



CHAKORN LOETNITHAT

Thailand Development Research Institute

From Savers to Investors: Mapping Investment Personas in Thailand's Capital Market¹

Introduction

As Thailand transitions into a fully aged society, the issue of long-term financial security has become increasingly important. With a growing share of the population approaching or entering retirement, there is heightened pressure on individuals to ensure they have sufficient savings and investments to support themselves in later life. While national surveys consistently show that most Thai people are aware of the need to save for retirement, many still feel unprepared both financially and emotionally to meet that goal (Bank of Thailand, 2022). In fact, despite placing retirement savings as a top priority, over 80% of Thai respondents report that they have either not started planning for retirement or believe their current savings are insufficient. This mismatch between intention and action reflects a deeper issue often referred to as the stockholding puzzle: why so many people, even those with the capacity to invest, remain absent from capital markets.

This article aims to explore that puzzle through a people-centered lens. Us-

ing a combination of design thinking and empirical behavioral research, the study maps the diverse personas of savers and investors in Thailand. It identifies the key turning points that influence financial behavior, such as the transition from saving to investing, and the obstacles that people face along the way. By categorizing individuals into relatable personas, the study offers new insights into how different groups experience financial decision-making. The article is structured into six sections: it begins by outlining Thailand's savings and investment landscape in an ageing society, followed by a review of barriers to capital market participation. It then presents saver personas, their investment journeys, and investor personas, before concluding with policy recommendations. Ultimately, the paper advocates for financial policies that start with understanding people, not just economics, to effectively promote inclusive investment in Thailand.

Savings and Investment Landscape in Thailand's Ageing Society

Thailand has officially entered the stage of a fully aged society, where more than

20% of the population is aged 60 or above. This demographic shift has made financial preparedness for post-retirement life more important than ever. One of the key aspects of this preparation is the ability of individuals to save and invest effectively throughout their working years. However, recent evidence suggests that many Thais still face serious challenges in planning for their financial future.

According to a financial literacy survey conducted by the Bank of Thailand (2022), retirement saving is consistently identified by Thai respondents as one of their main saving goals. Despite this awareness, a large proportion of people still report being unprepared. In fact, between 82% and 84% of respondents stated that they either do not have enough savings for retirement or have not made a retirement plan. Only 16% believe they are on track with their savings plans (Figure 1).

One critical issue is how to expand access to the capital market for the general population. A significant portion of Thai citizens in 2022, around 45%, still feel unprepared for retirement and unable to follow their saving plans (Bank of Thailand, 2022). For this group, the capital market may offer an opportunity to potentially gain higher returns and improve retirement outcomes. Moreover, another 39% of the population has not yet begun any serious planning or action for retirement. Raising awareness about long-term investment and the potential for wealth accumulation could inspire this group to start planning early.

Recent data from the Securities and Exchange Commission of Thailand (2024) shows a growing number of retail investors entering the capital market. As of Q3

2024, there were approximately 2.08 million retail investors in mutual funds, growing at an average annual rate of 8.6%, and increasing by 39.1% since 2020. In contrast,

the number of institutional investors has declined by 10.8% over the same period, averaging a 2.8% annual drop (Figure 2).

