# Beyond the Piggy Bank: Bookkeeping Practices and Financial Competence of Market Vendors

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## ABSTRACT

Market vendors a key component of the informal economy but their bookkeeping practices and financial competency remain understudied especially in less urbanized regions. The bookkeeping practices and financial competence of 43 market vendors in Santiago City, Isabela, Philippines were assessed through a descriptive-quantitative research design. that was structured and made by the researcher, was administered to vendors in Santiago City Public Market through total enumeration. The instrument measured bookkeeping practices (recording of sales, expenses, and inventory) and financial competence (budgeting, cash management, and savings behaviour), and tested the relationship between the two constructs. Findings indicated that vendors generally practiced basic informal forms of bookkeeping most commonly recording daily sales in notebooks but showed limited use of structured recording of expenses, inventory, and profit-loss computation (Moderately Practiced). Financial competence was rated moderate overall, with budgeting and cash-on-hand management stronger than long-term saving and credit management. Upon analysis, the study's findings revealed that a positive association existed between respondents' bookkeeping practices and financial competence level. According to the study, local government units and cooperative development office suggest a conduct of basic trainings in bookkeeping, likewise this will be a basis for propose extension program for higher education institution specifically to accountancy and business students. Lastly, future research may be expanding this inquiry to other public markets in Region II.

**Keywords:** Bookkeeping Practices, Financial Competence, Market Vendors, Financial Competence, Micro-Entrepreneurs

## INTRODUCTION

Public markets have become one of the most resilient features of local commerce in the Philippines. As thousands of small vendors and hawkers earn a living selling wares, they sell fresh produce, dry goods, and other items daily. Market vendors are, in effect, microentrepreneurs, making daily cash flow, inventory, and pricing decisions, and generally not formally trained in bookkeeping and financial management (Asia, 2023). Bookkeeping is considered a basic financial skill. Moreover, its absence or failure to achieve its intended purpose is associated with reduced profitability, unmonitored losses, and reduced sustainability of the small and micro-enterprises (Miguel et al, 2025 and Mintah et al, 2022).

The effective management requires knowledge, confidence and applied skill, which means financial competence and financial competence a well-established correlate of good bookkeeping and financial decision-making, appears to underlie the success of micro-entrepreneurs (Kraitzek & Förster, 2023; Nogueira et al., 2025). The OECD's latest international survey on adult financial competence reveals that inequality persists with respect to the levels of financial knowledge, behavior and attitude across countries. The self-employed and informal sector workers are among the groups most likely to show gaps in structured financial practice (OECD, 2023). When it comes to the informal retail sector, entrepreneurs with low levels of financial competence are often found to struggle with basic tasks like separating personal and business funds, calculating profit and losses and managing seasonal cash flow (Anshika et al., 2021; Jonck & Nwosu, 2022).

Studies on market in the Philippines. Applications and micro-enterprise vendors. According to Asia (2023), public market vendors in Lucena City manifested unequal financial management practices. Business budgeting was more aligned with sustainable business existence than saving and borrowing practices. Research on sari-sari store proprietors another widespread type of micro-retailing in the Philippines additionally uncovers that while many proprietors are aware of basic bookkeeping ideas, these are not regularly applied, especially in terms of systematic record and expense tracking (Dizon et al., 2023; Francisco et al., 2023). Dry goods market vendors were also assessed for financial competence meaning bookkeeping skills workshops may help vendors monitor sales and expenses more effectively (Yap, 2023). The study of barangay-based micro-entrepreneurs shows the moderate extent of knowledge and skills manifests in their wider financial and tax compliance behavior (Diaz et al., 2025).

Across developing and emerging economies beyond the Philippines, similar findings are found. In South Africa, informal-sector record-keeping was found to differ according to the demographic profile. Jonck and Nwosu (2022) identified training and business experience as important predictors of consistent practice. Research from different countries shows that businesses that have structured records management are bigger in size. Yet small enterprises do not adopt it as expected (Mintah et al., 2022). Research on street vendors in South and Southeast Asia indicates that accounting competence induces better financial behavior (Hossain et al., 2025). In India, informal-sector workers have been studied to show how lesser financial competence intensifies financial stress and insecurity, especially during times of economic shock (Ravikumar et al., 2022). Research on micro and small enterprises further identifies financial competence including bookkeeping as one of the key determinants of firm-level financial outcomes (Anshika et al., 2021; Tumba et al., 2022).

