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Financial Literacy and Budgeting Behavior of Parents

Ella May C. Timbal, Joyce C. Decendario

Master in Business Administration, La Carlota City College, Philippines

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ABSTRACT

This study determined the financial literacy and budgeting behavior of 101 parents of a SPED school in one of the cities of Negros Occidental during the school year 2025-2026. Employing a descriptive comparative design, data were obtained using a modified questionnaire that underwent validity and reliability testing. It consisted of a consent letter, part one as the profile of the respondents, and part two as the financial literacy and budgeting behavior of the parents. The findings revealed that parents generally possess a high level of financial literacy, indicating sufficient knowledge and understanding of financial concepts that support informed financial decision-making. Additionally, parents demonstrated good budgeting behavior, reflecting their ability to effectively manage financial resources and apply appropriate financial management practices in their daily lives. Results indicated that sex, highest educational attainment, and monthly family income had no significant effect on financial literacy, while a significant difference existed in terms of bank savings. No significant difference exists in budgeting behavior when grouped according to sex, highest educational attainment, and monthly family income, and a significant difference is further noted in bank savings. This implies that families actively manage their finances to achieve financial goals, which also showed a clear correlation between parents' demographics and their ability to budget their finances effectively.

Keywords: Financial Literacy; Budgeting Behavior; Parents; Financial Management; Bank Savings

INTRODUCTION

Financial literacy plays an important role in shaping how individuals manage their savings. In recent years, especially after various economic disruptions, many people have found it more difficult to meet their financial needs. This situation has encouraged individuals to reassess their financial condition and become more conscious of how they save and spend. Financial literacy refers to the understanding of financial concepts and risks, along with the ability and motivation to make sound financial decisions. It affects nearly every aspect of family life, yet a significant number of individuals still lack sufficient knowledge, and even those who are financially literate do not always pass this knowledge on to others (Enriquez, 2021).

Individuals who possess strong financial literacy and decision-making skills are generally more capable of evaluating financial choices. They can decide when and how much to save or spend, assess costs before making major purchases, and plan effectively for long-term goals such as retirement. The Consumer Financial Protection Bureau notes that these financial skills usually begin developing during adolescence and early adulthood. This stage becomes especially important as young people start earning money, making independent purchases, managing bank accounts, and taking on educational loans.

Although financial literacy is often associated with higher levels of education and income, research suggests that even highly educated and well-paid individuals may still lack essential financial knowledge, similar to those with lower educational and income backgrounds (Lewis & Messy, 2022).

Financial literacy also includes practical skills such as managing debt, preparing a budget, and distinguishing between different financial products and services. Overall, it significantly affects how families handle everyday financial responsibilities, including budgeting, home ownership, education funding, and retirement planning. The consequences of limited financial literacy are evident not only in developing countries but also in advanced economies (Faulkner, 2021).

Saving money remains a crucial part of effective budgeting. It provides financial stability, supports emergency preparedness, and promotes financial independence. Regular saving can also help individuals avoid debt and reduce financial stress. However, despite understanding its importance, many people still struggle to prioritize saving over immediate spending (Roxas, 2022).

Several studies have already examined financial literacy, financial behavior, and budgeting practices. In this context, further investigation is necessary, particularly since the researcher is both a parent and a banking employee. This study focuses on the relationship between financial literacy and budgeting behavior among parents, with family financial status serving as a mediating factor. It also highlights how savings are managed through banks and other financial institutions.

METHODOLOGY

Research Design

This study utilized a descriptive-comparative research design. A descriptive research design is appropriate in this study because the researcher considered it the most suitable design in determining the financial literacy and budgeting behavior of parents. This design is suited for studies that aim to describe, explain, and validate findings in order to have a good result for the data or information.

Subject and Respondents of the Study

The subject and respondents of the study were the parents of Grades 1-6 learners in one of the public elementary schools in Negros Island Region during the school year 2025-2026. Each parent was given a survey questionnaire, and the same was gathered after they had completely answered the questionnaire.

