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FINANCIAL LITERACY, BEHAVIOR AND CHALLENGES OF PARENTS FROM LOW-INCOME HOUSEHOLDS

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ABSTRACT

This study examined the financial literacy, financial behavior, and financial challenges of parents from low-income households in Cabisera 6-24, San Antonio, Ilagan City, Isabela. It aimed to describe the respondents' profile, determine their levels of financial literacy and financial behavior, identify the financial challenges they experience, test significant differences when grouped according to profile variables, and examine the relationships among literacy, behavior, and challenges. A mixed-methods research design was employed, combining quantitative and qualitative approaches through survey questionnaires and narrative responses. The study involved 50 parents who were beneficiaries of the Pantawid Pamilyang Pilipino Program (4Ps), most of whom were female, middle-aged, engaged in farming, and earning low monthly incomes. Findings revealed that the respondents were generally literate in savings and budgeting but less literate in investing. Their financial behavior was moderate in terms of purchasing, bill payment, and long-term financial goal setting. They also experienced moderate financial challenges, with healthcare, nutrition, and educational expenses identified as the most difficult burdens. Statistical analysis showed that age had a significant effect on financial literacy and financial behavior, while sex, number of children, income, loans, and other profile variables showed no significant differences. Furthermore, financial literacy, financial behavior, and financial challenges were found to be significantly related. The study concluded that although low-income parents possess basic financial awareness, limited income, low participation in investments, and restricted access to formal financial services continue to hinder their financial stability. The findings highlight the need for targeted financial education, accessible financial services, and livelihood support programs.

Keywords: *financial literacy, financial behavior, low-income households, parents, financial challenges*

INTRODUCTION

Financial literacy is a critical life skill that enables individuals to make informed decisions about managing their finances, achieving financial stability and securing their economic future. However, for parents from low-income households, financial literacy can be a significant challenge. Despite its importance, research has shown that many low-income households lack access to financial education and resources, leading to financial exclusion and vulnerability. This thesis explores the financial literacy, behavior and challenges of parents from low-income households, shedding light on the complex relationship between financial knowledge attitudes, and practices in this population. Globally, millions of parents from low-income households face significant financial challenges that impact their economic stability and well-being. Financial literacy, which encompasses knowledge, attitudes, and behaviors related to personal finance, is crucial for navigating these challenges. However, research suggests that many low-income parents lack access to financial education and resources, leading to financial exclusion and vulnerability. This can result in poor financial decision-making, debt, and limited economic opportunities. Understanding the financial literacy, behavior, and challenges of parents from low-income households is essential for developing effective policies and interventions that support their financial inclusion and economic mobility. This study aims to contribute to this understanding, shedding light on the complex financial realities faced by low-income parents worldwide.

In the Philippines, many parents from low-income households face significant financial challenges that impact their economic stability and well-being. Despite the country's growing economy, financial literacy remains a major concern, particularly among low-income households. Limited access to financial education and resources can lead to poor financial decision-making, debt, and limited economic opportunities. Parents from low-income households in the Philippines often struggle to make ends meet, prioritize needs over wants, and plan for the future. This study aims to explore the financial literacy, behavior, and challenges of parents from low-income households in the Philippines, providing insights into the complex financial realities they face and informing policies and interventions that support their financial inclusion and economic mobility. According to the Bangko Sentral ng Pilipinas (BSP) (2020), financial literacy is a key driver of financial inclusion and economic growth in the Philippines.

According to Philippines Statistics Authority (PSA) (2023), Region 2 (Cagayan Valley) has a poverty incidence of 15.4% and decreased of 16.8% in 2018,with many households struggling to access basic financial services. In many communities across the Philippines, low-income households continue to face persistent financial difficulties that limit their ability to meet daily needs and achieve long-term stability. Parents, who are at the center of household decision-making, often struggle with budgeting, saving, and managing limited financial resources. Despite various government assistance programs and community-based initiatives, financial challenges remain prevalent, especially among families whose income is only enough for basic survival.

In local barangays and municipalities, it is common for parents to rely on informal loans, debts from sari-sari stores, or borrowing from relatives when unexpected expenses arise. These practices highlight the strong link between financial literacy and financial behavior, as parents with limited knowledge in budgeting, saving, and responsible borrowing are more vulnerable to financial stress. Furthermore, local observations show that many parents lack formal exposure to financial education, which affects how they plan, prioritize expenses, and manage financial risks.

The researcher interested in financial literacy and economic empowerment, is passionate about understanding the financial literacy, behavior, and challenges of parents from low-income households. Her personal experience and observations have shown that many families struggle to make ends meet, manage debt, and plan for the future due to limited financial knowledge and resources. This study aims to contribute to the existing body of research on financial literacy and economic mobility, with a specific focus on the experiences and challenges of low-income parents. Through this research, the researcher hopes to gain a deeper understanding of the complex financial realities faced by these families and identify potential solutions to support their financial stability and well-being. This study is significant because it aims to contribute to the development of effective policies and interventions that can promote financial literacy and improve economic prospects of parents from low-income households. The study findings will provide valuable insights for policymakers, financial institutions and other stakeholders seeking to promote financial literacy and reduce poverty and inequality.

