



The Interrelationships among Financial Literacy, Financial Management, and Saving Habits of Government Workers: Evidence from Cabanatuan City

Julie Anne Marie Capulong Zapata¹, Renato Magtalas Samonte Jr.^{1,2}

¹Graduate School Department, Wesleyan University-Philippines, Cabanatuan City, Philippines

²Educators Research and Innovation Organization Inc., Bauan, Philippines

Email: jamcz72395@gmail.com

How to cite this paper: Zapata, J.A.M.C. and Samonte Jr., R.M. (2026) The Interrelationships among Financial Literacy, Financial Management, and Saving Habits of Government Workers: Evidence from Cabanatuan City. *Open Access Library Journal*, **13**: e16089. <https://doi.org/10.4236/oalib.1116089>

Received: September 27, 2026

Accepted: October 24, 2026

Published: October 27, 2026

Copyright © 2026 by author(s) and Open Access Library Inc.

This work is licensed under the Creative Commons Attribution International License (CC BY 4.0).

<http://creativecommons.org/licenses/by/4.0/>



Open Access

Abstract

This research utilized a quantitative descriptive-correlational design to assess the interrelationships between financial literacy and financial management with saving habits among 333 government workers of Cabanatuan City, Nueva Ecija. A researcher-made structured questionnaire was used to gather data on respondent profile, financial literacy, financial management, and saving habits. Responses were recorded on a four-point Likert scale. Results revealed that financial literacy, financial management, and saving habits were generally positive. However, the respondents had low levels of financial confidence, debt-monitoring behavior, retirement-saving plans, risk-assessment behavior, and emergency preparation. Financial literacy was positively correlated with financial management ($r = 0.727$, $p < 0.001$) and saving habits ($r = 0.753$, $p < 0.001$). Financial management had the strongest relationship with saving habits ($r = 0.824$, $p < 0.001$). Selected socioeconomic and occupational variables such as educational attainment, monthly income, and job level were significantly related to the three facets of finance, whereas age, sex, and years in government service were not. The results suggest that financial literacy, financial management, and saving habits functioned as linked aspects of financial capability. The study provides implications on the need to offer practical financial education to government workers on topics such as budgeting, debt monitoring behavior, preparing for retirement, building an emergency fund, and wise spending.

Subject Areas

Business & Economics, Personal Finance

Keywords

Financial Capability, Financial Knowledge, Budgeting Management, Investment Management

1. Introduction

A prevalent notion exists that working for the government means entitlement to numerous benefits, bonuses, a high salary, and job security. However, like all other workers, government workers face financial difficulties and may resort to borrowing to make ends meet because their current income is insufficient to cover their expenses. While some government workers carry the responsibility of supporting their families, others focus on achieving personal growth and financial stability.

Saving for future needs when we need to pay for bills and expenses could be really challenging [1]. Accessibility and convenience of using financial services can improve individuals' ability to cope with financial stress, build resilience to unexpected financial shocks and boost financial confidence [2]. There has been an increase in the share of global financial accounts owned between 2021 and 2024. The International Survey of Adult Financial Literacy [3] also found increased use of digital financial services, increased reliance on alternative sources of financial information (such as influencers), increased interest in crypto-assets and increased financial fraud and scams. Improving adult financial literacy could help people make informed decisions by utilizing new financial advances [3].

The study can serve as a guide for the government workers not only of Cabanatuan City but also in other government agencies and local government units to improve their spending, saving, purchasing and financial planning. These steps could enhance quality of life and financial security. Few studies have been done on the relationship of financial literacy, financial management and saving habits, especially among government workers but previous studies have looked at the three areas separately.

The study examined the levels of financial literacy, financial management, and saving habits of government workers. This study explored the relationship between financial literacy, financial management and saving habits. This study also discussed the extent to which socioeconomic and occupational characteristics have significant relationship to financial literacy, financial management and saving habits. This study examines the financial preparedness and workplace financial capabilities of public-sector workers, with the intent of improving understanding.

2. Literature Review

Financial literacy, financial management, and saving habits constitute distinct yet interconnected components of financial capability. This literature review synthesizes these three dimensions to provide a comprehensive perspective on how in-

dividuals comprehend, organize, and utilize financial resources.

2.1. Theoretical Framework

The study is supported by the Life-Cycle hypothesis which suggests that individuals determine consumption and saving patterns throughout their lives based on anticipated income. Individuals typically increase their resources and wealth by saving during periods of higher income and borrowing during periods of lower income. Consumer theory also explains spending decisions in terms of preferences and income constraints, but actual behaviour may be influenced by emotions and unfamiliarity with products. Maslow's Hierarchy of Needs states that people spend according to the level of need being satisfied. Thus, the theory provides a good basis for understanding how people distinguish between needs and wants while buying and handling their financial resources.

Behavioral economics theory adds to the framework by integrating psychological insights into economic decision-making. It interpreted how bounded rationality, and mental accounting influence saving, spending, and investment decisions. Individuals make choices based on available information and are influenced by the presentation of information, collective behavior, and the mental categorization of money.

Moreover, the mathematical framework of modern portfolio theory (MPT) optimizes expected return for a given amount of risk. Investors avoid putting all their eggs in one basket. MPT presupposes that investors can calculate the risks and return diversifying.

2.2. Financial Literacy

The more complex financial products and services become online banking options, and investment markets in which individuals participate. Financial literacy becomes an essential skill to have. OECD [4] explained that financial literacy goes beyond memorizing terms and definitions because people should be able to analyze financial data and apply their knowledge when making financial decisions. People's financial behaviors are driven by their knowledge and actual competency [5].

Financial knowledge can support better financial decisions. Individuals who is financially updated and understood related risks were more likely to diversify investments [6]. Likewise, links have been found among financial education, financial literacy, financial attitude and financial behavior [7]. Financial literacy played a large role in what individuals saved for retirement and in their investment decisions [8]. Thus, financial literacy should be assessed not only through recall of concepts but also through their application to budgeting, borrowing, investing, and future planning.