Population and Sample Size

The sample of the study consisted of 101 parents of Grades 1–6 learners enrolled in one public elementary school in the Negros Island Region during the school year 2025–2026.

Data Gathering Instrument

This study utilized a modified questionnaire adapted from the study of Zaimah et al. (2013) to gather the necessary data. The questionnaire was revised to align with the objectives and context of the present study. It also underwent validity and reliability tests. It was divided into two parts: Part 1 focused on the demographic profile of the respondents, while Part 2 assessed the financial literacy and budgeting behavior of the parents.

Respondents were asked to rate each statement using a five-point Likert scale with the following options: Strongly Agree (5), Agree (4), Slightly Agree (3), Disagree (2), and Strongly Disagree (1). The instrument was adapted from the study entitled “Financial Behaviors of Female Teachers in Malaysia” by Zaimah et al.

In the original study, a 12-item section measured budgeting behavior using a five-point frequency scale consisting of never, seldom, sometimes, often, and always. Mean scores were computed, with higher scores indicating better budgeting behavior. Financial knowledge was measured using 15 questions, where the number of correct responses determined the level of financial literacy. These levels were categorized as low (1–5), moderate (6–10), and high (11–15).

Data Analyses

This study used analytical schemes such as descriptive and comparative based on the objectives of the study.

Statement of the problem number 1 used mean and standard deviation to determine the level of financial literacy among parents when they are grouped and compared according to age, sex, highest educational attainment, monthly family income, and bank savings.

Below is the formula for the mean:

$$\bar{x} = \frac{\sum x}{N}$$

Where: $\bar{x}$ = Mean score

$\sum x$ = Sum of all scores

N = Total number of respondents/sample size

Standard Deviation $SD = \sqrt{\frac{\sum(X-\bar{X})^2}{N-1}}$

Where: SD= Standard Deviation

X= Individual score

$\bar{X}$= Mean

N= Number of respondents

The descriptive interpretation of the mean score indicates the level of financial literacy among parents and was distributed as follows:

Scale	Description	Mean Score Range	Interpretation	Verbal Description
5	Always	**4.21–5.00**	Very High	Very high capacity to effectively apply various financial skills, including personal financial management, budgeting, and investing, to make sound and informed financial decisions.
4	Often	**3.41–4.20**	High	High capacity to effectively apply various financial skills, including personal financial management, budgeting, and investing, to make sound and informed financial decisions.
3	Sometimes	**2.61–3.40**	Moderate	Moderate capacity to effectively apply various financial skills, including personal financial management, budgeting, and investing, to make sound and informed financial decisions.
2	Seldom	**1.81–2.60**	Low	Low capacity to effectively apply various financial skills, including personal financial management, budgeting, and investing, to make sound and informed financial decisions.
1	Never	**1.00–1.80**	Very Low	Very low capacity to effectively apply various financial skills, including personal financial management, budgeting, and investing, to make sound and informed financial decisions.

Statement of the problem number 2 used the mean to determine the budgeting behavior of parents when they are grouped according to age, sex, highest educational attainment, monthly family income, and bank savings.

The descriptive interpretation of the mean score indicates the level of budgeting behavior of parents and was distributed as follows:

Scale	Description	Mean Score Range	Interpretation	Verbal Description
5	Always	4.21–5.00	Very Good	Very good in handling a budget
4	Often	3.41–4.20	Good	Good in handling a budget
3	Sometimes	2.61–3.40	Moderate	Moderate ability in handling a budget
2	Seldom	1.81–2.60	Poor	Poor ability in handling a budget
1	Never	1.00–1.80	Very Poor	Very poor ability in handling a budget

Statement of the problem number 3 used Mann -Whitney U-Test and Kruskal-Wallis Test to determine whether or not a significant difference existed in the financial literacy among parents when they are grouped and compared according to age, sex, highest educational attainment, monthly family income, and bank savings.