Research Questions

This study aimed to investigate the financial literacy, behavior, and challenges of parents from low-income households.

Specifically, this research sought to answer the following questions:

1. What is the profile of the respondents in terms of:
    a. Age
    b. Sex
    c. Number of children
    d. Financial Status
        (1) Monthly Income
        (2) Source of Income
        (3) ATM
        (4) Loans
2. What is the financial literacy status of the respondents in terms of :
    a. Savings
    b. Budgeting

c. Investing?

3. Is there a significant difference in the financial literacy of the respondents when grouped according to profile?

4. What is the financial behavior of the respondents in terms of:

   a. Purchasing
   b. Payment of Bills
   c. Long term Financial Goal?

5. Is there a significant difference in the financial behavior of the respondents when grouped according to profile?

6. What are the financial challenges faced by the respondents from low-income households?

7. Is there a significant difference in the financial challenges of the respondent when grouped according to profile?

8. Is there a significant relationship between and among financial literacy, behavior and challenges of parents from low-income household?

METHODOLOGY

Research Design

This study employs a mixed-methods research design, combining quantitative and qualitative approaches to investigate the financial literacy, behavior, and challenges of parents from low-income households. The quantitative component involves collecting numerical data through surveys or questionnaires, allowing for the identification of trends, patterns, and correlations. The qualitative component involves collecting narrative data through interviews or focus groups, providing rich insights into the lived experiences, perspectives, and behaviors of low-income parents. By integrating both approaches, this study aims to provide a comprehensive and nuanced understanding of the financial experiences of low-income parents, shedding light on the complexities of their financial lives and informing the development of effective interventions and policies. Qualitative research design allows to gather in -depth insights into parents experiences, perceptions, and attitudes toward involvement in their child's education through interview.

Locale of the Study

This study was conducted in Cabisera 6-24, San Antonio, Ilagan City, Isabela, a rural area predominantly inhabited by farmers and fishermen. Cabeseria 6 & 24, formerly Villa Marcos, is a barangay in the city of Ilagan, in the province of Isabela. Its population as determined by the 2020 Census was 1,181. This represented 0.75 percent of the total population of Ilagan.

Selection and Description of Respondents

This study focuses on the 4Ps (Pantawid Pamilyang Pilipino Program) beneficiaries in Cabisera 6-24, San Antonio, Ilagan City, Isabela. The 4Ps program, a conditional cash transfer initiative, aims to support the well-being of poor households. By targeting 4Ps beneficiaries, this study explored the financial literacy, behavior, and challenges of low-income households in a specific rural context.

The study involved 50 4Ps households in Cabisera 6-24, San Antonio, Ilagan City, Isabela. These households primarily rely on farming and fishing as their main sources of income. The study aims to investigate their financial experiences, challenges, and opportunities, providing insights into the financial lives of low-income households in this rural area. By understanding their financial behaviors and needs, this study can inform the development of targeted interventions and policies to support their financial stability and mobility. The table below shows the distribution of respondents.

Table 1
Respondents of the study

Purok	Frequency	Percentage
Purok 1	9	18
Purok 2	9	18
Purok 3	9	18
Purok 4	8	16
Purok 5	6	12
Purok 6	5	10
Purok 7	4	8
Total	50	100

Data Gathering Procedure

To conduct this study on financial literacy, behavior and challenges of parents from low-income households in Cabisera 6-24, San Antonio Ilagan, Isabela, a series of steps were undertaken to gather data. First, permission was sought form the from Brgy. Captain of Cabisera 6-24 San Antonio, Ilagan, Isabela. Respondents from low-income households, were oriented on the objectives and its potential benefits to the community. After obtaining permission, the questionnaire was administered in a way that is convenient for the respondents and did not disrupt their regular activities.

The data-gathering procedure was conducted with utmost respect for the respondents' rights and dignity. Respondents were informed of the purpose and scope of the study, and the assured that their participation is voluntary and confidential. The data gathering procedure was conducted following the principles of informed consent, confidentiality, and privacy.

Statistical Treatment of Data

The following tools were used to investigate the financial literacy, behavior and challenges of parents from low-income households.:

Frequency and Percentage Counts. This was used to determine the profile of the respondents in terms of the age, sex, number of children and financial status.

Weighted Mean. This was used to determine the the financial literacy status of the Respondents; the financial behavior of the respondents; and, financial challenges faced by the respondents from low-income households.

Single Factor ANOVA. This was employed to identify whether there was a significant difference in the financial literacy of the respondent when group according to profile; significant difference in the financial behavior of the respondents when group according to profile; and, significant difference in the financial challenges of the respondent when group according to profile.

Pearson's Coefficient of Correlation r – test. This was employed to determine the significant relationship between and among financial literacy, behavior and challenges of parents from low-income household.

