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FINANCIAL LITERACY AND INVESTMENT DECISIONS AMONG RANK-AND-FILE BANK EMPLOYEES IN BORONGAN CITY, EASTERN SAMAR

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ABSTRACT

Financial literacy is an important capability that helps individuals understand financial concepts, manage resources, evaluate financial products, and make informed investment decisions. This study examines the relationship between financial literacy and investment decisions among rank-and-file bank employees in Borongan City, Eastern Samar. It focuses on financial knowledge, financial behavior, and financial attitude as dimensions of financial literacy, and on employees' investment decision practices. A quantitative, descriptive-correlational design is proposed. This study manuscript provides a framework for examining whether financial knowledge, behavior, and attitudes are associated with informed investment choices among bank employees.

KEYWORDS: *Financial Literacy; Investment Decisions; Rank-And-File Employees; Bank Employees; Financial Knowledge; Financial Behavior; Financial Attitude; Borongan City*

I.INTRODUCTION

Financial decisions are part of everyday life, involving saving, borrowing, budgeting, and investing. Making sound financial decisions requires individuals to understand financial information, evaluate risks, compare alternatives, and consider long-term consequences.

The OECD (2022) identifies financial knowledge, behavior, and attitudes as essential dimensions of financial literacy that support sound financial decisions and financial well-being. Similarly, Lusardi and Mitchell (2014) emphasize that financial literacy is an important form of human capital that influences economic decision-making. Understanding concepts such as interest rates, inflation, risk, and diversification helps individuals manage their finances effectively.

For bank employees, exposure to financial services may provide opportunities to develop financial awareness. However, investment decisions still depend on individual knowledge, financial capacity, risk tolerance, and personal goals. Thus, informed investment decisions require careful evaluation of risks, expected returns, and available financial options.

Objectives of the Study

The general objective of this study is to determine the relationship between financial literacy and investment decisions among rank-and-file bank employees in Borongan City, Eastern Samar.

Specifically, the study aims to:

1. Describe the respondents in terms of age, sex, educational attainment, and length of professional experience;
2. Assess the respondents' financial literacy in terms of financial knowledge, financial behavior, and financial attitude;
3. Determine the level of investment decision practices of the respondents; and
4. Examine whether a significant relationship exists between financial literacy and investment decisions.

Background of the Study

The Theory of Planned Behavior provides a framework for understanding investment decisions. Ajzen (1991) explains that attitudes, social influences, and perceived behavioral control shape individuals' intentions and actions. In investment decisions, these factors, together with financial literacy, influence how individuals evaluate and choose investment options.

Despite its importance, the relationship between financial literacy and investment decisions among rank-and-file bank employees in local settings deserves further examination. Differences in educational background, work experience, income, and financial responsibilities may influence their financial knowledge and investment practices. Thus, this study examines the relationship between financial literacy and investment decisions among rank-and-file bank employees in Borongan City, Eastern Samar.

Significance of Study

This study is expected to benefit the following:

Rank-and-File Bank Employees. The study may help employees improve their financial knowledge and make informed investment decisions.

Bank Management. The findings may guide the development of financial literacy and employee wellness programs.

Human Resource Management Practitioners. The study may support the integration of financial education into employee development programs.

Financial Institutions. The results may provide insights for strengthening financial education and investment awareness in the banking sector.

Future Researchers. The study may serve as a reference for future research on financial literacy and investment decisions.

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II. REVIEW OF RELATED LITERATURE

Financial literacy refers to the knowledge, skills, attitudes, and behaviors that enable individuals to make informed financial decisions. According to the OECD (2022), it consists of three major dimensions: financial knowledge, financial behavior, and financial attitude. These components help individuals understand financial concepts, manage their resources responsibly, and make decisions that support their financial well-being. Lusardi and Mitchell (2014) also emphasized that financial literacy is an important factor in effective financial planning and informed investment choices.

Financial knowledge involves understanding concepts such as interest rates, inflation, savings, investment risks, and returns. Financial behavior includes budgeting, saving regularly, and managing expenses, while financial attitude reflects an individual's perspective toward money management and long-term financial planning. These dimensions may influence how individuals evaluate investment opportunities, compare financial products, and make decisions based on their financial goals and risk tolerance.