2.3. Financial Management and Saving Habits

Management refers to how individuals control their finances. This includes daily

practices for budgeting and expense management. It can also refer to long-term responsibilities such as paying off debts, investing, saving for retirement, and maintaining insurance. How one managed themselves as an employee played a role in their financial stability and investments [9]. Moreover, saving money ties into financial management [8]. Mobile banking and digital payment services can help include more people in the financial system [10]. Financial literacy on digital platforms has been highlighted as a capability factor [11]. Just because an individual now has access to these services does not mean they will make the right decisions. If they are not educated on how to use these digital services safely, there is a greater risk to the consumer. Managing money also includes lessening risk. Moreover, due to the risk of hospital bills, many people used insurance to cover these costs [12]. By saving for emergencies, being insured, and preparing for retirement, we can help reduce life's risks. Money should be managed and saved to help us in our daily lives and for the future.

2.4. Socioeconomic and Professional Context of Financial Behavior

In practice, financial behavior does not occur within a vacuum. Income level, education, employment status, amount of liabilities in the household, and other economic and social factors determine an individual's ability to utilize his/her financial literacy. Beyond financial knowledge, life-cycle circumstances and adaptability skills [3] were both cited as substantial to one's financial decision-making, especially as financial circumstances become more complex.

Public-sector workers may also be influenced by employment status, salary, job classification, and rank. These characteristics can affect their ability to respond to financial demands. Although profile variables provide useful context, literature does not identify one demographic factor that consistently produces better financial decisions. Financial behavior reflects a combination of socioeconomic and occupational circumstances.

2.5. Literature Review on the Relationships among Financial Literacy, Financial Management, and Saving Habits

Financial literacy, financial management, and saving habits represent distinct yet interconnected dimensions of financial capability. Financial literacy imparts knowledge and confidence, financial management involves the organization of financial resources, and saving habits are demonstrated through consistent financial behaviors. Previous studies have identified associations between financial knowledge and financial behavior [3] [5] [7]. Analyzing all three dimensions within a single population provides a more comprehensive perspective than studies that examine only one aspect. The present study does not seek to establish causality; rather, it employs correlation analysis to assess the strength and direction of relationships among these variables.

This study does not attempt to define a cause-and-effect relationship among

the three variables. For instance, it does not examine whether financial literacy leads to improved financial management or whether effective financial management results in better saving habits. Instead, through correlation analysis, the study aimed to determine the correlation coefficients among financial literacy, financial management, and saving habits among local government workers of Cabanatuan City.

2.6. Research Gap and Link to the Present Study

Despite a significant amount of literature on financial literacy and financial behavior, most studies have focused on financial knowledge, attitudes, and savings outcomes, with little research on the relationships that connect common financial management practices to financial capability and long-term financial resilience. In addition, there is still a lack of evidence from workers in the public sector in emerging economies. Since stable employment does not automatically translate into effective financial decision-making or preparedness for future financial challenges, it is important to investigate the relationship of financial literacy and financial management in influencing saving behavior. The present study attempts to fill the gap by looking into these relationships among government workers. The empirical setting of this study is Cabanatuan City, but this is not the main basis of its contribution. This study builds on previous research in the Philippines that has studied either financial literacy or saving behavior separately, by examining the everyday financial management of public sector workers in an effort to translate financial knowledge into long-term financial resilience and financial capability.

3. Methodology

3.1. Research Design

This research employed a quantitative descriptive-correlational design to describe saving behaviors and related factors. The descriptive research method is suitable when the objective is to determine characteristics, frequencies, trends, and classifications. The researcher needs to know how, when, and where something happens before they can look into why it happens. Quantitative research determines the relationship between one thing (an independent variable) and another (a dependent or outcome variable) in a population.

The research also uses a correlational method to examine how variables (such as financial knowledge, attitudes, and behaviors) are related without manipulating them. A correlation shows how strong or weak the relationship is between two (or more) variables.

3.2. Respondents of the Study

The study was conducted in Cabanatuan City, Nueva Ecija, among workers of the Cabanatuan City Local Government. The study population consisted of 2447 workers of the Cabanatuan City Local Government Unit. The required sample size was determined using Cochran's formula with finite population correction at a

95% confidence level, 5% margin of error, and 50% response distribution. The computation yielded a minimum required sample size of 333 respondents, which served as the basis for participant recruitment. The study employed simple random sampling in selecting the respondents. All eligible LGU employees included in the sampling frame were given an equal opportunity to be selected, regardless of their employment status. Although the employees were categorized as permanent, job order, and contract of service/contractual workers for purposes of describing the respondents' profile, these categories were not used to establish predetermined sampling quotas. Instead, the 333 respondents were randomly selected from the entire eligible population.

This sampling approach was considered appropriate because the study aimed to examine the interrelationships among financial literacy, financial management, and saving habits of government workers as a whole rather than to obtain predetermined proportions from the different employment-status categories.

The respondents varied in age, sex, civil status, educational attainment, employment status, monthly income, job level, and years of government service. Among the 333 respondents, 54 (16.2%) were aged 25 years and below, 106 (31.8%) were 26 - 35 years old, 67 (20.1%) were 36 - 45 years old, 56 (16.8%) were 46 - 55 years old, and 50 (15.0%) were 56 - 65 years old. There were 154 males (46.2%) and 179 females (53.8%). In terms of civil status, 156 (46.8%) were single, 138 (41.4%) were married, 9 (2.7%) were separated, and 30 (9.0%) were widowed.

Most respondents were college graduates, comprising 225 (67.6%) of the sample. 76 (22.8%) were high school graduates, 31 (9.3%) held master's degrees, and one respondent (0.3%) held a doctorate degree. Regarding employment status, 92 (27.6%) were job order workers, 81 (24.3%) were contractor service/contractual workers, and 160 (48%) were permanent or regular employees.

Monthly income was below ₱20,000 for 165 respondents (49.5%), ₱20,000 - ₱30,000 for 124 (37.2%), ₱30,001 - ₱40,000 for 31 (9.3%), and above ₱40,000 for 13 (3.9%). In terms of job level, 87 respondents (26.1%) were sub-professional non-supervisory, 11 (3.3%) were sub-professional supervisory, 206 (61.9%) were professional non-supervisory, and 29 (8.7%) were professional supervisory. With respect to government service, 41 respondents (12.3%) had less than one year of service, 115 (34.5%) had 1 - 5 years, 88 (26.4%) had 6 - 10 years, and 89 (26.7%) had more than 10 years.

