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## Financial Management Practices of Community-Based Enterprise Association Members in Southern Oriental Mindoro

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### ABSTRACT

This study examined the financial management practices of community-based enterprise association members in Southern Oriental Mindoro, focusing on savings and budgeting, credit and debt management, social security and financial risk management, and investing practices. Using a descriptive–correlational research design, data were collected from purposely selected 32 members across 10 registered associations through self-structured questionnaire, and guided interviews. Most respondents were mostly women, married, with modest educational backgrounds, limited income sources, and earnings below Php 10,000 monthly. Findings revealed that members demonstrated high level of financial management practices in savings and budgeting (2.94), particularly in setting budgets and saving for essential needs, though proactive saving behavior remained low. Credit and debt management was at high level (2.63), with respondents showing responsible repayment habits with few relying from informal borrowing sources. In contrast, social security and financial risk management (2.10) and investment practices (2.04) were found to be at low levels, indicating limited long-term financial preparation and reluctance toward formal investment opportunities. Correlation analysis showed significant positive relationships between budgeting and savings with both credit/debt management ( $r = 0.410, p < .05$ ) and investing practices ( $r = 0.385, p < .05$ ). The strongest link was between credit/debt management and investing ( $r = 0.655, p < .001$ ), suggesting that effective debt management enables members to pursue investment opportunities. The study concludes that while association members exhibit strengths in short-term money management, they remain vulnerable in long-term financial security. It recommends the implementation of targeted financial literacy programs emphasizing saving discipline, social security awareness, and accessible investment opportunities to strengthen financial resilience and support community development.

### INTRODUCTION

Financial management is a long-standing, complex and progressing multifaceted concern globally affecting individuals to organizations (Patel *et al.*, 2021; Salamah, 2023). Integrating effective financial management to personal and business aspect can be essential to growth and sustainability of community-based enterprises (Mettathamrong *et al.*, 2023). In the Philippines, many of the national programs and non-governmental organizations programs cater organizing, funding and operational support to potential and qualified community-based enterprise associations. For small associations, particularly in rural areas of Southern Oriental Mindoro, careful management of limited financial resources is crucial for achieving organizational goals and ensuring members' welfare. These associations are often composed of housewives, retired government employees, small entrepreneurs, fisherfolks, and other self-employed individuals who rely on diverse and sometimes unstable income sources.

Southern Oriental Mindoro consists of eight municipalities—Pola, Pinamalayan, Gloria, Bansud, Bongabong, Roxas, Mansalay, and Bulalacao—where associations contribute significantly to socio-economic progress. Members participate in agricultural, entrepreneurial, and informal activities, making it

important to assess their financial behavior in the areas of savings and budgeting, credit and debt management, social security and financial risk management, and investing practices.

Previous studies affirm that sound financial management improves both individual and organizational performance (Butt, Hunjra, & Rehman, 2010; Kader & Khan, 2019). However, barriers such as limited financial literacy persist, leading to poor budgeting, underutilization of social security, and missed investment opportunities (Lusardi & Mitchell, 2014). Savings and budgeting enhance stability by preparing households for unforeseen circumstances (Ganti, 2021; Kagan, 2022), while poor debt management can threaten sustainability, especially for entrepreneurs reliant on loans (Hidajat & Hamdani, 2017). Social security schemes, although critical for long-term stability (Baxter, 2001; Clark, Lusardi, & Mitchell, 2017), are often overlooked. Likewise, limited financial literacy restricts participation in wealth-building investments (Van Rooij, Lusardi, & Alessie, 2011; Bodie, Kane, & Marcus, 2018). Despite the importance of financial management, little is known about the specific practices of association members in Southern Oriental Mindoro. This gap highlights the need to assess their approaches to savings and budgeting, credit and debt management, social security participation, and investment practices to determine strengths and

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areas for improvement. The findings of the study can be instrumental in targeted extension service initiatives and collaborative interventions to address actual concerns identified.

