



(RESEARCH ARTICLE)



Emergency fund accessibility and financial resilience of minimum wage earners: A localized analysis

Rovelyn Upao Patulot *, Ma. Erichelle Obiar Cabagay, Rico Reynante Legaspi, Ponciano Mallorca Rayos III and Maria Cristina F. Melo

Department of Business Administration, School of Business, Hospitality and Tourism Management, Divine Word College of Calapan, Inc., Oriental Mindoro, Philippines.

World Journal of Advanced Research and Reviews, 2026, 30(01), 1111-1124

Publication history: Received on 24 February 2026; revised on 06 April 2026; accepted on 08 April 2026

Article DOI: <https://doi.org/10.30574/wjarr.2026.30.1.0847>

Abstract

This study investigates the relationship between Emergency Fund Accessibility and Financial Resilience among minimum wage earners in Barangay Lumangbayan, Calapan City. Utilizing a descriptive-correlational research design, the study examines how Fund accessibility to liquid reserves influences the dimensions of financial resilience, namely: economic resource factors, financial literacy, and financial inclusion. A total of 297 respondents were selected through simple random sampling from a population of 1,291 residents. Data were gathered using a validated, pre-designed questionnaire on a 4-point Likert scale and analyzed through weighted means, standard deviations, and Pearson's Correlation Coefficient. The results reveal that emergency fund accessibility significantly and positively correlates with all three dimensions of financial resilience, with financial inclusion emerging as a critical factor in the respondents' ability to maintain stability. These findings suggest that while immediate access to funds is present, there is a moderate need for structural support to ensure long-term sustainability. Therefore, the study concludes with a Proposed Action Plan designed to bridge the gap between volatile income and financial security, providing a strategic framework for enhanced financial management among minimum wage earners.

Keywords: Minimum Wage Earners; Financial Resilience; Economic Resource Factors; Financial Literacy; Financial Inclusion; Emergency Funds Accessibility

1. Introduction

Financial resilience is the ability to manage financial challenges and maintain stability even in the face of unexpected expenses or hardships [1]. In this study, financial resilience is influenced by factors such as income management and access to emergency funds. One practical way to measure financial resilience is through the accessibility of an emergency fund, which enables individuals to address urgent expenses without relying on debt [2]. Minimum-wage earners often face income constraints that make achieving financial stability difficult, and in Barangay Lumangbayan, Calapan City, the minimum wage provides a baseline income for these earners. This study aims to examine how personal finance management practices, particularly financial resilience, affect the accessibility of emergency funds among minimum-wage earners, thereby providing insights to improve their financial well-being.

Financial resilience is the capacity to withstand financial hardships and maintain stability over time. It involves a long-term, practical approach aimed at safeguarding one's savings and financial well-being, regardless of life's uncertainties [3]. It means being able to handle unexpected expenses or difficult situations without experiencing financial strain or relying on debt. It serves as a financial cushion that allows individuals to maintain control over their finances and remain stable even when circumstances take an unexpected turn.

* Corresponding author: Patulot, Rovelyn Upao

Understanding the variables that influence financial resilience is important in examining how minimum wage earners in Barangay Lumangbayan, Calapan City handle financial challenges and maintain access to emergency funds. One key factor is economic resources, which include land, labor, capital, and entrepreneurial ability, as these shape income opportunities and overall financial capacity [4]. As individuals rely on these resources to support their daily needs, their level of financial literacy also becomes essential, since it helps them understand and apply basic financial skills such as budgeting, saving, and managing expenses, leading to better financial decisions and improved stability over time [5]. With this knowledge, individuals are more likely to engage with formal financial systems, making financial inclusion another important factor, as it provides access to financial services like savings accounts, credit, and insurance, which can support their financial security and overall well-being [6]. As these factors work together, they contribute to a more practical outcome of financial resilience, which is the ability to build and access an emergency fund. An emergency fund serves as readily available savings for unexpected expenses, allowing individuals to respond to urgent financial needs without relying on debt, especially when the funds are kept in secure and easily accessible accounts [7]. In this way, economic resources, financial literacy, and financial inclusion are closely connected in shaping financial resilience and influencing how minimum wage earners manage and access emergency funds during times of need.

The minimum wage is the legally established lowest amount an employee can receive per hour of work. It serves as a wage floor set through legislation to protect workers from unduly low compensation [8]. The issue of minimum wage remains widely debated in economics, as it serves both economic and social policy objectives. Adjustments in minimum wage aim to promote fair income distribution and improve economic conditions [9]. Minimum wage laws are designed to ensure workers achieve a basic standard of living and financial stability.

Specifically, in Lumangbayan, Calapan City, the minimum wage is regulated through local directives that establish the baseline income for workers. The city falls under Wage Order No. RB-MIMAROPA-12 issued by the Department of Labor and Employment (DOLE) Regional Tripartite Wages and Productivity Board (RTWPB) MIMAROPA. Under this directive, employees working in establishments with ten or more workers are entitled to a daily minimum wage of ₱430, while those employed in businesses with fewer than ten workers receive ₱404 [10]. These regulations define the minimum earnings standard for workers in the area.

This study aims to examine the financial resilience of minimum wage earners and its impact on their access to emergency funds. The research, titled "The Relationship between Financial Resilience and Emergency Funds of Minimum Wage Earners in Barangay Lumangbayan, Calapan City," seeks to address the gap in understanding how financial resilience influences the ability of workers to manage unforeseen financial needs. It focuses on personal finance management practices, particularly economic resources, financial literacy, and financial inclusion, as key components of financial resilience. Furthermore, the study aims to determine the level of financial resilience among these workers and assess its relationship with emergency fund accessibility. In alignment with the United Nations Sustainable Development Goals (SDGs), particularly Goal 1 (No Poverty) and Goal 8 (Decent Work and Economic Growth), the findings are intended to contribute to promoting financial stability, reducing vulnerability, and enhancing economic well-being among minimum wage earners.

