

Factors Influencing Working Capital of Savings Cooperatives

Sasipa Pojanavatee

Faculty of Economics, Kasetsart University, Thailand

Abstract

This study aims to analyze the factors influencing working capital management of savings cooperatives in Thailand, utilizing data from 945 cooperatives that operated in 2023. The analysis employs regression equations to assess the relationships between various variables and net working capital (NWC). The findings reveal a significant negative relationship between deposit accounts and net working capital, indicating that an increase in deposit accounts may enhance short-term liquidity but could pose long-term liquidity challenges. Additionally, the return on assets (ROA) demonstrates a significant positive correlation with net working capital, highlighting the role of profitability in supporting effective working capital management. However, the study also finds that both loan receivables and the number of cooperative members negatively impact net working capital. Specifically, an increase in loan receivables may lead to liquidity issues if not managed effectively. Overall, the results underscore the complexities involved in managing working capital within savings cooperatives and emphasize the need for strategic development to enhance financial stability in the future.

Keywords: savings cooperatives, working capital, receivables, deposits