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Financial Literacy, Budgeting Practices, and Financial Stability Among Working Mothers: A Correlational Study

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ABSTRACT

This study examined the relationship between financial literacy, budgeting practices, and financial stability among working mothers in the Third District of Bukidnon, Philippines. A quantitative descriptive-correlational research design was employed involving 420 working mothers selected through proportionate stratified random sampling. Data were collected using a structured and validated survey questionnaire with excellent internal consistency (Cronbach's $\alpha = .982$). Financial literacy was assessed through the dimensions of financial knowledge, financial skills, and financial attitude, while budgeting practices were measured in terms of income allocation, expense tracking, and savings and financial planning. Financial stability was evaluated through solvency, resilience, and financial security. Respondents demonstrated high financial literacy, consistently practiced sound budgeting, and reported a high level of financial stability. Pearson's product-moment DOI: https://doi.org/10.54536/jcbmm.v2i1 correlation analysis revealed significant positive relationships between financial literacy and financial stability ($r = .562$, $p < .001$) and between budgeting practices and financial stability ($r = .716$, $p < .001$), with budgeting practices exhibiting the stronger association. All dimensions of financial literacy and budgeting practices were likewise significantly associated with financial stability. These results affirm that financial literacy and budgeting practices are significant correlates of financial stability among working mothers. Strengthening financial education and practical budgeting programs through collaborative initiatives among government agencies, employers, financial institutions, educational institutions, and community organizations may further enhance the long-term financial well-being of working mothers and their families.

INTRODUCTION

In the last few years, financial instability among households has become an issue of significant concern across the world, especially in developing countries. Economic instability has resulted in increased costs of living, high inflation rates, and uncertainty in economies in general. As a result, many families have had problems paying their bills, saving money, and preparing for emergencies. Although many countries have increased access to financial services, a large percentage of the population remains financially vulnerable because they lack the knowledge to make proper financial choices and manage their finances effectively (Demirgüç-Kunt *et al.*, 2022; Organisation for Economic Co-operation and Development [OECD], 2023). Financial vulnerability remains a major issue in the Philippines despite positive developments in financial inclusion. Because of the increasing number of transaction accounts and the expanded use of digital financial services, many Filipinos have gained greater access to the formal financial system (Bangko Sentral ng Pilipinas [BSP], 2024). Nevertheless, this does not imply that financial inclusion leads to financial well-being. It has been highlighted that some individuals still lack responsible borrowing practices, saving behavior, financial planning, and financial resilience (BSP, 2026). Hence, it is evident that the implementation of financial inclusion practices cannot guarantee a significant improvement in the financial stability of those who participate in such programs. Additionally, there is a need to strengthen financial capability and responsible financial management practices among the Filipino population. This issue is especially pertinent for working mothers since they have the dual burden of earning an income and managing their household finances. These financial demands must be balanced with financial literacy and budgeting skills in order to survive difficult financial times. Working mothers are one of the most important populations that need to be studied to gain a greater understanding of household financial behavior. They not only contribute to household income but also manage their families' financial resources and make key financial decisions. Unfortunately, the pressures of work and family may limit opportunities for financial planning, leading to increased financial stress. Women, in general, have less financial resilience as a result of their caregiving responsibilities and the existing gender gap in financial literacy (OECD, 2023). Financial wellness is determined not only by the amount of income an individual earns but also by the ability to manage financial resources effectively (Consumer Financial Protection Bureau [CFPB], 2017). It has been documented that financial literacy remains one of the significant contributors to successful financial decision-making. Financial literacy is comprised of different aspects, such as knowledge, attitudes, and skills,

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that help individuals make informed financial decisions (OECD, 2020). It is well known that a higher level of financial literacy leads to the development of positive financial behavior. Financial literacy is associated with well-developed financial behaviors, like saving money, managing debts, and making rational financial decisions, especially during uncertain times (Morgan & Long, 2020; OECD, 2023; Sehrawat *et al.*, 2021). Active engagement in financial literacy practices, coupled with a positive financial mindset, enables individuals to translate financial knowledge into practice (Utkarsh *et al.*, 2020). Similarly, Magbitang *et al.* (2023) found that financial literacy and financial awareness significantly influence financial attitude and acceptance of financial innovations among Filipino workers, highlighting the importance of financial literacy in shaping responsible financial behavior. Among the different behaviors that individuals engage in, budgeting practices play a very significant role and ARE practices that every person should adopt in their daily life. The ongoing practice of budgeting enables individuals to manage THEIR finances, track income, track the income and expenditure, and manage financial resources that are important for future needs (Xiao & O'Niell, 2016). Study findings indicate that consistent implementation of budgeting leads to positive financial behavior, saving habits, debt management, and financial discipline (Bamforth *et al.*, 2018; Sabri *et al.*, 2022). Budgeting practices also enhance INDIVIDUALS' resilience not only to financial difficulties but also to unexpected financial challenges that may arise from borrowing and external factors. A financially stable individual is able to absorb these shocks without compromising their financial well-being and that of their family (CFPB, 2017). Although there have been a number of studies on financial literacy and budgeting, these studies have often focused on either of the two variables or on groups such as students, employees, or households in general. Only a limited number of studies have examined the relationship among financial literacy, budgeting practices, and financial stability specifically among working mothers, particularly in provincial areas of the Philippines. Moreover, there is limited empirical evidence on the financial experiences of working mothers in Bukidnon, where they balance employment with household financial responsibilities. This study addresses these research gaps by examining the relationship among financial literacy, budgeting practices, and financial stability among working mothers in the Third District of Bukidnon. The findings provide context-specific evidence that may support the development of financial education programs, workplace financial wellness initiatives, and policy recommendations aimed at improving the financial well-being of working mothers and their families.