The findings of this study are expected to provide valuable insights into the financial practices of minimum wage earners in Lumangbayan, Calapan City. They will also help identify areas for improvement in personal finance management. By examining how economic resources, financial literacy, and financial inclusion influence emergency fund accessibility, the study offers both theoretical and practical contributions. Ultimately, it aims to enhance the financial resilience of minimum-wage earners and serve as a useful reference for academic and professional communities.

2. Review of Related Literature

2.1. Emergency Funds Accessibility

Low-income households with limited assets often face significant challenges in accessing cash to cover unexpected expenses or income shortfalls, where having emergency savings acts as a financial safety net, mitigating the impact of shocks and helping to preserve family well-being [11]. An emergency or rainy-day savings account is a practical financial tool designed to manage unforeseen costs while supporting both short- and long-term financial goals, offering quick access to cash during urgent situations and reducing immediate stress and preventing long-term financial strain. Without such reserves, individuals frequently resort to high-interest credit cards or payday loans, which can exacerbate financial difficulties over time [12]. Looking specifically at minimum wage earners in Opol, Misamis Oriental, it is evident that managing limited income requires constant, careful budgeting, often prioritizing essentials such as food and transportation, with little or no surplus left for saving, as the scarcity of disposable income limits their ability to prepare for unexpected expenses [13].

Understanding the distinction between emergency funds and regular savings is critical for effective personal financial planning, as emergency funds should be kept in highly accessible accounts to ensure quick availability during urgent needs [14]. Financial experts generally recommend maintaining emergency savings that cover at least three months of expenses, although the ideal amount can vary depending on individual circumstances, particularly for those with irregular income who may require larger reserves [15]. Having access to these emergency funds is just as important as the amount saved, as limited accessibility may force individuals to rely on high-interest loans or informal sources, worsening financial instability.

2.2. Financial Resilience

The concept of financial resilience encompasses an individual's capacity to withstand and recover from financial shocks, such as those triggered by health issues, unemployment, or economic downturns, which can negatively impact income or assets. It reflects the ability to adapt financially during difficult life events and maintain effective functioning amid adversity or stress [16]. Central to building financial resilience is recognizing vulnerabilities arising from exposure to various risks and limited access to appropriate resources. Unexpected life events, such as illness or the death of a family member, job loss, natural disasters, or agricultural losses, can severely weaken a household's preparedness to face financial challenges. In ideal scenarios, households mitigate these shocks by utilizing savings, borrowing money, or relying on insurance claims or support from family and friends [17]. However, economically vulnerable groups often encounter significant barriers to accessing formal financial services, which makes them particularly susceptible to financial shocks. These populations frequently resort to coping mechanisms that may exacerbate financial instability and hinder long-term development [18].

Financial resilience is a critical component of overall financial well-being, determining how effectively a person can manage financial setbacks and recover from difficult economic situations, as individuals who have prudently managed their finances tend to rely on savings, while others resort to borrowing, external support, or insurance claims, and those who struggle are considered financially vulnerable [19]. It is not uniform across populations but varies according to multiple factors, including gender, income level, education, employment status, geographic location, and household characteristics, making it essential to recognize these differences to better address the financial challenges faced by minimum-wage earners and improve their capacity to handle unexpected expenses through appropriate financial support and education [20].

2.3 Economic Resource Factors

When assessing the financial resilience of minimum-wage earners in Lumangbayan, Calapan City, it becomes evident that job-related factors only partially explain their situation. Their capacity to build and access emergency savings largely depends on the availability and stability of their financial resources. At both macroeconomic and microeconomic levels, various studies emphasize the role of efficient resource utilization, technological advancements, the growth of eco-friendly industries, and sustainable development initiatives in promoting financial stability and long-term economic sustainability [21].

Economic resources, critical inputs for producing goods and services, are fundamental to the functioning of any economy. These resources are generally divided into human and nonhuman categories. Human resources include labor and management skills, while nonhuman resources cover land, capital, financial assets, and technology [22]. At the household level, economic resources are assessed by examining income sources, family size, and financial obligations. Minimum wage earners often rely not only on their wages but also on supplementary income from family members or informal employment. This mix of resources directly affects their ability to meet basic needs and save for emergencies, underscoring the precarious nature of their financial security [23].

Moreover, inflation further erodes the real value of these economic resources. With wages stagnant or growing only marginally, the purchasing power of minimum-wage earners declines, making it increasingly difficult to afford essential expenses or to accumulate savings. As a result, their financial resources are highly vulnerable to broader economic fluctuations, which significantly impact their overall financial well-being [24]. This condition limits their capacity to build financial security and maintain stable consumption patterns. Consequently, prolonged exposure to inflationary pressures may increase financial stress and reduce their ability to prepare for future economic uncertainties.

2.4 Financial Literacy

A country's financial literacy is very important in fostering a healthy economy by reducing financial exclusion, promoting informed decision-making, and even enhancing liquidity in financial markets [25]. Central to this is financial literacy, which is identified as a fundamental indicator of individuals' capacity to make sound financial decisions [26].

The Organization for Economic Co-operation and Development (OECD) defines financial literacy as encompassing not only knowledge and understanding of financial concepts and risks, but also the skills, motivation, and confidence required to apply this knowledge effectively, enabling individuals to make informed decisions in various financial contexts and improve their financial well-being. Thus, financial literacy involves both understanding financial principles and demonstrating sound financial behavior, both of which are addressed in this study.