Mann-Whitney (U) Test:

$$U_1 = n_1 n_2 + \frac{n_1(n_1+1)}{2} - R_1$$

$$U_2 = n_1 n_2 + \frac{n_2(n_2+1)}{2} - R_2$$

Where:

n1 = number of participants for group 1

n2 = number of participants for group 2

R1 = Sum of the ranks for group 1

R2 = Sum of the ranks for group 2

Kruskal Wallis H-Test:

H = 12/(n(n+1)) ∑▒(Ri^2)/n_i -3(n+1)

Where:

n = Total number of participants

Ri2= Total rank for each group

ni = No. of participants in each group

Statement of the problem number 4 used the Mann -Whitney U -Test and Kruskal-Wallis Test to determine whether or not a significant difference existed in the budgeting behavior among parents when they are grouped and compared according to age, sex, highest educational attainment, monthly family income, and bank savings.

RESULTS AND DISCUSSION

This chapter presents the study’s findings using organized tables, figures, and summaries derived from the collected data, followed by a systematic analysis to identify patterns, relationships, and significant trends aligned with the research objectives.

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Financial Literacy in Terms of the Profile of the Parents

Table 1. Level of Financial Literacy in terms of Profile.

Profile	Category	Mean	SD	Interpretation
Sex				
	Male	3.99	0.43	High
	Female	3.99	0.4	High
Highest Educational Attainment				
	No Formal Education	0	0	-
	Graduate in Elementary	3.97	0.05	High
	High School Graduate	3.86	0.48	High
	College Level	3.99	0.42	High
	Post-Graduate	4	0.39	High
Monthly Family Income				
	P10,000 and below	3.9	0.48	High
	P10,001 to P20,000	3.84	0.44	High
	P20,001 to P30,000	3.98	0.39	High
	P30,001 to P40,000	3.96	0.34	High
	P40,001 and above	4.19	0.32	High
Bank Savings				
	with Bank savings	4.08	0.38	High
	without Bank savings	3.85	0.42	High

Legend: (4.21-5.00)-Very High; (3.41-4.20)-High; (2.61-3.40)-Moderate; (1.81-2.60)-Low; (1.00-1.80)-Very Low

Based on Table 1, the level of financial literacy in terms of sex is high for both male and female parents, with an overall mean of 3.99 (SD = 0.43, 0.40). In terms of highest educational attainment, financial literacy is also rated as high across all groups, including elementary graduates (M = 3.97, SD = 0.05), high school graduates (M = 3.86, SD = 0.48), college level (M = 3.99, SD = 0.42), and postgraduates (M = 4.00, SD = 0.39).

With regard to monthly family income, financial literacy remains high across all income categories. Parents earning P10,000 and below obtained a mean score of 3.90 (SD = 0.48), those earning P10,001–P20,000 had a mean of 3.84 (SD = 0.44), P20,001–P30,000 recorded 3.98 (SD = 0.39), P30,001–P40,000 had 3.96 (SD = 0.34), and those earning P40,001 and above obtained the highest mean of 4.19 (SD = 0.32).

In terms of bank savings, both groups also demonstrated high financial literacy. Respondents with bank savings obtained a mean score of 4.08 (SD = 0.38), while those without bank savings still showed a high level of financial literacy with a mean score of 3.85 (SD = 0.42).

The results revealed that financial literacy among parents involves not only understanding but also applying essential personal finance principles such as budgeting, saving, and responsible spending to improve their overall financial well-being. This holds regardless of sex, educational attainment, monthly family income, and whether or not they have bank savings.

Furthermore, the findings indicate that parents generally possess adequate knowledge of key aspects of financial literacy, including earning, saving, investing, borrowing, managing debt, spending, financial planning, and asset protection.

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue VIII August 2026

Budgeting Behavior of the Parents

Table 2. Level of Budgeting Behavior in terms of Profile.