RESULTS AND DISCUSSION

1. What is the profile of the Respondents in terms of:
a. Age

Table 3
Frequency and Percentage Distribution of Respondents When Grouped According to Age

Age	Frequency	Percentage
27-33	5	10
34-40	9	18
41-47	16	32
48-54	14	28
55-above	6	12
Total	50	100

Table 3 shows that the distribution of respondents according to age. Most of the respondent belong to the 41-47 age bracket followed by those 48-54 years old. This indicates that most respondents are in their middle adulthood which is typically associated with financial responsibility and family support. According to Silvestre (2023), middle-aged adults view a well-lived life as one in which they are able to accomplish goals like raising a family and maintaining their spiritual stability. Taking care of a sick loved one and being able to meet the demands of the family and other significant individuals in their life are also common obligations and responsibilities. At this stage, parents usually prioritize household expenses, education of children, and savings, which directly relates to their financial behavior and decision-making skills. The diversity of ages also shows that financial literacy concerns cut across different stages of adulthood among low-income households.

b. Sex

Table 4
Frequency and Percentage Distribution of Respondents According to Sex

Sex	Frequency	Percentage
Female	45	90.0
Male	5	10.0
Total	50	100.0

Table 4 presents the frequency and percentage distribution of respondents according to sex. Out of 50 respondents, 45 or 90% are female and fiveor 10% are male. The data indicate that the study is dominated by mothers who play a major role in household financial management. In many low-income families, mothers are the ones handling the budget, savings, and basic financial decisions, especially in rural or community-based settings. This high representation of female respondents may also reflect their greater involvement in social welfare programs such as the 4Ps, where mothers are usually listed as the primary beneficiaries. Hence, their financial literacy and behaviour are essential in ensuring the efficient use of household income.

The findings of this study confirms the findings of Rahman et al. (2019) that women in low-income households are often the key decision-makers in budgeting and spending because they are directly involved in daily household management. Similarly, Lusardi and Mitchell (2021) noted that although women tend to have lower formal financial literacy scores than men, they usually demonstrate stronger practical financial behavior, such as prioritizing children’s education and household needs.

c. Number of Children

Table 5
Frequency and Percentage Distribution of the Respondents According to Number of Children

Number of children	Frequency	Percentage
1	2	4
2	15	30
3	12	24
4	7	14
5	9	18
6	3	6
7	2	4
Total	50	100

The table reveals that majority or 58 % of the respondents have one to three children and the rest have four to seven children.   This indicates that majority of the respondents have moderate-sized families, which significantly influences their financial responsibilities and spending behavior. The more dependents they have, the higher the demand for proper financial management to meet household needs such as food, education, and healthcare. Larger family size often poses a challenge to saving and budgeting, especially for low-income earners.

d. Financial Status

Table 6
Frequency and Percentage Distribution of Respondents According to Financial Status (Monthly Income)

Monthly Income	Frequency	Percentage
2,000-2,999	2	4
3,000-3,999	8	16
4,000-4,999	16	32
5,000-5,999	16	32
6,000 and above	8	16
Total	50	100.0

Table 6 represents frequency and percentage distribution of respondents according to Financial Status (Monthly Income).

In terms of income, the majority or 64 %of the respondents have a monthly income of 4,000-5,9999 and 20% have a monthly income of 2,000- 3,999.   Only a few have an income of 6,000 and above.   This data clearly shows that respondents belong to low-income households, living below the national poverty threshold. For 2023, the poverty threshold—the minimum income required for a family to meet the basic food and non-food requirements—was set at a national average of P13,873 per month, higher than the poverty ceiling of P11,998 in 2021.This means that to be considered poor, a family's monthly income should fall below the threshold (Philippine Statistics Authority, 2024).

With such limited income, their financial literacy and budgeting behavior become critical factors in how they manage daily needs and handle financial challenges. This also implies that financial resources are insufficient to cover essential expenses, often leading to reliance on government assistance or alternative income sources.

This finding supports the study of Lusardi and Mitchell (2021), which revealed that income level is strongly associated with financial literacy—individuals with higher and more stable income tend to have greater access to financial knowledge and services. Conversely, low-income earners, such as the respondents in this study, often exhibit lower levels of financial literacy because they focus on meeting immediate needs rather than long-term financial planning.

According to Lusardi and Mitchell, financial literacy tends to increase with age and experience, as adults acquire more exposure to financial responsibilities such as budgeting, saving, and household management. However, despite this advantage, studies on low-income households show that middle-aged parents still face financial challenges due to limited income and high family expenses. This supports the present study's findings where most respondents, though mature and experienced still struggle financially due to low monthly income and dependence on farming and government aid.

