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# **FINANCIAL LITERACY OF STUDENTS IN BAGUIO CENTRAL UNIVERSITY**

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## **Abstract**

This study aims to get a thorough understanding of the financial knowledge, spending habits, and saving habits of college students at Baguio Central University by examining their financial literacy. The research employs a descriptive design under quantitative design under quantitative research. This study specifically answers the following financial literacy of students in Baguio Central University along financial knowledge, spending habits and saving habits.

The findings show that students' financial knowledge is moderately literate because it indicates an increased understanding of the significance of financial literacy, while spending habits is moderately literate because it revealed that people are consciously trying to save and invest for the future and was extremely enlightening, and on saving habits is moderately literate because it revealed that students possess a high level of financial literacy, enabling them to make informed decisions about their spending.

The conclusion shows high financial literacy among respondents at Baguio Central University, with an overall weighted mean of 3.5, enabling them to make informed decisions about their spending. Students are becoming more knowledgeable of the importance of financial literacy and are consciously working towards saving and investing for the future.

*Keywords: Financial Literate, Saving Habits, Spending Habits, Financial Knowledge, Investing*

## **Introduction**

Financial literacy is increasingly important in our time due to the fact that it can be described as measuring how well an individual can understand and use personal information related to finance. Over time, individuals have become more active agents responsible for their financial planning than ever before. Especially in the economic and financial domains, whether people have financial knowledge helps a lot in explaining various financial or economic behaviors. Hence, Financial Literacy is the upshot to responsiveness, profound knowledge, skill, attitude and behavior associated with money, credit, and banking necessary to make exceptional financial decisions (Abichuela, 2020).

Based on the study of Taylor, (2013) individual welfare, the management of their financial affairs, and financial stability are all significantly impacted by financial literacy. According to anecdotal evidence, people can make better financial judgments in a society where there is greater financial literacy. These choices affect spending, saving, and budgeting behaviors as well as attitudes on the advantages of investment. In fact, it has been recognized as a key skill for individuals who are embedded in an increasingly complex financial scenario. Financial literacy helps individuals make more assertive and efficient decisions in the monetary context of their lives (Thavva, 2021).

However, many students enter college with limited exposure to financial education during their primary and secondary

education. The absence of comprehensive financial literacy courses in the K-12 curriculum leaves students ill-prepared to make informed financial decisions in college (Chen & Volpe, 2023). Another reason is because here in the Cordillera, students from households with limited financial resources or cultural backgrounds with different financial practices may face unique challenges in acquiring financial literacy skills (Sebullen & Alejandrino, 2023).

As a trend nowadays, most college students typically have limited income sources, often relying on part-time jobs, scholarships, or parental support. This lack of financial responsibility can hinder the development of essential budgeting and money management skills (Lustardi & Mitchelle, 2023). As a result, some schools may lack adequate financial resources or support services to promote financial literacy among students. The availability of financial education programs and resources can vary widely only to state universities and college due to the free tuition fee or the Universal Access to Quality Tertiary Education Act or Republic Act 10931, is a Philippine law that institutionalized free tuition and exemption from other fees in state universities and colleges (SUCs), and local universities and colleges (LUCs) in the Philippines (Philippine Star, June 8, 2023).

Moreover, the World Bank found that only 25.0 percent of adult Filipinos are knowledgeable on basic financial concepts. A global study by Standard & Poor or Global (2023) ratings the Philippines scored in the bottom 30 of 144 countries surveyed on financial literacy. The need for financial literacy is also seen in the Philippines as a problem as the level of financially literate Filipino adults is extremely low. A survey conducted by Bangko Sentral ng Pilipinas (2018) shows that Filipino adults can correctly answer only three out of seven financial literacy related questions covering basic numeracy, computing compound interests, fundamentals of inflation and investments diversification. In the percentage, only 2% of Filipino adults are financially literate in the Philippines. Thus, it leads to working with the Department of Education and the Commission on Higher

Education to make a financial literacy lessons mandatory for K-12 and secondary education classes and in training programs for teachers and other agencies such as TESDA. This result shows that financial literacy and financial education is not seen as a priority in the Philippines which is something that is needed to change (Mandella, 2022).

According to the study entitled “Empowering Filipinos through Financial Literacy,” financial literacy and economic development go hand in hand. This is especially true for emerging countries such as the Philippines. It is integral in ensuring the sustainability of an economy for the future (Business Mirror, 2022). Also, it is a way to maintainability and had an utmost vital part in guaranteeing the financial supportability of people, families, ventures, and national economies. The level of these financial pointers, resulting mostly from financial literacy such as obligation, investment funds, and budgetary administration, can be interpreted into success or bankruptcy and insolvency. The higher the level of financial literacy awareness, particularly of youthful individuals, the more positive the level of the financial market will be deciphered into the economy and feasible advancements (Bangco et al., 2022). Moreover, according to Jabar, (2021), financial literacy is a skill that individuals should be able to master, as it is a necessary tool for daily living.

The purpose of this study is to investigate the financial literacy of Baguio Central University college students with the aim of gaining a comprehensive understanding of their financial knowledge, spending habits and saving habits. By examining the financial levels of college students in these areas, this research seeks to contribute to the body of knowledge in several key ways:

- a. Inform Educational Policy: This study intends to provide empirical insights that can inform the development and refinement of financial education policies and curricula within Baguio Central University. Understanding the current state of financial literacy among college students can aid in the design of effective educational interventions;

- b. Identify Vulnerabilities. By identifying the specific financial literacy challenges faced by college students, this research aims to pinpoint areas where students may be particularly vulnerable to financial pitfalls, such as excessive debt or inadequate savings, and propose strategies for mitigating these vulnerabilities.
- c. Promote Financial Well-Being: Enhancing the financial literacy of Baguio Central University students is essential for their long-term financial well-being. This study seeks to explore the relationship between financial literacy and financial behaviors, including budgeting, saving, investing, and debt management, with the ultimate goal of promoting financial stability and success both during and after college;
- d. Contribute to the Research Gap: Given the existing gaps in the literature regarding the financial literacy of Baguio Central University students, this study seeks to provide a comprehensive and up-to-date analysis of the subject. It aims to fill these gaps by examining factors that influence financial literacy acquisition, the effectiveness of educational interventions, and the long-term impact on students' financial well-being.

This study aims to raise competence and knowledge of the financial literacy of all students in Baguio Central University. The study seeks to answer these following questions:

1. What is the financial literacy of the students of Baguio Central University along: a. financial knowledge; b. Saving Habits; c. Spending habits.

The level of financial literacy among Baguio Central University students are moderately literate.

## **Methodology**

This chapter presents the procedures and methods the researchers used in conducting the study. The section includes the research design, population and locale of the study, data gathering instrument, data gathering procedure, treatment of

the data, and ethical considerations. Quantitative research is used through survey questionnaires, data gathering, and consent-based treatment of data. The output, therefore, is conducting seminars on financial literacy.

This research employs a descriptive research design under quantitative research. As stated by Gay (1992), descriptive research involves gathering data in order to test hypotheses or answer questions regarding the subject's current status. It is scientific research that describes events and phenomena within a certain area or population. Quantitative research starts with a statement of the problem and includes the formation of a hypothesis, a literature review, and a quantitative data analysis. Quantitative research employs techniques, namely experiments and surveys, and collects data on pre-established means that yield statistical data (Creswell, 2003).

In addition, descriptive surveys allow the researchers to gather large volumes of data that can be analyzed for frequencies, averages, and patterns. Descriptive research fitted the study because the response is treated in numbers, which helps the researchers easily draw conclusions based on the result of the computation and to describe and understand the respondent's opinion (McCombes, 2019).

This study was conducted at Baguio Central University, Baguio City, Benguet. The researchers concentrated on the school. The respondents were students enrolled in the six different departments, namely, the College of Teacher Education and Liberal Arts (CTELA), the College of Hospitality and Tourism Management (CHTM), the College of Engineering (COE), The College of Business Administration (CBA), the College of Nursing and Midwifery (CONM), and the College of Criminal Justice (CCJE). The researchers thought that the students in these departments could help us and give a positive response to the fulfillment of the objectives.

### *Data Gathering Instrument*

The primary tool the researchers utilized was a survey-style questionnaire. A letter informing the respondents of the upcoming research can be seen on the first page. While on the second page is the survey questionnaire. The survey questionnaire, according to the academics, is the most effective and economical method of data collection. There are two (2) parts as follows: Part I, focused on the profile of the respondents; Part II, focused on the level of financial literacy students of Baguio Central University which was derived from the study's title at Virginia Tech on students' financial literacy: Parental abs peer influences Virginia Tech (2017).

The researchers first sought approval from the deans of the different department, namely College of Nursing and Midwifery, College of Teacher Education and Liberal Arts, College of Hospitality Management, College of Business Administration, College of Engineering, and College of Criminal Justice Education. The questionnaire was administered at the university's entrance, and some were given in their classrooms before or after class. Another strategy was giving students permission to distribute the questionnaires to their classmates. The findings were compiled, tallied and the researchers used them for statistical analysis.

The data was summarized through statistical visualization, wherein the Likert scale was used and the mean was translated into brief and meaningful information by the researchers to provide enough context to understand its significance. It was carefully analyzed through the validation of the data. The means were computed and represented as their percentage to calculate the total amount in a more understandable and comparable way, and an interpretation of such was given. In order for an appropriate conclusion to be drawn and to make use of the data in the right form, the statistical treatment will be used.

In conducting the research, the researchers made sure to obtain first permission to distribute questionnaires to the respondents. Second, the information and data gathered from the respondents are kept confidential and only used for the current research purpose. Third, the researchers stated that all instruments, findings borrowed from other sources or sources of knowledge were properly cited and identified. Lastly, the researchers see to it that the study is free from plagiarism and accurately represents the exact results as computed in the statistical tools used.

### Results and Discussion

This chapter contains the discussions about the outcome of the study based on the information gathered and the interpretation of the data to address the problem stated.

#### Level of Financial Literacy

The factors affecting Baguio Central University's financial literacy are shown in the table 3 below. With an overall weighted mean of 3.51 encompassing aspects such as financial knowledge, saving habits, and spending habits. The students were moderately literate and this indicates that the hypothesis of financial literacy among Baguio Central University students is literate has been accepted. This is because most of the students are moderately aware of how to handle their personal finances. According to the study of Ariffin, Sulong, and Abdullah (2017) states that each student needs to get a deeper understanding of managing one's personal finances as well as practical methods for fostering a culture of saving.

**Table 3: Summary of Financial Literacy of BCU Students**

| INDICATORS          | OWM         | DE        |
|---------------------|-------------|-----------|
| FINANCIAL KNOWLEDGE | 3.63        | ML        |
| SAVING HABITS       | 3.49        | ML        |
| SPENDING HABITS     | 3.42        | ML        |
| <b>TWM</b>          | <b>3.51</b> | <b>ML</b> |

By including personal financial management and encouraging more saving activities rather than spending excessively on unneeded products, authorities like the CHED can enhance current business courses. Also, Baguio Central University students' moderate financial literacy raises questions about their long-term financial security, underscoring the significance of intensifying financial education initiatives to better prepare them for responsible financial management.

The result is moderately literate because some students are interested in learning more about financial literacy, wherein students must be financially literate to avoid making the wrong decisions on how to save or invest their money. Also, having enough knowledge about finances can prevent incurring debt. Hence, Baguio Central University students are moderately aware because they are within the urban vicinity. In the study of Turner (2017), he states that students studying in urban areas are faced with varied decisions testing their financial literacy due to budgeting, spending, and saving factors. According to the study by Lusardi (2019), financial decisions, both short-term and long-term, are all impacted by financial literacy, which has effects on both people and society. It has been demonstrated that financial literacy has an impact on borrowing, debt management, and investing, as well as saving and behavior. In reality, those who are financially literate are more likely to achieve wealth. The moderate level of financial literacy among Baguio Central University students holds implications for their future financial well-being, highlighting the vital importance of enhancing financial education efforts to better equip them for effective financial management.

## **Financial Knowledge**

Table 4 presents the financial knowledge of Baguio Central University students with an overall weighted mean of 3.63 the results of the answers of the College of Engineering (COE).

**Table 4: Financial Knowledge**

| INDICATORS                                                                     | HL 5 | ML 4 | NL 3 | SL 2 | NL 1    | WM   | RANK |
|--------------------------------------------------------------------------------|------|------|------|------|---------|------|------|
| I feel confident in my knowledge and ability to manage my own finances.        | 21   | 35   | 25   | 7    | 6       | 3.62 | 4    |
| I consider myself to be financially literate                                   | 18   | 33   | 32   | 9    | 2       | 3.6  | 6    |
| I am aware of the exchange rate of peso                                        | 27   | 26   | 30   | 8    | 3       | 3.7  | 1    |
| I am aware of the inflation rate in the Philippines                            | 25   | 27   | 28   | 8    | 6       | 3.61 | 5    |
| I read and understand a contract/s especially involving money before signing.  | 29   | 22   | 23   | 12   | 8       | 3.55 | 7    |
| I learn financial management and obtain financial knowledge through my parents | 24   | 31   | 25   | 10   | 4       | 3.65 | 3    |
| I obtain financial knowledge and learn financial management on my own          | 27   | 26   | 26   | 12   | 3       | 3.66 | 2    |
|                                                                                |      |      |      |      | OW<br>M | 3.63 | ML   |

**Legend:**

| Variable | Statistical Limit | Descriptive Rating  | Symbol |
|----------|-------------------|---------------------|--------|
| 5        | 4.21-5.00         | Highly Literate     | HL     |
| 4        | 3.41-4.20         | Moderately Literate | ML     |
| 3        | 2.61-3.40         | Neither Literate    | NL     |
| 2        | 1.81-2.60         | Somewhat Literate   | SL     |
| 1        | 1.00-1.80         | Not Literate        | NL     |

Hospitality and Tourism Management (CHTM), Teacher Education and Liberal Arts (CTELA), Business Administration (CBA), Nursing and Midwifery (CONM), and Criminal Justice and Education (CCJE). This shows that, in the area of financial literacy, students generally possess a moderately literate financial knowledge. It can be seen that the indicator “I am aware of the exchange rate of peso” was ranked first with an average weighted mean of 3.70. This implies that the students are knowledgeable of what is happening in our country. In this study of the Department of Economic Research (2020), studying the exchange rate is

important because it acts as the fundamental connection between the domestic and international markets for the range of products, services, and financial assets. We can compare the costs of goods, services, and assets quoted in various currencies using the exchange rate. Through its impact on international trade, exchange rate fluctuations can also have an impact on a nation's external sector. For instance, a peso appreciation would be made on a nation whose currencies use the exchange rate. For instance, a peso appreciation would make our exports less price competitive with goods from rival nations whose currencies have not altered in value. As a result, it is crucial to constantly monitor and review our exchange rate.

The indicator “I obtain financial knowledge and learn financial management on my own,” was ranked second with the average weighted mean of 3.66. This implies that financial knowledge and management are important skills for students of all ages, especially high school and college students, to possess as they embark into adulthood and their future careers. Financial literacy is the ability to understand and use the principles of economics, personal finance and business management to make sound financial decisions that impact individuals and society (McCarthy, 2010). By having the knowledge and skills to manage finances, individuals are able to understand better and navigate different financial options, apply credit level strategy, and review financial information and investment opportunities (Marsh & Wickizer, 2018). As a students' progress through higher education, adults in their lives can ensure that they have been taught vital financial knowledge and management through sound teaching principles, like providing hands-on practice and demonstrating financial concepts (Schonfel & Blumenthal, 2019).

Moreover, the indicator “I learn financial management and obtain financial knowledge through my parents,” was ranked third with an average weighted mean of 3.65. this implies that financial management and obtaining financial knowledge through parents is beneficial for students. Financial literacy is important

to develop the ability to understand and make well-informed judgments and decisions in regards to personal finances. Furthermore, it provides students the knowledge to manage their finances effectively, make wise decisions, and develop skills in budgeting, investing and debt management (Munoz-Medina, Faria-de-Cardenas, Larrea-Mantilla, & Vallejo-Bolaños, 2020). Students need to master financial literacy in order to become financially responsible and self-sufficient. Along with this, understanding how to manage money and related concepts, such as saving and budgeting, will help students avoid reducing their debts (Fry, 2019). Financial knowledge obtained through parents allows students to gain an understanding of how credit markets and financial services are used, thus potentially becoming independent from the need to rely on financial advice and services (Boutillier, 2019).

In addition, the indicator “I feel confident in my knowledge and ability to manage my own finances” was ranked fourth with the average weighted mean of 3.62. As college students, it is easy to become overwhelmed by the sudden responsibility to manage our own finances. Therefore, it is important to correctly assess our knowledge and abilities with regards to financial management, in order to overcome doubts and instead become confident that we can stay on top of our personal finances. First and foremost, it is important to have knowledge of the basics of budgeting, credit, and savings. It is useful to begin with the basic principles of budgeting: it is strongly recommended to make a plan for monthly expenses, including providing for fuel, entertainment, bills, and miscellaneous costs; building an emergency fund in case of a sudden expense; comparing prices of necessary goods and services; monitoring credit score, and other such basics of successfully managing finances (Sippel, 2020). Secondly, it is important to ensure one is aware of all their income sources, such as part-time jobs, and potential risks, such as student loan debts. In order to manage one’s finances more securely, it is also important to set up a savings account and build up a deposit.

Furthermore, it is important to understand the various types of investment options available in order to grow one's money. These topics may sound challenging, but there are many online resources that can help students become more confident in their knowledge and ability to manage their own finances. Government and advocacy organizations offer many free educational resources online, such as the Financial Consumer Agency of Canada and Financial Conduct Authority (Kasten, 2020). These websites are informative and straightforward and contain information on budgeting, understanding credit, and other financial matters (Cave, 2016). There are also many personal finance apps that are designed to support students in their financial management, such as Mint and Clarity Money (Peerce, 2020).

The indicator, "I am aware of the inflation rate in the Philippines" was ranked fifth with the average weighted mean of 3.6. To begin with, students should be knowledgeable of the inflation rate due to its magnitude. In the first quarter of 2019, the Inflation Rate in Philippines was at its highest since 2014 (Inflation Rate in the Philippines, 2019). This significant rise affects all citizens, particularly for those with a fixed income such as students, whose resources overtime can drastically decrease due to buying power erosion (Sarabia, 2017). Furthermore, this rise in inflation rate has caused a large decrease in consumer confidence in the country, which could in turn affect future job opportunities (Feria, 2019). Therefore, understanding and accurately predicting inflation is essential in ensuring that students are able to make sound financial decisions for their future. What is more, is that inflation affects different aspects of life such as the cost of education. It is known that the cost of college education has increased over time due to inflation (Honda, 2012). This is because the cost of wages, labor, and construction materials that are needed for building and operating universities tend to increase with inflation (Honda, 2012).

The indicator "I consider myself to be financially literate" was ranked sixth with an average weighted mean of 3.60. Having

a sound understanding of financial literacy can help students prepare for their future lives and careers. Being able to manage money effectively will help them to properly budget and track their spending. It will also provide insight into savings, investments and other techniques to advance their financial profiles. Financial literacy teaches students to manage their finances and optimize their financial situations, which can be invaluable when initiating a loan or purchasing a vehicle or home.

Additionally, it will equip students with the knowledge to identify investment opportunities such as stocks and mutual funds, and help prepare for retirement planning. An important component to financial literacy is understanding how credit works. Credit and debt management is a crucial component of every successful financial plan. It's important for students to gain knowledge of credit cards, interest rates and their credit score. Equipping young adults with this knowledge will help them protect their future financial health (Elliott, 2020).