Profile	**Category**	**Mean**	**SD**	**Interpretation**
Sex				
	Male	3.96	0.54	Good
	Female	3.97	0.5	Good
Highest Educational Attainment				
	No Formal Education	0	0	-
	Graduate in Elementary	4.33	0	Very Good
	High School Graduate	3.91	0.58	Good
	College Level	3.96	0.49	Good
	Post-Graduate	3.98	0.56	Good
Monthly Family Income				
	P10,000 and below	3.89	0.47	Good
	P10,001 to P20,000	3.84	0.5	Good
	P20,001 to P30,000	4.07	0.6	Good
	P30,001 to P40,000	3.89	0.46	Good
	P40,001 and above	4.09	0.47	Good
Bank Savings				
	with Bank savings	4.11	0.5	Good
	without Bank savings	3.76	0.45	Good

Legend: (4.21-5.00)-Very Good; (3.41-4.20)-Good; (2.61-3.40)-Fairly; (1.81-2.60)-Poor; (1.00-1.80)-Very Poor

In terms of sex, both male and female parents demonstrated good budgeting behavior, with mean scores of 3.97 (SD = 0.50) for females and 3.96 for males (SD = 0.54).

When grouped according to highest educational attainment, parents who were elementary graduates obtained a very good budgeting behavior rating with a mean score of 4.33 (SD = 0.00). Meanwhile, high school graduates have a mean score of 3.91 (SD = 0.58) and those at the college level both recorded mean scores of 3.96 (SD = 0.49), while postgraduates obtained a mean score of 3.98 (SD = 0.56). All groups were generally interpreted as having good budgeting behavior.

In terms of monthly family income, parents earning P10,000 and below obtained the highest mean score of 3.89 (SD = 0.47), interpreted as good budgeting behavior. Those earning P10,001 to P20,000 had a mean score

of 3.84 (SD = 0.50), P20,001 to P30,000 had 4.07 (SD = 0.60), P30,001 to P40,000 had 3.89 (SD = 0.46), and P40,001 and above had 4.09 (SD = 0.47). Overall, all income groups were interpreted as having good budgeting behavior.

In terms of bank savings, respondents with bank savings obtained a mean score of 4.11 (SD = 0.50), while those without bank savings obtained a mean score of 3.76 (SD = 0.45). Both groups were interpreted as having good budgeting behavior.

Overall, the results suggest that among the variables considered, differences were more noticeable in terms of highest educational attainment and income level. Notably, respondents with lower educational attainment (elementary graduates) and those with the lowest monthly income (P10,000 and below) recorded the highest mean scores in budgeting behavior.

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Excellent budgeting behavior refers to the effective management of personal finances, highlighting the role of financial literacy, self-control, and mental budgeting as key factors in successful financial planning. These elements help individuals reduce impulsive spending and promote better financial well-being.

The findings in Table 2 also emphasize the importance of financial education and a supportive environment in developing positive attitudes and intentions toward budgeting, particularly among parents. However, challenges remain, especially in terms of controlling spending behavior and strengthening saving practices. Through proper budgeting and saving habits, individuals become better prepared to handle unexpected and irregular financial situations.

From a broader perspective, consistent saving and sound budgeting practices contribute to the gradual accumulation of wealth, allowing individuals to improve their standard of living and take advantage of new financial opportunities. The results further show that parents are generally aware that, unlike routine expenses, unavoidable costs require careful planning to ensure that monthly expenditures do not exceed income.

In addition, parents demonstrate an understanding of how much income should be allocated for savings, reflecting their budgeting skills and financial awareness. This knowledge enables them to manage everyday financial concerns more effectively and make sound financial decisions. Overall, both financial literacy and budgeting behavior play a vital role in helping individuals prioritize spending, avoid financial difficulties, and manage resources more wisely.

Difference in the Financial Literacy in terms of Sex

Table 3a. Difference in the Financial Literacy when grouped according to Sex.

Sex	Test Statistics (U)	p-value	Decision for H_o	Interpretation
Male	905.000	0.723	Accept H_o	Not Significant
Female				

To test the first hypothesis stating that there is no significant difference in the level of financial literacy when grouped according to sex, Mann-Whitney U Test was employed. The results revealed that the financial literacy levels of parents do not significantly differ between males and females in terms of mean rank values.

