Provident Fund Loan Program and Its Effects on the Financial and Workplace Outcomes of the Department of Education SDO Laguna Personnel

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ABSTRACT

This study aimed to determine the relationship between the features of the DepEd Provident Fund Loan Program and its effects on the financial outcomes and workplace productivity of DepEd teaching and non-teaching personnel in Schools Division Office (SDO) Laguna during the academic year 2025–2026. Specifically, it examined the loan program features in terms of loan amount, utilization, terms and conditions, satisfaction with loan release and transparency, and accessibility, and their relationship with financial stability, debt level, financial well-being, financial capability, and workplace productivity. The study tested the hypothesis of significant relationships between the variables and employed descriptive and inferential statistical tools such as mean, standard deviation, and Pearson correlation coefficient to analyze the data.

The study utilized a descriptive-correlational research design. The respondents of the study were DepEd teaching and non-teaching personnel in SDO Laguna selected through stratified random sampling. A structured questionnaire was used as the primary data gathering instrument to measure the variables of the study. The data collection procedure involved securing permission from the Schools Division Superintendent, distributing questionnaires to respondents, and retrieving completed forms for analysis. The gathered data were statistically treated using descriptive statistics to determine the level of variables and Pearson correlation to determine the relationship between the independent and dependent variables.

Findings revealed that the features of the DepEd Provident Fund Loan Program were generally rated positively by the respondents, particularly in terms of accessibility and transparency of loan processes. The results showed that the loan program features have significant relationships with financial stability, financial well-being, and financial capability of employees, while weaker relationships were observed in terms of debt level and workplace productivity. Based on the findings, it was concluded that the Provident Fund Loan Program contributes to improving the financial condition of DepEd personnel, although its effect on workplace productivity is indirect. It is recommended that the program be further enhanced through improved accessibility, streamlined processes, and the integration of financial literacy programs to maximize its benefits.

Keywords: Provident Fund Loan Program, Financial Stability, Financial Capability, Financial Well-being, Workplace Productivity

THE PROBLEM AND IT'S BACKGROUND

Introduction

Education in the Philippines plays a huge role in shaping the future of the country. It is often seen as the key to improving people's lives, helping individuals secure better opportunities, strengthening communities, and contributing to national development. For many Filipinos, public education is more than a government service; it is a lifeline that gives children and families hope for a better future. This is why the Philippine government continuously works to improve the education system through programs, reforms, and policies that aim to make learning more accessible and effective for everyone.

At the center of this effort is the Department of Education (DepEd). DepEd is one of the biggest government agencies in the country, employing thousands of workers across different regions. These workers include teaching personnel, who directly handle classroom instruction and learning delivery, and non-teaching personnel, who provide vital support services such as administration, record- keeping, finance, and school operations. Without both groups working together, schools would not function properly.

However, while much attention is given to improving curriculum, raising student achievement, and building school facilities, one important issue is often left in the background: the financial condition and well-being of DepEd personnel. Teachers and staff are expected to perform well, be committed, and give their best in serving learners, but many of them struggle financially. This is not just an individual problem. When financial stress becomes common among education workers, it can affect their health, motivation, and job performance, which may also influence workplace productivity and overall service delivery.

Many studies show that financial stress is closely connected to work performance and overall well-being. When employees are worried about debts, loan payments, and daily expenses, it becomes difficult for them to stay focused and productive. In the case of DepEd personnel, financial difficulties can lead to emotional stress, reduced financial stability, and lower financial capability. This situation is concerning because teachers and staff serve an important role in shaping the next generation, yet they are often burdened by financial challenges.

Several local studies have already highlighted this reality. Casingal, et. al. (2022) found that many Filipino public school teachers tend to normalize debt, maintain little to no financial records, and feel unprepared for emergencies. This indicates weak financial stability and limited financial capability among employees. Similarly, Llego (2020) pointed out that teachers frequently spend their own money for classroom needs, such as instructional materials, decorations, printing, and even supplies for learners, which increases their debt levels and reduces financial well-being. The Bangko Sentral ng Pilipinas (BSP, 2023) also reported that many Filipino workers experience financial strain due to limited savings and dependence on loans, reflecting low financial stability and high borrowing behavior. In addition, Espesori (2024) found that while some teachers report a "somewhat good" financial situation, many still experience limitations that affect their financial well-being and financial capability. Perdizo, et. al. (2023) further revealed that financial well-being is strongly linked to job satisfaction among teachers, showing that financial conditions are also connected to workplace productivity.

Given these realities, financial support programs become essential. One of the key interventions provided by the government is the DepEd Provident Fund Loan Program, which serves as a financial assistance mechanism for employees facing economic challenges.

The DepEd Provident Fund Loan Program was created to provide affordable and accessible financial assistance to DepEd personnel. It offers low- interest loans for teaching and non-teaching employees who may need immediate financial support. In this context, the features of the loan program, including loan amount, utilization, terms and conditions, satisfaction with loan release and transparency, and accessibility, play a crucial role in shaping how employees experience the program and how effectively it meets their financial needs. These features are expected to directly influence the financial outcomes of employees, particularly their financial stability, debt level, financial well-being, financial capability, and workplace productivity.

Borrowing from private lenders can be risky due to high interest rates and unfavorable repayment schemes; thus, the Provident Fund aims to provide a safer financial alternative that can positively affect employees' financial behavior and stability. The program was first introduced through DepEd Order No. 36, s. 2007, and later improved through DepEd Order No. 52, s. 2017 and DepEd Order No. 37, s. 2018. These policies provide guidelines on loan ceilings, terms, and procedures to ensure proper implementation. It is also supported by Republic Act No. 8291 (GSIS Act of 1997) and the 1987 Philippine Constitution, which promote the welfare of government employees.

From a broader perspective, welfare programs such as the Provident Fund Loan Program also support the United Nations Sustainable Development Goals (SDGs). These include SDG 4 (Quality Education), SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), and SDG 16 (Peace, Justice, and Strong Institutions). These goals emphasize that quality education cannot be achieved without ensuring that educators and personnel are financially stable, which directly connects financial program features with employee productivity and institutional performance.

Although the program is beneficial, several challenges remain. Some employees are not fully aware of its availability, while others experience difficulties such as unclear requirements, delays in processing, and limited accessibility (Llego, 2020). These issues may weaken the relationship between the program's features and its intended financial and workplace outcomes, as employees may not fully experience its benefits in terms of improved financial stability, reduced debt, or enhanced productivity.

In the context of Schools Division Office (SDO) Laguna, where both teaching and non-teaching personnel face varying levels of financial pressure, it is important to examine whether the features of the Provident Fund Loan Program are significantly related to employees' financial stability, debt level, financial well- being, financial capability, and workplace productivity. Understanding this relationship is essential in determining whether the program effectively translates its features into meaningful financial and organizational outcomes.

This study is anchored on Maslow's Hierarchy of Needs (1943), which explains that financial security is a basic need that must be met before individuals can achieve higher levels of motivation and productivity. This implies that improvements in loan program features, such as accessibility and transparency, may enhance financial stability and enable employees to perform better at work. Additionally, Social Exchange Theory (Blau, 1964) suggests that when employees perceive organizational support through accessible and fair financial programs, they are more likely to respond with higher engagement, productivity, and commitment.

Local studies support these theories. Temonio (2024) found that teachers with higher financial literacy and institutional support demonstrate better workplace engagement, while Perdizo, et. al. (2023) confirmed that financial well-being is a strong predictor of job satisfaction among teachers. These findings reinforce the idea that financial support mechanisms influence both financial outcomes and workplace performance.

With these considerations, this study aims to assess the relationship between the features of the DepEd Provident Fund Loan Program (loan amount, utilization, terms and conditions, satisfaction with loan release and transparency, and accessibility) and its effects on financial stability, debt level, financial well- being, financial capability, and workplace productivity among DepEd teaching and non-teaching personnel in SDO Laguna. The findings may serve as a basis for improving program implementation and strengthening employee financial support systems.

In conclusion, supporting the financial well-being of DepEd personnel is essential in sustaining the Philippine education system. Teachers and staff cannot be expected to deliver high-quality education if they are financially burdened. The DepEd Provident Fund Loan Program serves as an important welfare mechanism, but its effectiveness depends on how its features translate into real financial and workplace outcomes. By examining this relationship in SDO Laguna, this study contributes to strengthening employee welfare, improving institutional support systems, and advancing quality education, strong institutions, and sustainable national development aligned with the Sustainable Development Goals.

Background of the Study

The financial well-being of public school personnel has increasingly emerged as a critical concern in the Philippine education sector. Teaching and non-teaching staff in DepEd face multiple financial pressures, including rising living costs, stagnant salaries, increasing family obligations, and personal expenditures for instructional and office materials. These pressures often compel employees to borrow from informal lenders or high-interest financial institutions, creating a cycle of debt that exacerbates stress and negatively impacts work performance (Llego, 2020; Casingalm et. al., 2022). According to the Philippine Institute for Development Studies (PIDS, 2021), a significant proportion of government employees, including educators, rely on such informal financial arrangements,highlighting the persistent vulnerability of public sector workers to economic shocks.

Studies specific to Philippine teachers reinforce this observation. Espesor (2024) found that while some teachers report a “somewhat good” financial status, many still face constraints that threaten their long-term economic security, particularly in relation to savings, emergency preparedness, and household obligations. Similarly, Perdizo, et. al. (2025) emphasized that financial well-being is strongly associated with job satisfaction, particularly when teachers perceive adequate support from their institutions. Nasi (2023-2024) further observed that financial stress among public school personnel correlates with higher absenteeism, decreased engagement, and reduced productivity. These findings demonstrate that the financial welfare of employees is not merely a personal concern but a critical institutional issue affecting educational quality and organizational effectiveness.

To mitigate these challenges, the government implemented the DepEd Provident Fund Loan Program, a welfare mechanism designed to provide short- term, low-interest loans to eligible teaching and non-teaching personnel. The program was established through Administrative Order No. 279 dated May 5, 1992, and implemented via DECS Order No. 097, s.1992 on October 1, 1992. . This program provides eligible personnel with low-interest, multi-purpose loans designed to alleviate financial stress and foster resilience. According to DepEd Order No. 37, s. 2018 and DepEd Order No. 003, s. 2022, permanent employees may borrow up to ₱300,000 at an annual interest rate of 6%, with flexible repayment options.

Despite these provisions, challenges remain in program implementation. Roxas (2024) and Delos Reyes (2021) observed that many eligible employees are either unaware of the Provident Fund or find the application process confusing and time-consuming. Delayed approvals, unclear eligibility criteria, and limited communication about program benefits further hinder utilization, reducing trust in the institution. Within the context of DepEd Schools Division Office (SDO) Laguna, such barriers are particularly salient. Teachers frequently shoulder additional expenses for instructional materials, while non-teaching personnel often face limited employment options and lower wages. Temonio (2025) highlighted that teachers who are financially literate still struggle to achieve economic stability due to systemic constraints, underscoring the importance of accessible and responsive welfare mechanisms.

Empirical evidence from related studies also indicates the broader effects of financial assistance programs on employee outcomes. Bautista and Cruz (2022), in their study of the GSIS Emergency Loan Program, concluded that timely and accessible financial support mitigates the adverse effects of economic shocks, reducing stress and improving job satisfaction. Temonio (2025) further emphasized that financial support and literacy positively influence engagement and motivation among teachers, while Perdizo, et. al.(2025) demonstrated a direct link between financial well-being and workplace satisfaction. These findings suggest that well-structured, efficiently managed welfare programs not only address immediate financial needs but also foster institutional trust, loyalty, and long-term employee commitment, consistent with Social Exchange Theory (Blau, 1964).

The theoretical frameworks guiding this study provide additional insight into the importance of financial support mechanisms. Maslow's Hierarchy of Needs (1943) posits that financial security is a basic human requirement that must be satisfied before individuals can pursue higher-order goals, such as professional growth and self-actualization. In the educational workplace, employees whose basic financial needs are unmet may experience diminished motivation, engagement, and productivity. Social Exchange Theory suggests that institutional investment in employee welfare encourages reciprocal commitment and loyalty, promoting a more stable and dedicated workforce (Blau, 1964). Empirical studies support these perspectives, showing that access to financial assistance programs alleviates stress, improves job satisfaction, and strengthens employee commitment (Casingal, et. al. 2022; Delos Reyes, 2021; Perdizo, et. al. 2025).

In SDO Laguna, the financial realities of personnel are shaped by both individual and contextual factors. Geographic location, school resources, and employment conditions influence the extent of financial stress among staff. Teaching personnel often incur additional expenses beyond their regular salaries, such as instructional materials and student support, while non-teaching personnel may face employment insecurity or low-income roles. This complex interplay of factors underscores the importance of evaluating the DepEd Provident Fund not only as a policy instrument but also as a practical mechanism for improving financial resilience.

Given these considerations, the rationale for this study is clear: an empirical assessment of the DepEd Provident Loan Fund is necessary to determine its effectiveness in meeting the financial needs of teaching and non-teaching personnel. Understanding program utilization, accessibility, and perceived impact will provide evidence-based insights for policy and program improvements. Strengthening the fund's implementation can enhance financial security, reduce stress, and promote a more engaged and motivated workforce, ultimately contributing to the broader goal of improving educational quality and institutional effectiveness in the Philippine public school system.

THEORETICAL FRAMEWORK

This study is anchored in an integrated theoretical foundation that combines contemporary financial inclusion perspectives with established organizational and psychological theories. Together, these frameworks explain how loan programs, specifically the Provident Fund Loan, shape the welfare, resilience, and productivity of teaching and non-teaching personnel.

The study is guided by the National Strategy for Financial Inclusion (NSFI 2022–2028) of the Bangko Sentral ng Pilipinas. NSFI emphasizes accessibility, affordability, and resilience as key principles in the design of financial services. It asserts that loan programs must promote equitable access, reasonable interest rates, flexible and manageable repayment schedules, and inclusive eligibility,while also protecting borrowers from risks such as over-indebtedness, default, and high opportunity costs. Situating the Provident Fund Loan Program within this national framework positions it as a financial inclusion mechanism intended to support employees during emergencies and enhance financial stability. At the same time, NSFI highlights that inadequately designed loan features may expose individuals to new financial vulnerabilities.

Social Exchange Theory (SET) provides insight into how employees interpret and react to welfare initiatives. SET posits that when institutions extend support, such as through transparent eligibility criteria, fair interest rates, and accessible loan amounts, employees reciprocate with trust, commitment, and improved organizational engagement. Conversely, restrictive loan policies or burdensome repayment terms weaken perceived organizational support, leading to dissatisfaction and heightened stress. Complementing SET is the Resource- Based View (RBV), which frames welfare programs as strategic organizational resources. Under RBV, well-designed provident loans enhance financial stability, reduce turnover, and strengthen an institution's human capital, thereby improving organizational performance. However, RBV also warns that poorly structured programs may become liabilities, diminishing morale and reducing productivity when they result in financial strain or perceived inequity.