Lastly, it can be seen that the indicator "I read and understand a contract/s especially involving money before signing" was ranked with an average weighted mean of 3.55 which is moderately literate. This implies reading and understanding contracts is an incredibly important skill, particularly when it involves matters of money. Before signing a contract, it is imperative to read it involves money matters. Before signing a contract, it is imperative to read it in detail and ask any clarifying questions. Most of the students have the necessary literacy in understanding the contract that they are signing. Contracts involve binding agreements, meaning once it is signed, both parties are expected to adhere to its term. As such, it is important that university students understand how to read and make informed decisions when signing contracts related to money (Gee & Goldring, 2018). Knowing what is involved in a contract and; what rights, privileges and responsibilities each party has is key to making sure students get the terms they were looking for. It is important to know the basic rules of contracts and what to look for, such as key clauses, possible pitfalls and requirements

for termination (Honda, 2012). Reading and understanding a contract can also help to ensure that the risk of a dispute is avoided. Contracts should only be signed if a student is comfortable with the terms, conditions and consequences involved (Honda, 2012)

## **Saving Habits**

Table 5 shows Baguio Central University students' saving habits. With an overall weighted mean of 3.49, this states that the saving habits of Baguio Central University students are moderately aware related to spending and budgeting practices. In the table, it can be seen that the indicator, "I see to it that I would have a weekly or monthly savings" was ranked first with the average weighted mean of 3.57. This implies that it is a critical component for long-term financial stability and security. Weekly or monthly savings might help students establish a safety net to deal with unforeseen expenses. The Saving Habits of College Students was to determine that the majority discovered that they saved less than they spend, but they do so in various ways. The majority of students have savings and are aware of the significance of conserving. Students frequently favor using savings accounts as their primary means of saving. Students set aside money for using saving accounts as their primary means of saving. Students set aside money for unexpected expenses based on research of students' spending habits, they are spending more on studies and transportation (P. Jeevithal & R. Kanya Priya, 2019). With some money put up each month, people can deal with emergencies or pay off debt without having to take out loans or use credit cards. Having weekly or monthly saves can assist students in creating a fund for their future aims and desires. They can utilize their money to support their schooling, travel, or even start their own business. Furthermore, savings provide peace of mind because the money can be used to cover a range of expenses such as rent, utilities, or groceries. Many students are unaware of the necessity of savings, but it is critical for their financial security. According to research, those who save for an extended period of time are more likely to become wealthy (Williamsom & Pugh, 2019).

**Table 5: Saving Habits**

| INDICATORS                                                                            | H<br>L<br>5 | M<br>L<br>4 | N<br>L<br>3 | SL<br>2 | NL<br>1     | W<br>M | RANK |
|---------------------------------------------------------------------------------------|-------------|-------------|-------------|---------|-------------|--------|------|
| I am able to allocate my budget to match my spending.                                 | 23          | 33          | 16          | 16      | 6           | 3.54   | 3    |
| I see to it that I would always have weekly or monthly savings                        | 25          | 31          | 17          | 15      | 6           | 3.57   | 1    |
| I am able to determine what should be prioritized before and during buying an item/s. | 21          | 25          | 27          | 15      | 6           | 3.34   | 6    |
| I do write or electronic budget planning/ preparations                                | 20          | 30          | 24          | 12      | 8           | 3.45   | 5    |
| I keep receipts and bills to be conscious of my spending                              | 23          | 27          | 20          | 18      | 6           | 3.46   | 4    |
| I use my personal money (savings) for my wants and needs                              | 25          | 28          | 18          | 20      | 3           | 3.55   | 2    |
| I set aside money for the Lord before budgeting for my needs and wants                | 25          | 23          | 20          | 18      | 8           | 3.41   | 7    |
|                                                                                       |             |             |             |         | O<br>W<br>M | 3.49   | ML   |

**Legend:**

| Variable | Statistical Limit | Descriptive Rating  | Symbol |
|----------|-------------------|---------------------|--------|
| 5        | 4.21-5.00         | Highly Literate     | HL     |
| 4        | 3.41-4.20         | Moderately Literate | ML     |
| 3        | 2.61-3.40         | Neither Literate    | NL     |
| 2        | 1.81-2.60         | Somewhat Literate   | SL     |
| 1        | 1.00-1.80         | Not Literate        | NL     |

Additionally, it can be seen that the indicator "I use my personal money (savings) for my wants and needs" was ranked second with the average weighted mean of 3.55. It is important for students to get into the habit of saving money early so that it can be available in time for financial needs. Taking out a loan or using a credit card to fund expenses should be a last resort, and only used when necessary. Not only does this help to build financial security, but it also helps with financial literacy and decision-making. Using savings for wants and needs can help individuals in understanding the concept of budgeting, and

developing skills such as tracking expenses, saving for the future, and making informed decisions based on financial capability. Savings are funds set aside for an emergency, or for a future goal like an education, wedding or purchase of a house or car. By reserving money for times of need, an individual can avoid getting into debt. According to a study done by the National Bank of Canada, it was discovered that "72% of Canadians have few or no savings, and 38% of Canadians can't even cover their living expenses with their salary". (Brooks, 2020).

The indicator "I am able to allocate my budget to match my spending" was ranked third with the average weighted mean of 3.54. Understanding how to allocate a budget is a crucial financial skill that every student should master. By learning to allocate their budget wisely, students can ensure they are living within their means and not putting themselves at risk of financial hardship in the future. Allocating their budget to match their spending will help them make sure their bills, rent, living expenses, and investments are provided for. Additionally, understanding budget allocation can help students save money, as they will be better equipped to prioritize their spending and avoid unnecessary costs. Many students find budget allocation to be a complicated and overwhelming process. However, with the proper guidance, it can be an easy way to manage money. The first step is to identify sources of income. This includes income from work, scholarships, grants, or other sources. Once sources of income are identified, the student can create a budget by tracking ongoing expenses and estimating long-term costs. Additionally, it is important to create an emergency fund, which can help cover unexpected expenses (Green, 2017).

Furthermore, it can be seen that the indicator "I keep receipts and bills to be conscious of my spending." was ranked fourth with the average weighted mean of 3.46. This implies that having receipts and bills provides a visual representation of your spending habits, which can reveal areas in which you are overspending (Finley, 2020). In addition, it serves as evidence if users are ever doubting a transaction, and it assists in the

calculation of taxes (Hough, 2020). Receipts and bills can also act as a motivator to stick to budgeting goals and reassess spending habits. Overall, preserving documents can help make well-informed decisions concerning one's spending and income, which can create a healthier financial status (Ansbacher, 2019).

The indicator "I do write or electronic budget planning/preparation" was ranked fifth to last with the average weighted mean of 3.45. Writing or electronic budget preparation is an important part of financial literacy. It assists in educating people to properly manage their money in a way that helps them in the long-term. Budgeting encourages careful planning for the future and enables individuals to stay informed and on top of their financial goals. It is also helpful in finding creative ways to save money and create a plan to reduce or eliminate debt. A student who is on their own for the first time needs to understand how to plan and prepare a budget that involves tracking their income, expenses, debts, assets, and liabilities. A budget assists a student to accomplish goals by understanding their situation, setting priorities, and taking control. It helps in setting limits on most expenses, particularly those that are not necessary, and formulating the best approach for using the money they will receive (Mishra & Goutham, 2017).

Moreover, the indicator "I am able to determine what should be prioritized before and during buying an item/s." was ranked sixth with the average weighted mean of 3.43. Prioritizing what should be bought is an important skill for students to learn. This includes weighing the costs and benefits of the items they are considering, looking for the best deals, and determining what is most essential for them to buy. Knowing yourself is essential when prioritizing purchases, as different items may be necessary for different people depending on their lifestyle and wants. Recorded in her study on basic budgeting, (Pickup, 2021) suggests that when considering purchasing an item, students should consider how they will be using the item, how long they believe it will last and how well it meets their expectations. Additionally, knowing what items are already owned by the

household is an important part of this process. For example, it would be a waste of money to buy a second toaster if one is already present in the house. When students have too many desires and not enough money, it's important to prioritize which items to buy. The rule of thumb is to prioritize the needs before the wants. This means buying the items necessary for everyday life before anything else. Groceries, school books, gas and bills should always be considered before things like video games and clothes. (Pickup, 2021).

Lastly, it can be seen that the indicator "I set aside money for the Lord before budgeting for my needs and wants" was ranked last with an average weighted mean of 3.41. Setting aside money for the Lord, or tithes and offerings, before budgeting for needs and wants is an important practice that encourages students to prioritize God's work in their lives. According to the study of Gates (2017), The church is the only place where people from all walks of life, including those from different socioeconomic classes, can gather for a single purpose. It is the only location from which everyone can obtain the same information that comes from the pulpit. It is the church's duty to instruct its members on how to live outside of the 32 churches and how to make decisions that are good for them and their families, including financial ones. Spending Habits Table 6 presents the spending habits of Baguio Central University students. With an overall weighted mean of 3.42, these results indicate that Baguio Central University students are moderately literate of their habits when it comes to spending their money. In the table it can be seen that the indicator "The money I spend is greater when I have just received my allowances or any source of cash". Was ranked first with the average of 3.50. The students learn to value money once they receive their own allowances. In the Philippines, according to (Abawag, 2019) they concluded that most of the monthly allowance of their respondents are spent on food. Particularly, there is a tight spending when it comes to personal needs and academic purposes. Maintaining their spending is one of the challenges that college students face, and how they manage their finances now will have an impact on their financial condition in

the future. The majority of students experience financial freedom without the oversight of their parents (Sabri et. al, 2008). In addition, the indicator "I wait for sales before I buy my wants." Was ranked second with the average weighted mean of 3.47. Waiting for sales or shopping during sales—is an extremely wise financial move for students. Most college students have a limited budget, so waiting gives them the opportunity to purchase items that they might otherwise not be able to afford (McWhorter, 2020).

**Table 6: Spending Habit**

| INDICATORS                                                                           | HL 5 | ML 4 | NL 3 | SL 2 | NL 1 | WM   | RANK |
|--------------------------------------------------------------------------------------|------|------|------|------|------|------|------|
| I tend to buy things on impulse                                                      | 24   | 23   | 27   | 12   | 8    | 3.46 | 3    |
| The money I spend is greater when I just received my allowance or any source of cash | 26   | 24   | 22   | 15   | 7    | 3.5  | 1    |
| I treat people often/ I spend money on others                                        | 25   | 22   | 25   | 12   | 10   | 3.43 | 4    |
| I spend more on my wants compared to my needs                                        | 24   | 24   | 21   | 16   | 9    | 3.4  | 5    |
| I wait for sales before I buy my wants                                               | 26   | 23   | 24   | 11   | 10   | 3.47 | 2    |
| I spend money using card                                                             | 24   | 20   | 23   | 16   | 11   | 3.32 | 7    |
| I spend money on branded items compared to non-branded ones                          | 23   | 25   | 18   | 17   | 11   | 3.34 | 6    |
|                                                                                      |      |      |      |      | OWM  | 3.42 | MA   |

**Legend:**

| Variable | Statistical Limit | Descriptive Rating  | Symbol |
|----------|-------------------|---------------------|--------|
| 5        | 4.21-5.00         | Highly Literate     | HL     |
| 4        | 3.41-4.20         | Moderately Literate | ML     |
| 3        | 2.61-3.40         | Neither Literate    | NL     |
| 2        | 1.81-2.60         | Somewhat Literate   | SL     |
| 1        | 1.00-1.80         | Not Literate        | NL     |

Additionally, frequent sales give students the chance to find the best deals for the items they need and want. Due to the seasonality of certain items, sales can be particularly important for 34 students who need to make back-to-school purchases or are looking to replace items of clothing. Regular sales provide a way for students to save money on college essentials, such as textbooks and laptops. Similarly, retailers may offer significant discounts on luxury items, such as furniture, during peak shopping seasons (O'Sullivan, 2019).

The indicator "I tend to buy things on impulse." Was ranked third with the average weighted mean of 3.46. From a positive point of view, impulse buying can be beneficial for students in many ways. Firstly, it helps foster a sense of responsibility as young people learn to manage their money more effectively. Impulse buying encourages people to be thoughtful about their purchases so they avoid buying too much or items they cannot afford. Additionally, impulse buying can enhance student's creativity and imagination as they learn to think outside the box, looking for better deals and more interesting items. Secondly, it allows students to practice their decision-making skills, balancing potential perceived benefits with potential downsides and costs. Lastly, impulse buying can help with student- teacher relationships as it lets teachers serve as role models for good decision-making. However, impulse buying can also be harmful for students if not managed properly. It can lead to overspending, meaning students might not have enough money to cover their required expenses. Furthermore, impulse buying can promote unhealthy consumption habits such as eating junk food, playing video games instead of studying or socializing, and spending money on luxury items. Lastly, 35 impulse buying can increase the feeling of guilt and shame, especially if students make unwise purchases, they later regret, (Thelwall, 2018).

Moreover, the indicator "I treat people often/ I spend money on others" was ranked fourth with an average weighted mean of 3.43. Studies have also found that spending money on someone else can be an effective way to increase self-esteem. This is

because the act itself can make you feel proud and can also lead to a sense of accomplishment (Weinberg, 2009). These acts of kindness also lead to stronger relationships, both with friends and family. When someone does something nice for someone else and receives thanks or appreciation in return, it strengthens the bond they share. This feeling of connection can have a great influence on overall happiness. Overall, spending money on others can leave both parties feeling better. It allows us to show appreciation and respect for those around us, while providing us with a sense of self-worth and happiness. It is an important way to strengthen relationships and create strong bonds between people (Van Boven, & Gilovich, 2003).

The indicator "I spend more on my wants compared to my needs" was ranked fifth with the average weighted mean of 3.40. Spending money on wants can lead to the pursuit of life-enriching experiences that they may not have access to otherwise. Experiences like traveling, attending seminars, trying out new activities, etc., can help a student to broaden their horizons. These enriching experiences also help to improve their wellbeing and satisfaction in life. Making these investments to help foster personal growth can be invaluable. As Shapiro and Smith (2012) posit in their research, "those that accumulate more experiences generally are happier than those who accumulate more material possessions" (p. 112). At the same time, although spending on wants helps to nurture personal growth, a student still needs to be mindful of their budget. Balancing spending on needs and wants in order to stay within a reasonable budget is important. Allocating a portion of one's budget to their wants can help to ensure that spending money is still devoted to the student's needs, without sacrificing any of their wants (Laurent, 2015).

It can be seen that the indicator "I spend money on branded items compared to non-branded ones." Was ranked sixth with the average weighted mean of 3.34. Students spend money on branded items compared to non-branded ones because branded items usually have a higher quality and durability. Branded products are produced with better quality control, which means

they are often more reliable and have a better warranty (Saini, 2020). Furthermore, when buying a branded product, you can be assured it will function correctly and provide a better user experience. Additionally, many branded products come with enhanced features that can make your life easier or more entertaining. For example, some cheap headphones might not have noise canceling technology, but many branded ones do. Besides, branded products often have a higher resale value should you wish to resell them later, making them a more cost-effective purchase in the long run (Guan, 2019). Finally, the increased 37% reliability of branded items can help you avoid additional costs such as repair services or replacement parts, thus further making them more cost effective.

Lastly, the indicator "I spend money using a card" was ranked last with the average weighted mean of 3.32. Students spend money using a card rather than cash for a number of reasons. Firstly, cards are more convenient due to the fact that they don't need to be refilled like cash.

Hence, students would not need to worry about having the right sum of money for their purchases. Secondly, cards leave a digital record of transactions meaning that it is much easier to keep track of how much money one has spent, and what one has spent it on (Motley, 2020). This is beneficial to students as it allows them to keep a closer eye on their budgets and avoid overspending. Another advantage that cards have over cash is that they are more secure. Cards are generally Chip enabled, meaning that if stolen, the thieves would not be able to access the user's banking information (Hurwitz, 2017).

Additionally, with cards it is much easier to dispute fraudulent charges. Thus, using cards is generally safe and secure for students. Finally, some cards may also offer rewards to their users such as cash back, reward points or discounts (Elhers, 2018). Therefore, students who use cards would have the chance to enjoy additional savings which in turn could help them better manage their financial resources.

## Conclusions and Recommendations

Based on the conclusions, the following recommendations were: Students can enhance their financial knowledge through projects that involve budgeting, expense tracking, and setting financial goals, thereby applying theoretical knowledge to their personal finances, thereby fostering confidence and responsibility. Organize workshops and seminars to improve students' saving habits by engaging them in practical discussions on budgeting, saving, investing, and responsible borrowing, thereby enhancing their financial decision-making skills. To improve students' spending habits, invite financial professionals to share their experiences and insights on various career paths in the finance industry, emphasizing the importance of sound financial planning for long-term success.

Based on the findings of the study, the following conclusions were drawn: The survey results show that the students are moderately literate on their financial knowledge indicating an increased understanding of the significance of financial literacy at BCU. The saving habits study revealed that people are consciously trying to save and invest for the future and was extremely enlightening. It is great to see that BCU students are actively working toward obtaining financial security and are aware of the value of financial literacy. The survey on spending habits revealed that students possess a high level of financial literacy, enabling them to make informed decisions about their spending.

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# **FINANCIAL AWARENESS OF NON-BSBA STUDENTS OF BAGUIO CENTRAL UNIVERSITY**

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## **Abstract**

The research employed a Qualitative research design. A total of five to six respondents from the five different colleges, namely the College of Criminal Justice Education (CCJE), College of Nursing and School of Midwifery (CONSM), College of Teachers Education and Liberal Arts (CTELA), College of Engineering (COE), and College of Hospitality and Tourism Management (CHTM), for a total of 25 college students. This research explored how financial literacy positively impacted individual and societal well-being, economic participation, spending habits, and saving habits of Non-BSBA students of Baguio Central University by examining their financial literacy. The results showed that students' financial awareness skills as to spending is that Non BSBA students does not save because they only get their allowances from their parents, while as to budgeting Non BSBA students does not budget because their allowance is just enough for their daily needs in school, and as for their saving habits Non BSBA students prioritizes the needs over want since it can be a great way to develop responsible spending habits and ensure a stable financial future. The study's findings showed that Non-BSBA students lack Financial Awareness when it comes to

managing their money and allowance. This could be attributed to the parents not being financially aware themselves or the lack of knowledge when it comes to finances.

*Keywords: Financial Awareness, Saving, Budgeting, Spending*

## **Introduction**

In the contemporary era, the significance of financial literacy has grown, as it entails assessing an individual's ability to comprehend and apply personal financial information. Over time, individuals have assumed greater responsibility as proactive participants in their financial planning compared to previous periods. Particularly within economic and financial spheres, financial knowledge plays a crucial role in elucidating diverse financial or economic behaviors. Consequently, Financial Literacy emerges as the outcome of being responsive and possessing in-depth knowledge, skills, attitudes, and behaviors related to money, credit, and banking, all essential elements for making informed and exceptional financial decisions (Abichuela, 2020).

College life, careers, or mainly adulthood are one of the top priorities the current generation is preparing at this moment of their lives, knowing how to oversee and manage finances is one less debt to worry about. In every chosen career and life goal decided, people eventually need money to advance, and without adequate financial literacy, saving, growing, and multiplying money will be a struggle and will remain far from reach (Zimmermann, 2023).

