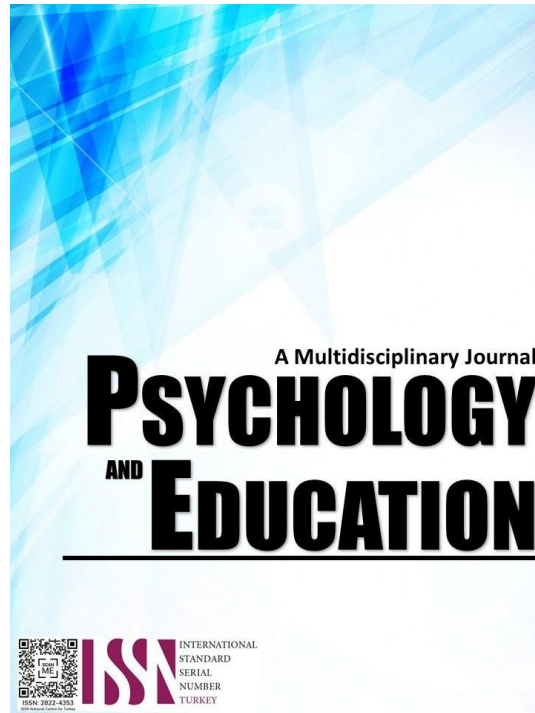


FINANCIAL LITERACY AND PERSONAL FINANCIAL MANAGEMENT OF REGULAR EMPLOYEES IN THE MUNICIPALITY OF POLOMOLOK: A CORRELATION ANALYSIS



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Financial Literacy and Personal Financial Management of Regular Employees in the Municipality of Polomolok: A Correlation Analysis

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Abstract

A solid foundation of financial literacy can assist a variety of life objectives, including managing debt responsibly, starting a business, and saving for retirement or school. This study examined the financial literacy and personal financial management of regular employees of the Municipality of Polomolok. The study employed a quantitative descriptive survey administered to the regular employees of Polomolok, South Cotabato. Results of the survey revealed that most of the regular employees of the Municipality of Polomolok are middle-aged married females with a family size of three (3) to four (4) members. Moreover, most respondents have obtained a bachelor's degree and currently hold a rank-and-file position with a salary ranging from Fifteen Thousand and One Pesos (Php. 15,001.00) to Twenty Thousand Pesos (Php. 20,000.00). Furthermore, the study results revealed that the respondents have a high level of financial literacy and personal financial management. Consequently, a significant relationship exists between the level of financial literacy and the level of personal financial management concerning the respondents' sex and their current held position. Hence, the study concludes that financial literacy significantly influences how the regular employees of LGU Polomolok manage their finances.

Keywords: *financial literacy, personal financial management, regular employees*

Introduction

Financial literacy is now part of the growing concern of authorities both nationally and internationally. Financial literacy is a subject of research that has grown dramatically over the past fifteen years. The evolution of the financial system has increased the number of products and services, complicating the financial decision-making process of customers in various areas (borrowing, investment, money management, etc.). Today's complex financial services market offers consumers various products and providers to meet their financial needs. This level of choice requires consumers to be equipped with the knowledge and skills to evaluate options and identify those that best suit their needs and circumstances. Financial literacy describes the skills, knowledge, and tools that enable people to make individual financial decisions and take action to achieve their goals (Stolper & Walter, 2017).

BSP data shows that while more Filipinos have financial and investment accounts, fewer Filipinos save and use insurance. Moreover, the World Bank found that only 25% of Filipino adults understand basic financial concepts. In a global study by Standard & Poor's (S&P Global Ratings), the Philippines ranked 30th out of 144 countries surveyed for financial literacy. Being financially literate is essential for employees, especially in preparing for retirement. Not having it can lead to economic hardship for an individual and possibly other family members. Public servants in government institutions are often seen as a vulnerable group lacking appropriate financial literacy due to little access to personal finance training in their workplace and limited time to hone business skills. Low levels of financial literacy are associated with and often the cause of adverse financial problems. Financial problems have clear negative consequences for workers' health and work performance. Financial literacy helps individuals improve their understanding of financial matters, enabling them to process financial information and make informed decisions about one's finances. Financial literacy has a direct relationship with the well-being of individuals (Komara et al., 2018).

Personal financial management involves using financial knowledge and skills to make financial and economic decisions such as savings, loans, insurance, and investments. The best way to use their money wisely is to budget, take out credit that she can repay, and live within her means (Abere, 2018). When people are financially literate, they have a better understanding and awareness of managing their resources. They can ensure they meet their day-to-day needs, plan their future spending, credits, and loans, and channel their resources into areas where additional income can be generated.