Previous studies show that low income directly affects financial literacy and behavior, limiting the ability of parents to save, budget effectively, or plan for future expenses. Despite possessing basic knowledge and financial awareness, income constraints remain a major challenge that hinders their financial stability and capacity to improve their living conditions.

e. Source of Income

Table 7
Frequency and Percentage Distribution of Respondents According to Source of Income

Source of Income	Frequency	Percentage
Farming	50	100.0

Table 7 shows the distribution of respondents according to source of income.All of the respondents rely on farming as their main source of income. This suggests that their earnings are seasonal and unstable, depending on weather conditions and harvest yields. Such income irregularity can directly affect saving habits, spending patterns, and financial security. Farmers from low-income households may find it difficult to plan long-term financially, emphasizing the need for financial education and support programs that promote stability and literacy among agricultural workers. Masdo and Panday's (2025) study shows that agriculture-based households are financially vulnerable due to unstable income and limited financial opportunities. Farmers are among the underserved community and often face difficulties to accessing financial services which hinders their ability to improve productivity, manage risks, and achieve economic resilience in the long term. Their study explored the financial inclusion among farmers in rural communities focusing on the challenges they encounter and their coping mechanisms to survive economic shocks and financial exclusion. This dependence affects their financial literacy and behavior, as irregular income makes budgeting and saving more difficult. The result highlights the need for financial education and livelihood diversification programs for farming families, so they can develop better financial management skills and achieve greater economic stability.

f. Other Source of Income (4Ps Subsidy)

Table 8
Frequency and Percentage Distribution of the Respondents According to Other Source of Fund (4PS Subsidy)

ATM	Frequency	Percentage
4P's	50	100.0

Table 8 shows that all of the 50 respondents are beneficiaries of the Pantawid Pamilyang Pilipino Program (4Ps). It is a social protection program of the government that provides conditional cash transfer to low-income families in the Philippines to improve their health, education and welfare. The cash assistance they receive from the 4Ps is channelled through individual ATM card. The amount they receive is an essential supplement to their limited income. However, it also highlights the importance of financial literacy, as the way beneficiaries manage and allocate their 4Ps cash grants can greatly affect their household well-being. Proper financial behavior ensures that funds are used for food, education, and other essential needs rather than non-essentials.

The study of Reyes, et al. (2018), on *"The Impact of the Pantawid Pamilyang Pilipino Program on Household Welfare,"* found that the 4Ps cash grants significantly help poor families reduce short-term poverty and improve children's school attendance and health conditions.

However, the study also noted that financial literacy plays a vital role in how beneficiaries manage and utilize the cash assistance effectively. In addition, DSWD explained that the 4Ps ATM system was designed not only to distribute financial aid but also to encourage beneficiaries to participate in formal financial systems, such as maintaining ATM cards and accessing basic banking services (Department of Social Welfare and Development, 2024).

g. Amount of Loan Availed

Table 9
Frequency and Percentage Distribution of Respondents According to Amount of Loan Availed

Amount of Loan	Frequency	Percentage
5,000.00	2	4.0
None	48	96.0
Total	50	100.0

The data shows that two respondents have availed of a ₱5,000 loan. Results of the informal interview reveal that most low-income parents avoid borrowing money, possibly due to their fear of debt, lack of access to formal credit institutions, or low repayment capacity. While this may prevent financial strain, it can also indicate limited financial inclusion, meaning that many respondents do not participate in banking or microfinance services that could help them manage or grow their income. According to Demirgüç-Kunt et al. (2002) in the *Global Findex Database Report*, adults in rural and low-income sectors are less likely to borrow from formal institutions and more likely to rely on informal sources or personal savings. The same pattern can be seen in the present study, where majority of the respondents prefer to live within their means rather than risk indebtedness.

The findings that only a small portion 4% of respondents have loans is consistent with studies showing that low-income parents often avoid borrowing due to fear of debt and lack of access to financial institutions. While this behavior helps them avoid financial risks, it also reflects low financial inclusion and missed opportunities for productive borrowing such as livelihood investments or education loans. These findings highlight the importance of financial literacy programs that include responsible borrowing education, helping low-income families understand how to manage credit wisely and use it as a tool for financial development rather than a source of burden.

2. What is the financial literacy status of the Respondents in terms of

Table 10
Financial Literacy Status of the Respondents In Relation to Savings

Items	Mean	Description
1. I believe that saving money is necessary.	4.41	Very Literate
2. I save a portion of my income regularly.	3.57	Literate
3. I can save despite having a low income.	3.61	Literate
4. I put up my savings on savings account, property, pension house of in collective investment scheme.	3.14	Moderately Literate
5. I put my investment and savings in banks because always trust financial institutions.	2.78	Moderately Literate
6. I am prepared to risk some of my own money, when saving or making an investment.	3.00	Moderately Literate
7. I truly see the importance in making savings.	3.73	Literate
Mean	3.46	Literate

Table 10 shows the financial literacy status of the respondents in relation to Savings.

The overall mean of 3.46 indicates that parents from low-income households have a moderate level of saving behavior. Respondents strongly agree that saving is necessary with mean of 4.41 and that they value the importance of saving with mean of 3.73. indicating that most respondents strongly agree with the statement. This shows that the respondents have a clear understanding of the importance of saving, which reflects a sound financial attitude and awareness. Recognizing the necessity of saving is a fundamental aspect of financial literacy. However, their actual practice of saving regularly and using formal savings accounts or investments is less frequent. They are less literate in putting their investment and savings in banks as shown by the mean of 2.78. This suggests that many respondents either disagree or are unsure about trusting financial institutions as a place for their savings and investments. Such hesitation indicates limited knowledge or confidence in formal financial systems, including banks and other financial institutions. This lack of trust reflects weaker financial understanding and decision-making, which explains why this item falls under the less literate category. This suggests that while parents understand the importance of saving, limited income restricts their capacity to do so. Many rely on informal or cash-based saving rather than bank accounts due to accessibility.

