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## AN ANALYSIS ON THE FINANCIAL AWARENESS AND LITERACY AMONG THE STUDENTS OF CAGAYAN STATE UNIVERSITY ANDREWS CAMPUS

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**Abstract:** *This research was conducted to determine the financial literacy of the students of Cagayan State University-Andrews Campus. The 385 respondents of this research were computed using the Slovin's Formula and it was allocated to the four colleges of the university. There were 110 respondents from the College of Business Entrepreneurship and Accountancy (CBEA), 46 from the College of Allied Health and Sciences (CAHS), 117 respondents from the College of Teachers Education (CTE), and 112 respondents from the College of Hospitality and Industrial Management (CHIM). The qualitative-quantitative research design was used in the study. The data were obtained from the respondents through the use of questionnaires which were accompanied by personal interviews. The study revealed that the identified factors (financial subjects, learnings in investing, budgeting, taxes, credit, loans, interest rates and insurance, financial interest, background in financial literacy, preparation for the future and financial test) of the researchers had significant impact on students' financial literacy. The chosen college of students had something to do with their financial literacy; the business major students from CBEA are more financially literate than students from the other colleges. Students' who have more financial subjects and learnings answered the financial test better than those who have less financial knowledge. There is a positive relationship of students' level of financial literacy to their corresponding year level and age. The higher the year level and the older the student is, the higher the financial literacy he has. Based on ethnicity, students who are Ilocanos are more prepared for their future compared to students who are Ibanag, Itawes and Tagalog. This revealed also that females are more interested in increasing their financial literacy and are more prepared for their future compared to males. The parents' income also of the students greatly affects their savings. The students who have higher number of family members are thriftier than students who are the only child in the family. The study also revealed that the students are influenced by their parents, sisters/brothers, friends, relatives, grandparents, and classmates in their financial decisions. The overall result showed that the financial literacy of CSU- Andrews students is only moderate having a total percentage of 61.73%. This revealed that many of the students are still financially illiterate.*

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## **INTRODUCTION**

Nowadays, people suffered from a high level of financial anxiety. They do not stop in seeking for the answers on how to properly manage their financial resources, how money will work for them and how their decisions on financial matters will affect their lifetime financial security. Most of us think that acquiring huge sums of money will solve our problems easily. It may be true for some, but without the knowledge to handle it properly, others might find themselves in a more problematic situation.

Most Filipinos lose their money because of overspending due to lack of financial knowledge. You may have heard of lotto winners who ended up being bankrupt or in a financial mess. This is what usually happens to instant millionaires who suddenly find themselves rich – in fact, too rich that they do not know what to do with the money anymore.

“A wise man should have money in his head, but not in his heart.” (writer Jonathan Swift said). Truly, the value of a person’s financial assets is largely determined by his understanding of them—his financial literacy. Literacy, as a general term, is the ability to read and write. This implies having knowledge and understanding of words and grammar that can be acted upon through reading and writing.

Financial literacy is “the ability to understand basic principles of business and finance.” Financial literacy, then, implies knowledge and understanding in preparation for action of some sort. Thus, financial literacy is best achieved by acquiring knowledge and understanding of financial values and putting that knowledge into practice.

This is the reason why having money and financial knowledge at the same time is the key that will greatly help in improving one’s life. Money and financial knowledge go hand in hand just like what the author Robert Kiyosaki said, “Money without financial knowledge is money soon gone.”

There are three (3) reasons why people have money problems, lack of knowledge, lack of action and lack of discipline. (“Kontento Ka Na Ba Sa Kaperahan Mo?”- How to Unleash the Highest Potential of You Money towards Success, happiness and Significance-Vic & Avelynn Garcia)

Thus, financial literacy as a study evolved out of the needs of people to understand better how someone manages money to sustain his and his family needs and wants not only currently but also prospectively. It has become increasingly important now than ever to



equip not only students but every Filipino citizen with the proper skills and knowledge to handle money correctly. Its main focus is to provide economic and financial learning to everybody whom they can use in their daily lives and in their future.

Financial Literacy is the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being. (President's Advisory Council on Financial Literacy, 2008 Annual Report to the President).

Personal financial literacy is more than just being able to balance a checkbook, compare prices or get a job. It also includes skills like long-term vision and planning for the future, and the discipline to use those skills every day.

These knowledge and skills pertains to making decisions involving personal expenditures, investments, savings, insurance and retirements. It also includes the financial concept of financial planning, financial management, compound interest, credit cards, savings methods, time value of money, budgeting and decision-making skills.

Philippines was ranked 68th globally in terms of financial literacy index (study of Asian Development Bank ) and 8<sup>th</sup> out of 16 Asia-Pacific countries (MasterCard Index of Financial Literacy) having 68.2 index same in year 2011. It revealed that in our country, only the Bangko Sentral ng Pilipinas has its public awareness campaigns on economic and financial issues and no other national strategy for financial education. The BSP has been active in developing strategies for financial education and has issued a number of circulars. Their main focus is the economic and financial learning program to promote awareness of economic financial issues.

Financial Literacy was recognized by Finance Ministers of all Asia-Pacific Economic Cooperation (APEC) countries to be an essential skill for everyone in the 21<sup>st</sup> century and an important component of any economy's efforts that will effectively support economic and financial stability, inclusive development and individual and families wellbeing. Most financial literacy surveys conducted worldwide and particularly in APEC economies, show that large segments of the population have insufficient knowledge to understand even basic financial products, plan for the future and often do not make optimal decisions on managing their finances. APEC countries have viewed that financial education supported by effective consumer protection can lessen the risk of crises occurring by enabling individuals to effectively use financial products and services and to make sound choices to protect



themselves and fruitfully participate in financial and economic activities. Such steps can also help in prompting recovery and economic growth in the wake of financial challenges. Financial Literacy has therefore become a life skill that is essential for every economy to foster safe and sound, efficient, transparent and inclusive financial systems. (Asia-Pacific Economic Cooperation-“Policy Statement-APEC Ministers of Finance”)

Knowledge is rarely useful without application. Even if a concept is understood through a real-life example, it takes personal use to comprehend it well. You are not called “financially literate” until your financial knowledge will put into action.

### **STATEMENT OF THE PROBLEM**

This research study generally aims to determine the financial literacy of the Cagayan State University- Andrews Campus students at Caritan, Tuguegarao City.

More specifically, it also aims to study about the following:

1. How the different factors (financial subjects, learnings in investing, budgeting, taxes, credit, loans, interest rates and insurance, financial interest, background in financial literacy, preparation for the future and financial test) identified by the researchers affect the financial literacy of the students when they group according to:
  - a. College
  - b. Year Level
  - c. Ethnicity
  - d. Gender
  - e. Age
2. How does parents’ income affect students’ financial management?
3. How does students’ number of family members affects their financial behavior?
4. Who/What are the financial influences of the students in making financial decisions?

### **SIGNIFICANCE OF THE STUDY**

The study conducted focuses on determining the financial literacy of the students of Cagayan State University- Andrews Campus. It hopes to be of a great significance to the following:

**Researchers.** The result of this study is of great benefit to the researchers not just because they will partially fulfill the requirements of the subject but also to satisfy their curiosity regarding the topic of interest.



