INTERNATIONAL JOURNAL OF RESEARCH AND INNOVATION IN SOCIAL SCIENCE (IJRISS)
ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume IX Issue XII December 2025

Ka-abag o Babag? Exploring the Lived Experiences in the Context of Financial Well-being of Microfinance Borrowers

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DOI: https://dx.doi.org/10.47772/IJRISS.2025.91200252

Received: 24 December 2025; Accepted: 30 December 2025; Published: 14 January 2026

ABSTRACT

In communities where poverty is persistent, microfinance reshapes daily life—supporting households while also deepening the very struggles it seeks to ease. This study addressed a gap in existing literature, as previous research focused heavily on quantitative measures of borrowers' financial well-being without capturing their lived experiences. Guided by Lazarus and Folkman's Transactional Model of Stress and Coping and Sen's Capability Approach, it explored how borrowers interpret, experience, and cope with debt. Using a qualitative transcendental phenomenological design, fifteen female borrowers from Argao, Cebu—with at least three years of borrowing experience and multiple active loans—were purposively selected. In-depth interviews were analyzed using Colaizzi's (1978) method. Nine major themes emerged: Living on the Edge of Survival, Carrying the Burden of Family Responsibilities, A Pathway to Relief and Improved Living Conditions, Emergence of Debt Burden and Psychological Strain, Adaptive Financial Management and Resourcefulness, Emotional Resilience and Positive Mindset, Faith and Spiritual Anchoring, Microfinance as a Catalyst for Growth, and Microfinance as a Source of Continuing Burden. Findings revealed that microfinance provides short-term relief, promotes financial discipline, and enhances capability, yet can also perpetuate stress and debt dependency. Effective coping strategies, however, enable borrowers to navigate poverty more intentionally. The study concludes that microfinance has a dual nature—acting as both ka-abag (support) and babag (hindrance)—and recommends integrating financial literacy, psychosocial support, and flexible repayment programs to foster sustainable empowerment.

Keywords: financial well-being, microfinance, phenomenology, Colaizzi

INTRODUCTION

Money speaks—but will it narrate a story of success or regret?

Financial difficulty remains an enduring challenge for many low-income households globally. When individuals struggle to generate sufficient income to meet financial obligations, they often face cascading hardships: mounting debt, limited access to essential resources, and escalating financial stress (Hayes, 2021). Supporting this, in a Federal Reserve survey (2014), a significant portion of U.S. households reported that they could not cover three months of expenses even when including borrowing or savings combined, highlighting the limited financial buffers and widespread financial vulnerability among households. At the macro level, the World Bank (2023) reports that low-income and developing countries face heightened fiscal and debt vulnerabilities, with constrained access to affordable financing further exacerbating household economic insecurity and the persistence of poverty. Similarly, the OECD (2022) emphasizes that financial difficulty manifests unevenly across regions and socioeconomic groups, as some households primarily struggle with short-term liquidity and consumption shocks, while others contend with limited asset ownership and weak social safety nets that reduce resilience to economic stressors.

In the Philippines—the primary context of this study—financial insecurity is characterized by significant savings insufficiency and an inability to manage emergency expenses among a broad segment of the population. Data from the Bangko Sentral ng Pilipinas (2023) indicates that approximately 47% of Filipino adults maintain outstanding debt. This figure encompasses a complex borrowing landscape, including formal bank loans, informal lending networks (such as "5-6" schemes), and consumer credit. Critically, these liabilities are predominantly leveraged to facilitate daily consumption rather than asset-building investments. This pervasive reliance on borrowing to meet immediate subsistence needs underscores a systemic financial fragility, creating a gap in the literature regarding how such persistent strain influences the psychological well-being of the Filipino workforce.

Against this context, microfinance has gained popularity as a potential means of financial relief. Microfinance is broadly defined as the provision of small-scale financial services—such as credit, savings, and insurance—to individuals and microenterprises excluded from traditional banking systems, and it has become widely regarded as a tool for promoting financial inclusion and economic participation (Adnan & Kumar, 2021). According to a recent industry market research report by Spherical Insights & Consulting, the global microfinance market was valued at USD 215.68 billion in 2023 and is projected to grow to USD 590.74 billion by 2033, with these figures reflecting the overall market for institutions offering a range of microfinance services—including group and individual micro-credit, savings, insurance, and other related products—rather than microcredit alone. Through enhanced access to financial resources, microfinance institutions aim to empower borrowers to generate income, manage risks, and build resilience, contributing to improved economic stability and inclusion for underserved populations.

This paradox underscores the need to critically examine how microfinance affects borrowers' financial well-being, broadly defined as the capacity to sustainably manage financial obligations, maintain a reasonable standard of living, and pursue future financial goals without significant distress (Riitsalu, 2023). Studies indicate that microfinance can enhance financial inclusion, support income-generating activities, and enable investments in health, education, and small enterprises, thereby promoting greater financial security and stability for borrowers (Olusegun, 2024; Alias, 2024). At the same time, contrasting evidence highlights adverse effects, including over-indebtedness, repayment stress driven by rigid lending structures and social pressure, and vulnerability to debt cycles, especially among rural and marginalized borrowers (De Silva & Gunawardana, 2023). These mixed outcomes suggest that the impact of microfinance on financial well-being is not uniform and depends on contextual factors as well as the pathways through which credit is accessed and utilized. This complexity necessitates a deeper exploration of borrowers' lived experiences.

Despite this growing body of literature, a critical gap remains: current research fails to capture the subjective lived experiences of borrowers as they navigate the contradictory outcomes of microfinance. Specifically, there is a lack of understanding regarding how Filipino borrowers personally reconcile the tension between financial access and the resulting debt-related stress.

This study bridges the identified knowledge gap by centering the subjective interpretations and lived experiences of microfinance borrowers, moving beyond traditional economic metrics to prioritize borrower 'meaning-making.' By anchoring the analysis in Stress and Coping Theory and Capability Theory, the research examines whether microfinance functions as a support (ka-abag) or a hindrance (babag) to true financial agency. The investigation explores the multidimensional impact of microfinance—from pre-participation financial distress to the emotional and psychological toll of repayment—to understand how borrowers navigate debt. Through these theoretical lenses, the study evaluates the effectiveness of specific coping strategies and their long-term outcomes, ultimately proposing a framework for microfinance interventions that better support both the financial stability and psychological well-being of the borrowers.

REVIEW OR RELATED LITERATURE

Similar studies were conducted, focusing on the most relevant published studies, journals, and dissertations on microfinance loans. This section aims to aid readers and researchers in better understanding the lived experiences of microfinance borrowers. It sought to provide recent insights into relevant literature and studies, thereby enriching the foundation and direction of this research.

Financial Well-being

Financial well-being is widely understood as a holistic and multidimensional construct that encompasses both economic capacity and psychological experience. It is commonly defined as an individual's ability to sustainably manage financial obligations, maintain a reasonable standard of living, and pursue future financial goals without experiencing significant financial distress (Riitsalu, 2023). This perspective emphasizes sustainability and long-term security rather than short-term income adequacy alone. Expanding on this view, Mathew et al. (2024) describe financial well-being as extending beyond objective financial stability to include subjective perceptions of financial health, reflecting how individuals evaluate their financial situation in relation to their needs, expectations, and sense of control.

Scholars further highlight that financial well-being is shaped by more than income or assets. Garg et al. (2024) conceptualize financial well-being as the intersection of money and happiness, suggesting that psychological variables, social context, and financial behaviors play a critical role in shaping financial outcomes. This aligns with Biswas (2024), who defines financial well-being as a state of being both financially healthy and satisfied, emphasizing its relevance to broader development goals such as poverty reduction, health, inequality, and institutional stability. From a policy-oriented perspective, the Consumer Financial Protection Bureau (CFPB, 2015) operationalizes financial well-being through four core elements: having control over finances, the capacity to absorb financial shocks, the ability to meet financial goals, and the freedom to make choices that enhance quality of life.

Empirical studies reinforce the idea that financial well-being incorporates both objective conditions and subjective assessments. Mathew et al. (2022) demonstrate that financial well-being influences multiple life domains, including work productivity, interpersonal relationships, and mental health, reflecting its far-reaching implications. Similarly, Fan and Henager (2021) identify key indicators such as financial satisfaction, perceived financial capability, financial knowledge, positive financial behaviors, and low financial stress, illustrating the interrelated pathways through which financial well-being is formed. Desello (2024) further supports this multidimensionality by showing that financial self-efficacy and a strong tendency to plan positively influence financial well-being, underscoring the importance of confidence and forward-looking behavior in financial outcomes.

Importantly, financial well-being is not static but shaped by lived experiences, financial behaviors, and external economic conditions. Mathew et al. (2024) emphasize that individuals' perceptions of their financial situation are central to understanding well-being, as these perceptions influence coping strategies, decision-making, and resilience during financial stress. This experiential dimension is particularly relevant in microfinance contexts, where borrowers' interpretations of debt and support vary across circumstances. Supporting this view, Bilono-AC (2023) examined the financial well-being of microfinance borrowers in Digos City, Philippines, and found an overall moderate level of financial well-being, characterized by varying degrees of debt freedom, financial discipline, and resilience. The study also revealed differences based on gender and employment status, highlighting how personal and socio-economic factors shape financial well-being among borrowers.

Taken together, the literature positions financial well-being as a comprehensive construct that integrates financial capacity, psychological perception, behavioral competence, and contextual realities. This understanding underscores the importance of examining financial well-being through the lived experiences of borrowers, particularly in microfinance settings where financial support and financial strain may coexist.

Microfinance as a Means of Support and a Source of Financial Struggle

Microfinance is widely recognized as a financial tool designed to provide access to credit and other financial services for low-income individuals who lack access to traditional banking systems (Meki & Quinn, 2024). Microfinance has evolved to include a diverse range of services such as savings and insurance, aiming to promote financial inclusion and economic self-sufficiency.