In the Philippine context, Punzalan and Leon-Gonzalez (2021) observed that low-income families save only when there is financial surplus, and that savings are usually kept at home rather than in banks. This aligns with the present study, where respondents exhibit a positive attitude but limited actual saving capacity.

Table 11
Financial Literacy Status of the Respondents In Terms of Budgeting

Budgeting	Mean	Description
1. I am aware of my monthly income and expenditure	4.00	Literate
2. I have a budget that I stick to	2.76	Moderately Literate
3. I set aside money each month for savings and future needs	3.18	Moderately Literate
4. I try to save something and spend the rest of the money on the everyday needs.	3.35	Moderately Literate
5. I spend money on the everyday needs and save the rest	3.29	Moderately Literate
6. I spend all the money on everyday needs and do not save anything	3.16	Moderately Literate
7. I am certain that if there is an emergency, I could access up to three months' worth of my household income	1.96	Less Literate
Mean	3.46	Literate

Table 11 represents the financial literacy of the respondents in terms of Budgeting. The overall mean of 3.46 indicates a moderate budgeting behavior. Respondents are aware of their income and expenses with a mean of 4.0, indicating that most respondents agree that they are conscious of how much they earn and how much they spend. This awareness reflects a strong grasp of basic budgeting principles, as knowing one's income and expenses is the foundation of effective financial planning and responsible money management. Hence, the respondents demonstrate adequate budgeting literacy in this aspect. However, only a few maintain and strictly follow a budget with a mean of 2.76. Their spending pattern shows that most prioritize daily needs and save only what remains, reflecting a reactive rather than planned financial approach. The low mean 1.96 for emergency preparedness reveals that most families lack sufficient savings to cover unexpected expenses, which is a common challenge among low-income households. Respondents said that they when there are emergencies, they could access up to three months' worth of my household income. This suggests that the majority of respondents disagree with the statement that they are not financially prepared to handle emergencies. The inability to access sufficient emergency funds reflects weak budgeting practices and a lack of long-term financial planning. This poor level of financial preparedness explains why the respondents have very low literacy along this item. In a study by Lewis and Messy (2012) low-income earners were found to budget primarily for short-term expenses, rarely engaging in long-term planning.

Table 12
Financial Literacy Status of the Respondents in Terms of Investing

Investing	Mean	Description
1. I invest an amount of money that exceeds my living of expenses	3.78	Literate
2. I invest in insurance companies	1.24	Very Lowly Literate
3. I invest in real states	1.22	Very Lowly Literate
4. I invest in shares or stocks and bonds	1.49	Very Lowly Literate
5. My current investment portfolio is diversified to balance the risks.	2.29	Less Literate
6. I consider the interest of the earnings before I invest	3.94	Literate
7. I ask suggestions from the experts before I invest	2.31	Less Literate
8. I believe that investing an amount of money that exceeded your monthly living is bad.	1.10	Very Low Literate
Mean	2.17	Less Literate

Table 12 shows the financial literacy status of the respondents in terms of Investing. The overall mean of 2.17 reveals a low level of investment behavior among respondents. While they acknowledge the importance of considering interest and earnings before investing, few actually engage in formal investment activities such as insurance, real estate, or stocks. This indicates that most parents lack investment knowledge, resources, and confidence, likely due to financial limitations.

According to Klapper et al. (2015), limited access to financial institutions and lack of understanding of investment risks contribute to low participation in investment markets among low-income groups. In the Philippine, investment literacy remains low among low-income parents, as many associate investing with risk and view it as an activity reserved for the wealthy. This is consistent with the findings of this study.

3. Is there a significant difference in the financial literacy of the respondent when grouped according to profile?

Table 13
Results on the Test of Significant Difference in the Financial Literacy of the Respondent when Grouped According to Their Profile

Profile	Significance F	Decision	Remarks
Age	.050	Reject Ho	Significant
Sex	.385	Accept Ho	Not Significant
Number of Children	.616	Accept Ho	Not Significant
Monthly Income	.409	Accept Ho	Not Significant
Source of Income	Cannot be Computed	None	Constant
Source of Fund	Cannot be Computed	None	Constant
Loans	.659	Accept Ho	Not Significant

Table 13 reveals the result of the test of significant difference in the financial literacy of the respondent when grouped according to profile using Analysis of Variance ANOVA F-test at .05 level of significance.

As shown, the significance F -values for profile sex, number of children, monthly income, source of income, ATM and Loans are greater than .05 which resulted to the acceptance of the null hypothesis. This mean that there is no significant difference in the financial literacy of the respondent when grouped according to their profile sex, number of children, monthly income, source of income, ATM and Loans. Thus, sex, number of children, monthly income, source of income, ATM and loans are variables that do not affect the financial literacy of the respondents.