LITERATURE REVIEW

Theoretical Framework

This study is anchored on Financial Capability Theory (Sherraden, 2013), Household Finance Theory (Campbell, 2006), and the Financial Capability Framework (OECD, 2020). These theories and frameworks provide the theoretical foundation of the study by explaining how financial literacy equips individuals to make informed financial decisions, how budgeting practices translate financial knowledge into responsible financial behavior, and how these behaviors contribute to the financial stability of working mothers. The primary theoretical foundation of this study is Financial Capability Theory (Sherraden, 2013). The theory posits that achieving financial well-being depends not only on possessing financial knowledge but also on the ability to apply that knowledge in everyday financial decisions and behaviors. Financial capability reflects an individual's capacity to understand financial concepts, make informed choices, and consistently practice responsible financial management. Individuals become financially capable when they possess both financial competence and the ability to translate that competence into effective financial actions. This theoretical perspective is supported by empirical evidence showing that individuals with higher levels of financial capability generally achieve better financial outcomes and are less vulnerable to financial distress (Koomson *et al.*, 2023). In this study, financial literacy represents the cognitive dimension of financial capability. It encompasses financial knowledge, financial skills, and financial attitudes, which enable working mothers to understand financial concepts, evaluate financial alternatives, and make informed decisions regarding budgeting, saving, debt management, and financial planning. Budgeting practices, on the other hand, represent the behavioral dimension of financial capability, reflected in income allocation, expense tracking, and savings and financial planning. Supporting this perspective, Xiao and O'Neill (2016) emphasized that financial capability is demonstrated through financial behaviors such as budgeting, saving, and expense monitoring. These behaviors illustrate how individuals apply their financial knowledge and skills in managing household resources, regulating spending, and planning for future financial needs. Accordingly, effective budgeting practices enable working mothers to maximize limited financial resources, balance competing household responsibilities, and pursue both short-term financial obligations and long-term financial goals. Financial stability represents the outcome of financial capability. It is reflected in an individual's ability to meet financial obligations, maintain financial resilience during periods of financial difficulty, and achieve long-term financial security. Consistent with the principles of Financial Capability Theory, working mothers with higher levels of financial literacy and responsible budgeting practices are expected to achieve greater financial stability. Therefore, Financial Capability Theory serves as the principal theoretical foundation of this study by explaining how financial literacy develops financial capability, budgeting practices represent the application of that capability, and financial stability emerges as the outcome of effective financial management. While Financial Capability Theory explains how financial literacy is translated into financial behavior, Household Finance Theory (Campbell, 2006) provides additional insight into how households make financial decisions under conditions of limited resources, uncertainty, and financial risk. The theory emphasizes that household financial outcomes depend not only on income but also on how financial resources are managed through saving, spending, borrowing, and investment decisions. Households with similar income levels may experience different levels of financial stability because of differences in financial decision-making and resource management. In the context of this study, working mothers continuously make financial decisions regarding household expenditures, savings, and financial planning while balancing employment and family responsibilities. Household Finance Theory therefore reinforces the importance of sound budgeting practices in promoting financial stability despite financial constraints. Complementing these theories is the Financial Capability Framework developed by the OECD (2020), which emphasizes that financial well-being is achieved through the interaction of financial knowledge, financial skills, financial attitudes, and responsible financial behavior. The framework recognizes that financial literacy alone is insufficient to improve financial outcomes unless it is translated into consistent financial practices. Individuals with adequate financial knowledge and positive financial attitudes are more likely to engage in responsible financial behaviors such as budgeting, monitoring expenses, saving regularly, and planning for future financial needs. These behaviors strengthen financial resilience and improve long-term financial well-being. In the context of this study, the framework reinforces the role of budgeting practices as the behavioral mechanism through which financial literacy contributes to the financial stability of working mothers. The integration of these theories and framework provides a comprehensive explanation of the relationships among the study variables. Financial Capability Theory explains how financial literacy develops an individual's capability to make informed financial decisions. Household Finance Theory demonstrates how these decisions are applied within the realities of household financial management, where limited resources, competing financial demands, and economic uncertainty require effective budgeting and prudent financial planning. The OECD Financial Capability Framework further emphasizes that financial knowledge, skills, and attitudes must be translated into responsible financial behaviors to achieve positive financial outcomes. Collectively, these theories and framework provide the theoretical basis for this study by explaining that financial literacy equips working mothers with the capability to make informed financial decisions, budgeting practices serve as the behavioral mechanism through which these capabilities are applied, and financial stability represents the outcome of effective financial management. Consequently, working mothers who possess higher levels of financial literacy and consistently practice sound budgeting behaviors are expected to demonstrate greater financial stability, as reflected in their ability to meet financial obligations, withstand unexpected financial shocks, and maintain long-term financial security.

