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Financial Literacy in Rural Communities of Southern Bukidnon, Philippines: Baseline Evidence for Training and Development

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ABSTRACT

Financial literacy is crucial for individuals, particularly those living in geographically isolated and disadvantaged areas (GIDA), where access to financial services and financial education remains constraint. This quantitative-descriptive study aimed to examine the demographic profiles of the respondents in terms of sex, age, educational attainment, household size and monthly income, and assess their financial literacy across four dimensions: savings practices, debt management, investment practices, and financial planning practices using convenience sampling. Data were analyzed using frequencies, percentages, and means, Kruskal–Wallis and Mann–Whitney U were used to test for significant differences. The results revealed no significant differences in financial literacy across any demographic variables. Respondents demonstrated very high level of financial literacy in financial planning, and strong savings and debt management practices reflecting responsible financial behaviors. However, investment practices emerged as the weakest dimension, especially in relation to investing in quick assets for emergency needs. Overall, the study contributes to United Nations Sustainable Development Goals 1 (No Poverty), 4 (Quality Education), and 10 (Reduced Inequalities) by further promoting financial inclusion and strengthening the financial capabilities of underserved communities.

Keywords: financial literacy, savings practices, debt management, investment practices, financial planning practices

SDG Indicators: SDG 1 (No Poverty); SDG 4 (Quality Education); SDG 10 (Reduced Inequalities)

INTRODUCTION

Financial literacy is widely recognized as a fundamental competency that promotes sound financial decision-making, economic resilience, and long-term well-being. For individuals living in geographically isolated and disadvantaged areas (GIDAs), financial literacy becomes even more crucial as they often face unique socioeconomic challenges that limit their opportunities for financial growth and stability. These communities frequently face challenges such as inadequate economic resources, limited access to financial services, which may constraint their capacity to make informed financial decisions and effectively handle their financial resources (Ramirez and Gabronino, 2026). Financial literacy encompasses the knowledge, skills, attitudes, and behavior needed to better manage their finances and the attainment of financial goals (Jayanthi and Rau, 2019). It guides individuals in the financial procedure, risk assessment and decision-making (Susanto et al., 2022).

Financial literacy empowers the financial skills and knowledge of these individuals in the marginalized communities to handle their money in an efficient and effective way (Mahesia, 2023). The 2020 financial literacy survey by the Organization for Economic Co-Operation and Development (OECD), comprising 39 countries and economies, of which 20 are members of the OECD and 8 are G20 countries, is based in Latin America, Europe, and Asia. The survey revealed that the typical financial literacy level of all the countries and economies that participated in the survey is 60 out of 100 with OECD countries slightly higher in level at 63 out of 100. In 2020, Standard and Poor (S & P Global Ratings) have also released the list to demonstrate that in 2020, the Philippines occupies the last 30th position among 144 countries with only 25 percent of adult Filipino population considered financially literate. Recent published data show high poverty levels in Bukidnon, at 27% reflecting persistent economic vulnerability in the province (Philippine News Agency, 2025). Moreover, there was also a lack of knowledge on the practice and how their resources could be increased.

Despite the fact that there are several international and national researches on financial literacy and its overall effect on financial behavior, many of the available studies have concentrated on urban residents (Apiag et al., 2025). Little focus has been directed to the household heads living in underserved or remote barangays, which have a massive contribution to household income, expenditures, savings, and debt (Carvalho, 2022). Moreover, although past research found that financial literacy is a determinant of financial outcomes, there is still a gap in empirical data that directly measures the effects of financial literacy on major financial decision-making domains, including saving habits, debt management, financial planning, and investment activities within the household context (Lone & Bhat, 2022).

This gap underscores the need for context-specific research that would associate financial literacy with routine financial decision-making among household heads in disadvantaged communities (Lusardi and Messy, 2023; Shimizutani and Yamada, 2020). Hence, this study examined whether there are significant differences between household heads demographic profiles and their current skills in saving, debt management, financial planning, and investment behaviors. The findings provide baseline evidence for designing context-specific financial literacy interventions and capacity-building programs aimed at improving financial well-being and financial inclusion in underserved rural communities.