Several studies emphasize the empowering role of microfinance in improving household welfare and economic participation. Mingstie (2022) found that microfinance has a significant positive effect on women's economic empowerment by increasing independent income, asset ownership, and monthly savings. These outcomes suggest that access to microfinance enables women to gain greater financial autonomy and resilience. Supporting this view, Olusegun (2024) highlighted that access to credit allows individuals to generate sustainable incomes, reducing dependency on others. Beyond income generation, microfinance facilitates investments in essential areas such as health, education, and housing, thereby improving overall family well-being. Similarly, Alias (2024) noted that microfinance empowers individuals to start or expand small businesses, acquire productive assets, and invest in human capital development. These opportunities contribute not only to financial security but also to broader socio-economic outcomes, including gender empowerment and community development.

At the community and structural level, microfinance has also been linked to economic transformation. Ghimire et al. (2025) reported that microfinance institutions (MFIs) played a role in local-level economic change by enabling households to transition from traditional agriculture into businesses and convenience stores. This shift toward manufacturing and service-oriented activities suggests that microfinance can support structural economic transformation by providing the capital necessary for more profitable and sustainable livelihoods. In a similar vein, Kasali (2020), using Propensity Score Matching to analyze data from Southwest Nigeria, found that microfinance loans contributed positively to poverty alleviation. However, the study emphasized that government support remains essential, particularly through concessional interest rates, improved infrastructure, and an enabling environment to strengthen the effectiveness of MFIs, especially in rural areas.

Despite these benefits, a growing body of literature highlights the financial and psychological risks associated with debt accumulation. Fan and Ryu (2023), in their analysis of young adults using structural equation modeling, demonstrated that debt can produce mixed psychological effects. While borrowers may experience higher self-esteem and increased social participation—often viewing loans as investments in their future—they also face underlying financial strain that necessitates coping mechanisms such as reliance on family support. These findings suggest that the perceived benefits of borrowing may coexist with hidden vulnerabilities.

More critically, excessive debt has been associated with significant economic and emotional distress. Salmon (2021), through a systematic review of 40 economic studies, found that while moderate debt may support economic growth, excessive debt negatively affects long-term outcomes once a critical threshold is exceeded. At the household level, Liu et al. (2023) showed that rising debt among elderly individuals forces many to work longer hours or re-enter the labor market, often in physically demanding jobs, thereby compromising both health and financial stability. The emotional consequences of debt are further underscored by Bialowolski (2019), who found that over-indebted individuals experience heightened loneliness, anxiety, and suicidal ideation, reinforcing the link between financial strain and mental health deterioration.

Evidence specific to microfinance borrowers reveals similar patterns of vulnerability. These findings align with broader critiques of microfinance effectiveness. Dahal and Fiala (2019) noted that many empirical studies report minimal or no positive impacts of microloans, leading some scholars and policymakers to question the assumption that microfinance consistently improves people's lives. Earlier evidence from Stewart et al. (2010) further demonstrated that microfinance interventions in Sub-Saharan Africa sometimes make borrowers poorer rather than richer. Their systematic review revealed that loans are often diverted toward immediate consumption needs rather than income-generating activities, resulting in insufficient returns and a downward spiral of debt, asset liquidation, and repeated borrowing.

Taken together, the literature presents a paradoxical picture of microfinance. While it can serve as a powerful mechanism for empowerment, income generation, and economic transformation, it can simultaneously act as a source of financial strain, psychological distress, and persistent indebtedness. The impact of microfinance appears to be highly context-dependent, shaped by borrower characteristics, loan conditions, institutional practices, and broader economic environments. This dual nature underscores the need for cautious implementation, supportive policy frameworks, and complementary interventions to ensure that microfinance fulfills its developmental promise without exacerbating financial vulnerability.

Coping Strategies

Coping mechanisms for debt involve a combination of financial strategies, behavioral adjustments, and psychological resilience to mitigate the adverse effects of over-indebtedness (Fox-Dichter et al., 2020). Managing debt effectively allows individuals to regain control over their finances, reduce stress, and work toward long-term financial stability (Mahon, 2024). These coping strategies range from structured financial planning and income adjustments to psychological coping techniques that address the emotional burden of debt.

Studies have explored various financial coping mechanisms that individuals use to manage their debt obligations. Idris et al. (2024) examined how over-indebted individuals often resort to extreme financial adjustments, such as sacrificing basic needs, working additional jobs, or selling assets to meet loan repayments. Despite these hardships, the study highlighted that many borrowers prioritize their children's education, emphasizing a commitment to long-term financial stability over immediate relief. Similarly, Ansong (2021) investigated how small business owners manage debt, revealing that many reinvest profits into repaying loans and adhere to bank-instituted repayment plans. However, debt management in the business sector is not without challenges, as factors like market instability, unfair trade practices, and declining sales revenue make it difficult to sustain repayments. These findings suggest that while financial discipline is a key factor in coping with debt, external economic conditions can significantly impact an individual's ability to manage their obligations effectively.

Beyond financial adjustments, psychological coping strategies are essential in mitigating the stress associated with debt. Mahon (2024) underscored the importance of acknowledging the emotional toll of debt—feelings of stress, guilt, and fear—and adopting mindfulness-based techniques such as meditation, journaling, and stress-relief exercises. These approaches help individuals create mental clarity and regain a sense of control over their financial situation. Setting small, realistic financial goals also plays a crucial role in breaking down overwhelming debt into manageable steps, allowing individuals to experience a sense of progress. Fox-Dichter et al. (2020) examined two methods of debt management support—financial tips and counseling—finding that while financial advice provides immediate solutions, counseling is more effective in helping individuals restructure their financial habits and develop long-term resilience.

Additionally, structured debt management programs (DMPs) and financial counseling services have been found to offer practical solutions for individuals struggling with over-indebtedness. Azmi (2023) analyzed debt relief initiatives in Malaysia, Thailand, and Indonesia, emphasizing the role of Malaysia's Credit Counseling and Debt Management Agency (AKPK) in guiding borrowers toward financial stability. The study highlighted that structured repayment plans, combined with professional counseling, help individuals navigate their financial difficulties while preventing future debt accumulation. These programs reinforce the idea that financial stability is not just about repaying debt but also about developing sustainable financial behaviors that prevent recurring financial distress.

THEORETICAL FRAMEWORK

The study is grounded in a dual-theoretical framework that examines the financial well-being of microfinance borrowers through both psychological and socio-structural lenses. This integrated perspective allows for an exploration of how borrowers navigate the pressures of debt and whether their adaptive strategies lead to a life of greater freedom or a cycle of constraint. By synthesizing the Transactional Model of Stress and Coping and the Capability Approach, the study bridges the gap between the internal cognitive process of managing loans and the external outcomes of human flourishing. This nexus serves as the primary guide for the development of interview protocols and the thematic coding of borrower narratives, ensuring that findings move beyond descriptive reporting toward deep analytical insight.

The Transactional Model of Stress and Coping (Lazarus & Folkman, 1984) provides the psychological foundation for defining and interpreting the psychological burden of debt. In this framework, stress is defined not as a static external event, but as a "transaction" between the borrower and their financial environment. Borrowers engage in a primary appraisal to determine if their debt is a "challenge"—an opportunity for growth and support (ka-abag)—or a "threat" that acts as a hindrance (babag). This is followed by a secondary appraisal, where borrowers assess their available resources, such as social capital or financial literacy, to manage the obligation. This cognitive process dictates the selection of coping strategies: problem-focused strategies (e.g., budgeting or income diversification) represent active adaptation, while emotion-focused strategies (e.g., denial or "top-up" borrowing) may signal a state of being overwhelmed. By utilizing these constructs as a coding lens, the study can interpret why identical objective loan conditions result in different subjective experiences of well-being.

Complementing this psychological view, the Capability Approach (Sen, 1999) provides the overarching framework for assessing how these coping strategies translate into long-term well-being. Amartya Sen defines well-being not by income or repayment rates—which are objective dimensions of microfinance—but by "capabilities," or the real freedoms and opportunities individuals have to pursue the lives they value. This study distinguishes between "functionings" (the actual achievements, like business ownership) and "capabilities" (the freedom to choose those outcomes). Within this context, microfinance is viewed as a tool that can either expand or contract these freedoms. If debt management strategies are successful, they enhance a borrower's agency and household security. However, if debt becomes a chronic stressor requiring survival-based coping, it results in a contraction of capabilities, regardless of whether the loan is technically "repaid."

By integrating these two theories, the study evaluates whether the adaptive strategies employed by borrowers lead to genuine empowerment and expanded autonomy or result in heightened vulnerability. This framework ensures coherence between the study's objectives and its conclusions by interpreting borrower narratives as evidence of either capability expansion or psychological and structural constraint. For example, a narrative describing "skipping meals to meet a deadline" is coded not just as a repayment behavior, but as an emotion-focused coping mechanism that indicates a significant contraction of a basic human capability. This rigorous analytical approach allows the research to offer a nuanced critique of microfinance as a mechanism for well-being.

METHODOLOGY

Research Design

This study employed a transcendental phenomenological qualitative research design to explore the financial well-being of microfinance borrowers. Grounded in the philosophy of Edmund Husserl and operationalized through Clark Moustakas' (1994) methodological framework, the design emphasized understanding the essence of lived experience as described from participants' first-person perspectives. The primary aim was to uncover the personal meanings, struggles, and perceived outcomes that borrowers associated with their financial journeys, including whether microfinance loans were experienced as a pathway toward financial stability or as a mechanism that intensified financial strain.

To remain faithful to Husserl's principle of epoche or bracketing, the researchers engaged in systematic reflexivity prior to and throughout data collection and analysis. This involved consciously identifying, documenting, and setting aside personal assumptions, professional experiences, and preconceived beliefs about microfinance and financial well-being. Reflexive journaling and memo writing were used to monitor positionality and minimize interpretive bias, allowing participants' narratives to emerge without being filtered through the researchers' perspectives.