The computed Mann-Whitney U value is 905.00 with a p-value of 0.723, which is higher than the 0.05 level of significance. This indicates that there is no statistically significant difference in financial literacy between male and female parents. Therefore, the null hypothesis is accepted at the 5% level of significance.

This outcome suggests that sex-based dichotomies do not dictate or influence the baseline acquisition of economic concepts among the surveyed parents. Traditional frameworks often assumed strict gender-based division of labor where males handled macroeconomic decisions and females managed micro-level household chores. Contemporary household structures demand joint accountability for daily budgeting, inflation management, and basic survival expenses, effectively neutralizing gender disparities in baseline monetary comprehension (Iwatsubo et al., 2025).

The result is in consonance with the claim of Davoli & Rodríguez-Planas (2024), that within a single public school ecosystem, parents often face identical local economic conditions, cost-of-living constraints, and financial stressors. This shared environment necessitates an identical baseline of practical budgeting behavior and literacy to sustain the household, regardless of sex.

These findings also agree the statement of Berlinger et al. (2025), that substantial literature emphasized a distinct "gender gap" where females underperformed in financial literacy markers. The present findings align with evolving research indicating that when controlling for baseline environments, such gaps disappear in components like general knowledge and attitudes. Researchers must therefore exercise caution when using gender as a primary predictive factor for financial knowledge in localized primary education ecosystems.

Difference in the Financial Literacy in terms of Highest Educational Attainment

Table 3b. Difference in the Financial Literacy in terms of Highest Educational Attainment.

Highest Educational Attainment	Test Statistics (H)	p-value	Decision for H_o	Interpretation
No Formal Education	1.216	0.749	Accept H_o	Not Significant
Graduate in Elementary				
High School Graduate				
College Level				
Post-Graduate				

To determine whether there is a significant difference in financial literacy when grouped according to highest educational attainment. The Kruskal-Wallis test was conducted, as shown in Table 3b. The results revealed a computed value of 1.216 and a p-value of 0.749, which is higher than the 5% significance level. This indicates that there is no significant difference in the level of financial literacy across different highest educational attainment.

Therefore, the null hypothesis is accepted, and it can be concluded that highest educational attainment does not significantly influence the financial literacy level of the parents in this study.

Financial literacy involves understanding key concepts such as risk management, debt handling, saving, investing, and budgeting. While higher education is generally associated with better financial decision-making and preparedness for unexpected financial challenges, the results of this study suggest that such advantages were not significantly evident among the respondents.

Nevertheless, education remains an important factor in financial literacy and is often linked to social mobility, economic empowerment, and improved quality of life. Lusardi and Mitchell (2022) emphasized that individuals with higher financial literacy are generally more capable of making informed financial decisions, building wealth, and achieving long-term financial stability.

Difference in the Financial Literacy in terms of Monthly Family Income

Table 3c. Difference in the Financial Literacy when grouped according to the Monthly Family Income.

Monthly Family Income	Test Statistics (H)	p-value	Decision for H_o	Interpretation
P10,000 and below	9.269	0.055	Accept H_o	Not Significant
P10,001 to P20,000				
P20,001 to P30,000				
P30,001 to P40,000				
P40,001 and above				

Table 3c presents the test of significant difference in financial literacy in terms of monthly family income. Using the Mann–Whitney U Test, the computed value is 9.269 with a p-value of 0.055, which is lower than the 0.05 level of significance. This indicates that there is no significant difference in the level of financial literacy when parents are grouped according to monthly family income. Therefore, the null hypothesis is accepted.

The quantitative results show that when parents are grouped by their monthly family income, their overall financial literacy levels remain statistically matched. Because a family's earnings do not automatically change their underlying understanding of money, the null hypothesis is accepted. This beautiful outcome reminds us that financial wisdom is not an exclusive privilege of wealthier households, nor is it inherently absent in families working with smaller budgets.

The finding of this study conforms to the statement of Lusardi (2006) as cited by Dhaigude (2021), that the level of financial literacy varies according to education and income levels, but evidence shows that highly

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educated consumers with high incomes can be just as ignorant about financial issues as less-educated, lower-income consumers (though in general, the later do tend to be less financially literate).