### Objectives of the Study

This study aims to examine the financial management practices of selected association members in Southern Oriental Mindoro. Specifically, it seeks to describe their profile in terms of age, gender, civil status, educational attainment, number of household members, number of income sources, income bracket, and membership in organizations and/or financial institutions. It also intends to assess the level of their financial management practices in the areas of savings and budgeting, credit and debt management, social security and financial risk management, and investing practices. Furthermore, the study seeks to determine the relationship among these financial management practices, particularly in budgeting and savings, credit and debt management, investing practices, and social security and financial risk management.

## LITERATURE REVIEW

### Member Profiles in Association

Research on association members in the Philippines shows that members typically come from modest socioeconomic backgrounds, with limited access to formal financial systems. In Masbate, members of the Pawa Women Mangrove Guardians Association were mostly women engaged in farming, skilled labor, or small business, many of whom earned below Php 3,000 monthly and lived under the poverty line (Garcia *et al.*, 2019). Similarly, farmers in Quezon's AMIA villages were predominantly middle-aged (average age 50), married, and with elementary-level education, sustaining households of about five dependents on an average monthly income of only Php 4,800 (Serrano *et al.*, 2025). In Leyte, Abaca Farmers' Associations consisted largely of married women in their productive years who had limited schooling and managed small landholdings, while organizational stakeholders were usually male and college-educated (Montiflor *et al.*, 2021). These studies suggest that association members are often low-income earners with elementary to secondary education, sizable family responsibilities, and reliance on farming or informal livelihoods—factors that shape their financial management practices.

### Financial Management Practices

Financial management and business finance are often used interchangeably, but they represent distinct concepts. Business finance refers specifically to how firms acquire and allocate funds to support operations and growth, such as obtaining loans, issuing equity, or managing working capital (Gitman & Zutter, 2015). It is therefore confined to the context of business enterprises and their financial decision-making.

On the other hand, financial management is broader in scope. It encompasses the planning, directing, and controlling of financial activities to achieve both individual and organizational objectives. It covers savings and budgeting, debt and credit management, investment strategies, and risk management practices, applicable not only to businesses but also to households, associations, and community organizations (Brigham & Houston, 2019).

For this study, financial management is emphasized since the focus is on the financial practices of association members in Southern Oriental Mindoro, many of whom are not engaged in formal businesses but still require sound money management to ensure financial stability and long-term security.

Effective financial management practices help businesses, especially newly formed associations, to achieve their goals, manage resources prudently, and ensure transparency and accountability. Financial management is one of the several functional areas of management, but it is central to the success of any business. Inefficient financial management, combined with the uncertainty of the business environment, often leads business enterprises to serious problems (Kader, M. A. & Khan, A.Z., 2019). Given the socio-economic landscape of Southern Oriental Mindoro, which includes a mix of rural and semi-urban areas with varying levels of economic activity, understanding how these associations handle their finances is important.

Financial literature suggests that optimal application and commitment towards financial management practices result in an increased company's performance (Butt, *et al.*, 2010). The financial performance of businesses reflects a good standing in how they manage their resources and allocate them properly using practices such as savings and budgeting, credit/debt management, social security, and financial risk management, and investing practices.

### Savings and Budgeting

Saving refers to the money that a person has left over after subtracting consumer spending from the disposable income over a given time period (Kagan, 2022). Budgeting is how an individual manages his or her expenses and savings to reach a certain amount of time, and allows or provides a particular amount of money in a budget to allocate expenses (Ganti, 2021). As early as possible, associations must secure savings out of the income they have generated. It is to secure future circumstances that would lead their business to success.

Given these challenges, it is believed that there is a need for the government and the private sectors to proactively supplement educational programs to develop financial attitudes towards savings, budgeting, and financing among Filipinos to make them more financial resilient so that they can be more productive, and contribute more meaningfully to nation-building, with the end in view of providing benefits not only to people but also to the national economy (Encio, L.T. *et al.*, 2022). Financial education refers to financial knowledge that helps individuals

to take financial decisions concerning budgeting, saving, borrowing, and investing and these decisions are geared towards financial freedom that leads to an overall sense of financial well-being (Remund, 2010).