Theoretical Framework

The present study is grounded in the Theory of Planned Behavior of Ajzen in 1991. This theory offers a theoretical construct to examine the relationship constructs between three independent factors that influence the intention of an individual: attitude, subjective norm, and perceived behavioral control. Ajzen states that the more positive the attitude and subjective norm about behavior, the higher the perceived behavioral control, and the more powerful an intention to behave in a particular way.

The Theory of Planned Behavior (TPB) was employed in the study of financial literacy by She et al. (2023). Within this theoretical framework, researchers typically adopt a systematic approach in analyzing financial behavior. Specifically, they first identify the particular financial behavior under examination, which could be saving, investing or financial planning. They then evaluate the attitude of the participants towards the behavior. They also explore the subjective norms through the knowledge of the effects of social pressures by family and friends on the behavior. Perceived behavioral control is also determined, which entails the identification of how easy and difficult the participants perceive the behavior. Lastly, behavioral intention and perceived behavioral control are applied to predict actual behavior occurrence. Other studies build on the TPB by adding other variables such as financial knowledge, which may impact attitudes, subjective norms, and perceived behavioral control and have an effect on behavioral intentions and actual financial behaviors.

The Theory of Planned Behavior (TPB) is utilized in this study to test the effects of financial literacy on the financial decision-making of household heads in three primary dimensions: attitude (the influence of financial knowledge on their attitude towards savings, debt management, and investments), subjective norms (the influence of family and community expectations on financial choices), and perceived behavioral control (the confidence people have in managing finances based on their financial literacy). The theory will assist the reader to make sense of the way in which financial literacy affects the financial decision making of household heads. It offers a clear outline in discussing why people make specific financial decisions, including saving, dealing with debt, financial planning, and investment.

Statement of the Problem

This study aims to identify the variables that are associated with the financial literacy of household heads. It will determine what aspects are most significant to be conducted in training and development programs to

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improve and enhance financial literacy. The key questions that this research study sought to address are the following:

1. What are the demographic profiles of the respondents in terms of:

1.1. Age;

1.2. Sex;

1.3. Educational Attainment;

1.4. Household Size; and

1.5. Monthly Income?

2. What level of financial literacy do the respondets have in the dimensions of:

2.1. Saving Practices;

2.2. Debt Management;

2.3. Investment Practices; and

2.4. Financial Planning?

3. Is there a significant difference in financial literacy prospects when respondents are grouped according to their profile?

4. Based on the findings, what possible training and development can be recommended?

METHODOLOGY

In this study, the researcher employed a quantitative descriptive research design with the used of inferential statistics since it involved collections of quantitative information that was used for statistical analysis of the population sample and described the characteristics of the population or phenomenon that was being studied, such as the profile of household heads that involved sex, age, level of educational attainment, household size, and monthly income. McCombes, 2019; Ramirez & Montecillo, 2022), mentioned that, descriptive research can answer what, where, when, and how questions, but not why questions. Therefore, survey tools are often utilized to gather data. In such research, the data may be analyzed quantitatively, using frequencies, percentages, averages, or other statistical analyses to determine relationships.

Study Respondents

The respondents of the study were household heads, residing in geographically isolated and disadvantage area (GIDA), most of whom were the primary managers of their financial affairs within their families. They were selected through convenience sampling due to their central role in financial decision-making, including budgeting, saving, borrowing and managing the livelihood or small-scale business income. The non-probability sampling method, convenience sampling, enabled the researcher to find household heads and residents involved in farming, retail trade, and other income-earning activities that were readily available and would agree to participate at the time of data collection (Nikolopoulou, 2023). The respondents represented diverse demographic characteristics, such as sex, age, educational attainment, household size, and monthly income, which were examined to determine potential differences in financial literacy levels.

Data Analysis or Statistical Tool

The following quantitative, descriptive, and inferential statistics were considered using the Statistical Package for Social Services (SPSS) software package to analyze the data: frequency count and percentage distribution

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were used to determine the profile of the respondents in terms of age, sex, educational attainment, household size, and monthly income, particularly for problem 1. Mean and Standard Deviation were used to measure and determine the level of financial literacy among household heads in terms of their saving practices, debt management, investment practices, and financial planning for problem 2. By calculating the mean and standard deviation, the researcher could assess the central tendency and variability of the financial literacy scores. Mann-Whitney U and Kruskal- Wallis tests were used in the study to compare the level of financial literacy when grouped according to profile in order to determine if there is a significant difference or not for problem 3.