Figure 1: Retirement Saving Plans by Age Group in 2020 and 2022

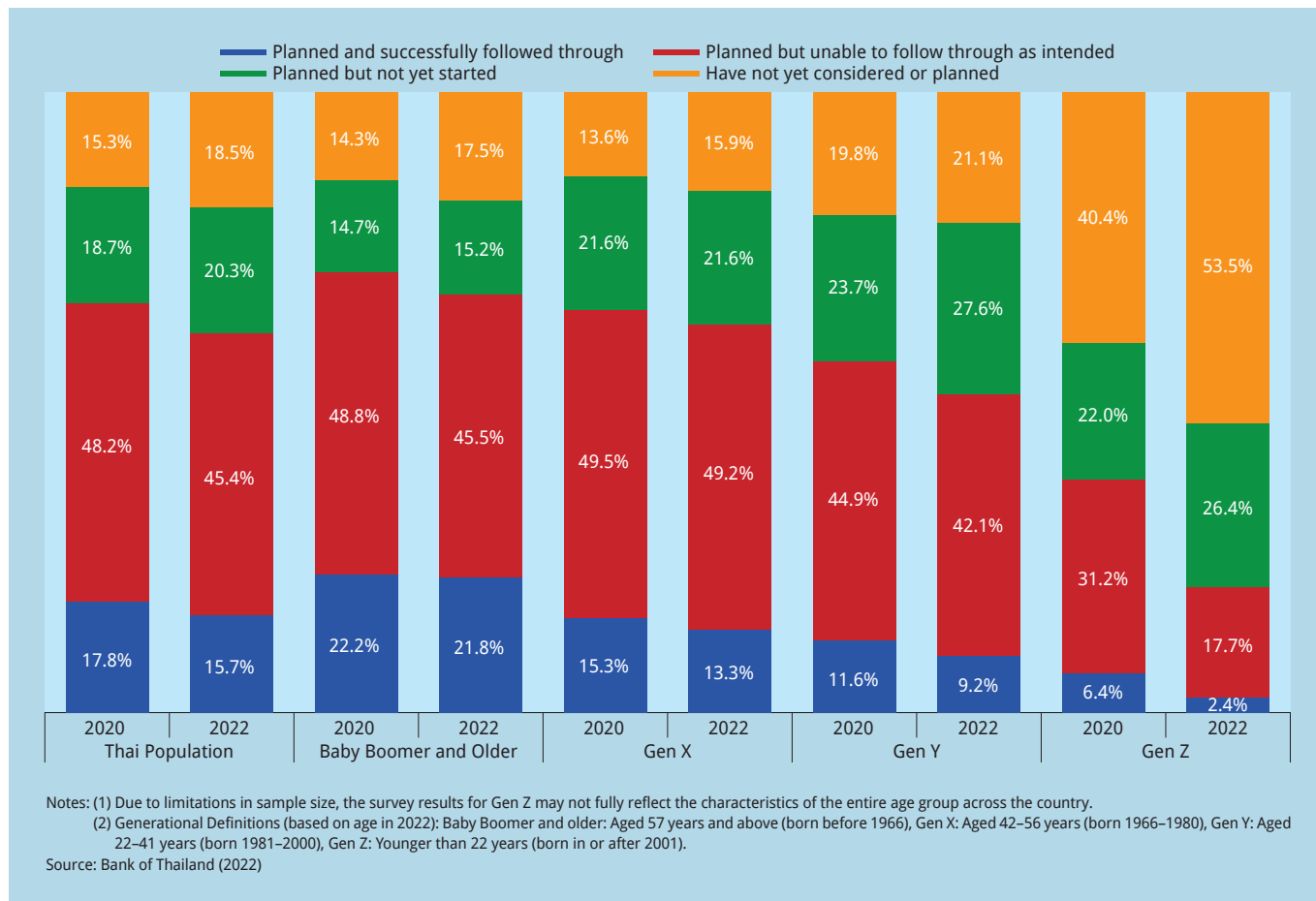
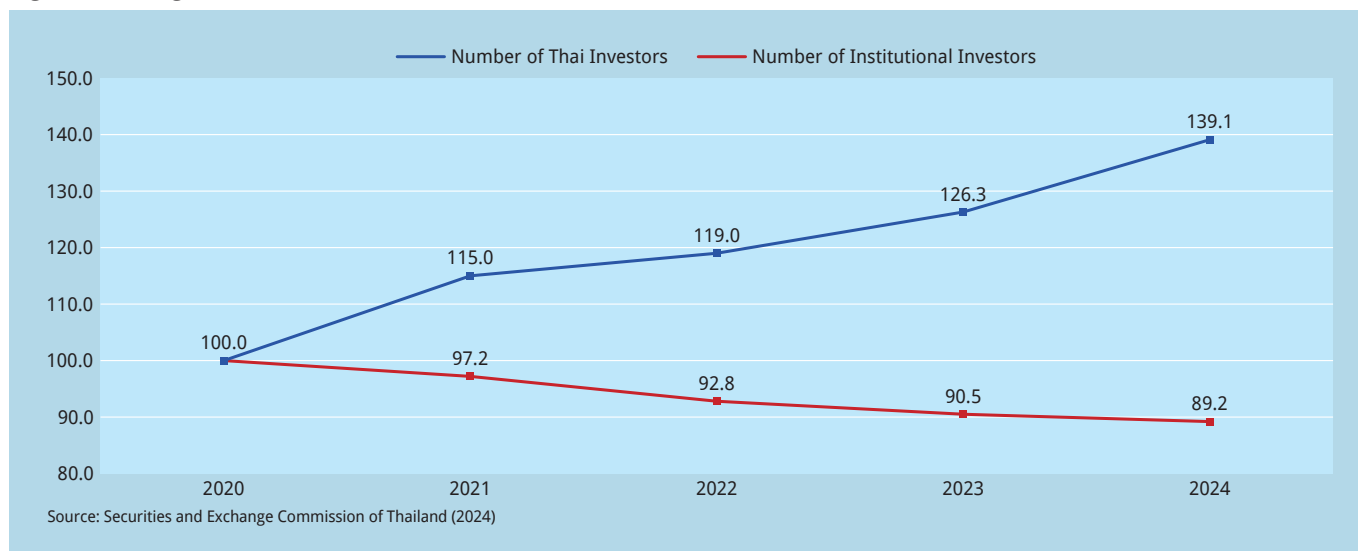