During data analysis, phenomenological reduction was applied following Moustakas' structured procedures. Interview transcripts were analyzed through horizontalization, wherein all significant statements relevant to the phenomenon were initially treated as having equal value. These statements were then clustered into meaning units and themes, capturing the core dimensions of participants' lived financial experiences. From these themes, textural descriptions (what participants experienced) and structural descriptions (how the experiences occurred within specific contexts) were developed. The integration of these descriptions led to a composite depiction of the essence of financial well-being as lived by microfinance borrowers.

Through in-depth interviews and rigorous phenomenological analysis, the study generated rich narratives reflecting not only the financial outcomes of borrowing but also its emotional and psychological consequences. This methodological rigor ensured that findings were firmly grounded in participants' lived experiences while maintaining alignment with the philosophical foundations of transcendental phenomenology.

Research Participants

This study utilized purposive criterion sampling to select fifteen (15) female microfinance borrowers in Argao, Cebu. This method was chosen to ensure that participants were "information-rich" cases, capable of providing deep reflections on the financial, psychological, and relational dimensions of long-term microfinance engagement. Participants were recruited through a combination of community-based outreach and researcher networks. Initial contact was established through local community leaders and established networks within the Argao area to identify potential candidates. Once initial participants were identified, a referral mechanism was employed, where early participants helped identify other borrowers who met the specific inclusion criteria. While the participants were active clients of various Microfinance Institutions (MFIs), recruitment was conducted independently of the MFI administrations to ensure that participants felt free to speak candidly about their experiences without fear of institutional repercussions.

To ensure the study captured the complexities of long-term debt and "loan overlapping," participants were required to meet the following criteria:

1. Gender: Female.

2. Duration: A borrowing history of at least three (3) years.

3. Frequency: A minimum of three (3) active loan cycles.

Women were specifically chosen because they remain the primary targets of MFI programs in the Philippines due to higher repayment reliability (Zainuddin & Yasin, 2020). By focusing on women who have sustained this engagement over several years, the study aligns its participant profile with its core objective: understanding how the dual role of woman as "financial manager" and "emotional caretaker" creates a unique psychological burden when managed through the lens of perpetual debt.

The threshold of three years and three loans was intentionally selected as the "tipping point" where the novelty of initial capital wears off and the repetitive cycle of repayment and re-borrowing becomes a structural part of the household economy. This duration is sufficient to observe the transition from a "one-time lifeline" to a potential "debt trap."

Consequently, borrowers with shorter experiences (less than three years) were intentionally excluded. The research objective was to analyze the cumulative psychological and relational burden of microfinance; participants in their first or second loan cycles often still experience the "honeymoon phase" of credit access and may not yet have developed the complex coping mechanisms or the deep-seated dependency that the study aimed to investigate.

The participants represented a diverse age range (23 to 64 years old), illustrating that microfinance borrowing spans multiple life stages—from young mothers seeking stability to older women utilizing loans as a long-term survival mechanism. Borrowing histories ranged from 3 to 20 years, with the majority having been involved for over a decade. The participants were affiliated with various MFIs, including ASA, Pag-asa, Humanitas, Dungganon, Lifebank, and RizalBank. A significant finding during the selection process was the prevalence of "loan overlapping," with many participants maintaining between three and seven simultaneous accounts. This pattern of obtaining new loans to service old debts provided a rich dataset for examining the intricate interplay between economic necessity, institutional practices, and the resulting emotional strain.

Research Instrument

Data Collection Instrument and Procedure

This study employed a semi-structured interview guide adapted from the Consumer Financial Protection Bureau’s (CFPB) Financial Well-Being Scale (2015). The CFPB Financial Well-Being framework is similar to other financial well-being models in that it focuses on core dimensions such as the ability to meet financial obligations, perceived control over finances, financial security, and confidence in managing future financial needs—constructs that are widely used in financial well-being research across different contexts. However, it differs in that it was originally developed within the United States financial system and designed as a quantitative instrument reflecting formal banking and credit environments. In this study, the framework was adapted into a qualitative, semi-structured format and contextualized to the Philippine microfinance setting, where financial practices and challenges may differ. The CFPB framework is considered accurate and appropriate for this study because its core constructs align closely with the lived experiences of microfinance borrowers, and careful cultural and linguistic adaptation ensured that these concepts were meaningfully captured while maintaining conceptual integrity.

To ensure cultural and contextual appropriateness, the items were carefully reviewed for degree of relevance and degree of clarity by both the researchers and subject matter experts prior to data collection. Items were revised based on expert feedback to enhance clarity, appropriateness, and the ability to elicit meaningful responses. When necessary, questions were translated into the local language to facilitate comprehension, and conceptual equivalence was maintained by focusing on the underlying meaning of each construct rather than direct word-for-word translation. This process ensured that participants’ responses accurately reflected their financial realities while remaining consistent with the theoretical foundations of the CFPB framework.

Ethical Protections and Informed Consent

The study was conducted in accordance with established ethical guidelines for qualitative research. Informed consent was obtained from all participants, who were provided with clear explanations regarding the purpose of the study, their rights, and the procedures involved. Confidentiality and anonymity were strictly maintained, and participants were assured that all information would be used solely for research purposes. Participation was entirely voluntary, and participants were free to withdraw from the study at any time without any consequences.

To protect confidentiality and anonymity, participants were assigned codes (R1,R2,R3….), and no identifying information was included in transcripts, reports, or publications. Audio recordings and transcripts were securely stored in password-protected files

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume IX Issue XII December 2025

accessible only to the researcher. Given that the participants belonged to financially vulnerable populations, special care was taken to conduct interviews in a respectful, non-judgmental manner and to avoid questions that could cause discomfort or distress. No monetary compensation was provided; however, participants were informed that their insights would contribute to research aimed at improving understanding of microfinance and financial well-being.

Interview Procedure

The study employed a semi-structured interview guide consisting of 22 open-ended questions aimed at exploring participants' financial experiences, perceptions of financial well-being, and coping strategies related to microfinance participation. The semi-structured format allowed flexibility for probing and follow-up questions, enabling participants to provide detailed narratives while ensuring that all key constructs were consistently covered across interviews.

Each interview lasted approximately 30 to 45 minutes and was conducted primarily in Cebuano, the language most familiar to the participants, to promote comfort and encourage open communication.

All interviews were conducted by the researcher, who had prior training in qualitative interviewing techniques, including ethical interviewing practices, rapport-building, active listening, and appropriate probing. Reflexivity was observed throughout the interviewing process by maintaining awareness of potential researcher bias and ensuring that questions were asked in a neutral and non-leading manner to enhance the credibility of the data.

Research Environment

This study was conducted in the municipality of Argao, Cebu, a coastal town in the southeastern part of Cebu Province, Philippines. Argao was purposely selected as the research site due to its suitability as a rural municipality where microfinance services are actively accessed by low-income households, particularly women. The presence and operation of microfinance institutions in the municipality were verified through official records obtained from the Municipal Government of Argao, Cebu in 2025.

The municipality reflects structural conditions commonly observed in rural settings, including limited formal employment opportunities, income instability, and reliance on small-scale and informal livelihoods, which make borrowing a prevalent financial coping strategy among residents. These conditions render Argao an appropriate setting for examining the lived experiences of microfinance borrowers and their implications for financial well-being. In addition, local, social, and cultural features—such as strong kinship ties and women's central role in managing household finances—shape borrowing practices and repayment decisions, influencing how financial insecurity is experienced and managed.

The study involved fifteen (15) female participants from various barangays in Argao who were purposely selected based on their classification as low-income earners and their engagement with microfinance borrowing. Consistent with phenomenological inquiry, the findings are context-specific to Argao but offer analytical transferability to other rural Philippine communities with comparable socioeconomic and institutional characteristics.

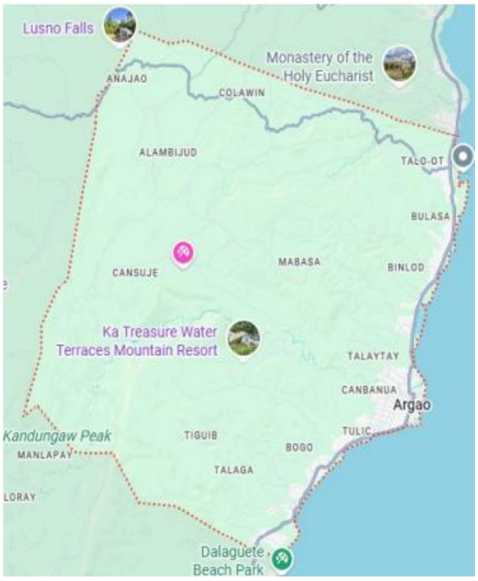

Figure 1 Map of Argao, Cebu

Data Gathering

Pre-Gathering:

Prior to data collection, the researchers secured the necessary permissions and finalized the interview protocol. Participants were oriented on the purpose and procedures of the study, and interview schedules were arranged at mutually convenient times and locations. These preparatory steps ensured readiness for the ethical and systematic conduct of the interviews.

Actual Gathering:

Once the interview guide had been finalized and participants had been selected, the researchers began conducting individual interviews, each expected to last approximately 30-45 minutes. Interviews were conducted in person. Each session began with a thorough explanation of the study and the signing of the informed consent form. With the participant's permission, interviews were audio-recorded to ensure accurate transcription, and field notes were taken to document non-verbal cues and contextual observations. The interviews followed a semi-structured format, allowing flexibility to explore emerging themes while maintaining consistency across participants. Building rapport was considered essential, particularly given the financial vulnerability of the participants. The researcher initiated each interview with informal conversation and reassurance to establish trust, create a respectful environment, and encourage honest and open responses.