Financial Literacy

The growing complexity of financial systems and the continuing changes in economic conditions have made financial literacy an essential competency for individuals and households. Financial literacy is understood as the combination of financial knowledge, skills, attitudes, and behaviors that individuals use to make informed decisions for sustainable financial life. Financial literacy does not only refer to how knowledgeable a certain how knowledgeable a certain individual is about finances finances, but also focuses on how much they are able to apply their knowledge in practice (OECD, 2022; OECD, 2023). As financial products and services become increasingly sophisticated, individuals are expected to assume greater responsibility for managing their personal finances. Financial literacy has become a critical factor influencing financial planning, decision-making, and responsible financial behavior. Individuals with stronger financial competencies are more likely to access the market for financial services, evaluate available options, and make appropriate financial choices that support long-term financial security (Garg & Sing, 2018; Goyal & Kumar, 2021). Financial literacy also supports effective budgeting, saving, borrowing, investing, insurance management, and retirement planning, allowing individuals to choose from a wide variety of financial options (Lusardi & Messy, 2023). On the other hand, inadequate financial literacy increases AN individual's susceptibility to poor financial decisions, high levels of debts, and insecurity (Hasan *et al.*, 2021). A vast body of literature indicates that financially literate individuals tend to exhibit desirable financial behaviors. Individuals with higher levels of financial literacy are more likely to create budgets regularly, consistently save money, and make sound borrowing decisions, among other positive financial behaviors. These practices contribute to effective financial management over time (Lusardi & Mitchell, 2023). Similarly, a recent Philippine study among minimum wage earners found that respondents generally demonstrated high levels of financial literacy, with financial knowledge and financial behavior scoring higher than financial attitude, emphasizing the importance of strengthening practical financial attitudes and long-term financial planning (Antoque *et al.*, 2026). Despite the growing availability of financial services, many individuals still experience difficulties using this knowledge effectively (Demirgüç-Kunt *et al.*, 2022). In addition, individuals with higher levels of financial literacy tend to be more careful in their spending, keep their household budgets in check, and prepare for future needs, enabling them to manage their finances effectively in the long run (Andarsari & Ningtyas, 2019; OECD, 2023). From the evidence obtained from different countries, it can be concluded that financial literacy is an important factor in helping individuals make sound choices about their finances. Studies conducted in OECD countries indicate that higher levels of financial literacy are associated with better planning (Nogueira *et al.*, 2025). Financial literacy is essential for an individuals' ability to manage finances effectively in the short term and throughout life. As a result, individuals are less likely to experience financial crises because they engage in positive financial behaviors that help them better manage their finances. In addition to being financially literate, individuals are more likely to apply their financial knowledge by engaging in prudent budgeting, saving money, managing debt, and planning for the future (Lusardi & Streeter, 2023). The importance of financial literacy, however, extends beyond knowing how to manage money on a daily basis. It allows individuals to assess available financial products, understand financial risk, and translate their financial knowledge into action (Gomes *et al.*, 2021). Nevertheless, it should be kept in mind that having particular knowledge alone does not guarantee good financial outcomes OR positive financial attitudes. The ability to put knowledge into practice is equally important, as the concept of "knowledge" itself can be interpreted in various ways depending on individual perceptions. Proper behavior also matters (Potrich *et al.*, 2018). Demographic and socio-economic conditions have an impact on individuals' financial literacy, as educational level, socio-economic status, and income are often among the primary factors that determine how well an individual learns about financial matters and acquires practical financial knowledge (Rehman & Mia, 2024). These factors are especially important for working mothers, as their financial decisions are influenced by both employment conditions and family circumstances. There is also substantial evidence supporting the relationship between financial literacy, household resilience, and financial inclusion. Thus, individuals who are financially literate experience fewer difficulties in accessing and using formal financial services (Lusardi & Streeter, 2023). This is especially significant for vulnerable groups, particularly low-income households and women, as it enhances their capacity to manage their finances and cope with economic difficulties (Hidalgo-Mayorga *et al.*, 2025; OECD, 2023). Despite the increasing access to a wide range of financial services in the Philippines, many individuals still have difficulty using financial information in their everyday activities (BSP, 2023). This situation highlights the continuing need to improve the financial literacy of working women so that they are capable of managing their families' finances in a responsible way (UN Women, 2023).