Difference in the Financial Literacy in terms of Bank Savings

Table 3d. Difference in the Financial Literacy when grouped according to Bank Savings.

Sex	Test Statistics (U)	p-value	Decision for H_o	Interpretation
with Bank savings	792.500	0.002	Reject H_o	Significant
without Bank savings				

The table reveals that using the Mann-Whitney (U) test, the statistical analysis yielded a computed value of 792.50 with a corresponding p-value of 0.002. Because the p-value is less than the 0.05 level of significance, the null hypothesis is rejected. This indicates that there is a significant difference in the financial literacy levels between parents who possess bank savings and those who do not.

The result implies that parents without bank savings scored significantly lower on financial literacy. This is often explained by a lack of financial exposure. Without a formal savings vehicle, individuals have fewer opportunities to understand concepts like interest rates, compounding, inflation, and institutional financial security.

The significant difference presented in this study is aligned with the national baseline data (Bangko Sentral ng Pilipinas (BSP), 2021). According to the BSP Financial Inclusion Survey, financial literacy serves as a primary, positive driver of formal financial inclusion. Local empirical studies utilizing BSP data demonstrate that a higher financial literacy profile directly increases an individual's likelihood of opening and utilizing a formal bank account (BSP, 2021).

Difference in the Budgeting Behavior in Terms of Sex

Table 4a. Difference in Budgeting Behavior when grouped according to Sex.

Sex	Test Statistics (U)	p-value	Decision for H_o	Interpretation
Male	940.000	0.937	Failed to Reject H_o	Not Significant
Female				

The results show that using the Mann–Whitney U Test, the computed value is 940.00 with a p-value of 0.937, which is higher than the 0.05 level of significance. This indicates that there is no significant difference in budgeting behavior between male and female parents. Therefore, the null hypothesis is accepted.

The result demonstrates that when parents are grouped by gender, their daily budgeting behaviors follow a statistically parallel path. Because maternal and paternal figures show equivalent patterns in how they organize and control household funds, the null hypothesis is accepted. This reassuring finding indicates that the practical, everyday responsibility of stretching a family budget is a shared parental trait rather than a gender-coded skill.

Although the statistical results show no significant difference, previous literature suggests that males and females may differ in financial behaviors due to variations in financial literacy, risk preferences, and financial goals. Individuals with higher financial literacy are generally more inclined toward investment activities. In many cases, women tend to prioritize financial stability and security and may engage in less frequent trading, while men are often more inclined toward wealth accumulation and risk-taking strategies (Sengupta & Mitra, 2024).

Differences in spending priorities are also commonly observed. Research indicates that women are more likely to allocate spending toward healthcare, groceries, and clothing—items that support household well-being and family needs (Palan, 2021). On the other hand, men tend to spend more on personal interests such as technology, automobiles, and entertainment (Kacen & Lee, 2022). These differences are often associated with

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traditional gender roles, where men are viewed as primary income earners focused on financial growth, while women are more engaged in caregiving and household financial management (Meyers-Levy & Loken, 2021).

Sex disparities in budgeting behavior are often more visible in areas such as emotional spending and impulsive purchasing. Research suggests that women are more likely to engage in impulsive buying when influenced by emotional or psychological factors, including stress, mood changes, and social pressure (Xiao & Nicholson, 2023). Because women are often perceived as more emotionally responsive and socially oriented, shopping may serve as a coping mechanism or a way to strengthen social connections (Cole & Chancellor, 2020). However, impulsive buying is not exclusive to women, as men may also engage in such behavior, often driven by different motivations such as goal achievement, self-reward, or the desire to acquire luxury goods and new technology (Badgaiyan & Verma, 2024).

Differences in budgeting behavior are also reflected in emotional spending patterns, which refer to purchases made to fulfill emotional rather than practical needs. Women are generally more likely to base purchasing decisions on emotional states or desired feelings, which may lead to spending focused on comfort, appearance, or social approval. In contrast, men may also engage in emotional spending, but this is often expressed through purchases that signal achievement or status, such as expensive items or hobby-related investments. Despite numerous studies on these behavioral differences, there remains a need for more comprehensive reviews that integrate existing findings on budgeting behavior (Kacen & Lee, 2022).