RESULTS AND DISCUSSIONS

Table 1. Demographic Profile of the Respondents

Profile		**F(n=100)**	**%**
Age	< 30	26	26
	31-40	25	25
	41-50	19	19
	>50	30	30
Sex	Male	32	32
	Female	68	68
Educational Attainment	Elementary Level	20	20
	Elementary Graduate	10	10
	High School Level	33	28
	High School Graduate	16	16
	College Level	13	13
	College Graduate	8	8
Household Size	<3	25	25
	4-5	39	39
	6-7	25	25
	>8 Above	11	11
Income	<P5,000	58	58
	P6,000-P10,000	34	34
	P11,000 – P15,0000	7	7
	>P20,000	1	1

Table 1. Present the demographic profile of the respondents. Most of them fell within the age group of more than 50 years old, with the most common range being 30 and a percentage of 30. The frequency and rate were 26 and 26, respectively, in those under 30 years. This suggests that those over 50 years old control the financial resources of households more than other age groups. A 2019 survey by VU Online on generational finances found important information on age-based differences in money management. The research finding revealed that adults aged 50 and older have the highest likelihood of financial control and security. They discovered in this survey that older adults are more likely to control their finances because of their financial stability. Nevertheless, it does not deny that elderly individuals with experience have lots to learn that helps them make sound financial choices (Mokhtar et al., 2020). This implies that as individuals age, they tend to be more confident in their finances as they have gained a level of stability over time and their age experience assists them to make wiser decisions on how to manage their money without making huge errors.

Females are the dominant group with 68 respondents (68%), as opposed to 32 males (32%). This indicates the main role of women in budgeting and financial management in households. In line with this, Lind et al. (2020) observed that women are more prudent in their financial behaviors and commonly act as family financial managers. More female education and career opportunities can lead to higher household welfare due to good financial management, yet it may cause stress due to juggling home and money responsibilities.

Most of the respondents who belong to the high school level of educational attainment, the highest frequency and percentage of 33. On the other hand, the lowest frequency of this demographic profile of household head respondents shows individuals who have reached a college level of education with a frequency and percentage of 8. Such results prompt the researcher to believe that though a large segment of the household heads have attained a secondary level of education, only a small faction has attained a formal degree, which can affect their overall attitude towards financial decision-making. Cacnio et al. (2024) also support this implication by demonstrating that there is a positive correlation between financial literacy and educational attainment, meaning that those who have completed at least secondary school demonstrate superior financial knowledge and skills as compared to those with lower levels of education. They also recognized that secondary education guarantees a significant measure of both economic knowledge and ability. Moreover, researchers like Johan et al. (2021) observed that people who have higher educational levels tend to engage in smart financial activities such as saving, investing, and proper management of money.

Most of the household participants are in the lowest income group of Php 5,000 and below, with the highest frequency and percentage of 58. Conversely, the highest frequency, as indicated by the bracket, is the household income above Php 20,000, a 47 frequency of 1, and this represents 1% of the survey population, meaning that only 1 out of 100 respondents earned the highest monthly income. This observation is consistent with the recent research by Rlang (2025) indicates that income inequality often leads to a very high percentage of households with low incomes and a very low percentage with higher incomes. Equally, the Asian Development Bank in 2025 reported economic changes and digitalization tended to widen income disparities among household populations, with low-income households often observed to remain the disadvantaged since they lack access to opportunities. In this way, the high frequency of the lowest income bracket corresponds with socioeconomic challenges cited in recent research on household income inequality. The extreme income inequality makes it impossible to provide economic opportunities to a large number of people, imposing structural obstacles to upward mobility. Unlike the very low frequency in the highest bracket (1% earning above 20 thousand), it emphasizes that a very low percentage of households earn a high income level (Tian, 2025).