On the other hand, there are only limited number of studies conducted on financial literacy of the government employees specifically in the Municipality of Polomolok. This is the gap the study wants to address. This paper aims to better understand the level of financial literacy and personal financial management during the workers' prime earning years when making key financial decisions.

Research Questions

Generally, the main purpose of this study is to determine the significant relationship between financial literacy and the personal financial management of regular employees in Polomolok. Specifically, the study sought to answer the following questions:

1. What is the profile of regular employees in terms of:
 - 1.1 age;
 - 1.2 highest educational attainment;

- 1.3 sex;
- 1.4 marital status;
- 1.5 family size;
- 1.6 family income; and
- 1.7 position?
2. What is the level of financial literacy of regular employees in terms of:
 - 2.1 financial awareness;
 - 2.2 financial behavior;
 - 2.3 financial capability;
 - 2.4 financial experience;
 - 2.5 financial goals;
 - 2.6 financial skills; and
 - 2.7 subjective financial knowledge?
3. What is the level of personal financial management practices of regular employees in terms of:
 - 3.1 savings;
 - 3.2 expenditure;
 - 3.3 debt management;
 - 3.4 money management;
 - 3.5 pre-retirement practices; and
 - 3.6 management of unexpected expenses?
4. Is there a significant relationship between financial literacy and the personal financial management of regular employees concerning sex and position?

Literature Review

International Studies

Several studies have shown that people with higher financial literacy are more likely to plan for retirement. The Flat World project found that correctly answering an additional financial question made them 3-4% more likely to plan for retirement. This finding can be observed in Germany, the United States, Japan, and Sweden. Financial literacy has the greatest impact in the Netherlands, where knowing the correct answers to additional financial literacy questions makes them 10% more likely to plan (Lusardi, 2019).

According to Yakoboski et al. (2022), many Americans function such as earning, consuming, saving, investing, insuring, borrowing or managing debt, comprehending risks, and go-to information sources with low levels of financial literacy, a consistent finding during the first six years of the P-Fin index. On average, American adults will answer only 50% of the index questions correctly by 2022. Eighteen percent answered correctly more than 75% of the index questions, while 23% answered 25% or less of the questions correctly. It is evident that higher financial literacy tends to translate into better financial well-being, and low financial literacy is often associated with lower financial well-being. For example, compared with people with a very high level of financial literacy, those with a very low level of education are six times more likely to have difficulty making ends meet, their ability to be limited by debt is 3 times higher, inability to pay is 3 times higher, dealing with a \$2,000 financial shock, 5 times more likely not to have enough emergency savings to cover living expenses for the month, and 10 times more likely to spend ten or more hours per week dealing with personal financial problems 4 times higher.

Asian Studies

According to Xiao (2020), an international survey about financial literacy, behavior, and attitudes found that the best-performing countries for financial knowledge were Hong Kong and South Korea, with mean scores beyond or near, respectively, one full percentage point above the average for Asian-Pacific Economic Corporation (APEC). Thailand, Indonesia, and Malaysia have the lowest average value of financial knowledge. Financial behavior scores show less variation across economies, and China has one of the highest average financial behavior scores. In contrast, Russia has one of the lowest scores compared to other economies of the Asia-Pacific Economic Corporation (APEC). Indonesia has the highest score for the financial attitude component, but the value of financial knowledge is very low. According to Ansar et al. (2019), conducted by the Australian Securities and Investments Commission (ASIC), financial literacy is essential for individuals to improve their living and financial well-being. Previous studies have emphasized the importance of financial literacy in financial behavior. Based on the arguments of Garman and Fogue, the key to good personal finance management is said to be financial literacy.

To achieve good financial standing, personal financial management refers to a process that people use to manage their financial needs, such as financial planning, retirement, loans, and cash management. Typically, personal financial management practices are reflected in various financial attitudes and behaviors, including personal debt levels, help in the stock market, the ability to develop and manage assets effectively, and the ability to calculate financial products with lower fees (e.g., mutual funds). Previous studies have shown that personal financial management practices are one of the most important determinants of a positive correlation with healthy financial

status. Therefore, it can be assumed that anyone who practices good personal finance management methods will eventually be in excellent financial shape (Ansar et al., 2019). In addition, the MDI also reports that poor financial management practices and lack of debt awareness were the main reasons for Malaysia's bankruptcies from 2012 to 2018. Moreover, a study of the Manulife Investor Sentiment Index (MISI), reveals that Malaysians have a weak point in money management practices.