Taking responsibility for financial knowledge starts with the fundamentals of money management and maturing into a wise spender. Spending time on financial development enhances decision-making around saving and investing. In 2019, the Organization for Economic Co-operation and Development

(OECD) reported that financial literacy is the ability to make sound decisions in various monetary contexts. More to this, it is also the ability to improve one's and society's well-being and participation in the economy. Additionally, financial literacy is said to be regarded as a fundamental right and a worldwide imperative, not as a prerogative for the wealthy, who have endless access to financial information and guidance. Moreover, it was noted that in this contemporary generation, financial literacy should be as imperative as basic abilities such as reading and writing, thus allowing individuals to reach their full potential (Lusardi, 2019).

A research study published in 2019 by Karakurum-Ozdemir, et al., conducted in various middle-income countries particularly Mexico, Lebanon, Uruguay, Colombia, and Turkey; have recognized financially literate groups and concluded that females and younger individuals who were illiterate or unable to read or write in their respective language have lesser financial literacy results (Karakurum-Ozdemir, 2019). In other countries, the United States in particular, made it imperative to educate future generations about financial literacy and what it means to learn about personal finance; however, statistics show that schools need to be equipped with the required expertise to execute financial well-being. In fact, in the year 2021, seventy-five percent (75%) of young adults reported having insights about personal finance from their respective parents, and forty-two percent (42%) of them learned from social media. Furthermore, there was even a good percentage of young adults interested in investing, but only some were assertive to continue. Fifty percent (50%) and below had been educated in school, and the majority of their knowledge was from their parents with regards to saving in general, saving for college, earning, and keeping track of their budget. (Turner, 2023).

One of the countries with a poor financial literacy survey is the Philippines, with its significant gaps in financial knowledge and basic financial literacy questions. In a survey done by the Bangko Sentral ng Pilipinas, only two in ten Filipinos achieved

an excellent score simultaneously, and seven in ten directly answered approximately half of the questions. These results are consistent with how the Philippines did in global financial literacy evaluations. According to the World Bank, just twenty-five percent (25%) of adult Filipinos were aware of essential financial principles (Medalla, 2022). In addition to this, other students come from low-income families which increases the financial burdens they are experiencing on top of the struggles at work that they are facing (Pratt, 2019). Furthermore, most university students who lack the skills to save money and create budgets are more likely to spend carelessly and abuse credit. This financial attitude preference creates excessive debt, meager income, and low financial security. Financial literacy negatively undermines college students' access to financial aid and is a barrier to economic mobility development (Abichuela, 2021). Several journals and surveys that subject financial literacy in the Filipino residents with the majority having no concrete grasp on financial management (Business Mirror, 2022). This paper aims to give information about the financial literacy of college students and give importance to its results and consequences. Secondly, this paper would also benefit teachers and other teaching personnel since it would provide data about the student's current understanding of financial literacy, hence given the results, schools, universities or even government agencies can help promote financial literacy in younger and older generations.

In addition, this paper can be used by future researchers as a tool for information development and learning enhancement thus providing data with regards to the assumptions and misconceptions of individuals and the society about monetary obligations. It helps comprehend problems and raises awareness since there are only a few studies made nationwide regarding financial literacy of college students as well as Filipinos entirely.

Furthermore, this could also improve the current and future generations' knowledge and response to financial literacy when difficulties arise. It was said that financial literacy is the only way for people to improve their financial product and service

creativity thus establishing a lifetime career in financial health (Abichuela, 2021).

Financial Literacy, a crucial skill applicable to all ages, genders, and social standings, involves adeptly comprehending and handling financial affairs. Financial Literacy encompasses the proficiency to make educated judgments about money management, investments, savings, and spending. In the modern intricate, ever-changing financial landscape.

### **Behavioral Economics Theory**

Behavioral economics is a branch of economics that seeks to understand how individuals make economic decisions in the real world, considering the cognitive and emotional biases that may affect their choices. This approach recognizes that individuals are not always rational decision-makers and that their behavior may deviate from what would be predicted by traditional economic models (Kahneman, 2003). Behavioral economics recognizes the importance of emotions and affective states in decision-making. Emotions can influence decision-making by affecting risk preferences, discount rates, and 6 attentional focuses (Lowenstein, et-al, 2001). This can have important implications for financial decision-making, as individuals may make different choices when they are experiencing positive or negative emotions.

### **Nonbusiness Students' Financial Literacy and Behavioral Economics**

Research in the areas of behavioral economics and financial literacy has raised concerns that consumers lack competence to make complex financial decisions. Much of the literature in behavioral economics argues that consumers rely on heuristics that cause them to make systematic errors in judgment. The literature on financial literacy suggests that many individuals lack an understanding of basic financial principles, which would hamper their ability to manage their finances effectively (Elliehausen, 2018). The design of financial education programs could benefit from the findings of behavioral economists and

economic psychologists. Financial education needs to address the fact that consumers require tools to help them act in a way that improves their financial well-being, given the psychological factors that influence their decision-making (OECD, 2013).

The amount, source, and nature of the information individuals receive about saving are likely to influence savings decisions. Although the recent push toward improved financial literacy for all Americans is a positive step toward better financial decision-making, research suggests that greater knowledge does not necessarily result in more optimal decision-making and exploring financial literacy among nonbusiness students through behavioral economics (Lusardi, A., & Mitchell, O. S., 2005).

## **Social Learning Theory**

Social learning theory suggests that individuals learn by observing the behavior of others and modeling their behavior (Bandura, 1977). The social learning theory has important implications for financial literacy. It suggests that financial education programs should not only focus on individual knowledge and skills but also on changing the financial behaviors of their social networks (Biswas-Diener, 2018).

The social learning theory has important implications for financial literacy. It suggests that financial education programs should not only focus on individual knowledge and skills but also on changing the financial behaviors of their social networks. For example, a financial education program could encourage parents to teach their children about money management or provide incentives for individuals to save money in a group setting (Biswas-Diener, 2018).

One of the key concepts in social learning theory is vicarious reinforcement. Vicarious reinforcement occurs when an individual observes the consequences of another person's behavior and adjusts their own behavior accordingly. For example, a child may observe their parents' saving money and experiencing positive financial outcomes, and therefore learn to save money themselves (Bandura, 1977).

Finally, social learning theory emphasizes the importance of modeling and imitation in shaping behavior. Individuals are more likely to imitate the behavior of others whom they perceive as similar to themselves, successful, or socially desirable. For example, if an individual perceives a financial advisor as successful and trustworthy, they may be more likely to model their financial behaviors after the advisor (Bandura, 1994).

## **Human Capital Theory**

Human capital theory suggests that individuals' knowledge and skills are an important form of capital that can be used to generate income and wealth (Becker, 1964). According to this theory, individuals with higher levels of education and training are more likely to have higher earnings and accumulate more wealth over their lifetimes.

The human capital theory has important implications for financial literacy. It suggests that financial education programs should not only focus on providing individuals with the necessary knowledge and skills but also on improving their overall human capital. For example, a financial education program could provide individuals with information about how to finance their education and training or encourage them to pursue higher education or training programs (Lusardi & Mitchell, 2014).

The conceptual framework for financial literacy includes several key components: financial knowledge, financial skills, financial attitudes and behaviors and financial outcomes. Financial knowledge refers to an individual's understanding of financial concepts and products. This includes knowledge of basic financial concepts such as budgeting, saving, and investing, as well as more complex concepts such as derivatives and options. Financial knowledge is important for making informed financial decisions (Lusardi, 2019).

## **Financial Skills**

Financial skills refer to an individual's ability to apply financial knowledge to real-world situations. This includes skills

such as creating and sticking to an investing, savings and spending in the stock market. Financial skills are important for implementing financial decisions and achieving financial goals (Hastings et al., 2013).

### **Financial Attitudes and Behavior**

Financial attitudes and behaviors are crucial components of an individual's financial literacy. Attitudes refer to an individual's beliefs, values, and emotional responses towards financial management, while behaviors refer to the actions they take to manage their finances. These attitudes and behaviors can have a significant impact on an individual's financial wellbeing (Hastings et al., 2013). One important aspect of financial attitudes is an individual's level of financial confidence. Financial confidence is the belief that one has the knowledge and skills necessary to manage their finances effectively. Individuals with high levels of financial confidence are more likely to engage in positive financial behaviors such as saving, investing, and managing debt (Lusardi & Mitchell, 2014).

Financial behaviors encompass actions like budgeting, saving, investing, and debt management. Positive financial behaviors contribute to stability and growth, whereas negative ones, such as overspending, excessive debt, and insufficient future planning, can lead to insecurity and hinder goal achievement (Hastings et al., 2013; Lusardi & Mitchell, 2014).

**Paradigm of the Study** This study has used the Input- Process- Output (IPO) model shown in figure 1. The study's input was the Financial Awareness of Non-Business Major Students at Baguio Central University. The process contained the steps on how the researcher would gather data. In addition, the researcher used Qualitative Research Design through interviews and data analysis.

**Statement of the problem** This study aims to assess the financial literacy of non-BSBA students of Baguio Central University and seeks to answer the following questions:

1. What are the financial awareness of non-BSBA students along:

1.1 Spending

1.2 Saving

1.3 Investing

## **Methodology**

The researcher used a Phenomenological approach which aimed to explore and understand the lived experiences and perceptions of individuals regarding a specific phenomenon, in this case, financial literacy awareness skills. It allows the researchers to delve deeply into the participants' subjective experiences and gain insights into how non-BSBA students perceive and engage with spending, saving, and budgeting. Moreover, it adds on a focus group discussion where the researchers conducted in-depth interviews with non-BSBA students to gather rich qualitative data about their experiences, attitudes, and beliefs related to financial literacy. This approach enabled the researchers to uncover nuances and variations in their financial literacy awareness skills and provide a comprehensive understanding of the subject. Through the FGD, it assesses their assumptions and financial literacy. Interview recordings were transcribed, coded and categorized thematically.

This research was conducted at Baguio Central University. This study's target demographic consists of non-business major students. The researcher used participants from different colleges, including; the College of Criminal Justice Education (CCJE), College of Nursing and School of Midwifery (CONSM), College of Teachers Education and Liberal Arts (CTELA), College of Engineering (COE), and College of Hospitality and Tourism Management (CHTM). The researcher interviewed five students per college and believed they are qualified participants to determine the Financial Knowledge of students at Baguio Central University.

The total number of students per department shown in Table 1 was CBA-16, CHTM-16, COE-16, CTELA-16, CONM-15, and CCJE-15, with a total of 94 respondents and a total of 1718 students enrolled in 2022-2023

Purposive sampling was used for the different colleges. It is a method of discovering and choosing instances that will efficiently use limited research resources. It is used to pick respondents most likely to provide sufficient and meaningful information. (Campbell et al., 2020). No personal details were included in the study to safeguard the respondents' privacy.

The primary tool that the researcher utilized was through observation, and interviews such as open-ended questions to collect the data. There were two parts of the interview, which were; part 1: Demographic Data Collection, and part 2 focused on their understanding on monetary obligations specifically on saving, spending and investing which was adapted from the research International Network on Financial Education. (Kahneman, 2011) and Measuring Financial Literacy: Questionnaire and Guidance Notes for Conducting an Internationally Comparable Survey of Financial Literacy (Luzardi, 2019). The questionnaire's structured approach aims to delve into multifaceted areas of financial understanding, covering topics ranging from basic budgeting to intricate investment strategies. Its meticulous design not only facilitates cross-cultural comparisons but also enables policymakers and researchers to identify specific areas necessitating targeted financial education initiatives globally.

Before beginning data collection, the researchers sought clearance from the department deans. The participants were interviewed using structured and semi-structured questions. After collecting the necessary data, the survey was concluded hence, researchers ensured the confidentiality of the respondents' data.

The different responses provided by the participants were analyzed and grasped in an unprejudiced manner that prioritizes honesty, impartiality, and transparency. The information gathered through semi-structured interviews were coded before being evaluated via transcription and thematic coding and was critically followed to ensure the accuracy of the transcript. Ensuring the trustworthiness and rigor of qualitative research is essential to maintain the credibility and validity of findings. Researchers employ several strategies to enhance the quality of their work, particularly when involving participants in the research process. Firstly, researchers must transcribe and organize their qualitative data, which typically consists of interview transcripts or field notes. Next, data were thoroughly reviewed to identify emerging themes, patterns, and recurring phenomena. Lastly, researchers engage in a process of coding and categorization to distill meaningful insights and interpretations from the data, allowing for a deeper understanding of the studied phenomenon (Patton, 2015).

The researchers conducted the interview with the agreement and voluntary participation of the respondents, and advised them that the researcher will ensure confidentiality of the data and was only for research purposes and that the information about them will be kept private under Republic Act No. 10173 or the Data Privacy Act of 2012, whichever is applicable (DPA). For the discussion, the researcher conducted in-person interviews. The researcher offered enough information about the objective of the research as well as the significance of the respondent's involvement in achieving the study's goals. The participant's informed permission was acquired prior to the commencement of the research without the use of coercion. The researcher did not use any terminology seen as insulting or discriminatory nor the researcher did use any other unacceptable language.

## Results and Discussions

### Financial Literacy Awareness of Non-BSBA Students as to Spending

**Table 2:** Financial Skills

| Key Themes                                        | Description                                                                                               |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| No savings                                        | Non BSBA Students does not save because they only get allowances from their parents.                      |
| Does not do budgeting                             | Non BSBA students does not budget because their allowance is just enough for their daily needs in school. |
| Dependent to allowance given by parents/ guardian | Most non BSBA students are just dependent on their allowance.                                             |

Most of the respondents answered that they buy whatever they please because their parents are giving them daily allowance. That's why spending makes them impulsive buyers. Parents are typically one of the primary sources of their financial support and some typical expenses of students can differ based on their lifestyle, whereabouts, and personal situations. The daily expenses of students may include tuition fees, rent for apartments, transportation, healthcare, and personal expenses. When asked about their Source of daily expenses they answered:

"I get my daily allowance from my parents since I'm not working yet, that's why I don't have much savings." (Sa parents ko po ako kumukuha ng daily allowance ko since hindi pa ako nagtatrabaho kaya naman wala pa ako masyadong ipon).

This further emphasized that financial literacy of individuals who receive financial support from their parents may have lower levels of financial literacy and may be less likely to save money.

Furthermore, this also indicated that this may be because students who received financial support from their parents are less likely to learn how to manage their money effectively (Smith, 2023). In addition, a study found that students who receive financial support from their parents are more likely to spend money on non-essential items, such as entertainment and clothing. Non-business students may benefit from financial education, as they may not have the same level of financial knowledge as business students. A study by the OECD (2017) found that non-business students scored lower on financial literacy assessments than business students. There are several reasons why non-business students may have lower levels of financial literacy. One reason is that they may not have the same opportunities to learn about financial concepts. For example, business students may take courses in finance or accounting, while non-business students may not.

Moreover, a number of studies have shown that financial education can have a positive impact on the financial well-being of non-business students. For example, a study by Lusardi and Mitchell (2015) found that non-business students who received financial education were more likely to have savings accounts and retirement plans. Another study by the Financial Industry Regulatory Authority (FINRA) (2019) found that non-business students who received financial education were more likely to make informed investment decisions.

Next, when questioned about their attitudes and behavior towards saving, investing, and spending, most of the students stated that:

"Well, my parents provide my allowance, I don't have any problem thinking of my expenses" (well dahil sa parents ko nang gagaling ang allowance ko hindi ko masyado iniisip ang mga gastosin ko).

Another study found that college students who have higher levels of financial literacy are more likely to save money (Lusardi and Mitchell, 2015). This implies that non-business students, who

may have lower levels of financial literacy, may be more likely to spend money without thinking about the consequences.

"I don't invest because I am still a student and I having a hard time budgeting my allowance, so I usually spend more" (Hindi po ako nakaka pag invest at save ng pera since student palang ako at hirap po ako mag budget kaya more on gastos po ang nagagawa ko).

A study by the Financial Industry Regulatory Authority (FINRA) found that college students who have higher levels of financial literacy are more likely to make informed investment decisions (FINRA, 2019). This indicates that non-business students, who may have lower levels of financial literacy, may be more likely to make impulsive spending decisions which further emphasized most of the answers of the students.

Table 3 shows the common answers of the respondents in spending habits.

| STATEMENT OF THE PROBLEM                                                    | COMMON ANSWERS                                                                                      | RANKING                      |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------|
| SOP 1: What is the financial awareness of non- BSBA students about spending | I buy food or grocery (bumibili para sa pagkain o grocery)                                          | Rank 1:11 out of 25 students |
|                                                                             | For transportation fare to school (sa pamasahang papuntang school)                                  | Rank 2:6 out of 25 students  |
|                                                                             | For tuition fee mostly I asked from my parents (pang tuition fee ko mostly hinihingi ko sa parents) | Rank 3: 5 out of 25 students |

**Table 3:** Financial Literacy Awareness of non-BSBA students as to spending

The above results highlight the financial landscape among non- BSBA students characterized by a minimal budgeting, and a notable dependency on parental or guardian allowances. This information provides insights into the financial behaviors and

challenges faced by this student group, offering valuable considerations for financial education and support initiatives.

Table 4 shows the common answers of the respondents in saving habits.

| STATEMENT OF THE PROBLEM                                                 | COMMON ANSWERS                                                                           | RANKING                      |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------|
| SOP 2: What is the financial awareness of non-BSBA students about saving | Saving (iniipon ko)                                                                      | Rank 1:10 out of 25 students |
|                                                                          | I don't know, I buy things I want (hindi ko alam, binibili ko yung gusto ko)             | Rank 2:7 out of 25 students  |
|                                                                          | I put it to my savings account or to my bank (nilalagay ko sa savings account o sa banko | Rank 3: 4 out of 25 students |

**Table 4:** Financial Literacy Awareness of non-BSBA students as to saving

**Financial Literacy awareness of non-BSBA students as to saving.**

Non-BSBA students cultivate a sense of financial responsibility and discipline. Students can prioritize their spending and make informed financial choices by establishing clear objectives, such as saving or reducing debt. Setting financial goals also promotes future 23 planning, enabling students to anticipate expenses and create a budget that aligns with their aspirations (Wagner, 2016). Also understanding the concepts such as budgeting, saving, investing and debt management empowers students to make informed financial decisions. According to Schofield (2021), it helps them establish good financial habits early on, enabling the, to effectively manage their money throughout their lives. Spending can refer to the act of using money to purchase goods or services. In a study conducted

by Smith and Johnson (2019), it was found that individuals tend to spend more when they have higher levels of disposable income. This suggests that a person's spending habits are influenced by their financial resources.

Additionally, research by Brown et al. (2020) revealed that people's spending behavior can also be influenced by societal factors such as advertising and peer pressure. These findings indicate that spending is a complex behavior influenced by various factors, including personal finances and societal influences.

During the interview, respondents were asked about their financial literacy awareness skills as to saving. Setting a long-term financial goal for students that prioritize the needs over want can be a great way to develop responsible spending habits and ensure a stable financial future. The significance of understanding the importance of saving can help support financial goals. It will help them to manage their savings. One of the respondents took pride in saving as he said: 24 "I am saving, and I took priority in buying my needs rather than my wants". (nag ipon po ako at mas inuuna ko po bilhin ang needs kesa sa wants ko)

The answer of the respondent is further supported by previous study that financial literacy has been positively related to self-beneficial financial behavior in some studies. For example, Hilgert, Hogarth and Beverly (Mandell, 2009) formed a Financial Practices Index based upon self-benefiting behavior in cash-flow management, credit management, saving and investment practices. When they compared the results of this index with scores on a financial literacy quiz, they found a positive relation between financial literacy scores and Financial Practices Index scores.