The Job Demands–Resources (JD-R) model and Conservation of Resources (COR) theory explain how loan

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programs influence psychological well- being. The JD-R model asserts that resources reduce strain and support engagement, while demands increase stress. Provident loans function as financial resources that alleviate pressure during emergencies, flexible repayment terms and inclusive eligibility further buffer financial strain. In contrast, rigid repayment schedules or high salary deductions act as additional demands, potentially leading to burnout. COR theory deepens this perspective by emphasizing that individuals seek to maintain and build resources and experience stress when resources are threatened or depleted. While provident loans protect resources by offering emergency financial support, prolonged repayment obligations can be viewed as resource loss, contributing to debt burden, stress, and reduced financial flexibility. Taken together, JD-R and COR highlight the dual nature of loan programs: they can simultaneously empower and strain employees depending on their structure.

Maslow's Hierarchy of Needs further situates financial stability within the domain of safety needs, prerequisites for higher-order psychological growth and work engagement. By providing timely financial assistance, provident loans help fulfill these safety needs, enabling staff to focus on professional and personal development. However, if loans introduce new financial anxieties through debt pressure or uncertainty, employees may regress to lower-level needs, hindering motivation and performance. Maslow's theory therefore reinforces the importance of designing loan programs that genuinely promote security rather than create additional stress.

Collectively, these theoretical lenses construct a multidimensional framework for assessing the Provident Fund Loan Program. At the macro level, NSFI establishes the principles of accessibility, affordability, and resilience. At the organizational level, SET and RBV explain how loan features shape perceptions of support and organizational effectiveness. At the individual level, JD-R, COR, and Maslow's hierarchy illustrate the psychological and motivational consequences of financial support mechanisms. Within this integrated framework, the loan's core features, loan amount, interest rate, repayment terms, eligibility, and accessibility, determine whether the program yields positive outcomes such as financial stability, credit-building, and emergency support, or negative outcomes such as debt burden, stress, risk of default, and opportunity costs.

By grounding the analysis in national financial inclusion policy and connecting it to organizational and psychological theory, this study establishes a comprehensive theoretical basis for evaluating the impact of the Provident Fund Loan Program on the financial needs and overall welfare of teaching and non- teaching staff.

CONCEPTUAL FRAMEWORK

This study is designed to explore how the features of the Provident Fund Loan Program affect the welfare outcomes of teaching and non-teaching personnel in DepEd SDO Laguna. It aims to understand how different factors contribute to whether employees experience positive or negative effects from accessing provident loans.

The research focuses on several key aspects: the respondents' perception of loan amount ceilings, their awareness of interest rates and repayment terms, their understanding of eligibility requirements, and the accessibility of the program within their division. The dependent variable of the study is the overall effect of the Provident Fund Loan Program on staff welfare, measured in terms of both positive outcomes, such as timeliness of emergency support, accuracy in meeting financial needs, and completeness of assistance, and negative outcomes, including debt burden, repayment stress, and opportunity costs.

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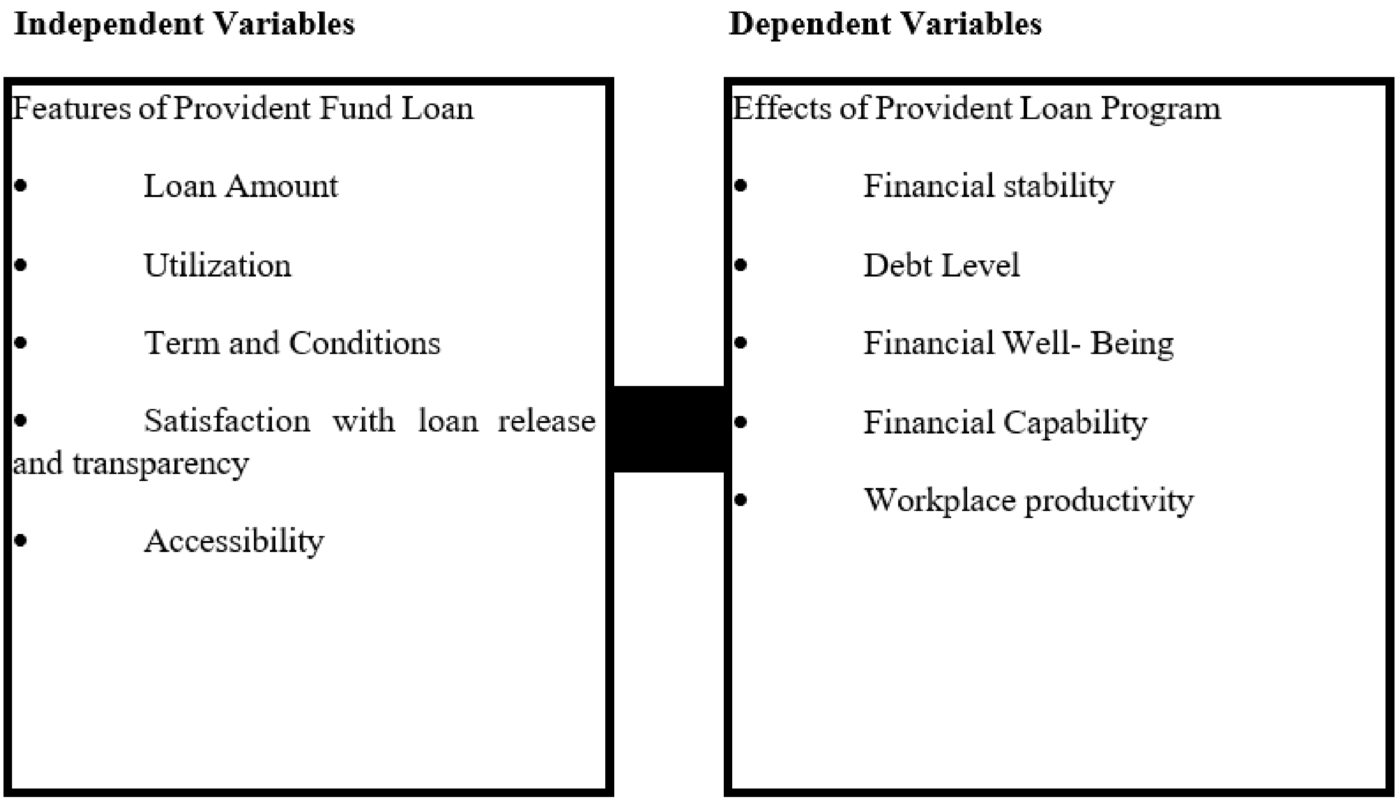

Figure 1. Research Paradigm

Statement of the Problem

This study aims to determine the effects of the DepEd Provident Fund Loan Program on the financial and workplace outcomes of teaching and non-teaching personnel in the Schools Division Office (SDO) of Laguna. Specifically, the study examines how the perceived features of the Provident Fund Loan Program influence the financial condition and productivity of personnel, and whether the overall effects of the program are predominantly positive or negative. The findings of this study shall serve as a basis for recommending the enhancement and strengthening of the program if the effects are found to be beneficial, or the redesign and possible reallocation of resources to alternative employee welfare initiatives if the effects are found to be unfavorable.

Specifically, it sought to answer the following questions:

1. What is the demographic profile of the respondents in terms of:

1.1 Employment Classification

1.2 Years in Service

1.3 Number of Times Availed the Provident Fund Loan Program

1.4 Purpose of Loan Availment

2. What is the level of perceived implementation of the DepEd Provident Fund Loan Program in terms of:

2.1 Loan Amount

2.2 Utilization

2.3 Terms and Conditions

2.4 Satisfaction with Loan Release and Transparency

2.5 Accessibility

3. What is the level of perceived effects of the DepEd Provident Fund Loan Program in terms of:

3.1 Financial Stability

3.2 Debt Level

3.3 Financial Well-Being

3.4 Financial Capability

3.5 Workplace Productivity

4. What is the overall assessment of the program based on the composite results of its perceived effects?

5. Which program feature(s) significantly predict the following outcomes:

5.1 Financial Stability

5.2 Debt Level

5.3 Financial Well-Being

5.4 Financial Capability

5.5 Workplace Productivity

6. Is there a significant relationship between the perceived program features and the perceived financial and workplace outcomes of the respondents?

Hypotheses

This study attempted to test the following null hypotheses at 0.01 level of significance:

Ho1: There is no significant relationship between the features of the DepEd Provident Fund Loan Program and the financial and workplace outcomes of DepEd SDO Laguna personnel.

Ho2: There is a significant relationship between the features of the DepEd Provident Fund Loan Program and the financial and workplace outcomes of DepEd SDO Laguna personnel.

SCOPE AND LIMITATION

This study evaluates the effectiveness of the Provident Fund Loan Program among teaching and non-teaching personnel in DepEd SDO Laguna, focusing on awareness, accessibility, adequacy of loan features, perceived impact on financial well-being, and challenges in availing the program. It also explores the program's role in supporting employees during emergencies and disasters.

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The study is limited to the permanent teaching and non-teaching personnel of the Division of Laguna. It does not include contractual or probationary employees because they are not eligible for the Provident Fund Loan Program, even though they may also have financial needs.

In addition, the research focuses only on the Provident Fund and does not cover other financial aid options like GSIS loans or loans from private lenders. Because of this, the findings may not fully represent all the financial support systems available to DepEd personnel.

Definition of Terms

The variables used for the title of the research and the statement of the study's problem have been operationally and conceptually defined in this section:

Accessibility: Accessibility refers to the ease and convenience by which DepEd personnel can avail the Provident Fund Loan Program. It includes the availability of information regarding the loan, clarity of eligibility requirements, simplicity of the application procedure, accessibility of forms and documents, and the level of assistance provided by the implementing office. Accessibility is also reflected in the ability of both teaching and non-teaching personnel to apply for the loan without experiencing unnecessary barriers such as excessive requirements, long queues, limited schedule availability, or lack of guidance.

Debt Level: Debt level refers to the extent of a personnel's financial obligations arising from loans and other liabilities. This includes the number of active loans a personnel has, the total amount owed, and the perceived burden of monthly deductions or repayments. Debt level also reflects the extent to which the Provident Fund Loan contributes to reducing financial pressure, such as paying off high-interest debts, or increases obligations when repeated borrowing results in accumulating loan balances.

Financial Capability: Financial capability refers to a personnel's ability to manage financial resources effectively and responsibly. It includes skills and behaviors such as budgeting, saving, prioritizing essential expenses, managing debt, and planning repayments. Financial capability is also demonstrated through responsible loan utilization, such as using funds for urgent and important needs rather than unnecessary spending, and the ability to meet repayment obligations on time without compromising basic household needs.

Financial Stability: Financial stability refers to the condition in which DepEd personnel can meet their daily and monthly financial responsibilities consistently without severe difficulty. It includes the ability to pay for household expenses, education and health needs, and other obligations while maintaining balance in income and spending. Financial stability also involves preparedness for emergencies, reduced dependence on borrowing, and improved confidence in handling unexpected financial challenges due to access to affordable financial support such as the Provident Fund Loan.

Financial Well-Being: Financial well-being refers to the overall state of a personnel's financial condition characterized by a sense of security, satisfaction, and reduced financial stress. It includes the ability to meet present obligations, maintain peace of mind regarding finances, and develop confidence about future financial goals. Financial well-being is reflected through reduced anxiety caused by debts, improved capacity to handle emergencies, and perceived improvement in quality of life due to financial support received through the Provident Fund Loan Program.

Loan Amount: Loan amount refers to the total value of money granted to DepEd personnel through the Provident Fund Loan Program. It includes the specific amount received during a loan transaction and the borrower's perception of its sufficiency in meeting intended financial needs such as emergencies, medical expenses, education-related expenses, or debt payment. Loan amount is also assessed based on whether the maximum loan ceiling provided by the program is reasonable, fair, and aligned with the income and repayment capacity of employees.

Provident Fund Loan Program: Provident Fund Loan Program refers to the DepEd welfare-based lending assistance offered to qualified teaching and non- teaching personnel. The program provides short-term, low-interest loans intended to help employees respond to financial emergencies and urgent needs. It is characterized by standardized policies on eligibility, loan ceilings, repayment terms, and administrative processes. The program functions as a financial support mechanism aimed at improving employee welfare and reducing dependence on private lenders with high interest rates.

Satisfaction with Loan Release and Transparency: Satisfaction with loan release and transparency refers to the degree to which DepEd personnel feel contented and assured with the loan process and the fairness of its implementation. It includes perceptions regarding the speed and efficiency of processing, clarity of information and instructions provided, and fairness in the approval process. Transparency refers to openness and clarity in loan computations, deductions, repayment schedules, and communication of rules. High satisfaction is reflected when personnel experience timely release of loans, consistent processes, and complete information, resulting in trust and confidence in the program.

Terms and Conditions: Terms and conditions refer to the set of rules and requirements governing the Provident Fund Loan Program. These include eligibility criteria, interest rates, repayment periods, and the amount of monthly deductions applied to salaries. It also includes limitations and conditions that must be met by borrowers, such as required documents and approval procedures. Terms and conditions are evaluated based on whether they are clear, fair, affordable, and manageable for personnel, particularly in relation to income capacity and daily living expenses.

Utilization: Utilization refers to the manner in which DepEd personnel use the Provident Fund Loan proceeds to respond to financial needs. It includes the actual purposes for which the loan is used, such as medical emergencies, household expenses, education costs, debt consolidation, or other urgent obligations. Utilization also reflects whether the loan serves its intended welfare purpose and contributes to financial improvement, or whether it is repeatedly used for recurring expenses that indicate ongoing financial difficulty.

Workplace Productivity: Workplace productivity refers to the efficiency, focus, and performance level of DepEd personnel in carrying out assigned work responsibilities. It includes the ability to accomplish tasks on time, maintain work motivation, sustain engagement, and perform duties effectively. Workplace productivity is also associated with reduced distractions caused by financial stress. When financial needs are supported through accessible welfare programs, personnel may demonstrate improved concentration, better attendance, higher morale, and greater commitment to work performance.

REVIEW OF RELATED LITERATURE AND STUDIES

This chapter discusses the literature taken from books, magazines, journals, and other research deemed necessary to clarify the study further.

Related Literature

Provident fund loan programs are widely recognized in contemporary labor economics and public administration literature as structured workplace financial mechanisms designed to provide employees with regulated access to credit. These programs function as institutionalized financial support systems that are embedded within employment structures, typically funded through employee and employer contributions and administered under strict organizational or government policies. Their primary purpose is to address short-term liquidity constraints among workers while maintaining financial discipline through controlled borrowing limits and payroll-deduction repayment schemes. In public-sector environments such as education systems, these programs are particularly significant because they serve dual roles: first, as financial safety nets that cushion employees against economic shocks, and second, as welfare instruments that enhance employee retention, satisfaction, and productivity. Unlike informal lending systems, which often involve high interest rates and predatory practices, provident fund loan programs are characterized by regulated interest rates, institutional oversight, and standardized repayment structures that reduce financial vulnerability among employees while reinforcing accountability in borrowing behavior.