Based on the scenario and problems faced by Millennials in Malaysia, it can be concluded that the main reason leading to personal finance problems is the failure of personal finance management practices. According to Priantinah et al. (2019), personal financial management helps an individual create a comfortable life with a secure future and the freedom to spend money to achieve life goals. The importance of personal financial management is reflected in all areas of personal and professional life. Everyone should learn how to manage their finances and apply it to improve their financial situation. The key is to improve living standards, which leads to good health and significantly reduces financial stress. Furthermore, it also empowers individuals to make better financial decisions to reduce poverty, reduce debt, and increase savings and investment. Good personal financial management practices have been shown to lead to more accumulation of family wealth and are associated with more subjective satisfaction. However, the researchers note that when people try to follow suggested practices, they often do not quite follow them.

Local Studies

In the Philippines, it was reported that only 25 percent of Filipino adults are financially savvy. According to the same source, only one in three adults, or 31% shows an understanding of basic financial concepts. An individual needs to have financial literacy. This literacy will improve one's ability to manage one's day-to-day financial affairs and reduce the negative consequences of bad financial decisions that can take years to rectify. Many people lack the financial literacy to make important financial decisions in their best interest. Furthermore, experts generally acknowledge that financial literacy appears to be directly correlated with financial behavior. Poor financial behavior and personal and family money management practices have consequences, and adverse and negative impacts on home and work life (Parcia & Estimo, 2017).

According to Casingal and Ancho (2022), public school teachers show overconfidence in financial knowledge. Most of them think they are financially literate, but they behave oppositely. They make poor financial decisions in planning or investing in an emergency fund. Most of them pledge to borrow money in case of an emergency. In addition, teachers consider managing their finances a personal responsibility. Another study found that the personal financial practices of a lecturer at a state university in the Philippines found that saving was not their top priority; their spending habits kept them short of cash and tied their future income to unpaid debts (Ramos et al., 2016). A study by Casingal and Ancho (2022) found that university employees' financial literacy and financial management practices in the Philippines were significantly different when grouped by marital status. Most of the West Visayas State University employees have a moderate level of financial literacy. This shows that employees already know how to manage personal finances but still need more training in financial matters.

Financial Literacy

One of the most widely used definitions of financial literacy comes from the Organization for Economic Cooperation and Development (OECD), which defines it as knowledge and understanding of financial concepts and risks, as well as skills, motivation, and confidence to apply this knowledge and understanding to make effective decisions in different financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life (OECD, 2014). Specifically, financial literacy refers to the knowledge and skills required to manage financial challenges and day-to-day decisions in life (Ferrer, 2018).

Financial literacy is a set of skills and knowledge that helps a person make sound, well-informed financial decisions using all their financial resources (Choden et al., 2021). Financial literacy encompasses concept and application, and these two purposes are difficult to reconcile in practice. This means that people should not only know the concepts of financial planning but also have to be able to apply them in their day-to-day transactions. Financial literacy has various parameters, such as essential money management, financial planning, savings, investments, budgeting, etc. Financial literacy is fundamental for understanding money and is used in everyday life, including how people manage their income and spending (Arora, 2016).

Financial literacy includes the ability to discern financial options, discuss money and financial matters without discomfort, plan for the future, and respond competently to life events that affect daily financial decisions, including economic events. Financial Services Authority (FSA) studies in the review indicate that literacy is a series of processes or activities that enhance the knowledge, skills, and confidence of consumers and the public to better manage their finances. Furthermore, OECD research (Gunawan, 2019) states that Financial Literacy is "a combination of perceptions, knowledge, skills, attitudes, and behaviors essential to making sound personal financial decisions." In general, it can be understood as the combination of perception, knowledge, skills, attitudes, and behaviors needed to make the right financial decisions and ultimately achieve personal financial prosperity.

It can also be viewed as the degree to which an individual can perform basic financial management activities, make better financial choices, and plan finances to meet day-to-day, medium-term, and expectations to deal with the unpredictable nature of life (Aber, 2018). Financial literacy is closely related to personal welfare. Financial knowledge and personal financial management skills are essentials in everyday life. Financial literacy is everyone's basic need to avoid financial problems. Financial hardship is not just a function of simple income (low income). Financial hardship can also arise if there are mistakes in financial management, such as using

credit cards and a lack of financial planning. Financial constraints can cause stress and a lack of confidence. A person's level of financial literacy can be determined by their ability to utilize financial resources, identify sources of costs, manage risk, manage asset holdings, and prepare for future financial security if it fails (Herliani et al., 2018). According to (NEDA, 2018), financial literacy consists of two elements: understanding and use. Financial literacy implies that a person has knowledge of personal finance and applies this knowledge in managing their finances.