### **Credit/Debt Management**

Lack of financial literacy can lead to inefficiency in portfolio allocation and less savings, and if associated with debt, credit card ownership, or increasing consumer credit may increase financial risk (Hidajat & Hamdani, 2017). In business, it is notable that when a start-up business started their operation using a debt financing, its sustainability depends heavily on how effectively such is managed. Poor debt management can result in repayment difficulties and eventually bankruptcy, while responsible borrowing can enhance liquidity and support expansion (Fatoki, 2014). According to Labitad (2025), in areas where formal credit is scarce, informal finance can help small and medium companies (SMEs), particularly in environments with limited access to formal credit.

At the household level, debt plays a dual role: it can help smooth consumption and provide opportunities for investment, yet excessive reliance on credit may create financial stress and vulnerability (Lusardi & Tufano, 2015). Studies in Southeast Asia also highlight that informal lending is widespread among low-income households, often carrying high interest rates that trap borrowers in cycles of debt (Karlan & Zinman, 2010). In contrast, access to microfinance and formal credit institutions, when managed properly, has been shown to improve household welfare and encourage productive use of loans (Armendáriz & Morduch, 2010).

These findings suggest that financial literacy and responsible credit management are critical for both individuals and associations, as they determine whether debt becomes a tool for growth or a burden that undermines financial stability.

### **Social Security and Financial Risk Management**

Social security and financial risk management are essential in ensuring long-term stability, particularly for individuals and households with uncertain income sources. Baxter (2001) emphasized that participation in social protection schemes reduces vulnerability by providing financial support during illness, unemployment, or retirement. However, many workers in the informal sector remain excluded from formal programs, limiting their ability to cope with risks (Holzmann & Jørgensen, 2001). In developing countries, low awareness and financial literacy contribute to the underutilization of social security benefits (Clark, Lusardi, & Mitchell, 2017). Likewise, financial risk management practices such as insurance coverage, emergency funds, and diversification of income streams are often overlooked, leaving families exposed to economic shocks (Churchill & Matul, 2012). These studies highlight that promoting awareness and access to social protection, alongside improved financial literacy, is critical for strengthening the financial resilience of community-based associations.

### **Investing Opportunities**

Investment practices play a significant role in improving long-term financial security and wealth accumulation among individuals and associations. According to Van Rooij, Lusardi, and Alessie (2011), financial literacy is strongly associated with stock market participation, as individuals with limited knowledge are less likely to engage in investment opportunities. Similarly, Bodie, Kane, and Marcus (2018) emphasize that investment planning allows individuals to diversify risks and achieve financial stability. Beyond individual knowledge and planning, macroeconomic conditions also influence investment opportunities. Interest rate changes are among the most significant macroeconomic variables affecting corporate decision-making and investment attractiveness, as they influence borrowing costs, market liquidity, and firm valuation (Adetokunbo, 2026). However, in rural communities, participation in investment activities remains low due to lack of awareness, fear of financial loss, and reliance on traditional savings (Klapper, Lusardi, & Panos, 2013). Studies further suggest that targeted financial education increases confidence and participation in investments, particularly in mutual funds, insurance, and retirement plans (Hilgert, Hogarth, & Beverly, 2003; Lusardi & Mitchell, 2014). Thus, promoting investment literacy and accessible financial products is crucial for empowering association members to build wealth and enhance resilience against economic uncertainties. Interest rate changes are one of the most significant variables among macroeconomic ones that have an impact on corporate decision-making and the company's valuation. Being the main instrument of monetary policy, interest rates are the influencing factors of borrowing costs, investment attractiveness, and the overall market liquidity.

## **MATERIALS AND METHODS**

### **Research Design**

This study employed a descriptive–correlational research design to examine the financial management practices of community-based enterprise association members in the southern municipalities of Oriental Mindoro. The data were analyzed using frequencies, weighted means, and percentages to describe the respondents' profiles and financial management practices, while Pearson's  $r$  was applied to determine the correlations among the different financial management domains.

### **Participants**

The respondents consisted of thirty-two (32) community-based enterprise association members from ten (10) registered associations located in the southern municipalities of Oriental Mindoro. They were housewives, retired government employees, small entrepreneurs, fishermen, and other self-employed individuals.

### **Instrument**

The study adopted and modified the survey instrument developed by Melendres (2024) where in 4 aspects of

financial management practices were highlighted. It consisted of items on savings and budgeting, credit and debt management, social security and financial risk management, and investing practices. The questionnaire included response choices that allowed participants to indicate the extent of their practice or agreement.

