055.436	4	1013.859	36.779	.000 <sup>b</sup>
	Residual	3997.124	145	27.566		
	Total	8052.560	149			

- a. Dependent Variable: Total Score of Saving Behavior  
 b. Predictors: (Constant), Financial Literacy, Peer Influence, Parental Socialization, Social Control

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
	(Constant)	2.822	3.502		.806	.422
1	Parental Socialization	.348	.109	.218	3.203	.002
	Financial Literacy	.874	.160	.352	5.472	.000
	Self-control	.981	.178	.452	5.51	.000
	Peer Influence	.448	.122	.277	3.666	.000

a. Dependent Variable: Saving Behavior