Another responds about the significance of financial literacy: "Yes, we need this because we Filipinos are always spending and some products are getting expensive, so I want to be knowledgeable in budgeting" (Oo, kailangan eto kasi saating

Pilipino magasto tayo ang mamahal pa ng presyo ng bilingin so gusto ko sana na lahat tayo may kaalaman sa pag aayos ng ating pera)

Several studies have shown that financial education can have a positive impact on the financial well-being of non-business students. For example, a study by Lusardi and Mitchell (2015) found that non-business students who received financial education were more likely to have savings accounts and retirement plans. In addition, Previous 25 research has found that financial literacy can have important implications for financial behavior. People with low financial literacy are more likely to have problems with debt (Lusardi and Tufano, as cited in Lusardi et al., 2010), less likely to participate in the stock market (van Rooij, Lusardi & Alessie, as cited in Lusardi et al., 2010), less likely to choose mutual funds with lower fees (Hastings and Tejada-Ashton, as cited in Lusardi et al., 2010), less likely to accumulate wealth and manage wealth effectively (Hilgert, Hogarth & Beverly; Stango & Zinman, as cited in Lusardi et al., 2010) and less likely to plan for retirement (Lusardi & Mitchell, as cited in Lusardi et al., 2010). Financial literacy is an important component of sound financial decision making, and many young people wish they had more financial knowledge.

Next when asked about their awareness on pension Fund, Investment Account, Loans, Credit Cards, Savings account, and terms related to financial literacy, there answers were varied. According to the findings, limited access to financial education, complicated terminologies, and lack of knowledge of the financial system all contribute to the need for more understanding. The following highlights the responses to the third interview question. The respondents said:

"Yes, Credit cards, Savings Account" (Oo, Credit cards, savings account) "The salary goes to the credit card" (Sa credit card, jan pumapasok yung 26 mga sahod ganon) "I am not really knowledgeable about "(Wala po talaga akong alam jan eh)

Findings implied that financial education must be introduced in schools, colleges, and universities as part of their curriculum. Also, parents have a responsibility of being good role models which would nurture their children's financial behavior at early stages of their lives. Further, authorities must ensure the availability and ease of access to financial experts and advisors for young professionals for them to receive proper advice on financial planning.

In addition, research by de Castro et al. (2016) states that further, young professionals must be mindful of the significance of having the right financial behavior through budgeting, control on spending, living within means, continuous monitoring of expenses, saving and planning and unforeseen expenses. Families and educational institutions must encourage the youth to save, train them not to be impulsive with unnecessary and unplanned buying. With this purpose, they must be guided to consider financial products, policies and companies before making any decision on financial matters. Further, they must be knowledgeable on the importance of expenditure monitoring and saving behavior.

Table 5 shows the common answers of the respondents in investing habits.

| STATEMENT OF THE PROBLEM                                                    | COMMON ANSWERS                                                                                                              | RANKING                      |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------|
| SOP 3: What is the financial awareness of non-BSBA students about investing | I only know about credit cards and saving account. (hindi ko alam, ang alam ko lng ay credit cards and savings account)     | Rank 1:12 out of 25 students |
|                                                                             | I'm ready if I'm sure about my investment (kung ready lang ako pero wala ako knoeledge o kaalaman tungkol jan sa investment | Rank 2:8 out of 25 students  |
|                                                                             | I can invest it for the future or for my studies (man invest ako para sa future ko sa pag aaral ko.                         | Rank 3: 5 out of 25 students |

**Table 5:** Financial Literacy Awareness of non-BSBA students as to investing

| Key Themes                                     | Description                                                                                                                                        |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Social Influence                               | Their knowledge on investing is based on social media and what they read or gather from it.                                                        |
| Lack of proper Knowledge in financial Products | Their awareness and knowledge about financial literacy particularly in investing is solely based on hearsays and little opinion from social media. |

**Table 6:** Investing

Social media became a tool for the students to gather opinions and information about investing. According to Paulus (2023), social media may influence how to manage money, make purchasing decisions and choose an investment strategy, and also try to replicate the lifestyle of people around and their behavior may affect how to manage money. Also, social factors influence actions when it comes to handling and investing money (Berman. 2023). Having knowledge of the financial product can make smart decisions with money.

The table illuminates key insights into individuals' attitudes toward investing through two pivotal themes. Firstly, the theme of Social Influence underscores the substantial impact of social media on shaping participants' perceptions of investing. Reliance on information from various social media platforms significantly influences their decisions and strategies in the realm of investments. Secondly, the theme of Lack of Proper Knowledge in Financial Products reveals a noteworthy gap in participants' awareness of financial products, particularly within the context of investing. Educational initiatives to enhance individuals' understanding of financial products, enabling more informed decision-making in the complex landscape of investments. As individuals navigate the intricacies of investing, addressing these themes becomes imperative for promoting financial literacy and empowering individuals to make sound investment choices.

According to Lusardi (2019), as skills become more important earnings between those with college degrees or higher and those with less education, financial markets are rapidly changing with developments in technology and new and more complex financial products.

## **Conclusions and Recommendations**

### **Conclusions**

As to spending, Non-BSBA students are being more aware of spending topics but having a struggle in budgeting their finances effectively. Also becoming more aware of spending through informal channels, such as social media and reliance on parental. As to saving, Non- BSBA students are aware of the importance of saving. It became crucial for non-BSBA students to prioritize the needs to save to ensure a stable financial for long term goals. As to investing, Non-BSBA students are not aware and lack knowledge about investing. The students' decisions are influenced by social media and they lack understanding about the financial product.

### **Recommendations**

As to spending, incorporate financial literacy education into the school curriculum. Engage students in interactive learning activities related to personal finance. This could include simulations, games, role-playing scenarios, and real-world applications that make financial concepts more relatable and engaging. As to saving, provide non-BSBA students with lectures, seminars, and online tools on saving, budgeting, smart spending, and debt management. Promote the development of financial plans and the monitoring of earnings and outlays. As to investing, collaborate with schools, financial institutions, and online resources to offer tailored workshops about investments and managing financial risks. Encourage ongoing learning about financial markets and new products using seminars to stay updated with financial trends and technology.

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# **MODERNIZED JEEPNEYS: A PERSPECTIVE OF BAGUIO CITY RESIDENTS**

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## **Abstract**

This study examines the perspectives of residents in Baguio City on the modernization of jeepneys, focusing on the social, economic, and environmental impacts of the initiative. The primary objective is to understand residents' experiences and opinions regarding the transition to modernized jeepneys and to identify challenges faced during its implementation. Using a qualitative research method, the researchers conducted interviews with local residents, analyzing the data through thematic analysis to uncover recurring patterns and insights. The findings reveal a generally positive reception among residents, who appreciate the enhanced comfort, safety features, and environmental benefits offered by modernized jeepneys. Specific improvements highlighted include spacious interiors, air conditioning, and advanced safety mechanisms like CCTV cameras. Despite these advantages, significant concerns were raised about increased fares, challenges in maintaining the vehicles due to limited spare parts, and the accessibility issues faced by persons with disabilities. Many residents also emphasized the importance of preserving the cultural identity associated with traditional jeepneys. The study concludes that while jeepney modernization is widely recognized as a step toward progress and sustainability, several areas require improvement to ensure that the system is inclusive, affordable, and effective for all stakeholders. Policymakers are urged to

address these challenges by fostering community engagement, providing financial support for operators, and refining the design of modernized vehicles to better accommodate diverse commuter needs. These efforts will ensure that modernization aligns more closely with the aspirations and requirements of the local population while preserving its cultural heritage.

**Keywords:** *Modernization, Experiences, Residents, Baguio City.*

## **Introduction**

Modernization is an ongoing and indefinite process that unfolds over time. While traditionally spanning centuries, there are instances of rapid modernization. Regardless of the pace, modernization is not a singular, static accomplishment. Rather, there appears to be an inherent dynamism within modern societies, preventing them from reaching a state of stasis or equilibrium (Kumar, 2024). Virtually every country globally is experiencing some form of modernization, whether knowingly or unknowingly, and many nations have made it a deliberate national objective (Martinelli & He, 2015).

The perspective of people on transit is far too limited. It is more than just a means of transporting cargo and passengers. It is essentially a means of achieving societal objectives, those of food production, transportation to work, commerce expansion, urban development, employment creation, or poverty alleviation (Global Transportation, n.d.). Every modern city should have a strong transportation system as their top priority because modern society demands mobility in all facets of daily life (Narboneta & Teknomo, 2016).

Globally, the transportation sector has been developing quickly. The 20th century saw the beginning of changes in transportation, with an emphasis on the vehicles' mobility, accessibility, and safety (Leuenberger et al., 2014). Alternative forms of transportation are becoming increasingly popular as communities look for ways to improve the cleanliness and health

of their surroundings. For instance, governments and international financial institutions in Latin America, Africa, and Asia are pushing Bus Rapid Transit (BRT) systems as the solution to the region's rising traffic problems and the subpar public transportation options these Para transit services offer (Rizzo, 2015). Public transportation is essential to the functioning of economies and the movement of people in the megacities of Asia and Latin America while reducing the damaging effects of growing motorization on the environment. To better meet the demands of their citizens and the environment, many cities are increasingly modernizing or even completely revamping their public transportation networks (Hidalgo & Carrigan, 2010). Since its inception in Curitiba, Brazil, in the 1970s, Bus Rapid Transit (BRT) has become a prominent feature of mass transit culture in Latin America. The growth of BRT systems has been particularly noteworthy, with 54 cities in Latin America and the Caribbean (LAC) now adopting this efficient mode of transportation (Avary & Caballero, 2019).

While in Japan, the majority of its major cities are linked by an extensive high-speed bullet train system operated by the Japan Railways Group (JR Group). Referred to as the Shinkansen, these bullet trains have the capability to reach speeds of up to 320 kilometers per hour. Japan's public transportation network is renowned for its exceptional efficiency and punctuality, providing both locals and tourists with effortless and convenient access to any region of the country (The Japanese Transportation System, n.d). Also in Korea, the high-speed railway known as Korea Train Express (KTX) connects Seoul with Busan or Mokpo, utilizing French TGV technology (Transportation in South Korea, 2023).

On the other hand, in the Philippines' current public transportation system is mostly based on jeepneys, which are cleverly repurposed army Jeeps that were left over from World War II. Jeepneys are backyard-built vehicles that can hold 12 to 32 passengers and have engines that are more than 15 years old.

For Filipinos, they represent both a dominant cultural emblem and a source of pride, much like double-deckers are for Londoners (Mariano, n.d.). The Public Utility Jeepney (PUJ), sometimes known as Jeepneys, is a well-known form of transportation. They are also the most widely used and reasonably priced form of public transit in the Philippines, and they are well-known for their colorful decor and packed seats.

However, the environment and public health suffer as a result of their popularity. To preserve the low rates and make them available to more people, these jeepneys are not well maintained. They thus spew dangerous pollutants, lowering the quality of the air in Philippine cities (Cleaner and Modern Public Transportation in the Philippines, 2024). A number of issues are influencing the Philippines' need to replace PUJs. The environmental effects of traditional PUJs, which are frequently outdated, ineffective, and contribute to air pollution, are one of the main causes for worry (Kusuma, 2023). Bautista (2021) stated that there are more reasons to switch to more environmentally friendly and effective public transportation options, including the congestion and traffic issues brought on by cities' growing population density and fast urbanization. In addition, the lifestyle of PUJ drivers and operators is taken into consideration while discussing the replacement of PUJs, along with the safety and comfort of passengers.

Enhancing public transportation networks can lead to higher economic output, employment expansion, and improved effectiveness. Modernizing public transportation systems can lower expenses and enhance services by boosting their efficiency (Economic Effects of Modernizing Public Transportation, 2023). Since the Marcos government from 1965 to 1986, jeepney modernization has been a hot topic in the Philippines and has gotten more attention under the Duterte administration. With the Department of Transportation (DOTr) under the Department Order No. 2017-011, or the Omnibus Guideline on the Planning and Identification of Public Road Transportation Services and Franchise Issuance, the Duterte administration unveiled the

Public Utility Vehicle Modernization Program (PUVMP) on June 19, 2017, as one of its flagship initiatives aimed at "a comprehensive system reform that will entirely change the public land transportation industry" (Land Transportation Franchising and Regulatory Board [LTFRB], n.d.). The PUVMP seeks to enhance and modernize the nation's public transit network. It aims to swap out outdated and decaying jeepneys for more modern, environmentally friendly cars that are safer, cozier, and more effective (Modernizing Public Transportation in the Philippines: Opportunities, Challenges, and Lessons Learned from the PUVMP, 2023).

Public transportation is expected to be more productive and effective as a result of the modernization of PUVs. Modern technology like electronic payment methods, GPS tracking and real-time monitoring will streamline processes and improve overall service quality when it is implemented into new cars (Gonzales, 2018). Consequently, commuters and organizations that significantly depend on public transportation will benefit from shorter journey times, less traffic, and ultimately more output as a result of this enhanced efficiency (Caalim, 2023).

Additionally, efforts to modernize jeepneys frequently incorporate steps to enhance the standard of living for drivers and operators. The government wants to help operators upgrade to newer cars and adjust to the evolving public transportation system by offering financial aid, training opportunities, and financing facilities. Although there can be short-term difficulties with the shift, long-term advantages including lower pollution, increased efficiency, and increased safety make it an essential step toward sustainable urban mobility in the Philippines.

People are not against this idea, despite the fact that it has the potential to improve transportation systems across the country. Prior to completely adopting the upgrading of jeepneys in the Cordillera, there are a few critical challenges that must be resolved (Brando, n.d.).

In 2020, during the COVID-19 pandemic, Berkeley senior high school students conducted a study titled "Modernized Tradition: Transformation of Public Transport". Data from jeepney drivers in the same city was collected using the snowball sampling technique. Different viewpoints were produced by the researchers' findings. The majority of commuters had a favorable attitude toward modernization, pointing to its convenience, whereas the majority of operators opposed it mainly because of the expense of vehicles. This investigation was carried out over four years ago (Atos et al., 2021).

With the exception of the local public transportation rerouting plan, Baguio City was the first city to submit an expression of interest for the low-carbon urban transport system in 2019. Modernization of transportation is one of the system's primary requirements. To reduce the city's carbon emissions, it incorporates an integrated transit terminal's infrastructure. By replacing all of our old jeeps with these new vehicles, Mayor Benjamin Magalong said he hopes to drastically reduce carbon emissions and give commuters safe, useful, comfortable, and environmentally friendly transportation alternatives. Llanes (2020).

The vehicle's convenience facilities, which could include a Wi-Fi module, an automated fare collection system, a speed limit warning buzzer, air conditioning, and a CCTV camera, will be available to commuters (Sanchez, 2022). As part of the modernization effort, jeepneys, buses, and other PUVs that are no longer permissible due to their age and no longer suitable because they are smoky and deteriorated are to be replaced with more comfortable and environmentally friendly automobiles. Through the implementation of a fleet management system, the program also seeks to do away with the individual franchising structure. Periodic teaching on traffic and transportation laws and regulations will also help to professionalize drivers (Modern 'jeeps' unveiled in Baguio, 2020).

Different players in the local context of Baguio City, including commuters, operators, drivers, and residents, have differing opinions about the introduction of updated jeepneys. Some people view the upgrading of traditional jeepneys as a move in the right direction towards safer, more pleasant, and environmentally sustainable transportation. However, others voice worries over affordability, livelihoods, and cultural heritage. It is imperative to comprehend the viewpoints, inclinations, and concerns of the community about upgraded jeepneys to effectively execute the Public Utility Vehicle Modernization Program (PUVMP) in Baguio City. This study looked at these interactions to gain a better understanding of how modernization initiatives interacted with the objectives and needs of Baguio's various communities. It sought to accurately capture residents' understanding and perceptions. Its primary objective was to explore how residents perceived modernized jeepneys, focusing on their impact, acceptance, and the challenges encountered during implementation. The findings of this study not only benefited the residents of Baguio City and the government but also provided valuable insights for future researchers.

## **Statement of the Problem**

This study aims to determine the perspectives of Baguio City Residents on Modernized Jeepneys.

This research aims to answer these specific questions:

1. What are the perspectives of the residents of Baguio City in the modernization of jeepneys?
2. What are the problems encountered by the residents of Baguio City in the modernization of jeepneys?

## **Methodology**

This study utilized a qualitative research method, with data collected through interviews, observation, documentation, and

audiovisual data. Qualitative research is a method of data collection, analysis, and interpretation (Creswell, 2013). Through these approaches, this study sought to delve into the perspectives of Baguio City residents on modernized jeepneys, capturing their experiences, perceptions, and narratives surrounding jeepney modernization. Researchers employed phenomenological analysis to understand how participants shaped stories and narratives based on their personal experiences.

The population of the study are residents of Baguio City. This study specifically focused on Baguio residents who used modernized jeepneys as their daily mode of transportation. The researchers were able to interview 7 residents as participants from diverse backgrounds, the research aimed to capture a comprehensive range of perspectives on modernized jeepneys, ensuring that the findings accurately reflected the community's needs and concerns. Additionally, residents' firsthand experiences and local knowledge provided valuable insights into the potential impacts of modernization efforts on accessibility, affordability, and environmental sustainability within Baguio City.

The interview guide was the main data collection instrument used in the study. The primary data collection instrument was a semi-structured interview guide developed by the researchers. Follow-up or probing questions were used to dig deeper into the experiences of the research participants.

The researchers requested authorization from the Dean of the College of Business Administration (CBA) to carry out the study. Then, a letter addressing the confidentiality of participants' responses was appended to the interview guide and provided to participants. Subsequently, face-to-face interviews were conducted. First, the researchers prepared an interview guide. Then, they identified individuals who were willing to be interviewed. During the interview, the researchers introduced themselves and explained the purpose of the study, ensuring the participant felt comfortable. They asked their questions one by

one, listened carefully to the participants, and asked follow-up questions as needed. It was important to take notes or record the interview with permission to ensure accurate data collection and analysis. Lastly, if the interview was recorded, they transcribed it and examined the data, searching for themes or patterns in the participants' answers. The interview run for approximately 15 to 20 minutes per participant. Researchers conducted the interviews according to their individual preferences. Participants were notified several days in advance of their scheduled interview to allow them time to prepare. They were also given the opportunity to communicate their preferred location for the interview to the researchers.

Using an inductive method, the researchers analyzed the transcriptions using thematic analysis. This analysis model was based on the Wa-Mbaleka (2018) Model, which guided the researchers in analyzing the responses of the research participants to draw common themes in their narratives. Using a method known as "inductive research," researchers gathered and examined data to formulate ideas or hypotheses based on patterns and insights obtained from the data. It utilized a "bottom-up" approach, where the researchers began with particular observations before proceeding to more general hypotheses or themes. Inductive research is frequently used when conducting exploratory studies or when there had not been much prior research on a topic (Inductive vs. Deductive Research: Difference of Approaches, n.d.). Thematic analysis served as a method for initial analysis, coding data, identifying themes, and reporting on the findings (Thematic Analysis in Qualitative Research, n.d.). Wa-Mbaleka's Model involved the following steps: preparing and organizing data, reading transcripts once or twice, developing coding manuals, coding all data, finding recurring ideas, abstracting ideas, writing interpretations of the data, writing the report, verifying findings, and concluding, followed by making final revisions.

Throughout this study, the researchers prioritized the rights, dignity, and well-being of participants while ensuring the integrity and validity of their findings. Informed consent was

foundational, with participants receiving comprehensive information about the study's purpose, procedures, risks, and benefits. Confidentiality and anonymity were strictly maintained, with personally identifiable information anonymized and securely stored.