Table 2 Mean and Standard Deviation Distribution on the Household Heads Level of Financial Literacy in Terms of Saving Practices

Indicators	**Mean**	**SD**	**Interpretation**
I prioritize saving money for important needs.	3.63	0.54	Highly Literate
I frequently set aside money for future needs/wants.	3.54	0.61	Highly Literate

I save any remaining funds from my budget after covering the actual expense.	3.47	0.69	Highly Literate
I increase my savings when my income increases.	3.41	0.65	Highly Literate
I ensure I save a fixed amount from my earnings.	3.33	0.71	Highly Literate
Average	**3.48**	**0.64**	**Highly Literate**

Legend: 1.00-1.75 (Less Literate), 1.76-2.50 (Moderately Literate), 2.51-3.25 (Literate), 3.26-4.00 (Highly Literate)

When looking at individual indicators more closely, the feature with the greatest score is a statement, I save my money toward my most important needs, with the highest mean of 3.63 (SD=0.54) indicating that the household heads attach importance to saving money earned by them to important needs. This is correlated with the work of Uddin (2020), who has supported that individual savings of people in a household are highly effective because they lead directly to the growth and development of the economy and, moreover, offer long-term investment to the well-being of the family. Conversely, the lowest mean reported above is 3.33 (SD=0.71) in the item, "I ensure I save a fixed amount of my earnings" which, despite still being high, indicates that even in a household, there is variability or difficulty in ensuring that family heads save a fixed amount of earnings.

These were supported by Sibanda et al. (2025), who found that a large portion of households in the informal sector are financially unstable and insecure, and therefore cannot achieve their future financial goals due to a lack of financial literacy and understanding (e.g., depositing a fixed amount of savings). A positive attitude towards saving since household heads emphasizes savings as a priority to meet essential needs. Nevertheless, it is more difficult to save the same amount regularly, which indicates economic inconsistency and insecurity within households. These results are consistent with the past research that reported that although savings are highly valued, lack of financial security and financial literacy can prevent regular saving habits.

Table 3 Mean and Standard Deviation Distribution on the Household Heads Level of Financial Literacy in Terms of Debt Management

Indicators	**Mean**	**SD**	**Interpretation**
I avoid borrowing unless it is absolutely necessary, such as during emergencies like hospitalization.	3.65	0.58	Highly Literate
I repay the money I owe on time.	3.40	0.68	Highly Literate
I pay my bills on time.	3.38	0.65	Highly Literate
I prefer loans with convenient terms of payment.	3.30	0.78	Highly Literate
I borrow money only for investment purposes.	2.76	0.91	Literate
Average	**3.30**	**0.72**	**Highly Literate**

Legend: 1.00-1.75 (Less Literate), 1.76-2.50 (Moderately Literate), 2.51-3.25 (Literate), 3.26-4:00 (Highly Literate)

The table 3 shows the financial needs of the household heads and reflect a responsible and active attitude towards debt management. Analyzing individual indicators, it becomes clear that the most scored aspect is avoid borrowing unless you need it, such as when you have to go to the hospital, with an average score of 3.65.

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These results rely on the principle of emergency financial preparedness of debt because they borrow money only under extreme circumstances, like an emergency. Moreover, financial literacy is connected with the financial management behavior, a complex of actions and choices that influence financial well-being. Consequently, their sensitivity to financial risks and stability makes emergency borrowing a priority. On the other hand, the lowest scoring indicator is the one that uses borrowed money to invest, with a mean score of 2.76. Although this is the most poorly-scoring indicator, the unwillingness of the respondents to take on debt in the name of the prospective profit indicates a conservative approach to management. Such results can be related to the work by Kotiyal (2025), who explains that the primary objectives of debt management include reducing financial stress, avoiding the accumulation of additional debt, and ultimately becoming debt-free.

The indicator associated with investment through borrowing, with the lowest mean score, indicates that the concept of debt as a means of building wealth can be improved. Adesina, et.al (2025) illustrates this point by stating that the idea of not being in debt is great but that debt can be a practical means of creating assets when applied correctly. Therefore, the fact that this indicator has a low average value shows that most respondents are putting necessity over opportunity, focusing on financial security rather than growth-oriented borrowing. Debt management practices are high; however, the specific indicators rankings indicate that respondents are conservative. This can be among the reasons why borrowing to invest is the least practiced form, since household heads may be more concerned with survival in the present moment, and avoiding financial risk.