**Future Researchers.** The result of this study is of great benefit to the future researchers who will conduct their research related to this study. This will serve as a basis to their study.

**To the Students.** This study will be of a great importance to the students because it will broaden their knowledge about the factors affecting their financial literacy and to help them know their strengths and weaknesses in terms of financial matters.

**To the University.** The result of the study will help the university to assess the financial literacy of the students and it will also assist them to provide seminars and other activities that will improve the financial knowledge of the students.

**To the Government.** The result of this study will be of a great importance to the government to assist them in implementing programs and activities to improve the financial literacy of every individual and to help them in making policies to address the basic financial literacy needs of consumers of financial products and services.

## **SCOPE AND DELIMITATION**

The study focused in determining the financial literacy of the students in the four (4) colleges of Cagayan State University-Andrews (CBEA, CAHS, CTE and CHIM), in determining how the different factors identified by the researchers affect the financial literacy of the students when they group according to their college, age, ethnicity, year level, and gender, in determining how does parents' income affect students' financial management, in determining the financial behavior of students with regards to their number of family members, determining who or what are the financial influences of the students in terms of making decisions in their finances.

## **REVIEW OF RELATED LITERATURE**

Financial literacy is a meaning-making process in which individuals use a combination of skills, resources, and contextual knowledge to process information and make decisions with knowledge of the financial consequences of that decision. **(Mason and Wilson, 2000).**

**Vitt et al. (2000, pp.xii)** defined financial literacy as the ability to read, analyze, manage, and communicate about the personal financial conditions that affect material well-being. It includes the ability to discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future, and respond competently to life events that affect everyday financial decisions, including events in the general economy.



It is ones' "knowledge of facts, concepts, principles, and technological tools that are fundamental to being smart about money." **(Garman & Gappinger, 2008)**

Despite the various differences in definitions, the three notable consistencies to described individuals who are financially literate according to **Hogarth (2002, pp. 15-16)** are knowledgeable, educated, and informed on the issues of managing money and assets, banking, investments, credit, insurance, and taxes, understand the basic concepts underlying the management of money and assets, use that knowledge and understanding to plan and implement financial decisions.

The Bangko Sentral ng Pilipinas (BSP) has taken actions in embarking consumer education program that aims to improve the basic financial literacy of the public. In line with this program, the BSP approved in January 2004 the creation of the BSP Consumer Education Committee. The committee initially addressed the basic financial literacy needs of consumers of financial products and services. This involved familiarizing the public on the various banking product and services that they usually encounter in ordinary financial transactions. **(Bangko Sentral ng Pilipinas-About the Bank-“Financial Literacy”)**

The BSP also promoted consumer right awareness and protection through its linkage with an inter-agency group, ConsumerNet. ConsumerNet is a group of national government agencies that have bonded together to facilitate the resolution of consumer complaints and disseminate information regarding consumer rights.

**([www.bsp.gov.ph/about/advocacies\\_fin.asp](http://www.bsp.gov.ph/about/advocacies_fin.asp))**

**ConsumerNet.** Consumer Net is composed of different agencies covering every consumer concerns about financial products and services which includes the Department of Agriculture, Bangko Sentral ng Pilipinas, Department of Energy, Department of Environment and Natural Resources, Department of Trade and Industry, Department of Health, Department of Interior and Local Government, Department of Transportation and Communication, Department of Science and Technology, Department of Justice, Department of Finance, Insurance Commission, Housing and Land Use Regulatory Board, Bureau of Internal Revenue, Metropolitan Manila Development Authority, Energy Regulatory Board, Securities and Exchange Commission, Metropolitan Waterworks and Sewerage System, and Local Water Utilities Administration.

**([www.dticebu.net.ph/09\\_g\\_02.htm](http://www.dticebu.net.ph/09_g_02.htm))**



**Financial Consumer Affairs Group (FCAG).** In line with BSP's financial literacy advocacy, Governor Amando M. Tetangco Jr. issued Officer Order No. 892 on October 15, 2006 that created the Financial Consumer Affairs Group (FCAG). The group was established to support the Supervision and Examination Sector (SES) in ensuring the protection of depositors and investors and enabling the smooth and orderly functioning of the entire financial system. FCAG is responsible for conducting advocacy initiatives aimed at educating and supporting the interest of the public on financial literacy issues which includes assisting consumers on the resolution of complaints or disputes with BSP-supervised financial institutions, initiating the adoption of or modification of policies, rules and regulations in line with consumer protection laws and BSP's financial literacy advocacy, providing liaison activities or services between the SES and the public, the legislative and the financial sector with regard to consumer issues related to use of banking services. **(Bangko Sentral ng Pilipinas-About the Bank-"The Financial Consumer Affairs Group")**

**Manton et al, 2006; Chen & Volpe, 1998; Jones, 2005.** They focused on the student's personal financial literacy, and there was a group of studies, which participants answered questions related to general financial knowledge through the questionnaire survey. Besides that, **Chen & Volpe, 1998; Ibrahim, Harun, & Isa, 2009,** also look into the student's demographic variable including social background, financial attitude, financial knowledge and family sophistication. The independent variables used in the previous studies are academic discipline, class rank, education, work experience, and own income **(Chen & Volpe, 1998).**

Financial literacy can also have important implications on financial behavior. For instance, people with low financial literacy are more likely to have problems with debt **(Lusardi & Turfano, 2009)**, less likely to participate in the stock market **(Rooij, Lusardi, & Alessie, 2007)**, less likely to choose mutual funds with lower fees, less likely to accumulate wealth and manage wealth effectively and less likely to plan for retirement **(Lusardi & Mitchell 2006).**

Apart from that, **Beal and Delpachitra (2003)** found that freshmen financial literacy was very poor. Consistently, this result is similar to **Chen and Volpe (1998)** who reveals that although the financial literacy is very low, for the whole population of higher education, the



individual is expected to get a better financial professional knowledge and skills by education than those who were less educated.

## **RESEARCH METHODOLOGY**

This chapter presents the research design, data gathering procedure and analysis of data.

### **Research Design**

The qualitative-quantitative research design was used in the study with 385 respondents coming from the four departments of Cagayan State University-Andrews Campus, College of Business Entrepreneurship and Accountancy, College of Allied Health and Sciences, College of Teachers Education and College of Hospitality and Industry Management. Qualitative-quantitative research design is a mixed-method approach in which the researcher observes and measures information numerically, identifies variables to study and relate these variables in questions or hypotheses, brings personal values to the study and makes interpretations for the data.

### **Data Gathering Procedure**

The 385 respondents were obtained through the use of Slovin's Formula. These respondents were allocated among the four colleges, wherein there are 110 respondents allocated to CBEA, 46 to CAHS, 117 to CTE and 112 to CHIM. The accidental sampling was used by the researchers in obtaining the respondents in the study because it is easier, cheaper and least time consuming. The researchers made use of a structured questionnaire as a research instrument which was complemented by personal interviews.

Data were obtained from primary sources through the use of the structured questionnaires personally distributed and administered by the researchers. The researchers used the English language in making the questionnaire which was given to the respondents and utilized a communication medium understood by all the respondents (i.e. in the dialect spoken by the respondents) in undertaking the personal interviews.