Post-Gathering

After all interviews had been conducted, the recordings were transcribed verbatim, and each transcript was anonymized using codes to protect participant confidentiality. The data were then analyzed using Colaizzi's method, a phenomenological approach that involved extracting significant statements, formulating meanings, and organizing these into theme clusters, which were then integrated into a comprehensive description of the participants' experiences. To ensure the accuracy of interpretations, the researchers returned to participants to confirm their interpretation of the results. All data, including audio files, transcripts, and consent forms, were securely stored in a password-protected digital folder accessible only to the research team. These measures ensured that the study remained ethical, methodologically sound, and focused on generating authentic and meaningful insights into the financial and psychological dimensions of microfinance borrowing among women.

Data Analysis

The data analysis for this study followed the Colaizzi method to interpret the rich, descriptive data gathered from semi-structured interviews. The analysis focused on identifying patterns, themes, and insights related to financial difficulties, impacts of microfinance, coping strategies, and whether participants perceived microfinance as a lifeline or a debt trap. However, it did not focus solely on justifying the themes but rather on narrating the lived experiences among participants under the identified themes.

Colaizzi's Analytical Framework

This study employed Colaizzi's Analytical Framework as the guiding method for analyzing qualitative data from participant interviews. Colaizzi's framework was a systematic and rigorous approach designed to uncover the essential meanings of lived experiences by following seven key steps:

Step 1 – Familiarization. Researchers compiled and read all the transcribed interviews thoroughly. Researchers continued reading the transcribed interviews repeatedly and comprehending them in order to make sense of the information.

Step 2 – Classification. Significant statements are classified by the researcher. It is important to look for lines or sentences that carry substance in relation to the phenomenon that the researchers aimed to investigate. Furthermore, researchers bracketed and highlighted the significant lines or sentences in order to easily locate them.

Step 3 – Formulation. Meanings are formulated. Researchers provided interpretations and meanings pertinent to the phenomena being studied by closely examining the significant assertions. Researchers automatically bracket their interpretations.

Step 4 – Grouping: Based on the formulated meanings from Step 3, the researchers grouped it according to themes that are recurrent or appear frequently across all statements. It must be scrutinized to find commonalities and differences between them. This thematic clustering enabled the identification of common dimensions of financial well-being, including perceptions of microfinance as either a source of support (ka-abag) or a source of burden (babag).

Step 5 – Description: From all of the themes generated, researchers compiled and wrote an intensive description of the phenomenon. It should be precise, citing particular examples and including supporting utterances from the collected data.

Step 6 – Summarization: Researchers condensed the intensive description into a brief output or a summary that captures the details that are most important to the structure of the phenomenon. The goal is to provide a comprehensive yet brief picture of the findings from the interview.

Step 7 – Verification: Researchers gave the fundamental structure statement back to the participants and asked if it accurately reflects their experiences. Considering the feedback, revising and adjustment of the previous steps in the analysis is a possibility. In addition, the credibility of the data was ensured through discussions with professionals.

Data Management

Data management was a priority throughout the research process. Audio recordings were stored securely on password-protected devices, and verbatim transcripts were created and stored similarly. Participants were assigned codes, with a secured file linking these to actual identities. Signed consent was stored in an expanded envelope, ensuring no one aside from the researchers was able to access it. All electronic data were stored on password-protected laptops and backed up regularly. Transcripts and reports used codes, and identifying information was removed before sharing. Post-data collection, all data were securely stored for a specified period and then destroyed. Ethical guidelines and best practices for data security and confidentiality were strictly followed.

Ethical Consideration

In accordance with the ethical principles outlined by Amdur and Bankert (2011), the researchers will ensure participants' rights, autonomy, and dignity throughout the study. Formal authorization will be obtained from the Local Government Unit of the Municipality of Argao before engaging participants. No compensation will be provided to avoid influencing responses, with appreciation expressed solely for voluntary participation. Participants' privacy and confidentiality will be guaranteed, with all data securely stored and accessible only to the research team, and no personally identifiable information disclosed in reporting. Informed consent will be obtained voluntarily, with participants fully briefed on the study's purpose and procedures, and they will have the right to withdraw or withhold responses at any time without penalty. These measures uphold ethical integrity, voluntary participation, and trust throughout the research process.

Trustworthiness of the study

The trustworthiness of this study will be ensured through the criteria of credibility, dependability, confirmability, and transferability (Lincoln & Guba, 1985). Credibility will be established through purposive participant selection, consistent interview questions, expert-reviewed translations, prolonged engagement, and member checking to validate participants' perspectives (Polit & Beck, 2010; Koelsch, 2013). Dependability will be maintained via systematic data collection and analysis using Colaizzi's method, consistent procedures, and member verification to ensure findings are stable and replicable (Anney, 2014). Confirmability will be achieved by grounding interpretations in participant responses, engaging in reflexive journaling, and documenting each stage to minimize researcher bias (Meadows, 2003; Connelly, 2016). Transferability will be supported by providing rich, thick descriptions of the context, participants, and procedures, alongside purposive sampling and sufficient interviews to achieve data saturation, allowing readers to assess applicability to similar settings (Connelly, 2016; Krefting, 1991). Collectively, these strategies enhance the rigor, transparency, and integrity of the study.

RESULTS AND DISCUSSION

This study presents the findings drawn from the narratives of the fifteen (15) microfinance borrowers from Argao, Cebu who participated in the study. Using Colaizzi's phenomenological method, their accounts were examined to uncover how they had experienced financial hardship before joining microfinance, how borrowing had shaped their financial and psychological well-being, the strategies they had used to cope with debt, and the outcomes that had emerged from these coping efforts. As the interviews progressed, the participants' stories consistently reflected similar patterns, concerns, and meanings, indicating that data saturation had been reached and that the essential structure of their lived experience had been fully captured. The themes and subthemes presented in Tables 1 to 4 reveal the dual nature of microfinance in their lives—acting both as ka-abag (support) that enabled progress and stability, and as babag (hindrance) that introduced strain, pressure, and emotional fatigue.

Table 1 Financial Difficulties Faced by Participants Before Engaging with Microfinance

Themes	Subthemes
Living on the Edge of Survival	Poverty as a Daily Reality Unstable Livelihoods Emotional Weight of Deprivation
Carrying the Burden of Family Responsibilities	Education as a Financial Priority Health and Household Emergencies Marital Conflict Due to Financial Strain

Table 1 reveals the range of financial difficulties that participants experienced before engaging with microfinance, showing how their struggles were clustered into two major themes—Living on the Edge of Survival and Carrying the Burden of Family Responsibilities—each with corresponding subthemes that capture the depth and complexity of their lived experiences. These themes portray lives shaped by chronic poverty, unstable income, emotional distress, and overwhelming household obligations, demonstrating how financial hardship permeated every aspect of their daily existence.

The first major theme, Living on the Edge of Survival, captures the reality that poverty was not an occasional disruption but a persistent force shaping their everyday lives. Under the subtheme Poverty as a Daily Reality, before engaging in borrowing, participants described their daily lives as a continuous act of survival — a constant search for food, money, and the means to sustain their families. Each day was measured not by comfort but by necessity: how to secure the next meal, pay for school projects, or buy medicine for a sick child. One participant has narrated how even buying food for the youngest in the family was hard: *"Sometimes we'd borrow just to buy a pack of milk—P15 per pack" (P5).* Poverty is not an abstract concept; it is a constant companion dictating every decision, sacrifice, and sleepless night. Another has expressed the weight of this struggle: *"Yes, I experienced that—having nothing to buy rice with" (P8).*

This theme is further informed by the subtheme Unstable Livelihoods. Many families have depended on irregular sources of income, including seasonal labor, small-scale vending, or informal work arrangements. When asked how they sustained themselves, one participant has expressed that it has been nearly impossible to survive on such unstable income: *"Oh, it's not possible not to think—because if I relied only on my husband's income, that's not good. Everything gets deducted—electricity, water, provisions. It was hard" (P4)*. The absence of stable employment has rendered their financial situations unpredictable, leaving little capacity to accumulate savings or create buffers against economic shocks. Hayes (2021) emphasizes that financial difficulty among low-income households is often structural, hindering long-term economic mobility.

To cope with ongoing financial shortfalls, some participants relied on informal lenders such as turko and 5/6, which imposed interest rates far exceeding those of formal credit systems. One participant explained, *"The 5–6, ma'am—because you worry that when the month comes, you have no interest to pay. The interest grows; if you can't pay this month's interest, next month it doubles—so you pay double, interest and principal" (P12).* Although these arrangements provided immediate relief, they ultimately deepened participants' financial vulnerability by accelerating debt accumulation rather than improving financial stability.

Employment instability further intensified this precariousness. Several participants reported having no source of income, stating plainly, *"I am struggling because I have no work" (P12)*, while others relied on irregular and physically demanding labor that generated minimal earnings. Participants' daily activities and food consumption reflected survival-based decision-making shaped by poverty. One participant shared, *"Very hard—my husband had no job and neither did I… We ate cassava… at night we pounded palm pith until dawn" (P10)*, noting her dislike for cassava but accepting it as a necessity. Another recalled, *"None—the kids were little, no one working, I didn't yet know how to hustle" (P3)*. In the absence of stable employment, participants lived with persistent uncertainty, often depending on relatives or temporary work to meet basic needs. Consistent with these accounts, Hirshman et al. (2024) demonstrate that job loss and irregular wages significantly increase financial vulnerability, frequently compelling individuals to borrow for daily survival.

These findings contrast with the framework proposed by Fan and Henager (2021), who identify financial satisfaction, perceived financial capability, financial knowledge, positive financial behaviors, and low financial stress as key indicators of financial well-being. In the present study, participants' experiences suggest that such indicators were difficult to sustain under conditions of chronic income instability and survival-oriented borrowing. Despite efforts to cope, financial stress remained high, perceived capability was constrained, and borrowing behaviors were driven by necessity rather than choice. This divergence highlights how structural constraints—such as unemployment and reliance on informal credit—may undermine the pathways to financial well-being identified in prior research, particularly among economically vulnerable microfinance borrowers.