For the age of the respondents, the significance F -value is equal to .05 which resulted to the rejection of the null hypothesis. This implies that there is a significant difference in the financial literacy of the respondent when grouped according to profile age. Thus, the age of the respondents affects significantly their financial literacy particularly those who are 29 years old in general.

Modern financial management relies on financial literacy, which affects investment decisions. To make smart savings, borrowing, and investment decisions in the increasingly complicated financial world, one must grasp and utilize financial facts. Younger investors' decisions have received attention as they become more interested in financial markets. Studies reveal financial competence, risk tolerance, and societal effect affect these choices. Traditional financial education and modern social influence create a unique atmosphere where new investors are informed and affected by multiple sources. This accessibility has raised concerns regarding impulsive and speculative investment methods, as younger investors may trade high-risk securities without fully understanding the hazard. While the financial literacy initiatives are performing well in their execution, more thorough study is needed to investigate their influence on young investing behavior. (Sharma et al., 2024)

4. What is the financial behavior of the respondents in terms of :
a. Purchasing

Table 14
Financial Behavior of the Respondents In Terms Of Purchasing Behavior

Purchasing Behavior	Mean	Description
1. I prioritize buying the items that are necessary	4.67	Very High
2. Before I buy something I carefully consider whether I .can afford it	3.55	High
3. I compare prices when shopping for major expenses	4.25	Very High
4. I use a spending plan or budget	4.29	Very High
5. I keep track of my expenditure and income	1.92	Low
6. When there are several similar products, I tend to buy what is recommended as the most selling products rather than what I actually think is a good product	1.92	Low
7. I understand the importance of resisting the temptation to spend the money on shopping	2.45	Low
Mean	3.46	Literate

Table 14 shows the financial behavior of the respondents in terms of Purchasing Behavior. The overall mean of 3.46 indicates a moderate level of purchasing behavior among respondents. Most parents exhibit practical and needs-based purchasing habits, as shown by the very high mean scores for prioritizing necessary items with mean of 4.67, using a budget with mean of 4.29 and comparing prices with mean of 4.25. These results suggest that the respondents are value-conscious consumers who focus on stretching their limited income. However, the relatively low means for keeping track of income and expenses with mean of 1.92 and resisting impulsive buying with mean of 2.45 imply that while they make smart choices, they may lack formal tracking systems or struggle with self-control in spending.

b. Timeliness of Bills Payment

Table 15
Financial Behavior of the Respondents According to Promptness and Timeliness of Bills Payment

Promptness and Timeliness of Bills Payment	Mean	Description
1. I pay my bills when they arrive	2.53	Low
2. I pay my bills until they are due	2.78	Moderate
3. I keep a close personal watch on my financial affairs	3.27	Moderate
Mean	2.86	Moderate

Table 15 reveals an overall mean of 2.86 which means that the respondents have low financial behavior in terms of bill payment. Although they keep close monitoring of their finances, many are unable to settle their bills immediately or before due dates. This result from irregular income flow, especially in farming-based households which are dependent on seasonal earnings or cash assistance. This finding indicates that timeliness in financial obligations is a challenge for many low-income parents, often due to competing priorities such as food, education, and daily needs.

c. Long -Term Financial Goals

Table 16
Financial Behavior of the Respondents According to Long -Term Financial Goals

Long-Term Financial Goals	Mean	Description
1. I set long term financial goals and strive to achieve them	3.37	Moderate
2. I believe that having financial goals is necessary	3.06	Moderate
3. I believe that having a long term, five plus year goals is necessary	3.10	Moderate
4. I set aside money for long investment	3.18	Moderate
Mean	3.18	Moderate

Table 16 shows the financial behavior of the respondents in terms of long-term financial goals. The overall mean of 3.18 indicates a moderate level of long-term financial planning among the respondents. They acknowledge the importance of setting financial goals and saving for future use, yet there may be gaps in consistent goal implementation due to financial constraints. This suggests that parents understand the value of future planning but often struggle to allocate sufficient funds beyond their daily needs.

5. Is there a significant difference in the financial behavior of the respondents when grouped according to profile?

Table 17
Results on the Test of Significant Difference in the Financial Behavior of the Respondent when Grouped According to Their Profile

Profile	Significance F	Decision	Remarks
Age (29)	.017	Reject Ho	Significant
Sex	.924	Accept Ho	Not Significant
Number of Children	.180	Accept Ho	Not Significant
Monthly Income	.567	Accept Ho	Not Significant
Source of Income	Cannot be Computed	None	Constant
ATM	Cannot be Computed	None	Constant
Loans	.361	Accept Ho	Not Significant

Table 17 reveals the result of the test of significant difference in the financial behavior of the respondent when grouped according to profile using Analysis of Variance ANOVA F-test at .05 level of significance.