Table 4 Mean and Standard Deviation Distribution on the Household Heads Level of Financial Literacy in Terms of Investment Practices

Indicators	**Mean**	**SD**	**Interpretation**
I spread my money across more than one type of investment. (Farming and livestock raising)	3.49	0.63	Highly Literate
I consider investing in things that are useful for my daily needs (motorcycle for transportation).	3.23	0.83	Literate
I know about different viable investments I can pursue.	3.13	0.79	Literate
I invest in fixed assets (land or houses) for income through resale or rental.	2.79	0.90	Literate
I invest in quick assets, such as jewelry that can be sold during emergencies.	2.57	0.87	Literate
Average	**3.04**	**0.80**	**Literate**

Legend: 1.00-1.75 (Less Literate), 1.76-2.50 (Moderately Literate), 2.51-3.25 (Literate), 3.26-4:00 (Highly Literate)

After further analysis of the indicators, the most scored area is on the statement, I distribute my money on more than one kind of investment, which has the highest mean (M=3.49, SD=0.63), indicating that the household heads are more likely to distribute their investments.

This demonstrates their risk management and decision-making capabilities. Jones (2020) affirmed that investors should be aware of their risk-taking capacity to prevent stress and possible losses. Similarly, Zhu and Xiao (2021) highlighted that the most financially literate individuals are more effective risk managers and asset allocators, and Gilenko and Chernova (2021) noted that financially literate people make better-informed investment choices. Therefore, the fact that the respondents distributed their investments to different types indicates good financial habits and investment management practices.

In comparison, the lowest mean (M = 2.57, SD = 0.87) was received by the item: I invest in quick assets like jewelry that can be sold in case of emergency. According to the survey, few respondents view jewelry as a viable investment. This is because jewelry is not very liquid and cannot consistently have value. The first point that Phanom Promwichit (2024) highlights as a reason not to invest in jewelry is that it can be less valuable over time and is subject to market and fashion changes, thus being a less stable investment. Jewelry also cannot be easily turned into cash.

Furthermore, the research of Riyo Gems (2025) explained that jewelry can be a beautiful and attractive accessory, but it is not a wise investment due to its high price and low resale value. The importance of investment practices is in informing decisions that are consistent with financial objectives and risk aversion. Household heads should practice responsible and prudent financial behavior in investment, particularly through diversification of investments to address various risk factors and ensure economic stability in the long run. The respondents have made informed investment choices that are consistent with their financial objectives and risk tolerance. Yet, less preferential respondents to investing in assets like jewelry are also present as they imply a conservative attitude towards less liquid and uncertain value options.

Table 5 Mean and Standard Deviation Distribution on the Household Heads Level of Financial Literacy in Terms of Financial Planning

Indicators	Mean	SD	Interpretation
I evaluate my budget before making purchases	3.72	0.45	Highly Literate
Before I buy something I carefully consider whether I can afford it	3.71	0.50	Highly Literate
I budget the income I receive from my earnings.	3.70	0.46	Highly Literate
I keep a close personal watch on my financial affairs	3.53	0.56	Highly Literate
I generally achieve my money management goals	3.35	0.64	Highly Literate
Average	**3.60**	**0.52**	**Highly Literate**

Legend: 1.00-1.75 (Less Literate), 1.76-2.50 (Moderately Literate), 2.51-3.25 (Literate), 3.26-4:00 (Highly Literate)

The highest level (mean 3.60, SD 0.52) is revealed in the overall highest level in Table 10, indicating that there is a high level of financial planning among household heads. This shows that they are responsible in their financial planning practices. The highest mean as shown in the table above is on the item, I evaluate my budget before making purchases and the highest mean (M=3.72 and SD=0.45) is on the item, I evaluate my budget before making purchases.

This means that family heads of household always think about their finances in a wise manner before making purchases. This brings out the research of (Veerasamy et. al., 2023). Financial planning establishes an appropriate mix that makes them feel more in control of their finances since with a clear plan at hand, it will lead to more effective money management and prudent choices regarding how to spend and save.

Conversely, the item, "I usually meet my money management objectives," presents the lowest mean above (M=3.35 and SD=0.64). Despite of this, households are still able to meet their money management targets as they fund the wants and needs of their families by knowing their priorities and fulfil their obligations upfront. A recent study (Baker et al., 2023) confirms this observation: over time, society has been grappling with issues related to high standards of living and costs and other financial problems, as complexity in economic issues continues to emerge. Likewise, according to the work of Veerasamy et. al (2023), financial planning is extremely significant to people, as it assists them in a variety of ways to accomplish management objectives.