Budgeting Practices

Budgeting practices involve the planned process of allocating, monitoring, and assessing the financial resources of a particular period in order to make sure that individuals' income is utilized accordingly and that they are able to fulfill their financial commitments. Budgeting is a very important aspect of financial capability and allows individuals to manage their finances in a more organized manner, put priorities where they are needed, restrict the spending of unnecessary funds, set up savings, and also plan for the future expenses. As a practical tool, budgeting can be viewed as the use of financial knowledge, financial skills, and financial attitudes to achieve financial objectives and promote long-term financial well-being (OECD, 2023). The importance of budgeting is consistently emphasized in studies examining financial competence. Those individuals who devote some time to budgeting are generally more capable of controlling their expenses and saving more money. In addition, budgeting allows individuals to align their income, expenditures, and financial priorities, which can contribute to the financial discipline of the person (Xiao & Porto, 2017). The studies indicate that budgeting helps individuals improve their financial satisfaction, as individuals, who frequently monitor their finances and distribute their resources according to the priorities developed, become more disciplined, financially responsible, and financially stable (O'Neill *et al.*, 2017). Financial education serves as a basis for budgeting process development, as it enables individuals to apply their knowledge of financing in practice, namely through budgeting, saving, and financial planning (Kaiser *et al.*, 2022). Thus, budgeting is a critical tool for individuals to translate financial literacy into responsible financial behavior. Moreover, budgeting not only enhances the management of daily financial affairs, it bolsters financial resilience as well. Individuals who understand how to use a budget and stick to it, monitor their income and expenditure, and apply controlled spending programs are in a position to meet unexpected financial demands and face times of economic uncertainty. In other words, proper management practice through budgeting increases households' abilities to prepare for emergencies, absorb financial losses, and overcome difficult economic situations (Liu *et al.*, 2024). The degree of success in using budgeting techniques is determined by the financial knowledge, financial skills, and financial attitudes of individuals. Financial knowledge includes one's ability to identify priorities regarding finances, the set of financial skills is essential in order to use budgets in practice, and a strong positive attitude ensures the necessary discipline in applying budgeting practices. All these components work together to ensure that an individual can manage his or her finances properly and achieve the desired results (Dewi *et al.*, 2020). Budgeting is particularly critical for households with numerous financial obligations and limited resources. By applying budgeting principles, families achieve a balance between consumption today and saving for the future. Although financial inclusion has improved, many families still find it difficult to use budgeting techniques, track expenses, and save consistently. Accordingly, such families remain vulnerable to financial distress (Demirguc-Kunt *et al.*, 2022). Similar issues exist in the Philippines, where many families experience budgeting difficulties because of financial limitations (BSP, 2023). These financial challenges are very important for working mothers because they have to deal with the management of their jobs and the maintenance of household finances. In addition to providing income, individuals have responsibilities such as allocating their limited budgets for food, housing, healthcare, children's education, transportation, emergencies, and other basic needs of the family. Women still have to take up a large share of unpaid caregiving and household duties, but they do work in the labor market, and budgeting thus becomes essential in order to effectively manage their finances (UN Women, 2023). Through careful planning of spending, controlling the household budget, avoiding unnecessary expenditures, and being prepared for future requirements, working mothers are able to ensure the financial well-being of their households and reduce their financial stress.

Financial Stability

Financial stability is defined as the ability of households to manage their financial resources efficiently, thereby meeting financial obligations on time and handling economic emergencies without risking household bankruptcy. It is widely recognized as an important benchmark of household financial capacity because it reflects the extent to which households have access to financial resources and can sustain that condition over time. Household financial stability is closely linked to the concept of household financial resilience, which refers to the ability of households to absorb financial shocks and recover from difficult situations while maintaining long-term financial stability (OECD, 2020; OECD, 2023). According to various studies, financial stability should not be viewed merely as a function of available income. Rather, it is a multidimensional construct shaped by financial capability, responsible financial behavior, and sound financial management. Long-term household financial stability requires prudent financial decision-making, efficient resource allocation, and the ability to adapt to changing economic conditions while minimizing financial risks (Ozili & Iorember, 2024). Individuals with higher levels of financial literacy are generally better equipped to make informed financial decisions, manage debt responsibly, accumulate savings, and strengthen long-term financial security (Lusardi & Mitchell, 2023). These competencies are particularly important for working mothers, whose financial stability depends on balancing employment responsibilities with household financial management (Demirgüç-Kunt *et al.*, 2022; Gomes *et al.*, 2021). Based on empirical studies, financial stability depends on the adoption of consistent financial practices and responsible financial behaviors. Practices such as budgeting, regular saving, responsible spending, and financial planning positively influence financial stability (Zebua *et al.*, 2021). Financial literacy also enables households to strengthen their resilience through improved risk management and precautionary savings (Liu *et al.*, 2024). Consequently, consistent budgeting and financial planning serve as important mechanisms through which households achieve greater financial resilience and long-term financial well-being (OECD, 2023). Moreover, the importance of budgeting and financial planning lies in their contribution to household financial resilience. Financial stability is closely associated with resilience, whereby families that practice responsible financial management are better able to remain financially secure during periods of crisis (Voznyak *et al.*, 2022). Consequently, financial stability enables households to recover from adverse financial situations without losing their financial balance (Ozili & Iorember, 2024). Additionally, financially stable households not only strengthen their own financial well-being but also contribute to national economic development. Families that manage their financial resources effectively are better able to withstand economic crises and support a sustainable economy. In contrast, household debt that exceeds income, unstable income, and income inequality increase vulnerability to economic shocks and weaken households' capacity to respond to financial crises and achieve long-term financial security (Leclaire, 2023; Magwedere & Marozva, 2023). This issue is particularly important for mothers working in both the formal and informal sectors. They carry the dual responsibility of serving as income earners while also acting as the primary caregivers of their families. In addition, mothers manage household expenditures, support their children's education, address healthcare needs, and prepare for future family obligations. Although women actively participate in the workforce, they continue to shoulder a significant share of unpaid household and childcare responsibilities, which limits their capacity to save and constrains them economically (UN Women, 2023). In this context, strengthening women's financial literacy and budgeting practices is essential. Financial stability is achieved not only through earning a steady income but also through applying sound financial management practices, including budgeting, saving, responsible spending, financial planning, and risk management. Employment provides mothers with a reliable source of income, enabling them to meet their current financial needs, build financial reserves, and prepare for unexpected financial situations (Wu & Wan, 2023). These practices help working mothers strengthen their households' financial security and promote long-term financial well-being (Yani & Purwanti, 2024).