Garg et al. (2024) conceptualize financial well-being as the intersection of money and happiness, suggesting that psychological variables, social context, and financial behaviors can mediate financial outcomes. However, the findings of this study complicate this perspective. While psychological and behavioral factors are acknowledged, participants' narratives indicate that extreme financial instability often overwhelmed these internal resources, limiting their capacity to sustain emotional well-being. This contradiction is evident in the subtheme Emotional Weight of Deprivation, which illustrates how persistent financial scarcity produced chronic stress and emotional exhaustion rather than a balanced interaction between money and happiness. Participants described an ongoing struggle to meet basic needs, resulting in emotional distress that appeared resistant to coping efforts. One participant stated, "Yes, problems never really go away," reflecting a loss of hope as financial difficulties persisted. Another articulated the severity of psychological strain associated with debt and survival pressures: *"My thoughts? You can't help but think bad things — like wanting to end your life because of the problems. You wonder where to get the money, how to pay everything" (P2)*. Similarly, emotional breakdowns were described as a direct response to financial pressure, with one participant sharing, *"It was really hard. I cried a lot and stayed at home crying" (P5).*

The second major theme, Carrying the Burden of Family Responsibilities, highlights how participants' financial challenges were intensified by their roles as caregivers and providers. Under the subtheme Education as a Financial Priority, parents have described the sacrifices they made to keep their children in school despite having limited resources. One mother has recalled crying each time she could not afford a school project or pay tuition on time. The desire to secure a better future for their children had motivated participants to borrow money, take on multiple jobs, and endure social embarrassment. As one parent has shared, *"When there were school projects, I would borrow from my neighbors" (P1)*. Parents have also described the emotional burden of watching their children's aspirations threatened by poverty. One said, *"I just endured it so the child could finish" (P4)*, and another has emphasized the weight of responsibility by saying, *"I struggled because of school payments. It's hard— really hard" (P9).* Education represented both the clearest path out of hardship and the heaviest financial responsibility they have carried. While Maison (2019) have observed that borrowing often functions as a means to achieve personal goals such as education, participants' experiences show that it was not personal ambition but the hope they carried for their children's futures that compelled them to take on debt. It was not merely a personal urge but a familial obligation.

This responsibility extended into the subtheme Health and Household Emergencies, where participants have described how unexpected events pushed them further into hardship. Medical emergencies, childbirth costs, and illness demanded immediate payment, often without preparation. Participants have recalled the intense emotional and physical toll of these crises, describing feelings of despair and helplessness. Emergencies are particularly disruptive, capable of undoing months of careful budgeting. One participant has recounted surviving an entire week on nothing but water while her child was hospitalized in Sotto Hospital, leaving her physically weakened and emotionally exhausted: *"Imagine — a whole week — just water. The food people sent us? It all spoiled. Useless. No good" (P15).* It was as if nothing could console a mother who is worried about her child's life. Nothing can condone a mother who doesn't know where to get the means to make her child better in the hospital. Another mother has described an urgent medical experience: "When I gave birth — it was a cesarean delivery, and we had nothing at all" (P2). These experiences reflect the acute vulnerability created by sudden health-related needs. Kluender et al. (2024) and Liu et al. (2019) noted that medical debt is a major contributor to global financial distress, often forcing households to borrow urgently. Similarly, Flagg and Hanon (2023) have emphasized that personal loans are commonly used to meet essential needs, such as healthcare and household maintenance — a pattern mirrored in the participants' narratives.

Among the financial difficulties that have mentioned, the study found an important claim: financial strain also impacted relationships within households. The subtheme Marital Conflict Due to Financial Strain reveals how poverty shaped participants' relationships. Some have recounted episodes of intense conflict, with one sharing, *"Yes, we fought— almost to the point of killing each other" (P2)*, as if love was no longer the anchor that once held them together. Others have noted that anger was rooted in frustration rather than cruelty, with one participant stating, *"He isn't really a bad person; he just gets angry because he can't provide what the children need" (P4)*. These stories reflect how financial stress spilled into emotional and relational domains, creating tension, guilt, and frustration between partners.

Table 2 Effects of Engaging with Microfinance on Participants' Financial and Psychological Well-Being

Themes	Subthemes
A Pathway to Relief and Improved Living Conditions	Access to Immediate Resources Improved Capability and Small Achievements Security amid uncertainty
The Emergence of Debt Burden and Psychological Strain	Repayment Pressures Erosion of Peace of Mind Family and Marital Tension Barrier to Economic Growth

Table 2 reveals that engaging with microfinance has resulted in two contrasting experiences among participants— A Pathway to Relief and Improved Living Conditions and The Emergence of Debt Burden and Psychological Strain— each with multiple subthemes that illustrate how microfinance simultaneously offered relief while introducing new vulnerabilities. These themes demonstrate that while microfinance opened opportunities for short-term stability, capability building, and a sense of security, it also created conditions that have intensified emotional, relational, and economic pressures. This duality highlights how borrowing, in financially fragile households, can be experienced as both empowering and burdensome.

The first major theme, A Pathway to Relief and Improved Living Conditions, reflects how microfinance initially served as a lifeline — allowing participants to meet urgent needs, nurture aspirations for their children, and experience small but meaningful improvements in their daily lives. Under the subtheme Access to Immediate Resources, participants have described using borrowed funds to pay for food, school expenses, baby supplies, and small debts that has been accumulated during lean periods. One mother has shared, *"That's when I started borrowing, mainly to send my children to school. I used the money to buy rice— a sack of rice. Once I saw the money, I didn't want to waste it" (P1).* The power of money, once it enters the household, brought immediate relief. Needs they once struggled to fulfill are suddenly within reach, not for luxury, but for survival— for the people who have helped them endure the hardest days, and for those who depended on them daily. Another expressed, *"I used it to pay small debts— and buy rice. I also helped my parents a bit, and whatever was left went to my baby's needs" (P2)*. These statements show how microfinance have acted as a survival mechanism, enabling borrowers to secure food, education, and basic necessities during financial distress. Supporting this view, Olusegun (2024) highlighted that access to credit allows individuals to generate sustainable incomes, reducing dependency on others. Microfinance, therefore, provides a temporary buffer against economic vulnerability, reducing the likelihood of deeper financial exclusion.

The second subtheme, Improved Capability and Small Achievements, demonstrates how microfinance empowered borrowers to reach small yet meaningful milestones, fostering independence and self-efficacy. Participants have described feeling capable and proud as they are finally able to provide for their families without depending on neighbors. One mother has expressed this joy: *"At that time, I thought, 'I won't need to borrow rice from the neighbors anymore because now I can buy it.' I was happy. And the kids knew — now they could have a ₱5 allowance" (P1)*. It was no longer necessary to knock on other people's doors; they can now place food on their own table. Another participant have shared how microfinance allowed her to build beyond immediate needs: *"Yes, the house was really the main reason. Then I added more — I started raising pigs, piglets, and puppies to sell" (P6).* What began as a single need have expanded into new opportunities because microfinance has gave them the capability to do more — and they have done more. These narratives reflect how microfinance fosters entrepreneurial behavior, self-reliance, and a sense of accomplishment. Fan and Ryu (2023) found that borrowers often associate loans with personal progress and future potential, enhancing self-esteem and psychological well-being. This suggests that microfinance not only strengthens financial capacity but also instills pride, control, and agency among borrowers.

The third subtheme, Security Amid Uncertainty, highlights the emotional comfort derived from the insurance mechanisms that are offered by microfinance institutions. For many participants, this was a crucial source of reassurance during crises. One has shared, *"Yes. I even received benefits when my husband died. From one microfinance, I received ₱25,000; in total I received ₱75,000 when my husband passed away" (P1).* Another has emphasized the reliability of insurance: *"Some people don't care about insurance until trouble comes. But for me, that's the main reason" (P11).* These testimonies show that beyond loans, microfinance has provided a psychological safety net. Bialowolski (2019) has emphasized that lacking financial protection during crises greatly increases emotional distress; however, participants in this study have described reduced psychological burden due to microfinance insurance benefits. Liu et al. (2023) similarly found that financial support systems mitigate stress and health decline among vulnerable populations. Thus, microfinance not only provided resources but also emotional and mental stability during uncertain times.

In contrast to these positive outcomes, the second major theme, The Emergence of Debt Burden and Psychological Strain, reveals how microfinance also created emotional distress, repayment pressure, strained relationships, and barriers to economic growth. Under the subtheme Repayment Pressures, participants have described experiences with harsh collectors, late-night visits, embarrassment, and threats. One mother has shared, *"Yes, some collectors are really tough— very harsh" (P1).* These interactions broke their spirit and eroded their sense of self-worth. Another recalled, *"Because I really had nothing. The collector wouldn't leave until I paid… They even threatened to send a demand letter… I cried, thinking how could I ever pay that much?" (P2).* Borrowing money had never been for luxury — it was for survival, yet they felt criminalized for failing to pay on time. Another participant has recounted, *"Yes, even at night — around 10 p.m. They'd knock and demand payment until dawn. It was embarrassing; neighbors would wake up and gossip" (P5).* The shame was undeniable. These testimonies contradict Biswas's (2024) conceptualization of financial well-being, which includes peace, justice, and dignity — elements have undermined by aggressive collection practices.