## **Results and Discussions**

### **A. Perspective of the Residents of Baguio City in the Modernization of Jeepneys Social Cultural Impact**

A notable majority of participants conveyed a positive outlook on jeepney modernization, viewing it as a symbol of progress in the context of national development. Many participants recognized that the introduction of modernized jeepneys aligns with the country's broader goals for improved public transport, sustainability, and efficiency. One participant articulated this sentiment, stating, “Now, today that it is being used, there is a big comparison between how I perceived it before and how I see it now. I can really appreciate the pros and the consequences of changing the usual jeepneys to modernized ones.” This reflects an eagerness among community members to embrace advancements that promise better service and convenience.

Despite the enthusiasm for modernization, discussions revealed a deep-seated concern regarding the potential loss of cultural identity associated with traditional jeepneys. Participants voiced a desire to preserve the unique aesthetics, craftsmanship, and heritage that traditional jeepneys represent. This sentiment underscores the complex relationship between progress and tradition. Many acknowledged that while modernization brings certain benefits, it could simultaneously erode the cultural significance tied to the iconic jeepney as a symbol of Filipino identity.

## **Convenience**

This study looked at how people feel about modernized jeepneys, focusing on their satisfaction with the design and performance, as well as any challenges they faced. Using the Technology Acceptance Model (TAM), we can see that participants' satisfaction with the design ties to how easy and convenient the jeepneys are to use (Perceived Ease of Use). Their opinions on how well the jeepneys perform relate to how useful and effective they find them (Perceived Usefulness). Any challenges, like higher fares or impacts on operators' livelihoods, could lower people's acceptance of the modernized jeepneys, since TAM suggests ease and usefulness are key to accepting new technology.

As one participant mentioned, “Then if you look at the modernized jeepneys, they are actually really good, they have air conditioning and all, they are super comfortable because usually it is the travel time that is when the passengers rest.” Overall, commuters are happy with the improvements, but there are concerns about how modernization might affect drivers' incomes, and the slightly higher fares compared to old jeepneys. Even though the Philippines is a developing country, it is doing its best to keep up with global changes, and like every country, it's going through its own process of modernization.

## **Economic Impact**

“The modernization of jeepneys is not only in public transport but also in the things we use, as if we were keeping pace with the growth of the country.” says one participant. We all know that globalization is something we cannot avoid and must face. In the state of the Philippines, there are still many reforms needed to make to be able to keep up with other countries that are already very advanced in technology. The good thing is that Philippines has already started modernization, at least to some extent. This is a big step towards progress.

Efforts to modernize jeepneys often include measures to improve the standard of living for drivers and operators. The government aims to assist operators in upgrading to newer vehicles and adapting to the changing public transportation landscape by providing financial aid, training, and financing options. Jeepney modernization is just one part of a broader plan to reform the country's transportation sector. While the transition may bring shortterm challenges, long-term benefits such as reduced pollution, improved efficiency, and enhanced safety make it a vital step toward sustainable urban mobility in the Philippines. Despite its potential to improve transportation nationwide, key issues must be addressed before fully implementing jeepney modernization in the Cordillera (Brando, n.d.). Improving public transportation systems can increase economic growth, create more jobs, and boost efficiency. Modernizing these networks can reduce costs and improve services by making them more effective (Economic Effects of Modernizing Public Transportation, 2023).

## **Accessibility and Comfort**

Modernization Theory emphasizes the transition from traditional to modern systems in various aspects of society, including transportation, to promote progress and sustainability. The modernization of jeepneys fits within this framework as it seeks to enhance the overall commuting experience by offering safer and more comfortable transportation options, aligning with the goal of sustainable urban mobility.

The improvements in modernized jeepneys, such as air conditioning, better seating arrangements, and increased space, are well-received by passengers who value comfort and convenience. This reflects the Modernization Theory's view that technological advancements improve quality of life. Passengers appreciate features like air conditioning, as one participant mentioned, "It even has air conditioning, especially since it gets hot here in Baguio during summer." The new jeepneys also offer

more space, accommodating even those with bulky items, making them more appealing despite a slight increase in fare.

## **Environmental Impact**

The transition to cleaner more fuel-efficient vehicles can contribute to reducing pollution and improving air quality in the city. Participants recognize that this transition may be challenging for some drivers and operators but believe it is necessary for the overall improvement of public transportation.

One participant noted, “What I know is that modernization is eco-friendly, but I didn’t have complete knowledge about it.” This highlights the need for comprehensive education and outreach efforts to raise awareness about the benefits of modernization. Engaging the community in discussions and providing accessible information can empower residents to understand the positive environmental impacts and advocate for the transition. By fostering a sense of ownership and awareness, the program can better align with the community's needs and concerns, ultimately leading to a more successful implementation and a healthier urban environment.

Modernization have acknowledged its environmental benefits, particularly its potential to mitigate the adverse effects of air pollution that have long affected densely populated areas. Recognizing that cleaner transportation options can lead to better public health outcomes and a more sustainable urban environment highlights the importance of this initiative. As Baguio City moves toward a more modern fleet, the aim is not only to enhance transportation efficiency and safety but also to create a cleaner, healthier living space for all residents. This shift contributes to the long-term sustainability of Baguio City’s urban ecosystem, fostering an environment where both people and nature can thrive.

## **B. Problems Encountered by the Residents of Baguio City in the Modernization of Jeepneys Maintenance and Repair Challenges**

The transition to modernized jeepneys brings with it significant maintenance and repair challenges that affect both operators and the broader public reliant on daily transport. A primary concern is the advanced technology incorporated into these vehicles, such as electronic systems and fuel-efficient engines. Unlike traditional jeepneys, which can be maintained with readily available tools and basic mechanical skills, modernized jeepneys often require specialized tools and technical expertise. This challenge is particularly acute in rural areas, where access to these resources is limited. The scarcity of spare parts exacerbates these difficulties, as these components are often more expensive and harder to source than those of traditional jeepneys.

This scarcity leads to delays in repairs and increased costs, as operators struggle to find and afford the necessary parts. Participants in this study highlight these issues, with one respondent noting the difficulty of accessing parts in Baguio: “It’s nice because it’s spacious, but the problem is there are no spare parts here in Baguio if it breaks down. I know someone in Ambiong who has two buses just parked because they can't find the parts they need for repairs.” This experience reflects a common issue faced by operators who are often forced to leave vehicles idle, resulting in reduced reliability and availability of modernized jeepneys for daily transport. This study further contextualizes these challenges within a national effort to shift to safer, more sustainable public transportation. Theoretical perspectives such as Modernization Theory and the Technology Acceptance Model (TAM) explain how the complexity of resources and technical expertise affects the adoption and acceptance of modernized jeepneys.

## **Unsafe and Discomfort**

Modernization comes with challenges, as some passengers' express concerns about fare increases and how the changes affect accessibility. For example, one participant highlighted difficulties for people with disabilities, noting that it's harder for them to enter the new jeepneys compared to the older ones, which offered more accessible seating arrangements. This points to the idea that modernization isn't always universally beneficial and requires careful consideration of diverse needs within the population.

“When I got on the modern jeepney, the door shuts, right? Someone stepped on poop, and the smell was horrible, sis. There was no way for the smell to escape because you can't open the door or window, and it was airconditioned too, so the smell just stayed inside.”, one participant stated. The participant's comment highlights an issue with the enclosed, air-conditioned design of modernized jeepneys. In this particular instance, someone stepped on poop before boarding, and because the modern jeepney's doors and windows are sealed to maintain the air conditioning, there was no ventilation to let the odor escape. Unlike traditional jeepneys, which are more open and allow air to flow freely, the enclosed space trapped the smell, making it an unpleasant experience for all the passengers inside. This scenario underscores a potential drawback of the modern jeepney's design, where the lack of ventilation can worsen situations involving bad odors or other air quality issues.

## **Lack of Communication and Assistance**

Participants indicates that drivers may not provide clear instructions or guidance, such as where to sit. Clear communication and helpful assistance from drivers to ensure a smooth and enjoyable journey for passengers. Drivers in modernized jeepneys often lack clear communication, leading to significant challenges for passenger with disabilities, particularly those who are blind.

Regular communication about safety measures and protocols reassures commuters and builds trust in the new transportation system. One participant with a disability mentioned “Sometimes they don’t speak, making it difficult for us; they don’t inform us where we can sit.” For blind individuals, clear verbal communication is crucial. If drivers fail to provide information about seating or the layout of the modernized jeepney, it can result in confusion and discomfort. Without this guidance, blind passengers may struggle to navigate the vehicle safely, increasing their reliance on others for assistance.

## **Unreliable**

Participant expresses uncertainty about how the jeepney will perform in remote area. This indicates the potential concern about its adaptability to different road conditions. Transition Theory looks at how changes in technology, society, and systems happen over time. In the case of modernized jeepneys, their use on paved roads in cities can be seen as part of a shift more efficient and eco-friendly transportation.

Mayor Benjamin Magalong expressed his aspiration to greatly reduce carbon emissions and offer commuters safe, practical, comfortable, and environmentally friendly transportation by replacing all outdated jeepneys with new vehicles (Llanes, 2020). Participants cited “It runs smoothly and quietly because the roads are paved. We just don’t know how it will perform in remote areas.” These modernized jeepneys work well in cities because they’re designed for smooth roads, fuel-efficiency, and reducing emissions. This fits with the broader move to improve transportation systems due to environmental concerns and urban development. However, participants also indicate that these modernized jeepneys are used in remote areas with rough roads, their performance may not be as good. The transition that worked well in cities may face challenges in these less-developed areas, where the infrastructure isn’t suited for modernized jeepneys. One of the participants also cited “... my

parents actually they're blind that's why it's so much difficult for them to enter the new jeepney because they were accustomed that when going to ride the old jeepney, it is given that the senior citizens and the person with disability that last seat es really vacant for them.” they found it hard to use for the first few months since the design is different from the old jeepneys and since people are not very helpful sometimes.

## **Bad Customer Service**

The courteous and professional behavior from drivers in providing a positive experience for passengers. Participant describes the drivers of modern jeepneys as “grumpy”, this suggests a potential issue with customer service as grumpy drivers may not be as welcoming or attentive to passengers. The Omnibus Franchising Guidelines emphasize improving the overall quality and safety of public transport services, with a focus on the professionalism and conduct of drivers. These guidelines aim to standardize and enhance the operation of public utility vehicles by requiring drivers to meet specific standards, including training on customer service and ethics.

Linking this to passengers' experiences in modernized jeepneys, some have expressed dissatisfaction with the behavior and interaction of drivers, especially when compared to those driving traditional jeepneys. Complaints about unfriendly drivers, abrupt braking, and poor communication have negatively affected the overall experience.

One passenger noted that drivers often rush without considering passenger safety, particularly for those carrying baggage. Another highlighted that traditional jeepney drivers were generally more considerate, whereas modernized jeepney drivers tend to be less friendly. While the modernization of jeepneys has brought about economic and environmental benefits, such as better vehicle conditions and infrastructure,

passengers believe that the human aspect of transportation service is just as important.

## **Unorganized Payment Process**

The modernization of public utility vehicles (PUVs) is anticipated to enhance the productivity and effectiveness of public transportation. The integration of modern technologies such as electronic payment systems, GPS tracking, and real-time monitoring in new vehicles will optimize operations and elevate the overall quality of service (Gonzales, 2018). Modern technology, such as cashless payment in modernized jeepneys, is one of the features that make the procedure easier for both passengers and drivers.

As one of the participants cited “Maybe when I have to pass my fare, especially in the morning when there are only a few passengers, I still have to walk a bit to the front to hand my fare to the driver.” Describes a common experience in public transportation, particularly during less crowded times like early mornings.

Even when there are few passengers on board, the participant may still need to move from their seat to reach the driver and hand over their fare. It’s a minor inconvenience that passengers might encounter.

## **Conclusions And Recommendations**

Based on the results and findings of the study, the conclusions are that the residents of Baguio have a positive view of using these vehicles. Aside from the new design that accommodates more passengers, the seats are more spacious, and the air conditioning makes the ride more comfortable. In addition, the modern jeepney is equipped with CCTV cameras for passenger safety. Moreover, most participants are satisfied

with the use of modern jeepneys. However, a few have experienced minor issues.

Hence, to improve passenger satisfaction with modern jeepneys in Baguio City, it is important to balance comfort and cost. A fair fare system, with discounts or subsidies for regular riders, could help with affordability. Improving ventilation and regular cleaning can make rides more pleasant. Supporting drivers with training and financial help will ensure they adjust to the new system while protecting their income. Engaging the community in discussions about these changes will also help address concerns and promote cooperation. In addition, several steps can be taken. First, the design of jeepneys should be made more accessible for people with disabilities, with added features like handrails or ramps. Drivers should also be trained to assist passengers who need help. Second, to avoid long delays when jeepneys break down, local supply chains for spare parts should be established to reduce repair times. Additionally, drivers should undergo customer service training to ensure they prioritize safety and treat passengers well. A reporting system could also be introduced for passengers to easily report any concerns about driver behavior. Finally, a public campaign can promote positive interactions between drivers and passengers to improve the overall experience.

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# **COMMUNITY INVOLVEMENT OF RESIDENTS ON PEACE AND ORDER IN LOWER QUIRINO HILL, BAGUIO CITY**

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## **Abstract**

This study examined the community involvement of residents in peace and order activities in Lower Quirino Hill, Baguio City. The objective was to assess the residents' level of awareness, community involvement and factors that affects the involvement in local peace and order initiatives. A sample size using Slovin's Formula was used to determine its respondents which is 176. Moreover, a survey questionnaire was used in gathering data personally and through the Google Form. The findings revealed that residents were highly aware of more visible peace and order activities, such as curfew enforcement and barangay patrols, but awareness was lower for less visible activities like crime prevention seminars. In terms of involvement, residents were slightly involved in peace and order activities overall, with higher participation seen in initiatives such as promoting peace and organizing community cleanups. However, engagement in activities like neighborhood watch programs and crime prevention seminars remained limited. The study identified several factors that affects participation, including lack of information, lack of community cohesion, and low trust in local law enforcement. Based on these findings, the study suggests the need for improved communication strategies, outreach programs, and initiatives to enhance community trust

and social ties. These recommendations aim to increase resident participation in peace and order activities in the community.

*Keywords: Community, Peace, Order, Lower Quirino Hill, Baguio City*

## **Introduction**

Community involvement has become an essential element in the sustainable development process worldwide. It refers to the active participation of individuals, organizations, and groups within a community in initiatives designed to improve or benefit the collective wellbeing of that community. This concept transcends borders, as it is a global strategy for promoting development, fostering empowerment, and ensuring the sustainability of local and international initiatives (Barnes & Schmitz, 2016; Ascher & Barter, 2024). When communities are engaged in decision-making processes, they not only feel a sense of ownership but also contribute to more sustainable and relevant development outcomes (African Development Choices, n.d.).

The United Nations (UN) has long recognized the importance of community involvement in peace and development. Since its founding in 1945, the UN has worked to maintain international peace and security through various programs, including peacekeeping efforts and conflict mediation (Maintain International Peace and Security, n.d.). In 1992, UN Secretary-General Boutros Boutros-Ghali declared peacebuilding a priority for the organization, recognizing that lasting peace depends on the active involvement of local communities (Local Peacebuilding, What Works and Why, n.d.). Through these efforts, the UN has aimed to encourage cooperation between nations and communities to achieve global peace and sustainable development.

Furthermore, community involvement in health, safety, and wellbeing has gained prominence in international health initiatives. The World Health Organization (WHO) has underscored the importance of community engagement in achieving its long-term vision of becoming the world's healthiest

and safest region (WHO, n.d.). This approach has proven essential in creating operational shifts and new strategies for improving health outcomes, with local communities at the forefront of these efforts.

In the Philippines, community involvement has played a crucial role in the advancement of peace and order initiatives across various administrations. The concept of community-driven development has been central to national strategies, with organizations like the Global Peace Foundation (GPF) leading initiatives aimed at peacebuilding and empowering local communities (Global Peace Foundation Philippines, n.d.; Global Peace Foundation, 2018). Through participatory planning and decision-making processes, these initiatives have enhanced social cohesion, reduced poverty, and strengthened resilience among marginalized groups.

During the administration of President Benigno "Noynoy" Aquino III, community involvement was centralized in the reduction of crime rates and promoting peace. His administration's emphasis on law enforcement reforms, together with the active participation of communities in maintaining peace, led to a notable decrease in index crimes, with reported incidents dropping by more than 60 percent during his term (Tupas, 2021). This decrease reflected the effectiveness of both government action and community collaboration in enhancing the overall security and development of the country.

In contrast, President Rodrigo Duterte's administration, while also focusing on improving peace and order, adopted a more aggressive stance through his campaign against drugs. Despite the controversy surrounding human rights issues during his tenure, Duterte's administration recognized the importance of grassroots engagement, encouraging local communities to collaborate with law enforcement through initiatives such as the Barangay Peacekeeping Action Teams (BPATs) (Robles, 2019). These efforts aimed to strengthen local participation in maintaining peace, although they were met with criticism due to the heavy-handedness of the anti-drug campaigns and allegations of extrajudicial killings (Human Rights Watch, 2020).

Under the leadership of President Ferdinand "Bongbong" Marcos Jr., there is anticipation regarding how the country's peace and order initiatives will evolve. Marcos' administration is expected to build on the frameworks established by previous administrations while potentially introducing new approaches. Given the history of his family's political legacy, the expectations are that the government might prioritize stability and order, possibly drawing from past governance models but with an updated focus on community participation in national development efforts (Robles, 2019).

Community involvement was integral to the successful implementation of programs and initiatives within barangays, the smallest administrative units in the Philippines (Del Rosario, 2016). Barangays served as the primary interface between citizens and local governance, playing a vital role in executing community programs and fostering civic engagement. Maria Ela Atienza, a political science professor at the University of the Philippines, emphasized the potential of barangays as incubators for progressive citizenship and leadership (Salazar, 2023). Atienza's perspective underscored the importance of viewing barangays not only as administrative divisions but also as dynamic spaces for innovative governance approaches.

In Barangay San Antonio, Makati, residents actively participated in community-building initiatives, such as street-sharing activities and orientations for street officials. These efforts helped strengthen the sense of ownership and involvement in local governance, demonstrating that meaningful collaboration between leaders and residents could lead to successful peace-building and community development (Somera, 2016). In Baguio City, according to Baguio Midland Courier (2014), the concept of public-private partnership gained prominence in urban governance, particularly in initiatives aimed at enhancing community involvement in maintaining and developing public spaces. In line with this trend, the city government of Baguio introduced the Adopt-a-Park program, which encouraged private entities to participate in the upkeep and enhancement of public parks, center islands, and rotundas. Quirino Hill's "Project Puraw," initiated to address the challenges posed by the dominance of grey hues in the landscape due to industrial

activities, was one of the projects aligned with this initiative. Through this project, community members volunteered their time and resources to paint walls, structures, and fences in vibrant colors, transforming the once bleak environment into a lively and visually appealing space. This community-led effort exemplified the impact of community involvement on the aesthetic and social landscape of Baguio, fostering a sense of ownership and pride among residents (Baguio Midland Courier, 2014).

Additionally, a law enforcement officer organized public safety and peace-and-order initiatives for the benefit of local communities (Geminiano, 2018). A memorandum of agreement was signed by the heads of the Baguio City Police Office (BCPO), the Liga ng mga Barangay, the National Police Commission, and Service-Oriented Policing (CSOP) system. This system aimed to make communities safe and secure, ensured that residents received services, and emphasized the value of cooperation between law enforcement, local government, and the public for their own welfare (Geminiano, 2018).