3.3. Instrumentation and Data Gathering Process

A researcher-made structured questionnaire was used to collect the required information. The questionnaire was created to meet the study's objectives and is based on conceptual constructs. The questionnaire was composed of four parts: socio-demographic characteristic of the respondents, saving habits, financial literacy and financial management. The Likert-type instrument had four response options, ranging from strongly disagree to strongly agree. Prior to data collection, a pilot test was conducted with respondents who shared characteristics with the

target population but were not included in the final sample. Cronbach's alpha coefficient was used to estimate the reliability of the instrument. The results indicated acceptable reliability with coefficients above the minimum standard of 0.70. The content validity of the questionnaire was evaluated by a panel of experts in the subject matter and research using Aiken's V coefficient. The instrument presented an average of Aiken's V of 0.8231, which shows a high consensus among the validators about the relevance and adequacy of the items. The result indicates that the instrument has a good content validity and is sufficiently represents the dimensions to be measured.

3.4. Data Analysis

Frequency, percentage, weighted mean, and standard deviations were used to summarize descriptive data. Selected characteristics of the respondents and the three financial dimensions were correlated. Financial literacy and financial management were correlated with the saving habits dimension.

3.5. Research Ethics

The researcher obtained permission from the Hon. City Mayor prior to collecting the data. An informed consent form explaining the goal of the study, procedures, voluntary participation, and confidentiality protection was given to all participants. Participation was entirely voluntary and respondents were advised that they could withdraw at any time without penalty. Data collection was personally supervised by the researcher so as to provide technical assistance when necessary. The names of the participants are not included in the presentation of the results. Confidentiality and anonymity will be preserved.

4. Findings and Discussion

4.1. Financial Literacy of the Respondents

Table 1 shows the participants' responses regarding their financial literacy, which was based on financial knowledge, financial attitude, financial behavior, and Financial Self-efficacy. The table depicts mostly positive results from all three categories, but they are not consistent. Some questions indicate an understanding of basic money management and routine, responsible money handling, while others show a lack of confidence and understanding of more complex money choices.

Table 1. Financial literacy.

DOMAINS			
Financial Knowledge	M	SD	Verbal Description
1. I understand basic financial concepts like interest, inflation, and diversification.	2.91	0.86	Agree
2. I know the difference between saving and investing.	3.00	0.85	Agree
3. I am aware of different types of financial products (e.g., savings account, insurance, stocks).	2.98	0.87	Agree

Continued

4. I know how to evaluate the risks and returns of financial decisions.	2.77	0.91	Agree
5. I understand basic equations of income, expenses and savings.	2.99	0.87	Agree
6. I understand what debt and credit means.	2.81	0.91	Agree
7. I am aware of how my debt-to-income ratio affects my financial health.	2.72	0.88	Agree
8. I understand the difference between needs and wants.	3.05	0.87	Agree
Overall Weighted Mean	2.90	0.88	Agree
Financial Attitude	M	SD	Verbal Description
1. I always stay informed about financial planning.	2.61	0.91	Agree
2. I believe financial education should be taught in schools.	3.37	0.79	Strongly Agree
3. I seek financial advice or guidance from family/friends/financial advisor.	2.77	0.86	Agree
4. I believe that financial planning is important for my future.	3.42	0.77	Strongly Agree
5. I have a positive attitude towards borrowing money.	2.78	0.88	Agree
6. I believe that investing is only for wealthy people.	2.69	1.01	Agree
7. I prefer buying expensive things than the cheaper ones.	2.57	0.92	Agree
Overall Weighted Mean	2.89	0.88	Agree
Financial Behavior	M	SD	Verbal Description
1. I keep records of all of my financial activities.	2.71	0.85	Agree
2. I spend money than save it for long term.	2.63	0.94	Agree
3. I only do short term investments.	2.52	0.95	Agree
4. I pay bills on time.	3.20	0.76	Agree
5. I keep a strict financial behaviour on my financial affairs.	2.87	0.81	Agree
6. I analyze the cost and affordability before buying.	3.09	0.82	Agree
Overall Weighted Mean	2.84	0.86	Agree
Financial Self-efficacy	M	SD	Verbal Description
1. I am confident in managing my personal finances.	2.57	0.96	Agree
2. My financial condition is good enough to meet all of my financial needs.	2.53	0.94	Agree
3. My financial condition restricts me to do some of my wants and needs in life	3.16	0.84	Agree
Overall Weighted Mean	2.75	0.91	Agree

The findings regarding the respondent's overall financial literacy across each sub-category of financial knowledge, attitude, and behavior are encouraging as a baseline. However, there is an apparent trend of comfortability with everyday concepts and tasks, while scoring lower on questions surrounding complex financial decisions. The data for financial knowledge had an average weighted mean of 2.90 (SD = 0.88), which equates to "Agree". The highest mean in this indicator was "I understand the difference between needs and wants" (M = 3.05, SD = 0.87). The finding aligned with Maslow's Hierarchy of Needs Theory considering the respondents can understand satisfying basic needs before pursuing higher-order

wants and aspirations. All indicators received an “Agree” rating including “I am aware of how my debt-to-income ratio affects my financial health” ($M = 2.72$, $SD = 0.88$). However, it obtained a relatively lower mean score to other financial knowledge indicators. Despite respondents appearing comfortable with their spending when it pertains to day-to-day life, they were uncertain to identify how much they can borrow or if they can afford to. Discussion about the relationship between financial knowledge and the diversification of portfolio as well as their investment choices supports the importance of financial literacy but leaves room to acknowledge that knowing basic terms does not equate to checking financial ratios and identifying risk [6].