Solvency

Solvency implies that an individual or household has sufficient income to meet and fulfill financial obligations, including day-to-day expenses such as food, housing, utilities, education, and healthcare. It is a key aspect of household financial well-being because the ability to meet financial obligations reduces stress, prevents debt accumulation, and promotes long-term financial security. Solvency is an indicator of financial capacity and reflects how efficiently financial resources are managed to meet both present and future obligations (OECD, 2020; OECD, 2023). Numerous studies have concluded that solvency is a crucial component of financial health and sustainable household finance. Individuals with stable income, responsible financial behavior, and sound financial management are better able to manage their household finances, thereby increasing the likelihood of achieving financial stability (Jureviciene *et al.*, 2016). Likewise, households that manage their financial resources effectively tend to have greater financial stability because they have more available financial resources and are better prepared for unexpected financial difficulties (Lee & Kim, 2016). Financial competence is another important factor contributing to household solvency. Individuals with adequate financial knowledge understand the importance of borrowing responsibly and repaying debts on time (Lusardi & Mitchell, 2019). In addition, financial practices such as budgeting, expense tracking, and financial planning improve solvency by promoting the efficient management of income and expenses. As a result, the likelihood of missed payments decreases, thereby strengthening household financial stability (Xiao & O'Neill, 2016; Klapper *et al.*, 2016). Debt management is another essential factor affecting household solvency. Excessive debt, unstable income, and limited financial resources make households more vulnerable to financial difficulties and less able to meet their financial obligations. Responsible borrowing and sustainable debt management help individuals avoid financial vulnerability and promote long-term financial stability (Noerhidajati *et al.*, 2021; Li *et al.*, 2023). Conversely, high levels of household debt weaken financial resilience by reducing households' ability to cope with economic shocks and unexpected financial obligations (Van Bekkum *et al.*, 2019; Van Bekkum *et al.*, 2024). Solvency involves more than simply earning sufficient income. Individuals must make sound financial decisions, prioritize essential expenses, avoid unnecessary debt, and manage their financial obligations responsibly to remain solvent. By consistently applying these financial practices, households are better able to meet their financial obligations (Svensson, 2024). This is particularly important for financially vulnerable households because delayed payments and inadequate preparation for future expenses increase financial stress (World Bank, 2022). Household solvency is especially important for working mothers, who often balance numerous financial responsibilities while earning income for their families. Maintaining solvency during periods of financial difficulty is a critical aspect of household financial stability. Financial resilience can be strengthened through proper financial planning, consistent saving practices, and access to appropriate financial instruments that help households cope with difficult situations (OECD, 2020; OECD, 2023).