### **Data Analysis**

The data gathered from the respondents were then tabulated, analyzed and interpreted using ranking, frequency and percentage in order for this research to become very meaningful, understandable and very interesting to read.

## **DISCUSSION OF FINDINGS**

### **I. Financial Literacy of Students Based on their Chosen College**

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**Table 1.1 Distribution of students in each college with finance subjects.**

College	No. of Students	Percentage
CBEA	110	100%
CAHS	18	39%
CTE	68	58%
CHIM	95	85%

Table 1.1 shows the number and percentage of students in each college who have finance subjects such as basic finance, financial management, basic accounting, financial accounting, marketing, management accounting, entrepreneurship and economics. The table shows that all students (100%) in CBEA have financial subjects such as basic finance, financial management, basic accounting, financial accounting, marketing, management accounting, entrepreneurship and economics. CBEA are more exposed to financial related subjects which are offered to the students. The CHIM has the second highest percentage (85%) because they have some related subjects also like basic finance, basic accounting, entrepreneurship and economics while most CAHS and CTE students have economics only as finance subject.

**Table 1.2 Distribution of students in each college who have learnings in investing, budgeting, taxes, credit, loans/debt, interest rate and insurance**

College	No. of Students	Percentage
CBEA	110	100%
CAHS	24	52%
CTE	88	75%
CHIM	99	88%

Table 1.2 shows the number and percentage of students in each college who have learnings in investing, budgeting, taxes, credit, loans/debt, interest rate and insurance. It shows that 100% of the CBEA students have learnings in investing, budgeting, taxes, credit, loans/debt, interest rate and insurance. The CHIM has the second highest percentage (88%) which is 12% lesser to the percentage of CBEA because students' learnings in the financial related subjects has something to do also to their knowledge regarding investing, budgeting, taxes, credit, loans/debt, interest rate and insurance. Same result in Table 1.1 wherein CTE ranked third and CAHS got the lowest percentage.



**Table 1.3 Distribution of students in each college who have background and understanding of Financial Literacy**

College	No. of Students	Percentage
CBEA	61	55%
CAHS	12	26%
CTE	23	20%
CHIM	37	33%

The table 1.3 shows the number and percentage of students in each college who have financial background and understanding. It shows that CBEA has the highest percentage (55%) when it comes again to background and understanding of Financial Literacy which is a moderate percentage only followed by the 33% of CHIM, 26% of CAHS and 20% of CTE. This table shows that students have no enough background and understanding of Financial Literacy.

**Table 1.4 Distribution of students in each college who are interested in increasing their financial knowledge**

College	No. of Students	Percentage
CBEA	103	94%
CAHS	37	81%
CTE	99	85%
CHIM	94	84%

The table shows the number and percentage of students in each college who are interested in increasing their financial knowledge. It shows that most of the students in CBEA (103 out of 110 students) said that they are interested in increasing their financial knowledge by attending seminars regarding financial matters and engaging their self on activities to increase their financial knowledge followed by the 85% of CTE and 84% of CHIM which has a 1% insignificant difference between the 2 colleges and 81% of CAHS which shows that even if their course is not related to financial matters they are also interested on how they can increase their financial literacy.

**Table 1.5 Number and percentage of students in each college who have savings account in preparation for the future.**

College	No. of Students	Percentage
CBEA	54	49%
CAHS	12	26%
CTE	7	6%
CHIM	5	4%



The table 1.5 shows the number and percentage of students in each college who have savings account in preparation for the future. It shows that there is less number of students in each college who has savings account in preparation for their future. CBEA has the highest percentage (49%) but it is a low percentage only. Out of the 110 respondents from CBEA, there are 54 students only of them who have savings account followed by the 12 students from CAHS. The CTE and CHIM have the lowest percentage, 6% and 4% respectively. It only goes to show that most of the students (307 out of 385) have no preparation for their finances in the future.

**Table 1.6 Distribution of students in each college showing the result of their financial test**

College	Below Average		Average		Above Average	
	No. of Students	Percentage	No. of Students	Percentage	No. of Students	Percentage
CBEA	2	2%	2	2%	106	96%
CAHS	17	15%	15	33%	14	30%
CTE	4	3%	10	9%	103	88%
CHIM	25	22%	38	34%	47	42%

The table 1.6 above shows the number and percentage of students in each college with their corresponding scores whether below average score (1 to 4), average score (5-7), or above average score (8 to 10). It shows that most of the business major students (Accountancy, Financial Management, Marketing Management and Entrepreneurship) from CBEA are already financially knowledgeable having the highest percentage rate of 96% who got above average scores ( 8 to 10) in the financial test administered to them. It only goes to show that their finance subjects in their college have something to do with their financial knowledge. The more you are exposed to finance subjects, the more also that you are more financially knowledgeable compared to students from the other colleges.

Despite also of being a non-business major college, the CTE students have the second highest percentage of 88%. It shows that some of the students from CTE are financially knowledgeable also.

The tables 1.1 to 1.6 show that students from CBEA are more financially literate compared to the students of the three other colleges. CBEA students are more financially literate having the highest percentage of students who have financial subjects such as basic finance, financial management, basic accounting, financial accounting, marketing, management accounting, entrepreneurship and economics (100%) , who have knowledge in investing, budgeting, taxes, credit, loans/debt, interest rate and insurance (100% students) , who have



background and understanding of Financial Literacy (55%) , who have financial interest (94%), who have savings account in preparation for their future ( 49%) and who have the highest percentage (96%) in the financial test who have scores of 7 to 10.

*This results is supported by Beal & Delpachitra (2003) , Chen & Volpe (1998), Peng et al. (2007), Robb & Sharpe (2009) and Volpe et al. (1996), which mentions student's chosen college in university (whether business or non-business major course)s have significant impact to personal financial literacy, and have indicated that business majors have more knowledge about personal finance than non-business majors.*

The chosen college of the students has a significant impact in their personal financial literacy; business major students are more exposed to financial related subjects compared with the non-business major students who have less financial knowledge.

## II. Financial Literacy of Students Based on their Year Level

**Table 2.1 Distribution of students in each year level who have finance subjects**

Year Level	No. of Students	Percentage
1	62	65%
2	63	66%
3	71	74%
4	86	90%

Table 2.1 shows the number and percentage of students in each year level who have finance subjects such as basic finance, financial management, basic accounting, financial accounting, marketing, management accounting, entrepreneurship and economics among the 96 students allocated per year level. It shows that there is an increase in the percentage or number of students who have financial subjects as the year level increases. There is a difference in the percentages due to the units earned (financial related subjects) by the students per year level. Fourth years has the highest percentage (90%) followed by the third years because they are more exposed to financial subjects compared to the two lower year levels who have lesser units earned in financial related subjects.

**Table 2.2 Distribution of students in each year level who have learnings in investing, budgeting, taxes, credit, loans/debt, interest rate and insurance**

Year Level	No. of Students	Percentage
1	71	74%
2	76	79%
3	83	86%
4	92	96%



The table shows that 92 out of the 96 students from the seniors have learnings in investing, budgeting, taxes, credit, loans/debt, interest rate and insurance. As the year level of the students increases, their financial learnings also increase. Higher years are more financially knowledgeable compared to the freshmen.