This burden is further captured in the subtheme Erosion of Peace of Mind, where debt became a source of constant worry, insomnia, fear, and emotional collapse. One participant has recalled, *"In the beginning, I really couldn't sleep… My mind kept going around and around. I thought, 'What if I get imprisoned?'"* (P1). Another has shared, *"Yes. I once told my mother I'd leave and commit suicide… I just felt hopeless because of unpaid bills and milk needs" (P5)*. Aside from those experiences, an intense case has been shared in this study: one woman disappeared briefly from home due to overwhelming stress and feelings of hopelessness: *"Yes, there was a time my husband looked for me at night… They found me sitting near Don Gil, thinking deeply" (P8).* Another has described emotional defeat: *"You really lose… you lose spirit… But I never said I'd leave because I can't — I'd be jailed. So just endure" (P13).* These testimonies show the psychological toll of persistent debt — fear, anxiety, hopelessness, and emotional exhaustion. Bialowolski (2019) found that high debt contributes to loneliness, anxiety, and suicidal thoughts. The findings here affirm that debt does not only strain finances — it undermines mental well-being and personal control.

The subtheme Family and Marital Tension reveals that debt stress spilled into household interactions, affecting relationships with spouses and children. One mother has admitted, *"And my mind then? A mess. Chaotic! At the slightest mistake by the kids, I'd scold them… because my mind was chaotic" (P1)*. The children has been simply being children, but their mother's burden was too heavy to carry with patience. Another shared, *"Sometimes my husband and I would fight because of it… his salary wasn't enough for the* *payments" (P4)*. Participants knew they have been trying their best, yet exhaustion mixed with inadequacy creates tension. A mother said, *"When I got angry because of stress, I sometimes shouted or hit them… then afterward, I felt guilty and hugged them" (P5)*. These accounts reveal how financial strain fractures emotional stability. Mathew et al. (2022) state that financial well-being affects productivity, relationships, and mental health—a pattern evident here.

The final subtheme, Barrier to Economic Growth, illustrates how persistent indebtedness constrained financial mobility rather than enabling advancement. Participants described how loan funds were frequently diverted from intended productive activities toward repaying existing debts or addressing immediate household shortages. One participant shared, *"Yes, but that didn't happen (to become an online seller) because I used the money to pay off debts" (P5)*. These accounts suggest that borrowing functioned more as a short-term coping mechanism than as a pathway to income generation or economic expansion. This experiential pattern aligns with the findings of Salmon (2021), who, through a systematic review of 40 economic studies, reported that while moderate levels of debt may contribute to economic growth, excessive debt tends to undermine long-term outcomes once a critical threshold is exceeded. In the context of this study, participants' narratives indicate that sustained indebtedness may have reached such a threshold at the household level, where debt obligations limited opportunities for productive investment and constrained economic mobility. Although these findings are not generalizable, they offer qualitative insight into how excessive debt can operate as a barrier to growth within vulnerable borrowing contexts. This situation is not only about the sacrifices a mother can make. But there are also all the things that run through her head that can break her children's hearts. As one has shared, *"Sometimes I think of pulling my child out of school so he can work" (P10)*. They have made it seem like the loan can hinder the future they are excited to fulfill because they are trapped inside the obligation of paying the debt they have once used for other needs *"The debts are bigger than the income… our family budget shrinks because we prioritize loan payments" (P12)*. These statements show that debt repayment overshadowed financial planning, limiting economic advancement. Fan and Ryu (2023) observed that debt obligations can restrict long-term financial planning, often reinforcing dependency rather than fostering financial autonomy. Consistent with this finding, Puliyakot's (2020) quantitative study of 210 households in Tamil Nadu, India, reported that approximately 57% of respondents were over-indebted, with factors such as low household income, multiple credit arrangements, exposure to economic shocks, and reliance on informal lending sources significantly increasing the risk of over-indebtedness.

Table 3 Management Strategies Adopted by Participants to Cope with Debt-Related Challenges

Themes	Subthemes
Adaptive Financial Management and Resourcefulness	Budgeting and Prioritization Income Diversification and Hustling
Emotional Resilience and Positive Mindset	Acceptance and Endurance Positive Thinking and Humor Support from Family and Community
Faith and Spiritual Anchoring as Coping Mechanism	Reliance on Prayer and Divine Guidance Spiritual Acceptance and Perseverance

Table 3 reveals the coping strategies participants used to deal with debt-related challenges. These strategies show how borrowers found ways to survive financially and emotionally, and at the same time, how some of these same strategies also brought additional strain. In this sense, each theme reflects moments where microfinance acted as a form of support in their daily lives — but also as a hindrance when these coping efforts became tiring, demanding, or limiting. This balance shapes how participants navigated the realities of indebtedness.

The first theme, Adaptive Financial Management and Resourcefulness, shows how participants tried to manage their limited money. These individuals are not passive in the face of financial difficulties; instead, they engage in conscious strategies to manage their limited resources and expand their economic capacity. Under Budgeting and Prioritization, they have shared how every peso was planned and assigned to a purpose. One said, *"As long as money comes in, I already have a plan for it" (P4)*. Participants have emphasized the importance of financial discipline, describing how budgeting and prioritization helped them remain afloat amid debt obligations. Another has explained, *"Pay what I borrowed, then pay the most important bills" (P9)*. They intentionally set aside portions of their income for food, school allowances, and loan repayments, demonstrating control and foresight in managing limited funds. These findings align with literature on debt coping mechanisms, which identifies structured financial planning and behavioral adjustments as essential for regaining control (Fox-Dichter et al., 2020; Mahon, 2024). This subtheme represents the practical application of the "structured repayment plans" (Azmi, 2023) and disciplined financial adjustments that literature identifies as key to managing debt. However, the pressure of dividing such small amounts — *"Everything becomes budget… our money goes to the loan" (P13)* — also became burdensome, because even careful planning could not stretch the money far enough.

Under Income Diversification and Hustling, along their financial journey, there have been times when money was not enough to meet their needs and financial obligations. Consequently, these participants have turned to multiple income sources and side hustles—activities they did not necessarily perform daily— to supplement their income. Some have opted for livestock selling and baking torta (cakes), while others have opted for heavier work such as doing laundry. These side hustles demonstrate these individuals' capacity to respond to insufficient funds. This finding directly corresponds with the "extreme financial adjustments" and "working additional jobs" that have been identified by Idris et al. (2024) as common coping strategies for over-indebtedness. It also reflects the entrepreneurial response that microfinance aims to enable, allowing individuals to start or expand small businesses to enhance financial security (Alias, 2024).

The second theme, Emotional Resilience and Positive Mindset, highlights how participants stayed strong internally. Under Acceptance and Endurance, many participants have shared that emotional burdens are always present, but it's simply a matter of how they perceive them. Some participants attested that they endured their situation, accepting it as "just the way it is." They shared words like, *"I just endure it— because I was the one who borrowed" (P2)*. Others have also expressed that worrying too much can result in sickness: *"If you just dwell on it, you'll get sick" (P3)*. They have accepted the fact that financial obligations come with burdens and that being happy is not always an option. These ways of coping highlight how acceptance and endurance function. But it also became a burden when carrying everything alone made them emotionally tired. These findings resonate deeply with the "psychological resilience" (Fox-Dichter et al., 2020) and the necessity of "acknowledging the emotional toll of debt" (Mahon, 2024) described in related literature. It is the first step in creating the mental clarity needed to manage the situation.

Under Positive Thinking and Humor, participants have encouraged themselves through mindset. Some of the participants have shared that they alleviated their worries by focusing on positive thoughts and avoiding brooding, as it could "make you faint or even get heart problems." This approach, complemented by humor, served as a relieving factor for their burdens. "*Just think positive" (P13)*; *"Don't brood— you might faint" (P3)*. They have described these struggles as times when they would "just think of something funny and laugh about it." As they have faced these burdens, a positive mindset came into play. *"If you have debt, treat it lightly— laugh about it" (P3)*. These acted as emotional support, helping them survive the day. This aligns with psychological coping strategies that help individuals "regain a sense of control" (Mahon, 2024). By actively choosing a positive frame, participants mitigated the stress that literature confirms is a primary emotional consequence of debt. However, the need to "laugh about debt" shows how heavy the burden truly felt because of microfinance.

Under Support from Family and Community, their families kept them going. Participants have shared that conversations with family members and friends provided comfort and practical advice. *"My children… that's where I draw strength"* (P4). *"My husband and kids… I encourage myself with the good things we still have" (P10)*. These interactions have helped normalize their experiences and reduced the feelings of isolation that often accompany debt. The presence of supportive relationships thus becomes an informal safety net — emotional rather than financial — that buffers stress and encourages perseverance. One has shared, *"Emotionally, it's my mother I talk to… they give me strength" (P5)*. This finding highlights that coping within low-income communities is often collective rather than individual, rooted in shared empathy and mutual understanding. While much of the literature (Azmi, 2023; Fox-Dichter et al., 2020) focuses on formal support systems like counseling or debt management agencies, these findings underscore the fundamental importance of informal social safety nets in fostering daily resilience.

The third theme, Faith and Spiritual Anchoring, shows how participants turned to prayer for strength. Under Reliance on Prayer and Divine Guidance, beyond financial strategies, participants also relied heavily on spiritual coping and prayer. In moments of helplessness — when no external assistance was available — they have turned to faith, seeking strength, clarity, and endurance from God. One have said, *"I really pray to God… I really rely on God" (P1).* Another have added*, "Effort is nothing if there's no God" (P7).* For many, prayer is not a ritual but a therapeutic act that restores emotional balance and optimism. The guidance they have sought was not merely about finding money to meet their needs; it was also about finding a reason to hold on and not lose their way. These findings introduce a vital dimension often absent in purely financial or psychological literature. While studies (e.g., Mahon, 2024; Fox-Dichter et al., 2020) focus on tangible and cognitive strategies, this subtheme reveals that for these participants, prayer was an equally active and primary coping mechanism. Their faith have supported them emotionally and helped them surpass their hardships. But relying on prayer alone, especially during moments when decisions can be difficult, it means that they sometimes endured pain silently, believing hardship had to be accepted.