MATERIALS AND METHODS

This study employed a quantitative descriptive-correlational research design to examine the relationship among financial literacy, budgeting practices, and financial stability among working mothers in the Third District of Bukidnon, Philippines (Creswell & Creswell, 2023). A total of 420 working mothers were selected through proportionate stratified random sampling, with the eight municipalities in the Third District serving as the strata to ensure proportional representation. The sample size was determined using Cochran's formula at a 95% confidence level and a 5% margin of error. The computed sample size was further verified using the Raosoft Sample Size Calculator, which indicated a minimum sample size of 385 respondents. To account for possible non-responses, incomplete questionnaires, and invalid responses, the sample size was increased to 420 respondents. Data were collected using a structured, self-administered questionnaire consisting of four sections: respondent profile; financial literacy (financial knowledge, financial skills, and financial attitude), budgeting practices (income allocation, expense tracking, and savings and financial planning), and financial stability (solvency, resilience, and financial security). Responses were measured on a five-point Likert scale (5 = Strongly Agree, 4 = Agree, 3 = Moderately Agree, 2 = Disagree, and 1 = Strongly Disagree). Mean scores were interpreted as follows: 4.51-5.00 = Highly Literate/Highly Practiced/Highly Stable; 3.51-4.50 = Literate/Practiced/Stable; 2.51- 3.50 = Moderately Literate/ Moderately Practiced/ Moderately Stable; 1.51- 2.50 = Less Literate/ Less Practiced/ Less Stable; 1.00 - 1.50 = Illiterate/ Not Practiced/ Not Stable. Prior to data collection, the instrument underwent expert content validation and was pilot-tested among 30 working mothers who were excluded from the final sample. The pilot test demonstrated excellent internal consistency, yielding Cronbach's alpha coefficients of 0.926 for financial literacy, 0.964 for budgeting practices, and 0.977 for financial stability, with an overall reliability coefficient of 0.982, indicating that the instrument was highly reliable (Taber, 2018). Following the approval of the required research permits, printed questionnaires were personally administered to eligible respondents after informed consent had been obtained. Completed questionnaires were checked for completeness before the data were coded and encoded into SPSS for analysis. Frequency and percentage distribution were used to describe the respondents' demographic characteristics, while weighted means were computed to determine the levels of financial literacy, budgeting practices, and financial stability. Pearson's product-moment correlation coefficient was used to examine the relationships among the study variables at the 0.05 level of significance. Ethical principles were strictly observed throughout the study. The study protocol was submitted for ethical review to Institutional Ethics Review Committee (IERC) of Central Mindanao University. Participation was voluntary, and informed consent was obtained from all respondents prior to data collection. Respondents were informed of the purpose of the study, their right to refuse or withdraw from participation at any time without penalty, and the

confidentiality and anonymity of the information they provided. All data were handled in accordance with the Data Privacy Act of 2012 (Republic Act No. 10173) and were used solely for academic and research purposes
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RESULTS AND DISCUSSIONS

Table 2 presents the demographic profile of the 420 working mothers who participated in the study according to age, educational attainment, civil status, number of dependents, employment sector, employment status, and monthly household income. The respondents were predominantly within their economically productive years, with the largest proportion aged 31–40 years (33.3%), followed by those aged 41–50 years (29.8%) and 21–30 years (19.3%). Most of the respondents were college graduates (70.5%), married (65.0%), and had one (33.1%) or two dependents (32.4%), indicating that many were at a stage of life characterized by greater family and financial responsibilities. The majority were employed in the government sector (83.8%), with job order employees (35.5%) and regular employees (34.3%) comprising the largest employment classifications. Despite relatively stable employment, nearly half of the respondents (44.5%) reported a monthly household income below ₱10,000, while 28.1% earned between ₱10,001 and ₱20,000, suggesting that many working mothers continue

Table 1: Demographic Profile of Working Mothers

Demographic Profile		**Frequency (N)**	**Percentage (%)**
Age	21-30	81	19.3
	31-40	140	33.3
	41-50	125	29.8
	51-60	59	14.0
	Above 60 years old	15	3.6
Total		420	100.0
Educational Attainment	High School	72	17.1
	Vocational	15	3.6
	College Graduate	296	70.5
	Master's Graduate	20	4.8
	Doctorate Graduate	1	0.2
	Others	16	3.8
Total		420	100.0
Civil Status	Single	44	10.5
	Married	273	65.0
	Separated	17	4.0
	Widowed	37	8.8
	Divorced	0	0
	Annulled	0	0
	Live-in/Cohabiting	46	11.0
	Others	3	0.7
Total		420	100.0
Number of Dependents	1	139	33.1
	2	136	32.4
	3	98	23.3
	4	30	7.1
	5	11	2.6
	6	3	0.7
	7	2	0.5
	8	1	0.2
Total		420	100.0
Employment Sector	Government	352	83.8
	Private	68	16.2
Total		420	100.00

Employment Status	Full-time	44	10.5
	Part-time	4	1.0
	Contractual	31	7.4
	Casual	31	7.4
	Probationary	1	0.2
	Regular/Permanent	144	34.3
	Job Order/Project-based	149	35.5
	Temporary	3	0.7
	Others	13	3.1
Total		420	100.0
Household Income	Below 10,000	187	44.5
	10,001-20,000	118	28.1
	20,001-30,000	65	15.5
	Above 30,000	50	11.9
Total		420	100.0

to manage household financial responsibilities despite limited financial resources.

The demographic profile indicates that the respondents balance employment and family responsibilities under relatively modest income conditions, making financial literacy and sound budgeting important for maintaining financial stability. Previous studies have shown that socio-demographic characteristics—including age, educational attainment, household responsibilities, employment status, and household income—are associated with financial behavior and financial well-being. Age and educational attainment contribute to the development of financial literacy by enhancing individuals' ability to understand financial matters and make informed financial decisions (Rehman & Mia, 2024; Wagner, 2019). Likewise, family responsibilities require effective budgeting and financial planning to meet household obligations, while women often shoulder a substantial share of unpaid caregiving responsibilities that may limit their financial opportunities (World Bank, 2022). Employment status and household income are also associated with an individual's ability to build financial resources, cope with financial difficulties, and maintain financial stability (Rehman & Mia, 2024). Furthermore, individuals with higher levels of financial literacy are more likely to engage in positive financial behaviors, such as saving consistently and making informed financial decisions (OECD, 2023).