The International Labour Organization (2018) emphasizes that employees across various sectors frequently encounter financial difficulties arising from medical emergencies, household needs, educational expenses, and unforeseen calamities. These financial pressures are particularly pronounced among fixed- income workers, such as public school teachers and government employees, whose salaries may not adequately adjust to inflation or sudden economic shocks. In the absence of structured financial support systems, employees often turn to informal lending sources, such as community-based lenders or unregulated credit providers, which typically impose high interest rates and unfavorable repayment conditions. Over time, this reliance can lead to debt cycles and chronic financial instability. Provident fund loan programs are therefore conceptualized as protective financial mechanisms that not only provide immediate liquidity but also reduce dependency on high-risk borrowing channels by integrating repayment directly into salary systems, thereby ensuring consistent repayment and minimizing default risk.

The Organisation for Economic Co-operation and Development (OECD, 2020; 2024) further strengthens this perspective by highlighting that workplace- based financial support systems play a critical role in promoting financial inclusion and reducing financial stress among employees. OECD findings suggest that access to structured credit within the workplace significantly improves financial resilience, particularly for middle- and lower-income workers in the public sector. The structure of loan programs, including loan amount, accessibility, transparency, and repayment terms, has been shown to directly influence borrowing behavior and financial decision-making. When loan systems are well-regulated and transparent, employees are more likely to make informed borrowing decisions and less likely to engage in over-indebtedness. Conversely, poorly structured systems may encourage excessive borrowing due to perceived ease of access and low immediate repayment pressure. Thus, OECD literature underscores that provident fund loan programs are not merely financial tools but behavioral systems that shape how employees manage risk, consumption, and debt.

Loan amount is consistently identified in literature as a major determinant of borrowing behavior. Studies such as Demirgüç-Kunt et. al. (2018) and Gathergood et. al. (2017) explain that higher credit limits increase borrowing capacity but also raise the likelihood of over-indebtedness, particularly when borrowers lack strong financial planning skills. Larger loan amounts may initially provide relief from financial pressure, but they can also create long-term repayment burdens that reduce disposable income and financial flexibility. Baker et. al. (2019) and Fuster and Willen (2017) further highlight that increased credit access often stimulates consumption behavior, which may not always align with income stability, especially among salaried employees. Agarwal et. al. (2015) add that loan size must be carefully calibrated to income levels, as mismatched loan exposure can significantly increase financial stress and default risk. Collectively, these studies emphasize that loan amount is not merely a technical parameter but a critical behavioral factor that influences both short-term consumption and long- term financial well-being.

Loan utilization is another critical dimension influencing financial outcomes and borrower behavior. OECD (2024) explains that workplace loans are most commonly used for consumption smoothing, emergency expenses, and debt consolidation rather than productive investments. This pattern reflects underlying income constraints rather than discretionary financial planning. Karlan et. al. (2018) argue that when loans are directed toward productive purposes such as education, small business development, or skill acquisition, they can generate long-term income improvements and financial stability. However, Banerjee et. al. (2015) and Dupas et. al. (2018) demonstrate that consumption-driven borrowing, while necessary in the short term, often fails to produce sustained financial improvement and may perpetuate financial vulnerability. Collins and Urban (2016) further explain that emergency-based borrowing is often a symptom of structural income insufficiency, highlighting that many employees rely on loans not for wealth creation but for survival and continuity of basic household consumption.

The terms and conditions of loan programs, including transparency, interest rates, and policy clarity, are also central to borrowing behavior and financial outcomes. OECD (2020) emphasizes that transparent loan systems enhance financial literacy and improve decision-making by ensuring that borrowers fully understand repayment obligations and associated costs. Agarwal et. al. (2015) and Campbell et. al. (2017) further demonstrate that complex or opaque loan terms reduce borrower comprehension, increasing the likelihood of misinformed financial choices and over-borrowing. Bertrand and Morse (2016) and Stango and Zinman (2016) add that clear disclosure of loan information significantly improves repayment behavior and reduces financial distress by enabling borrowers to better anticipate long-term obligations. These findings collectively suggest that transparency is not merely an administrative requirement but a behavioral intervention that directly influences financial responsibility and risk management among employees.

Accessibility also plays a significant role in shaping employee participation in loan programs and overall financial behavior. IMF (2025) and OECD (2024) emphasize that increased access to credit enhances financial inclusion by allowing individuals to meet urgent financial needs without resorting to informal lending systems. However, they also caution that greater accessibility may lead to higher borrowing frequency, particularly when financial literacy levels are low. Demirgüç- Kunt et. al. (2018) and Beck et. al. (2015) note that while credit access reduces reliance on informal lenders, it can also increase financial vulnerability if borrowing is not matched with repayment capacity. Suri and Jack (2016) and Burgess and Pande (2015) further explain that access to formal credit improves short-term financial stability but does not automatically translate into long-term financial resilience unless accompanied by sound financial management practices and institutional safeguards.

Repayment mechanisms, particularly payroll deduction systems, are consistently highlighted as both strengths and limitations of provident fund loan programs. OECD (2021) and Rabbani et. al. (2023) emphasize that automatic deductions significantly improve repayment compliance by reducing the likelihood of missed payments and default. From a behavioral finance perspective, Thaler and Benartzi (2016) and Madrian (2017) explain that automation simplifies financial decision-making by reducing cognitive load and eliminating the need for active repayment planning. However, Beshears et. al. (2018) caution that while automation enhances compliance, it may also reduce borrowers' awareness of their cumulative debt obligations, potentially encouraging repeated borrowing cycles. This dual effect suggests that while payroll deduction systems improve efficiency and repayment reliability, they must be complemented with financial education and borrowing limits to prevent over-reliance on institutional credit.

Financial literacy remains a central factor in determining how employees engage with loan programs and manage financial decisions. Lusardi and Mitchell (2023) emphasize that higher levels of financial literacy are associated with improved borrowing decisions, better debt management, and stronger long-term financial outcomes. Lusardi and Messy (2023) extend this concept by introducing financial capability, which goes beyond knowledge to include the practical application of financial skills in real-life contexts. OECD/INFE (2022) supports this view by demonstrating that workplace financial education programs significantly reduce financial risk behaviors and improve overall financial well-being. These findings collectively suggest that financial literacy is a foundational determinant that shapes how employees interpret loan terms, evaluate risks, and manage repayment obligations.

From a macroeconomic perspective, IMF (2025) highlights that financial inclusion alone does not guarantee financial stability. While access to credit is essential for economic participation, stability depends on broader factors such as income consistency, institutional safeguards, and responsible borrowing behavior. This perspective reframes provident fund loan programs as part of a larger financial ecosystem in which access must be balanced with regulation and education. Without these complementary structures, increased credit availability may inadvertently contribute to financial fragility rather than resilience.

In the Philippine context, BSP (2021; 2023; 2024) provides strong empirical evidence on borrowing behavior among Filipino workers, particularly in the public sector. BSP (2021) reports that salary-based loan systems are widely utilized among government employees due to their accessibility and convenience. BSP (2023) further highlights that financial literacy plays a significant role in reducing excessive borrowing and improving repayment behavior. BSP (2024) adds that financial stress is closely associated with repeated borrowing cycles, indicating that many employees rely on loans as a recurring financial coping mechanism rather than a one-time intervention. Francisco et. al. (2026) similarly notes that while salary loan systems provide essential financial support, their ease of access may unintentionally encourage dependency and repeated borrowing behavior, particularly among employees with limited financial buffers.

Employee financial wellness literature further expands this discussion by linking financial stress with workplace performance and organizational outcomes. Attipoe et. al. (2025), BrightPlan (2025), and IgniteHCM (2025) emphasize that financial wellness programs significantly improve employee productivity, engagement, and overall well-being, particularly when they include structured financial education and support mechanisms. Hannon and Sherraden (2017) and HR.com (2025) further highlight that financial stress negatively affects cognitive functioning, workplace concentration, and job satisfaction, ultimately reducing organizational efficiency. These findings reinforce the idea that provident fund loan programs are not only financial instruments but also workplace wellness tools that influence both economic and organizational performance.

In terms of employment classification, according to Sari and Nugroho (2021), employees in service-oriented professions, particularly those in the teaching sector, experience higher financial pressure due to job-related expenses and limited income flexibility. Similarly, according to Ahmad and Ismail (2020), education-sector employees are more likely to rely on institutional loan programs compared to non-teaching personnel.

With regard to the number of years in service, according to Mugo et. al. (2018), employees with longer tenure tend to face increasing financial responsibilities, which may lead to greater reliance on loans. Likewise, according to Asante and Afful (2019), tenure influences borrowing capacity, as experienced employees are often eligible for higher loan amounts.

The frequency of loan availment is another important factor influencing financial outcomes. According to FinHealth Network (2022), repeated borrowing may indicate financial dependency and underlying financial instability. Frequent loan utilization reduces disposable income and limits financial flexibility, increasing the likelihood of financial strain.

The purpose of borrowing also plays a significant role in determining financial outcomes. According to Sulastri and Gantino (2024), loans used for productive purposes such as education and home improvement contribute to long-term financial stability. In contrast, according to Ryu and Fan (2022), loans used for medical expenses and calamities are often reactive and associated with increased financial stress and vulnerability.

Related Studies

Empirical studies on provident fund loan programs and similar employee lending systems consistently demonstrate that institutional credit access significantly influences financial behavior, financial stability, and workplace outcomes. Across international and local contexts, research shows that while employee loan programs provide immediate financial relief, they also create long- term implications on debt accumulation, financial well-being, and productivity depending on how borrowing is managed and how institutional systems are designed.

Fonseca et. al. (2017) found that loan accessibility, interest rates, and repayment structures significantly affect financial well-being among employees. Their study emphasized that structured repayment mechanisms, particularly payroll deductions, improve compliance and reduce default risk, but may also mask the cumulative burden of debt when employees hold multiple loans. This finding supports the notion that provident fund loan systems, while efficient in repayment enforcement, may unintentionally contribute to underestimation of total indebtedness among borrowers.

In a related perspective, Herkenhoff et. al. (2020) demonstrated that access to credit serves as a liquidity-smoothing mechanism that enables households and workers to manage income volatility. However, the same study highlighted that excessive reliance on credit may lead to long-term financial vulnerability when borrowing exceeds repayment capacity. This dual effect suggests that employee loan programs must be evaluated both as stabilizing financial instruments and as potential contributors to financial strain when not properly regulated.

Sullivan et. al. (2018) similarly reported that while borrowing provides short- term financial relief, repeated borrowing increases overall debt burden and financial risk exposure. Their findings reinforce the idea that loan frequency is a critical determinant of financial outcomes, particularly among employees who rely on salary-based credit systems for recurring expenses. This aligns with the concept of loan dependency observed in workplace financial behavior literature.

Drentea and Reynolds (2015) provided further evidence that higher debt levels are associated with increased anxiety and psychological distress. Their study highlighted that financial obligations create cumulative stress that affects both mental health and daily functioning

French and McKillop (2016) examined payroll-deduction loan systems and found that while automatic deductions improve repayment compliance, they may also lead employees to underestimate their total debt exposure. This misperception often results in repeated borrowing behavior, reinforcing cycles of indebtedness. Their findings are highly relevant to provident fund loan programs, which typically rely on automatic salary deductions as a repayment mechanism.

Xiao and O'Neill (2016) provided a more balanced perspective by showing that structured loan repayment systems can also improve financial discipline and budgeting behavior among borrowers. However, Zinman (2015) cautioned that repeated reliance on credit may discourage savings behavior and weaken long- term financial resilience. These contrasting findings suggest that the impact of loan programs depends heavily on financial literacy and behavioral discipline.

Education-sector specific studies provide particularly relevant insights for the present research. Tagapulot and Macalisang (2024) found that teachers with high loan obligations experience increased financial stress, reduced job satisfaction, and lower workplace performance. Their study highlighted that financial strain directly affects teachers' emotional availability and professional engagement. Rahman et. al. (2022) similarly reported that financial stress among public school teachers negatively impacts motivation and job satisfaction.

In Southeast Asia, Kittiprapas and Wongwattana (2020) found that Thai government employees experience reduced financial flexibility due to fixed payroll deductions from institutional loans. This limitation affects household budgeting and increases dependence on additional credit sources. Sharma and Singh (2019) also found that while institutional loans reduce reliance on informal lending systems in India, they do not eliminate financial stress, particularly among employees with multiple loan obligations.

African public-sector studies further reinforce these findings. Mhlongo and Dlamini (2019) found that excessive loan deductions among public servants in South Africa are associated with psychological distress and reduced workplace engagement. Similarly, Mugo et. al. (2018) and Asante and Afful (2019) reported that tenure and financial responsibility levels significantly influence borrowing behavior among employees, with longer-serving employees tending to accumulate higher loan obligations over time.

Philippine-based empirical studies provide direct relevance to the present research context. Alvarado (2021) found that government employees with multiple loan obligations experience higher financial stress and lower perceived financial control. The study emphasized that loan accumulation, rather than loan access alone, is a key determinant of financial strain. Flamiano (2024) further supported this by showing that longer tenure and repeated loan availment are associated with reduced disposable income and increased financial vulnerability among public- sector workers.

Mabignay et. al. (2022) found that salary loans among teachers provide immediate financial relief but negatively affect long-term financial stability due to continuous deductions from monthly salaries. Their findings highlight the

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trade-off between short-term financial support and long-term financial well-being. Sorita et. al. (2023) further emphasized that limited understanding of loan terms increases the likelihood of repayment difficulties and financial stress among employees.

The Bangko Sentral ng Pilipinas (2021) Financial Inclusion Survey revealed that Filipino workers commonly use loans for education, healthcare, housing, and emergency-related expenses. The study emphasized that loan utilization patterns are largely driven by necessity rather than investment purposes, reinforcing the importance of understanding loan purpose as a key factor in financial behavior analysis.

WorkRise Network (2021) found that employer-sponsored loan programs significantly improve access to safe credit among employees but also contribute to repeated borrowing behavior among financially constrained workers. Similarly, Urban Institute (2024) reported that employer-based small-dollar loan programs increase financial inclusion but may also lead to cyclical borrowing patterns if not paired with financial education interventions.

Francisco et. al. (2026) specifically examined DepEd personnel and found that salary loan dependency is strongly associated with financial literacy levels, frequency of borrowing, and household financial responsibilities. Their study revealed that employees frequently use loans for education, medical emergencies, and household expenses, indicating that borrowing is closely tied to essential life needs.

Bautista (2021) further confirmed that repeated loan availment among government employees is associated with financial dependency and reduced capacity to save. This finding aligns with Cruz (2022), who reported that continuous borrowing behavior contributes to long-term financial vulnerability and weak financial resilience among Filipino workers.

Lim and Sison (2022) highlighted the importance of transparency in loan systems, finding that clear and accessible loan policies improve employee trust and financial decision-making. Reyes (2020) similarly emphasized that public- sector employees rely heavily on institutional loans due to limited access to alternative credit sources, reinforcing the importance of structured and well- managed loan programs.

Casingal and Quimson (2023) added that financial literacy moderates the relationship between loan utilization and financial well-being, meaning that employees with higher financial literacy experience better outcomes even when borrowing frequently. This supports the argument that financial education is a critical factor in mitigating negative effects of provident fund loan programs.