**Procedure**

The data were gathered through the distribution and administration of survey-questionnaire. Each respondent was guided to answer the survey questionnaire to ensure

the reliability of their answers. Each respondent takes 15 to 20 minutes to answer the questionnaire. All the data gathered were recorded by the researchers in a tally sheet. The researchers also had selected follow-up interviews to triangulate their response from the survey questionnaire.

**Data Analysis**

A 4-point Likert Scale was used to quantify the respondent's response composed of numerical scale, statistical limits and verbal description as shown in Table 1. Table 1. Numerical Scale, Statistical Limit and Description.

**Table 1:** Numerical Scale, Statistical Limit and Description

| Numerical Scale | Statistical Limit | Verbal Description                              |
|-----------------|-------------------|---|
|                 |                   | <b>Extent of Financial Management Practices</b> |
| 4               | 3.50 – 4.00       | Very High Level                                 |
| 3               | 2.50 – 3.49       | High Level                                      |
| 2               | 1.50 – 2.49       | Low Level                                       |
| 1               | 1.00 – 1.49       | Very Low Level                                  |

Data were described and analyzed using both descriptive and inferential statistical tools as follows: (1) Frequency and Percentage were employed to present the profile of association members according to gender, civil status, education, household size, income sources, income bracket, and organizational or institutional membership; (2) Weighted Mean was applied to determine the level of financial management practices in the areas of savings and budgeting, credit and debt management, social security and financial risk management, and investing practices; and (3) Pearson's r was utilized to examine the significant relationships among the different domains of financial management practices. Correlation analysis

was conducted to identify the strength and direction of associations between the variables under study. The researchers used JAMOVI to analyze the correlations. JAMOVI is a free, open-source statistical software designed to make data analysis simple and user-friendly.

**RESULTS AND DISCUSSION**

**Profile of Selected Community-Based Enterprise Association Members**

Table 2. presents the detailed profile of the selected community-based enterprise association members in Southern Oriental Mindoro

Table 2 presents the demographic profile of the selected

**Table 2:** Profile of Selected Association Members in Southern Oriental Mindoro

| Profile                       | Population Distribution | Percentage |
|-------------------------------|-------------------------|------------|
| a. Gender                     |                         |            |
| Female                        | 24                      | 75         |
| Male                          | 8                       | 25         |
| b. Civil Status               |                         |            |
| Widow                         | 5                       | 15.6       |
| Married                       | 21                      | 65.6       |
| Single                        | 3                       | 9.4        |
| LI                            | 3                       | 9.4        |
| c. Education                  |                         |            |
| 3                             | 4                       | 15.6       |
| 4                             | 12                      | 37.5       |
| 5                             | 7                       | 21.9       |
| 6                             | 8                       | 25         |
| d. Number of Household Member |                         |            |
| 9                             | 2                       | 6.3        |
| 8                             | 3                       | 9.4        |
| 7                             | 1                       | 3.1        |

|                              |    |      |
|------------------------------|----|------|
| 6                            | 4  | 12.5 |
| 5                            | 3  | 9.4  |
| 4                            | 10 | 31.3 |
| 3                            | 4  | 12.5 |
| 2                            | 5  | 15.6 |
| e. No. of Income Sources     |    |      |
| 3                            | 3  | 9.4  |
| 2                            | 8  | 25   |
| 1                            | 21 | 65.6 |
| f. Income Bracket            |    |      |
| Below 10,000                 | 20 | 62.5 |
| 10,000 – 20,000              | 8  | 25   |
| 20,001 - 30,000              | 4  | 12.5 |
| g. No. of Org./FI Membership |    |      |
| 4                            | 2  | 6.3  |
| 3                            | 6  | 18.8 |
| 2                            | 7  | 21.9 |
| 1                            | 17 | 53.1 |