Methodology

Research Design

The researcher employed a quantitative correlational design to determine the significant relationship between the level of financial literacy and the personal financial management practices of regular employees in the Municipality of Polomolok.

Participants

The study's respondents were regular employees of the Municipality of Polomolok, South Cotabato. The total population of the employees of the aforementioned municipality is two hundred forty-five (245) regular employees from the nineteen (19) different offices. Since it involves a large population, the researcher employed stratified random sampling by selecting a pre-sample of 37 respondents represented by the 19 offices of the Municipality of Polomolok. After analysis of the survey results from the pre-sampling, the sample size was then increased to 100. The researcher used Taro Yamane formula in determining the sample size.

Table 1. *Respondents*

<i>Offices</i>	<i>Population</i>	<i>Sample Size</i>
Office of the Municipal Mayor	19	8
Office of the Municipal Administrator	5	2
Sangguniang Bayan	19	8
Office of the Municipal Planning & Development Coordinator	8	3
Office of the Municipal Civil Register	11	4
General Services Offices	7	3
Office of the Municipal Budget Officer	3	1
Office of the Municipal Accountant	15	6
Office of the Municipal Treasurer	27	11
Office of the Municipal Assessor	11	4
Office of the Municipal Health Officer	21	9
Office of the Municipal Social Welfare & Development Officer	11	4
Office of the Municipal Agriculturist	12	5
Municipal Environment & Natural Resources Office	6	1
Office of the Municipal Engineer	33	13
Operation of Lying-In Clinic	12	5
Municipal Economic Enterprise & Development Office	17	7
Slaughter Operation	7	3
Cemetery Operation	1	1
Total	245	100

Instruments

The study is designed quantitatively and employs a self-administered questionnaire adopted from Dewi et al (2020) and distributed to the regular employees in the Municipality of Polomolok. Before the instrument was used, it first underwent pilot testing. With the overall result of 4.64, all the questionnaires were very highly valid. The validity of the questionnaires was checked through Cronbach alpha.

The data-gathering instrument contained three (3) parts. To wit: Part I – profile of the employees, which includes the age, highest educational attainment, sex, marital status, family size, family income, and position. Part II – the level of financial literacy, which covers the following: financial awareness, financial behavior, financial capability, financial experience, financial goals, subjective financial knowledge, and financial skills. Part III - personal financial management, which includes savings, expenditure, debt management, money management, pre-retirement practices, and management of unexpected expenses. A five-point scale was used to describe the degree of the respondent's perceptions of questions on the survey administered to them.

Procedure

The researcher used the following procedures to get data from the respondents. The Dean's Office of the School of Graduate Studies secured a letter containing permission to conduct the study. Then, the said letter was sent to the Office of the Municipal Mayor. After the request was granted, another request letter was prepared and handed to the 37 employees subjected to pre-sampling. The letter contains a request to the respondents to answer the survey questionnaire.

Distribution of the questionnaire followed after the respondents positively granted the request to conduct a survey. Before the

questionnaire was presented to the respondents, the researcher explained the study's details and purpose.

All information collected from the survey was tallied and then subjected to statistical analysis.

There is a significant ethical consideration that has clear implications for this quantitative research. These issues and concerns may have arisen because of the methodology used in this study. This study adhered to the standards of the Mindanao State University Graduate School Ethics and Review Committee (for ethical considerations, particularly through dealing with the population and data.

Data Analysis

In analyzing the gathered data, the study employed several statistical methods: firstly, Relative Percentage Distribution was utilized to examine the demographic profile of the respondents; secondly, Weighted Mean was employed to gauge the degree of respondents' responses regarding Financial Literacy and Personal Financial Management factors; and thirdly, Descriptive Correlation was applied to explore the relationship between Financial Literacy and Personal Financial Management concerning respondents' sex and employment position, utilizing Pearson's R correlation coefficient.

Results and Discussion

This section presents the analysis and interpretation of data. The data were taken from the respondents to the questionnaire. After all the data were analyzed, relationships between variable groups were interpreted.

Table 2. *Profile of Respondents (Age versus Sex)*

Age	Sex		Total	%
	Female	Male		
20 – 30	9	4	13	13
31 – 40	12	16	28	28
41 – 50	19	11	30	30
51 – 60	12	11	23	23
61 – 70	3	3	6	6
Total	55	45	100	100

Table 2 shows that most of the regular employees aged between 41- 50 years old were females, and ages between 31-40 were males.