Financial attitude also showed positive results. The highest-rated indicator were “I believe that financial planning is important for my future” ($M = 3.42$, $SD = 0.77$) and “I believe financial education should be taught in schools” ($M = 3.37$, $SD = 0.79$), both of which interpreted as “Strongly Agree”. These emphasized financial prudence and financial education across life stages could improve financial outcomes [13] [14]. Financial literacy programs need to go beyond knowledge and teach people how to use that information in judgments of real life. Typically, young people learn their financial behavior from their family and peers because they spend much time with them [15]. Furthermore, financial education improved student performance and responsibility [7]. The study was on youth but the respondents of this study are government’s workers. The relationship to confidence shows that providing information alone is not enough but should also include a decision-making routine to improve behavior.

In financial behavior, there is a trend toward prioritizing near-term liabilities over long-term investments. The highest rated item was “I pay bills on time” ($M = 3.20$, $SD = 0.76$), indicating strong financial responsibility among respondents. Meanwhile “I only do short term investments.” yielded the lowest mean ($M = 2.52$, $SD = 0.95$), though respondents still agreed with the statement, suggesting an area for further improvement. In line with the Mental Accounting Theory showing how people treat money as a category of expenditure and savings, which may take precedence over investment for immediate liquidity. Financial literacy can also be an incentive for more risky investments, better financial habits, less debt, reserves, and emergency preparedness [16] [17].

In Financial Self-efficacy, all indicators were rated as “Agree”. The indicator “My financial condition restricts me to do some of my wants and needs in life” has the highest mean score ($M = 3.16$, $SD = 0.84$), followed by, “I am confident in managing my personal finances” ($M = 2.57$, $SD = 0.96$) while, “My financial condition is good enough to meet all of my financial needs” ($M = 2.53$, $SD = 0.94$) got the lowest mean. In most instances, low-income households have little money left after meeting basic needs leading to difficulty in translating financial knowledge into actual financial practices [18]. However, willingness to learn coincides with financial confidence [5].

Overall, respondents demonstrated adequate but uneven financial literacy.

They recognized the importance of future planning, identified needs and wants, paid immediate liabilities, and considered affordability before purchases. In contrast, they showed weaker understanding of debt effects, lower financial confidence, and limited long-term investment orientation.

4.2. Financial Management Practices of the Respondents

Table 2 presents the financial management results covering budgeting and spending management, debt management, investment and retirement planning, and emergency fund and risk management.

Table 2. Financial management practices.

DOMAINS			
Budgeting and Spending Management	M	SD	Verbal Description
1. I regularly review and update my budget and expenses.	2.76	0.88	Agree
2. I categorize my expenses (e.g., housing, food, transport).	3.04	0.78	Agree
3. I stick to my planned budget throughout the month.	2.86	0.81	Agree
4. I have a clear understanding of my monthly income and expenses.	3.04	0.81	Agree
5. I avoid impulse purchases.	2.75	0.85	Agree
6. I compare prices or use discounts before making purchases.	3.19	0.79	Agree
7. I avoid spending more than I earn each month.	2.91	0.88	Agree
8. I evaluate whether purchases are needs or wants before spending.	3.17	0.82	Agree
Overall Weighted Mean	2.97	0.83	Agree
Debt Management	M	SD	Verbal Description
1. I am fully aware of all my current debts.	3.09	0.80	Agree
2. I know the interest rates on each of my debts.	3.04	0.77	Agree
3. I always make my debt payments on time.	2.92	0.93	Agree
4. I pay more than the minimum payment when possible.	2.96	0.95	Agree
5. I have a clear plan to pay off my debts.	3.13	0.89	Agree
6. I avoid taking on new debt while repaying old debt.	2.76	0.95	Agree
7. I have considered or used debt consolidation strategies.	2.69	0.85	Agree
8. I review my credit report at least once a year.	2.71	0.86	Agree
Overall Weighted Mean	2.91	0.87	Agree
Investments and Retirement Planning Management	M	SD	Verbal Description
1. I have a diversified investment portfolio. (e.g., savings account, insurance, stocks).	2.71	0.84	Agree
2. I avoid making emotional or impulsive investment decisions.	2.83	0.81	Agree
3. I review or adjust my investment portfolio at least once a year.	2.76	0.84	Agree
4. I have a clear idea of how much money I will need to retire comfortably.	2.47	1.02	Disagree
5. I contribute to retirement accounts (e.g., PERA, pension plans).	2.65	1.01	Agree

Continued

6. I know what retirement benefits (e.g., SSS, GSIS, employer pension) I will receive.	2.96	0.83	Agree
7. I have considered healthcare and long-term care costs in my retirement plan.	2.69	0.99	Agree
8. I plan to retire at a specific age and have a strategy to achieve it.	2.65	1.00	Agree
Overall Weighted Mean	2.72	0.92	Agree
Emergency Fund and Risk Management	M	SD	Verbal Description
1. My emergency fund can cover at least 3 month of essential expenses.	2.54	1.00	Agree
2. I only use my emergency fund for true emergencies (e.g., job loss, medical, urgent repairs).	2.62	1.04	Agree
3. I know the recommended amount to keep in an emergency fund (e.g., 3 - 6 months of expenses).	2.57	1.02	Agree
4. I replenish my emergency fund after using it.	2.52	1.03	Agree
5. I have an insurance policy/ies.	2.61	1.06	Agree
6. I feel that the insurance policy provides good value for the money	2.69	1.04	Agree
7. I feel at ease and safer when I have insurance/s.	2.67	1.06	Agree
8. I plan on getting more insurance plans to protect me and my family.	2.63	1.07	Agree
Overall Weighted Mean	2.61	1.04	Agree

Budgeting and spending management had the highest overall weighted mean ($M = 2.97$, $SD = 0.83$), followed by debt management ($M = 2.91$, $SD = 0.87$), investment and retirement planning ($M = 2.72$, $SD = 0.92$), and emergency fund and risk management ($M = 2.61$, $SD = 1.04$).

As to Budgeting and Spending Management, the indicator “I compare prices or use discounts before making purchases” ($M = 3.19$, $SD = 0.79$) scored with the highest mean highlighted the price incentives in consumers’ purchasing decision [13]. This was closely followed by “I evaluate whether purchases are needs or wants before spending” ($M = 3.17$, $SD = 0.82$). Meanwhile, “I regularly review and update my budget and expenses.” ($M = 2.76$, $SD = 0.88$) and “I avoid impulse purchases.” ($M = 2.75$, $SD = 0.85$) were all interpreted as “Agree”. However, the items obtained the lowest mean score, indicating that this area may require further improvement and emphasis on financial recording can support more deliberate impulse buying and purchasing decisions [19]. Likewise, the Consumer Theory would predict this difference—when making short-term purchasing decisions at the point-of-purchase, people are less likely to think about their overall budget.