With respect to employment classification, according to Tagapulot and Macalisang (2024), teaching personnel with high loan obligations experience increased financial stress and reduced job satisfaction. In the Philippine context, according to Mabignay et. al. (2022), teachers frequently utilize loan programs due to financial pressures, making them more vulnerable to financial strain compared to non-teaching personnel. This finding is further supported by Alvarado (2021), who noted that public school employees with multiple loan deductions experience reduced financial flexibility.

In terms of the number of years in service, according to Alvarado (2021), long-tenured employees tend to accumulate more loan obligations over time. Similarly, according to Flamiano (2024), longer tenure is associated with reduced disposable income due to multiple salary deductions. These findings suggest that employees with longer service duration are more likely to rely on loans as financial responsibilities increase.

Regarding the frequency of loan availment, according to French and McKillop (2016), individuals with multiple loans experience higher financial burdens. Supporting this, according to Sullivan et. al. (2018), repeated borrowing increases financial risk. In the Philippine setting, according to Flamiano (2024), frequent borrowing among public employees leads to financial stress, reduced take-home pay, and limited financial flexibility. Similarly, according to Bautista (2021), repeated loan availment is associated with financial dependency among government employees.

In terms of the purpose of borrowing, according to Herkenhoff et. al. (2020), productive borrowing leads to improved financial stability. Likewise, according to Karlan et. al. (2018), investment-oriented borrowing enhances financial outcomes. However, according to Angelucci et. al. (2015), consumption-based borrowing increases financial risk. In the Philippine context, according to the Bangko Sentral ng Pilipinas (2021), loans are commonly used for education, healthcare, housing, and emergency purposes. Furthermore, according to Sorita et. al. (2023), loans used for non-productive purposes contribute to increased financial stress among employees.

Studies also emphasize the psychological and workplace effects of debt. According to Drentea and Reynolds (2015), higher debt levels increase anxiety and stress. Similarly, according to Kim and Garman (2004), financial stress reduces productivity and increases absenteeism. In more recent local findings, according to Flamiano (2024), employees with multiple loan obligations experience higher stress levels and decreased work efficiency. Likewise, according to Mabignay et. al. (2022), loan deductions significantly affect employees' financial stability and overall well-being.

Additionally, according to Cruz (2022), repeated borrowing among Filipino employees is associated with long-term financial dependency and reduced capacity to save. According to Lim and Sison (2022), transparency in loan policies improves employee trust and financial decision-making. Furthermore, according to Reyes (2020), public-sector employees rely heavily on institutional loan programs due to limited access to alternative credit sources, reinforcing the importance of well-structured lending systems.

RESEARCH METHODOLOGY

This chapter presents the research methods and procedures employed in the study. It discusses the research design, research locale, population and sampling, respondents of the study, research instrument, data gathering procedure, statistical treatment of data, and ethical considerations observed throughout the conduct of the research.

Research Design

This study utilized a descriptive–correlational research design employing quantitative methods, with the use of a structured questionnaire as the primary tool in gathering data from DepEd SDO Laguna personnel who have availed of the Provident Fund Loan Program.

Data were collected through questionnaires aimed at describing respondents' perceptions regarding the implementation of the Provident Fund Loan Program and examining the relationships between program features and financial and workplace outcomes.

This design was chosen because it enabled the researcher to describe existing conditions, provide a realistic profile of respondents' experiences, and determine the direction and strength of relationships between variables. The correlational component focused on examining the relationship between the features of the loan program, such as loan amount, utilization, terms and conditions, satisfaction with loan release and transparency, and accessibility, and the resulting financial and workplace outcomes, including financial stability, debt level, financial well-being, financial capability, and workplace productivity.

Furthermore, regression analysis was employed to determine the predictive influence of the program features on the identified outcomes.

Research Locale

The study will be conducted in the Department of Education – Schools Division Office (SDO) Laguna, which supervises public elementary and secondary schools and division-level offices within the province of Laguna. The locale was selected because the Provident Fund Loan Program is actively implemented in the division and has a substantial number of employee-beneficiaries whose experiences are essential for evaluating the program's effectiveness.

Population and Sampling Technique

This study employed a total enumeration (census method) to ensure that all members of the population were represented.

The respondents of this study were permanent teaching and non-teaching personnel of DepEd SDO Laguna who have availed of the Provident Fund Loan Program. These personnel include teachers, administrative staff, and support personnel assigned to schools and the division office.

Since the number of loan beneficiaries was manageable, the researcher included the entire population rather than selecting a sample. This approach ensured a more accurate and comprehensive representation of respondents' perceptions and experiences, while eliminating sampling error.

Research Instrument

The primary instrument for data collection will be a researcher-developed structured survey questionnaire, constructed based on the Statement of the Problem, conceptual framework, and reviewed literature. The questionnaire will consist of the following parts:

Part I. Demographic and Employment Profile

This section gathered information such as employment classification, years in service, number of times the loan was availed, and purpose of loan availment. These variables were used to describe the background of the respondents and support the interpretation of results.

Part II. Level of Implementation of the Provident Fund Loan Program

This section measures respondents' perceptions of the program's implementation in terms of:

1. Loan amount
2. Utilization
3. Terms and conditions
4. Satisfaction with loan release and transparency
5. Accessibility

Items focus on adequacy of loan ceilings, clarity of policies, efficiency of processing, transparency of deductions, and ease of access.

Part III. Perceived Effects of the Provident Fund Loan Program on Employees This section assesses the perceived effects of the loan program on borrowers in terms of:

1. Financial stability
2. Debt level
3. Financial well-being

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4. Financial capability

5. Workplace productivity

These indicators reflect the welfare outcomes identified in the conceptual framework and supported by the literature.

Research Procedure

The study followed a systematic procedure in data collection. Initially, the researcher prepared the research instrument and secured approval to conduct the study from the Schools Division Office of Laguna.

Prior to data collection, respondents were provided with an informed consent form explaining the purpose of the study, procedures, confidentiality of responses, and their right to voluntarily participate or withdraw at any time.

The questionnaire was distributed either in printed form or through online platforms such as Google Forms, depending on respondents' availability and accessibility. Respondents were given sufficient time to answer the questionnaire to ensure accuracy and completeness of responses.

After data collection, the questionnaires were retrieved, checked, and encoded for analysis. All responses were treated with strict confidentiality and used solely for academic purposes.

Response Scale

Responses will be measured using a **four-point Likert scale**, interpreted as follows:

4 – Strongly Agree 3 – Agree

2 – Disagree

1 – Strongly Disagree

Data Analysis

The data gathered in this study will be analyzed using appropriate descriptive and inferential statistical tools. Frequency counts and percentages will be employed to describe the demographic characteristics of the respondents and their loan-related profiles. These measures will provide a clear overview of the distribution of respondents in terms of selected personal and employment variables, as well as their experience with the Provident Fund Loan Program.

To determine the perceived level of implementation of the Provident Fund Loan Program and its perceived effects on borrowers, weighted mean and standard deviation will be used. The weighted mean will summarize respondents' levels of agreement with each indicator related to program features and welfare outcomes, while the standard deviation will indicate the degree of variability or consistency of responses.

To examine the relationship between the features of the Provident Fund Loan Program and the financial well-being of borrowers, the Pearson Correlation Coefficient (Pearson r) will be utilized. This statistical test will determine the strength and direction of the relationship between the independent and dependent variables at a 0.05 level of significance.

In addition, Multiple Regression Analysis was used to identify which features of the Provident Fund Loan Program significantly predict the financial and workplace outcomes of the respondents. This analysis allowed the researcher

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to determine the combined and individual influence of the independent variables on the dependent variables.

For hypothesis testing, the decision rule will be applied as follows: the null hypothesis will be rejected if the computed p-value is less than 0.05, indicating a statistically significant result; otherwise, the null hypothesis will fail to be rejected if the p-value is greater than or equal to 0.05.

Presentation, Analysis and Interpretation of Data

This chapter presents the presentation, analysis and interpretation of data.

The research focused on the Provident Fund Loan Program and Its Effects on the Financial Well-Being of the Department of Education SDO Laguna Personnel.

Data collected during the conduct of the research and together with their corresponding analyses and interpretations, as well as the statistical treatment of the results derived from the obtained data are presented and discussed as follows:

Table 1. Profile of the Respondents in Terms of Employment Classification

Employment Classification	Frequency	Percentage
Teaching	155	51.3
Non-Teaching	147	48.7
Total	302	100

Table 1 presents the profile of the respondents in terms of employment classification. The data reveal that out of 302 respondents, 155 (51.3%) are teaching personnel, while 147 (48.7%) are non-teaching personnel. This indicates that the respondents are almost evenly distributed between the two groups, with a slight predominance of teaching personnel. Such distribution suggests that the study adequately represents both employment classifications within the Department of Education Schools Division Office (SDO) Laguna, allowing for a more balanced and comparative analysis of the Provident Fund Loan Program and its effects on financial and workplace outcomes.

The near-equal distribution of respondents is important in interpreting loan- related behavior because employment classification has been identified in prior studies as a significant factor influencing financial stress and borrowing patterns. Tagapulot and Macalisang (2024) emphasized that teaching personnel often experience higher financial strain due to job-related expenses and relatively fixed income structures, which increases their likelihood of relying on institutional loan programs. Similarly, Mabignay et. al. (2022) found that teachers frequently utilize salary loans to address financial gaps, particularly for household and emergency needs, which may contribute to increased financial vulnerability.

In contrast, non-teaching personnel also experience financial pressures that influence their participation in provident fund loan programs. According to Alvarado (2021), government employees across different classifications encounter financial obligations that affect their borrowing behavior, repayment capacity, and overall financial stability. This suggests that loan utilization is not limited to teachers but is a common coping mechanism among public-sector employees, regardless of job function.

The balanced composition of respondents aligns with the perspective of the OECD (2024), which highlights that workplace-based financial support programs are designed to be inclusive and accessible across all employee categories. Provident fund loan systems, therefore, function as universal financial

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interventions intended to address diverse employee needs, regardless of occupational classification.

Furthermore, Francisco et. al. (2026) noted that DepEd personnel, both teaching and non-teaching, exhibit varying but significant levels of loan utilization due to shared exposure to economic pressures and limited financial flexibility. French and McKillop (2016) further explained that over-indebtedness and repeated borrowing behaviors may occur across different employee groups when financial literacy is limited and income remains insufficient to meet rising expenses. Overall, the findings imply that both teaching and non-teaching personnel actively participate in the Provident Fund Loan Program, reflecting its relevance as a financial support mechanism within the organization. The slight predominance of teaching personnel may suggest marginally higher financial exposure; however, the minimal difference between the two groups confirms that financial needs and loan dependency are widespread among DepEd SDO Laguna employees. This supports the importance of analyzing both groups when assessing the financial and workplace effects of the Provident Fund Loan Program.

Table 2. Profile of the Respondents in Terms of Years in Service

Years in Service	Frequency	Percentage
Less than 5 years	81	26.8
5-10 years	82	27.2
11-15 years	71	23.5
16 years and above	68	22.5
Total	302	100

Table 2 presents the profile of the respondents in terms of years in service. The data reveal that out of 302 respondents, 82 (27.2%) have been in service for 5–10 years, followed closely by 81 (26.8%) with less than 5 years of service. Meanwhile, 71 respondents (23.5%) have served for 11–15 years, and 68 (22.5%) have 16 years and above in service. This distribution indicates that the respondents are relatively spread across different tenure levels, with a slight concentration among those in the early to mid-career stages.

The findings suggest that a significant portion of the respondents are still in the early and developing phases of their professional careers. Employees with less than 10 years of service, comprising more than half of the respondents, may still be in the process of establishing financial stability, managing family-related expenses, and adjusting to long-term financial responsibilities. This aligns with the observations of Mugo et. al. (2018), who noted that employees in the earlier stages of their careers often experience financial adjustments that may increase their reliance on credit facilities to meet immediate needs.

At the same time, the presence of respondents with longer tenure (11 years and above) indicates that financial obligations persist even among experienced employees. According to Asante and Afful (2019), employees with longer years of service tend to have greater access to loan programs due to increased borrowing capacity, but they may also face accumulated financial responsibilities such as education, housing, and family support. Similarly, Alvarado (2021) found that long- tenured government employees are more likely to accumulate multiple loan obligations over time, which can affect their financial stability and disposable income.

Furthermore, Francisco et. al. (2026) highlighted that years of service influence borrowing behavior among DepEd personnel, with both newer and more experienced employees utilizing loan programs for different financial purposes. Early-career employees may borrow for initial financial adjustments, while long- tenured employees may rely on loans to manage accumulated responsibilities. This pattern is also consistent with findings from the Bangko Sentral ng Pilipinas (2021), which indicate that Filipino borrowers across different income and employment levels use loans for a variety of purposes, including education, healthcare, and household needs.

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Table 3. Profile of the Respondents in Terms of Number of Times Availed the Provident Fund Loan Program

No. of times	Frequency	Percentage
Once	119	39.4
Two to Three Times	98	32.5
More than Three times	85	28.1
Total	302	100

Table 3 presents the profile of the respondents in terms of the number of times they have availed of the Provident Fund Loan Program. The data show that out of 302 respondents, 119 (39.4%) have availed of the loan once, 98 (32.5%) have availed of it two to three times, and 85 (28.1%) have availed of the loan more than three times. This distribution indicates that while a plurality of respondents have used the loan program only once, a substantial proportion have engaged in repeated borrowing.

The findings suggest that the Provident Fund Loan Program is not only used as a one-time financial support mechanism but is also repeatedly accessed by many employees. The fact that more than 60% of the respondents have availed of the loan at least twice reflects a pattern of continued reliance on institutional credit. This observation aligns with the concept of loan dependency, where employees repeatedly utilize available credit facilities to manage ongoing financial needs. According to French and McKillop (2016), repeated borrowing is often associated with increased financial burden, particularly when individuals underestimate the cumulative impact of multiple loan obligations.

The relatively high proportion of respondents who have availed of loans more than once may also indicate persistent financial pressures among employees. Flamiano (2024) noted that frequent borrowing among government employees is often driven by recurring expenses such as household needs, education, and emergencies, which cannot be fully addressed by fixed salaries alone. This supports the idea that institutional loan programs, while beneficial, may become a continuous coping mechanism for financial gaps.

From a behavioral perspective, repeated borrowing may also be influenced by the accessibility and convenience of the loan program. Payroll-deducted loan systems reduce repayment friction, making it easier for employees to re-avail loans without fully perceiving the long-term financial impact. French and McKillop (2016) explained that such systems may lead borrowers to underestimate their total debt burden, thereby increasing the likelihood of multiple loan availments.

Despite these concerns, it is important to recognize that repeated loan utilization does not necessarily indicate financial mismanagement. In some cases, it reflects the program's effectiveness in providing timely financial support. According to the Bangko Sentral ng Pilipinas (2021), Filipino borrowers commonly use formal credit repeatedly to manage financial obligations, particularly in the absence of sufficient savings or alternative financial resources. Similarly, Francisco et. al. (2026) observed that DepEd personnel frequently access loan programs to address both planned and unplanned financial needs, highlighting the practical importance of such programs in employees' financial lives.

