Financial Literacy, Management and Economic Sustainability of Personnel

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ABSTRACT

This study examined the levels and relationships of financial literacy, financial management, and economic sustainability among teaching and non-teaching personnel in a private higher education institution. It specifically assessed financial literacy in terms of budgeting knowledge, savings and investment knowledge, debt management, and financial decision-making; financial management in terms of budgeting practices, spending behavior, saving habits, and financial planning; and economic sustainability in terms of the ability to meet basic needs, emergency preparedness, management of financial obligations, and long-term financial stability. A quantitative descriptive-correlational design was employed, and data were gathered from 157 personnel through a structured questionnaire. Weighted mean and standard deviation were used to describe the study variables, while Spearman rank-order correlation was used to test their relationships at the 0.05 level of significance. The respondents reported high levels of financial literacy (M = 4.01, SD = 0.58), financial management (M = 3.86, SD = 0.67), and economic sustainability (M = 3.90, SD = 0.70). Financial literacy was significantly and positively associated with financial management (r_s = .674, $p < .001$) and economic sustainability (r_s = .618, $p < .001$). Financial management was also significantly and positively associated with economic sustainability (r_s = .622, $p < .001$). Budgeting knowledge received the highest financial literacy rating, spending behavior was highest under financial management, and management of financial obligations was highest under economic sustainability. In contrast, savings and investment knowledge, saving habits, and emergency preparedness were comparatively lower dimensions. The findings suggest that workplace financial education may be strengthened by practical support for regular saving, emergency preparedness, debt management, and long-term planning. Because the study used a correlational design, the reported relationships should be interpreted as associations rather than causal effects.

Keywords: financial literacy, financial management, economic sustainability, personnel, financial well-being

INTRODUCTION

Managing personal finances has become an important part of everyday working life. Employees make regular decisions about income allocation, household expenses, saving, borrowing, and preparation for future needs. These decisions are not made in isolation. They are influenced by the financial knowledge individuals possess, the habits they develop, and the resources available to them. Financial literacy therefore matters not only as knowledge of financial concepts but also as a practical foundation for making informed choices about money. Lusardi and Mitchell (2014) describe financial literacy as economically relevant knowledge that can support financial decision-making, while Goyal and Kumar (2021) show that the literature connects financial literacy with financial planning, financial behavior, and financial education.

Knowledge alone, however, does not automatically translate into sound financial practice. Employees may understand budgeting or debt management and still encounter difficulty in consistently saving, preparing for emergencies, or planning for long-term needs. Financial management in this study consequently refers to the practical application of financial knowledge through budgeting practices, spending behavior, saving habits, and financial planning. This distinction is important because financial capability is reflected not only in what

individuals know but also in how they use that knowledge in everyday decisions. Hwang and Park (2023), based on meta-analytic evidence, reported positive relationships between financial knowledge, desirable financial behavior, and financial well-being.

The Philippine setting also provides a relevant context for examining these concerns. The Bangko Sentral ng Pilipinas (BSP, 2022) identifies financial capability and resilience as important components of the country's National Strategy for Financial Inclusion 2022–2028. For employees, financial resilience may be reflected in the ability to meet basic needs, manage obligations, prepare for unexpected expenses, and maintain financial stability over time. These practical outcomes are particularly relevant in a workplace setting because employees regularly make financial decisions while managing both present and future responsibilities.

Although financial literacy and financial well-being have been examined in many populations, there remains value in looking at the financial experiences of employees within a specific institutional environment. Teaching and non-teaching personnel may differ in their roles and work demands, yet they share the need to manage personal financial resources. Examining their financial literacy, management practices, and economic sustainability can provide institution-specific evidence that may be useful in designing financial wellness activities. The present study therefore examined these three variables among personnel of a private higher education institution and focused not only on their levels but also on the relationships among them.