**Table 2.3 Distribution of students in each year level who have background and understanding of Financial Literacy**

Year Level	No. of Students	Percentage
1	15	16%
2	35	36%
3	37	39%
4	41	43%

Table 2.3 shows the number and percentage of students in each year level who have financial learnings and understanding. It also shows that there is only less number of students who have background and understanding of Financial Literacy. The highest percentage is 43% only which is 41 out of 96 fourth years. Second highest is the third years (39%) followed by the sophomores. The lowest percentage is the freshmen which is 16% only. The table shows that students are not aware or mindful of what Financial Literacy is all about.

**Table 2.4 Distribution of students in each year level who are interested in increasing their financial knowledge**

Year Level	No. of Students	Percentage
1	75	78%
2	76	79%
3	84	88%
4	96	100%

The table above shows that in spite of being the highest units' earner, the fourth years are also interested in increasing knowledge of financial matters. All of the fourth years are interested to increase more their learnings or knowledge about money, how they will manage it properly and how it will work for them. Most of the third years also are interested to increase their financial knowledge , 84 out of 96 students (88%) and most of the students also from the sophomores and freshmen,79% and 78% respectively are interested. This shows that students from all the year levels are interested in increasing their financial knowledge.



**Table 2.5 Number and percentage of students in each year level who have savings account in preparation for the future**

Year Level	No. of Students	Percentage
1	17	18%
2	17	18%
3	19	20%
4	25	26%

Table 2.5 shows that 25 only out of 96 (26%) fourth years have savings account in preparation for their future use. Most of them are not prepared. There is also a minimal difference of only 2% between the juniors and sophomores and freshmen. The table shows that most of the students are not prepared for their future.

Tables 2.1 to 2.5 show that financial literacy level of students is directly proportional to their year level. The higher the year level of the student is, the higher the financial literacy it has.

**Table 2.6 Number and percentage of students in each year level showing the result of their financial test**

Year Level	Below Average		Average		Above Average	
	No. of Students	Percentage	No. of Students	Percentage	No. of Students	Percentage
1	11	11%	27	28%	58	60%
2	10	10%	16	17%	70	73%
3	8	8%	14	14%	74	77%
4	2	2%	16	17%	78	81%

The table 2.6 above shows that the percentage rate of students who got an above average scores of 7 to 10 is increasing as the year level of the students increases. It only shows that there is a direct relationship between year level of students to their financial knowledge as shown above with the increase of percentages from 60% of first years to the 81% of fourth years.

The tables 2.1 to 2.6 only shows that there is a significant impact of students' year level to their financial literacy. As the year level of the students increases, the higher the financial knowledge of the student is.

*Many researchers have found that students' year level of study is significant to measure financial literacy. College freshmen have low level of financial knowledge (Menton et al., 2005, 2006; Jones, 2005). Moreover, positive relationship has also been found between personal financial literacy and year level in this study.*



The participants with a higher level of education, attending full time courses, have a higher level of personal financial literacy (Chen & Volpe, 1998; Fogarty & MacCarthy, 2006; Mandell & Klein, 2009). The reason for a higher financial literacy level for a senior year student is due to larger exposure to financial related knowledge compared to a college freshman with less knowledge of financial matters.

### III. Financial Literacy of Students Based on their Ethnicity

**Table3.1 Distribution of students in each ethnicity who have finance subjects**

Ethnicity	No. of Students	Percentage
Ilocano	147	82%
Ibanag	62	83%
Itawes	74	80%
Tagalog	27	79%

The table shows the number and percentage of students in each ethnicity that have finance subjects such as basic finance, financial management, basic accounting, financial accounting, marketing, management accounting, entrepreneurship and economics. The students' distribution in each ethnicity composed of 179 Ilocano, 75 Ibanag, 92 Itawes, 34 Tagalog. It shows that there is only a minimal difference of just 1% to 4% among the four percentages in each ethnicity who have financial subjects such as basic finance, financial management, basic accounting, financial accounting, marketing, management accounting, entrepreneurship and economics because culture bias is not exercised in the university. Students in each ethnicity are offered with equal opportunity to study.

**Table 3.2 Distribution of students in each ethnicity who have learnings in investing, budgeting, taxes, credit, loans/debt, interest rate and insurance**

Ethnicity	No. of Students	Percentage
Ilocano	152	85%
Ibanag	63	84%
Itawes	76	83%
Tagalog	29	85%

The table above shows the number and percentage of students who have financial learnings in each ethnicity. It also shows that there is an insignificant difference among the four percentages in each ethnicity of just 1% to 2%. It only shows that ethnicity has no impact on



the learnings of the students in investing, budgeting, taxes, credit, loans/debt, interest rate and insurance which is similar to the results obtained in Table 3.1.

**Table 3.3 Distribution of students in each ethnicity who have background and understanding of Financial Literacy**

Ethnicity	No. of Students	Percentage
Ilocano	68	38%
Ibanag	28	37%
Itawes	35	38%
Tagalog	12	35%

Table 3.3 shows the number and percentage of students in each ethnicity who have background and understanding of financial literacy. The table shows that students from the different ethnicities have difference of only 1% to 3% in terms of their background and understanding of financial literacy. This table further shows that students in each ethnicity have no enough background and understanding of financial literacy.

**Table 3.4 Distribution of students in each ethnicity who are interested in increasing their financial knowledge**

Ethnicity	No. of Students	Percentage
Ilocano	168	94%
Ibanag	70	93%
Itawes	85	92%
Tagalog	32	94%

The table shows the distribution of students who have financial interest in each ethnicity. It shows that most of the students in each ethnicity are interested in increasing their financial knowledge. There is only a minimal difference among the four ethnicities so no ethnicity is over the other.

**Table 3.5 Distribution of students in each ethnicity who have savings account in preparation for the future**

Ethnicity	No. of Students	Percentage
Ilocano	41	23%
Ibanag	13	17%
Itawes	16	17%
Tagalog	5	15%

The table above shows the number and percentage of students in each ethnicity who are prepared in their future finances. It shows that there is 41 Ilocanos out of 179 who have savings account for their future, a low percentage of 23% only which shows that most of the



Ilocanos are not prepared. In spite of having a low percentage, they have the highest percentage among the other ethnicities. The other ethnicities have also a very low number of students who have savings account. It only shows that students are not prepared for their finances in the future.

**Table 3.6 Distribution of students in each ethnicity showing the result of their financial test**

Ethnicity	Below Average		Average		Above Average	
	No. of Students	Percentage	No. of Students	Percentage	No. of Students	Percentage
Ilocano	12	7%	22	12%	145	81%
Ibanag	19	25%	23	31%	35	47%
Itawes	14	15%	22	24%	72	78%
Tagalog	13	38%	11	32%	10	29%

The table above shows that students who are Ilocanos got the highest percentage of 81% to the financial test administered to them. They are more financially knowledgeable compared to the other students from other ethnicities. There is a 3% decreased compared to the students who are Itawes, it shows that most of them also are financially knowledgeable compared to Itawes and Tagalog.