As shown, the significance F -values for profile sex, number of children, monthly income, source of income, ATM and Loans are greater than .05 which resulted to the acceptance of the null hypothesis. Hence, there is no significant difference in the financial behavior of the respondent when grouped according to their profile sex, number of children, monthly income, source of income, ATM and Loans. This means that sex, number of children, monthly income, source of income, ATM and loans do not affect the financial behavior of the respondents.

On the contrary, age of the respondents yielded a significant F -value which is less than .05 which resulted to the rejection of the null hypothesis. This mean that there is a significant difference in the financial behavior of the respondent when grouped according to profile age, thus, the age of the respondents affects significantly their financial behavior particularly those who are 29 years old in general.

At this stage of life, individuals are often beginning to face greater financial responsibilities such as stable employment, independent living, family planning, or long-term financial goals. These experiences may strongly influence how they manage money, save, budget, and make financial decisions, resulting in a noticeable difference in financial behavior.

6.What are the financial challenges faced by the respondents from low-income households?

Table 18
Financial Challenges Faced by the Respondents from Low-Income Households

Financial Challenges	Mean	Description
1. Providing my children with adequate nutrition is significant challenge	4.25	Very Challenging
2. I worry about being able to afford my children school supplies and clothing	3.94	Challenging
3. Accessing quality healthcare for my children is difficult due to financial constraints	4.43	Very Challenging
4. I find it challenging to provide a safe and stable environment for my children	2.16	Less Challenging
5. I experience a great deal of stress due to financial difficulties	1.94	Less Challenging
Mean	3.35	Moderately Challenging

Table 18 presents the financial challenges experienced by the respondents. The overall mean of **3.35** indicates that the respondents **moderately experience financial challenges** in meeting their family's needs. This implies that although they manage to cope with basic household responsibilities, **financial constraints still pose difficulties**, especially in providing for their children's essential needs such as nutrition, education, and healthcare. Among the indicators, the highest mean of **4.43** was obtained for "*Accessing quality healthcare for my children is difficult due to financial constraints*", which implies that **health-related expenses are the most burdensome financial challenge** faced by the respondents. This is followed by "*Providing adequate nutrition*" with mean of 4.25 and *"Affording school supplies and clothing" with mean of* 3.94, indicating that **child welfare and education costs** are also significant areas of concern. On the other hand, *"Providing a safe and stable environment"* with mean of 2.16 and *"Experiencing stress due to financial difficulties"* with mean of 1.94 obtained the lowest means, implying that while respondents are aware of their limited financial capacity, **they have developed coping mechanisms and resilience** to manage their stress and maintain household stability despite economic hardship.

7. Is there a significant difference in the financial challenges of the respondent when group according to profile?

Table 19
Results on the Test of Significant Difference in the Financial Challenges of the Respondent when Grouped According to Their Profile

Profile	Significance F	Decision	Remarks
Age	.113	Accept Ho	Not Significant
Sex	.772	Accept Ho	Not Significant
Number of Children	.850	Accept Ho	Not Significant
Monthly Income	.504	Accept Ho	Not Significant
Source of Income	Cannot be Computed	None	Constant
ATM	Cannot be Computed	None	Constant
Loans	.624	Accept Ho	Not Significant

Table 19 reveals the result of the test of significant difference in the financial challenges of the respondent when grouped according to profile using Analysis of Variance ANOVA F-test at .05 level of significance. As shown, the significance F -values for profile age, sex, number of children, monthly income, source of income, ATM and Loans are greater than .05 which resulted to the acceptance of the null hypothesis. This mean that there is no significant difference in the financial challenges of the respondent when when grouped according to their profile sex, number of children, monthly income, source of income, ATM and Loans.

As individuals grow older, their financial responsibilities and priorities tend to change. Younger respondents tend to struggle with limited income or lack of financial experience, while older respondents tend to face challenges related to family obligations, long-term investments, or debt management.

8. Is there a significant relationship between and among financial literacy, behavior and challenges of parents from low-income household?

Table 20
Results of the Test of Significant Relationship Between and Among Financial Literacy, Behavior and Challenges of Parents from Low-Income Household

Group	Significance r	Decision	Remarks
Financial Literacy and Financial Behavior	.000	Reject Ho	Significant
Financial Literacy and Challenges	.020	Reject Ho	Significant
Financial Behavior and Challenges	.000	Reject Ho	Significant

Table 20 reveals the result of the test of significant relationship between and among financial literacy, behavior and challenges of parents from low-income household using Pearson's Coefficient of Correlation r-test at .05 level of significance.

As shown in the table, the significant r -values are less than .05 which resulted to the rejection of the null hypothesis. This means that financial literacy and financial behavior, financial literacy and challenges of parents from low-income household, and financial behavior and challenges of parents from low-income household are significantly related. Hence, financial literacy, financial behavior and challenges of parents from low-income household influence each other.