Alido and Alido (2025), in their study The Impact of Financial Literacy on Investment Decisions in Banking Products among Managers and School Heads in Borongan City, found that higher financial literacy was associated with more frequent and effective investment decisions, with correlations of 0.71 and 0.68, respectively.

Overall, the reviewed literature suggests that financial literacy is an important factor in investment decision-making. However, the study of Alido and Alido (2025) focused on managers and school heads, while the present study focuses on rank-and-file bank employees in Borongan City, Eastern Samar. This study therefore aims to provide additional local evidence on the relationship between financial literacy and investment decisions among employees working in the banking sector.

III. METHODOLOGY

Research Design

The study uses a quantitative, descriptive-correlational research design to achieve the research objectives.

Respondents of the Study

The respondents were 130 rank-and-file bank employees from various banking institutions in Borongan City, Eastern Samar.

Data-Gathering Procedure

This study utilized the survey responses provided by rank-and-file bank employees as the primary source of data.

Sampling Design

The study employed total enumeration sampling, in which all available rank-and-file bank employees who met the study's criteria were invited to participate. A total of 130 employees from various banking institutions in Borongan City, Eastern Samar, answered the survey questionnaire, and their responses served as the primary data for analyzing the relationship between financial literacy and investment decisions.

Statistical Design

The study will use descriptive statistic
s, Pearson Product-Moment Correlation, and Multiple Regression Analysis to describe the respondents' financial literacy and investment decisions, determine their relationship, and assess the extent to which financial literacy predicts investment decisions.

Geographical Area

The study was conducted in Borongan City, Eastern Samar, Philippines, focusing on rank-and-file employees employed in various banking institutions within the city. Borongan City was chosen as the research locale to assess the financial literacy and investment decisions of bank employees, particularly in terms of their financial knowledge, financial behavior, and financial attitude.

IV. RESULTS AND DISCUSSION

This chapter presents, analyzes, and interprets the data gathered from the 130 rank-and-file bank employees in Borongan City, Eastern Samar. It discusses the respondents' demographic profiles, their level of financial literacy in terms of financial knowledge, financial behavior, and financial attitude, and their investment decisions. It also examines the relationship between financial literacy and investment decisions based on the statistical results to address the objectives of the study.

Table 1. Descriptive Statistics of Demographic Profile of the Respondents

Variable	Profile Characteristics	Frequency	Percentage
Age	20–29	91	70.00
	Other age groups	39	30.00
Sex	Female	99	76.15
	Male	31	23.85
Educational Attainment	Bachelor's Degree	117	90.00
	Master's Degree	13	10.00
	Doctorate	0	0.00
Experience	1–5 years of professional experience	105	80.77%
	Other experience lengths	25	19.23%

Table 1 shows that most of the 130 respondents are aged 20–29 (70%), female (76.15%), bachelor's degree holders (90%), and have 1–5 years of professional experience (80.77%).

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Table 2. Level of Financial Knowledge and Understanding of the Respondents

Financial Knowledge Aspect	Percentage of Understanding (%)
Interest Rates	83.00
Inflation Impact	91.00
Saving vs. Investing	100.00
Investment Risks and Potential Returns	80.00
Diversification	94.00
Investment Returns and Possible Losses	86.00

Table 4 indicates that respondents have a high level of positive financial attitude, with an overall percentage of 94.62%, reflecting responsible saving habits and strong financial awareness.

Table 3. Level of Financial Behavior of the Respondents

Financial Behavior Aspect	Percentage (%)
Preparing or Following a Personal/Household Budget	100.00
Regularly Setting Aside Income for Savings	95.38
Maintaining or Building an Emergency Fund	87.69
Reviewing Fees, Terms, and Conditions	100.00
Comparing Financial Products Before Making Decisions	100.00
Avoiding Excessive Borrowing or Spending	100.00

Table 3 shows that respondents demonstrate a very high level of positive financial behavior, with an overall percentage of 97.18%, particularly in budgeting, comparing financial products, and avoiding excessive spending. Emergency-fund preparation had the lowest rating at 87.69%.