Financial literacy also plays a key role in promoting financial inclusion, as higher levels of financial literacy correlate with increased saving behavior, greater use of formal financial institutions, and more frequent borrowing through formal channels [27]. It is widely recognized as one of the most essential skills for enhancing individuals' standards of living and financial well-being, equipping people to navigate and manage their financial situations more effectively and contribute to greater economic security [28]. Furthermore, financial literacy is an essential skill for making wise financial choices, comprehending the economic environment, and participating responsibly in society, especially in the context of increasing financial complexity and economic risks, despite remaining low even in countries with advanced financial markets [29].

2.5 Financial Inclusion

In many countries, financial inclusion has become a major policy priority, focusing on the effective delivery of financial products and services to underserved populations [30]. Financial Inclusion also enables individuals to access formal financial services such as savings accounts, loans, and insurance that can help cope with financial difficulties and improve their ability to manage their finances and strengthen their overall financial stability. Building on this, financial inclusion is a critical global strategy for enhancing financial resilience by reducing vulnerabilities and providing protection against economic hardships [17]. Moreover, financial inclusion is essential for driving economic growth and poverty reduction, as access to financial services enables households to save more, invest in education, launch businesses, empower women, and improve health outcomes [31]. Typically defined as the use of formal financial accounts, financial inclusion provides many benefits to individuals, although there remains a limited understanding of the key factors that encourage and sustain such inclusion [32]. Access to financial services supports financial resilience by helping individuals maintain stable consumption during crises, which is particularly crucial for low-income earners, whose incomes often cover only basic needs, and any unexpected reduction in income can result in severe financial hardship [33].

3. Theoretical Framework

3.1. Capability Approach Theory

The capability approach is a theoretical framework based on two key ethical principles: firstly, that the freedom to achieve well-being is fundamentally important; secondly, that well-being should be understood in terms of people's capabilities and functioning. Capabilities refer to the potential actions and states that individuals can achieve if they choose to, such as being well-nourished, getting married, receiving an education, or traveling. Functioning's are the capabilities that have actually been realized [34]. Whether a person can transform available resources and public goods into a functioning system, that is, whether they possess a certain capability, depends largely on personal, social, and environmental factors known as 'conversion factors' in this framework. Capabilities are also described as real or substantive freedoms because they represent freedoms that are free from barriers, unlike mere formal rights or basic social goods.

This approach emphasizes that well-being is not only about possessing financial resources but also about the ability to use those resources to achieve important goals [35]. For minimum-wage earners: having money alone does not guarantee financial security or resilience. What matters is whether they have the real freedom, or capability, to convert their income and savings into emergency funds that can support them during difficult times. Personal, social, and environmental conditions, known as conversion factors, influence this ability. Factors such as financial knowledge, social support, access to banking services, and local economic conditions can either facilitate or hinder their capacity to save and access emergency funds.

3.2. Financial Literacy Theory of Financial Inclusion

The financial literacy theory of financial inclusion holds that financial literacy plays a crucial role in determining an individual's access to and use of formal financial services, thereby shaping their financial inclusion. It explains how financial literacy, which refers to the ability to effectively manage financial resources to improve one's financial well-being, enables individuals to transition from being financially excluded (unbanked) to financially included (banked). The theory also emphasizes that financial illiteracy can be a key factor in financial exclusion, while financial literacy

provides a solution to improve financial inclusion. It is important to learn more about money and how to manage it. Individuals can make smarter decisions about saving, borrowing, and investing, which helps them use formal financial services more confidently. Financial literacy also gives people the tools to plan for emergencies and future goals, so they don't have to rely on risky or expensive informal loans.

This theory aims to address the gap in the existing literature by explaining the mechanisms through which financial literacy influences financial inclusion outcomes, offering a unique approach compared to other theories like institutional theory and vulnerable group theory [36]. This aligns with the objective of the thesis to determine the relationship between personal finance management practices and the financial stability of minimum wage earners, as financial literacy and its impact on financial inclusion may play a significant role in enhancing the financial stability of individuals in this demographic. Understanding this theory helps explain why individuals with higher financial literacy are more likely to adopt healthy financial behaviors and access formal financial services. It also highlights the potential for targeted education programs and policy interventions to improve financial inclusion and overall economic well-being for vulnerable populations.

3.3. Financial Resilience Theory

Financial Resilience Theory looks at how well a person or family can handle and recover from sudden money problems, like unexpected bills or losing income. It focuses on how people adjust to these hard situations by using their own skills, such as managing money, saving, and planning their spending, as well as outside help, such as borrowing money or support from friends and family. The theory says that being financially strong is not just about having money but also about being able to use that money wisely to get through tough times [37]. It also highlights that resilience can be built over time through consistent money management practices and learning from past financial challenges. Being financially resilient gives people a sense of control and confidence, which can reduce stress during difficult financial situations.

This is useful for understanding the relationship between financial resilience and access to emergency funds among minimum wage earners in Calapan City. The theory holds that financial resilience means not only having money but also the ability to manage and use it effectively when faced with unexpected financial challenges. For minimum-wage earners, who often have limited income, the ability to build and access emergency funds is crucial for recovering from sudden expenses or income losses. Without these skills and resources, even small financial shocks can quickly turn into major hardships. Therefore, the theory underscores the importance of both financial knowledge and practical access to funds in helping individuals maintain stability and security.

From the Review of related literature and theory, the conceptual framework of the study is shown in figure 1.