Financial literacy is significantly related to both financial behavior and financial challenges because it directly influences how individuals understand, manage, and respond to their financial situation. As shown in Table 20, the relationship between financial literacy and financial behavior is significant, with a significance value of .000, leading to the rejection of the null hypothesis. This indicates that parents from low-income households who possess higher financial literacy are more likely to practice positive financial behaviors, such as budgeting, saving, and making informed financial decisions. A better understanding of financial concepts enables individuals to translate knowledge into responsible financial actions. Similarly, the significant relationship between financial literacy and financial challenges $p = .020$ suggests that the level of financial knowledge affects how parents experience and manage financial difficulties. Parents with higher financial literacy are generally better equipped to anticipate expenses, plan for emergencies, and use available financial resources wisely, thereby reducing the severity of financial challenges. On the other hand, limited financial literacy may result in poor financial planning and increased vulnerability to financial stress. Moreover, the significant relationship between financial behavior and financial challenges $p = .000$ indicates that the way parents manage their finances has a direct impact on the challenges they face. Positive financial behaviors, such as consistent budgeting and saving, help mitigate financial problems, while poor financial behaviors can worsen financial difficulties. As a whole, the results show that financial literacy, financial behavior, and financial challenges are closely interconnected, where financial literacy influences behavior, and behavior in turn affects the level of financial challenges experienced by parents from low-income households.

Conclusions

Based on the findings, it can be concluded that parents from low income households demonstrate moderate financial literacy and financial behavior but face considerable financial challenges. While they are aware of the importance of saving and budgeting, their engagement in investments and long-term financial planning is low due to limited income, restricted access to financial institutions, and insufficient financial education. Age appears to influence financial literacy and behavior, with younger parents showing slightly better adaptability and financial awareness, whereas other demographic factors such as sex, number of children, and income have no significant effect. Financial challenges are largely uniform across respondents, with the most pressing concerns being access to healthcare, nutrition, and education, reflecting the struggle to meet basic family needs. Importantly, the study confirms a significant relationship among financial literacy, behavior, and challenges of Parents from low-Income Household

Recommendations

Based on the findings of the study, the following recommendations are forwarded:

1. Financial Education and Literacy Programs. The local government and DepEd should implement community-based program on saving, and responsible borrowing. Agricultural cooperatives and barangay councils could partner with financial institutions to offer simplified training for farmers on financial management and micro-investment options.

2. Strengthen 4Ps Financial Capability Components. Since all respondents are 4Ps beneficiaries, integrating mandatory financial literacy training into the program can ensure that cash transfers are used more effectively for long-term benefits (e.g., small savings, children's education funds).Encourage beneficiaries to maintain simple savings accounts to promote consistent saving habits.

3. Encourage Accessible Financial Services. Local banks and cooperatives should design financial products tailored for low-income earners, such as low-deposit savings, micro insurance, and small investment options. Implement mobile-based financial services to reach rural parents who have limited access to banks.

4. Promote Income Diversification. The LGU should provide skills training, livelihood programs, and agricultural productivity support to help families generate alternative sources of income. Encourage small home-based businesses and cooperatives to stabilize family income and reduce reliance on farming alone.

5. Support Health and Education Subsidies. Since healthcare and education were top financial challenges, LGUs and NGOs should strengthen health insurance enrollment, school supply drives, and nutrition programs. Provide affordable healthcare access in rural areas to reduce out-of-pocket medical costs.

6. Local and National Government. Policymakers should consider long-term financial inclusion programs for rural and low-income families, integrating education, livelihood, and savings opportunities into national poverty. Reduction strategies. Continuous monitoring and assessment of financial literacy initiatives should be carried out to evaluate their effectiveness.

7. Future Research. Further studies may explore gender-specific or age-specific financial behavior patterns using a larger and more diverse sample. Investigate impact of financial education interventions over time to measure improvement in literacy and economic resilience.

To address the financial challenges of low-income parents, a comprehensive approach combining financial education, accessible services, income diversification, and social support is essential. Community-based literacy programs, integrated 4Ps financial capability training, and tailored banking products can enhance financial knowledge, promote saving, and encourage responsible money management. Supporting alternative income sources, healthcare, and education reduces economic vulnerability, while long-term policies ensure sustained financial inclusion. Continuous monitoring and further research on demographic-specific financial behaviors can guide future interventions, ultimately improving the economic resilience and well-being of rural low-income families.

Compliance with Ethical Standards

This study was conducted in accordance with ethical research standards to ensure the protection, dignity, and welfare of all respondents. Prior to data gathering, permission was secured from the Barangay Captain of Cabisera 6-24, San Antonio, Ilagan City, Isabela. The respondents were properly informed about the purpose of the study, its significance, and the nature of their participation. Informed consent was obtained from all participants before the administration of the questionnaire and conduct of interviews.

Participation in the study was entirely voluntary, and respondents were given the freedom to decline or withdraw from the study at any time without penalty or disadvantage. Confidentiality and anonymity were strictly observed by ensuring that the identities of the participants were not disclosed in any part of the study. All information gathered was used solely for academic and research purposes.

The researcher also ensured that no physical, emotional, or psychological harm was inflicted on the participants during the conduct of the study. Respect, privacy, and cultural sensitivity were upheld throughout the research process. All data collected were handled with honesty, integrity, and responsibility to maintain the credibility and ethical soundness of the research.

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