Table 4. Profile of the Respondents in Terms of Purpose of Loan Availment

Purpose	Frequency	Percentage
Education	105	34.7
Medical/Hospitalization	45	14.9
Home Improvement	118	39.1
Calamity	34	11.3
Total	302	100

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Table 4 presents the profile of the respondents in terms of the purpose of loan availment under the Provident Fund Loan Program. The data show that out of 302 respondents, the highest proportion, 118 (39.1%), utilized the loan for home improvement, followed by 105 (34.7%) for education. Meanwhile, 45 respondents (14.9%) used the loan for medical or hospitalization expenses, and 34 (11.3%) for calamity-related needs. This distribution indicates that the primary purposes of loan utilization are largely centered on long-term household investments and essential life expenditures.

The findings suggest that a significant portion of respondents use the loan for home improvement, which may include house repairs, renovations, or construction-related expenses. This aligns with the perspective that borrowing for asset-building or long-term household investments can contribute to improved living conditions and overall well-being. According to Herkenhoff et. al. (2020), loans used for productive or investment-oriented purposes, such as housing improvements, have the potential to enhance long-term financial stability. Similarly, Sulastri and Gantino (2024) emphasized that expenditures on housing and infrastructure are associated with better financial outcomes as they increase the value of household assets.

Education emerges as the second most common purpose of loan availment, accounting for 34.7% of respondents. This reflects the prioritization of human capital development among employees, as education-related expenses often involve tuition fees, school supplies, and other academic needs. Karlan et. al. (2018) highlighted that borrowing for education is generally considered a productive investment, as it can lead to improved income potential and long-term financial security. In the Philippine context, the Bangko Sentral ng Pilipinas (2021) reported that education is one of the most common reasons for borrowing among Filipino households, further supporting the findings of this study.

On the other hand, loans used for medical or hospitalization purposes (14.9%) and calamity-related needs (11.3%) reflect reactive or emergency-driven borrowing. These types of expenditures are typically unplanned and arise from unforeseen circumstances. Ryu and Fan (2022) noted that borrowing for emergencies, particularly health-related expenses, is often associated with increased financial stress and vulnerability. Similarly, Sorita et. al. (2023) found that loans used for urgent needs, such as medical expenses, may indicate limited financial preparedness and lack of sufficient savings among employees.

Table 5. Level of Awareness and Understanding of Loan Features in terms of Loan Amount

Statements	Mean	Standard Deviation	Remarks
1. The loan amount was sufficient for needs	3.51	0.52	Strongly Agree
2. The loan ceiling was reasonable for borrowers	3.49	0.49	Agree
3. The loan amount was adequate for requirements	3.49	0.49	Agree
4. The loan amount reduced my need for additional borrowing	3.60	0.49	Strongly Agree
5. The loan amount matched my repayment capacity	3.54	0.22	Strongly Agree

General Weighted Mean	Standard Deviation	Verbal Interpretation
3.53	0.22	Strongly Agree

my financial needs. my income level. emergencies.to borrow from other sources.

Legend: 3.50-4.00 Strongly Agree, 2.50-3.49 Agree, 1.50-2.49 Disagree, 1.00-1.49 Strongly Disagree

Table 5 presents the level of awareness and understanding of loan features in terms of loan amount among the respondents. The results show a general weighted mean of 3.53 with a standard deviation of 0.22, which is verbally interpreted as "Strongly Agree." This indicates that the respondents have a high level of awareness and positive perception regarding the adequacy and appropriateness of the loan amount provided under the Provident Fund Loan Program.

Among the indicators, the highest mean suggests that the loan program effectively serves as a primary source of financial assistance for employees, reducing their dependence on external and potentially high-interest lending institutions. This finding supports the assertion of the OECD (2024) that workplace- based financial programs help protect employees from resorting to informal or predatory lending sources by providing accessible and regulated credit options. Likewise, the result implies that the loan facility plays an important role in strengthening financial security among employees by offering a reliable alternative source of credit.

Similarly, the results indicate that respondents perceive the loan amount as aligned with their repayment capacity and generally sufficient for their financial needs. This suggests that the loan structure supports financial manageability, which is essential in maintaining financial stability. According to Lusardi and Mitchell (2014), appropriately structured loan amounts that match borrowers' repayment capacity promote better financial decision-making and reduce the risk of over-indebtedness. Furthermore, although some respondents provided slightly lower ratings on adequacy relative to income and emergency needs, the overall perception remains positive, indicating that the loan amount is generally responsive to employee financial conditions.

Overall, the findings indicate that the loan amount feature of the Provident Fund Loan Program is perceived as effective in addressing employees' financial needs while maintaining affordability and sustainability. This aligns with Gathergood (2017) and Demirgüç-Kunt et. al. (2018), who emphasized that well- calibrated credit access supports financial inclusion and reduces financial vulnerability..

Table 6. Level of Awareness and Understanding of Loan Features in terms of Utilization

Statements	Mean	Standard Deviation	Remarks
1. The loan was used for essential purposes	3.62	0.49	Strongly Agree
2. The loan helped address urgent needs	3.59	0.49	Strongly Agree
3. The loan contributed to improving living conditions	3.65	0.48	Strongly Agree
4. The loan served its intended welfare purpose	3.58	0.50	Strongly Agree
5. The loan reduced reliance on high-interest lenders	3.66	0.47	Strongly Agree

General Weighted Mean	Standard Deviation	Verbal Interpretation
3.62	0.18	Strongly Agree

Priority Needs. Financial Concerns. My Financial Condition. Purpose.

Legend: 3.50-4.00 Strongly Agree, 2.50-3.49 Agree, 1.50-2.49 Disagree, 1.00-1.49 Strongly Disagree

Table 6 presents the level of awareness and understanding of loan features in terms of utilization among the respondents. The results reveal a general weighted mean of 3.62 with a standard deviation of 0.18, verbally interpreted as "Strongly Agree." This indicates that respondents have a very high level of awareness and a positive perception of how the Provident Fund Loan Program is utilized in relation to their financial needs. The low standard deviation further suggests that responses are closely clustered, reflecting a generally consistent perception among the respondents.

The findings imply that the loan is primarily used to address essential and urgent financial needs, as well as to improve overall financial conditions. This suggests that the loan program functions not only as a short-term financial relief mechanism but also as a supportive tool for financial stability. The results align with the OECD (2024), which

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emphasized that workplace-based financial support programs are most effective when they are used to address priority needs and reduce financial vulnerability among employees. Similarly, Herkenhoff et. al. (2020) noted that credit access used for essential or productive purposes contributes to improved financial resilience over time.

Moreover, the high ratings indicate that the loan program is perceived to fulfill its intended welfare function and reduce reliance on high-interest lenders. This supports the view of Lusardi and Mitchell (2014), who explained that access to regulated credit improves financial decision-making and reduces exposure to predatory borrowing practices. The findings also align with Demirgüç-Kunt et. al. (2018), who emphasized that formal financial services help individuals transition away from informal or high-cost debt sources, thereby strengthening financial inclusion and stability.

Table 7. Level of Awareness and Understanding of Loan Features in terms of Terms and Conditions

Table: Loan Terms, Policies, and Repayment Conditions

Statements	Mean	Standard Deviation	Remarks
1. Loan terms and policies were clearly explained.	3.55	0.50	Strongly Agree
2. The repayment period was reasonable.	3.56	0.50	Strongly Agree
3. The interest rate was affordable.	3.57	0.50	Strongly Agree
4. Monthly salary deductions were manageable.	3.56	0.50	Strongly Agree
5. The overall loan conditions were fair.	3.58	0.49	Strongly Agree

General Weighted Mean	Standard Deviation	Verbal Interpretation
3.56	0.20	Strongly Agree

Explained. Manageable. Reasonable.

Legend: 3.50-4.00 Strongly Agree, 2.50-3.49 Agree, 1.50-2.49 Disagree, 1.00-1.49 Strongly Disagree

Table 7 presents the level of awareness and understanding of loan features in terms of terms and conditions among the respondents. The results reveal a general weighted mean of 3.56 with a standard deviation of 0.20, verbally interpreted as “Strongly Agree.” This indicates that respondents have a high level of awareness and a positive perception of the clarity, fairness, and manageability of the loan terms and conditions under the Provident Fund Loan Program. The low standard deviation also suggests a consistent response pattern among the respondents, reflecting a shared understanding of the program’s loan policies.

The findings imply that respondents perceive the loan terms as clearly communicated and the repayment structure as manageable, including salary deductions and repayment periods. This suggests that the loan program is generally well-structured and user-friendly in terms of policy implementation. The results align with the OECD (2024), which emphasized that clear and transparent loan policies are essential in promoting financial inclusion and improving employee confidence in workplace-based financial programs. Likewise, Lusardi (2019) highlighted that financial literacy and understanding of loan conditions play a crucial role in enabling individuals to make informed borrowing decisions and avoid financial mismanagement.

Table 8. Level of Awareness and Understanding of Loan Features in terms of Satisfaction with Loan Release and Transparency

Statements	Mean	Standard Deviation	Remarks
1. The loan application process was efficient.	3.57	0.50	Strongly Agree
2. The loan was released within a reasonable time.	3.56	0.50	Strongly Agree

3. Salary deductions were clearly explained.	3.57	0.50	Strongly Agree
4. The approval process was smooth and fair.	3.56	0.50	Strongly Agree
5. The overall process was satisfactory.	3.58	0.49	Strongly Agree

General Weighted Mean	Standard Deviation	Verbal Interpretation
3.58	0.21	Strongly Agree

Efficient. Reasonable Time. Communicated.Transparent.

Legend: 3.50-4.00 Strongly Agree, 2.50-3.49 Agree, 1.50-2.49 Disagree, 1.00-1.49 Strongly Disagree

Table 8 presents the level of awareness and understanding of loan features in terms of satisfaction with loan release and transparency among the respondents. The results show a general weighted mean of 3.58 with a standard deviation of 0.21, verbally interpreted as "Strongly Agree." This indicates that respondents have a high level of satisfaction with the efficiency, transparency, and overall implementation process of the Provident Fund Loan Program. The relatively low standard deviation also suggests a consistent evaluation among respondents, reflecting a shared positive experience regarding loan processing and administration.

The findings imply that the loan application and release processes are perceived as efficient and timely, with clear communication of salary deductions and approval procedures. This suggests that the program is effectively implemented in terms of administrative transparency and operational efficiency. The results are consistent with OECD (2024), which emphasized that efficient and transparent workplace financial systems enhance employee trust and encourage active participation in institutional loan programs. Similarly, Hewlett (2023) noted that streamlined processes and clear eligibility and approval systems significantly improve employee satisfaction and program accessibility.

Furthermore, these findings indicate that maintaining a high level of efficiency in administrative procedures can contribute to stronger employee confidence in institutional support systems. This may also lead to increased utilization of the program and reinforce positive perceptions of organizational reliability and service delivery.

Table 9. Level of Awareness and Understanding of Loan Features in terms of Accessibility

Statements	Mean	Standard Deviation	Remarks
1. Information about the loan program was clear and sufficient.	3.62	0.49	Strongly Agree
2. Loan requirements were clear and understandable.	3.62	0.47	Strongly Agree
3. The application process was simple and easy to follow.	3.59	0.54	Strongly Agree
4. Assistance was readily available when needed.	3.56	0.50	Strongly Agree
5. The loan program was accessible to qualified personnel.	3.65	0.48	Strongly Agree

General Weighted Mean	Standard Deviation	Verbal Interpretation
3.61	0.30	Strongly Agree

was easy to obtain. understandable. convenient.when needed.

Table 9 presents the level of awareness and understanding of loan features in terms of accessibility among the respondents. The results show a general weighted mean of 3.61 with a standard deviation of 0.30, Legend: 3.50-4.00 Strongly Agree, 2.50-3.49 Agree, 1.50-2.49 Disagree, 1.00-1.49 Strongly Disagree

verbally interpreted as "Strongly Agree." This indicates that respondents perceive the Provident Fund Loan Program as highly accessible in terms of availability of information, clarity of requirements, convenience of application, and responsiveness of assistance. Overall, the findings suggest that employees experience minimal barriers in accessing the loan program.

The results imply that accessibility is a well-established strength of the program, particularly in ensuring that employees are properly informed and guided throughout the loan process. This aligns with the findings of the World Bank (2022), which emphasized that accessible financial services significantly improve participation rates and financial inclusion by reducing informational and procedural barriers. Similarly, the Asian Development Bank (2019) noted that institutional financial support systems in the public sector are most effective when employees can easily understand requirements and access assistance without unnecessary complexity.

Table 10. Perceived Effects of the Provident Fund Loan Program in terms of Financial Stability

Statements	Mean	Standard Deviation	Remarks
1. The loan helped me meet financial needs.	3.62	0.49	Strongly Agree
2. The loan improved my ability to plan finances.	3.61	0.49	Strongly Agree
3. The loan helped me handle financial emergencies.	3.57	0.55	Strongly Agree
4. The loan contributed to my financial stability.	3.56	0.50	Strongly Agree
5. The loan provided better financial balance.	3.63	0.48	Strongly Agree

General Weighted Mean	Standard Deviation	Verbal Interpretation
3.60	0.30	Strongly Agree

obligations. manage expenses. emergencies.stability.

Legend: 3.50-4.00 Strongly Agree, 2.50-3.49 Agree, 1.50-2.49 Disagree, 1.00-1.49 Strongly Disagree

Table 10 presents the perceived effects of the Provident Fund Loan Program in terms of financial stability among the respondents. The results show a general weighted mean of 3.60 with a standard deviation of 0.30, verbally interpreted as “Strongly Agree.” This indicates that respondents perceive the loan program as highly beneficial in improving their financial stability, particularly in meeting obligations, managing expenses, and addressing financial emergencies. The results further suggest that the Provident Fund Loan Program plays a significant role in supporting employees’ day-to-day financial well-being.

The findings imply that access to the loan program enables employees to better cope with financial responsibilities and maintain financial balance. This aligns with the findings of the International Monetary Fund (2025), which emphasized that access to formal financial credit contributes to improved financial resilience and stability among individuals and households. Similarly, Attipoe et. al. (2025) highlighted that employee financial support programs, including institutional loans, play a critical role in reducing financial stress and enhancing overall financial well-being by providing immediate liquidity during financial constraints.

Moreover, the high level of agreement suggests that the loan program functions as an effective financial coping mechanism, particularly during emergencies and periods of financial strain. According to Lusardi and Mitchell (2023), access to well-structured financial support systems improves individuals’ ability to manage financial shocks and maintain stability. In addition, Francisco et. al. (2026) noted that salary and provident loan schemes are commonly utilized by employees to bridge income gaps and sustain household financial balance, particularly in developing economies where savings are often limited.

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Table 11. Perceived Effects of the Provident Fund Loan Program in terms of Debt Level

Statements	Mean	Standard Deviation	Remarks
1. The loan helped reduce my other financial obligations.	3.56	0.50	Strongly Agree
2. My overall debt became more manageable.	3.56	0.50	Strongly Agree
3. The loan prevented me from falling into deeper debt.	3.55	0.50	Strongly Agree
4. Made monthly deductions more manageable.	3.53	0.51	Strongly Agree
5. The loan did not worsen my debt situation.	3.55	0.50	Strongly Agree

Overall Summary

General Weighted Mean	Standard Deviation	Verbal Interpretation
3.55	0.31	Strongly Agree

debts. manageable.additional borrowing. manageable.