The tables 3.1 to 3.4 show that there is no significant difference in the financial literacy of students among the four ethnicities in terms of financial knowledge, learnings in investing, budgeting, taxes, credit, loans/debt, interest rate and insurance, financial background and financial interest which is shown in the percentage rate of the numbers of students in the four tables which has a difference of just 1%, 2% or 3% only.

The table 3.5 and 3.6 shows that the four ethnicities differ when it comes to students' preparation for the future and with the results of their financial test. Students who are Ilocanos are more financially prepared for their future because they are known for being "frugal", they save their money for future use unlike to the other students from other ethnicities like Tagalog who are very spending-oriented people as well as Ibanag and Itawes who are fond of giving "freebies" to others. Ilocanos have a higher level of financial literacy because of their good spending decision in order to avoid wasteful spending and other excessive debt. They are more knowledgeable also in terms of finances as shown with the result of financial test.

#### **IV. Financial Literacy of Students Based on their Gender**



**Table 4.1 Distribution of students according to their gender who have finance subjects**

Gender	No. of Students	Percentage
Male	142	74%
Female	140	73%

Table 4.1 shows the that there is no significant difference between the number and percentages of male and female among the 192 students per gender when it comes to their financial subjects because the university offers an equal opportunity to any students regardless of their gender.

**Table 4.2 Distribution of students according to their gender who have learnings in investing, budgeting, taxes, credit, loans/debt, interest rate and insurance**

Gender	No. of Students	Percentage
Male	159	83%
Female	161	84%

The table shows that there is only a minimal difference of only 1% between the two genders. Gender has no significant impact on the learnings of the students in investing, budgeting, taxes, credit, loans/debt, interest rate and insurance.

**Table 4.3 Distribution of students according to their gender who have background and understanding of Financial Literacy**

Gender	No. of Students	Percentage
Male	56	29%
Female	73	38%

The table 4.3 shows that females have more background and understanding of financial literacy having a percentage of 38% compared to the male ones having a percentage of only 29%, a difference of 9%. The table shows that most of the students regardless of their gender have no enough background of what financial literacy is.

**Table 4.4 Distribution of students according to their gender who are interested in increasing their financial knowledge**

Gender	No. of Students	Percentage
Male	159	83%
Female	171	89%

The table above shows the number and percentage of students who are interested in increasing their knowledge in finance. It shows that there is 6% difference between the percentages of the two genders. The females are more interested in increasing their financial knowledge compared to the males. The table shows also that most of the students are interested in increasing their knowledge in financial matters.



**Table 4.5 Distribution of students according to their gender who have savings account in preparation for the future**

Gender	No. of Students	Percentage
Male	36	19%
Female	46	24%

Table 4.5 shows that the female percentage is 5% higher than the percentage of the male. It only shows that females are more prepared in their future finances compared to the males.

**Table 4.6 Distribution of students according to their gender showing the result of their financial test**

Gender	Below Average		Average		Above Average	
	No. of Students	Percentage	No. of Students	Percentage	No. of Students	Percentage
Male	25	13%	43	22%	124	65%
Female	22	11%	36	19%	134	70%

The table above shows that there is a difference of 5% between males and females (having the higher percentage). Females are more financially knowledgeable based on the financial test administered to them with 70% them having above average scores 7 to 10 because financial interest and financial background have something to do with their financial knowledge.

As shown in tables 4.3 and 4.4, females are more interested to increase their financial knowledge and they have more financial background compared to males.

The tables 4.1 and 4.2 show that there is no significant difference in the number of students in terms of financial subjects and learnings in investing, budgeting, taxes, credit, loans/debt, interest rate and insurance based on the gender of the students because CSU-Andrews offers equal opportunity to males and females in all subjects in their field of specialization.

The tables 4.3 to 4.6 show that females are more knowledgeable and aware of what financial literacy is compared to males. Females have the highest number also of students (171 students) who are interested in increasing their financial literacy by attending seminars regarding financial matters unlike to the male ones. Females are more prepared than the males also in saving for their future and more knowledgeable in terms of financial matters as shown in the financial test administered to them.

*According to other researchers, male are more financially literate compared to the female (Chen & Volpe, 1998; Danes & Haberman, 2007; Manton et al., 2006; Peng et al., 2007; Volpe et al., 1996)*



However, there is a contradiction finding from Ibrahim et al. (2009) and found out that there is no difference between the levels of financial knowledge and the gender which is parallel to the findings of this research in the tables 4.1 and 4.2, the only difference is that females have more financial background than males. Females are more interested also to increase their knowledge, more prepared for their future and more knowledgeable in financial matters as shown in the financial test which makes them more financially literate than males.

#### V. Financial Literacy of Students Based on their Age

**Table 5.1 Distribution of students according to their age who have finance subjects**

Age	No. of Students	Percentage
16	25	37%
17	36	55%
18	44	67%
19	49	77%
20	62	98%
21 and above	58	98%

Table 5.1 shows the number and percentage of students according to their age who have finance subjects such as basic finance, financial management, basic accounting, financial accounting, marketing, management accounting, entrepreneurship and economics. The distribution of students in each college composed of 68 students who are 16 yrs. old, 65 students who are 17yrs old, 66 students who are 18 yrs. old, 64 students who are 19 yrs. old, 63 students who are 20 yrs. old and 59 students who are at the age of 20 and above. It shows that there is a positive increase in the number and percentages of the students who have financial subjects as their age increases. The older ones (20 and 21 and above) are more exposed to financial subjects having a percentage of 98% compared to the younger ones.

**Table 5.2 Distribution of students according to their age who have learnings in investing, budgeting, taxes, credit, loans/debt, interest rate and insurance**

Age	No. of Students	Percentage
16	22	32%
17	36	55%
18	43	65%
19	52	81%
20	60	95%
21 and above	58	98%

The table above shows that almost all of the students (58 out of 59) with ages 21 and above have learnings in investing, budgeting, taxes, credit, loans/debt, interest rate and insurance



followed by the students with ages 20 which has a percentage of 95%. It only shows that the older the student is, the more he/she is financially knowledgeable compared to the ages 19 and below.

**Table 5.3 Distribution of students according to their age who have background and understanding of Financial Literacy**

Age	No. of Students	Percentage
16	19	28%
17	14	22%
18	16	24%
19	18	28%
20	24	38%
21 and above	35	59%

The table 5.3 shows that students with ages 21 and above have the highest percentage (59%) when it comes again to background and understanding of financial literacy. They understand better what is financial literacy all about compared to the younger ones. It shows also that most of the students regardless of their age do not have enough background of financial literacy.

**Table5. 4 Distribution of students according to their age who are interested in increasing their financial knowledge**

Age	No. of Students	Percentage
16	30	44%
17	45	69%
18	48	73%
19	53	83%
20	63	100%
21 and above	59	100%

The table above shows that all of the students (100%) with ages 20 and 21 and above are interested in increasing their financial knowledge. Most of the students also with ages 17-19 are interested in increasing their knowledge compared to the students with ages 16, 56% of them are not interested to increase more their financial knowledge.

Table 5.5 shows that students with ages 21 and above have the highest percentage of 47% who have savings account in preparation for the future. In spite of being the highest, 47% is only a low percentage.