association members in Southern Oriental Mindoro. The results show that the majority of respondents were women (75%), highlighting their central role in both household and association-based financial management. Most members were married (65.6%), reflecting the family-oriented nature of community associations. In terms of education, the largest group had attained only the elementary level (37.5%), suggesting limited formal education which may affect financial literacy and decision-making. Regarding household size, the most common number of members was four (31.3%), indicating small to medium-sized families. A significant proportion of respondents reported having only one source of income (65.6%), typically from unstable or seasonal livelihood

activities. Furthermore, 62.5% earned below Php 10,000 monthly, emphasizing the financial vulnerability of many households. Finally, over half of the members (53.1%) were affiliated with only one financial institution, pointing to minimal exposure to formal financial services. This profile underscores that association members are largely women with modest educational backgrounds, dependent on limited income sources, and with restricted access to multiple financial institutions. Such characteristics likely influence their financial management practices, particularly in savings, credit utilization, and investment opportunities.

### Financial Management Practices in Savings and Budgeting

**Table 3:** Savings and Budgeting

| Indicators   | Weighted Mean | Verbal Description |
|--|---------------|--------------------|
| 1. Plans a budget for personal and business expenses.                                  | 3.00          | High Level         |
| 2. Follows the set budget for personal needs and investments or business.              | 2.94          | High Level         |
| 3. Sets aside a certain amount of money to save before spending.                       | 2.66          | High Level         |
| 4. Uses a bank, microfinance, or cooperative to save money.                            | 2.88          | High Level         |
| 5. Saves money for business expenses.  | 2.88          | High Level         |
| 6. Saves money for unexpected needs.   | 2.91          | High Level         |
| 7. Saves for important needs like education, building a house, buying a car, and more. | 3.22          | High Level         |
| 8. Saves on other resources like electricity, food, water, and similar things.         | 3.06          | High Level         |
| <b>Overall Mean</b>  | <b>2.94</b>   | <b>High Level</b>  |

Findings indicate that members generally demonstrate a high level of financial management practices in savings and budgeting (overall mean = 2.94). Respondents most often saved for long-term needs such as education, housing, or vehicle purchases (WM = 3.22), which

aligns with Encio *et al.* (2022) and Ganti (2021), who emphasized that future-oriented saving strengthens household resilience. Budget planning (WM = 3.00) and adherence to budgets (WM = 2.94) suggest awareness of structured financial

management, consistent with Butt, Hunjra, and Rehman (2010), who found that effective budgeting contributes to improved financial performance. However, the lowest score was for setting aside money before spending (WM = 2.66), indicating difficulties in practicing proactive saving—a gap also observed by Lusardi and Mitchell (2014). These results suggest that while members recognize the value of saving and budgeting, their practices are

not yet consistent, and their engagement with formal financial institutions remains limited. This highlights the importance of targeted financial literacy programs that can strengthen proactive saving behavior.

**Financial Management Practices in Social Security and Risk Management**

Respondents reported a low level of engagement in social

**Table 4:** Social Security and Risk Management Practices

| Indicators   | Weighted Mean | Verbal Description |
|--|---------------|--------------------|
| 1. Registered with SSS or GSIS.  | 2.44          | Low Level          |
| 2. Regularly pays contributions to SSS or GSIS.  | 1.94          | Low Level          |
| 3. Has other retirement or pension funds besides SSS or GSIS.                                  | 1.78          | Low Level          |
| 4. Regularly pays contributions to PhilHealth.   | 2.25          | Low Level          |
| 5. Has other health insurance besides PhilHealth.  | 1.97          | Low Level          |
| 6. Is currently paying or has finished paying for life insurance.                              | 2.28          | Low Level          |
| 7. Has insurance for business, personal, or real property like home, vehicle, or other assets. | 1.94          | Low Level          |
| 8. Avoids paying late for contributions to SSS, GSIS, or insurance.                            | 2.19          | Low Level          |
| <b>Overall Mean</b>  | <b>2.10</b>   | <b>Low Level</b>   |

security and risk management practices (overall mean = 2.10). The highest indicator was registration with SSS/GSIS (WM = 2.44). However, irregular contribution payments (WM = 1.94) and limited ownership of pension or health insurance (WM = 1.78–1.97) were common. These findings mirror Clark, Lusardi, and Mitchell’s (2017) observations that low financial literacy often results in inadequate retirement preparedness. Similarly, Baxter (2001) emphasized that social security is a vital financial asset, yet it is frequently neglected. The respondents’ minimal participation suggests a heavy

reliance on short-term coping mechanisms rather than long-term protection strategies.