Legend: 3.50-4.00 Strongly Agree, 2.50-3.49 Agree, 1.50-2.49 Disagree, 1.00-1.49 Strongly Disagree

Table 11 presents the perceived effects of the Provident Fund Loan Program in terms of debt level among the respondents. The results show a general weighted mean of 3.55 with a standard deviation of 0.31, verbally interpreted as “Strongly Agree.” This indicates that respondents generally perceive the loan program as helpful in managing and stabilizing their debt situation. The findings suggest that the Provident Fund Loan Program contributes to making overall debt obligations more manageable rather than increasing financial burden.

The results imply that the loan program plays a role in improving debt management by helping employees reduce reliance on multiple borrowing sources and maintain more organized repayment structures. This aligns with the findings of the World Bank (2022), which emphasized that access to formal credit systems can improve debt consolidation and reduce reliance on high-cost or informal lending channels. Similarly, the OECD (2024) highlighted that structured workplace lending programs help employees better manage financial obligations by providing regulated and predictable repayment systems.

Moreover, the high level of agreement suggests that the loan program does not worsen the respondents’ debt situation and instead contributes to improved financial control. According to Sullivan et. al. (2018), access to structured credit can reduce financial stress when used to consolidate or replace multiple debts, thereby improving repayment manageability

Table 12. Perceived Effects of the Provident Fund Loan Program in terms of Financial Well-Being

Statements	Mean	Standard Deviation	Remarks
1. The loan reduced my financial stress.	3.58	0.50	Strongly Agree
2. The loan improved my sense of security.	3.54	0.50	Strongly Agree
3. The loan increased my confidence in financial decisions.	3.54	0.50	Strongly Agree
4. The loan improved my quality of life.	3.54	0.51	Strongly Agree
5. The loan enhanced my overall well-being.	3.59	0.49	Strongly Agree

General Weighted Mean	Standard Deviation	Verbal Interpretation
3.56	0.36	Strongly Agree

stress.financial security. handling finances.

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Legend: 3.50-4.00 Strongly Agree, 2.50-3.49 Agree, 1.50-2.49 Disagree, 1.00-1.49 Strongly Disagree

Table 12 presents the perceived effects of the Provident Fund Loan Program in terms of financial well-being among the respondents. The results show a general weighted mean of 3.56 with a standard deviation of 0.36, verbally interpreted as “Strongly Agree.” This indicates that respondents generally perceive the loan program as positively contributing to their financial well-being, particularly in reducing financial stress, improving financial security, and enhancing their overall quality of life. The findings suggest that the Provident Fund Loan Program functions as both a financial support mechanism and a stabilizing factor in employees’ day-to-day financial experiences.

The results imply that access to the loan program helps employees manage financial pressures more effectively, particularly during periods of economic strain or unexpected expenses. This aligns with HR.com (2025), which reported that workplace financial wellness programs, including structured loan facilities, significantly improve employees’ perceived financial stability and reduce stress- related productivity losses. In the same vein, OECD (2024) emphasized that employer-based financial support systems strengthen employee resilience by providing accessible and regulated credit options that reduce reliance on informal or high-cost borrowing.

Moreover, the findings suggest that the loan program contributes to improved psychological and financial confidence among employees. Attipoe et. al. (2025) explained that employee financial support programs positively influence both financial behavior and overall well-being by reducing uncertainty and improving coping capacity in managing financial obligations. Likewise, Lusardi and Mitchell (2023) highlighted that financial well-being is strongly shaped by access to structured financial resources that support informed decision-making and enhance individuals’ sense of control over their financial situation.

Overall, the results indicate that the Provident Fund Loan Program has a generally positive effect on the financial well-being of employees in DepEd SDO Laguna. The program is perceived as effective in reducing stress, improving financial security, and enhancing quality of life. However, consistent with findings from Francisco et. al. (2026) and Mabignay et. al. (2022), the sustainability of these positive outcomes depends on responsible borrowing behavior and continuous financial literacy support to prevent over-reliance on loan facilities and ensure long- term financial stability.

Table 13. Perceived Effects of the Provident Fund Loan Program in terms of Financial Capability

Here is your properly formatted and corrected table:

Table: Financial Management Impact of Loan

Statements	Mean	Standard Deviation	Remarks
1. The loan encouraged better financial planning.	3.58	0.49	Strongly Agree
2. The loan improved my financial stability.	3.59	0.49	Strongly Agree
3. The loan helped me manage debts effectively.	3.54	0.55	Strongly Agree
4. The loan helped me prioritize expenses.	3.54	0.50	Strongly Agree
5. The loan improved my financial discipline.	3.62	0.49	Strongly Agree

General Weighted Mean	Standard Deviation	Verbal Interpretation
3.57	0.35	Strongly Agree

budgeting habits. planning.

more responsibly. essential expenses.

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Legend: 3.50-4.00 Strongly Agree, 2.50-3.49 Agree, 1.50-2.49 Disagree, 1.00-1.49 Strongly Disagree

Table 13 presents the perceived effects of the Provident Fund Loan Program in terms of financial capability among the respondents. The results show a general weighted mean of 3.57 with a standard deviation of 0.35, verbally interpreted as "Strongly Agree." This indicates that respondents generally perceive the loan program as contributing positively to their financial capability, particularly in improving budgeting practices, financial planning, debt management, prioritization of expenses, and financial discipline. The findings suggest that the Provident Fund Loan Program functions not only as a source of financial assistance but also as a mechanism that influences employees' financial behavior and decision-making skills.

The results imply that access to the loan program encourages employees to develop more structured and responsible financial habits, particularly in managing income allocation and controlling expenditures. This is supported by HR.com (2025), which reported that workplace financial wellness programs are strongly associated with improved financial capability, especially in budgeting behavior and financial decision-making. Similarly, OECD (2024) emphasized that workplace-based financial interventions enhance employees' financial skills by promoting structured financial planning, responsible borrowing, and improved financial awareness.

Furthermore, Vieira et. al. (2023) noted that financial capability improves when individuals have access to stable financial resources that support consistent financial planning and reduce uncertainty in managing obligations. Likewise, the IMF (2025) emphasized that access to formal financial systems enhances financial resilience and strengthens individuals' ability to manage income, debt, and emergency expenses effectively. Supporting this, the OECD/INFE (2022) framework also stresses that financial education and structured financial tools in the workplace significantly contribute to long-term financial capability development.

Table 14. Perceived Effects of the Provident Fund Loan Program in terms of Workplace Productivity

Statements	Mean	Standard Deviation	Remarks
1. The loan improved my focus at work.	3.56	0.50	Strongly Agree
2. The loan enhanced my job performance.	3.52	0.50	Strongly Agree
3. The loan increased my motivation.	3.52	0.50	Strongly Agree
4. The loan reduced financial stress.	3.53	0.51	Strongly Agree
5. The loan improved my overall productivity.	3.68	0.49	Strongly Agree

General Weighted Mean	Standard Deviation	Verbal Interpretation
3.54	0.34	Strongly Agree

performance.distractions at work.

Legend: 3.50-4.00 Strongly Agree, 2.50-3.49 Agree, 1.50-2.49 Disagree, 1.00-1.49 Strongly Disagree

The data in Table 14 indicate that respondents consistently perceive the provident fund loan program as having a highly positive effect on workplace productivity, as reflected in the general weighted mean of 3.54 with a low standard deviation of 0.34. The uniformly high mean scores and minimal variability suggest a strong level of agreement among respondents, indicating that the perceived benefits of the loan program on productivity-related outcomes are both substantial and consistent across participants.

This finding aligns with existing literature that links financial support systems with improved employee performance. Studies have shown that access to structured financial assistance reduces financial strain, which in turn enhances employees' ability to concentrate and perform effectively in the workplace. For instance, Attipoe et. al. (2025) and BrightPlan (2025) emphasize that financial wellness programs significantly improve employee productivity by alleviating financial stress, allowing employees to redirect cognitive and emotional resources toward work-related tasks. Similarly, IgniteHCM (2025) reports that employees who experience reduced financial pressure demonstrate higher engagement and improved overall performance outcomes.

The results are also supported by HR.com (2025), which found that financial stress is a major contributor to reduced productivity, absenteeism, and disengagement. By implication, the observed high productivity ratings in this study suggest that the provident fund loan program effectively mitigates financial stressors that would otherwise hinder employee performance. This interpretation is further reinforced by Hannon and Sherraden (2017), who conceptualize financial wellness programs as mechanisms that enhance both employee well-being and organizational productivity through improved financial stability.

Moreover, the findings are consistent with empirical evidence from the education sector. Tagapulot and Macalisang (2024) found that financial strain negatively affects teachers' job performance and engagement, suggesting that financial relief mechanisms such as loan programs can have the opposite effect by improving workplace outcomes. Similarly, Rahman et. al. (2022) reported that reduced financial stress among public school teachers is associated with higher motivation and job satisfaction, which are key components of productivity.

From a behavioral and financial perspective, the results can also be explained through the lens of financial stability and reduced cognitive burden. Herkenhoff et. al. (2020) highlight that access to credit enables employees to manage financial shocks, thereby stabilizing their economic condition and improving functional capacity at work. In addition, BSP (2024) found that financial stress is strongly associated with repeated borrowing and reduced well-being, implying that when financial stress is alleviated—as suggested by the high ratings in this study—employees are more likely to exhibit improved work performance.

Table 15. Summary of Multiple Regression Analysis on Financial Stability

Variables	B	Std. Error	Beta	t	Sig.	Remarks
Constant	0.257	0.352	—	0.73	0.4660	Not Significant
LOAN	0.123	0.076	0.091	1.608	0.1090	Not Significant
UTILIZATION	0.217	0.119	0.129	1.819	0.0700	Not Significant
TAC	0.118	0.095	0.076	1.245	0.2140	Not Significant
SATISFACTION	0.091	0.089	0.062	1.027	0.3050	Not Significant
ACCESSIBILITY	0.381	0.053	0.381	7.132	0.0000	Significant

$R = 0.545$, $R^2 = 0.296$, Adjusted $R^2 = 0.285$, $F = 24.949$, $p = 0.0000.34$, Dependent Variable: Financial Stability, Significant at $p < 0.05$

The results in Table 15 reveal that the regression model explaining financial stability is statistically significant overall, as indicated by the F-value of 24.949 and $p < 0.05$. The coefficient of determination ($R^2 = 0.296$) suggests that approximately 29.6% of the variation in financial stability is explained by the combined influence of the independent variables. While this reflects a moderate explanatory power, it also implies that other external factors not included in the model contribute to financial stability.

Among the predictor variables, accessibility emerges as the only statistically significant factor, with a relatively strong standardized coefficient ($\beta = 0.381$, $p < 0.05$). This indicates that ease of access to the provident fund loan program plays a dominant role in influencing financial stability among respondents. The positive coefficient further suggests that increased accessibility is associated with improved financial stability outcomes. This finding supports the argument that timely and convenient access to financial resources enables employees to better manage financial shocks and maintain economic balance. Studies such as Herkenhoff et. al. (2020) explain that access to credit serves as a liquidity- smoothing mechanism, allowing individuals to stabilize consumption during periods of financial

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stress. Similarly, Demirgüç-Kunt et. al. (2018) and Suri and Jack (2016) emphasize that improved access to formal financial systems enhances financial inclusion and short-term financial resilience.

However, the findings also align with cautionary perspectives in the literature. While accessibility improves financial stability in the short term, IMF (2025) and Beck et. al. (2015) argue that access alone does not guarantee long-term financial security unless accompanied by financial discipline and adequate income capacity. This suggests that although employees benefit from accessible loan programs, sustained financial stability depends on responsible borrowing behavior and broader financial management practices.

In contrast, the remaining variables, loan amount, utilization, terms and conditions, and satisfaction, were found to be not statistically significant predictors of financial stability. This implies that these factors, while theoretically important, do not independently exert a strong influence on financial stability within the context of this study. The non-significance of loan amount suggests that simply increasing borrowing capacity does not necessarily improve financial stability, which is consistent with findings by Gathergood et. al. (2017) and Baker et. al. (2019), who note that higher loanable amounts may lead to increased borrowing without corresponding improvements in financial outcomes.

Similarly, the non-significant effect of loan utilization indicates that how loans are used may not directly translate into measurable financial stability in this context. This supports the observations of Banerjee et. al. (2015) and Dupas et. al. (2018), who argue that consumption-driven borrowing often addresses immediate needs but does not necessarily lead to long-term financial improvement. The lack of significance for terms and conditions also suggests that transparency and policy clarity, while important for decision-making, may not directly impact financial stability unless they influence actual borrowing behavior. This aligns with Agarwal et. al. (2015) and Campbell et. al. (2017), who emphasize that understanding loan terms affects behavior more indirectly.

Furthermore, the non-significance of satisfaction implies that positive perceptions of the loan program do not necessarily translate into improved financial outcomes. This highlights a critical distinction between perceived program effectiveness and actual financial stability, reinforcing the argument that financial outcomes depend more on structural and behavioral factors than on subjective evaluation alone.

Overall, the regression results suggest that accessibility is the most critical determinant of financial stability within the provident fund loan program, while other program features do not independently predict financial outcomes. The findings highlight the importance of ensuring that loan programs are not only well-designed but also easily accessible, while also emphasizing the need for complementary strategies such as financial education and income support to achieve sustainable financial stability.

Table 16. Multiple Regression Analysis on Debt Level

Variables	B	Std. Error	Beta	t	Sig.	Remarks
Constant	1.150	0.3982	—	2.890	0.004	Significant
LOAN	0.167	0.086	0.122	1.931	0.054	Not Significant
UTILIZATION	0.058	0.135	0.034	0.432	0.666	Not Significant
TAC	0.158	0.107	0.101	1.479	0.140	Not Significant
SATISFACTION	0.147	0.100	0.100	1.468	0.143	Not Significant
ACCESSIBILITY	0.141	0.060	0.140	2.339	0.020	Significant

$R = 0.345$, $R^2 = 0.119$, Adjusted $R^2 = 0.104$, $F = 7.978$, $p = 0.0000$, Dependent Variable: Debt Level, Significant at $p < 0.05$

The results presented in Table 16 indicate that the regression model for debt level is statistically significant overall,

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as evidenced by the F-value of 7.978 and $p < 0.05$. However, the coefficient of determination ($R^2 = 0.119$) shows that only 11.9% of the variation in debt level is explained by the combined independent variables. This suggests that while the model is valid, a large proportion of debt behavior is influenced by other external or unmeasured factors such as income adequacy, household responsibilities, inflationary pressures, and personal financial management practices.

Among the predictors, accessibility emerges as the only significant determinant of debt level, with a positive standardized coefficient ($\beta = 0.140$, $p = 0.020$). This indicates that greater ease of access to the provident fund loan program is associated with an increase in employee debt levels. The finding implies that when credit is readily available, employees are more likely to engage in borrowing behavior, potentially leading to accumulation of financial obligations over time. This is consistent with the view of Demirgüç-Kunt et. al. (2018), who argue that increased access to formal credit promotes financial inclusion but also raises the risk of over-indebtedness when not matched with financial discipline. Similarly, Callen et. al. (2019) and Carvalho et. al. (2016) found that easier access to credit increases borrowing frequency and total debt exposure among individuals.