**Table 5.5 Distribution of students according to their age who have savings account in preparation for the future**

Age	No. of Students	Percentage
16	3	5%
17	6	9%
18	5	7%
19	18	28%
20	18	29%
21 and above	28	47%

Moreover, there is also lesser number of students with ages 20 and below who have savings account. It only shows that most of them are not prepared for their future finances.

**Table 5.6 Distribution of students according to their age showing the result of their financial test**

Age	Below Average		Average		Above Average	
	No. of Students	Percentage	No. of Students	Percentage	No. of Students	Percentage
16	14	21%	16	24%	38	56%
17	4	6%	15	23%	46	71%
18	4	6%	12	18%	50	76%
19	5	8%	6	9%	53	83%
20	2	3%	8	13%	53	84%
21 and above	2	3%	7	15%	50	85%

Table 5.6 shows that as age of students increases, the percentage of above average scores also increases. It only shows that there is direct relationship between age and financial literacy. The older the student is, the more he or she is knowledgeable in terms of financial matters.

Tables 5.1 to 5.6 show that age is directly proportional to the students' financial literacy. Students with ages of 20 and 21 and above have the highest percentage of students in the six tables above which indicate that they are more financially literate than students with ages 16-19.

*Other authors mentioned that there is a positive relationship between age and financial literacy which is consistent in the findings of this research (Chen & Volpe, 1998; Micomonaco, 2003; and Voipe et al., 1996).*

*In the study of financial literacy, university students' age group between 16-19 have a poor level of financial literacy, these findings is supported by Arnett (2000), Consumer and*

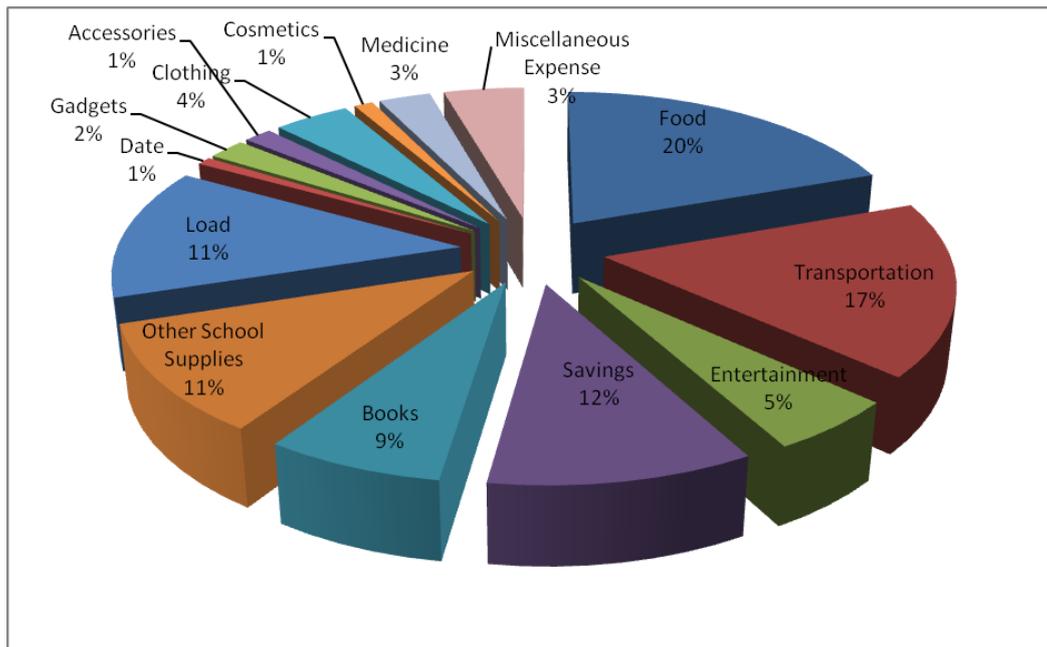


Financial Literacy (CFL) Treasury Taskforce (2004), Chen & Volpe (1998), Micomonaco (2003), Sherma (2004), and Volpe et al. (1996).

The acquisition of financial knowledge increases positively with age and experience of the student. An older student compared to the younger one is more exposed to different financial issues related to financial knowledge, savings and borrowings.

### Students' Financial Management/Allowance Allocation Based on their Parents'

#### Total Combined Income in a month



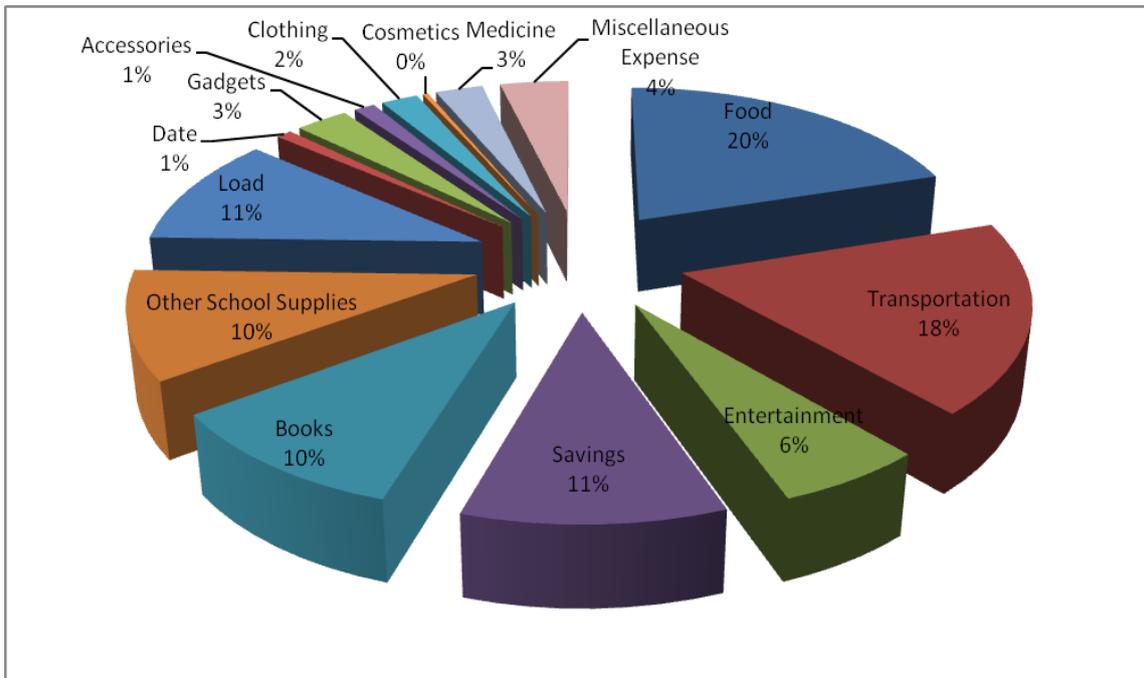
**Chart1. Financial management of students whose parents are earning a total combined income of above P15, 000 in a month**

The chart 1 shows that students whose parents are earning above P15,000 in a month allocate their allowance first in their food (20%), second in their transportation (17%), third in their savings (12%), fourth is for their load and other school supplies (11%) and fifth is for their books (9%). They also allocate at least 1% of their allowance for beautifying (cosmetics) their selves and for some luxuries also (4% for their clothing, 2% gadgets, and 1% accessories).