In debt management, respondents showed strong fundamentals. The highest mean in this indicator were “I have a clear plan to pay off my debts” ($M = 3.13$, $SD = 0.89$) followed by “I am fully aware of all my current debts” ($M = 3.09$, $SD = 0.80$) and were both interpreted as “Agree”. Despite the indicators “I review my credit report at least once a year” ($M = 2.71$, $SD = 0.86$) and “I have considered or used debt consolidation strategies” ($M = 2.69$, $SD = 0.85$) both interpreted as “Agree”, they obtained the lowest mean scores among the indicators. The findings

suggested that individuals were cautious of accruing any type of debt. Given that most people are economically disadvantaged, they preserve their credit ratings and position. Purchasing with credit cards or borrowing money from others usually becomes the last resort [20].

Investment and retirement planning also indicated weaker long-term preparation. The highest mean in this indicator, indicating agreement among respondents was “I know what retirement benefits (e.g., SSS, GSIS, employer pension) I will receive” ($M = 2.96$, $SD = 0.83$). In contrast, disagreed on “I have a clear idea of how much money I will need to retire comfortably” ($M = 2.47$, $SD = 1.02$). Although awareness of retirement benefits was dominant, respondents demonstrated uncertainty on the actual financial resources required to sustain their desired lifestyle after retirement. This explains the Modern Portfolio Theory emphasizing the relationship among risk, return, and diversification; without a retirement target, individuals may struggle to determine appropriate annual savings or investment levels.

Emergency fund and risk management had the lowest mean score out of all categories. In this category, respondents understood the benefits of insurance policies. The indicators “I feel that the insurance policy provides good value for the money” ($M = 2.69$, $SD = 1.04$) and “I feel at ease and safer when I have insurance/s.” ($M = 2.67$, $SD = 1.06$) were both interpreted as “Agree”. Insurance helps people protect themselves like from health care costs [21]. In contrast, there was a deficiency in emergency reserves. “My emergency fund can cover at least 3 month of essential expenses.” ($M=2.54$, $SD = 1.00$) and “I replenish my emergency fund after using it.” ($M=2.52$, $SD = 1.03$) were still interpreted as “Agree” but suggested additional attention may be beneficial. Saving for emergencies is important but it may not be prioritized over other forms of financial preparedness such as prioritizing other financial goals or spending habits over establishing an emergency fund [21].

A consistent pattern can be observed across the findings where respondents demonstrate present-oriented financial behavior such as tracking current purchases and debts yet lower scores for future-oriented financial decisions like retirement preparation and emergency preparedness. Financial education programs should teach more than simple budgeting. Future interventions should encourage continuous budget awareness, debt and credit management skills, specific retirement goals, investment diversification, and emergency and insurance fund planning for a stronger financial confidence.

4.3. Saving Habits of the Respondents

Table 3 presents the saving habits that were examined in terms of saving behavior, attitude toward saving, primary reasons for saving, motivation to save more, savings goal-setting, and personal motivation to save. The results show that respondents generally value saving and demonstrate several positive saving practices. A notable weakness, however, is their relatively low confidence in their own saving strategies.

Table 3. Saving habits.

DOMAINS			
Saving Behavior	M	SD	Verbal Description
1. I ensure that I consistently maintain weekly or monthly savings.	2.67	0.92	Agree
2. I determine what should be prioritized before saving and spending.	2.95	0.91	Agree
3. I allocate a budget that corresponds with expenses.	3.07	0.88	Agree
4. I set financial goals and work toward them.	2.73	0.90	Agree
5. I keep track of my savings and investments.	2.70	0.92	Agree
6. I have an emergency fund.	2.55	0.95	Agree
Overall Weighted Mean	2.78	0.91	Agree
Attitude Toward Saving	M	SD	Verbal Description
1. I enjoy saving and feel good about it.	3.01	0.81	Agree
2. I want to save but struggle to do so.	3.20	0.84	Agree
3. I don't think much about saving.	2.41	0.95	Disagree
4. I feel confident in my saving habits and strategies	2.47	0.98	Disagree
5. I feel saving money important.	3.33	0.87	Strongly Agree
6. I prefer to spend rather than save.	2.78	1.07	Agree
Overall Weighted Mean	2.87	0.92	Agree
Primary Reason for Saving	M	SD	Verbal Description
1. Emergency fund	2.71	1.08	Agree
2. Retirement	2.78	1.07	Agree
3. Travel or leisure	2.92	0.99	Agree
4. Education	2.69	1.05	Agree
5. Buying a home or car	3.10	0.92	Agree
Overall Weighted Mean	2.84	1.02	Agree
Motivation to Save More	M	SD	Verbal Description
1. Earning a higher income	3.45	0.68	Strongly Agree
2. Getting financial advice	3.18	0.70	Agree
3. Setting clear savings goals and seeing progress in my savings	3.35	0.69	Strongly Agree
4. Having access to better savings products (e.g., higher interest rates)	3.14	0.87	Agree
5. Using savings apps or tools	2.90	0.88	Agree
6. Accountability (e.g., saving with a partner or group)	2.95	0.93	Agree
Overall Weighted Mean	3.16	0.79	Agree
Savings Goal-Setting Approach	M	SD	Verbal Description
1. I save for short-term goals	3.07	1.02	Agree
2. I save for long-term goals	3.02	0.96	Agree
3. I don't set goals for my savings	2.01	1.05	Disagree
Overall Weighted Mean	2.70	1.01	Agree

Continued

Your Motivation to Save	M	SD	Verbal Description
1. Achieving financial independence	3.38	0.80	Strongly Agree
2. Reducing financial stress	3.30	0.76	Strongly Agree
3. Advice or pressure from family/friends	2.86	0.88	Agree
4. Employer-provided benefits or incentives	2.98	0.84	Agree
5. Previous financial hardship	3.23	0.81	Agree
Overall Weighted Mean	3.15	0.82	Agree

Saving behavior generated an overall weighted mean of 2.78 (SD = 0.91). Regardless both interpreted as “Agree”, indicator “I allocate a budget that corresponds with expenses got the highest” (M = 3.07, SD = 0.88) and “I have an emergency fund” (M = 2.55, SD = 0.95) were lower suggesting an area for further improvement. Knowing the importance of income and expenses while allocating and following a monthly budget as well as setting money aside for savings and future unexpected expenses shows a strong saving behavior [22].