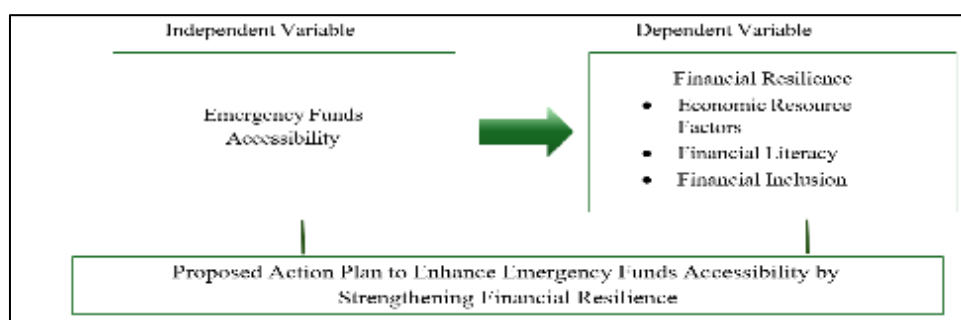


Figure 1 Conceptual Framework of the relationship between Emergency Fund and Financial Resilience of minimum wage earners in barangay Lumangbayan, Calapan City

Figure 1 presents the conceptual framework of the study, illustrating the hypothesized relationship between Emergency Fund Accessibility and Financial Resilience among minimum wage earners in Barangay Lumangbayan, Calapan City. The Independent Variable: Emergency Fund Accessibility. The primary driver in this framework is Emergency Fund Accessibility, defined as the ease and speed with which individuals can tap into liquid savings during unforeseen financial shocks. High accessibility ensures immediate support, preventing a reliance on high-interest debt and serving as the first line of defense against economic instability [7]. The Dependent Variable: Financial Resilience. The study posits that accessibility directly influences an individual's Financial Resilience—the capacity to endure hardships and sustain long-term stability [3]. Within this framework, resilience is measured through three core dimensions: Economic Resource Factors: The tangible and intangible assets (labor, capital, and income-generating tools) that provide the

structural foundation for stability [4]. Financial Literacy: The cognitive ability to apply budgeting, investing, and management skills, which dictates how effectively resources are utilized [5]. Financial Inclusion: The degree of access to formal, affordable financial services, allowing individuals to participate safely in the broader economy [6].

The framework suggests that when emergency funds are readily accessible, minimum wage earners are better positioned to strengthen their economic resources, literacy, and inclusion. This relationship forms the basis for the study's ultimate output: A Proposed Action Plan to Enhance Emergency Funds Accessibility by Strengthening Financial Resilience. This plan aims to bridge the gap between volatile income streams and long-term financial security for the residents of Barangay Lumangbayan.

3.4 Hypothesis of the Study

H0: There is no significant relationship between emergency fund accessibility and the level of financial resilience among minimum wage earners in Lumangbayan, Calapan City.

3.5 Statement of the Problem

This study aims to determine the relationship between Emergency Fund Accessibility and the Financial Resilience of minimum wage earners in Barangay Lumangbayan, Calapan City. Specifically, it seeks to answer the following questions:

- What is the level of Emergency Fund Accessibility among minimum wage earners in Calapan City?
- What is the level of Financial Resilience of the respondents in terms of:
 - Economic Resource Factors;
 - Financial Literacy; and
 - Financial Inclusion?
- Is there a significant relationship between the level of emergency fund accessibility and the financial resilience of the respondents?
- Based on the findings of the study, what action plan can be proposed to enhance emergency fund accessibility and strengthen the financial resilience of minimum wage earners in Barangay Lumangbayan, Calapan City?

4. Methods

This study utilizes a quantitative research design to examine the relationship between emergency fund accessibility and financial resilience—specifically through economic resource factors, financial literacy, and financial inclusion—among minimum wage earners in Barangay Lumangbayan, Calapan City. A correlational approach is employed to identify patterns and determine the extent to which these variables are related without manipulating the respondents' circumstances. The total population consists of 1,291 minimum wage earners residing in Barangay Lumangbayan. Using the Raosoft Sample Size Calculator with a 95% confidence level and a 5% margin of error, a sample size of 297 respondents was determined. To ensure a representative and unbiased data set, the study employs simple random sampling, selecting participants who meet the specific criteria of being residents and minimum wage earners within the locale. The primary data-gathering tool is a structured, pre-designed questionnaire. The instrument utilizes a 4-point Likert scale (1 – Never, 2 – Rarely, 3 – Often, 4 – Always) to delineate respondent alternatives. To ensure the instrument's reliability, the test-retest method was conducted over a one-week interval. The resulting Pearson's Correlation Coefficient exceeded acceptable thresholds, confirming the instrument's consistency. Supplemental interviews are conducted where necessary to probe specific responses and provide context to the quantitative data.

The data were analysed using weighted mean and standard deviation: To evaluate the levels of emergency fund accessibility and the dimensions of financial resilience. Regression Analysis was utilized to determine the significance of the relationship between the variables and to examine how the dependent variable (Financial Resilience) changes in response to variations in the independent variable (Emergency Fund Accessibility).

5. Results and Discussions

5.1. What is the level of emergency funds accessibility?

Table 1 Mean Perception of the Respondents in Terms of Emergency Funds Accessibility

Emergency Funds Accessibility Factor	Mean	Verbal Description	Rank	Interpretation
1. I can easily access my emergency funds when I need them.	3.38	Always	1	High Level
2. My emergency fund could cover my essential expenses for essential expenses for 3-6 months.	3.04	Often	4	Moderate Level
3. I prioritize using my own savings rather than loans for emergency needs.	0.76	Often	3	Moderate Level
4. I have regular contributions to my emergency fund.	0.72	Often	8	Moderate Level
5. I have relied on my emergency fund multiple times over the past year.	0.89	Often	10	Moderate Level
6. I can quickly and safely withdraw my emergency funds whenever an urgent situation occurs.	0.80	Often	9	Moderate Level
7. I have the means to rebuild my emergency fund after using it.	0.80	Often	5.5	Moderate Level
8. I regularly monitor my financial capacity to ensure preparedness for emergencies.	0.73	Often	7	Moderate Level
9. I have access to financial products that help me build or maintain an emergency fund.	0.80	Often	5.5	Moderate Level
10. My income allows me to sufficiently save for future financial emergencies.	0.79	Often	2	Moderate Level
Overall	0.40	Often		Moderate Level

Table 1 presents the factors influencing emergency fund accessibility among the respondents. The highest-ranked factor is that respondents can easily access their emergency funds when needed, with a mean score of 3.38. This indicates that immediate availability of funds is a critical element of financial resilience, as it enables individuals to respond effectively to unexpected financial demands without resorting to external borrowing. The findings suggest that accessibility, rather than mere possession of funds, strengthens financial stability, consistent with Lusardi and Messy [27].