Table 3. *Profile of Respondents (Marital Status versus Sex)*

Marital Status	Sex		Total	%
	Female	Male		
Single	14	11	25	25
Married	39	34	73	73
Widowed	1	0	1	1
Separated	1	0	1	1
Total	55	45	100	100

Table 3 shows that the regular employees, both females and males, were married, while 14 % of females and 11% of males were single.

Table 4. *Profile of Respondents (Educational Attainment versus Sex)*

Highest Educational Attainment	Sex		Total	%
	Female	Male		
Bachelor's Degree	49	40	89	89
Master's Degree	4	5	9	9
Doctorate Degree	2	0	2	2
Total	55	45	100	100

Table 4 shows that most regular employees obtained a bachelor's degree, both males and females. Only six females and five males earned a post-graduate degree.

Table 5. *Profile of Respondents (Monthly Income versus Sex)*

Monthly Income	Sex		Total	%
	Female	Male		
Below 10,000	5	1	6	6
10,001 – 15,000	11	9	20	20
15,001 – 20,000	19	11	30	30
20,001 – 25,000	8	10	18	18
Above 25,000	12	14	26	26
Total	55	45	100	100

Table 5 shows the monthly income of the regular employees ranging from 15,001 to 20,000 were females and above 25,000 were males.

Table 6. *Profile of Respondents (Family Size versus Sex)*

Family Size	Sex		Total	%
	Female	Male		
1 – 2	5	9	14	14
3 – 4	30	23	53	53
5 – 6	17	11	28	28
7 – 8	1	1	2	2
9 above	2	1	3	3
Total	55	45	100	100

Table 6 shows the respondents' profile regarding family size versus gender. Most female and male respondents have a family size of 3 to 4 members, with a frequency of 30% and 23%, respectively. Moreover, those with a family size of 7 to 8 members with the lowest frequency of 1%, both females and males. This implies that more regular employees have a family size of 3 to 4 members.

Table 7. *Profile of Respondents (Position versus Sex)*

Position	Sex		Total	%
	Female	Male		
Rank and File	48	31	79	79
Supervisory	7	14	21	21
Total	55	45	100	100

Table 7 shows that most of the regular employees, both females and males were in rank-and-file positions, while 14% of males and 7% of females were in supervisory positions.

Table 8. *Level of Financial Literacy in Terms of Financial Awareness*

Indicators	Mean	Remarks
Evaluate spending regularly	3.8	High
Make a list before shopping	3.7	High
Comparing some financial products before making a decision	3.9	High
Documenting Bills	3.5	High
Gathering information related to financial issues	3.4	Moderately High
Willingness to discuss financial issues	3.7	High
Overall	3.7	High

Table 8 shows that the respondents have high financial awareness. However, gathering information related to finances is moderately high only, which implies that regular employees are not interested in discussing financial problems.

Table 9. *Level of Financial Literacy in Terms of Financial Behavior*

Indicators	Mean	Remarks
Pay bills on time	4.4	High
Allocate a portion of funds for charitable or social activities	3.1	Moderately High
Investment diversification	3.2	Moderately High
Retirement investment	3.5	High
Overall	3.6	High

Table 9 shows a high level of literacy in terms of financial behavior. However, the lowest among the indicators is the ability of the respondents to allocate a portion of their funds for charitable or social activities, which scores moderately high only. This implies that the respondents' funds or money were intended only to compensate for their personal and family expenses.

Table 10. *Level of Financial Literacy in terms of Financial Capability*

Indicators	Mean	Remarks
Pay bills	4.6	Very High
Money in cash	4.0	High
Buy things when need to be bought	4.1	High
Gathering information before deciding to buy	3.9	High
Overall	4.1	High

Table 10 depicts a high level of financial capability among the respondents. However further analysis shows that on the aspect of gathering information before deciding to buy obtained a high level, the respondents' behavior and decision-making make irrational purchases and are accompanied by unplanned and conflicting emotional motivations.

Table 11 indicates a moderately high level of financial experience. However, a low level was noted for the experience of investing in the stock market. It indicates that the respondents are not yet ready to invest in volatile and riskier investments like stocks.

Table 11. *Level of Financial Literacy in terms of Financial Experience*

<i>Indicators</i>	<i>Mean</i>	<i>Remarks</i>
Holding emergency savings	3.7	High
Doing financial records	3.4	Moderately High
Having experience in managing personal assets	3.4	Moderately High
Having investing experience in the stock market	2.2	Low
Have savings experience in a non-bank financial institution	2.8	Moderately High
Overall	3.1	Moderately High

Table 12. *Level of Financial Literacy in Terms of Financial Goals*

<i>Indicators</i>	<i>Mean</i>	<i>Remarks</i>
Make plans for how to use your money	4.0	High
Planning for long-term goals such as retirement	3.9	High
Saving money to buy items with cash rather than with credit	3.9	High
Overall	3.9	High

Table 12 demonstrates that the respondents have given high importance to financial goals. It means that the respondents are planning their future finances, especially the long-term ones, and opted to use cash instead of credit to buy items.