Under Spiritual Acceptance and Perseverance, participants found meaning through blessings. This result encapsulates the idea of surrendering everything— emotional burdens, psychological strains, financial struggles— to God. By doing so, participants have believed that God would provide in many ways. They feel that they just had to persevere, and eventually, their prayers will be answered. *"There will always be blessings that come" (P9)*. *"Thank you, Lord, you never abandon us" (P8)*. This spiritual acceptance is distinct from the psychological acceptance in Theme 2; it provides a higher purpose for their endurance. It aligns with the need for "psychological resilience" (Fox-Dichter et al., 2020) but roots it in a spiritual, rather than purely cognitive, foundation, transforming the act of "toughing it out" into an act of faith.

The diverse coping behaviors identified in this study can be comprehensively interpreted through Lazarus and Folkman's (1984) Transactional Model of Stress and Coping. The findings do not merely align with the theory; they illustrate its core mechanics in action. The participants' primary appraisal of their debt is clearly twofold: it is both a tangible "challenge" to be managed and a significant emotional "threat" to their well-being. Consequently, the three emergent themes map perfectly onto the model's two primary coping categories. Theme 1, "Adaptive Financial Management and Resourcefulness," represents a clear enactment of problem-focused coping, where participants actively engage in "budgeting" and "hustling" to alter the problem. Simultaneously, Themes 2 and 3, "Emotional Resilience" and "Faith and Spiritual Anchoring," are powerful demonstrations of emotion-focused coping, used to regulate the profound psychological distress of the situation. This study's findings powerfully demonstrate that participants are in a constant, transactional process of appraising their debt and deploying a dynamic, dual-pronged coping response.

Table 4 Outcomes of Participants' Debt-Management Strategies

Theme	Subthemes
Transformation Through Endurance — Microfinance as a Catalyst for Growth and Achievement	Tangible Progress and Fulfilled Responsibilities Sense of Control Over Money Acceptance of Debt as Life Lesson
The Paradox of Relief and Regret — Microfinance as a Source of Continuing Burden	Entrapment in Cyclical Debt Realization of Mistaken Reliance

Table 4 reveals the varied outcomes that emerged from participants' continued engagement with microfinance and their sustained efforts to manage debt. Their narratives demonstrate that debt-management strategies did not end with coping; rather, they have produced long-term effects that shaped both achievement and disappointment. Two major themes surfaced —Transformation Through Endurance: Microfinance as a Catalyst for Growth and Achievement and The Paradox of Relief and Regret: Microfinance as a Source of Continuing Burden — each capturing the dual nature of borrowing as both *kaabag* (support) and *babag* (hindrance) in the lived experiences of participants.

The first theme, Transformation Through Endurance, reflects how consistent repayment, disciplined budgeting, and persistent hustling enabled some participants to experience tangible improvements in their lives. Under Tangible Progress and Fulfilled Responsibilities, several participants have described real, visible results from their borrowing. Through perseverance, discipline, and strategic financial management, participants have reported notable life improvements such as building modest homes, sustaining small businesses, and supporting their children's education independently. One mother shared, *"Yes, I did. I've experienced a lot through borrowing… Even during my child's wedding— it was through my loans… I was able to send my children to school. One even finished college, another finished high school. My life is much better now" (P1)*. This transformation aligns with Garg et al. (2024), who conceptualize financial well-being as the intersection of money and happiness — a condition where financial security fosters emotional satisfaction and life contentment. In essence, the respondents' testimonies exemplify how microfinance bridges the economic and emotional aspects of well-being, turning financial stability into a source of security and fulfillment. Others have echoed similar sentiments: *"It HELPED. There's something to show for it— in a word, 'profit.' In time, when my students finish" (P4)*. For another family, microfinance even contributes to home improvements: *"I was happy— really happy that our house improved, even just a bit… When it rained, we'd use cardboard to cover leaks" (P6)*. Another participant has captured the essence of achievement by saying, *"I got into borrowing, but I don't regret it because I saw results— I was able to send my child to school" (P9)*. These outcomes reflect how microfinance, despite its challenges, become a catalyst that supported parents' responsibilities and helped them secure progress they otherwise could not afford.

The respondents' experiences illustrate how microfinance fosters both material and emotional upliftment, reinforcing the perspectives of Singh (2014), Garg et al. (2024), and Kasali (2020). Kasali (2020), using Propensity Score Matching to analyze data from Southwest Nigeria, found that microfinance loans contributed positively to poverty alleviation. Their accounts of being able to provide nutritious food and meet daily needs with dignity reflect the objective dimension of financial well-being — having adequate resources to maintain a decent standard of living. Singh (2014) supports this by asserting that microfinance enables individuals to improve their quality of life, develop self-respect, and gain financial independence. These improvements extend beyond economic gains; they nurture psychological empowerment and social dignity.

The results also suggest that microfinance can catalyze structural economic transformation. Some participants have recounted how small agricultural lands, farms, and poultry were converted into viable businesses that helped them meet daily needs. This is consistent with Alias (2024), who found that microfinance empowers individuals to start or expand small businesses, acquire productive assets, and invest in human capital development. Similarly, Ghimire et al. (2025) have observed that microfinance contributes to shifts in local economies, as households previously reliant on agriculture transition to business ownership and retail operations. Desello (2024) further supported this idea, demonstrating that financial self-efficacy and planning skills significantly influence overall financial well-being.

Mingstie (2022) found that microfinance has a significant positive effect on women's economic empowerment by increasing independent income, asset ownership, and monthly savings, suggesting that access to microfinance can enhance financial autonomy and resilience. This empowerment is reflected in the subtheme Sense of Control Over Money, which captures how participants developed financial discipline through repeated borrowing and repayment experiences. Participants described a growing ability to manage their finances intentionally, shifting from reactive spending to deliberate decision-making. This sense of control emerged not from abundance, but from experience and necessity. They emphasized planning ahead, prioritizing essential needs, and evaluating expenses before making purchases. Even small savings were regarded as meaningful strategies to maintain stability. One participant stated, "I can now control money—because I save up based on what I need to face" (P7), while another shared, "I can control myself now because I already have savings… I don't spend recklessly anymore — I think first if it's useful or necessary" (P11). Through microfinance, participants cultivated habits of foresight, frugality, and planning, which strengthened their confidence and contributed to a greater sense of financial stability. For these individuals, microfinance functioned as ka-abag, supporting wiser financial behaviors and reducing impulsive decisions. This discipline was not framed as strict deprivation but as mindful balance: participants continued to afford necessary comforts, such as buying viand, while avoiding wasteful spending, and some even refrained from extravagant celebrations to manage limited resources effectively. Overall, gaining control over money became a form of empowerment—restoring dignity, reducing anxiety, and enabling participants to navigate daily expenses with greater assurance.

Under Acceptance of Debt as Life Lesson, participants have reflected on borrowing as an experience that taught them responsibility and caution. One has described it as a learning process: *"Debt won't work if it's just for nothing… If you've tried it, you'll know whether it's worth doing again or not. You shouldn't be careless" (P15)*. Another has acknowledged the emotional ambivalence of borrowing: *"When you borrow, you have money right away… sometimes you're happy, sometimes you worry. That's how it is" (P4)*. These statements highlight how participants come to see debt not merely as a financial action but as a teacher — one that offers opportunity and warning simultaneously.

However, the second theme, The Paradox of Relief and Regret, reveals the darker side of long-term indebtedness. Under the subtheme Entrapment in Cyclical Debt, several participants described recurring borrowing that they could not escape. These are the experiences of those who struggled to cope. For them, repeated borrowing and overlapping loans have led to financial stagnation and renewed dependency. Participants explained that while microfinance initially offered hope, the accumulation of debts — combined with irregular income and strict repayment schedules — eventually became overwhelming. One participant shared, *"I really go in circles, ma'am… I planned to offset, but I can't offset, because there are other needs again— so I borrow again" (P13)*. Another expressed regret: *"Because if I hadn't joined, I wouldn't have all these problems. I joined thinking it would solve my problems, but it only added more" (P2)*. These testimonies reflect how debt, instead of lifting borrowers out of hardship, sometimes kept them trapped in cycles where repayment pulled them back into borrowing that weighed heavily on their well-being. This aligns with De Silva and Gunawardana's (2023) findings in Sri Lanka, where microfinance-induced debt cycles pushed many women to the edge of destitution, and in Cambodia, where widespread indebtedness led to social exclusion and land loss. Comparable patterns were observed among the Argao participants, who described microfinance as both lifeline and trap: it initially eased financial strain but later introduced new vulnerabilities when borrowing became habitual or unregulated. Dahal and Fiala (2019) further support this observation, noting that many empirical studies report minimal or no positive impacts of microloans, leading some scholars and policymakers to question the assumption that microfinance consistently improves people's lives.

This feeling is reinforced in the subtheme Realization of Mistaken Reliance, where participants have openly confronted the regret that followed years of dependence on loans. Many expressed that if given the chance, they would have chosen differently, regretting how microfinance brought them prolonged burden. Instead of focusing on growth and well-being, borrowers have found themselves preoccupied with mere survival. One participant admitted, *"If I could turn back time, I probably wouldn't join" (P12).* Another echoed, *"At first, it helped. But now, I think it only made my problems worse" (P2). A third added simply, "It really made things more difficult" (P5).* These reflections reveal that what once felt like kaabag eventually became babag, overshadowing their hopes for financial upliftment. Rather than progressing toward stability, they have found themselves more burdened — caught between repayment, survival, and regret. Stewart et al. (2010) further demonstrated that microfinance interventions in Sub-Saharan Africa sometimes make borrowers poorer rather than richer. Their systematic review revealed that loans are often diverted toward immediate consumption needs rather than income-generating activities, resulting in insufficient returns and a downward spiral of debt, asset liquidation, and repeated borrowing.