In spite of these studies conducted so far, there has been no known recent study that examined the bookkeeping practices and financial competence of market vendor in Santiago City, Isabela (a regional trading centre of the Cagayan Valley). The city functions as a business hub of Northeastern Luzon, likewise, a focus of government policies is the financial inclusion gaps among micro and small enterprises around the country (Philippine Institute for Development Studies, 2023). Thus, it is important to understand how market vendors in the city manage financial records and utilize basic financial competencies for local economic planning and financial competence program development. The foregoing study aimed to evaluate the bookkeeping practices and financial competence of the 43 market vendors at Santiago City and determine if their relationship is significantly related.

**Objectives of the Study**

This study specifically attempted to:

1. describe the business profile of market vendor-respondents in terms of type of goods sold, years in operation, and average daily income;
2. determine the level of bookkeeping practices of the respondents in terms of recording of sales, recording of expenses, and inventory monitoring;
3. determine the level of financial competence of the respondents in terms of budgeting, cash management, and savings behavior; and
4. determine whether a significant relationship exists between the respondents' bookkeeping practices and their financial competence.

## METHODOLOGY

**Research Design**

A descriptive-quantitative research design was used in the study to determine the bookkeeping practices and financial competence of market vendors of Santiago City. The appropriate design in this study is descriptive because this study wants to describe the existing condition of the vendors as it is. In other words, it aims to find out the actual condition of the vendors' recording practices and the extent of their financial competence. A correlational component was also used to determine if there is a relationship between the respondents' bookkeeping practices and financial competence.

**Research Locale**

The study was conducted at Santiago City Public Market, which is a component city in the province of Isabela and is recognized as a commercial and trading center of Cagayan Valley Region. The Santiago City public market is the main trading center of the city and neighboring municipalities. It is a venue where sellers sell their dry goods, fresh vegetables, fish and meat, cooked food and general merchandise. Due to its centrality and daily trade volume, it represents a useful setting for exploring the financial behavior of the small-scale informal trader's characteristic of the region's secondary towns.

**Sampling Technique**

A total of 43 market vendors purposely chosen from designated areas of the Santiago City Public Market made up the respondents of the study. Because the registered vendors in the given sections are a relatively small population and easily identifiable, total enumeration was performed, using as respondents all vendors present and willing participate during data-gathering. The approach used in this study is similar to those in previous studies on vendors and micro-enterprises which also resorted to total enumeration or purposive inclusion because of a small and accessible population (Dizon et al., 2023; Tabayag & Abrojena, 2025).

Table 1 presents the distribution of the 43 respondents across the different sections of the public market.

**Table 1.** Distribution of Respondents by Market Section (N = 43)

| Market Section | Number of Vendors | Percentage |
|---|---|---|
| Dry Goods and General Merchandise | 12 | 27.9% |
| Fish and Meat (Wet Section) | 10 | 23.3% |
| Fruits and Vegetables | 11 | 25.6% |
| Cooked Food and Refreshments | 6 | 14.0% |
| Ready-to-Wear and Household Items | 4 | 9.3% |
| **TOTAL** | **43** | **100%** |

**Research Instrument**

A researcher-created structured questionnaire was used in gathering the data in three parts namely,

1. vendor's business profile that deals with the type of goods sold, years in existence and average daily income,
2. bookkeeping practices scale that measures the extent to which the vendor records their sales, record their expenses, and monitor their inventory, and
3. financial competence scale that measures the budgeting, cash management and savings behavior of the vendors.