However, the lower-ranked factors such as regular contributions, debt not hindering savings, and frequent reliance on emergency funds indicate challenges in sustaining and replenishing these funds over time. This suggests that while respondents may have access to emergency resources, their ability to consistently build and maintain them is constrained by financial obligations and limited income. Although some respondents can cover three to six months of expenses, the variability in saving behavior reflects uneven financial capacity and discipline.

Overall, the mean of 0.40 reflects moderate level that emergency fund accessibility contributes to financial resilience. This indicates a generally consistent level of access among respondents, but with limitations in long-term adequacy and sustainability. Supported by Bagood et al. [38], the findings highlight that while accessibility is evident, strengthening consistent saving practices is essential to fully enhance financial resilience.

5.2. What is the level of financial resilience of minimum wage earners residing in Barangay Lumangbayan, Calapan City, in terms of:

Table 2 Mean Perception of the Respondents in Terms of Economic Resource Factors

Economic Resource Factor	Mean	Verbal Description	Rank	Interpretation
1. I got most of my money from my regular job.	3.42	Always	1	High Level
2. My primary source of income is stable.	3.15	Always	2	Moderate Level
3. I purchase products that fit my monthly financial resources.	3.09	Often	4	Moderate Level
4. I accept extra work or side jobs to earn extra income.	3.07	Often	6	Moderate Level
5. I take extra shifts or overtime work when it is available.	3.06	Often	7	Moderate Level
6. I join community projects or programs that give additional income.	3.05	Often	8	Moderate Level
7. I work regularly to earn income for my family's needs.	3.10	Often	3	Moderate Level
8. I budget my money so that I can buy things that will help me earn more.	3.08	Often	5	Moderate Level
9. I continue to find ways to earn income even during financial or personal challenges.	3.03	Often	9	Moderate Level
10. I sell personal items to make sure my finances stay on track.	2.94	Often	10	Moderate Level
Overall mean	3.10	Often		Moderate Level

Table 2 presents the factors influencing financial resilience in terms of economic resource factors. The highest-ranked item, "I got most of my money from my regular job," with a mean score of 3.42, suggests that a stable and regular income is the strongest economic resource supporting financial resilience, as it provides a predictable cash flow for budgeting, saving, and meeting financial obligations. This aligns with Wu et al. [39], who found that income stability reduces financial vulnerability and improves the ability to cope with economic shocks.

In contrast, the lowest-ranked factor, selling personal items to ensure finances stay on track, with a mean score of 2.94, suggests that respondents only rely on this during more serious financial pressure, indicating that it is a less preferred and less sustainable strategy. This supports Brockland and Ladha [40], who emphasized that asset liquidation is typically used in financial difficulty and does not ensure long-term stability.

The overall mean of 3.10 indicates moderate level that economic resources strengthen financial resilience. This suggests that while financial resilience is mainly supported by stable income and responsible financial practices, some respondents may still face challenges, consistent with Brockland and Ladha [41] that many individuals continue to experience financial vulnerability despite having income sources.

Table 3 Mean Perception of the Respondents in Terms of Financial Literacy

Financial Literacy Factor	Mean	Verbal Description	Rank	Interpretation
1. I thoughtfully consider if a purchase fits within my budget.	3.47	Always	1	High Level
2. I feel secure when I save money for my future rather than spending it immediately.	3.25	Often	2	Moderate Level
3. I prepare a budget to track my income and expenses.	3.19	Often	4.5	Moderate Level
4. I am willing to put some of my funds at risk when it comes to investing.	3.03	Often	10	Moderate Level
5. I closely monitor my personal finances.	3.08	Often	8	Moderate Level
6. I create long-term financial plans.	3.04	Often	9	Moderate Level
7. I understand the importance of preparing financially for retirement.	3.10	Often	7	Moderate Level
8. I make financial decisions that prepare me for the future.	3.18	Often	6	Moderate Level
9. I work towards achieving my long-term financial goal.	3.19	Often	4.5	Moderate Level
10. I compare prices or options before buying or investing in something.	3.24	Often	3	Moderate Level
Overall mean	3.18	Often		Moderate Level

Table 3 presents the factors influencing financial resilience, specifically financial literacy. The highest-ranked factor is respondents' thoughtful consideration of whether a purchase fits within their budget, with a mean score of 3.47. The high ranking of budgeting, saving prioritization, and thoughtful money use among respondents suggests that practical financial management and future-oriented financial planning strongly contribute to their financial resilience. This indicates that respondents are capable of making informed decisions that support both their immediate needs and long-term financial security.

On the other hand, the lowest-ranked factor is respondents' willingness to put some of their funds at risk when it comes to investing, with a mean of 3.03. This suggests that, while respondents demonstrate financial discipline and careful spending habits, they may be less confident or willing to engage in higher-level financial decisions such as investment risk-taking. This indicates a potential need for further guidance in investment planning and risk management to expand their financial literacy beyond budgeting and saving.

The overall mean of 3.18 indicates that respondents generally agree that financial literacy influences their financial resilience. The findings imply that respondents' financial resilience is strongly supported by practical budgeting behavior, prioritizing savings, and aligning spending with long-term goals. At the same time, lower engagement in investment-related decisions suggests areas for development to further strengthen financial capability and preparedness.