Figure 2: Changes in the Number of Retail and Institutional Investors, 2020–2024 (Base Year: 2020)



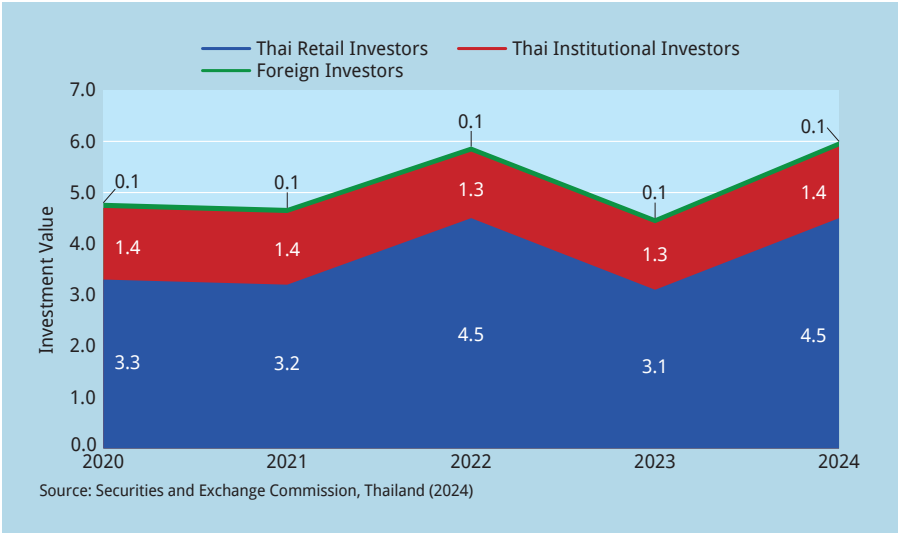
Retail investors now contribute significantly to total investment value. As of Q3 2024, their investment in mutual funds amounted to approximately TBH4.5 trillion, three times higher than the 1.4 trillion baht invested by institutional investors (Securities and Exchange Commission of Thailand, 2024). Figure 3 shows that the role of individual investors in the Thai capital market is growing, despite persistent inequalities in access and investment literacy.