Research Objectives

The study aimed to determine the relationship among financial literacy, financial management, and economic sustainability among teaching and non-teaching personnel. Specifically, it sought to: (1) describe the respondents according to sex, employment status, educational attainment, job classification, and marital status; (2) determine the level of financial literacy in terms of budgeting knowledge, savings and investment knowledge, debt management, and financial decision-making; (3) determine the level of financial management in terms of budgeting practices, spending behavior, saving habits, and financial planning; (4) determine the level of economic sustainability in terms of ability to meet basic needs, emergency preparedness, management of financial obligations, and long-term financial stability; and (5) determine the significant relationships between financial literacy and financial management, financial literacy and economic sustainability, and financial management and economic sustainability.

METHODOLOGY

Research Design and Respondents

The study employed a quantitative descriptive-correlational research design. The descriptive component was used to determine the reported levels of financial literacy, financial management, and economic sustainability, while the correlational component was used to examine the relationships among the variables without manipulating the respondents or research setting. The respondents were 157 teaching and non-teaching personnel of VMA Global College and Training Centers, Inc. during Academic Year 2025–2026. Stratified random sampling was employed to ensure representation of teaching and non-teaching personnel.

Research Instrument

Data were gathered through a researcher-made structured questionnaire entitled “Financial Literacy and Management Towards Economic Sustainability.” The instrument consisted of a demographic-profile section and three substantive sections. The financial literacy section covered budgeting knowledge, savings and investment knowledge, debt management, and financial decision-making. The financial management section covered budgeting practices, spending behavior, saving habits, and financial planning. The economic sustainability section covered ability to meet basic needs, emergency preparedness, management of financial obligations, and long-term financial stability. The substantive sections contained 65 items rated on a five-point Likert scale from 1 (Strongly Disagree) to 5 (Strongly Agree).

Validity and Reliability of the Research Instrument

The questionnaire underwent content validation by five expert validators with backgrounds in business administration, education, quality assurance, accounting, and research. The validators evaluated the items in terms of relevance, clarity, simplicity, and essentiality. Lawshe's Content Validity Ratio (CVR) was used to assess the content validity of the items, and the validators' recommendations were incorporated into the final version of the instrument. A pilot test was then conducted among 30 respondents with characteristics similar to those of the target population who were not included in the actual study. The pilot-test data were analyzed using Cronbach's alpha. The 65-item questionnaire obtained an overall Cronbach's alpha coefficient of $\alpha = .983$, indicating excellent internal consistency. Formal factor-analytic testing of construct validity was not conducted in the present study; this is acknowledged as a limitation and a direction for future research.

Data Gathering and Analysis

Permission to conduct the study was obtained from the institution. Participation was voluntary, and the respondents were informed that their responses would be treated confidentially and used for academic purposes. After collection, the completed questionnaires were organized and subjected to statistical analysis. Frequency and percentage were used to describe the respondent profile. Weighted mean and standard deviation were used to determine the levels of financial literacy, financial management, and economic sustainability. Spearman rank-order correlation was used to test the relationships among the variables at the 0.05 level of significance.

RESULTS

Profile of the Respondents

Profile	**Category**	**f**	**%**
Sex	Male	91	57.96
	Female	66	42.04
Employment Status	Permanent	118	75.16
	Probationary	39	24.84
Educational Attainment	College Undergraduate	2	1.27
	College Graduate	78	49.68
	Master’s Undergraduate	42	26.75
	Master’s Degree	26	16.56
	PhD Undergraduate	4	2.55
	PhD Graduate	5	3.18
Job Classification	Teaching	86	54.78
	Non-Teaching	71	45.22
Marital Status	Single	85	54.14

	Married	70	44.59
	Widowed	1	0.64
	Separated	1	0.64

The respondents were predominantly male, permanent employees, college graduates, single, and teaching personnel. Of the 157 respondents, 91 (57.96%) were male and 66 (42.04%) were female. Permanent employees accounted for 118 (75.16%), while probationary employees accounted for 39 (24.84%). College graduates comprised the largest educational-attainment group at 78 (49.68%). Teaching personnel represented 86 (54.78%) and non-teaching personnel 71 (45.22%).