This highlights a significant gap in financial risk management knowledge and practice, underscoring the need for awareness programs that emphasize the benefits of consistent contributions and diversified insurance coverage to ensure greater financial stability.

**Financial Management Practices in Credit/Debt Management**

Respondents exhibited a high level of credit and debt

**Table 5:** Credit/Debt Management

| Indicators  | Weighted Mean | Verbal Description |
|---|---------------|--------------------|
| 1. Comparing and calculating the interest rates of different lenders.   | 2.72          | High Level         |
| 2. Assessing the ability to pay before borrowing.   | 3.22          | High Level         |
| 3. Taking loans with lower interest or charges.   | 2.81          | High Level         |
| 4. Borrowing or taking a loan for more important needs or investments.  | 2.84          | High Level         |
| 5. Paying on or before the due date to get discounts or avoid penalties.  | 3.38          | High Level         |
| 6. Borrowing from legitimate financial institutions such as banks, microfinance, or cooperatives instead of informal lenders (e.g., 5/6). | 2.91          | High Level         |
| 7. Selling unused assets or properties to pay off loans or debts.   | 1.38          | Very Low Level     |
| 8. Borrowing or taking out more than one loan at the same time.   | 1.78          | Low level          |
| <b>Overall Mean</b>   | <b>2.63</b>   | <b>High Level</b>  |

management practices (overall mean = 2.75). The most common practices included paying loans on or before the due date (WM = 3.38) and assessing repayment capacity before borrowing (WM = 3.22). These indicate awareness of responsible borrowing, echoing Hidajat and Hamdani’s (2017) emphasis on the importance of proper debt management to avoid insolvency.

However, low scores were observed for practices such as selling assets to repay debts (WM = 1.38) and borrowing from multiple sources simultaneously (WM = 1.78), reflecting vulnerability to debt traps. While some respondents reported borrowing from legitimate institutions (WM = 2.91), reliance on informal lenders remains a concern, consistent with Lusardi and Mitchell’s

(2014) findings that low financial literacy often leads to risky borrowing behaviors. These results suggest that although members show discipline in repayment, gaps remain in preventing over-indebtedness and maximizing the benefits of formal financial credit

options. Strengthening financial literacy programs can further improve responsible borrowing decisions and reduce dependence on informal lending systems.

**Financial Management Practices in Investing**

**Table 6:** Investing Practices

| Indicators  | Weighted Mean | Verbal Description |
|---|---------------|--------------------|
| 1. Calculating and considering the profit or benefit in purchasing properties or equipment for business.                                  | 2.91          | High Level         |
| 2. Having investments such as share capital in cooperatives or corporations, time deposits, mutual funds, or unit trust investment funds. | 2.41          | Low Level          |
| 3. Lending money for interest or commission.  | 1.56          | Low Level          |
| 4. Investing in other income-generating businesses.   | 2.34          | Low Level          |
| 5. Investing in facilities or buildings for business (such as a production area) or livelihood.   | 1.75          | Low Level          |
| 6. Buying or developing agricultural land for business.   | 1.81          | Low Level          |
| 7. Invested in facilities or buildings for business (such as a production area) or other livelihood.                                      | 1.75          | Low Level          |
| 8. Purchased or developed land property for business.   | 1.81          | Low Level          |
| <b>Overall Mean</b>   | <b>2.04</b>   | <b>Low Level</b>   |

The study revealed that members have a low level of engagement in investment practices (overall mean = 2.04). The highest-rated activities were evaluating profitability before acquiring assets (WM = 2.91) and investing in education or training (WM = 2.81). This reflects an appreciation for practical, skill-oriented investments, aligning with Acs, Autio, and Szerb's (2014) assertion that knowledge and entrepreneurial investments support competitiveness. In contrast, practices such as lending money for interest (WM = 1.56), property development (WM = 1.81), and establishing business facilities (WM = 1.75) were least

common. These findings are consistent with Van Rooij, Lusardi, and Alessie (2011) and Bodie, Kane, and Marcus (2018), who reported that limited financial literacy and lack of exposure restrict individuals from exploring broader investment opportunities. The results show that members prioritize low-risk, livelihood-related investments but remain hesitant to engage in more formal or long-term ventures. This calls for financial literacy initiatives that introduce safe, accessible, and practical investment options tailored to rural communities.