However, capital market participation in Thailand remains relatively low in absolute terms. By the end of 2021, only

5.2 million securities trading accounts were active (Research Division, The Stock Exchange of Thailand, 2022), representing around 8% of the total population. This reflects the ongoing challenge known as the stockholding puzzle, where many individuals who could benefit from investing still choose not to participate.

Understanding the root causes of this puzzle, such as behavioral barriers, limited access, and trust gaps, is essential for designing better policies to promote broader and more inclusive financial participation.

Figure 3: Total Investment in Mutual Funds Categorized by Investor Type (Unit: Trillion Baht)



Empirical Framework: Barriers to Capital Market Participation

Understanding why many individuals do not participate in the capital market is a key step in solving the broader issue of financial under-preparedness, particularly in ageing societies like Thailand. Two main theoretical frameworks help explain this phenomenon: transaction cost theory and behavioral economics.

The transaction cost perspective, as discussed by Vissing-Jorgensen (2004), suggests that retail investors often have limited financial assets. Because of this, the benefits they might gain from investing may not outweigh the costs involved. These costs include both direct costs such as transaction fees and other indirect costs, like the mental effort and knowledge required to make investment decisions. People with a stronger financial background are more likely to view these costs as manageable. In contrast, for those with limited financial literacy, the cost of processing financial information becomes a major barrier to entry.

While traditional models assume people act rationally and evaluate the costs and benefits before making decisions, behavioral studies suggest otherwise. Research shows that in real life, people often rely on shortcuts or “heuristics” in decision-making (Tversky & Kahneman, 1974; Kahneman & Tversky, 1979; Thaler & Benartzi, 2004). This means even when investing seems beneficial, people might avoid it due to cognitive biases or fear of making mistakes.

Building on both theoretical frameworks, this article identifies four key dimensions that shape individuals’ participation in the capital market: (a) financial readiness, (b) financial literacy, (c) behavioral biases, and (d) environment and trust. These factors help explain why many people hesitate or delay investing, despite having the potential to benefit.

Financial readiness

One major barrier is whether individuals feel financially “ready” to invest. While institutions like the Organisation for Economic Co-operation and Development (OECD) suggest having liquid savings

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before investing (International Organization of Securities Commissions [IOSCO] & OECD, 2019) and covering emergency expenses for about six months (Bank of Thailand, 2022), personal perceptions of readiness vary greatly. Many Thais may already meet this basic threshold but still delay investing. This delay leads to opportunity costs and missed chances for long-term wealth growth. It also highlights the need to consider the first determining factors in the investment decision journey for the saving persona.

Financial literacy

Financial literacy plays a dual role: it helps individuals begin investing and enables them to invest wisely. Research has shown that people with greater financial knowledge are more likely to invest in capital markets (van Rooij, Lusardi, & Alessie, 2012). Understanding key financial concepts like compound interest or inflation encourages individuals to recognize the value of early investment. For instance, knowing about inflation makes people aware that keeping money idle leads to value loss over time, pushing them toward investment.

However, many investors still lack the necessary knowledge to make informed decisions. Studies in both Thailand and abroad have found a strong link between low financial literacy and common behavioral biases, such as overconfidence where investors think they know more than they actually do, leading to risky or poor investment choices (Britainthinks, 2021; World Economic Forum, 2022; Fiscal Policy Research Institute, 2024).

Attitudes and behavioral biases

Attitudes and psychological biases also prevent many people from starting to invest. Even when they understand the importance of investing, emotional hesitation remains. Bias factors like inertia, present bias, loss aversion, peer pressure, overconfidence, narrow thinking, and limited attention all affect decision-making (Thailand Development Research Institute [TDRI], 2022; Stango & Zinman, 2023; Deloitte Center for Financial Services, 2016).

These attitudes are often shaped by life stage. Young adults, for example, may prioritize spending on housing or education over saving for retirement, leading them to postpone investment (IOSCO & OECD, 2019).