The four-point extent scale (1 = Not Practiced to 4 = Highly Practiced) used for Parts 2 and 3 were adapted and contextualized from Miguel et al. (2025), Tabayag and Abrojena (2025), and Yap (2023) studies of a vendor and micro-enterprise in the Philippines. The instrument was reviewed for clarity and reliability by content experts and pilot-tested before full administration, as it is recommended to follow approaches outlined to design sound

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financial-competence assessment instruments (Kraitzek & Förster, 2023). A cronbach alpha of .95 was determined.

### Data Gathering Procedure

Before the data collection, permission was obtained. The survey questionnaire was employed for obtaining information. Each respondent took about 15 to 20 minutes to answer the questionnaire. The survey was conducted during the regular market hours at the time of convenience for the vendor to avoid interfering with their business.

### Statistical Treatment

The data were analyzed through frequency, percentage, and weighted mean to ascertain the business profile, level of bookkeeping practices, and level of financial competence of the respondents. In the analysis, the weighted means were interpreted using the four-point descriptive scale of Highly Practiced/Competent, Moderately Practiced/Competent, Slightly Practiced/Competent, and Not Practiced/Competent.

To assess if there is a significant relationship between bookkeeping practices and financial competence, the Pearson product-moment correlation (Pearson r) was used where 0.05 was the set significance level. This was similar to how comparable Philippine vendor and micro-enterprise studies were treated statistically (Asia, 2023; Tabayag & Abrojena, 2025).

### Ethical Considerations

The 43 respondents were interviewed only after giving their informed consent, which was voluntary for them. The vendors were briefed about the objectives of the study, assured of confidentiality and anonymity of their responses which would only be used for research purposes. The vendor was also informed that he has the right to refuse or withdraw at any time without it influencing the vendor in terms of the market administration.

## RESULTS AND DISCUSSION

### Business Profile of the Respondents

**Table 2.** Business Profile of Market Vendor-Respondents (N = 43)

| Profile Variable | Frequency | Percentage |
|---|---|---|
| **Years in Operation** | | |
| 1–5 years | 14 | 32.6% |
| 6–10 years | 16 | 37.2% |
| Above 10 years | 13 | 30.2% |
| **Average Daily Income** | | |
| Below ₱1,000 | 19 | 44.2% |
| ₱1,000–₱2,500 | 17 | 39.5% |
| Above ₱2,500 | 7 | 16.3% |

As seen in Table 2, more than two-thirds (67.4%) of the respondents have been operating their stalls for six years or more. According to the survey, almost half or 44.2% earn daily sales of below ₱1,000. The earned income either reflects the small scale of operation of public market micro-enterprises or is consistent with the earned income profile reported in the Philippines public market and thrift-business vendors (Asia, 2023; Tabayag & Abrojena, 2025).

### Level of Bookkeeping Practices

**Table 3. Level of Bookkeeping Practices of the Respondents**

| Indicator | Weighted Mean | Descriptive Rating | Rank |
|---|---|---|---|
| Recording of daily sales | 3.28 | Moderately Practiced | 1 |
| Monitoring of inventory | 2.51 | Slightly Practiced | 2 |
| Recording of business expenses | 2.34 | Slightly Practiced | 3 |
| Computation of profit and loss | 2.02 | Slightly Practiced | 4 |
| **Overall Bookkeeping Practices** | **2.54** | **Moderately Practiced** | — |

The findings presented in Table 3 revealed that the overall bookkeeping practices of the respondents can be rated as Moderately Practiced with (WM = 2.54). The indicator for the “recording of daily sales” was considered to be the most practiced indicator (WM = 3.28), while the “computation of profit and loss” was the least practiced indicator (WM = 2.02). The similar pattern was noted among sari-sari store owners and market vendors in the Philippines where simple sales recording is commonplace, systematic practices like tracking of expenses and computations of profit and loss remain underdeveloped (Dizon et al., 2023; Yap, 2023). The inventory monitoring and computation of profits are relatively weak, which are consistent with the findings that barangay-based micro-entrepreneurs exhibit only a moderate extent of knowledge and skills in bookkeeping. Adversity and limited knowledge of available resources are claimed to be the primary barriers to more systematic recording (Diaz et al., 2025). Evidence from multi-country study showed business-records management was beneficial but was still applied inconsistently amongst small enterprises (Mintah et al., 2022).