**Table 7:** Summary of Findings on Financial Management Practices of Association Members

| Domain                       | Overall Mean | Interpretation | Key Implication  |
|------------------------------|--------------|----------------|--|
| Savings and Budgeting        | 2.94         | High           | Members practice structured budgeting and long-term saving, but proactive saving and formal financial engagement remain limited.     |
| Social Security & Risk Mgmt. | 2.10         | Low            | Minimal participation in social protection schemes indicates vulnerability to future risks and lack of long-term financial security. |
| Credit & Debt Management     | 2.63         | High           | Members are generally responsible in borrowing and repayment but remain at risk of debt traps due to reliance on informal lending.   |
| Investment Practices         | 2.20         | Low            | Respondents value practical, low-risk investments but hesitate to engage in long-term or formal investment opportunities.            |

The results show that among the four areas of financial literacy practices, savings and budgeting are the strongest practices of the members. In contrast, social security and investment practices are the weakest, pointing to limited preparation for long-term stability. Credit and debt management was found to be at a high level, reflecting responsible repayment habits but also revealing gaps in preventing over-indebtedness and making the most of available financial opportunities.

These summary of findings emphasize the importance of financial literacy programs that not only strengthen day-to-day money management but also encourage long-term planning and wealth-building for greater security and growth.

**Correlation Analysis Among Budgeting and Savings, Social Security and Financial Risk Management, Credit/Debt Management, and Investing**

**Table 8:** Correlation Matrix

|                       | Budgeting and Savings | Social Sec & FR Mgt | Credit/Debt Mgt | Investing |
|-----------------------|-----------------------|---------------------|-----------------|-----------|
| Budgeting and Savings | —                     |                     |                 |           |
| Social Sec & FR Mgt   | 0.192                 | —                   |                 |           |
| Credit/Debt Mgt       | 0.410*                | 0.195               | —               |           |
| Investing             | 0.385*                | 0.375*              | 0.655***        | —         |

Note. \* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

The correlation analysis revealed significant relationships among the four domains of financial management. Budgeting and savings showed a moderate positive correlation with credit and debt management ( $r = 0.410$ ,  $p < .05$ ) and with investing practices ( $r = 0.385$ ,  $p < .05$ ). This indicates that individuals who plan and save effectively are also more likely to manage debt responsibly and consider investment opportunities. These findings are consistent with Encio *et al.* (2022) and Ganti (2021), who emphasized that disciplined savings behavior fosters financial stability and future-oriented decision-making.

Investing practices also correlated significantly with social security and financial risk management ( $r = 0.375$ ,  $p < .05$ ), suggesting that members who invest tend to value long-term financial protection. This supports Clark, Lusardi, and Mitchell (2017), who noted that financial literacy enhances both retirement planning and wealth-building decisions.

The strongest relationship was observed between credit and debt management and investing practices ( $r = 0.655$ ,  $p < .001$ ), indicating that responsible debt management creates opportunities for members to engage in business expansion or other investments. This aligns with Hidajat and Hamdani (2017), who highlighted that efficient credit use enables sustainable entrepreneurial growth.

The correlations demonstrate that budgeting, debt management, and investing are interlinked practices, while social security remains relatively isolated with weaker associations. This underscores the need to integrate financial education across all domains to build comprehensive literacy among association members.

### CONCLUSION

This study found that majority of community-based enterprise association members in Southern Oriental Mindoro have low level of financial literacy. They showed strength in managing credit and debts but low engagement to social security programs and making investments. The results also showed that budgeting and savings are connected with both credit management and investing, while the strongest link was between credit management and investing. This means that while members can manage their short-term needs, they are still vulnerable when it comes to long-term financial security. Therefore, the financial education interventions shall be addressing regular saving habits, awareness and engagement to social security programs and investments. These efforts may help members become more financially

resilient and support the sustainable development of their communities.

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