Environment and trust

Finally, trust in the system is a crucial factor. A lack of confidence in financial

institutions or the market environment can stop people from investing altogether (World Economic Forum, 2022; Guiso, Sapienza, & Zingales, 2008). Social norms and community beliefs also shape investment behavior. Therefore, creating a supportive environment and improving public trust is essential to expanding capital market participation (Britainthinks, 2021).

Saver Personas in the Thai Context

Understanding people's financial behaviors is essential for designing policies that effectively promote saving and investment, especially in a society transitioning toward full ageing. In Thailand, TDRI (2022; 2024) applied design thinking and experimental economics to better understand Thai savers. Through in-depth interviews and behavioral experiments involving a large sample of working-age individuals, the research team identified 6 distinct saver personas, each reflecting a unique mindset and barrier to saving.

Mr./Ms. YOLO (You Only Live Once)

This persona values living in the moment and prioritizes short-term happiness over long-term planning. Although aware of financial risks, they believe future planning creates stress and uncertainty. For this group, spending money on present enjoyment is more fulfilling than saving for uncertain outcomes.

Mr./Ms. "I Can Save... Maybe"

This individual earns a stable income and is aware of the need to save but struggles with self-control. They want long-term financial security but are drawn to short-term pleasures. As a result, their expenses often exceed savings, leading to paycheck-to-paycheck living.

Mr./Ms. "How Do I Save?"

This persona has the discipline to manage money and wants to improve saving behavior but lacks knowledge and guidance. They are uncertain about how to begin or which tools to use and typically rely on basic saving methods they already know.

Mr./Ms. "I Save, But I Don't Know What I Don't Know"

This saver has a steady income, saves regularly, and believes their current methods are sufficient. However, they lack awareness of better financial strategies and rarely seek new information. Their stability is based on limited knowledge and confidence in familiar practices.

Mr./Ms. Burdened-by-Expenses

This persona faces high monthly costs from family responsibilities and unexpected emergencies. Although they try to manage their budget, limited cash flow leaves little room for saving. They are financially active but often fall short of monthly goals due to overwhelming obligations.

Mr./Ms. Low-Income Since Birth

This persona has low income, limited education, and few work skills. They try to minimize spending but cannot save enough to escape the poverty cycle. Without better income opportunities or support, their ability to save or invest remains very limited.

These personas highlight how different barriers, ranging from mindset and knowledge to income constraints, affect people's ability to save. These barriers align with three critical turning points: income sufficiency, access to financial services, and financial literacy. The third factor, financial literacy, is especially important, as it includes attitudes and beliefs that shape saving behavior. For example, the Mr./Ms. "How Do I Save?" persona illustrates how a lack of financial knowledge hinders confident decision-making. Meanwhile, Mr./Ms. YOLO demonstrates how psychological biases like present bias dominate financial thinking.

Each persona is also linked to specific behavioral biases, such as loss aversion, narrow bracketing, and overconfidence (TDRI, 2022; 2024). For example, the YOLO group exhibits strong present bias and tends to ignore the effects of compound interest. These patterns suggest that generic financial education or saving policies may not be equally effective across all groups.

Instead, policy tools should be matched to specific personas. For example, automatic enrollment and default saving rates might help YOLO-type savers overcome their reluctance to plan. Likewise, targeted guidance could help "How Do I Save?" individuals begin their journey with greater confidence.

In conclusion, understanding the diversity of saver personas allows policymak-

ers to design more inclusive and tailored financial strategies. Rather than assuming a one-size-fits-all approach, recognizing differences in needs, behaviors, and psychological tendencies can help create more effective policies for increasing retirement savings through capital markets.

The Journey from Saving to Investing

While many Thai individuals demonstrate some level of saving behavior, especially those in the first four saver personas identified earlier, only a small portion make the transition to actual investing. This gap between saving and investing is a key challenge in addressing the stockholding puzzle in Thailand, where large numbers of people who

could benefit from investing remain outside the capital market. To design effective policy responses, it is important to understand how individuals move or fail to move along the path from saving to investing.