Moreover, Mayor Benjamin B. Magalong highlighted improvements in Baguio City's peace and order situation during a Luzon-wide lockdown, attributing decreased crime rates to enhanced law enforcement efforts (Hent, 2021). Efforts such as Project KABSAT aimed to improve the relationship between the police, the public, stakeholders, and religious organizations, further emphasizing community engagement in maintaining peace and order (Sec, 2019). The collaborative approach leveraged the resources and expertise of both the public and private sectors to promote community engagement and environmental stewardship.

In the context of Quirino Hill, a neighborhood in Baguio City, Philippines, community involvement took on unique significance. This area was home to indigenous migrant communities, including the Ibaloi people, who actively participated in various initiatives to improve their locality. Their involvement was not only crucial for the successful implementation of these projects but also for ensuring that the projects aligned with the community's needs and values. Through the enforcement of the Anti-Road Obstruction Ordinance, the

local community collaborated with law enforcement agencies to address road safety concerns and reduce traffic-related issues (Lower Quirino Hill Facebook Page, n.d.). This effort demonstrated how community involvement in local governance could create safer, more organized, and more efficient environments.

Despite the positive impact of community involvement in these initiatives, challenges persist. One potential problem that prompted researchers to delve into the importance of community involvement was the disconnect between existing development initiatives and the specific needs and values of the residents of Quirino Hill. The Quirino Hill's "Project Puraw," was initiated to address the challenges posed by global warming and climate change, aiming to revitalize the community by painting houses with white, symbolizing unity and resilience (Addatu, 2017). However, it encountered setbacks, such as discontinuation of the project by 2023 due to the unavailability of white paint from Boysen, a corporate sponsor engaged in Corporate Social Responsibility efforts. This highlighted the importance of building long-term, sustainable partnerships between local governments, communities, and private sectors to ensure that initiatives continue to thrive even when external resources are limited.

This study sought to explore the dynamics of community involvement in Barangay Lower Quirino Hill, focusing on the level of awareness among residents regarding barangay peace and order activities, their involvement in these activities, and the perceived factors that affected their non-participation. The research aimed to understand how community involvement had shaped the development trajectory of Quirino Hill and how it could be promoted to ensure sustainable progress. By examining these factors, the study aimed to bridge the gap between development initiatives and community needs, contributing to more effective and sustainable outcomes in Quirino Hill and beyond.

This study aimed to extend its benefits beyond the immediate residents of Lower Quirino Hill and the academic

community, reaching future researchers, policymakers, and barangay officials.

For the local residents, participating in this study provided them with more than just access to valuable information and resources. It offered empowerment and the opportunity to actively engage in learning about how they can improve their involvement in community initiatives. The research process helped residents develop a sense of ownership over their community's development, as it allowed them to contribute meaningfully to decision-making and problem-solving. This level of involvement encourages civic responsibility and fosters a more active and involved citizenry, as residents become partners in addressing the challenges within their community.

Beyond the immediate benefits for the residents, this study also contributed to the broader academic and developmental spheres. By gaining first-hand knowledge of the nuanced challenges faces by communities like Lower Quirino Hill, researchers were equipped to inform more contextually relevant and impactful research agendas and interventions. The collaboration between researchers and community members serves as a catalyst for change, fostering a culture of mutual learning and empowerment. For policymakers and barangay officials, the study offers valuable perspectives on the needs and priorities of the community, which can guide more informed decision-making. Understanding the concerns and aspirations of the residents enables officials to design policies and programs that are aligned with the community's actual needs. In this way, the study contributes to responsive governance at the barangay level, promoting policies that are better suited to the local context and more likely to foster positive outcomes for residents.

This study's findings serve not only as a resource for local residents but also provide meaningful contributions to academic discourse and policy development. The collaborative approach to the research process encourages continued community involvement and offers a model for future research that seeks to make a tangible impact on community development.

Community involvement refers to the active participation of individuals in community activities. Whether driven by community groups or local officials, it involves partaking in initiatives or projects that benefit the collective well-being of the community. The theoretical and conceptual framework for this study is grounded in several theories: Community of Practice Theory, Systems Theory, and Community Organization Theory, alongside the concepts of community, community involvement, and community activities. These frameworks help practitioners understand how individuals form communities and develop their identities and connections.

### *Community of Practice Theory.*

According to David (2014), this theory was defined in part, as a process of social learning that occurs when people who have common interest in a subject or area collaborate over an extended period of time, sharing ideas and strategies, determine solutions, and build innovations. LinkedIn (n.d.) explains that this theory explores how community involvement can improve education and development among people and organizations with similar practices or interests. A community of practice involves individuals who regularly communicate, collaborate, and reflect as a part of a process of collective learning and knowledge generation. It implies that by giving the tools and chances to interact, communicate and work together, as well as to share their knowledge, struggles and successes, community involvement can support and grow communities of practice. It can also encourage innovation, experimentation, and practice improvement.

### *Systems Theory.*

It posits that individuals are part of a network of interconnected systems, where their actions, regardless of scale, create ripple effects that ripple through and influence various elements of these systems. Bronfenbrenner (2009) argues that humans do not exist in isolation; instead, they are embedded within a series of nested systems, from the immediate environments like families or schools (the microsystem) to broader societal structures (the macrosystem). This framework highlights the dynamic and interdependent nature of social systems, where each component both influences and is influenced

by the others. It underscores the idea that individuals are shaped by, and in turn shape, the systems they are a part of, emphasizing that human experiences and behaviors are never isolated but are always embedded in a web of interconnected social structures.

### *Community Organization Theory.*

It elucidated how members of a community could work together to find, examine and address the root causes of the injustices and social problems that affected them. It emphasized how important was to develop leadership, knowledge, and consciousness of community members - especially the underprivileged and oppressed - so that they could stand up for their own rights and interests. This theory emphasized the importance of understanding power relations, conflict, and negotiation in community involvement, as well as the need to question and modify existing institutions and systems that perpetuate inequalities and injustice. 11 effects that ripple through and influence various elements of these systems. Bronfenbrenner (2009) argues that humans do not exist in isolation; instead, they are embedded within a series of nested systems, from the immediate environments like families or schools (the microsystem) to broader societal structures (the macrosystem). This framework highlights the dynamic and interdependent nature of social systems, where each component both influences and is influenced by the others. It underscores the idea that individuals are shaped by, and in turn shape, the systems they are a part of, emphasizing that human experiences and behaviors are never isolated but are always embedded in a web of interconnected social structures. Community Organization Theory. It elucidated how members of a community could work together to find, examine and address the root causes of the injustices and social problems that affected them. It emphasized how important was to develop leadership, knowledge, and consciousness of community members - especially the underprivileged and oppressed - so that they could stand up for their own rights and interests. This theory emphasized the importance of understanding power relations, conflict, and negotiation in community involvement, as well as the need to question and modify existing institutions and systems that perpetuate inequalities and injustice.

**Community.** It is typically defined as a group of people who share a common geographical area, social ties, interests, values or goals. Communities can be formed around shared locations, such as neighborhoods, or through common interests, professions, or even virtual spaces. According to Neal (2020), a community fosters social interactions and a sense of belonging among its members, shaped by shared habits, customs, and practices. Communities function, not only as a space for interaction but also as a collective entity where members are interconnected, sharing both responsibilities and resources. Social cohesion, a sense of shared identity, and mutual support are vital characteristics of any community. **Community Involvement.** It refers to the active participation of residents in activities, decision-making processes, or initiatives that aim to address the collective needs and aspirations of the community. It emphasizes the engagement of individuals in local governance, social activities, and community driven projects. Putnam (2016) argues that community involvement, through social networks and collaborative efforts, strengthens social capital and fosters civic engagement, which are key to a thriving community. According to Dental (2018), such involvement creates a sense of ownership and responsibility, enhancing the community's ability to tackle issues and improve quality of life. It can include activities like volunteering, attending town hall meetings, or participating in community-led projects.

**Community Activities.** It encompasses various programs, events, and initiatives organized to foster involvement, support local development, and promote social well-being. These activities range from social gatherings, cultural events, and volunteer projects, to more targeted interventions such as educational workshops or environmental efforts. According to RaisingChildren.net.au (2021), community involvement in such activities can significantly benefit children and adolescents by developing their social skills, fostering a sense of civic responsibility, and promoting community cohesion. Community activities also provide the space for residents to interact, collaborate on local issues, and create lasting bonds that contribute to the overall strength and resilience of the community.

This study aimed to determine the community involvement of residents in Lower Quirino Hill, Baguio City. This research aimed to answer these specific questions:

1. What is the level of awareness of Barangay Lower Quirino Hill residents to existing peace and order activities in their community?

2. What is the level of involvement of Barangay Lower Quirino Hill residents to existing peace and order activities in their community?

3. What is the level of perceived barriers preventing residents from participating in various community activities in Barangay Lower Quirino Hill?

## **Methodology**

This study used descriptive research design using quantitative method. Descriptive research design is a scientific method that entails observing and describing a subject's behavior without influencing it in any way (Shuttleworth, 2019). The primary objective of this design is to describe individuals, situations, issues, behaviors, or phenomena in nature (Siedlicki, 2020).

Data were collected through survey questions administered both face-to-face and online via Google Forms. The main goal of this method was to gather numerical data and apply it to explain specific or to generalize findings across groups of individuals.

The population of the study consisted of the residents of Barangay Lower Quirino Hill in Baguio City. According to the 2020 census, the population of the barangay was recorded at 1,998 residents. However, based on data provided by Barangay Captain Van Oliver M. Dicang, the current population was estimated to be approximately 2,700 with a notable portion of the residents renting due to the transient nature of businesses in the area. This study specifically focused on Barangay Lower Quirino Hill residents who were 18 years and older and were confirmed to be official residents of the area. This demographic selection was pivotal as it ensured the inclusion of adults who play essential

roles in shaping local initiatives, policies, and decision-making processes.

In determining the sample size for this study, careful consideration was given to ensure that the participants were representative of the diverse population of Barangay Lower Quirino Hill while maintaining feasibility for data collection and analysis. The target population for this study is 278 residents. After applying Slovin's formula to compute the sample size, the target population was reduced to 176 residents who meet the criteria of being 18 yrs or older and official residents of the barangay. Data

The researchers used a survey questionnaire with Likert scale questions to gather the data for this study. The questionnaire was self-made and formulated by the researchers to address the objectives and research questions of the study. The development of the instrument was guided by the need to explore the residents' awareness, involvement and perceived factors that affects the participation of the residents on peace and order activities in their community. It was structured to align with the study's conceptual framework and theoretical foundations, particularly focusing on community involvement and the factors influencing the non-participation in local initiatives. A questionnaire is research instrument consisting of a set of questions (items) intended to capture responses from respondents in a standardized manner where questions may be structured or unstructured (Bhattacharjee, n. d.).

To ensure the validity of the questionnaire, it was subjected to review by three (3) experts in the field of education. Their feedback was used to refine and confirm the relevance, clarity, and appropriateness of the questions in addressing the study's objectives. Based on their review, the instrument was deemed to have very high validity, with an average of 4.62. This implies that the research tool can significantly measure on what it intends to measure.

To ensure the reliability of the instrument, it was first tested with ten (10) individuals who were not part of the population from Barangay Lower Quirino Hill, Baguio City. These individuals

were specifically selected to be 18 years old and above, ensuring that the sample was appropriate for the target demographic of the study. Following this, the KR-21 formula was then applied, yielding a reliability coefficient of 0.90, which indicates very high reliability.

The researchers first sought approval from the Dean of the College of Business Administration Department to conduct the study. Upon receiving approval, they proceeded to request permission from the Barangay Captain of Lower Quirino Hill to allow them to conduct the research study in the barangay. Once permission was granted by the Barangay Captain, a letter was attached to the questionnaire, assuring the respondents of the confidentiality of their responses. The researchers then administered the questionnaire through face-to-face interactions, while the rest were through online Google Form with the respondents. 19 Upon retrieval of the completed questionnaires, the data were grouped accordingly and the researches tallied the responses. Throughout the entire process, the researchers ensured the confidentiality of the data and maintained honesty in handling the data.

The data gathered in the study were presented in a series of tables, classified, and analyzed. Descriptive statistics such as frequency count, percentage, and ranking were used to analyze the data obtained from the respondents' answers to the questionnaire. A Likert scale, commonly used in survey questionnaires, was employed to assess respondents' feelings and levels of agreement. The Likert scale measures opinions, attitudes, or behaviors by presenting a statement followed by a series of five or seven response options. Respondents chose the option that best reflected how they felt about the statement or question (Bhandari & Nikolopoulou, 2020). The scale allowed respondents to express a negative, neutral, or positive reaction to a statement (Mentimeter, 2023).

For Part 1 of the questionnaire, which assessed the level of awareness of Barangay Lower Quirino Hill residents regarding existing peace and order activities in their community, the statistical tools used were frequency count, mean, and ranking. The following scales were applied for this part:

For Part 2 of the questionnaire, which assessed the level of involvement of Barangay Lower Quirino Hill residents in existing peace and order activities in their community, the statistical tools used were frequency count, mean, and ranking. These were applied using the scale below:

For Part 3 of the questionnaire, which assessed the degree of seriousness of the perceived factors preventing residents from participating in various community activities related to peace and order in Barangay Lower Quirino Hill, the statistical tools used were frequency count, mean, and ranking. These were applied using the scale below.

Residents of Barangay Lower Quirino Hill were approached by the researchers and asked for their consent before participation. To maintain confidentiality, a cover letter outlining the purpose of the study and assuring anonymity was provided along with the questionnaire. Participation in the study was entirely voluntary, and individuals who agreed to participate were given the questionnaire. They retained the right to withdraw from the study at any stage without consequences. Data collection was conducted both through face-to-face interactions and an online Google Form. Upon receiving approval and permission from the concerned authorities, data collection commenced. All collected data were treated with the utmost confidentiality and used solely for academic purposes. Participants' anonymity was preserved throughout the research process, whether they participated in person or online.

## **Results and Discussion**

Table 1 presents the findings regarding the level of awareness of residents in Lower Quirino Hill, Baguio City in their barangay peace and order activities. The average weighted mean is 3.54, indicating that residents are Highly Aware overall.

The highest level of awareness was found in the curfew implementation for minors (3.84), which reflects strong community awareness and engagement. This suggests that the curfew is not just a rule being imposed but a shared understanding

within the community, indicating that residents are actively aware of and involved in maintaining peace and order. One of the primary implications of this high level of awareness is the strong connection between the community and barangay authorities. The curfew's visibility - through regular enforcement and direct interaction between officials and residents - serves as a constant reminder of the role that each individual plays in upholding communal safety. As noted by Putnam (2016), such visible collective actions contribute to a culture of civic involvement. When people see the direct outcomes of their involvement, it reinforces their commitment to community well-being.

Following closely is the awareness in barangay patrols conducted by tanods or patrol cars around the neighborhood with a mean level of 3.67, and using of reporting mechanisms such as hotlines or number to call, to report crime or suspicious activities within the barangay has a mean level of 3.64. These findings suggest that the visibility and accessibility of these initiatives are critical in fostering a strong sense of community involvement and shared responsibility for maintain peace and order.

The significant awareness of both the barangay patrols and the reporting mechanisms suggests that these initiatives are integral components of the 26 barangay's safety strategies. The visibility of barangay patrols, conducted by local tanods or through patrol cars, plays a key role in reinforcing the presence of local authorities and fostering a sense of security among residents. Residents are more likely inclined to engage with and support these initiatives because they are tangible, visible, and consistent aspects of their daily lives. The patrols act as a reminder that safety is an ongoing collective effort, one that residents are part of, which in turn strengthens community trust and civic responsibility.

Similarly, the reporting mechanisms - hotlines or designated contact numbers - serve as accessible tools for residents to engage directly with barangay authorities. These mechanisms are vital for creating open lines of communication, which in turn encourage active participation from the community in identifying and addressing safety concerns. The relatively high awareness of these mechanisms suggests that residents feel empowered to act

when they observe suspicious activities or crimes in their neighborhood. The ease of access to these reporting tools is key to enhancing community vigilance and ensuring that safety issues are addressed in a timely manner. As Cohen and Prusak (2011) emphasized, trust in community systems is built when residents see that their actions contribute to positive outcomes. The presence of barangay patrols and the availability of reporting mechanisms both work in tandem to build this trust.

In contrast, community policing initiatives like neighborhood watch programs or police engagement events scored slightly lower with a mean of 3.42. While still a strong measure of community awareness, the less visible nature of these initiatives may contribute to the relatively lower score. Unlike visible patrols or direct interaction through reporting mechanisms, community policing programs often rely on informal networks within the community to function effectively. These programs, while valuable, may not have the same level of physical presence or daily interaction with residents, which can reduce their perceived impact compared to more visible safety initiatives. Putnam (2016) emphasizes that while programs like neighborhood watch schemes are essential for fostering community solidarity and collective action, they may be less immediately apparent to residents unless they are actively engaged in the program. As a result, their awareness and impact might be more subtle and less measurable on a broad scale.

Furthermore, the crime prevention seminars, which received the lowest mean score of 3.13, reflect the challenges associated with educational outreach efforts in the community. These seminars are often less visible compared to patrols, and as such, may not capture the same level of public attention. Warren and Green (2015) highlight that while such seminars are vital for knowledge dissemination and empowering residents with tools to prevent crime, they tend to have lower participation rates if they do not have tangible outcomes or direct interaction with the community.

These findings suggest that visibility plays a significant role in fostering community awareness and involvement. While crime prevention seminars and community policing programs are

undoubtedly important for long-term reduction and community empowerment, their lower visibility means that they require more targeted outreach strategies to increase their effectiveness.

The level of community involvement on the barangay peace and order activities of Lower Quirino Hill residents (n=176).

**Table 1**

| Community Awareness on the Barangay Peace and Order Activities                                                                                      | 5 (VHA)  | 4 (HA)   | 3 (MA)   | 2 (SA)   | 1 (NA) | Mean | Descriptive Equivalent | Rank |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|--------|------|------------------------|------|
| 1. I am aware of barangay patrols conducted by tanods or patrol cars around our neighborhood                                                        | 48 (240) | 49 (196) | 53 (159) | 25 (50)  | 1 (1)  | 3.67 | Highly Aware           | 2    |
| 2. I have encountered community policing initiatives, such as neighborhood watch programs or police engagement events, in our area.                 | 30 (150) | 51 (204) | 62 (186) | 29 (58)  | 4 (4)  | 3.42 | Highly Aware           | 4    |
| 3. I have attended a crime prevention seminar or workshop organized by our barangay to learn about protecting ourselves and our property from crime | 25 (125) | 41 (164) | 49 (164) | 54 (108) | 7 (7)  | 3.13 | Moderately Aware       | 5    |
| 4. I know how to use reporting mechanisms, such as hotlines or number to                                                                            | 44 (220) | 55 (220) | 49 (147) | 25 (50)  | 3 (3)  | 3.64 | Highly Aware           | 3    |
| 5. There is a curfew implementation in our barangay, setting specific times for minors to be off the streets                                        | 64 (320) | 51 (204) | 33 (99)  | 25 (50)  | 3 (3)  | 3.84 | Highly Aware           | 1    |
| Average Weighted Mean                                                                                                                               |          |          |          |          |        | 3.54 | Highly Aware           |      |

Table 2 presents the findings on the level of involvement in barangay peace and order activities among the residents of Lower Quirino Hill, Baguio City. The average weighted mean is 5.54. indicating that residents are slightly involved in these activities.

The highest level of involvement was observed in taking an active role in promoting peace and harmony within the community, with a mean score of 2.76, categorized as moderately involved. This involvement aligns with Dental's (2018) view that when residents feel a sense of ownership over community activities, they are more likely to stay involved. Promoting peace and harmony is fundamental for fostering a sense of community cohesion, as it encourages the residents to take responsibility for their neighborhood's well-being. However, the moderate level of involvement signals that there is room for improvement, particularly in cultivating a stronger sense of collective responsibility.