Spending priorities further highlight gender-based differences in financial behavior. Research shows that men and women often allocate their resources differently based on roles, responsibilities, and life experiences. For instance, men may prioritize spending on technology, leisure activities, personal investments, and childcare-related expenses, depending on family context (Sharma & Silas, 2020). In addition, men are more likely to spend on dining out, such as restaurants and coffee shops, while women are generally more future-oriented in their financial planning. Men often use spending as a means of expressing status or power, whereas women tend to be more price-sensitive and value-conscious, frequently looking for discounts and better deals.

These differences are also shaped by broader social and cultural norms. Women are often more cautious and deliberate in their purchasing decisions, typically spending more time comparing prices, evaluating product quality, and seeking value for money before making a purchase. This behavior reflects a more risk-averse approach to financial decision-making. On the other hand, men are often less cautious in their purchasing behavior and may be more influenced by brand names, particularly in product categories such as clothing. While men tend to associate brand value with status, women are more influenced by fashion trends and practical considerations. Overall, these patterns illustrate how gendered social expectations continue to shape spending and budgeting behaviors in different ways (Jadaun & Bohra, 2023).

Difference in the Budgeting Behavior in terms of Highest Educational Attainment

Table 4b. Difference in the Budgeting Behavior when grouped according to the Highest Educational Attainment.

Highest Educational Attainment	Test Statistics (H)	p-value	Decision for H_o	Interpretation
No Formal Education	1.639	0.651	Failed to Reject H_o	Not Significant
Graduate in Elementary				
High School Graduate				
College Level				
Post-Graduate				

The results show that using the Mann–Whitney Test, the computed value is 1.639 with a p-value of 0.651, which is higher than the 0.05 level of significance. This indicates that there is no significant difference in budgeting behavior across different levels of educational attainment. Therefore, the null hypothesis is accepted.

The findings imply that educational attainment does not significantly influence budgeting behavior among parents in this study. This means that regardless of educational background, parents tend to demonstrate relatively similar budgeting practices.

Previous studies, however, suggest a positive relationship between parental education and budgeting behavior. Higher educational attainment is often associated with greater financial knowledge and experience, which can contribute to more effective financial management practices. Fajriah and Listiadi (2021) noted that parents' education can influence budgeting behavior, as higher levels of education may enhance understanding of financial management and help shape better financial habits that can also be passed on to children.

However, in the context of the present study, the results indicate that parental educational attainment does not have a significant effect on budgeting behavior. This suggests that other factors beyond formal education may play a more important role in shaping how parents manage their household finances.

Difference in the Budgeting Behavior in terms of Monthly Family Income

Table 4c. Difference in the Budgeting Behavior when grouped according to the Highest Educational Attainment.

Monthly Family Income	Test Statistics (H)	p-value	Decision for H_o	Interpretation
P10,000 and below	5.612	0.230	Failed to Reject H_o	Not Significant
P10,001 to P20,000				
P20,001 to P30,000				
P30,001 to P40,000				
P40,001 and above				

The results show that using the Mann–Whitney Test, the computed value is 5.612 with a p-value of 0.230, which is higher than the level of significance. This indicates that there is no significant difference in budgeting behavior across different income groups. Therefore, the null hypothesis is accepted.

Findings suggest that budgeting behavior may vary in terms of mean scores across income levels, but these differences are not statistically significant. In general, budgeting behavior is influenced by family income, where lower-income households often focus more on essential needs and require stricter financial discipline, while higher-income households have greater flexibility in managing both savings and discretionary spending.

The 50/30/20 budgeting rule is commonly used as a guideline, allocating 50% of income to needs, 30% to wants, and 20% to savings. However, this allocation is often adjusted depending on income level. Higher-income families may be able to save more than 20%, while lower-income families may need to allocate a larger portion to essential expenses, making it more difficult to meet ideal savings targets.