Table 13: *Level of Financial Literacy in Terms of Financial Skills*

<i>Indicators</i>	<i>Mean</i>	<i>Remarks</i>
Keep bills and receipts where they are easy to find	3.9	High
Evaluate savings financial statements regularly	3.7	High
Managing risks through purchasing insurance	3.0	Moderately High
Evaluate debt regularly	3.7	High
Overall	3.6	High

Table 13 shows that the financial skills of the respondents are at a high level. However, regarding managing the risks, the respondents are not quite interested in buying insurance to mitigate the risk of future untoward incidents like accidents and deaths.

Table 14. *Level of Financial Literacy in terms of Financial Knowledge*

<i>Indicators</i>	<i>Mean</i>	<i>Remarks</i>
Write down where money is spent	3.5	High
Knowledge of risk and return	3.6	High
Discussion of economic and financial issues	3.5	High
Overall	3.5	High

Table 14 depicts a high level of financial knowledge among the respondents. A high financial knowledge helps people weigh options and make informed choices for their financial situations.

Table 15. *Level of Personal Financial Management Practices of Regular Employees in terms of Savings*

<i>Indicators</i>	<i>Mean</i>	<i>Remarks</i>
I save out of each income I receive	3.7	High
I have a personal savings account in the bank with an increasing balance	3.3	Moderately High
I do not set aside money for future needs and wants	2.2	Low
Increase my savings whenever I receive a salary increase	3.4	Moderately High
I am the kind of person who always looks to save money	3.7	High
Overall	3.2	Moderately High

Table 15 shows that respondents have a moderately high level on the aspect of savings. However, it is good to note that among the indicators, the respondents have set aside money for future needs and wants.

Table 16. *Level of Personal Financial Management Practices of Regular Employees in Terms of Expenditure*

<i>Indicators</i>	<i>Mean</i>	<i>Remarks</i>
I compare for every expenditure/purchase	3.7	High
I plan my expenses	3.8	High
Often spend more than I can afford	2.7	Moderately High
I closely watch the amount I spend	3.8	High
Overall	3.5	High

Table 16 shows that the regular employees have good spending habits. However, the respondents tend to spend more than they can afford, creating unnecessary debt burdens.

Table 17 shows that regular employees have sound debt management. The results can be drawn that there is low utilization of credit cards. Individuals should emphasize debt management to avoid financial burdens like the penalty imposed by lenders due to late payment or legal consequences due to nonpayment.

Table 17. *Level of Personal Financial Management Practices of Regular Employees in Terms of Debt Management*

Indicators	Mean	Remarks
I pay bills on time	4.4	High
I repay the money I owe on time and in the full amount	4.1	High
I take up a personal loan to pay another loan	2.3	Low
I have to use a credit card whenever I do not have enough money in the bank or cash to meet my monthly commitments	2.2	Low
Overall	3.3	Moderately High

Table 18. *Level of Personal Financial Management Practices of Regular Employees in terms of Money Management Practices*

Indicators	Mean	Remarks
I have financial goals	4.2	High
I have budget plans and keep track of my financial transactions	3.7	High
Overall	4.0	High

Table 18 shows that the aspect of money management scored high, meaning that the respondents are good at managing their money.

Table 19. *Level of Personal Financial Management Practices of Regular Employees in Terms of Pre-retirement Practices*

Indicators	Mean	Remarks
I ensure by regularly checking that my retirement contribution to GSIS is updated and correct	4.0	High
I save for retirement aside from my GSIS contribution	3.7	High
I have other retirement insurance	3.0	Moderately High
Overall	3.6	High

Table 19 shows that the respondents do prepare for their retirement. However, private retirement insurance is not given much importance.

Table 20. *Level of Personal Financial Management Practices of Regular Employees in Terms of Management of Unexpected Expenses*

Indicators	Mean	Remarks
I have insurance that covers "big" unexpected expenditures	2.5	Moderately High
I have set aside the equivalent to six (6) times of my monthly income	2.3	Moderately High
Management of Unexpected expenses	3.0	Moderately High
Overall	2.6	Moderately High

Table 20 shows a moderate level of managing unexpected expenses. In other words, the respondents do set aside emergency funds. This implies that the respondents are not prepared for emergencies requiring money.