Following closely is the collaboration in organizing community cleanup drives, with a mean score of 2.63, categorized as moderately involved. This shows that while some residents are contributing to environmental initiatives, border participation could be achieved with more focused outreach. According to Healy (2005), activities with immediate and visible outcomes, such as cleanup drives, tend to attract greater environment. These activities not only improve the local environment but also encourage community collaboration. This concept is further supported by Vega and Gutierrez (2020) who suggest that community mobilization and involvement in cleanup initiatives enhance neighborhood safety and social capital. To increase participation, the barangay could focus on improving communication and creating a clear link between the cleanup efforts and tangible benefits to the community.

The involvement in neighborhood watches or security patrols is slightly lower, with 2.50 mean score. This result indicates that while residents recognize the importance of safety initiatives, fewer are actively participating. According to David (2014), involvement in security initiatives often improves when individuals feel a stronger connection to the community and recognize shared responsibility for safety. The lower participation in neighborhood watches could suggest that many residents may perceive security as primarily the responsibility of local authorities or police. Gibson and Nixon (2021) argue that community-policing partnership can be effective when there is a clear sense of collective responsibility for maintaining public

safety. To improve involvement, the barangay could emphasize the importance of shared security responsibilities and the role residents play in fostering a safe environment for everyone.

The findings also indicate a relatively low level of involvement in neighborhood watch programs, with a mean score of 2.42. While some residents attend these meetings, the majority remain disengaged. This is consistent with Dental's (2018) assertion that poor communication and lack of outreach often result in low participation in community meetings. Many residents may not fully understand the benefits of attending such discussions, or they may feel that the meetings do not address their immediate concerns. To boost involvement, Williams and Duffy (2019) suggest that the barangay could improve communication strategies to better inform residents about the importance and outcomes of these meetings. By offering more interactive and community-centered discussions, the barangay may be able to engage a wider range of residents and increase attendance.

The lowest level of involvement is volunteering for crime prevention seminars, with a mean score 2.40 indicating slightly involved participation. This suggests that while crime prevention is an important focus, residents are less likely to volunteer for such educational programs. According to Dental (2018), the level of participation in educational activities like crime prevention seminars is often low unless there are clear incentives or perceived benefits for the participants. The relatively low participation in these seminars could be due to a lack of tangible outcomes or a limited understanding of how much activities benefit the community. To address this, the barangay could introduce incentive programs or interactive seminars that are more engaging for participants. Kerbs and Richie (2021) also emphasize that offering incentives and involving residents in more active learning could significantly improve volunteer rates in crime prevention initiatives.

Table 2

| LEVEL OF PERCEIVED FACTORS                                                                                                                                          | 5<br>(VH)   | 4<br>(HA)   | 3<br>(MA)   | 2<br>(SA)  | 1<br>(NA) | Mean | Descriptive Equivalent | Rank |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|------------|-----------|------|------------------------|------|
| 1. Not knowing much about peace and order activities can make it difficult for many individuals to participate.                                                     | 76<br>(380) | 62<br>(248) | 33<br>(99)  | 1<br>(2)   | 4<br>(4)  | 4.16 | Agree                  | 1    |
| 2. Feeling concerned about personal safety can be a significant barrier for some people who want to get involved in peace and order initiatives.                    | 54<br>(270) | 74<br>(296) | 36<br>(108) | 7<br>(14)  | 5<br>(5)  | 3.94 | Agree                  | 7    |
| 3. A lack of trust in law enforcement may discourage participation in peace and order efforts.                                                                      | 62<br>(310) | 63<br>(252) | 36<br>(108) | 13<br>(26) | 2<br>(2)  | 3.97 | Agree                  | 6    |
| 4. Limited financial resources can present a major obstacle to actively engaging in peace and order activities.                                                     | 53<br>(265) | 70<br>(280) | 35<br>(105) | 13<br>(26) | 5<br>(5)  | 3.87 | Agree                  | 8    |
| 5. The absence of community support or involvement can be a discouraging factor for many individuals considering participation in peace and order activities.       | 61<br>(305) | 68<br>(272) | 35<br>(105) | 8<br>(16)  | 4<br>(4)  | 3.99 | Agree                  | 5    |
| 6. Language barriers make it hard for many people to get involved in peace and order activities                                                                     | 51<br>(255) | 53<br>(212) | 45<br>(135) | 21<br>(42) | 6<br>(6)  | 3.69 | Agree                  | 9    |
| 7. The lack of information about reporting crime or suspicious activities can hinder individuals from contributing to maintaining peace and order.                  | 66<br>(330) | 73<br>(292) | 28<br>(84)  | 6<br>(12)  | 3<br>(3)  | 4.10 | Agree                  | 2    |
| 8. The lack of Community cohesion or unity may hinder participation in peace and order initiatives for many individuals.                                            | 62<br>(310) | 68<br>(272) | 39<br>(117) | 5<br>(10)  | 2<br>(2)  | 4.04 | Agree                  | 3    |
| 9. Perceiving apathy or indifference among residents can strongly discourage individuals from getting involved from getting involved in peace and order activities. | 59<br>(295) | 72<br>(288) | 37<br>(111) | 4<br>(8)   | 4<br>(4)  | 4.01 | Agree                  | 4    |
| Average Weighted Mean                                                                                                                                               |             |             |             |            |           | 3.97 | Agree                  |      |

Table 3 presents the findings on the level of perceived factors that affect the non- participation of the Lower Quirino Hill residents in peace and order activities. The average weighted mean of 3.97 indicates that residents generally agree on the existence of factors that hinder their participation.

Based on the weighted mean, the top three perceived factors were lack of knowledge about peace and order activities, lack of information about reporting crimes or suspicious activities, and lack of community cohesion or unity. These factors show that while residents may have some awareness of peace and order operate or how they can be actively involved. Denton (2018) asserts that effective communication and community education are essential in empowering residents to participate in local governance and safety initiatives. Providing clearer, more accessible information about available programs can break these perceived factors and encourage greater involvement.

According to Neal (2020), community cohesion plays a vital role in facilitating active participation. Without strong social ties, residents may feel disconnected from the broader goals of the community. The lack of community unity noted in the study may reflect a broader issue of fragmentation within the barangay, where residents are not sufficiently integrated into shared goals for peace and order. Community Organization Theory, which emphasizes the importance of collective action and leadership development within communities, supports the idea that strengthening social ties and building local leadership are key steps toward overcoming this barrier. By fostering a stronger sense of belonging and collective identity, the barangay can enhance community solidarity and encourage more residents to take an active role in peace and order activities.

The lowest three factors are language barriers, limited financial resources and the feeling of concern about personal safety. While these factors were perceived as less significant, they still represent important challenges that could limit the participation of certain groups within the community.

Language barriers are often overlooked but can be a significant obstacle to effective community participation, particularly in areas with linguistic diversity. The diverse linguistic makeup of Lower Quirino Hill may result in some residents feeling excluded from peace and order activities due to communication barriers. In the context of the barangay, translating key information, providing multilingual outreach

materials or speaking in Filipino during meetings or seminars may increase the reach of peace and order initiatives.

Financial constraints also emerged as a barrier to participation. Limited financial resources can prevent residents from engaging in certain activities, particularly in areas with linguistic diversity. The diverse linguistic makeup of Lower Quirino Hill may result in some residents feeling excluded from peace and order activities due to communication gaps. Berkely (2019) highlights that inclusive communication strategies that take into account the linguistic diversity of communities is essential for improving participations. Ensuring that information about community programs is available in multiple languages or formats can promote greater inclusivity and help break down communication barriers. In the context of the barangay, translating key information, providing multilingual outreach materials or speaking in Filipino during meetings or seminars may increase the reach of peace and order initiatives.

Financial constraints also emerged as a barrier to participation. Limited financial resources can prevent residents from engaging in certain activities, particularly if they involved any out-of-pocket expenses. These findings align with community of Practice Theory, which suggests that for community members to actively participate, they must have access to the necessary resources to do so (David, 2014). For some residents, even minimal costs could act as a deterrent. As Putman (2016) asserts, effective community engagement requires not only communication but also ensuring that participation does not place an undue financial burden on residents. The barangay could consider offering low-cost or no-cost alternatives, as well as subsidies or incentives for residents who may face financial difficulties. Making peace and order activities more financially accessible can remove a significant barrier to participation, particularly for low-income families.

Lastly, the concern for personal safety remains a barrier to participation, especially in areas where crime rates or the perceived threat of crime may be higher. Some residents may feel that participating in peace and order activities exposes them to

personal risk, particularly if they are directly involved in initiatives such as neighborhood watch programs or community patrols. This concern aligns with System Theory, which emphasizes the interconnectedness of individuals. If individuals feel unsafe or vulnerable, they are less likely to engage in community safety efforts. The barangay should address these concerns by implementing security measures for volunteers and participants, as well as building trust between residents and law enforcement authorities. According to Cohen and Prusak (2011), trust is a crucial component of successful community involvement, particularly in safety and crime prevention initiatives. Ensuring that residents feel protected and supported in their participation can alleviate concerns about personal safety and increase their willingness to engage in peace and order activities.

By improving the several perceived factors that influence the non-participation of the Lower Quirino Hill residents in barangay peace and order activities, specifically by improving communication, fostering community cohesion, and addressing language barriers, financial limitations and personal safety concerns, the barangay can increase resident involvement and enhance the effectiveness of its peace and order initiatives. Empowering residents through better information and inclusive engagement strategies will ultimately contribute to a safer, more unified community.

## **Conclusion and Recommendations**

This study presents the findings on the community involvement of Lower Quirino Hill, Baguio City Residents on their barangay peace and order activities. The residents of Lower Quirino Hill, Baguio City are aware of visible peace and order activities, especially curfew implementation and barangay patrols. However, awareness is lower for visible initiatives such as crime prevention seminars. The residents of Lower Quirino Hill, Baguio City are only involved in peace and order activities, with the highest involvement in promoting peace and community cleanups. Involvement in activities like neighborhood watch programs and crime prevention seminars is notably low. The residents agree to the provided barriers to participation in peace

and order activities. The primary barriers are lack of information, lack of community cohesion and lack of trust in law enforcement.

While residents are aware of visible activities, less visible activities, such as crime prevention seminars required more promotion and outreach. The barangay could focus on increasing the visibility of these initiatives by actively engaging residents through social media, public forums, or local leaders. To increase involvement, the barangay should focus on targeted outreach and community mobilization. For example, volunteer programs and regular community events that promote collective responsibility that could help foster a stronger sense of ownership and shared duty among residents. To address the information gap, the barangay should prioritize educational campaigns that increase awareness of available peace and order activities and report mechanisms. The lack of community cohesion could be tackled by fostering more community bonding activities and open forums, helping to strengthen social ties. To combat the barrier of lack of trust in law enforcement, the barangay could engage community policing efforts, focusing on building trust between residents and authorities.

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# **ADOPTION OF E-BANKING OF THE COLLEGE OF BUSINESS ADMINISTRATION STUDENTS IN BAGUIO CENTRAL UNIVERSITY**

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## **Abstract**

The research employed a descriptive research design under quantitative research. A total of 100 respondents from the College of Business Administration, namely the Financial Management, Public Administration, Human Resource Development Management, Office Administration, and Computer Science. This study aims to identify potential barriers and enablers, providing valuable insights for the college to enhance its digital banking infrastructure and promote a seamless transition to e-banking services. It also aims to answer the questions, what e-banking service is frequently used by the College of Business Administration students in Baguio Central University? What is the level of acceptability of using e-banking among College of Business Administration Students in terms of security, cost savings, international access, convenience, and time management? And What are the remedial measures to address the challenges with the use of e-banking services for College of Business Administration students in Baguio Central University? The results show that G-cash is the most frequently used e-

banking in the college of Business Administration because most merchants only accept G-cash as a mode of payment for its convenience. The level of acceptability is moderately accepted and the remedial measures to address the challenges with the use of e-banking services is to educate oneself. Nonetheless, acceptability, convenience and educating oneself in using these e-banking services will greatly help in the business transactions as perceived by the students.

*Keywords: E-banking, acceptability, remedial, accessibility, college of business administration*

## **Introduction**

Online banking, also known as e-banking, virtual banking, web banking or internet banking, is a system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website or mobile app. Since the early 2000s this has become the most common way that customers access their bank accounts. Virtually every banking institution has some form of online banking you can access through a computer or app. It is known that electronic banking (e-banking) has become one of the most important services in our daily life. As a distribution channel medium, e-banking allows banking customers to perform banking activities with ease at anytime and anywhere. (Saidi et al., 2016).

According to the Global Payments Report's 2016 report on the historical background of electronic banking from a global viewpoint, the post-crisis period between 2012 and 2015 brought the banking sector some unexpected results. This type of situation forced the banking sector to go through a period of intense disruption in order to win over the faith of their severely impacted clients. The industrial revolution slowed down, presumably as a result of the influence of the top 1000 banks in the world' largest growth rate (World Payments Report, 2016). Globally, the financial services sector has witnessed considerable changes in the last few years. One such significant change is the adoption of

self-service technologies (SSTs) by banking organizations to reduce their operational costs (Loonam and O'Loughlin 2008). The use of telecommunication and information technology (IT) in banking began in the 1990s, with some American banks launching their e-banking services as early as 1992 (Sikdar, Kumar, and Makkad 2015). Since then, the emergence of e-banking has revolutionized the banking sector (Yang 2009; Ariff et al.2013). Today, banks are being replaced by mobile phones, tablets, and laptops. Changing socioeconomic trends and advances in SSTs have enabled a vast number of people to access banking services. Customers are willing to pay a price for these services provided that they are assured of convenience and better turnaround time (Pandey, Mehta, and Roy 2017).

Customers use online banking services to pay utility bills, check balances, transfer money, download bank statements, and order checkbooks (Yang 2009). Banks have come to resemble television news channels: available 24/7. According to Casalo, Flavian, Guinaliu(2007), e- banking is a virtual channel for availing banking services "anytime and anywhere."

Consequently, the past three to five years have seen a flurry of technological developments in the Philippine banking industry. Research has shown that adopting banking technologies has considerably reduced the cost of doing business, for both banks and their customers (Baabdullah et al., 2019). Recognizing these benefits of going digital and exploiting technologies such as line-based and mobile Internet connectivity, both the public and the private sectors in the Philippine banking industry have either enhanced their already existing online presences or rolled out new ones. The Bangko Sentral ng Pilipinas (BSP), the Philippines' central bank, has been a strong supporter of the push for more Filipinos not only to be banked, but to also embrace online banking services. About 20 million Filipinos opened bank and e-money accounts over the last two years as the Philippines embraced digitalization amid the strict COVID lockdowns, according to Bangko Sentral ng Pilipinas (BSP) Governor Benjamin Diokno.

In his weekly virtual press conference, Diokno said a total of 41 million Filipino adults now have bank accounts, from 21 million in 2019, as more opened basic deposit and e-money accounts as of the third quarter of 2021. The Bangko Sentral ng Pilipinas reported a significant increase in the number of account holders among Filipino adults coupled with a similar increase in e-wallet holders in the light of the implementation of digital transactions. 56 percent of Filipino adults or more than 42,900 individuals had either bank or e-wallet accounts last year compared to the 29 percent of Filipino adults or 20,900 people who were registered as account holders in 2019. There are more than 27 million Filipinos who have e-wallet accounts compared to the more than 18 million who are maintaining bank accounts with their depository banks, which indicates many people are now embracing digital payment transactions for convenience and safety (Baguio Midland Courier, 2023).

E-wallet or digital or mobile wallet is an application installed on smartphones to be used for various financial transactions. It is where the so-called e-money is lodged. E-wallet is often used to send money and for payment of bills and other financial obligations without lining up in the payment centers to be able to settle supposed payments (Agcaoili, 2022).

Openiano said the BSP projects an increase in the number of e-wallet account holders in the next years because of the implementation of digital transactions being imposed by government agencies and local governments to empower people to embrace cashless transactions for convenience and safety and for them to be able to maximize discharging their duties and responsibilities without being caught up in long queue (Baguio Midland Courier, 2023).

All in all, there is actually much significant activity going on to enable the entire Philippine banking industry to level up and improve its presence in the online banking domain. However, despite these, many Filipinos are still unbanked, or have not fully embraced online banking services (Lopez, 2020). It is unfortunate that it took a pandemic for many both banks and customers to

realize the benefits of online banking. This leaves is little doubt that going online is becoming more and more embedded in banking activities (Baabdullah et al., 2019; Slade et al., 2015; Tarhini et al., 2016).

According to a Bangko Sentral ng Pilipinas (BSP) official, at least 56 percent of bank account holders applied for an online transaction service in 2021, an increase of significantly from 27 percent in 2019. "That means more and more people are sharing the experience of online banking transactions where they can store money, move money and apply for a loan using their cellular telephone or gadgets," BSP Deputy Governor Mamerto Tangonan said during the third Macroeconomic Conference Series (RMCS) held virtually. He added that the BSP aims to entice the public and improve their banking experience by making sure services are always available and by enabling and adopting policy reforms in online banking.

The Paleng-QR Ph' program is aimed at promoting a cashless system as an alternative method of transaction in public markets and local transportation. It also seeks to create a digital payments ecosystem making use of existing financial service providers like G-Cash, Paymaya, banks and others to facilitate cashless transactions between merchants and consumers. Mayor Benjamin Magalong welcomed the program, saying it is aligned with the city's own digitalization thrust and will help improve the city's collection system, eliminate collection malpractices and will benefit the vendors in terms of speeding up payment and ensuring integrity in transactions. The city council also expressed its support to the program by passing a resolution that authorized the mayor to negotiate and enter into an agreement with the Globe Telecom and any other equally qualified online payment service providers for the adoption of additional or alternative mode of payment of taxes, fees and charges due to the local government subject to confirmation by the city council. Under Baguio City Resolution No. 301, series of 2022, members of the local legislative body pointed out that taking into consideration the urgent need to adopt online payments as a convenient and practical alternative in the payment of taxes, fees and charges to

the local government, support will have to be provided to the said initiative. The council admitted that online payment is one of the schemes to realize the speeding up of government processes and Smart City programs which are among the core agenda of the present administration to be pursued aggressively to be available for the public by the end of the year. Currently, the local government is working with the Land Bank of the Philippines to integrate with their online payment system linkbiz portal to make Gash, which is not yet available with the said bank portal, as a way of payment by the public to the city. Online payment is fast becoming a convenient, safe, reliable and honest way of paying obligations without unnecessary delays or inconveniences among others (Comanda, 2022).

Electronic banking provides a greater degree of convenience for effectively managing one's financial affairs. Nevertheless, it still poses difficulties in terms of financial stability and individual confidentiality. A significant number of individuals have experienced the compromise of their account information due to the use of online banking services. Therefore, if an individual intends to utilize it for monetary transactions, they should possess knowledge regarding the associated hazards. The knowledge of the potential risks and issues empowers to implement precautionary measures, ensuring a more secure online banking experience. The online banking system is widely used both domestically and globally, enabling individuals to transfer funds across different regions of the world. The online banking system is beneficial for both bankers and bank customers.

E-Banking leads to productivity gains. Automating routine bill payments, minimizing the need to physically visit the bank and the ability to work as needed rather than on banking hours may decrease the time involved in performing routine banking activities.