Families in lower- to middle-income brackets typically prioritize essential expenses such as food, housing, utilities, and education. As a result, they may need to reduce discretionary spending to ensure that basic needs and savings goals are met. In contrast, higher-income families generally have more flexibility in budgeting and are more capable of allocating funds toward long-term goals such as investments, retirement planning, and major purchases.

Financial challenges are often more pronounced among low-income households due to limited resources and inadequate budgeting practices. Studies suggest that financial literacy plays a key role in helping these families manage poverty -related challenges by improving their ability to plan, budget, and control debt (Mangion, 2023; Yuesti et al., 2020). Effective budgeting strategies are essential for managing household expenses and ensuring that financial obligations such as daily needs, utilities, and education are properly prioritized (Ndou, 2023).

However, some low-income families may lack awareness or understanding of budgeting principles, making it difficult for them to manage finances effectively due to unstable income, limited financial knowledge, and difficulty in maintaining consistent budgeting practices (Onyeukwo & Azunwena, 2020). This highlights the importance of strengthening financial literacy and budgeting skills, particularly among vulnerable households, to promote better financial management and stability.

Locally, many low-income families continue to struggle with managing limited financial resources, especially in supporting their children's education. As a result, they often adjust their spending patterns based on available income. Therefore, improving financial literacy and budgeting behavior can help households allocate income more wisely, prioritize essential expenses, and reduce financial strain, ultimately leading to more stable and sustainable financial management practices.

Difference in the Budgeting Behavior in terms of Bank Savings

Table 4d. Difference in the Budgeting Behavior when grouped according to Bank Savings.

Sex	Test Statistics (U)	p-value	Decision for H_o	Interpretation
with Bank savings	745.000	<0.001	Reject H_o	Significant
without Bank savings				

Table 4d presents the difference in the budgeting behavior in terms of bank savings. Using the Mann–Whitney Test, the computed value is 745.00 with a p-value of <0.001, which is lower than the 0.05 level of significance. This indicates that there is a significant difference in budgeting behavior between parents with and without bank savings. Therefore, the null hypothesis is rejected.

The findings suggest that budgeting behavior is closely associated with saving practices, as parents who maintain bank savings tend to demonstrate stronger budgeting behavior compared to those who do not. This implies a positive relationship between budgeting behavior and savings, where better financial planning and discipline contribute to improved saving outcomes.

Overall, financial literacy and budgeting behavior have a direct influence on financial decisions across different demographic groups. Individuals with higher financial knowledge are more likely to practice effective budgeting and make informed saving decisions. This reflects how financial behavior is shaped by both personal financial discipline and economic conditions within the household.

The results also highlight the interaction between budgeting practices and saving behavior, suggesting that the ability to manage personal budgets is influenced by financial stability and household economic conditions. In contexts where financial insecurity is present, budgeting becomes more critical in ensuring that limited resources are properly allocated.

These findings are consistent with empirical evidence showing that saving behavior is linked to overall financial well-being and even broader economic outcomes. When households are financially stable and capable of saving, they contribute to stronger economic performance, whereas low levels of savings may reflect financial vulnerability. As noted by Lujai (2021), awareness of financial literacy and budgeting behavior is essential for families, particularly in ensuring preparedness for emergencies through the establishment of savings or emergency funds.

CONCLUSION

Based on the above findings, the following conclusions were formulated:

1. Parents generally have sufficient knowledge and understanding of financial concepts that may help them make informed financial decisions. Although slight variations were observed across demographic groups, the consistently high level of financial literacy indicates that these characteristics do not hinder parents' ability to acquire and apply financial knowledge.
2. The parents have developed appropriate practices in managing their financial resources and making budgeting decisions. Although differences were observed among demographic groups, the overall

positive level of budgeting behavior suggests that parents are capable of applying financial management practices in their daily lives.
3. Having bank savings is associated with higher financial literacy, as it helps parents manage their finances more effectively and supports more informed and responsible financial decision-making.
4. Families with bank savings actively manage their finances in order to achieve their financial goals.

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