Viewed through Sen's Capability Approach (1999), the outcomes in Table 4 show that microfinance did not automatically translate into empowerment. For some participants, borrowing expanded their capabilities by enabling valued functionings such as educating children, improving housing, building small livelihoods, and exercising greater control over financial decisions. In these cases, microfinance functioned as kaabag, enhancing agency and dignity. However, for others trapped in cyclical debt, access to credit constrained rather than expanded freedom, limiting their ability to pursue long-term goals and reducing choices to mere survival. This demonstrates that access to financial resources alone is insufficient; what matters is whether individuals can convert those resources into real opportunities. As Sen (1999) emphasized, development must be assessed in terms of people's actual freedoms, not simply their participation in financial systems.

Implication Of the Study

The findings of this study provide context-bound insights into how female microfinance borrowers in Argao, Cebu experience debt in their daily lives. As a qualitative phenomenological inquiry with a small sample, the implications are interpretive rather than generalizable and are best understood as contributions to understanding meaning, perception, and lived reality.

At the individual level, the findings illuminate how borrowers interpret debt as both a coping mechanism and a source of emotional strain. These experiences suggest that financial obligations influence not only economic behavior but also emotional responses, shaping how borrowers manage stress, responsibility, and resilience. Such insights deepen understanding of how debt is lived and negotiated rather than how it should be managed.

Within families, the narratives reveal that financial difficulties are often experienced relationally, affecting communication patterns, emotional dynamics, and shared decision-making. While these experiences cannot be assumed to reflect all households, they highlight the interpersonal dimensions of financial stress that are often absent from quantitatively driven analyses of microfinance.

From an institutional perspective, the study offers borrower-centered perspectives on how repayment expectations and lending structures are experienced at the ground level. These accounts do not evaluate institutional performance but provide experiential insight into how borrowers perceive and respond to microfinance arrangements, contributing to a more nuanced understanding of borrower–institution interactions.

For policymakers and local stakeholders, the findings serve as illustrative evidence of how financial programs are lived by intended beneficiaries. Rather than offering policy prescriptions, the study contributes contextual knowledge that may complement existing statistical and program-level evaluations, particularly in rural Philippine settings.

Academically, the study adds to the microfinance literature by centering subjective experiences and emotional dimensions of debt. By capturing how borrowers make sense of financial support and struggle, it contributes to broader discussions on financial well-being, vulnerability, and coping within development research.

Limitations

This study, which explored the lived experiences of microfinance borrowers in Argao, Cebu, is characterized by several boundaries that define the scope and interpretation of its findings.

First, the study's focus on a small sample of fifteen (15) participants within the specific municipality of Argao, Cebu, means the findings are geographically bounded. The socio-economic landscape of Argao—including its local market dynamics and cultural norms—suggests that these findings are context-specific rather than universally generalizable. The experiences captured here may differ significantly from those of borrowers in urban centers or different regional settings.

Second, the sample consisted exclusively of women. It is important to clarify that this was an intentional methodological choice rather than an accidental bias. Given that microfinance programs globally and locally often target women as primary agents of household welfare, this study sought to deeply explore this specific demographic. Consequently, the findings reflect a gendered, family-oriented perspective of financial well-being, shaped by maternal roles and caregiving responsibilities. This focus necessarily excludes the perspectives of male borrowers, whose financial trajectories and stressors may manifest differently.

The research relied on self-reported narratives, which are subject to participants' memory, emotional state, and social desirability bias. While these narratives provide rich, subjective data, they are snapshots of a specific moment in time.

Furthermore, the study was conducted within a cross-sectional timeframe, which limits the ability to track behavioral changes over time. We acknowledge that:

• Stress cycles and repayment dynamics often fluctuate based on seasonal income or emergency expenses.

• Financial trajectories are long-term processes that may not be fully captured in a single-point interview.

• Future research would benefit from longitudinal qualitative work to better observe how these dynamics evolve over multiple loan cycles.

Finally, the study was strictly delimited to the voices of borrowers. The exclusion of microfinance officers and institutional representatives was a deliberate decision to maintain a phenomenological focus on the clients' internal realities. Including institutional perspectives would have shifted the inquiry toward policy and administrative efficiency, which was beyond the intended scope. Additionally, while the study notes the impact of microfinance, it did not provide a comparative analysis of the varying interest rates or repayment structures across different institutions.

RECOMMENDATIONS

To build upon the findings of this study and address its inherent limitations, the following areas are recommended for future scholarly inquiry:

Future studies should employ a longitudinal qualitative design to follow borrowers over several loan cycles (e.g., 12 to 24 months). This would allow researchers to capture the ebb and flow of stress cycles and repayment dynamics that a one-time interview cannot fully reveal. Tracking participants over time would provide deeper insights into whether microfinance facilitates long-term upward financial trajectories or merely serves as a tool for short-term consumption smoothing.

To enhance the generalizability of the current findings, research should be expanded to include:

• Diverse Geographic Settings: Comparative studies between rural municipalities like Argao and highly urbanized cities (e.g., Cebu City or Manila) to determine how local market infrastructure influences borrower success.

• Institutional Variables: Investigations into how different institutional policies—such as varying interest rates, "grace periods," or the presence of mandatory savings—alter the subjective experience of financial well-being among borrowers.

While this study intentionally focused on the maternal experience, future research should broaden the demographic lens:

• Male Perspectives: Exploring the lived experiences of male microfinance borrowers to understand how traditional notions of "provider" roles and different social networks influence their debt management and financial stress.

• Multi-Perspective Inquiries: A "360-degree" study involving both borrowers and microfinance field officers could highlight the disconnects or alignments between institutional expectations and the lived realities of the clients.

Given the context-specific nature of the findings, future research could specifically examine how external shocks—such as natural disasters, inflationary spikes, or health crises—disrupt the financial well-being of microfinance-dependent households. This would provide a more robust understanding of the "resilience" identified in this study.

CONCLUSION

This study examined financial well-being as a multidimensional experience encompassing economic stability, emotional states, and perceived agency. Using a transcendental phenomenological approach, it explored the lived experiences of fifteen female microfinance borrowers in Argao, Cebu to understand how microfinance is experienced as ka-abag (support) or babag (hindrance).

The findings indicate that microfinance is experienced in ambivalent and context-dependent ways. Participants described moments of relief, opportunity, and short-term support alongside persistent stress, emotional pressure, and ongoing debt obligations. The emergence of nine themes reflects how borrowers continuously negotiate survival, responsibility, and coping within constrained financial environments.

Rather than demonstrating clear positive or negative outcomes, the study highlights how the meaning and impact of microfinance are shaped by individual circumstances, emotional resources, and external conditions. These findings underscore that microfinance cannot be understood solely through repayment outcomes or economic indicators, but must also be examined through the lived realities of borrowers.

Given the qualitative design and limited sample size, the study does not seek to generalize its findings. Instead, it offers an in-depth, context-specific account that contributes to a more human-centered understanding of microfinance in the Philippine context. Future research may build on these insights by examining similar experiences across different settings or through longitudinal approaches that further explore how financial well-being evolves over time.

Intervention Plan

Project Summary

Title of the Project: KAUGMAON (Knowledge, Advice, and Understanding for Growth Mindfulness, Opportunities, And Nurturing-wellbeing)

Project Locale: Municipality of Argao, Cebu

Number of Training Hours: 32 Hours

Number of Beneficiaries: 350–500 Microfinance Borrowers in Argao, Cebu

Total Project Cost: ₱120,000.00

Implementing Curricular Program: Bachelor of Science in Psychology

Implementing Partners: • LGU Argao (MSWDO, PESO, Barangay Councils)

• Department of Psychology Faculty & BS Psychology Interns

• Certified Financial Advisor / Financial Coach

• Microfinance Institutions

Rationale

The Kaugmaon Program addresses the critical intersection of financial instability and psychosocial distress among microfinance borrowers in Argao, Cebu. While credit provides temporary liquidity, the prevailing cycle of debt pressure, emotional fatigue, and household conflict underscores a systemic lack of integrated support in financial management and psychological resilience. This intervention bridges the gap by synthesizing the Theory of Planned Behavior, Prospect Theory, the Transactional Model of Stress and Coping, and the Capability Approach into a cohesive framework. By delivering a blend of financial literacy, wellness sessions, and community mentoring, the program moves beyond simple credit provision to foster sustainable behavioral change, emotional regulation, and the expansion of borrowers' functional freedoms.

Goals and Objectives

General Goal: To enhance the financial capability, coping mechanisms, and emotional resilience of borrowers.

Specific Objectives:

1. Strengthen budgeting, saving, and debt management skills.
2. Improve stress management, emotional regulation, and coping strategies.
3. Support livelihood planning, financial decision-making, and capability expansion.

INTERVENTION	TARGET RESULT	PERSONS INVOLVED	TIME FRAME	BUDGET / MATERIALS
Financial Literacy Workshop	85% of learners produce a workable budget and repayment plan; reduced impulsive borrowing.	Certified Financial Advisor, Microfinance Institutions	Once A year	**Php 40,000** / Calculator, Workbooks, Budget Templates, Projector, Laptop
Psychosocial Wellness Sessions	Increased coping scores and reduced self-reported emotional strain; enhanced resilience.	Dept. of Psychology Faculty, MSWDO	Every 6 months	**Php 30,000** / Sound System, Stress Ball kits, Printing of Assessment Scales
Livelihood Planning	50% of participants produce an executable livelihood plan for economic independence.	PESO, LGU Argao, Barangay Councils	Once a year	**Php 35,000** / Planning Guides, Sample Product Kits, Marketing Brochures
Community Mentoring	Ensure consistency, long-term skill application, and stronger support networks.	Barangay Councils, Microfinance Institutions, MSWDO	Monthly Follow-ups	**Php 15,000** / Monitoring Logs, Snacks for cluster meetings, Printing of modules

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