Financial Literacy

As shown in Table 2, the respondents demonstrated a high level of financial literacy, with an overall mean of 4.38 ("Agree/Literate"). Among its three dimensions, financial knowledge obtained the highest mean (4.50), followed by financial attitude (4.47) and financial skills (4.15), all interpreted as Literate These findings suggest that the respondents possessed adequate financial knowledge, practical skills, and positive financial attitudes necessary to manage household finances and make informed financial decisions while balancing employment and family responsibilities. The high ratings for financial knowledge and financial attitude indicate that the respondents have a strong understanding of essential financial concepts and recognize the importance of budgeting, saving, and planning for future financial needs. However, although financial skills were likewise rated as Literate, their comparatively lower mean suggests that applying financial knowledge in everyday financial management, particularly in budgeting, expense tracking, and the use of financial management tools, remains an area for improvement.

Table 2: Financial Literacy of Working Mothers

INDICATORS	Mean	Descriptive Rating	Qualitative Interpretation
Financial Knowledge	4.50	Agree	Literate
Financial Skills	4.15	Agree	Literate
Financial Attitude	4.47	Agree	Literate
Overall Mean	4.38	Agree	Literate

These findings are consistent with previous studies emphasizing that financial literacy encompasses not only financial knowledge but also the attitudes and skills necessary for effective financial management (OECD, 2023). The present findings are likewise consistent with Antoque *et al.* (2026), who reported that Filipino minimum wage earners generally exhibited high levels of financial literacy, although financial attitude received comparatively lower ratings than financial knowledge and financial behavior. This suggests that financial education should focus not only on improving financial knowledge but also on strengthening practical financial behaviors that support long-term financial well-being. Individuals with higher levels of financial literacy are more likely to engage in responsible financial behaviors, such as budgeting, saving, prudent borrowing, and long-term financial planning, which contribute to improved financial well-being (Lusardi & Mitchell, 2023). Financial literacy also enhances individuals' ability to evaluate financial products, make informed financial decisions, and manage financial risks, thereby strengthening household financial resilience (Hasan *et al.*, 2021; Liu *et al.*, 2024; Nogueira *et al.*, 2025). Moreover, positive financial attitudes encourage disciplined saving and responsible financial behavior, further supporting long-term financial stability (Widjaja *et al.*, 2020).

Budgeting Practices

Table 3 summarizes the budgeting practices of the working mothers. The respondents demonstrated an overall mean of 4.04, interpreted as "Agree" and qualitatively described as "Practiced." Among the three dimensions, income allocation recorded the highest mean (4.26), followed by savings and financial planning (3.99), and expense tracking (3.86), with all dimensions falling under the Practiced category. These findings indicate that the respondents were more consistent in allocating their income to essential needs, savings, and financial obligations than in regularly monitoring and recording their daily expenditures. The comparatively lower rating for expense tracking suggests opportunities to strengthen this practice, which may help working mothers make more informed spending decisions and improve day-to-day money management.

Table 3: Budgeting Practices

INDICATORS	Mean	Descriptive Rating	Qualitative Interpretation
Income Allocation	4.26	Agree	Practiced
Expense Tracking	3.86	Agree	Practiced
Savings and Financial Planning	3.99	Agree	Practiced
Overall Mean	4.04	Agree	Practiced

The findings align with prior research, which identifies systematic budgeting as a fundamental financial management practice that enables individuals to allocate resources effectively, control expenditures, strengthen saving behavior, and achieve financial goals (Xiao & O'Neill, 2016). Budgeting also improves individuals' understanding of their income and expenses, thereby supporting more informed financial decision-making (O'Neill *et al.*, 2017). As a practical application of financial literacy, budgeting facilitates efficient resource allocation, spending control, and financial stability (OECD, 2023). Furthermore, financial literacy encourages the application of financial knowledge through budgeting and financial planning, while consistent budgeting practices enhance households' capacity to prepare for financial risks and manage unexpected expenses (Kaiser *et al.*, 2022; Liu *et al.*, 2024).

Financial Stability

Table 4 presents the overall financial stability of the working mothers. The respondents obtained an overall mean of 3.79, interpreted as "Agree" and qualitatively described as "Stable." Among the three dimensions, solvency recorded the highest mean (3.88), followed by resilience (3.76) and financial security (3.74), with all dimensions falling within the Stable category. These findings indicate that the respondents were generally capable of meeting their current financial obligations and managing their day-to-day finances. However, the comparatively lower mean scores for resilience and financial security suggest that preparedness for unexpected emergencies and long-term economic security could be further strengthened. This pattern implies that meeting present financial commitments does not necessarily correspond to a high level of readiness for future uncertainties, underscoring the importance of emergency savings and long-term financial planning among working mothers. These findings are consistent with previous research emphasizing that effective financial management, including budgeting, regular saving, expenditure control, and financial planning, is associated with greater financial stability and households' ability to meet financial obligations and withstand financial shocks (Zebua *et al.*, 2021).