Financial Literacy

Dimension	**Mean**	**SD**	**Interpretation**
Budgeting Knowledge	4.10	0.64	High
Savings and Investment Knowledge	3.87	0.81	High
Debt Management	4.00	0.64	High
Financial Decision-Making	4.08	0.64	High
Overall Financial Literacy	4.01	0.58	High

The respondents demonstrated a high level of financial literacy (M = 4.01, SD = 0.58). Budgeting knowledge obtained the highest mean (M = 4.10, SD = 0.64), followed by financial decision-making (M = 4.08, SD = 0.64), debt management (M = 4.00, SD = 0.64), and savings and investment knowledge (M = 3.87, SD = 0.81). The findings indicate that respondents generally possessed knowledge necessary for budgeting, financial decision-making, and debt management, while savings and investment knowledge represented the comparatively lower dimension within an overall high level.

Financial Management

Dimension	**Mean**	**SD**	**Interpretation**
Budgeting Practices	3.83	0.80	High
Spending Behavior	3.98	0.68	High
Saving Habits	3.81	0.83	High
Financial Planning	3.82	0.80	High
Overall Financial Management	3.86	0.67	High

Financial management was high overall (M = 3.86, SD = 0.67). Spending behavior obtained the highest mean (M = 3.98, SD = 0.68), followed by budgeting practices (M = 3.83, SD = 0.80), financial planning (M = 3.82, SD = 0.80), and saving habits (M = 3.81, SD = 0.83). The results indicate that respondents generally practiced sound financial management, although saving habits had the lowest mean among the dimensions.

Economic Sustainability

Dimension	Mean	SD	Interpretation
Ability to Meet Basic Needs	3.92	0.76	High
Emergency Preparedness	3.71	0.94	High
Management of Financial Obligations	4.10	0.70	High
Long-Term Financial Stability	3.85	0.82	High
Overall Economic Sustainability	3.90	0.70	High

Economic sustainability was high overall (M = 3.90, SD = 0.70). Management of financial obligations obtained the highest mean (M = 4.10, SD = 0.70), followed by ability to meet basic needs (M = 3.92, SD = 0.76) and long-term financial stability (M = 3.85, SD = 0.82). Emergency preparedness obtained the lowest mean (M = 3.71, SD = 0.94), although it remained within the high interpretation. The findings suggest that respondents were generally able to manage current financial responsibilities, while emergency preparedness was the comparatively weaker area.

Relationships Among the Study Variables

Variables	Spearman rs	p-value	Decision	Interpretation
Financial Literacy – Financial Management	0.674	< .001	Reject H_0	Significant
Financial Literacy – Economic Sustainability	0.618	< .001	Reject H_0	Significant
Financial Management – Economic Sustainability	0.622	< .001	Reject H_0	Significant

A significant positive relationship was found between financial literacy and financial management ($r_s = 0.674$, $p < .001$). This indicates that higher financial literacy was associated with better financial management practices. A significant positive relationship was also found between financial literacy and economic sustainability ($r_s = 0.618$, $p < .001$), indicating that higher financial knowledge was associated with higher economic sustainability. Finally, financial management was significantly and positively related to economic sustainability ($r_s = 0.622$, $p < .001$), suggesting that effective budgeting, spending, saving, and financial planning were associated with stronger economic sustainability.

DISCUSSION

The results show a generally favorable financial profile among the respondents, but the dimension-level findings provide a more specific picture. Budgeting knowledge was the strongest component of financial literacy, whereas savings and investment knowledge received the lowest mean. This difference may indicate that respondents were more confident with organizing current income and expenses than with decisions involving longer-term saving

and investment. The finding provides a useful direction for financial education because knowledge about accumulating and investing resources may require more specialized understanding than routine budgeting.