Table 21. *Correlation Matrix between Financial Literacy and Personal Financial Management Concerning Female Respondents*

Indicators	Savings	Expenditure	Debt Mgt.	Money Mgt.	Pre-retirement Practices	Mgt. of Unexpected Expenses
Financial Awareness	0.586 (0.0001) Significant	0.493 (0.000) Significant	0.041 (0.766) Not Significant	0.472 (0.000) Significant	0.270 (0.046) Significant	0.334 (0.013) Significant
Financial Behavior	0.676 (0.0001) Significant	0.577 (0.0001) Significant	0.327 (0.015) Significant	0.529 (0.0001) Significant	0.477 (0.000) Significant	0.432 (0.001) Significant
Financial Capability	0.528 (0.0001) Significant	0.588 (0.0001) Significant	0.083 (0.545) Not Significant	0.547 (0.0001) Significant	0.293 (0.030) Significant	0.184 (0.179) Not Significant
Financial Experience	0.612 (0.0001) Significant	0.624 (0.0001) Significant	0.397 (0.003) Significant	0.436 (0.001) Significant	0.481 (0.000) Significant	0.471 (0.000) Significant
Financial Goals	0.590 (0.0001) Significant	0.611 (0.0001) Significant	0.271 (0.045) Significant	0.644 (0.0001) Significant	0.290 (0.032) Significant	0.295 (0.029) Significant
Financial Skills	0.455 (0.001) Significant	0.585 (0.0001) Significant	0.330 (0.014) Significant	0.551 (0.0001) Significant	0.528 (0.0001) Significant	0.450 (0.001) Significant

Financial Knowledge	0.519 (0.0001) Significant	0.624 (0.0001) Significant	0.282 (0.037) Significant	0.607 (0.0001) Significant	0.382 (0.004) Significant	0.353 (0.009) Significant
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Table 21 shows the correlation between financial literacy and personal financial management of regular female employees. A significant relationship between the two variables, except for financial awareness and financial capability versus debt management and management of unexpected expenses, does not greatly influence the female respondents since the p-value is greater than the 0.05 significance level. This portrays not a significant relationship as perceived concerning female respondents.

Table 22. *Correlation Matrix between Financial Literacy and Personal Financial Management Concerning Male Respondents*

Indicators	Savings	Expenditure	Debt Mgt.	Money Mgt.	Pre-retirement Practices	Mgt. of Unexpected Expenses
Financial Awareness	0.434 (0.003) Significant	0.614 (0.0001) Significant	0.279 (0.063) Not Significant	0.521 (0.000) Significant	0.310 (0.039) Significant	0.417 (0.005) Significant
Financial Behavior	0.455 (0.002) Significant	0.433 (0.003) Significant	-0.008 (0.961) Not Significant	0.574 (0.0001) Significant	0.331 (0.027) Significant	0.608 (0.0001) Significant
Financial Capability	0.420 (0.004) Significant	0.259 (0.086) Not Significant	0.090 (0.555) Not Significant	0.438 (0.003) Significant	0.349 (0.019) Significant	0.406 (0.006) Significant
Financial Experience	0.517 (0.000) Significant	0.380 (0.011) Significant	0.075 (0.621) Not Significant	0.354 (0.018) Significant	0.196 (0.195) Significant	0.780 (0.0001) Significant
Financial Goals	0.674 (0.0001) Significant	0.577 (0.0001) Significant	0.010 (0.946) Not Significant	0.657 (0.0001) Significant	0.395 (0.008) Significant	0.585 (0.0001) Significant
Financial Skills	0.461 (0.002) Significant	0.533 (0.000) Significant	0.284 (0.059) Not Significant	0.392 (0.008) Significant	0.203 (0.181) Significant	0.619 (0.0001) Significant
Financial Knowledge	0.308 (0.040) Significant	0.452 (0.002) Significant	0.138 (0.366) Not Significant	0.415 (0.005) Significant	-0.054 (0.721) Significant	0.368 (0.013) Significant

Table 22 shows the correlation between financial literacy and personal financial management practices of male regular employees has a significant relationship between the two variables except for financial awareness, financial behavior, financial capability, financial experience, financial goals, financial skills, and financial knowledge versus debt management and expenditure not greatly influence the male respondents since the p-value is greater than the 0.05 level of significance. This is not as significant as perceived concerning male respondents.