To wrap it all, household heads always make good use of money before buying anything to satisfy their wants and needs. Financial planning can assist people to manage their finances, spend money better and make better spending/saving choices. Despite the increased living expenses and financial complexities, households continue to meet their money management endeavour despite the pressure of family demands by carefully plan and budget their income just to sustain their needs.

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Table 6 Summary on the Overall Mean and Standard Deviation Distribution on the Household Heads Level of Financial Literacy

Indicators	Mean	SD	Interpretation
Financial Planning	3.60	0.52	Highly Literate
Saving Practices	3.48	0.64	Highly Literate
Debt Management	3.30	0.72	Highly Literate
Investment Practices	3.04	0.80	Literate
Overall Average	**3.36**	**0.67**	**Highly Literate**

Legend: 1.00-1.75 (Less Literate), 1.76-2.50 (Moderately Literate), 2.51-3.25 (Literate), 3.26-4.00 (Highly Literate)

Table 11 shows that the general level of financial literacy practices, as stated in this study, has a mean of 3.36 and a standard deviation of 0.67, which is high-performing. The highest mean average of 3.60 (SD = 0.52) was found in Financial Planning Practices. The lowest mean was 3.04 (SD = 0.80) in Investment Practices.

The highest mean average of all other practices, according to Yulfiswandi et al. (2022), is Financial Planning, which described the advantages of financial planning by giving meaning and direction to their economic decisions. This paper describes why the respondents think that their best practice is financial planning because when you have a clear plan, you can manage your money better and make more prudent decisions about how to spend and save. That is, when people have a proper mix of goals and strategies, they feel more in charge of their finances (Veerasamy, 2023).

On the other hand, the reason why Investment Practices is the lowest average of the mean of respondents is reinforced by the fact that according to KDM Financial (2025), one of the greatest reasons why most people do not invest is due to lack of knowledge. The reason is that investment habits demand a greater level of scientific knowledge and increased risk tolerance. Jones (2020) said that when an individual is unable to manage risk in investments, they may become stressed; therefore, people tend to avoid such strategies because they find them time-consuming, risky, and daunting (Pinca et al, 2023).

In this way, these attitudes of respondents to their practices can be considered the same as the opinion of Zhu and Xiao (2021) about how people approach long-term planning. These findings indicate that although the respondents are more likely to agree that they need to plan their finances to make daily purchases, they are less confident when it comes to expanding their finances. This depicts the way people view their capabilities with respect to their potential to pursue financial freedom and the extent to which they believe they can manage risk. More financially literate people tend to have a higher ability to assess risks and allocate assets, both of which are essential in expanding a financial portfolio.

Results of Kruskal-Wallis Test to compare level of financial literacy when group according to age, civil status, educational attainment and employment

Table 7Results of Kruskal-Wallis test to compare level of financial literacy when group according to age, civil status, educational attainment and employment

Profile		Mean Rank	*Test Statistics*	*df*	P-value	Interpretation
Age	< 30 years old	45.42	χ^2=3.645	3	.302	Not Significant

	31-40 years old	59.56				
	41-50 years old	47.71				
	> 50 years old	49.12				
Sex	Male	50.88	Z= -0.91	-	.928	Not Significant
	Female	50.32				
Civil Status	Single	44.13	χ^2=5.554	3	.135	Not Significant
	Married	53.13				
	Separated	16.75				
	Widowed	37.70				
Educational Attainment	Elementary Graduate	46.67	χ^2=3.055	2	.217	Not Significant
	High School Graduate	57.41				
	College Graduate	52.67				
Monthly Income	<5,000	49.87	χ^2=1.889	3	.596	Not Significant
	6,000 – 10,000	51.18				
	10,000 -15,000	57.29				
	>20,000	16.50				

Table 7 indicates that there is no significant difference in financial literacy among the four age groups, i.e., below 30 years, 31-40 years, 41-50 years, and above 50 years old. Even though the 31-40 age group had the highest mean rank (59.56), its p-value (.302) exceeds the level of significance (.05), meaning that the differences in the average ranks are not significant. This implies that the null hypothesis of no age differences in financial literacy is upheld, and the financial literacy scores of respondents are essentially equal irrespective of their age. This is similar to what Lusardi, Yakoboski, and Hasler (2021) found when they examined financial literacy among multiple generations in the United States. They discovered that financial literacy is usually low among nearly all groups, including young adults (Gen Z) and older adults (baby boomers). The score increases slightly with age, though not to the extent that older individuals are considered to be truly strong in financial knowledge, despite their frequent inability to grasp simple concepts. Due to that, the difference between ages groups is not particularly large, which is comparable to the non-significant age differences was observed.