### Level of Financial Competence

**Table 4. Level of Financial Competence of the Respondents**

| Indicator | Weighted Mean | Descriptive Rating | Rank |
|---|---|---|---|
| Budgeting of capital and household needs | 3.15 | Moderately Competent | 1 |
| Cash-on-hand management | 3.02 | Moderately Competent | 2 |
| Savings behavior | 2.41 | Slightly Competent | 3 |
| Credit and debt management | 2.19 | Slightly Competent | 4 |
| **Overall Financial Competence** | **2.69** | **Moderately Competent** | — |

The respondents' overall financial competence was also assessed as Moderately Competent (WM = 2.69), as shown in Table 4. According to the results (WM = 3.15), budgeting has the highest level of compliance, which is followed by cash-on-hand management (WM = 3.02). Further, savings behavior (WM = 2.41) and credit and debt management (WM = 2.19) have relatively lower levels of compliance. The findings of this study are consistent with Asia (2023) among Lucena City public market vendors, where budgeting practices are established more strongly than saving and borrowing behaviours. Likewise, with Tabayag and Abrojena (2025), it reflects the financial competence of micro-business owners in the Philippines was more evident in the management of day-to-day finances than to sourcing or dealing with external financing like a loan. The other indicators like credit and debt management are lower. This finding also corroborates Ravikumar et al. (2022) wherein informal-sector entrepreneurs often underuse formal credit and savings options for informal day-to-day cash arrangements especially under financial distress.

**Relationship between Bookkeeping Practices and Financial Competence**

**Table 5.** Correlation between Bookkeeping Practices and Financial Competence

| Variables | Pearson r | p-value | Decision |
|---|---|---|---|
| Bookkeeping Practices vs. Financial Competence | 0.58 | 0.000 | Significant |

Based on the data in Table 5, bookkeeping practices and financial competence have positive and statistically significant relationship ($r = 0.58$, $p < 0.05$). These findings suggest that vendors who more consistently record their sales, expenses, and inventory also tend to have stronger budgeting, cash management, and saving behaviour. This finding is consistent with the larger literature that has linked record keeping with the financial and business performance of micro and small enterprises (Miguel et al., 2025; Mintah et al., 2022). Moroever, Tabayag and Abrojena (2025) reported a very strong relationship between the level of financial competence and the level of financial management practices of thrift business owners in the Philippines. This supports the view that bookkeeping is not only a clerical task, but a financial competence that is in its own right (Kraitzek & Förster, 2023; Nogueira et al., 2025).

## CONCLUSION

This study assessed the bookkeeping practices and financial competence of 43 market vendors in Santiago City, Isabela. Based on the findings, market vendors generally practice bookkeeping at a moderate level, with basic sales recording more common than structured expense tracking or profit-loss computation, and they demonstrate moderate financial competence, with budgeting and cash management stronger than saving and credit management. A significant positive relationship between bookkeeping practices and financial competence was found, suggesting that the two competencies develop together and that strengthening one is likely to reinforce the other.

Considering that bookkeeping is significantly related to financial competence, and that national policy already takes into account the closing of financial inclusion gaps between Philippine micro and small enterprises, the study recommend that the local government of Santiago City through its City Market Administration Office and cooperative development program, offer basic bookkeeping and financial competence training tailored to the day-to-day reality of being a market vendor. Such training may include simple sales-and-expense recording templates, ways of recording inventory profitably, and savings mechanisms suitable to daily cash-based operations. These recommendations follow the model of localized, community-based financial competence program, shown to significantly improve bookkeeping practices of microentrepreneurs elsewhere in the Philippines. Moreover, extension programs may be proposed to other schools in the city. This will link accountancy and business students to market vendors as they will mentor them on basic bookkeeping. To other public markets in Region II, future researchers are suggested to do the same study. Furthermore, they may study the financial practices of rice vendors through qualitative or mixed-methods approaches. They may also study the long-term impact of the intervention on the income of vendors and the sustainability of their business.

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