As for Attitude towards Saving, respondents strongly agreed in terms of “I feel saving money important.” (M = 3.33, SD = 0.87) similarly examined by Global Findex 2025 (Klaper *et al.*, 2025) and “Agree” to the indicator “I want to save but struggle to do so” (M = 3.20, SD = 0.84). However, “I feel confident in my saving habits and strategies” (M = 2.47, SD = 0.98) and “I don’t think much about saving.” (M = 2.41, SD = 0.95) were interpreted as “Disagree”. Saving is therefore important in their financial mindset even when implementation is difficult. It is a gap between attitude and efficacy. Individuals faced with complex financial decisions were identified with confidence limitations [23]. The Life-Cycle Hypothesis helps explain this pattern because saving capacity may change with income, obligations, and life stage.

As for the primary reason for saving, “buying a home or car” received the highest rating (M = 3.10, SD = 0.92), “traveling or leisure” came in second (M = 2.92, SD = 0.99), then retirement (M = 2.78, SD = 1.07). Savings are not simply for emergency use. Respondents associate that behavior with both near-term consumption and future financial stability [9].

The most frequently selected motivation to save more was “Earning higher income” (M = 3.45, SD = 0.68) arguing that having higher income allows significant allocation of funds toward savings and investments to achieve their financial goals [13]. Close behind was “Setting clear savings goals and seeing progress in my savings” (M = 3.35, SD = 0.69) similar with the report of OECD related to the expectation of good financial conditions or returns. Income influences how much one can save, while seeing one’s savings grow can serve as a reminder of why that financial behavior is worthwhile [4]. The current data highlights the importance of income but demonstrates saving motivation is also influenced by factors besides earnings. “Using savings apps/tools” were rated somewhat lower but were still

considered a motivation ($M = 2.90$, $SD = 0.88$). Digital financial solutions have a huge role in improving access to conveniently access financial apps and tools. Saving tools can help respondents keep track of their savings and encourage regular deposits and emphasizing the practicality and functionality on the use of digital banking services while also recognizing cultural and technological differences among countries [10] [24]. However, the current results suggest motivators tied to income and specific goals take priority.

Goal-setting was another theme that surfaced. “I save for short-term goals” ($M = 3.07$, $SD = 1.02$) and long-term goals ($M = 3.02$, $SD = 0.96$) were both interpreted as “Agree” by the respondents. Meanwhile, “I don’t set goals for my savings” ($M = 2.01$, $SD = 1.05$) received “Disagree” rating. The finding implies that respondents have already incorporated goals into their saving habits. The data reflect a distinction between short-term financial decisions and longer-term saving/investing behavior [7].

The strongest personal motivation to save was “Achieving financial independence” ($M = 3.38$, $SD = 0.80$), followed by reducing financial stress ($M = 3.30$, $SD = 0.76$) and previous financial hardship ($M = 3.23$, $SD = 0.81$). Financial literacy plays an important role in financial well-being during periods of economic uncertainty [14]. Moreover, saving can help address future financial difficulties [15]. Saving therefore serves not only wealth-building but also security and stress reduction. Savings are not viewed purely as a mechanism for building wealth. It also plays a role in finances. People feel secure, self-reliant, and less vulnerable. Financial strain was associated with poorer mental health while efforts to reduce financial stress may help mitigate those negative effects [25].

While overall positive, the respondents’ attitudes towards saving appear fragmented. They value saving and have reasons to save, but they lack either confidence or consistency. Preparation appears to be partially there. The next step is building on that foundation with the right supporting tools and knowledge. Practical savings techniques, financial planning, accessible savings, and tailored financial guidance can foster better savings habits.

4.4. Profile Characteristics and Their Financial Literacy, Financial Management, and Saving Habits

Table 4 shows the relationships between selected respondent characteristics and the three financial dimensions. The results indicate that socioeconomic and occupational characteristics have more consistent associations with financial literacy, financial management, and saving habits than age, sex, or years of government service.

Financial literacy correlated positively and significantly with civil status ($r = 0.138$, $p = 0.012$), educational attainment ($r = 0.225$, $p < 0.001$), employment status ($r = 0.168$, $p = 0.002$), monthly income ($r = 0.292$, $p < 0.001$), and job level ($r = 0.278$, $p < 0.001$). Monthly income had the largest correlation while job level and educational attainment followed. The correlations show that financial literacy is

associated with respondents' financial and occupational circumstances. Higher income, education, and job level were associated with higher financial literacy. These findings are consistent with OECD on the role of financial capability in decision-making [3].

Table 4. Relationship between profile characteristics and their financial literacy, financial management, and saving habits.

Profile		Financial Literacy	Financial Management	Saving Habits
Highest Educational Attainment	R	0.225**	0.152**	0.209**
	p-value	0.000	0.005	0.000
Employment Status	R	0.168**	0.098	0.133*
	p-value	0.002	0.074	0.015
Monthly Income	R	0.292**	0.203**	0.263**
	p-value	0.000	0.000	0.000
Job Level	R	0.278**	0.216**	0.305**
	p-value	0.000	0.000	0.000
Years in Government Service	R	0.086	0.067	0.039
	p-value	0.119	0.226	0.474

**Correlation is significant $p < 0.01$; *Correlation is significant $p < 0.05$ level.

Financial management correlated positively and significantly with civil status ($r = 0.153$, $p = 0.005$), educational attainment ($r = 0.152$, $p = 0.005$), monthly income ($r = 0.203$, $p < 0.001$), and job level ($r = 0.216$, $p < 0.001$). Job level had the largest correlation among these variables, followed by monthly income. Civil status and educational attainment followed.