There is no significant difference exists in the level of financial literacy among male (mean rank = 50.88) and female (mean rank = 50.32) participants. The findings reveal that both genders are equally financially literate. The Mann-Whitney U test showed that gender does not differ significantly in the degree of financial literacy, as sex does not seem to play a role in the way individuals handle or comprehend their finances, similarly to the research of Abdullah et al. (2019), which indicated that gender disparities in financial matters between men and women will influence the financial well-being of an individual. And even the influence of financial literacy on money management (Zulfaris et al., 2020) and on the involvement in the financial market (Nguyen and Nguyen, 2020). According to Sabri and Aw (2019), finance literacy affects how individuals invest and whether they engage a financial planner. This observation implies that men and women possess dissimilar financial literacy in the context of money management objectives.

The Kruskal-Wallis test on financial literacy by household size, which was not significant difference with kh2(3) = 0.673, p = .880. This implies that both respondents in smaller and larger families share similar financial literacy levels. The result corresponds with the results of Banerjee and Roy (2020) and Twumasi et al. (2021), who also determined that the number of people living in the household or a family did not have a statistically significant impact on financial literacy levels. Although the respondents belong to either smaller or larger families, their financial literacy levels are similar. They also justify the result of the current research that the household size is not a significant predictor of financial literacy. Though no concrete difference was noticed, the descriptive findings reveal that the majority of the respondents are members of households with 3-5 people, which received the maximum average rank of 50.94. This means that the medium household sizes are most prevalent among the respondents and it represents the average household structure in the region. Nevertheless, the fact that the financial literacy of households of different sizes is similar implies that other variables, such as education, access to financial information, and personal experience, might be more effective in shaping the financial knowledge than the family size itself.

There is no significant difference in financial literacy between household heads on the level of educational attainment, as indicated by kh2(5) = 5.331, p =.377. In this data, college graduates get the greatest mean rank (67.88); this implies that the level of education does not give a significant disparity in financial literacy practices among the respondents. Thus, the hypothesis is accepted. The research by Bungabong, H., and Rosalejos, M. (2025) and Lancian, Arak, and Susada (2024) supports this claim since there was no statistically significant evidence that indicated that the data between the level of financial literacy and the education attained by the respondents is correlated. Furthermore, the article by Atikah and Kurniawan (2021) stresses that financial education should not merely aim at the enhancement of knowledge but also at the development of personal awareness of financial capabilities. This therefore means that even with the amount of education obtained by the respondent, personal initiative and practical experience in the management of household finances play a critical role in deciding how literate a respondent becomes.

Kruskal-Wallis test (kh2(3) = 1.889, p = .596); the value shows that the level of financial literacy of respondents does not significantly differ when the respondents are grouped in terms of their monthly income. This observation is relevant to the work by Wang et al. (2022) and Chetioui, H. (2024), which, in fact, illustrates that there was no apparent expression of household income on the level of financial literacy when the data were clustered by monthly income. This information suggests that in certain domestic contexts, the variance of financial literacy between monthly incomes is minimal or statistically non-significant. Yet, as indicated in the table, despite the presence of respondents with incomes in the range of P10,000-P15,000 and a slightly higher mean rank (57.29), income level did not play an important role in the financial literacy. This means that even households receiving a lower income show the same financial knowledge as households receiving higher income.

Based on the findings, what possible training and development can be recommended?

Table 8 Capacity-Building Program for Strengthening Financial Literacy among Household Heads

Key Areas	Objectives	Proposed Actions	Research Basis	Key Performance Indicator
Investment Literacy and Asset Liquidity Awareness	To enhance participants' understanding of investment concepts, risk-return relationships, and asset liquidity.	• Conduct seminar on Basic Investment Literacy and Asset Liquidity • Facilitate practical exercises on ranking assets according to liquidity and	Respondents demonstrated moderate financial literacy in investment-related practices, indicating the need to strengthen knowledge on investment options, risk management, and liquidity considerations.	• At least 80% attendance rate. • At least 70% of participants improve post-test scores by 20% or higher. • Positive evaluation rating of 4.0/5.0 or higher.