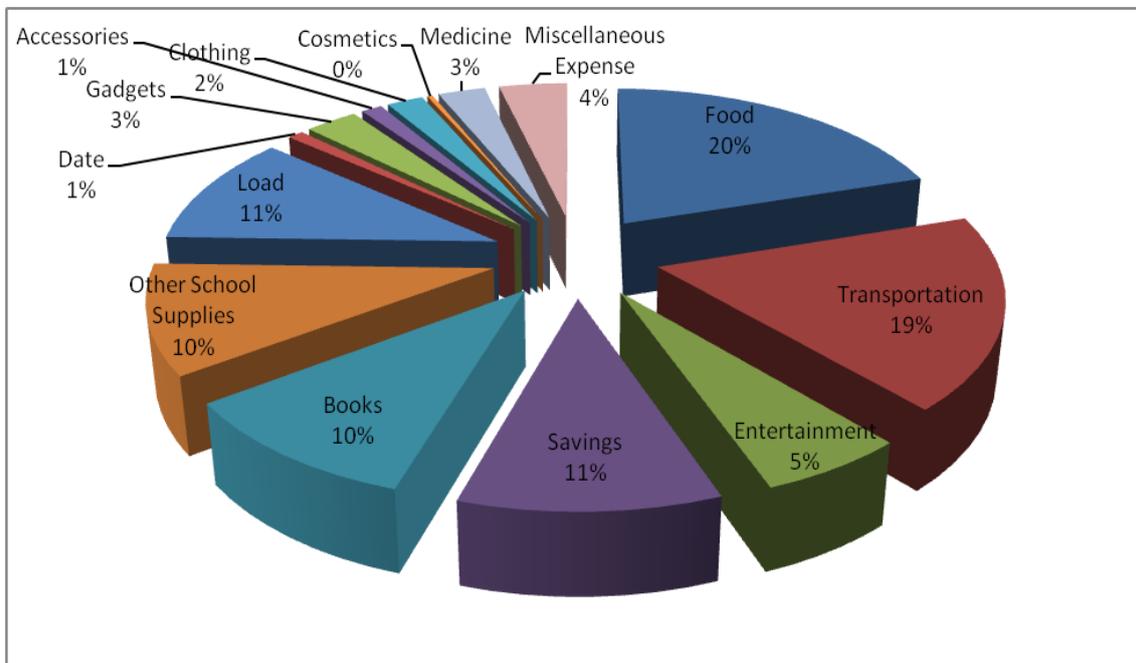
Chart 2 shows that students whose parents are earning a total combined income of P10,000-P15,000 allocate their allowance first on food (20%), second is for their transportation (18%), third and fourth is for their savings and load which has the same percentage of 11% and fifth and six is for books and other school supplies which has the same percentage of 10%. There is a 1% increased in the transportation and a 1% decreased



in cosmetics compared to chart 1. There is also a 1% decrease in the allocation of savings of the students, 2% decreased on clothing and an increased of 1% to gadgets.



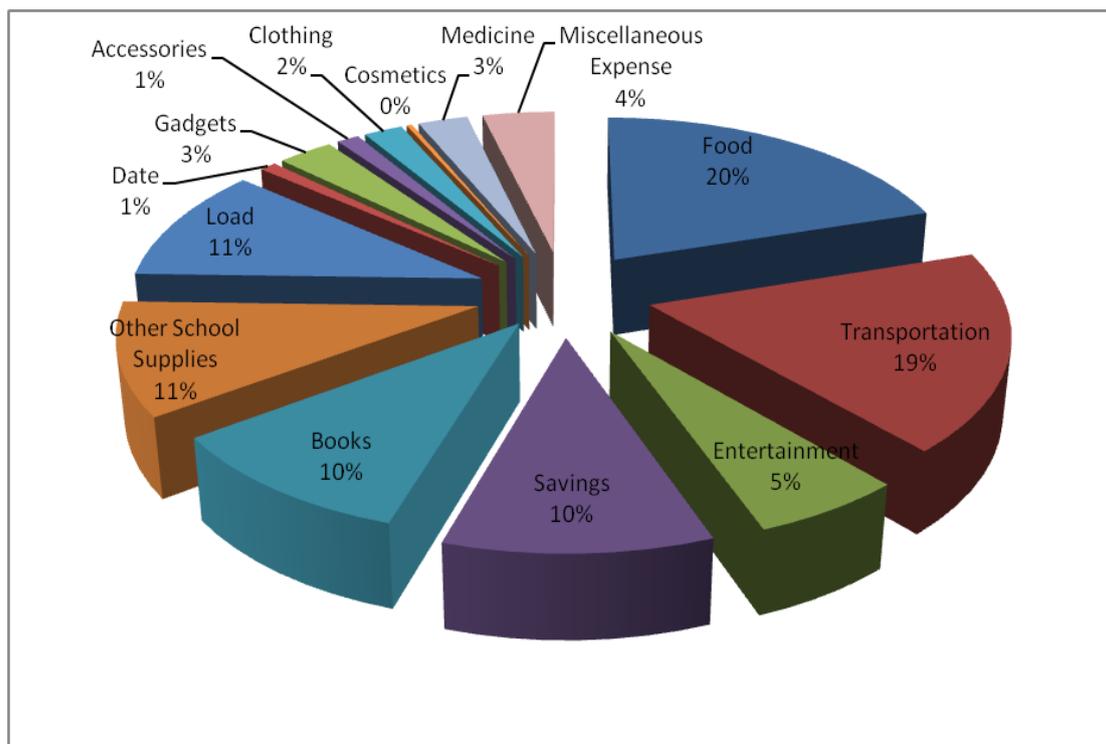
**Chart 2. Financial management of students whose parents are earning a total combined income of P10,000-P15,000 in a month**



**Chart 3. Financial management of students whose parents are earning a total combined income of P5,000-P10,000 in a month**

The chart above shows that students whose parents are earning a total combined income of P5,000-P10,000 allocate their allowance on (1) food (20%), (2) transportation (19%), (3) other school supplies (11%), (4) load (11%), (5) books (10%) and (6) savings (10%) which has the highest percentages in the chart. There is an increased of 2% in the allocation of transportation and a decreased of 1 % also to cosmetics and savings compared to chart1. The allocation of the other categories are same on chart 2.

**Chart 4. Financial management of students**



**whose parents are earning a total combined income of below P5,000 in a month**

Chart 4 shows that students whose parents are earning a total combined income of below P5,000 in a month allocate their allowances first on food (20%), second on transportation (19%), third and fourth on load and other school supplies (11%) , fifth and sixth on books and savings (10%). It shows that there is an increased of 2% on transportation, and 2% decreased also to savings compared to chart 1. There is no allocation on cosmetics also which is constant on charts 2, 3 and 4.

The charts 1 to 4 show that the parent's income of the students has significant impact on their allocation of cosmetics, clothing, transportation and savings of the students. There is a positive relationship between parents' income to the students' savings, cosmetics and



clothing. The higher the parents' income of a student, the higher the percentage the student can allocate to savings and for his/her luxuries. On the other hand, there is an inverse relationship between the parents' income of the students to their allocation on transportation. The higher the income of the students' parents, the lower the percentage he/she allocates to transportation because most of them have their own means of transportation. The four (4) charts also show that most of the students allocate their allowance in the 6 categories which were rank according to importance:

(1) Food (2) Transportation (3) Savings (4) Other school supplies (5) Load (6) Books.