Table 4 Mean Perception of the Respondents in Terms of Financial Inclusion

Financial Inclusion Factor	Mean	Verbal Description	Rank	Interpretation
1. I have access to safe and reliable financial products such as savings, loans, or insurance.	3.50	Always	1	High Level
2. I have a bank account where I can save money securely.	3.18	Often	2	Moderate Level
3. I have access to financial services such as savings accounts.	3.12	Often	4	Moderate Level
4. I refuse financial products, such as loans.	2.89	Often	10	Moderate Level

5. I can easily access financial institutions in my area when I need their services.	3.09	Often	8	Moderate Level
6. I use financial services that are affordable and appropriate for my income level.	3.11	Often	5.5	Moderate Level
7. I use digital or mobile banking apps to transfer or receive money safely and quickly.	3.07	Often	9	Moderate Level
8. I take time to understand the financial products and services offered to me.	3.10	Often	7	Moderate Level
9. I use online financial tools such as GCash or Maya to pay bills or manage my money securely.	3.11	Often	5.5	Moderate Level
10. I can easily meet the requirements and process to open or use financial services such as savings, loans, insurance, or digital accounts.	3.13	Often	3	Moderate Level
Overall mean	3.13	Often		Moderate Level

Table 4 presents the factors influencing financial resilience in terms of financial inclusion. The highest-ranked factor is having access to safe and reliable financial products such as savings, loans, or insurance, with a mean score of 3.50, interpreted as a high level. This finding emphasizes that the availability of trustworthy financial products plays a critical role in strengthening financial resilience, as these tools help individuals manage risks, save for emergencies, and cope with financial shocks. This supports the assertion of Sethi et al. [42] that access to reliable financial services is central to building financial stability among workers, particularly minimum wage earners.

In contrast, the lowest-ranked factor is refusing financial products such as loans, with a mean of 2.89, which still falls under the high-level interpretation. This indicates that while respondents generally participate in financial services, some remain cautious or selective, particularly with credit-related products. This suggests a need for improved knowledge and guidance in investment planning and risk management. This finding is supported by Aiah et al. [43], which showed that although individuals commonly practice budgeting and saving, participation in more complex financial activities such as investing remains less prevalent.

Overall, the mean score of 3.13 indicates that respondents generally agree at a moderate level that financial literacy influences their financial resilience. This suggests that foundational financial practices such as budgeting, saving for the future, and aligning spending with priorities are consistently observed among respondents. The results imply that while respondents possess essential financial skills that support resilience, there is still a need to enhance their capabilities in investment and risk management to further strengthen their financial position.

5.3. Is there a significant relationship between financial resilience and emergency fund accessibility of minimum wage earners?

Table 5 Summary of Correlations

Financial Resilience in terms of:	Emergency Funds Accessibility				
	r-value	p-value	Degree	Direction	Interpretation
Economic Resource Factors	0.188	0.001	Very Low	Positive	Significant
Financial Literacy	0.222	<0.001	Low	Positive	Significant
Financial Inclusion	0.432	<0.001	Moderate	Positive	Significant

Table 5 presents the indicators used to determine the relationships between economic resource factors, financial literacy, and financial inclusion, and respondents' emergency fund accessibility. The result shows varying patterns, with corresponding r-values of 0.188, 0.222, and 0.432, representing very low, low, and moderate positive relationships, respectively. The results indicate that all three factors are significant in influencing the accessibility of emergency funds.

In terms of statistical significance, the p-values are 0.001, <0.001, and <0.001, signifying that the relationships are significant despite having different values. This shows that respondents perceive financial inclusion as the most influential factor in enhancing emergency fund accessibility, followed by financial literacy and economic resource factors. While the findings show positive impacts among the indicators of financial resilience, the degree of influence differs, reflecting differences in how respondents experience these financial resilience factors.

Individuals who are financially included are more likely to borrow money for medical needs and to have access to emergency funds compared to those who are financially excluded [38].

Table 6 Proposed Action Plan to Enhance Emergency Funds Accessibility by Strengthening Financial Resilience

Program	Objective	Persons Involved	Purpose	Expected Outcome
Financial Literacy Workshops	To improve budgeting, saving, and long-term financial planning skills among minimum wage earners.	Barangay officials, financial experts, and minimum wage earners.	To equip minimum wage earners with knowledge and practical skills to manage their finances effectively.	Increased financial literacy leading to better budgeting, saving habits, and long-term financial planning.
Financial Inclusion Facilitation	To provide better access to banking and digital financial services.	Local government units, banks, financial institutions, minimum wage earners.	To ensure that minimum wage earners can utilize financial services to strengthen their financial resilience.	Improved access to bank accounts, online banking and other financial products.
Emergency Fund Awareness Program	To encourage regular contributions and proper use of emergency funds.	Barangay officials, financial experts, and minimum wage earners.	To increase preparedness for financial emergencies and reduce reliance on loans.	Higher participation in emergency fund practices to prepare for unexpected expenses.

6. Conclusion

The study concludes that Financial Resilience among minimum wage earners in Barangay Lumangbayan is a multifaceted construct driven by stable income, disciplined budgeting, and social financial networks. In the Economic and Literacy Factors, a stable income serves as the primary anchor for resilience, while financial literacy manifests strongly through cautious spending and a prioritized savings mindset. Respondents demonstrate a high degree of intentionality in their financial decisions, aiming for long-term security despite limited earnings. A unique finding of this study is the high rank of social financial networks; respondents frequently consult family and relatives on money matters, indicating that in this specific community, financial inclusion is as much about "social capital" as it is about formal banking. While Emergency Fund Accessibility is generally high, its sustainability remains fragile. The frequent "emptying and rebuilding" of these funds suggests that while the mechanism for saving exists, the capacity to maintain a permanent safety net is hindered by the low-income ceiling of the participants.