Recent research by TDRI (2025) applied design thinking combined with extensive fieldwork, including in-depth interviews and surveys (Figure 4). From this process, the research identified 5 key turning points in the investment journey and categorized individuals into 6 groups depending on where they become “stuck” in the process.

The first turning point is interest in investing. People may be motivated by positive factors, such as tax benefits or the desire to provide for their families, or by negative factors like fear of inflation or financial insecurity in retirement. However, some remain uninterested due to lack of information or perceived complexity.

The second turning point is having sufficient savings. While global guidelines often recommend having emergency funds of at least six months (Bank of Thailand, 2022), many people either don’t meet this threshold or don’t perceive themselves

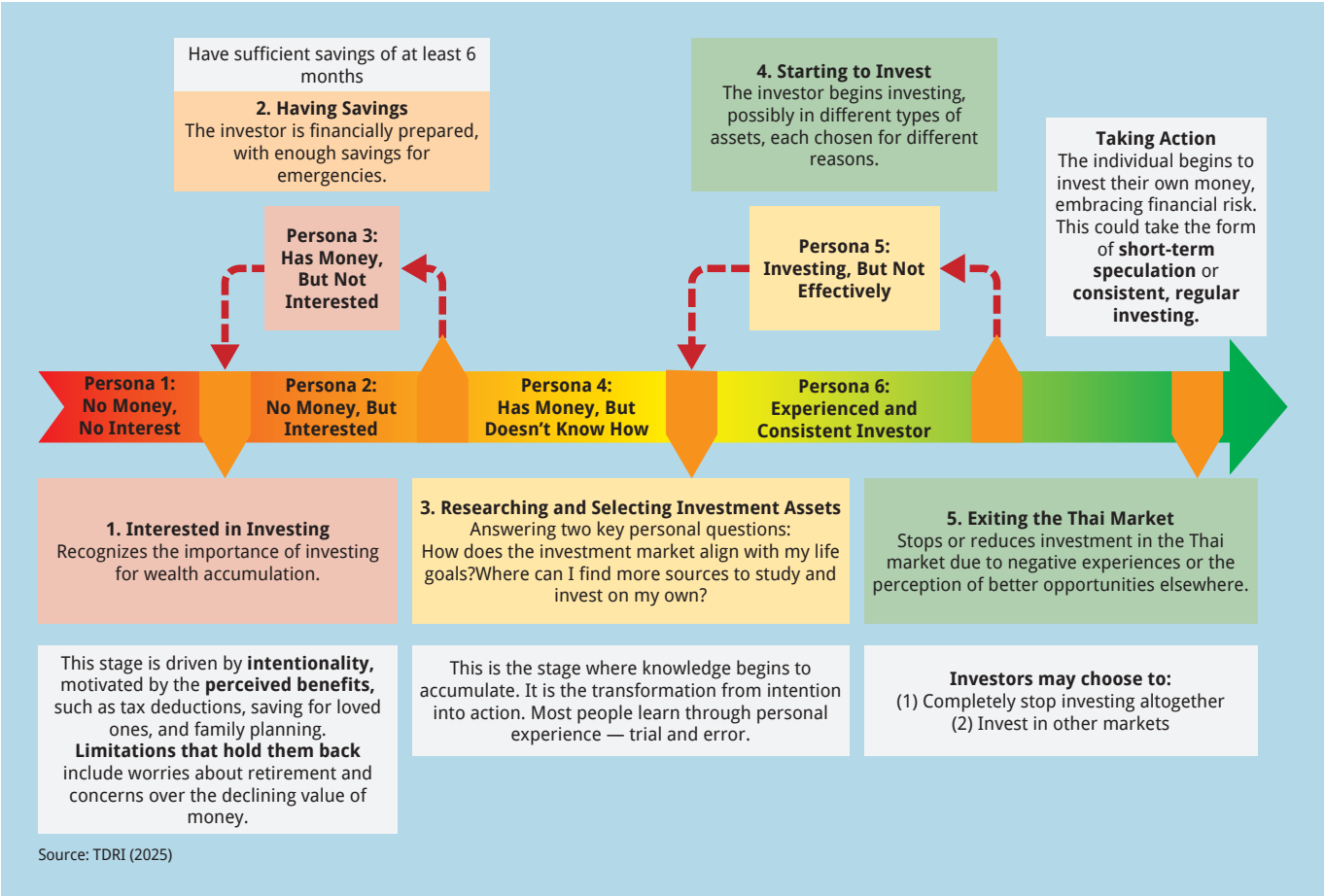
as financially ready. Importantly, those who do invest usually use “cold money”, funds not needed in the short term.