Table 23. *Correlation Matrix between Financial Literacy and Personal Financial Management Concerning Rank and File*

Indicators	Savings	Expenditure	Debt Mgt.	Money Mgt.	Pre-retirement Practices	Mgt. of Unexpected Expenses
Financial Awareness	0.486 (0.0001) Significant	0.519 (0.0001) Significant	0.180 (0.112) Not Significant	0.518 (0.0001) Significant	0.304 (0.007) Significant	0.381 (0.001) Significant
Financial Behavior	0.604 (0.0001) Significant	0.532 (0.0001) Significant	0.289 (0.010) Significant	0.501 (0.0001) Significant	0.411 (0.000) Significant	0.481 (0.0001) Significant
Financial Capability	0.531 (0.0001) Significant	0.581 (0.0001) Significant	0.070 (0.540) Not Significant	0.528 (0.0001) Significant	0.334 (0.003) Significant	0.328 (0.003) Significant
Financial Experience	0.528 (0.0001) Significant	0.579 (0.0001) Significant	0.306 (0.006) Significant	0.382 (0.001) Significant	0.352 (0.002) Significant	0.592 (0.0001) Significant
Financial Goals	0.628 (0.0001) Significant	0.625 (0.0001) Significant	0.185 (0.102) Not Significant	0.640 (0.0001) Significant	0.361 (0.001) Significant	0.448 (0.0001) Significant

Financial Skills	0.406 (0.000) Significant	0.603 (0.0001) Significant	0.367 (0.001) Significant	0.518 (0.0001) Significant	0.445 (0.0001) Significant	0.565 (0.0001) Significant
Financial Knowledge	0.395 (0.000) Significant	0.589 (0.0001) Significant	0.259 (0.022) Significant	0.538 (0.0001) Significant	0.239 (0.034) Significant	0.384 (0.001) Significant

Table 23 shows the correlation of financial literacy and personal financial management practices of regular rank-and-file employees, except financial awareness, financial capability, and financial goals versus debt management do not greatly influence the rank-and-file position of the respondents since the p-value is greater than the 0.05 significance level. This is not significant as perceived concerning rank and file position.

Table 24. *Correlation Matrix between Financial Literacy and Personal Financial Management Concerning Supervisory Position*

Indicators	Savings	Expenditure	Debt Mgt.	Money Mgt.	Pre-retirement Practices	Mgt. of Unexpected Expenses
Financial Awareness	0.684 (0.001) Significant	0.668 (0.001) Significant	0.059 (0.801) Not Significant	0.324 (0.152) Not Significant	0.167 (0.468) Not Significant	0.326 (0.150) Not Significant
Financial Behavior	0.541 (0.013) Significant	0.370 (0.100) Not Significant	0.056 (0.809) Not Significant	0.557 (0.010) Significant	0.604 (0.004) Significant	0.583 (0.006) Significant
Financial Capability	0.363 (0.107) Not Significant	-0.106 (0.645) Not Significant	0.377 (0.093) Not Significant	0.399 (0.074) Not Significant	0.344 (0.128) Not Significant	0.211 (0.357) Not Significant
Financial Experience	0.750 (0.000) Significant	0.205 (0.371) Not Significant	0.159 (0.489) Not Significant	0.416 (0.062) Not Significant	0.491 (0.025) Significant	0.703 (0.001) Significant
Financial Goals	0.548 (0.011) Significant	0.358 (0.111) Not Significant	-0.065 (0.780) Not Significant	0.708 (0.000) Significant	0.248 (0.277) Not Significant	0.463 (0.036) Significant
Financial Skills	0.643 (0.002) Significant	0.350 (0.120) Significant	0.177 (0.440) Not Significant	0.275 (0.228) Not Significant	0.129 (0.577) Not Significant	0.362 (0.107) Not Significant
Financial Knowledge	0.534 (0.014) Significant	0.395 (0.077) Not Significant	0.033 (0.889) Not Significant	0.471 (0.033) Significant	-0.096 (0.677) Not Significant	0.099 (0.669) Significant

Table 24 shows the correlation between financial literacy and personal financial management. Most indicators do not greatly influence the supervisory position since the p-value is greater than the 0.05 significance level. This is not as significant as perceived concerning the supervisory position. This implies there is no significant relationship between financial literacy and personal financial management practices of supervisory positions of regular employees.

Conclusion

The level of financial literacy and personal financial management of the regular employees of the Municipality of Polomolok is high. This means that the regular employees of the Municipality of Polomolok can make sound decisions on financial matters and have managed their finances to a great extent. Moreover, financial literacy has a significant relationship with the personal financial management practices of regular employees concerning sex and employment position. This means that financial literacy greatly influenced how the Municipality of Polomolok employees managed their funds.

Thus, the results suggested that the employees are highly capable of managing their finances well because their financial literacy is high. Thus, this study also recommended that the level of financial literacy and personal financial management of the employees must be sustained and maintained.

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