Table 4: Financial Stability

INDICATORS	Mean	Descriptive Rating	Qualitative Interpretation
Solvency	3.88	Agree	Stable
Resilience	3.76	Agree	Stable
Financial Security	3.74	Agree	Stable
Overall Mean	3.79	Agree	Stable

Likewise, the OECD (2023) emphasized that consistent financial management practices are associated with stronger financial resilience and long-term financial well-being. Similar studies have also shown that financial literacy is associated with households' capacity to manage financial risks and prepare for unexpected events, while stable employment is related to improved financial security through better expense management, higher savings, and reduced financial vulnerability (Liu *et al.*, 2024; Ozili & Iorember, 2024).

Correlation Analysis of Financial Literacy, Budgeting Practices, and Financial Stability

Likewise, all dimensions of the independent variables were significantly associated with financial stability. Among the dimensions of financial literacy, financial skills showed the strongest relationship with financial stability (r = .611), followed by financial attitude (r = .404) and financial knowledge (r = .332). Similarly, among the dimensions of budgeting practices, savings and financial planning exhibited the strongest relationship with financial stability (r = .712), followed by expense tracking (r = .606) and income allocation (r = .574). Overall, the findings indicate that working mothers with higher levels of financial literacy and more consistent budgeting practices tended to report greater financial stability. The stronger association observed for budgeting practices suggests that day-to-day financial management behaviors were more closely related to financial stability than financial literacy alone.

These findings are consistent with previous studies showing that financial literacy is associated with informed financial decision-making, responsible financial behavior, and improved financial well-being (Lusardi & Mitchell, 2023). Individuals with higher levels of financial literacy are generally better equipped to manage financial resources, prepare budgets, build savings, and plan for future financial needs, thereby strengthening their financial resilience (Lusardi & Streeter, 2023). Likewise, budgeting practices, including effective income allocation, regular expense tracking, and savings and financial planning, are associated with greater financial capability, improved financial resilience, and long-term financial stability (OECD, 2023; Kaiser *et al.*, 2022; Kaiser & Lusardi, 2024). The statistically significant positive correlation coefficients indicate that higher levels of financial literacy and more effective budgeting practices were associated with greater financial stability among the working mothers included in this study, leading to the rejection of the null hypothesis.

Table 5: Correlation analysis of financial literacy, budgeting practices, and financial stability

Independent Variables Correlated with Financial Stability	Correlation Coefficient	p-value
Financial Literacy	0.562**	< 0.001
Financial Knowledge	0.332**	< 0.001
Financial Skills	0.611**	< 0.001
Financial Attitudes	0.404**	< 0.001
Budgeting Practices	0.716**	< 0.001
Income Allocation	0.574**	< 0.001
Expense Tracking	0.606**	< 0.001
Savings and Financial Planning	0.712**	< 0.001

***Correlation is significant at the 0.01 level (2-tailed)*

CONCLUSIONS

This study concludes that working mothers in the Third District of Bukidnon generally possess high levels of financial literacy, practice sound budgeting behaviors, and demonstrate a generally stable level of financial well-being. While financial knowledge and financial attitude received relatively higher ratings, financial skills obtained comparatively lower ratings, indicating opportunities to strengthen the practical application of financial knowledge. Likewise, respondents consistently allocated their income and engaged in savings and financial planning, although expense tracking was practiced less consistently. Although the respondents generally exhibited financial stability, the relatively lower ratings for resilience and financial security suggest the need to further strengthen emergency preparedness and long-term financial planning. The findings further establish that financial literacy and budgeting practices were both significantly and positively associated with financial stability, with budgeting practices demonstrating the stronger relationship. Among the dimensions examined, financial skills showed the strongest association with financial stability among the financial literacy dimensions, while savings and financial planning exhibited the strongest association among the budgeting practice dimensions. These findings highlight the importance of practical financial capability, suggesting that the consistent application of financial knowledge through effective budgeting and financial planning is more closely associated with financial stability than financial knowledge alone. This study provides empirical support for Financial Capability Theory by demonstrating that financial stability is associated not only with financial knowledge but also with the practical application of sound financial behaviors. The findings offer useful insights for government agencies, employers, financial institutions, educational institutions, and community organizations in developing financial education and workplace financial wellness programs that strengthen budgeting skills, encourage savings and financial planning, and promote the long-term financial well-being of working mothers and their families. Considering that this study employed a cross-sectional, self-report design and was limited to working mothers in the Third District of Bukidnon, the findings should be interpreted within these contexts and cannot be used to infer causal relationships or generalized to other populations. Future studies may include respondents from other geographic areas, employ longitudinal or mixed-methods approaches, and examine additional factors that may be associated with the financial stability of working mothers.

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