This result is also supported by Breza and Kinnan (2021), who explain that expanded credit access can lead to higher indebtedness, particularly among financially constrained populations. Likewise, Banerjee et. al. (2019) emphasize that access to credit does not automatically translate into improved financial well- being, as individuals may prioritize immediate consumption needs over long-term financial stability. From a behavioral perspective, Jack and Suri (2016) note that while financial access improves short-term liquidity, it may unintentionally encourage repeated borrowing behavior when income remains constrained.

In contrast, the remaining variables, loan amount, utilization, terms and conditions, and satisfaction, were found to be statistically insignificant predictors of debt level. The non-significance of loan amount suggests that simply increasing borrowing limits does not independently determine debt accumulation in this context. This aligns with Keys et. al. (2016), who found that while loan size influences borrowing behavior, its effect on debt outcomes may be indirect and moderated by income stability and repayment capacity.

Similarly, the non-significance of loan utilization indicates that the purpose of borrowing does not significantly differentiate debt levels among respondents. This contrasts with theoretical expectations but supports findings by Schilbach et. al. (2016) and Bachas et. al. (2021), who argue that even necessity-driven borrowing (such as emergencies or consumption smoothing) can still result in similar debt accumulation patterns when income constraints persist.

The lack of significance for terms and conditions suggests that loan policy structure, while important for understanding and compliance, may not directly influence total debt levels unless it alters borrowing frequency. This is consistent with Hastings et. al. (2017) and Ru and Schoar (2016), who found that while clarity of financial products improves decision-making, its effect on actual debt accumulation is often indirect. Likewise, the non-significance of satisfaction indicates that positive perceptions of the loan program do not necessarily translate into lower or higher debt levels, reinforcing the distinction between subjective evaluation and actual financial behavior.

Overall, the findings suggest that accessibility is the primary driver of debt level among employees, highlighting that ease of borrowing plays a more critical role in debt accumulation than loan characteristics or perceptions. This underscores the importance of balancing financial inclusion with responsible lending structures and financial literacy interventions to prevent potential over- indebtedness among employees.

Table 17. Multiple Regression Analysis on Financial Well-Being

Variables	B	Std. Error	Beta	t	Sig.	Remarks

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Constant	0.895	0.463	—	1.932	0.054	Not Significant
LOAN	0.098	0.101	0.061	0.975	0.330	Not Significant
UTILIZATION	0.240	0.157	0.119	1.526	0.128	Not Significant
TAC	-0.066	0.124	-0.036	-0.533	0.594	Not Significant
SATISFACTION	0.148	0.117	0.085	1.266	0.207	Not Significant
ACCESSIBILITY	0.320	0.070	0.268	4.551	0.000	Significant

R = 0.383, $R^2 = 0.147$, Adjusted $R^2 = 0.132$, F = 10.189, p = 0.0000, Dependent Variable: Financial Well-Being, Significant at $p < 0.05$

The regression results in Table 17 indicate that the model explaining financial well-being is statistically significant overall, as shown by the F-value of 10.189 and $p < 0.05$. The coefficient of determination ($R^2 = 0.147$) suggests that approximately 14.7% of the variation in financial well-being is explained by the combined predictors. While this reflects a modest explanatory power, it indicates that financial well-being is influenced by a broader set of factors beyond the variables included in the model, such as income adequacy, household obligations, inflationary pressures, and personal financial management behavior.

Among all predictors, accessibility is the only variable that significantly influences financial well-being, with a positive standardized coefficient ($\beta = 0.268$, p = 0.000). This indicates that easier access to the provident fund loan program is strongly associated with improved financial well-being among employees. The result implies that when employees can readily access financial assistance during periods of need, they are better able to manage financial stress, meet urgent obligations, and maintain a more stable financial condition. This finding is consistent with Demirgüç-Kunt et. al. (2018), who emphasize that access to formal financial services enhances financial inclusion and contributes to improved household financial welfare. Similarly, Suri and Jack (2016) found that access to financial services improves short-term financial resilience by allowing individuals to smooth consumption and respond to financial shocks.

This result is further supported by Carvalho et. al. (2016), who explain that access to liquidity reduces financial stress and improves day-to-day financial decision-making. Likewise, Breza and Kinnan (2021) highlight that credit access can improve immediate financial stability, particularly among constrained borrowers who rely on external financial support to manage essential expenses.

From a behavioral perspective, Callen et. al. (2019) suggest that improved access to financial resources enhances perceived financial security, which contributes to higher levels of financial well-being.

However, macroeconomic perspectives provide a more cautious interpretation. The IMF (2025) emphasizes that financial inclusion alone does not guarantee sustained financial well-being, as outcomes depend on income stability, financial discipline, and effective financial planning. This suggests that while accessibility improves perceived and immediate financial well-being, long-term financial stability requires complementary factors such as financial literacy and income growth.

In contrast, the remaining variables, loan amount, utilization, terms and conditions, and satisfaction, were found to be statistically insignificant predictors of financial well-being. The non-significance of loan amount suggests that the size of loans does not directly determine employees' financial well-being. This aligns with Gathergood et. al. (2017), who argue that increased borrowing capacity does not necessarily translate into improved financial outcomes when underlying financial pressures remain unchanged.

Similarly, the non-significance of loan utilization indicates that how loans are used does not significantly differentiate financial well-being among respondents. This supports findings by Banerjee et. al. (2015) and Schilbach et. al. (2016), who explain that even loans used for essential or consumption purposes may not improve overall financial welfare if income constraints persist. The lack of significance for terms and conditions further suggests that understanding or perception of loan policies does not directly influence financial well-being unless it affects actual financial behavior. This is consistent with Hastings et. al. (2017), who emphasize that financial literacy and comprehension influence outcomes only when they translate into behavioral change.

Finally, the non-significance of satisfaction indicates that positive perceptions of the loan program do not necessarily translate into improved financial well-being. This reinforces the distinction between subjective evaluation of financial programs and actual financial conditions experienced by employees.

Table 18. Multiple Regression Analysis on Financial Capability

Variables	B	Std. Error	Beta	t	Sig.	Remarks
Constant	1.397	0.461	—	3.031	0.003	Significant
LOAN	0.180	0.100	0.115	1.803	0.072	Not Significant
UTILIZATION	- 0.107	0.156	-0.055	-0.682	0.496	Not Significant
TAC	0.139	0.124	0.078	1.122	0.263	Not Significant
SATISFACTION	0.433	0.116	0.256	3.725	0.000	Significant
ACCESSIBILITY	- 0.034	0.070	-0.029	- 0.627	0.486	Not Significant

R = 0.310, $R^2 = 0.096$, Adjusted $R^2 = 0.081$, F = 6.290, p = 0.0000, Dependent Variable: Financial Capability, Significant at $p < 0.05$

The regression results presented in Table 18 show that the model for financial capability is statistically significant overall, as indicated by the F-value of

6.290 and $p < 0.05$. However, the coefficient of determination ($R^2 = 0.096$) reveals that only 9.6% of the variation in financial capability is explained by the combined independent variables. This suggests that financial capability is largely influenced by other unmeasured factors such as financial education exposure, household financial background, cognitive financial skills, and long-term financial experiences.

Among the predictors, satisfaction is the only significant determinant of financial capability, with a positive standardized coefficient ($\beta = 0.256$, $p < 0.001$). This indicates that positive perceptions of the provident fund loan program are strongly associated with higher levels of financial capability among employees. This finding suggests that when employees are satisfied with the structure and experience of financial support systems, they are more likely to feel confident in managing financial decisions, budgeting, and handling financial obligations effectively. This aligns with Lusardi and Messy (2023), who emphasize that financial capability is not only dependent on knowledge but also on confidence and practical engagement with financial systems. Similarly, OECD/INFE (2022) highlights that positive financial experiences and supportive financial environments enhance individuals' ability to apply financial knowledge effectively in real-life situations.

From a behavioral perspective, Hastings et. al. (2017) explain that financial behavior is strongly influenced by perceived ease, trust, and satisfaction with financial systems. When individuals are satisfied with financial services, they are more likely to engage actively in budgeting, saving, and responsible borrowing. This supports the idea that satisfaction acts as a psychological and behavioral bridge between financial systems and actual financial capability development.

The result is also consistent with Collins and Urban (2016), who argue that financial capability is shaped not only by technical knowledge but also by experience-based learning within financial systems. Positive interactions with financial institutions or programs can strengthen financial confidence and improve decision-making ability over

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time. Similarly, Madrian (2017) emphasizes that behavioral responses to financial systems are influenced by user experience, which can either enhance or weaken financial capability depending on satisfaction levels.

In contrast, the remaining variables, loan amount, utilization, terms and conditions, and accessibility, were found to be statistically insignificant predictors of financial capability. The non-significance of loan amount suggests that borrowing size does not directly influence employees' financial skills or confidence in managing finances. This is consistent with Gathergood et. al. (2017), who argue that increased credit access does not automatically translate into improved financial capability unless accompanied by financial education or behavioral change.

Similarly, the non-significance of loan utilization indicates that the purpose of borrowing does not significantly shape financial capability. This aligns with Banerjee et. al. (2015) and Dupas et. al. (2018), who explain that whether loans are used for consumption or emergencies, financial capability depends more on knowledge and behavioral adaptation than on loan purpose itself.

The lack of significance for terms and conditions suggests that understanding loan policies alone does not significantly enhance financial capability. This supports Agarwal et. al. (2015) and Stango and Zinman (2016), who emphasize that financial comprehension must be translated into actual behavioral practice before it can influence capability outcomes.

Finally, the non-significance of accessibility indicates that ease of access to loans does not necessarily improve financial capability. This aligns with Demirgüç- Kunt et. al. (2018) and Beck et. al. (2015), who argue that financial access alone is insufficient to develop financial skills without accompanying financial literacy interventions.

Overall, the findings suggest that financial capability is primarily influenced by satisfaction with the loan program rather than structural loan features. This highlights the importance of user experience, confidence, and positive engagement in financial systems as key drivers of financial capability development. However, the low R^2 value also indicates that financial capability is a multidimensional construct that extends beyond loan program characteristics and is more strongly shaped by education, experience, and long-term financial behavior. This implies that improvements in loan programs alone may not be sufficient to significantly enhance overall financial capability among employees. Therefore, complementary interventions such as continuous financial education and behavioral financial training are necessary to achieve more substantial and sustained improvements.

Table 19. Multiple Regression Analysis on Workplace Productivity

Variables	B	Std. Error	Beta	t	Sig.	Remarks
Constant	3.762	0.472	—	7.961	0.000	Significant
LOAN	0.071	0.103	0.046	0.691	0.490	Not Significant
UTILIZATION	0.107	0.160	0.056	0.665	0.506	Not Significant

-0.021 0.127 -0.012 -0.169

-0.103 0.119 -0.062 -0.862

Variable	Coefficient (B)	Std. Error	Beta	t-value	Sig. (p-value)	Interpretation
TAC	0.114	0.072	-0.101	-1.595	0.866	Not Significant
Satisfaction	—	—	—	—	0.389	Not Significant
Accessibility	—	—	—	—	0.112	Not Significant

$R = 0.126$, $R^2 = 0.016$, Adjusted $R^2 = -0.001$, $F = 0.963$, $p = 0.441$, Dependent Variable: Workplace Productivity, Significant at $p < 0.05$

The regression results presented in Table 19 indicate that the model for workplace productivity is not statistically significant overall, as shown by the F- value of 0.963 and a p-value of 0.441. The coefficient of determination ($R^2 = 0.016$) further reveals that only 1.6% of the variation in workplace productivity is explained by the combined independent variables. This extremely low explanatory power suggests that workplace productivity in this study is largely influenced by other external factors not included in the model, such as organizational climate, leadership style, workload distribution, job satisfaction, intrinsic motivation, and institutional support systems.

Across all predictors, none of the variables, including loan amount, utilization, terms and conditions, satisfaction, and accessibility, were found to be statistically significant determinants of workplace productivity. This implies that, within the context of this study, financial loan-related factors do not directly translate into measurable changes in employee productivity at work.

The non-significant effect of loan amount suggests that the size of financial assistance does not directly influence how employees perform in their work roles. This aligns with Zinman (2015), who argues that while credit access may ease liquidity constraints, it does not necessarily produce immediate improvements in labor productivity unless accompanied by other supporting conditions such as financial stability and reduced stress levels.

Similarly, the non-significance of loan utilization indicates that how employees use their loans does not significantly affect workplace performance. This is consistent with OECD (2024) and Banerjee et. al. (2015), who note that while borrowing may address short-term financial needs, its impact is more evident in household financial stability rather than direct workplace productivity outcomes. The lack of significance for terms and conditions suggests that loan structure and policy clarity do not directly influence employee productivity. This supports Campbell et. al. (2017) and Hastings et. al. (2017), who explain that financial product design primarily affects financial decision-making rather than behavioral performance in unrelated domains such as work output.

Likewise, the non-significant effect of satisfaction implies that even positive perceptions of the loan program do not translate into improved workplace productivity. This finding contrasts with expectations from financial wellness literature but aligns with HR.com (2025) and Madrian (2017), who suggest that while financial stress reduction may improve workplace engagement in some contexts, productivity outcomes are more strongly driven by organizational and psychological factors beyond financial interventions alone.

Finally, the non-significance of accessibility indicates that even easier access to financial support does not directly enhance productivity. This is consistent with IMF (2025), which emphasizes that financial inclusion improves welfare outcomes but does not automatically translate into productivity gains without complementary improvements in income stability, motivation, and workplace environment.

Overall, the findings suggest that workplace productivity is not significantly influenced by provident fund loan program variables, indicating that productivity is likely shaped by broader organizational and behavioral factors rather than financial loan features. The very low R^2 further reinforces that workplace productivity is a complex construct primarily driven by non-financial determinants such as management practices, job design, employee engagement, and institutional culture.

Table 20. Correlation between Provident Fund Loan Features and its Perceived Effects to the DepEd SDO Laguna Personnel

Variables	Financial Stability	Debt Level	Financial Well-Being	Financial Capability	Workplace Productivity
Loan Amount	.281** (R)	.236** (R)	.196** (R)	.199** (R)	0.025 (A)
Utilization	.350** (R)	.243** (R)	.242** (R)	.176** (R)	0.012 (A)
Terms and	.301** (R)	.229** (R)	.152** (R)	.162** (R)	-0.013 (A)
Satisfaction with Loan Transparency	.336** (R)	.251** (R)	.259** (R)	.285** (R)	-0.058 (A)
Accessibility	.478** (R)	.240** (R)	.335** (R)	0.099 (A)	-0.103 (A)

Conditions

Release and

**Level of Significance @ 0.01, R = Reject Ho, A = Accept Ho

The correlation results presented in Table 20 reveal a mixed but meaningful pattern of relationships between provident fund loan program features and their perceived effects among DepEd SDO Laguna personnel. Overall, the findings show that most loan-related variables are significantly associated with financial outcomes, while their relationship with workplace productivity is negligible and statistically insignificant.