Saving habits correlated positively and significantly with civil status ($r = 0.111$, $p = 0.044$), educational attainment ($r = 0.209$, $p < 0.001$), employment status ($r = 0.133$, $p = 0.015$), monthly income ($r = 0.263$, $p < 0.001$), and job level ($r = 0.305$, $p < 0.001$). Job level had the largest correlation, monthly income followed. Educational attainment was next. Civil status and employment status were treated as nominal categorical variables. Numerical codes assigned to their respective categories were used solely for data encoding and did not indicate rank, magnitude, or an ordered progression. Accordingly, differences in Financial Literacy, Financial Management, and Saving Habits across civil-status and employment-status categories were examined using an appropriate group-comparison procedure rather than correlations based on the numerical category codes.

Moreover, the results suggested that civil status, educational attainment, monthly income, and job level are significant factors associated with the financial literacy, financial management, and saving habits of the respondents. Conversely, age, sex and years of service in the government were not found to be significantly related to these financial aspects. It demonstrates that socio-economic and professional factors are more important in determining financial knowledge, financial behavior and saving practices than demographic characteristics.

It is important to note that these results do not confer any type of causal relationship. While income, education, and job level are associated with the various financial outcomes examined here, this cannot be said to mean that higher income causes someone to have better financial literacy.

4.5. Interrelationships among Financial Literacy, Financial Management, and Saving Habits

The central analysis of the study concerns the relationships among financial literacy, financial management, and saving habits. All three variables were significantly and positively correlated. The complete correlation matrix is presented in **Table 5**.

Table 5. Interrelationships among financial literacy, financial management, and saving habits.

Variable	Financial Literacy	Financial Management	Saving Habits
Financial Literacy	—	0.727**	0.753**
Financial Management	0.727**	—	0.824**
Saving Habits	0.753**	0.824**	—

**Correlation is significant $p < 0.01$.

Financial literacy was positively correlated with financial management ($r = 0.727$; $p < 0.001$). Respondents who indicated higher levels of financial literacy also tended to indicate stronger financial management skills. This relationship makes sense conceptually given the everyday application of financial knowledge in budgeting income, managing debt, planning for investment, and limiting expenses. The importance of financial literacy as well as future-oriented financial thinking in effective financial management has also been emphasized in the previous research [23].

Financial literacy was also strongly and positively correlated with saving habits ($r = 0.753$; $p < 0.001$). Respondents who indicated higher levels of financial literacy also tended to indicate stronger saving habits. Understanding money management concepts may enable individuals to understand the importance of saving, setting saving goals, and preparing for future savings needs. Financial literacy is likewise important in enabling individuals to make informed decisions about saving and investing decisions, particularly when planning for future financial needs [4].

Financial management was most strongly correlated with saving habits ($r = 0.824$; $p < 0.001$). Respondents that indicated stronger financial management skills also tended to indicate stronger saving habits. This relationship makes sense, given the day-to-day relationship between expenditure control, debt management, budgeting, and setting funds aside for savings. Effective financial management is reflected in careful and skillfully income and expenses planning, also

maintaining a consistent saving routine even with financial constraints, and implementing prudent investment approaches for long-term financial progress [22].

The positive and significant relationships between financial literacy, financial management and saving practices suggest that these concepts are interrelated. However, caution should be exercised in interpreting the significance of these associations as some of the questionnaire items refer to conceptually similar financial activities. There are multiple measures that reflect behaviors such as budgeting, expenditure control, saving, and emergency fund. Thus, in addition to substantive relations between the constructs, shared item content could explain some of the observed correlations. Hence the results are regarded as significant associations rather than an indication of the constructs being separate or one variable causing another.

Overall, the three relationships form a logical pattern: the association between financial management and saving habits was the strongest, followed by the relationship between financial literacy and saving habits, then financial literacy and financial management. While these variables appear to be interrelated, the findings should not be interpreted as evidence that they constitute a single underlying construct. It is suggested that the future studies may further explore the theoretical and empirical relationships among these variables using a more advanced analytical approach.

5. Conclusions

The results demonstrated that individuals have a moderate degree of financial capability and are engaging in basic financial practices such as tracking expenses monthly, paying bills on time, budgeting, and saving/spending within their means. Areas of improvement include more complex financial topics such as financial efficacy, debt management, wealth creation, retirement planning, risk assessment, and establishing an emergency fund.

The profile results indicate that socioeconomic and occupational characteristics were more consistently associated with financial outcomes than basic demographic characteristics. Civil status, education, employment status, monthly income, and job level were significantly related to at least one financial dimension. Education, income, and job level were significantly related to all three. However, these associations do not establish causality.

Government workers have a foundation for pursuing financial goals, but gaps remain in more complex financial decisions. Financial programs should emphasize risk assessment, debt repayment, investment, retirement planning, emergency funds, and practical budgeting. Employers and financial institutions may support lower-income and lower-level workers through accessible savings and investment programs. Future studies should use longitudinal designs and objective financial measures to examine how financial literacy, management, and saving habits change over time.

Conflicts of Interest

The authors declare no conflicts of interest.