Recommendations

Based on the aforementioned findings, the following interventions are proposed:

- For Minimum Wage Earners, Consistency of Micro-Saving: Shift focus from the amount saved to the regularity of contributions to build a "replenishment habit. Leverage user-friendly e-wallets (e.g., GCash, Maya) not just for payments, but for their built-in "save" or "vault" features that offer higher interest and separation from daily spending cash.
- For Local Government and Community Leaders: Barangay Level. Conduct a Financial Literacy Workshops: Implement "Barangay-level Financial Counselling" focused on debt management and avoiding predatory high-interest "5-6" lending schemes. Community Savings Groups: Facilitate peer-support savings groups (e.g., paluwagan models modernized with bank partnerships) to formalize the existing social financial networks.

- Future studies should investigate the impact of household Size and Health-Related Expenses, as these are often the primary "disruptors" that force minimum wage earners to deplete their emergency. A qualitative or mixed-methods approach is recommended to capture the lived experiences and "financial narratives" of these earners, providing deeper context to the quantitative data.

Based on the findings, a community-based financial resilience enhancement plan is proposed for minimum wage earners in Barangay Lumangbayan, Calapan City, focusing on financial literacy, financial inclusion, and emergency fund awareness. The plan is grounded on evidence that financial resilience is shaped by effective budgeting, saving practices, informed financial decision-making, and access to formal financial services, while emergency fund availability remains inconsistent in terms of replenishment and sustainability. The Financial Literacy Workshops aim to strengthen practical skills in budgeting, saving, and long-term financial planning through seminars and community-based training activities that guide participants in managing income and controlling expenses. The Financial Inclusion Facilitation program seeks to expand access to banking services, mobile financial platforms, and other financial tools through coordination with financial institutions and digital service providers. The Emergency Fund Awareness Program promotes disciplined saving and proper maintenance of emergency funds through information campaigns and financial guidance to support preparedness for unexpected financial needs.

Compliance with ethical standards

Acknowledgements

The completion of this study, "Emergency Funds and Financial Resilience of Minimum Wage Earners in Barangay Lumangbayan, Calapan City," is made possible through the guidance, support, and meaningful contributions of individuals who played important roles throughout the research process.

Special appreciation is extended to Ms. Rowena B. Mallari, Barangay Chairperson of Barangay Lumangbayan, Calapan City, for granting permission and supporting the conduct of this study within the community. The researchers are especially thankful to the residents of Barangay Lumangbayan, whose willingness to participate, share their experiences, and devote their time gave substance and authenticity to this study, ensuring that the findings are grounded in real-life situations. The researchers also express their sincere gratitude to the research panelists, Prof. Shirley I. Mendoza, DBE, Ph.D., Mr. Russell Villarma, MBA, and Ms. Marife Lopez, MBA, for their professional expertise, evaluations and recommendations strengthened the academic quality of the research. The researchers also gratefully acknowledge Mr. John Michael S. Mendoza (Statistician), Ms. Samantha Ashley Z. De Castro, RPM (Psychometrician), and Mr. Eder Apolinar S. Redublo, Ph.D. (Field Study Validator) for their expertise contributed. Their contributions ensured the accuracy, reliability, and credibility of the study.

Disclosure of conflict of interest

There is no conflict of interest.

Statement of Informed Consent

Participation in this study was entirely voluntary, and informed consent was obtained from all respondents prior to data collection. The respondents, composed of minimum-wage earners residing in Barangay Lumangbayan, Calapan City, were properly informed of the study's purpose, the procedures involved, and their right to withdraw at any time without any consequence. All information provided by the respondents was treated with strict confidentiality and anonymity. No personally identifiable information was disclosed, and all data collected were used solely for academic and research purposes. The researchers ensured that the data were carefully handled, analyzed, and presented in accordance with established ethical standards to maintain the integrity, credibility, and reliability of the study.

References

- [1] Atkinson A, Messy FA. Measuring financial literacy and financial inclusion. Paris: OECD Publishing; 2017.
- [2] Ansong A, Gyensare MA. Determinants of university working-students' financial literacy at the University of Cape Coast, Ghana. *Int J Bus Manag.* 2012;7(9):126–33.
- [3] Stanley C. What is financial resilience? [Internet]. Charles Stanley; 2024 Dec 27 [cited 2026 Mar 27]. Available from: <https://www.charles-stanley.co.uk/insights/commentary/financial-resilience>