### **Financial behavior of students based on the number of family members measured based on savings**

**Table 1 Students' distribution in each number of family members**

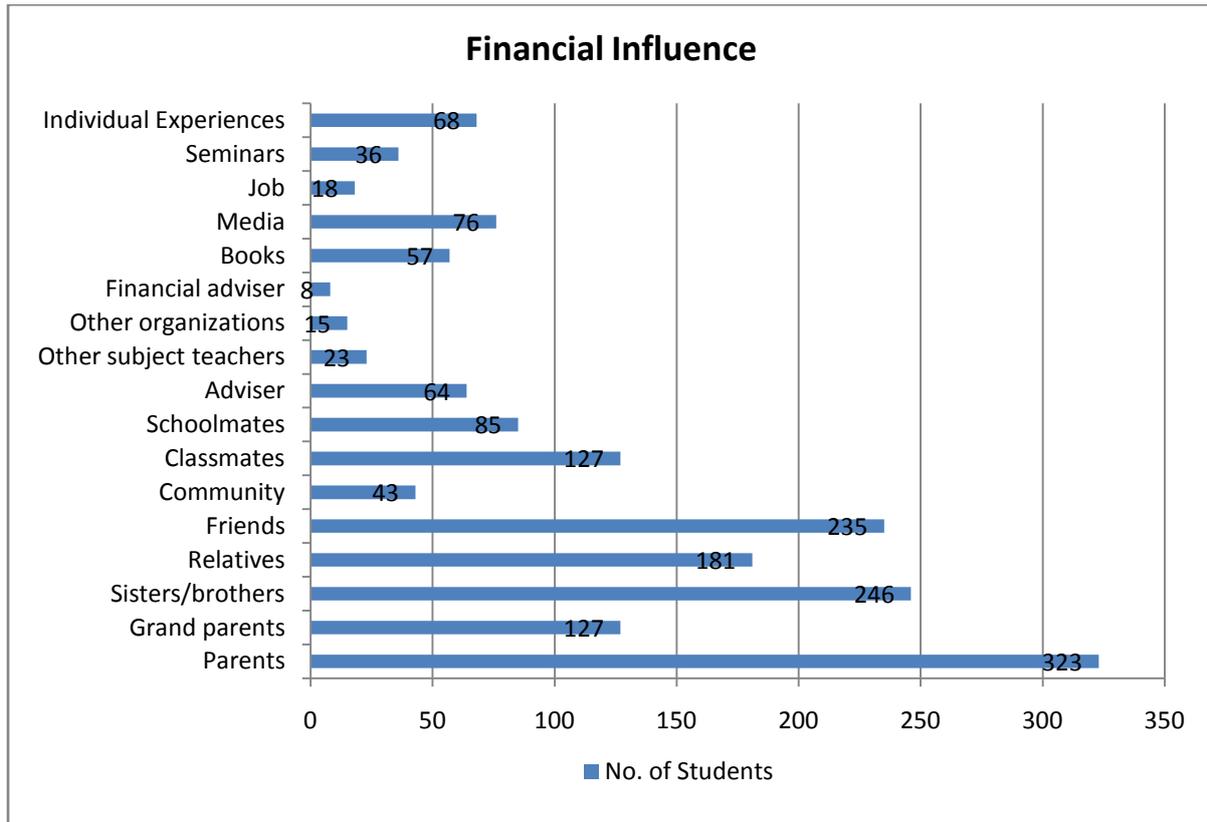
<b>No. of Family Members</b>	<b>No. of Students</b>	<b>Percentage</b>
Above 10	46	78%
8-10	65	74%
5-7	76	70%
Below 5	67	52%

The table below presents the number and percentage of students in each number of family members who have savings, which is the parameter to tell that the student is frugal/thrifty. There are 59 students who have above 10 family members, 88 students who have 8-10 family members, 109 students who have 5-7 family members and 129 students who have below 5 family members.

The table indicates that students who have higher number of family members are more frugal than those students with lesser family members because they are more knowledgeable in making decisions on how they will allocate their finances based on their experienced in their family. Having a small amount of allowance only enough for their basic needs as students, they allocate it properly to sustain their needs. The students with lower family members tend to enjoy their allowances especially those students who are the only child in the family



### Financial Influence



The chart shows the number of students in the different financial influences stated above.

From the chart shown above, the table below was constructed to show the top 5 financial influences of the students. The table also shows the total number and percentage of students who said that the financial influences below affects their decisions on financial matters which were ranked according to the number of students (highest to lowest).

Rank	Influence	No. of Students	Percentage
1	Parents	323	84%
2	Sisters/Brothers	246	64%
3	Friends	235	61%
4	Relatives	181	47%
5	Grandparents	127	33%
	Classmates	127	33%

The table shows that the first financial influence of the students is their parents having the highest number of students (269 out of 320). Second are their sisters/brothers, third are their friends, fourth are their relatives and lastly, their grandparents and classmates. They are influenced by these financial influences (persons closest to the students) in managing their finances and on where their allowances should be allocated.



## RESULT

The table presents below the total number and percentage of students in each factor identified by the researchers to measure the overall financial literacy of the university students using the data on Financial Literacy based on their chosen college.

Financial Literacy of students measured based on their:	Total No. of Students	Percentage of Financial Literacy
1. Financial subjects such as basic finance, financial management, basic accounting, financial accounting, marketing, management accounting, entrepreneurship and economics.	291	75.58%
2. Learnings in investing, , budgeting, taxes, credit, loans/debt, interest rate and insurance	321	83.38%
3. Background and understanding of Financial Literacy	133	34.55%
4. Financial interest	333	86.49%
5. Preparation for the future	78	20.26%
6. Financial Test (Above Average)	270	70.13%
<b>OVERALL PERCENTAGE</b>		<b>61.73%</b>

## SUMMARY, CONCLUSION AND RECOMMENDATION

### Summary

The students (business major) from CBEA are more financially literate than students from the three (3) colleges (non-business major), CAHS, CTE and CHIM. Students who are in the higher year level have a higher degree of financial literacy than those students who are at the lower year level. Ilocano students are more prepared for their future compared to Ibanag, Itawes, and Tagalog. Females are more interested in increasing their financial literacy than males. They are more prepared also in preparing for their future. Students with ages 20 and above are more financially literate than the younger ones. In the financial test administered, CBEA have the most number of students who have above average scores. The



higher the parents' income of the student, the higher the savings he/she has. Students also who have a higher number of family members tend to be thrifty than those students who are the only child in the family. The top six financial influences of the students are their parents, sisters/brothers, friends, relatives, grandparents, and classmates. The financial literacy of the CSU-Andrews students is only moderate with a percentage rate of 61.73%.

### Conclusion

The research achieved its main objective which is to determine the financial literacy of the CSU-Andrews students. The overall result shows that out of the 385 students, there is only 61.73% of them who are financially literate which means that there is only moderate financial literacy among the students of the university.

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