References

- [1] Parker, K. and Lin, L. (2025) Growing Share of U.S. Adults Say Their Personal Finances Will Be Worse a Year from Now. Pew Research Center.
- [2] Klapper, L., Singer, D., Starita, L. and Norris, A. (2025) The Global Findex Database 2025: Connectivity and Financial Inclusion in the Digital Economy. World Bank.
- [3] OECD (2023) OECD/INFE 2023 International Survey of Adult Financial Literacy. OECD Business and Finance Policy Papers, No. 39.
<https://doi.org/10.1787/56003a32-en>
- [4] OECD (2025) Sustainable Finance and Financial Literacy in Cambodia and the Philippines. OECD Business and Finance Policy Papers, No. 92.
<https://doi.org/10.1787/f1fa5fb2-en>
- [5] Morris, T., Maillet, S. and Koffi, V. (2022) Financial Knowledge, Financial Confidence and Learning Capacity on Financial Behavior: A Canadian Study. *Cogent Social Sciences*, **8**, Article ID: 1996919. <https://doi.org/10.1080/23311886.2021.1996919>
- [6] Peng, C., She, P.-W. and Lin, M.-K. (2022) Financial Literacy and Portfolio Diversity in China. *Journal of Family and Economic Issues*, **43**, 452-465.
<https://doi.org/10.1007/s10834-021-09810-3>
- [7] Pham, K.D. and Le, V.L.T. (2023) Nexus between Financial Education, Literacy, and Financial Behavior: Insights from Vietnamese Young Generations. *Sustainability*, **15**, Article No. 14854. <https://doi.org/10.3390/su152014854>
- [8] Hauff, J.C., Carlander, A., Gärling, T. and Nicolini, G. (2020) Retirement Financial Behaviour: How Important Is Being Financially Literate? *Journal of Consumer Policy*, **43**, 543-564. <https://doi.org/10.1007/s10603-019-09444-x>
- [9] Castillo, M.P., Mamacay, A.G. and Rivera, K.M. (2021) Investment Pattern, Preferences and Financial Management Practices of Wesleyan University-Philippines Employees. *Advances in Social Sciences Research Journal*, **8**, 265-277.
<https://doi.org/10.14738/assrj.811.11249>
- [10] Wanof, M.I. (2023) Digital Technology Innovation in Improving Financial Access for Low-Income Communities. *Technology and Society Perspectives*, **1**, 26-34.
<https://doi.org/10.61100/tacit.v1i1.35>
- [11] Golden, W. and Cordie, L. (2022) Digital Financial Literacy. *Adult Literacy Education: The International Journal of Literacy, Language, and Numeracy*, **4**, 20-26.
<https://doi.org/10.35847/wgolden.lcordie.4.3.20>
- [12] Trinarsih, T., Widia Hadi, I., Farkhanah, A. and Puspitaloka Mahadewi, E. (2025) Health Insurance Demand Dynamics: Factors Influencing Individual and Family Decisions in Purchasing Insurance. *International Journal of Health and Pharmaceutical*, **5**, 123-131. <https://doi.org/10.51601/ijhp.v5i1.390>
- [13] Hartono, U. and Isbanah, Y. (2022) Students' Saving Behaviour: What Are the Motives That Influence Them to Save? *Jurnal Ekonomi Bisnis dan Kewirausahaan*, **11**, Article No. 363. <https://doi.org/10.26418/jebik.v11i3.56561>
- [14] Zhang, Y. and Chatterjee, S. (2023) Financial Well-Being in the United States: The Roles of Financial Literacy and Financial Stress. *Sustainability*, **15**, Article No. 4505.
<https://doi.org/10.3390/su15054505>
- [15] Alshebami, A.S. and Aldhyani, T.H.H. (2022) The Interplay of Social Influence, Fi-

- nancial Literacy, and Saving Behaviour among Saudi Youth and the Moderating Effect of Self-Control. *Sustainability*, **14**, Article No. 8780. <https://doi.org/10.3390/su14148780>
- [16] Chen, L., Bai, J., Xu, S., Cheng, Z. and Chen, J. (2024) Financial Literacy, Fintech, and Risky Financial Investment in Urban Households—An Analysis Based on CHFS Data. *Mathematics*, **12**, Article No. 3393. <https://doi.org/10.3390/math12213393>
- [17] Tabak, B.M., Cardoso, D.H. and Silva, C.C. (2025) Assessing the Drivers of Financial Vulnerability and Fraud in Brazil: The Critical Role of Financial Planning over Literacy. *Sustainability*, **17**, Article No. 9219. <https://doi.org/10.3390/su17209219>
- [18] Balestra, C. and Oehler, F. (2023) Measuring the Joint Distribution of Household Income, Consumption and Wealth at the Micro Level. OECD Papers on Well-Being and Inequalities, No. 11. OECD Publishing.
- [19] Jabar, M.A. and Delayco, M.L.C. (2021) Impulse Buying and Financial Literacy among Public Elementary and High School Teachers in the Philippines. *DLSU Business & Economics Review*, **31**, 42-54. <https://doi.org/10.59588/2243-786x.1096>
- [20] Cortez, D.D. (2023) Personal Financial Management Practices among Selected Personnel of the Bureau of the Treasury—Central Office. *Guild of Educators in Tesol International Research Journal*, **1**, 230-250. <https://doi.org/10.5281/ZENODO.8053932>
- [21] Perez, A.E. and Iñigo, H. (2025) Financial Literacy and Behavior among Public School Teachers in Lopez East District, Quezon Province: Basis for Financial Empowerment Program. *Ignatian International Journal for Multidisciplinary Research*, **3**, 173-231. <https://doi.org/10.5281/ZENODO.15166799>
- [22] Aquino, M.P., Cordova, E., Cuamag, J.A.P., Cupal, C.P.B., Fernandez, J.L., Geverola, J.H.F., *et al.* (2025) Financial Management and Spending Behavior among 4ps Beneficiaries. *International Journal of Research and Innovation in Social Science*, **9**, 4871-4896. <https://doi.org/10.47772/ijriss.2025.90300391>
- [23] Bancoro, J.C., Barillo, R.M. and Buhian, D.L. (2025) The Role of Financial Literacy in Supporting Employee Work-Life Balance. *Journal of Interdisciplinary Perspectives*, **3**, 172-185. <https://doi.org/10.69569/jip.2025.015>
- [24] Pham, K.-D. (2023) Factors Determining Customers' Intention to Use Digital Banking—The Case of Vietnam. In: Mirzazadeh, A., *et al.*, Eds., *Communications in Computer and Information Science*, Springer, 279-286. https://doi.org/10.1007/978-3-031-40395-8_20
- [25] Wilson, J.M., Lee, J., Fitzgerald, H.N., Oosterhoff, B., Sevi, B. and Shook, N.J. (2020) Job Insecurity and Financial Concern during the COVID-19 Pandemic Are Associated with Worse Mental Health. *Journal of Occupational & Environmental Medicine*, **62**, 686-691. <https://doi.org/10.1097/jom.0000000000001962>