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		portfolio planning • Distribute training modules and investment guides.		
Personal Financial Management and Budgeting Skills	To improve participants' capability to manage income, expenses, savings, and household budgeting.	• Conduct seminar on personal financial management and budgeting techniques • Facilitate budgeting workshops and household financial planning exercises • Provide budgeting templates and financial planning worksheets.	Findings indicate the need for improved financial planning, budgeting discipline, and savings behavior among household heads.	• At least 75% of participants successfully prepare a household budget plan. • Increased awareness of saving strategies based on post-training assessment • Participant satisfaction rating of at least 4.0/5.0.
Debt Management and Responsible Borrowing Practices	To develop participants' knowledge and skills in debt management, loan evaluation, and responsible borrowing.	• Conduct seminar on debt management and responsible borrowing. • Facilitate debt assessment and repayment planning exercises • Discuss debt-to-income ratio and safe borrowing limits.	Results suggest a need to strengthen debt management practices and promote informed borrowing decisions to improve household financial well-being.	• At least 70% of participants develop a personal debt management plan. • Improved understanding of responsible borrowing based on post-test results. • Reduced misconceptions regarding loan utilization and debt management.
Monitoring, Evaluation, and Sustainability Activities	To assess program effectiveness and ensure sustainability of financial literacy initiatives.	• Conduct pre-test and post-test assessments • Gather participant feedback and evaluation forms. • Prepare terminal report and recommendations	Establish evidence-based financial literacy interventions and continuous community education programs.	• Completion of evaluation report. • At least 80% participant satisfaction. • Submission of extension accomplishment report. • Recommendations adopted by stakeholders.

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		for future financial literacy programs. • Coordinate with Local Government Unit (LGU) and community stakeholders for future implementation.		

RECOMMENDATION

On the basis of the research findings and conclusions, it is recommended that the recommendations below be supported:

Household Heads. The barangay can promote financial management skills among residents through financial literacy seminars, provision of budgeting guides, and collaborate with local banks to promote the use of financial management skills.

Local Community. To promote financial literacy in the community, the barangay may organize monthly financial literacy training activities, establish a barangay-wide financial literacy campaign called the Savings Challenge, collaborate with cooperatives and banks to provide practical financial literacy training, and give out easy to follow Cebuano financial literacy manuals.

Financial Institutions. To enhance financial awareness, the barangay may collaborate with the local government units, non-governmental organizations and financial institutions in the support of financial awareness programs and to offer practical guidance to the household heads.

Academic Institutions. Academic institutions can be critical in furthering financial enlightenment by taking their knowledge outside the classroom by participating in community activities and extension programs. They could assist the heads of households by creating and providing financial literacy resources, seminars and skills training on budgeting, saving, managing debts, and basic investment concepts, and offer practical advice through student-led and faculty-led outreach efforts.

Future Researchers. Enhance educational strategies and interventions aimed at improving financial outcomes among individuals and communities, particularly future research that will adopt these studies.

CONCLUSION

The study concludes that household heads in the selected geographically isolated and disadvantaged area demonstrate a high level of financial literacy, particularly in financial planning and saving practices, which indicates strong discipline in managing household income and day-to-day financial obligations. This suggests that respondents are capable of making informed and structured financial decisions that support immediate financial stability. However, the findings also reveal a consistent gap in investment practices, implying that while respondents are financially capable in managing expenses and savings, they remain less engaged in wealth-building strategies and risk-based financial opportunities. The level of household head financial literacy does not significantly differ when it comes to socio-economic characteristics. This indicates that demographic factors do not play a significant role in determining the financial literacy levels. Instead, financial literacy is strongly determined by the interaction of three key factors: attitude, subjective norms or social exposure, and perceived behavioral control based on Ajzen Theory of Planned Behavior. Moreover, financial literacy programs can play a pivotal role in enhancing the financial stability and welfare of rural communities. This can be achieved through the implementation of targeted training and development programs, including workshops, seminars, and partnerships with various community stakeholders.

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