The third point is learning about investment products and making informed choices. This stage requires people to understand how different investment options align with their goals and risk tolerance. In practice, this stage often involves trial and error, and many report struggling due to lack of education or structured support.

The fourth point is actually making an investment, which can take two forms. The first is experimental investing, often driven by trial, emotion, or peer influence, without a clear plan. The second is habitual investing, where individuals find a personal system that fits their lifestyle and risk level.

The final stage is leaving the capital market. Some regular investors exit due to dissatisfaction with returns, many expect annual returns of 7–10%, which the Thai market often fails to deliver. Survey data show that 42% of investors are considering reducing their market exposure. Some explore foreign investments but hesitate due to language or product complexity.

Figure 4: Investment Journey Turning Points and Investor Personas



Understanding these stages can help tailor financial interventions more effectively, encouraging those who save to take the next step into long-term investing.

Investor Personas and Investment Readiness

To better understand how people engage with the capital market, the research by TDRI (2025) continues to identify 6 distinct investor personas, each representing different levels of readiness, knowledge, and confidence. These personas offer valuable insights into the barriers and motivations behind investment decisions and help guide more targeted policy interventions to increase capital market participation.

No Money, No Interest

This group lacks all three essentials: financial resources, knowledge, and interest in investing. Although they make up a small share of the population (around 4%), they include people from financially vulnerable groups such as the poor, over-indebted individuals, and the youth. For this group, the focus should be on raising awareness and building basic financial knowledge before encouraging investment.

No Money, But Interested

These individuals want to invest but lack the financial means. Representing about 7% of the population, they understand the importance of investing and often seek out information. However, financial hardship prevents them from taking action. Supporting this group requires mechanisms that lower the entry barrier such as matched savings programs or gradual investment plans.

Has Money, But Not Interested

This is the second largest group, making up an estimated 41% of the population. They have the financial means, often holding "idle money", but are not actively interested in the capital market. Common reasons include lack of time, prioritizing career, or feeling that investing is not relevant to them. These individuals could benefit from financial education early in life, especially through school curricula, to increase awareness of long-term benefits.

Has Money, But Doesn't Know How

Comprising around 45% of the population, the largest among all groups, this segment is financially ready and aware of the benefits of investing, yet they feel unprepared to start. They express uncertainty, fear of mistakes, and difficulty finding accessible guidance. Their hesitation often reflects a lack of financial literacy and confidence, which underscores the need for simplified tools, mentorship, and investment "onboarding" programs.

Investing, But Not Effectively

These individuals have started investing, but often without adequate knowledge. Many rely on personal beliefs or incomplete information and may display behavioral biases such as overconfidence. They make up about 21% of investors surveyed (around 1% of the total population). While well-intentioned, their lack of informed strategies exposes them to avoidable risks. They would benefit from targeted investment education and product transparency.