- [4] Sultan H. The four economic resources [Internet]. Business Education; 2020 Sep 26 [cited 2026 Mar 27]. Available from: <https://girlsforbusiness.org/index.php/blog/item/the-four-economic-resources>
- [5] Fernando J. Financial literacy: what it is, and why it is so important to teach teens [Internet]. Investopedia; 2024 Jun 29 [cited 2026 Mar 27]. Available from: <https://www.investopedia.com/terms/f/financial-literacy.asp>
- [6] Grant M. Financial inclusion: definition, examples, and why it's important [Internet]. Investopedia; 2024 Mar 12 [cited 2026 Mar 27]. Available from: <https://www.investopedia.com/terms/f/financial-inclusion.asp>
- [7] Dhir R. Emergency fund: uses and how to build yours [Internet]. Investopedia; 2025 Apr 30 [cited 2026 Mar 27]. Available from: https://www.investopedia.com/terms/e/emergency_fund.asp
- [8] Liberto D. Minimum wage: federal vs. state, exceptions [Internet]. Investopedia; 2025 Jan 29 [cited 2026 Mar 27]. Available from: https://www.investopedia.com/terms/m/minimum_wage.asp
- [9] Kravchuk N, Bilous O, Synkevych N. Minimum wage and working under the table: issues and solutions – accounting aspect. *Bus Risk Chang Dyn Glob Village*. 2019;2:262–70.
- [10] Sy-Gorembalem DF. DOLE RTWPB MIMAROPA reiterates new minimum wage rates for private workers, kasambahays [Internet]. Philippine Information Agency; 2025 Jan 16 [cited 2026 Mar 27]. Available from: <https://pia.gov.ph/dole-rtwpb-mimaropa-reiterates-new-minimum-wage-rates-for-private-workers-kasambahays/>
- [11] Antonelli C. The importance of emergency savings and financial security. *J Financ Plan*. 2019;32(4):22–29.
- [12] Mindell JS, Williamson LM. Financial vulnerability among minimum wage earners: the role of income constraints. *Soc Policy Rev*. 2017;29:145–62.
- [13] Nguyen T. Emergency funds and personal financial planning strategies. *J Pers Finance*. 2023;22(2):55–68.
- [14] Bassier I, Budlender J, Zizzamia R. The role of emergency savings in financial resilience under income volatility. *World Dev*. 2020;129:104888.
- [15] Robeyns I. The capability approach. In: Routledge eBooks; 2021. p. 72–80.
- [16] Sruthiya VN. Role of parental financial socialisation on financial literacy among youth. *Pacific Business Review International*. 2021;14(3). Available from: https://www.pbr.co.in/2021/2021_month/September/11.pdf
- [17] Deevy M, Lucich S, Beals M. The financial resilience of older adults: a framework and research agenda. Stanford, CA: Stanford Center on Longevity; 2021.
- [18] Kass-Hanna J, Lyons AC, Liu F. Building financial resilience through financial and digital literacy in South Asia and Sub-Saharan Africa. *Emerg Mark Rev*. 2021;46:100745.
- [19] Gash M, Gray B. Financial services for the poor: overcoming barriers to access and use. *Enterp Dev Microfinance*. 2016;27(1):3–18.
- [20] Stolper OA, Walter A. Financial literacy, financial advice, and financial behavior. *J Bus Econ*. 2017;87(5):581–643.
- [21] Hamid FA, Loke YJ, Chin PF. Financial resilience and financial well-being among households. *Int J Soc Econ*. 2023;50(2):210–25.
- [22] Bagood J, et al. Economic resource utilization, technological advancement, and sustainable development: implications for financial stability. *J Sustain Econ*. 2025;12(1):45–60.
- [23] Stone G. Economic resources and their role in production. 3rd ed. New York: McGraw-Hill Education; 2018.
- [24] Larida EO. Income sources and financial behavior of minimum wage earners in local communities. *Philipp J Soc Dev*. 2018;10(2):85–102.
- [25] Catacutan MR, et al. Inflation and its impact on household financial well-being in developing economies. *Asian Econ Financ Rev*. 2024;14(3):210–25.
- [26] Elena D. Financial literacy and its importance for economic development. *Procedia Econ Finance*. 2015;23:109–15.
- [27] Lusardi A. Financial literacy and the need for financial education: evidence and implications. *Swiss J Econ Stat*. 2019;155(1):1–8.
- [28] Morgan PJ, Long TQ. Financial literacy, financial inclusion, and savings behavior in emerging economies. ADBI Work Pap. 2020;1090.

- [29] Kamarudin Z. Financial literacy and its impact on individual well-being. *Int J Econ Financ Issues*. 2016;6(7):148–52.
- [30] Lusardi A, Messy FA. Financial literacy and financial resilience: evidence and policy implications. *OECD Work Pap Finance Insur Priv Pensions*. 2023;78.
- [31] Salignac F, Muir K, Wong J, Weier M. Financial inclusion and financial resilience: insights from policy and practice. *Soc Policy Soc*. 2019;18(2):259–71.
- [32] Allen F, Demirguc-Kunt A, Klapper L, Peria MSM. The foundations of financial inclusion: understanding ownership and use of formal accounts. *J Financ Intermed*. 2016;27:1–30.
- [33] Ansar S, et al. Financial inclusion and household resilience: evidence from low-income populations. *World Dev*. 2023;162:106123.
- [34] Gjertson L. Emergency saving and household hardship. *J Fam Econ Issues*. 2015;36(1):1–17.
- [35] Kimhur B. How to apply the capability approach to housing policy? *Hous Theory Soc*. 2020;37(3):257–77.
- [36] Ozili PK. Financial literacy theory of financial inclusion [Internet]. Munich Personal RePEc Archive; 2025 [cited 2026 Mar 27]. Available from: https://mpra.ub.uni-muenchen.de/123588/1/MPRA_paper_123588.pdf
- [37] Bieri DS. Conceptualizing financial resilience: the challenges for urban theory [Internet]. 2016 [cited 2026 Mar 27]. Available from: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2709820
- [38] Bagood R, Santos P, Reyes L. Financial inclusion and emergency fund access among minimum wage earners in the Philippines. *Philipp J Econ*. 2025;62(1):75–92.
- [39] Taşkesen GE, Karacaoğlu K. Relative financial deprivation and financial satisfaction among minimum wage earners in Türkiye: a serial mediation analysis. *Ekonomi Politika ve Finans Araştırmaları Dergisi*. 2024;9(4):763–78.
- [40] Wu X, Chen Y, Li Z. Income stability and financial resilience among low-income households. *J Econ Behav*. 2023;58(2):145–60.
- [41] Brockland J, Ladha S. Financial coping strategies and long-term stability in vulnerable populations. *Int J Finance Stud*. 2025;13(1):22–35.
- [42] Sethi D, Kumar R, Singh P. Financial inclusion and economic resilience among wage earners. *Glob Finance J*. 2025;40:100–15.
- [43] Aiah G, Torres M, Delgado J. Financial behavior and investment participation among low-income groups. *J Financ Capab*. 2025;9(1):55–70.