Table 4. Level of Financial Attitude of the Respondents

Financial Attitude Aspect	Percentage (%)
Considering Long-Term Financial Goals	86.92
Importance of Regular Saving	100.00
Willingness to Delay Non-Essential Purchases	86.15
Considering Possible Investment Losses	100.00
Importance of Learning Personal Finance	100.00

Table 4 indicates that respondents have a high level of positive financial attitude, with an overall percentage of 94.62%, demonstrating responsible saving habits and strong financial awareneness.

Table 5. Level of Investment Decision-Making of the Respondents

Financial Attitude Aspect	Percentage (%)
Identifying Financial Goals	89.15
Considering Investment Time Horizon	100.00
Assessing Ability to Afford Possible Losses	98.46
Considering Need to Access Invested Money	98.46
Seeking Reliable Investment Information	100.00
Comparing Investment Options	88.46
Aligning Investments with Financial Goals	96.15
Avoiding Decisions Based on Pressure or Advertising	90.77
Seeking Reliable Investment Advice	100.00
Reviewing Investments When Circumstances Change	88.46
Overall	95.00

Table 5 indicates a very high level of investment decision-making, with an overall percentage of 95.00%. Respondents demonstrated strong investment practices, particularly in seeking reliable information, considering investment time horizons, and obtaining trustworthy advice.

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Table 6:Correlation Matrix among Financial Literacy Dimensions and Investment Decision-Making

Variables	1	2	3	4	5
1. Financial Knowledge	1.00				
2. Financial Behavior	0.64	1.00			
3. Financial Attitude	0.58	0.69	1.00		
4. Composite Financial Literacy	0.82	0.86	0.84	1.00	
5. Investment Decision-Making	0.67	0.74	0.71	0.78X	1.00

Note. N = 130. Correlation is significant at the 0.01 level (2-tailed).

Table 6 reveals significant positive relationships between financial literacy and investment decision-making. Composite financial literacy has the strongest correlation (r = 0.78), followed by financial behavior (r = 0.74), financial attitude (r = 0.71), and financial knowledge (r = 0.67), all significant at $p < 0.01$. These findings indicate that higher financial literacy is associated with better investment decisions.

Table 7. Multiple Linear Regression Analysis Predicting Investment Behavior from Financial Literacy Dimensions

Predictor Variable	Unstandardized B	Standard Error	Standardized β	t-statistic	p-value
(Constant)	14.28	3.15	—	4.53	< 0.001
Financial Knowledge	0.22	0.06	0.24	3.67	< 0.001
Financial Behavior	0.38	0.08	0.39	4.75	< 0.001
Financial Attitude	0.27	0.07	0.29	3.86	< 0.001

Note. Dependent Variable: Investment Decision-Making. $R = 0.814$, $R^2 = 0.663$, Adjusted $R^2 = 0.655$, $F(3, 126) = 82.51$, $p < 0.001$.

The regression model was statistically significant, explaining 66.3% of the variance in investment decision-making ($R^2 = 0.663$, $p < 0.001$). All three financial literacy dimensions significantly predicted investment decisions, with financial behavior having the strongest influence (β = 0.39), followed by financial attitude (β = 0.29) and financial knowledge (β = 0.24).

V. SUMMARY, CONCLUSIONS, RECOMMENDATIONS

Summary

This study examined financial literacy and investment decisions among rank-and-file bank employees in Borongan City, Eastern Samar. It aimed to describe the respondents' profiles, assess their financial literacy, determine their investment decision practices, and examine the relationship between the two variables.

Conclusions

Based on the findings, the study concludes that the respondents demonstrate positive financial literacy and investment decision-making practices. Financial knowledge, behavior, and attitude are significantly and positively associated with investment decisions. Among the three dimensions, financial behavior contributes most strongly to predicting investment decision-making. These findings highlight the importance of financial literacy in supporting informed and responsible investment choices among rank-and-file bank employees.

Recommendations

Based on the findings, rank-and-file bank employees should continue strengthening their financial knowledge, maintaining responsible financial habits, and carefully evaluating investment risks, as financial behavior showed the strongest contribution to investment decision-making. Bank management and HR practitioners should provide regular financial literacy seminars and integrate financial wellness into employee development programs. Financial institutions should ensure access to reliable financial education resources, while future researchers may explore other factors that influence investment decisions among bank employees.

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