The significant positive association between financial literacy and financial management ($r_s = .674$, $p < .001$) indicates that respondents who reported stronger financial knowledge also tended to report stronger financial practices. This pattern is consistent with literature identifying financial literacy as related to desirable financial behavior (Hwang & Park, 2023; Goyal & Kumar, 2021). At the same time, the result should not be interpreted as evidence that financial knowledge alone produces better financial behavior. Financial practices may also be shaped by income, financial attitudes, household responsibilities, and other factors not examined in the present study.

The significant positive association between financial literacy and economic sustainability ($r_s = .618$, $p < .001$) suggests that respondents with higher reported financial literacy also tended to report stronger capacity to meet financial needs, manage obligations, prepare for emergencies, and maintain longer-term stability. This finding is consistent with the view that financial knowledge supports informed financial decisions and financial resilience (Lusardi & Mitchell, 2014). However, because the study is cross-sectional and correlational, the relationship should be understood as an association rather than evidence of a causal effect.

The significant positive association between financial management and economic sustainability ($r_s = .622$, $p < .001$) highlights the connection between everyday financial practices and reported financial stability. Spending behavior was the strongest financial-management dimension, while management of financial obligations was the strongest economic-sustainability dimension. In contrast, saving habits and emergency preparedness received comparatively lower means. This pattern suggests a practical area for intervention: financial wellness programs may be more useful when they help employees convert sound day-to-day financial management into regular savings and emergency-fund preparation

CONCLUSION

The study found that teaching and non-teaching personnel reported high levels of financial literacy, financial management, and economic sustainability. Budgeting knowledge was the strongest financial-literacy dimension, spending behavior was the strongest financial-management dimension, and management of financial obligations was the strongest economic-sustainability dimension. Savings and investment knowledge, saving habits, and emergency preparedness were comparatively lower areas within the overall high ratings.

Financial literacy was significantly and positively associated with financial management and economic sustainability, and financial management was significantly and positively associated with economic sustainability. The results indicate that these three aspects of employees' financial lives are closely related within the study setting. However, the descriptive-correlational design does not establish causal relationships among the variables.

RECOMMENDATIONS

Educational institutions and organizations may continue to provide financial literacy programs that combine financial knowledge with practical activities in budgeting, saving, debt management, investment, and long-term planning. Given the comparatively lower ratings for savings and investment knowledge, saving habits, and emergency preparedness, financial wellness initiatives may place particular emphasis on regular savings, emergency-fund preparation, and long-term financial planning. Future researchers may replicate the study using larger and more diverse samples across multiple higher education institutions, sectors, and geographical areas. They may also employ multiple regression, structural equation modeling, or mediation analysis to examine the relationships among the variables more extensively, including the possible mediating role of financial management. Additional variables such as income, financial attitude, investment behavior, financial stress, and financial well-being may also be incorporated, and longitudinal designs may be considered to examine changes over time.

LIMITATIONS OF THE STUDY

The findings should be interpreted in light of the study's scope and design. The study was conducted in one private higher education institution and involved 157 personnel; therefore, the findings may not be generalizable to employees in other institutions, sectors, or geographical areas. The study also relied on self-reported questionnaire responses, which may be subject to response and social-desirability biases. In addition, the cross-sectional descriptive-correlational design identifies associations but does not establish causal relationships. Although content validity was established through expert review and the instrument demonstrated excellent overall internal consistency ($\alpha = .983$), formal factor-analytic construct validation was not conducted. Future studies may therefore use larger samples and formal construct-validation procedures such as exploratory or confirmatory factor analysis.

ETHICAL CONSIDERATIONS

The thesis documentation includes a Certificate of Ethics Approval and a permission letter for the conduct of the study. Participation was voluntary, and the research instrument stated that responses would be treated confidentially and used solely for academic purposes.

CONFLICT OF INTEREST

The researcher declares no conflict of interest related to the conduct or reporting of this study.

DATA AVAILABILITY

The data are not publicly available because the study involved individual personnel responses and the research instrument stated that information would remain private and anonymous. Data access should therefore be subject to applicable institutional and ethical restrictions.

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