Experienced and Consistent Investors

This small group, around 2% of the population, represents seasoned investors who follow a clear strategy. They diversify investments, assess risk appropriately, and make decisions based on research rather than emotion. For instance, some prefer mutual funds for simplicity, while others invest in stocks directly to reduce fees and maintain control. These investors show high levels of financial literacy and confidence, with limited reliance on cognitive shortcuts.

Understanding these 6 investor personas allows policymakers and financial institutions to design differentiated strategies. Instead of treating the public as a uniform group, interventions can now be tailored through financial education, incentives, or simplified access based on where individuals stand on the spectrum of investment readiness.

Policy Implications: Understanding People to Solve the Stockholding Puzzle

Thailand's ageing society has made it more urgent than ever to help people prepare

financially for retirement. While many Thais recognize the importance of saving, far fewer take the next step into investing. This gap, known as the stockholding puzzle, reflects not only financial limitations, but also psychological, behavioral, and informational barriers. Solving this challenge requires more than general financial education or product promotion. It starts with understanding people as they truly are.

Findings from previous research suggest that people are not homogenous. Both savers and investors in Thailand fall into diverse groups, each facing different pain points along the financial journey. For savers, six personas were identified from those who prioritize spending today (like the YOLO group), to those who save regularly but don't realize they could do more. Similarly, six investor personas show that while some people are curious but cash-strapped, others have money but no interest or are already investing, but not effectively.

These personas highlight that people encounter different turning points and different types of hesitation. Some struggle with income or debt. Others lack financial literacy or confidence. Some are held back by present bias, fear of loss, or simply don't know where to start. Therefore, treating all citizens with one-size-fits-all solutions is unlikely to bring meaningful change.

Policy responses should be tailored to specific persona types and life situations. For example:

- Automatic saving or default investment schemes may help those with strong present bias.
- Micro-investment platforms and flexible contribution tools could lower the entry barrier for low-income but motivated individuals.
- Simplified, step-by-step guidance can support those who are financially ready but overwhelmed by complexity.
- For disengaged individuals, especially those with idle savings, policy messaging should connect investing to personal life goals such as family security or retirement comfort.

Most importantly, these solutions must be designed with empathy and insight. Policymakers should not assume that lack of action means lack of logic; often it means lack of support, trust, or relevant

options. By starting with people not just products or numbers, Thailand can design more inclusive policies that move individuals from awareness to action, and from saving to sustainable investing.

Understanding people is not just the first step. It is the foundation for solving the stockholding puzzle and building a financially resilient society in the process.

Note

- 1 This article summarizes parts of the research findings conducted by the Inclusive Development Policy team, Thailand Development Research Institute (TDRI), from the studies “Effective Measures to Promote Financial Planning of the Thai Population for a Longevity Society (Phase 1 & 2, 2021–2024)” submitted to the National Research Council of Thailand, and “Enhancing Savings through Capital Market Channels (Phase 1, 2024–2025)” submitted to the Capital Market Development Fund (CMDF).

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CHAKORN LOETNITHAT

Senior Researcher, Thailand Development Research Institute

Chakorn Loetnithat is currently a Senior Researcher at the Thailand Development Research Institute (TDRI), where he specializes in public economics, behavioral research, and policy evaluation. He holds an MSc in Economics from the University of Warwick and a BA in Philosophy, Politics and Economics from Thammasat University.

Chakorn's research focuses on behavioral economics and financial literacy, particularly in promoting saving habits and investment behavior among Thai citizens. He has led and contributed to multiple national-level projects on financial planning in an aging society, policy designs for boosting small and medium-sized enterprises (SMEs), and the use of behavioral insights to improve public programs. Notable works include “Evaluating Financial Literacy and Saving Behavior of GSB Customers” and studies on the use of lotteries to enhance retirement planning, which were featured in both academic reports and national media outlets.

Besides research, Chakorn is actively involved in public communication. He has written numerous op-eds in major Thai newspapers such as Bangkok Post and Bangkok Business News and has appeared on CU Radio FM and various podcasts discussing the role of behavioral economics in tackling social challenges.