In terms of financial stability, all loan program features show significant positive relationships at the 0.01 level. This suggests that improvements in loan amount, utilization, terms and conditions, satisfaction, and accessibility are all associated with better perceived financial stability. The strongest relationship is observed in accessibility, indicating that ease of access to the loan program plays a major role in helping employees manage financial shocks and maintain stability. This finding is consistent with Demirgüç-Kunt et. al. (2018) and Suri and Jack (2016), who emphasize that access to formal financial services enhances financial resilience by enabling individuals to smooth consumption and respond to unexpected expenses. Similarly, Carvalho et. al. (2016) explains that liquidity access improves short-term financial adjustment, particularly among constrained individuals.

For debt level, all loan features also show significant positive correlations, indicating that better access, larger loan amounts, and higher utilization are associated with increased debt exposure. This supports Breza and Kinnan (2021), who found that credit access increases borrowing frequency and debt accumulation, especially among financially constrained workers. Likewise, Callen et. al. (2019) and Carvalho et. al. (2016) explain that improved access to credit can lead to higher indebtedness when borrowing becomes a repeated coping mechanism. This pattern is also aligned with Banerjee et. al. (2019), who argue that financial inclusion does not automatically reduce debt vulnerability and may even intensify borrowing cycles when income remains fixed.

Regarding financial well-being, all loan features again show significant positive relationships, particularly satisfaction and accessibility. This indicates that employees who perceive the loan program as accessible, transparent, and responsive tend to report higher financial well-being. This finding aligns with OECD (2024) and Suri and Jack (2016), which highlight that financial access improves perceived financial security and short-term welfare. Additionally, Breza and Kinnan (2021) and Carvalho et. al. (2016) explain that liquidity access reduces financial stress and improves day-to-day financial functioning, which contributes to higher perceived well-being.

For financial capability, most loan features show weak but significant positive relationships, except accessibility which shows no significant association. This suggests that while structural loan characteristics and user satisfaction may contribute to financial capability, simply having access does not automatically enhance financial skills. This supports Lusardi and Messy (2023), who emphasize that financial capability is shaped more by behavioral learning and experience than by access alone. Similarly, OECD/INFE (2022) highlights that financial education and engagement are necessary for capability development, while access functions only as a facilitating condition rather than a direct driver.

In contrast, workplace productivity shows no significant relationship with all loan program features, as indicated by the negligible and negative correlation values. This implies that changes in loan accessibility, amount, utilization, or satisfaction do not translate into measurable differences in employee productivity. This finding is consistent with HR.com (2025), which notes that while financial stress can influence workplace behavior, productivity is more strongly driven by organizational and managerial factors. Similarly, Madrian (2017) explains that financial interventions may improve financial behavior but do not automatically produce direct changes in work performance unless mediated by broader workplace conditions.

Overall, the correlation results suggest a clear pattern: provident fund loan features are strongly associated with financial outcomes (stability, debt level, well- being, and capability), but not with workplace productivity. This reinforces the idea that while the loan program plays a significant role in employees' financial lives, its influence on workplace performance is indirect and likely mediated by other psychological, organizational, and environmental factors.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In this chapter, summary, findings and conclusions are shown for clarification of this study**.**

SUMMARY OF FINDINGS

Based on the data gathered, the following findings are revealed:

10 The respondents were almost equally distributed between teaching personnel (51.3%) and non-teaching personnel (48.7%). Regarding years in service, the largest proportion of respondents had served between 5 to years (27.2%), followed closely by those with less than 5 years (26.8%),

11 to 15 years (23.5%), and 16 years and above (22.5%). Most of the respondents had availed of the loan once (39.4%), while others availed two to three times (32.5%) and more than three times (28.1%). As to the purpose of loan availment, the majority used the loan for home improvement (39.1%), followed by education (34.7%), medical or hospitalization needs (14.9%), and calamity-related expenses (11.3%).

2. The DepEd Provident Fund Loan Program was rated "Strongly Agree" across all dimensions, indicating a high level of implementation. Specifically, loan amount obtained a general weighted mean of 3.53 (SD = 0.22), utilization had a mean of 3.62 (SD = 0.18), terms and conditions recorded a mean of 3.56 (SD = 0.20),

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satisfaction with loan release and transparency had a mean of 3.58 (SD = 0.21), and accessibility garnered a mean of 3.61 (SD = 0.30). Among these, utilization and accessibility received the highest ratings, suggesting that respondents found the loan both useful for essential needs and easy to access.

3. All outcome variables were likewise rated "Strongly Agree," indicating highly positive effects. Financial stability had a mean of 3.60 (SD = 0.30), debt level had a mean of 3.55 (SD = 0.31), financial well-being had a mean of 3.56 (SD = 0.36), financial capability recorded a mean of 3.57 (SD = 0.35), and workplace productivity obtained a mean of 3.54 (SD = 0.34). Among these, financial stability received the highest rating, while workplace productivity, although still high, received the lowest mean.

4. Overall, the program was assessed to have a highly positive effect, as evidenced by consistently high ratings across both implementation and outcome variables.

5. Results of the multiple regression analysis revealed that accessibility emerged as the most consistent and significant predictor across several financial outcomes. It significantly predicted financial stability ($\beta = 0.381$, $p = 0.000$), debt level ($\beta = 0.140$, $p = 0.020$), and financial well-being ($\beta = 0.268$, $p = 0.000$). On the other hand, satisfaction with loan release and transparency significantly influenced financial capability ($\beta = 0.256$, $p = 0.000$). However, none of the program features significantly predicted workplace productivity ($p = 0.441$), indicating that productivity may be influenced by factors beyond the scope of the loan program.

6. The correlation analysis showed that all program features had statistically significant positive relationships with financial stability, debt level, financial well-being, and financial capability at the 0.01 level of significance. The strongest relationship was observed between accessibility and financial stability ($r = 0.478$). However, no significant relationship was found between program features and workplace productivity, as reflected by very weak correlation coefficients ranging from -0.103 to 0.025.

CONCLUSION

The following conclusions were made based on the findings:

1. The respondents of the study consist of both teaching and non-teaching personnel with varying years of service and levels of engagement in the loan program. The majority of respondents have availed of the loan for practical and essential purposes such as home improvement, education, and medical needs, indicating that the program is utilized primarily to address immediate and necessary financial concerns.

2. The DepEd Provident Fund Loan Program is perceived to be highly implemented across all its features, including loan amount, utilization, terms and conditions, satisfaction with loan release and transparency, and accessibility. The consistently high ratings indicate that respondents strongly agree that the program is well-structured, clearly communicated, and responsive to their financial needs.

3. The perceived effects of the loan program are highly positive across financial stability, debt level, financial well-being, and financial capability.This suggests that the program effectively supports employees in managing their finances, reducing financial stress, and improving their overall financial condition. However, while workplace productivity was also rated positively, its improvement is not strongly supported by statistical evidence.

4. The overall assessment of the program based on the composite results indicates that the DepEd Provident Fund Loan Program is effective and beneficial, particularly in enhancing the financial condition of employees. The high overall ratings affirm that the program successfully fulfills its intended role as a financial support mechanism.

5. The regression analysis revealed that accessibility is the most consistent and significant predictor of financial stability, debt level, and financial well- being. Meanwhile, satisfaction with loan release and transparency significantly predicts financial capability. On the other hand, none of the program features significantly predict workplace productivity, indicating that financial assistance alone does not directly influence work performance.

6. The study established that there are significant positive relationships between the perceived program features and financial outcomes, leading to the rejection of the null hypothesis in these areas. However, no significant relationship was found between program features and workplace productivity, resulting in the acceptance of the null hypothesis for this variable. This confirms that while the loan program is effective in improving financial outcomes, its impact on workplace productivity remains indirect and limited.

RECOMMENDATIONS

1. The Schools Division Office of Laguna is encouraged to institutionalize a data-driven monitoring system by developing a centralized and regularly updated database of loan beneficiaries. This database should include variables such as employment classification, years in service, loan frequency, loan amount, and repayment performance. It is further recommended that quarterly data analysis reports be generated and reviewed by the management to identify borrowing trends, detect potential risks like repeated borrowing, and serve as a basis for revising loan policies and eligibility criteria.

2. To sustain and enhance current program standards, the SDO Laguna should establish a standardized loan processing protocol with clearly defined timelines (e.g., 3–5 working days for approval and 1–2 days for fund release). A loan application manual or guidebook containing step-by-step procedures, requirements, and terms and conditions should be made accessible both in print and digital formats. Additionally, the implementation of semi-annual policy reviews and client feedback surveys is recommended to ensure continuous improvement in service delivery.

3. It is recommended that financial literacy be integrated as a mandatory support component of the loan program. First-time borrowers should be required to attend a basic financial literacy orientation prior to loan approval. Furthermore, the SDO may conduct quarterly seminars or workshops focusing on budgeting, debt management, savings mobilization, and financial planning. The provision of practical tools, such as budgeting templates and loan repayment planners, is also encouraged to reinforce responsible financial behavior.

4. The DepEd Provident Fund Loan Program may be expanded through the introduction of tiered and purpose-specific loan products. For instance, separate loan categories (e.g., emergency, medical, educational, and calamity loans) may be established with corresponding terms and conditions. Loan ceilings may be adjusted based on salary grade and years of service, while repayment periods may be made more flexible (e.g., 6, 12, or 24 months) to accommodate varying financial capacities of employees.

5. To improve accessibility and efficiency, it is recommended that the SDO Laguna adopt a fully or partially digitized loan management system. This may include online application submission, electronic document uploading, automated tracking of application status, and notification systems (e.g., SMS or email updates). Streamlining approval workflows and minimizing manual processing steps are likewise encouraged to reduce turnaround time and improve overall client satisfaction.

6. Beyond financial assistance, the SDO Laguna is advised to implement complementary employee support programs that address factors influencing productivity and well-being. These may include mental health and stress management programs, workload assessment and redistribution strategies, and strengthened supervisory

support mechanisms. Conducting annual employee satisfaction and well-being surveys is also recommended to monitor the broader impact of both financial and non-financial interventions.

7. Lastly, for future researchers, it is recommended that continuous research and evaluation be undertaken to assess the long-term effectiveness of the loan program. Annual program evaluations should be conducted using both financial indicators (e.g., repayment rates, loan utilization) and non-financial indicators (e.g., job satisfaction, perceived financial stability). Collaboration with academic institutions or researchers may further enhance the quality of analysis and provide evidence-based recommendations for policy enhancement.

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The Researcher

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Approval Sheet

This thesis entitled, "**PROVIDENT FUND LOAN PROGRAM AND ITS EFFECTS ON THE FINANCIAL AND WORKPLACE OUTCOMES OF THE DEPARTMENT OF EDUCATION SDO LAGUNA PERSONNEL"**, prepared,

presented and submitted by **Geraldine C. Manambit**, in partial fulfillment of the requirements for the Degree of Master in Public Administration, is hereby recommended for approval and acceptance.

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Dedication

This thesis is dedicated to **Alvin D. Manambit,** my loving husband, for his unwavering love, patience, and support throughout this academic journey; to my loving daughter, **Chloe Georgette C. Manambit,** who is my greatest inspiration;

to my beloved parents, **Jayson B. Chozas and Rhea A. Chozas,** who provide continuous guidance and moral support;

to my friends, for their constant encouragement, understanding, and companionship that made this journey lighter and more meaningful;

and to Almighty God, for His endless grace, guidance, and strength throughout this academic journey.

G.C.M.

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APPENDIX B

Survey Questionnaire

Title: Provident Fund Loan Program and the Financial Well-being of Department of Education SDO Laguna Personnel

Instructions:

Please answer the following questions honestly. Your responses will be treated with strict confidentiality and used only for academic purposes.

PART I. RESPONDENT PROFILE

1. **Employment Classification**

☐ Teaching Personnel

☐ Non-Teaching Personnel

2. **Years in Service**

☐ Less than 5 years

☐ 5–10 years

☐ 11–15 years

☐ 16 years and above

3. **Number of times you have availed the Provident Fund Loan Program**

☐ Once

☐ Two to three times

☐ More than three times

4. **Purpose of Loan Availment**

☐ Education

☐ Medical/Hospitalization

☐ Home Improvement

☐ Calamity

☐ Others: ____________

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Rating Scale: 4 = Strongly Agree | 3 = Agree | 2 = Disagree | 1 = Strongly Disagree

Part II. Awareness and Understanding of Loan Features				
A. Loan Amount				
Statement	**4**	**3**	**2**	**1**
The loan amount was sufficient for my financial needs.				
The loan ceiling was reasonable for my income level.				
The loan amount was adequate for emergencies.				
The loan amount reduced my need to borrow from other sources.				
The loan amount matched my repayment capacity.				
B. Utilization				
Statement	**4**	**3**	**2**	**1**
The loan was used for essential or priority needs.				
The loan helped address urgent financial concerns.				
The loan contributed to improving my financial condition.				
The loan served its intended welfare purpose.				
The loan reduced my reliance on high-interest lenders.				
C. Terms and Conditions				
Statement	**4**	**3**	**2**	**1**
Loan terms and policies were clearly explained.				
The repayment period was manageable.				
The interest rate was affordable.				
Monthly salary deductions were reasonable.				
The overall loan conditions were fair.				
D. Satisfaction with Loan Release and Transparency				
Statement	**4**	**3**	**2**	**1**
The loan application process was efficient.				
The loan was released within a reasonable time.				
Salary deductions were clearly communicated.				
The approval process was transparent.				
The overall process was satisactory.				
E. Accessibility				
Statement	**4**	**3**	**2**	**1**
Information about the loan program was easy to obtain.				
Loan requirements were clear and understandable.				
The application process was convenient.				
Assistance was readily available when needed.				
The loan program was accessible to qualified personnel.				

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Part III. Perceived Effects of the Provident Loan Fund Program				
F. Financial Stability	**4**	**3**	**2**	**1**
Statement				
The loan helped me meet financial obligations.				
The loan improved my ability to manage expenses.				
The loan helped me handle financial emergencies.				
The loan contributed to my financial stability.				
The loan provided better financial balance.				
G. Debt Level				
Statement	**4**	**3**	**2**	**1**
The loan helped reduce my other debts.				
My overall debt became more manageable.				
The loan prevented me from additional borrowing.				
Made monthly deductions more manageable.				
The loan did not worsen my debt situation.				
H. Financial Well-Being				
Statement	**4**	**3**	**2**	**1**
The loan reduced my financial stress.				
The loan improved my sense of financial security.				
The loan increased my confidence in handling finances.				
The loan improved my quality of life.				
The loan enhanced my overall well-being.				
I. Financial Capability				
Statement	**4**	**3**	**2**	**1**
The loan encouraged better budgeting habits.				
The loan improved my financial planning.				
The loan helped me manage debts more responsibly.				
The loan helped me prioritize essential expenses.				
The loan improved my financial discipline.				
J. Workplace Productivity				
Statement	**4**	**3**	**2**	**1**
The loan improved my focus at work.				
The loan enhanced my job performance.				
The loan increased my motivation.				
The loan reduced financial distractions at work.				
The loan improved my overall productivity.				