Additionally, online search tools, banking actions and other programs can allow staff members to research transactions and resolve banking problems on their own, without interacting with bank employees. In some cases, month-end reconciliations for

credit card transactions and bank accounts can be automated by using e-banking files. Banking relationships and costs are often based on resource requirements. Businesses that place more demands on banking employees and need more physical assistance with wire transfers, deposits, research requests and other banking activities often incur higher banking fees. Opting-for e-banking minimizes business overhead and banking expenses. Utilizing e-banking reduces banking errors. Automation of payments, wires or other consistent financial activities ensures payments are made on time and may prevent errors caused by keyboard slips or user error. Additionally, opting for electronic banking eliminates errors due to poor handwriting or mistaken information. In many cases, electronic files and daily reviews of banking data can be used to double or triple check vital accounting data, which increases the accuracy of financial statements. Increased scrutiny of corporate finances through audits and anti-fraud measures requires a high level of visibility for all financial transactions. Relying on e-banking provides an electronic footprint for all accounting personnel, managers and business owners who modify banking activities. E-banking offers visibility into banking activities, which makes it harder for under-the-table or fraudulent activities to occur. Businesses rely on efficient and rapid access to banking information for cash flow reviews, auditing and daily financial transaction processing. E-banking offers ease of access, secure transactions and 24-hour banking options (Acevedo, 2019).

This study addresses a gap in the existing literature by examining the usage of e-banking among college students, focusing on those studying business administration. By delving into this specific demographic, it offers insights into the factors shaping e-banking adoption among young customers. The research aims to provide valuable insights for students, educators, and future researchers in the College of Business Administration, fostering a deeper understanding and facilitating impactful research within the field.

The researchers made use of two theories as a road map for developing arguments to be used in our study. These are Unified

## Theory of Acceptance and Use of Technology and Transaction Cost Theory.

The Unified Theory of Acceptance and Use of Technology (UTAUT) is a model developed by Venkatesh et al. in 2003 to understand and predict how individuals accept and use technology. The application of the technologies in the workplace has redefined inter- and intra-organizational communication has streamlined business processes to ensure benefits, such as higher productivity, the wellbeing of employees and the satisfaction of consumers (Papagiannidis & Marikyan, 2020).

The theoretical model of UTAUT suggests that the actual use of technology is determined by behavioral intention. The perceived likelihood of adopting the technology is dependent on the direct effect of four key constructs, namely performance expectancy, effort expectancy, social influence, and facilitating conditions. The effect of predictors is moderated by age, gender, experience and voluntariness of use (Venkatesh et al., 2003).

The growth of an e-commerce sector, emerging digital technologies, drive the implementation of new technologies in organizations (Verhoef et al., 2021). The advances in Information Communication Technology (ICT) have dramatically changed the way organizations conduct business. The application of the technologies in the workplace has redefined inter- and intra-organizational communication has streamlined business processes to ensure benefits, such as higher productivity, the wellbeing of employees and the satisfaction of consumers (Papagiannidis & Marikyan, 2020). To provide a holistic understanding of technology acceptance, Venkatesh et al. (Venkatesh et al., 2003) set the objective for developing a unified theory of technology acceptance by integrating key constructs predicting behavioral intention and use.

Theory of Acceptance and Use of Technology (UTAUT), proposed by Venkatesh et al. in 2003, posits that the adoption of technology is influenced by key factors such as performance expectancy, effort expectancy, social influence, and facilitating conditions, all of which contribute to users' willingness to adopt e-banking. In the context of e-banking, UTAUT helps understand how users perceive and decide to use electronic banking services.

According to this model, individuals are more likely to embrace e-banking when they perceived it is easy to use, beneficial in terms of performance, and supported by social influences or external conditions. UTAUTA's application to e-banking allows researchers and practitioners to analyze and predict user acceptance, helping financial institutions tailor their technological offerings to meet user's expectations and needs.

The model was shown to be viable in both types of cultures, but the strength of the relationships was different, suggesting a strong moderating role of culture on the model paths (Udo, Bagchi & Maity, 2016).

UTAUT2 was also validated in different countries with contrasting cultures, economies and level of technology penetration. In Jordan, mobile banking adoption was not affected by social influence (Alalwan, Dwivedi & Rana, 2017).

Transaction Cost Theory, developed by Ronald Coase and later expanded upon by other economists like Oliver Williamson, is an economic theory that focuses on understanding the costs associated with economic transactions in various market structures.

Transaction costs are the costs incurred when individuals or entities engage in market transactions, and they encompass a wide range of factors beyond just the price of the goods or services being exchanged. It includes all the costs associated with making an economic exchange, such as searching for information, negotiating and enforcing contracts, monitoring performance, and resolving disputes. As reported, transaction cost economics has been empirically documented in research across fields including industrial organization, marketing, finance, accounting, and law (Macher and Richman, 2008).

In the context of online banking, Transaction Cost Theory helps explain how consumers and banks make decisions about their financial transactions and interactions in the digital environment. Transaction costs encompass all the expenses, both monetary and non-monetary, associated with conducting a transaction. In traditional banking, these costs can include travel

expenses to visit a physical branch, waiting in line, completing paperwork, and so on. Online banking minimizes the need for manual intervention in financial transactions, resulting in reduced transaction costs for both banks and customers. Customers can transfer funds, pay bills, and make purchases online, eliminating the need for checks, paper statements, and in-person visits (Sheykin, 2023).

College students are increasingly relying on digital banking services such as Automated Teller Machines (ATMs), Debit and Credit Cards, Mobile Banking, and Internet Banking or E-Payments. This shift in banking habits has created a need to assess the level of awareness and understanding of E-Banking products and services among college students. This study explores the perception and usage of E-Banking among this demographic. It is important to understand the financial literacy and technical proficiency of this group in the current digital landscape. These tools offer the advantage of convenience and accessibility, making it possible for students to manage their finances at any time (Nagaveni, 2023).

The objective of this study is to determine the adoption of e-banking services of College of Business Administration students in Baguio Central University.

1. What e-banking service or application is frequently used by the College of Business Administration students in Baguio Central University?
2. What is the level of acceptability of using e-banking among College of Business Administration Students in terms of security, cost savings, international access, convenience, and time management?
3. What are the remedial measures to address the challenges with the use of e-banking services or application for College of Business Administration students in Baguio Central University?

## **Methodology**

This chapter presents the procedures and methods the researchers used in conducting the study. The section includes the research design, population and locale of the study, data gathering

instruments, data gathering, and consent-based treatment data. The output. Therefore, is conducting seminars on Adoption of E-Banking.

The researchers used quantitative using survey method. Quantitative research design is defined as a research method used in various disciplines, including social sciences, psychology, economics and market research. It aims to collect and analyze numerical data to answer research questions and test hypothesis. The research questionnaire used a level to differentiate situations that the researchers wanted to know. The interest of the researchers is that the researchers want to know the adaptability and challenges in using e-banking services or applications for the College of Business Administration students in Baguio Central University.

The researchers used the descriptive survey as its name implies, descriptive research that describes a sample population (Coe et al., 2017).

The goal is to provide insight into the characteristics of the sample. While the researchers are finding related theories, the researchers discovered that there are differences between the local students here and on the international students about the frequency of using online banking services or applications.

The research was conducted at Baguio Central University-Main campus. Baguio Central University is a private, non-sectarian, basic and higher-education institution in Baguio City, Benguet, Philippines. It offers Basic Education to Tertiary Education.

The researchers chose the College of Business Administration students as their respondents. This includes the different majors in the College of Business Administration department. With the total of 135 students of College of Business Administration in Baguio Central University. By using the Slovin's formula with a margin error of 0.05, the researchers came up with 100.93 sample population based on the confidence level and desired margin of error to achieve a balance between

statistical significance and practicality in research studies. Data Gathering Procedure.

Considering research protocol, the researchers sought permission from the Dean of College of Business Administration to conduct survey-questionnaire with the participants. Upon approval, the researchers approached the participants by asking them individually about their voluntary participation in the research study. The researchers administered the questionnaire to determine adoption of e-banking of College of Business Administration students in Baguio Central University. The questionnaires were distributed to the respondents, and were then collect, and the gathered information was sorted and arranged according on how many answers in the specific questions.

The researchers prepared a questionnaire to determine the views of the students regarding the frequency of use, acceptability, the challenges and the remedial measures to address the challenges encountered in using e-banking. Concerning the study "E-banking: Factors of Adoption in India" by Shilpi Khandelwal, the researchers modified the research question to correspond with the study's scope. The survey questionnaire consists of three parts. The first part aim to know what e-banking service or application is frequently use by College of Business Administration students in Baguio Central University. The second part is to know the level of acceptability of using e-banking among College of Business Administration Students in terms of security, cost savings, international access, convenience and time management. Lastly, the last part is to explore what are remedial measures to address the challenges with the use of e-banking services for College of Business Administration students in Baguio Central University.

In the comprehensive context of this study on e-banking adoption, the researchers diligently formulated and constructed the questionnaires thereby assuming an integral role in the construction of the data-gathering instrument to facilitate a nuanced exploration of user experiences, preferences, and behaviors within the digital realm.

The data gathered by the researchers from the respondents was carefully tallied, arranged according to categories, and ranked accordingly. The different responses of the respondents were analyzed and understood carefully with all transparency and honesty. From the information that was gathered, data was tallied, classified, and tabulated. They were subjected to statistical treatment in order to answer the questions proposed in the study. The statistical tools employed were the weighted mean and Slovin's formula.

Before conducting the proposed study, the researchers undertook the following procedure to ensure ethical consideration in the conduct of a research: The researchers secured first written permission to administer the researcher's instruments from the school authorities of the intended informants of the study.

A letter was accompanied with the survey or research instrument given to the target respondents, informants, or subjects indicating among others, that: 1) the participant's identity was not divulged in the current study in compliance to the provisions of the Data Privacy Law; 2) all information and data from the participants, respondents, or subjects of the current study will be held in strict confidentiality; 3) when the respondents or subjects answer the survey questionnaire or instrument, that means they agree to participate in the study as respondents; 4) the responses in the questionnaire or instrument to be conducted are primarily for academic requirement only.

The researchers declared that all materials and findings borrowed from other sources were included in thesis were properly cited and acknowledged.

## **Results and Discussions**

This chapter contains the discussions about the outcome of the study based on the information gathered and the interpretation of the data to address the problem stated.

Table 5 below presents what e-banking service or application is frequently used by College of Business Administration students in Baguio Central University. The computed average weighted mean of 2.13 with a descriptive equivalent of "Sometimes" indicates that the College of Business Administration students in Baguio Central University are aware and uses e-banking services or applications. This shows that, in the area of e-banking platforms, students have different preferences when it comes to different e-banking systems. With a relevant weighted mean of 3.39, GCash appeared as leading choices of the respondents. The descriptive equivalent of "Always" suggests that students rely heavily on Cash for their online transactions. The high usage frequency suggests an outstanding level of platform satisfaction and trust. Students are likely to use GCash regularly for their payment needs as a result they find it to be dependable, easy to use, and efficient. The success of the platform may be attributed to its easy-to-use interface, extensive accessibility, different range of services, or strong reputation as a brand.

**Table 5**

| E-Banking        | 4   | 3   | 2   | 1   | TWP        | WM          | Descriptive Equivalent | Rank |
|------------------|-----|-----|-----|-----|------------|-------------|------------------------|------|
|                  | (A) | (M) | (S) | (R) |            |             |                        |      |
| Gcash            | 68  | 15  | 5   | 12  | 339        | 3.39        | A                      | 1    |
| Paymaya          | 6   | 16  | 18  | 60  | 168        | 1.68        | R                      | 3    |
| BDO Online       | 15  | 9   | 20  | 56  | 183        | 1.83        | S                      | 2    |
| Metrobank Online | 9   | 11  | 14  | 66  | 163        | 1.63        | R                      | 4    |
|                  |     |     |     |     | <b>AWM</b> | <b>2.13</b> | <b>S</b>               |      |

**Legend:**

| NUMERICAL<br>VALUE | STATISTICAL<br>LIMITS | DESCRIPTIVE<br>EQUIVALENT | SYMBOL | DESCRIPTION                                   |
|--------------------|-----------------------|---------------------------|--------|-----------------------------------------------|
| 4                  | 3.26-4.00             | Always                    | A      | Consistent<br>occurrence without<br>exception |
| 3                  | 2.51-3.25             | Moderately                | M      | Reasonable<br>frequency or<br>intensity       |
| 2                  | 1.76-2.50             | Sometimes                 | S.     | Occasional<br>occurrence with<br>variability  |
| 1                  | 1.00-1.75             | Rare                      | R      | Infrequent or<br>uncommon<br>occurrence       |

This agrees with the article written by Cudis (2019) "Cash Strengthens Dominance in PH", Cash, being the leader in mobile wallet segment, aims to continuously innovate and improve the user experience through added-value services and features. They also stated that most people who use mobile wallets prefer Cash among others because it charges low or no services fees for digital transactions. Users feel safe to use online transactions with Cash because it also provides users with increased security and peace of mind when using the app with the recent launch of customer protect a program that provides compensation for unauthorized financial transactions on their Cash app. Although BDO online still receives an important to highlight level of usage and happiness from respondents, it lags behind Cash in terms of frequency. BDO ranks second in the ranking with a weighted mean of 1.83, indicating a usage frequency or satisfaction level defined as "Sometimes." Users might choose BDO over Cash for some transactions or features, but they might not rely on it as much. This usage trend may be influenced by client preferences, promotional offers, or the ease of access to BDO's online banking capabilities.

In the results of the survey, Paymaya comes in third place with a weighted mean of 1.68, the descriptive equivalent of "Rare." This means that respondents don't often use Paymaya for their online transactions. Paymaya might have trouble attracting and keeping consumers at the same rate as Cash and BDO, even

though it might provide services that are comparable to theirs. Its reduced usage frequency may be due to different kinds of circumstances, such as poor awareness, the perception of functional limits, or a less user-friendly interface. With the lowest weighted mean of 1.63, Metrobank Online also has the descriptive equivalent of "Rare." This result implies that respondents don't frequently utilize Metrobank Online for their online transactions. Metrobank Online is not as user-friendly as its competitors, even though it is a well-known financial institution. Less feature-rich online banking, a smaller user base than on other platforms, or a perceived lack of innovation could all be factors in this outcome. The survey's results essentially show that Cash and BDO dominate the online payment market, with Online Paymaya and Metrobank Online finding it difficult to compete with these top platforms in terms of student adoption and satisfaction.

While, BDO online is ranked second, its weighted mean of 1.83 implies a lower frequency of use or satisfaction level compared to GCash. The descriptive equivalent of "Sometimes" suggests that users use BDO for online transactions, but not as frequently as Cash. On the other Paymaya with a weighted mean of 1.68, Online Paymaya is ranked third. The descriptive equivalent of "Rare" indicates that users seldom use this platform for their online transactions. It suggests that Online Paymaya might not be as popular or as frequently used as Cash or BDO. On the other hand, Metrobank Online received the lowest weighted mean of 1.63 among the options. The descriptive equivalent of "Rare" implies that respondents rarely use Metrobank Online for their online transactions. This suggests that Metrobank Online might have lower usage or satisfaction levels compared to the other platforms surveyed.

Moreover, Gash runs effective promotional campaigns with celebrities to target the mass market (Lim, 2020). This drives awareness and adoption nationwide. Globe has strong brand recognition and over 80 million subscribers in the Philippines (Santos, 2021). Gash leverages Globe's position as a trusted

company. In summary, Gash has become the leading digital banking platform in the Philippines thanks to its easy interface, extensive agent network, merchant adoption, marketing, and association with Globe Telecom. Its convenience for payments and transfers makes it a popular choice.

This indicates that college of business administration students sometimes use e-banking applications as their primary e-banking service, which is accepted. This is because the College of Business Administration Students at Baguio Central University are aware of and use e-banking services or applications. This shows that, in the area of e-banking platforms, students have different preferences when it comes to different e-banking systems.

Table 6 below presents the level of acceptability of using e-banking among College of Business Administration students in terms of security, cost savings, international access, convenience, and time management, with an overall weighted mean of 3.02. These results indicate that the acceptability of e-banking among College of Business Administration students is moderately effective in adopting e-banking. Based on the table below, it shows that in the acceptability of e-banking, "accessibility" was ranked first with a weighted mean of 3.22 and a descriptive equivalent of "moderately effective." Accessibility is identified as a significant factor influencing student acceptance of e-banking. It was hypothesized that the level of acceptability of using e-banking is moderately effective. Since the perception of college of business administration students similar with the hypothesis therefore this hypothesis is accepted.

This indicates that students prefer easy and convenient access to banking services, which is consistent with current expectations for seamless digital interactions. It is essential for the institution to prioritize the maintenance or improvement of accessibility to e-banking services, thereby enabling students to conveniently oversee their accounts from any location and at any given moment. It is critical to provide students with access to e-

banking services so they can conveniently manage their accounts from any location and at any time. This adaptability is crucial for their financial management, as it enables the student to accommodate their varied needs and hectic schedules.

Moreover, the acceptability of e-banking "Time Management" was ranked second with a weighted mean of 3.19 and the descriptive equivalent of "Moderately Effective" indicate the importance of time management in increasing student acceptance of e-banking services. This implies that students see e-banking as a tool that helps them manage their time more effectively, allowing them to focus on their academic and personal interests. With the result, student perceived the efficiency advantages of e-banking in order to promote a faster and more convenient transactions.

This indicates that the level of acceptability of utilizing e-banking is moderately effective, which is accepted. This is due to the students' preference for convenient and easily accessible banking services, aligning with the current demand for smooth and effortless digital transactions. Intriguingly, the weighted mean of 2.84 and the descriptive equivalent of "Moderately Effective" for cost savings indicate that, while students understand the potential for financial savings through e-banking, this aspect may not be an important a reason for adoption. While cost-saving opportunities are valued, students do not consider large enough to encourage widespread adoption. E-banking services with this attribution on, students seek to more way to find cost saving useful.

It is also gleaned from the table that students regard international access to be moderately important, as shown by a weighted mean of 2.83 and the descriptive equivalent of "Moderately Effective". This implies that, while students enjoy the opportunity to access banking services on a global scale, it may not be the most important element in their decision to use e-banking. Hence partnership with other international banking 30

networks will provide access for students studying or traveling abroad to manifest this indicator.

Surprisingly, with a weighted mean of 3.01 and a descriptive equivalent of "Moderately Effective," convenience is identified as an important factor in student e-banking uptake. This implies that students value the ease provided by e-banking services, such as simple account management and transaction capabilities. Students perceived the e-banking services moderately effective because of the attendance services it provides. Lest, going to the on-site bank facility is not a problem anymore.

Finally, the research article sheds light on the acceptability of e-banking among Baguio Central University's College of Business Administration students. While e-banking is typically seen as relatively effective, it shines in certain areas, such as accessibility, ease, and time management. With its acceptability, this is an added opportunity for students to enhance their financial knowledge and widen their financial responsibility as early as a student.

In the study of Depusoy, (2020) states that businesses like banks are taking advantage of this opportunity to introduce their services to the people and to expand their full potential. According to Mojares (2016) stated that "Customer Satisfaction and Loyalty Among Internet Banking Users of Philippine National Bank in Batangas City" which revealed that the respondents are generally satisfied with the speed and accuracy, accessibility and convenience, and security features of the internet banking service facility. It was also found out that only speed and accuracy showed significant relationship on the effect of internet banking. This affirms the convenience and acceptability among students. Internet banking users are still considering the speed and accuracy of the banks service to make them satisfied despite that internet banking provides lower cost delivery channel, gives customers to almost any type of banking transactions and gives breadth and depth customer service.

Moreover, according to Ananda et al. (2020), "digital banking is the process of digitization of all banking activities that were available only inside a bank branch to its customers". Consumers can either inquire about account balance, transfer money, pay bills, order checks, load accounts, invest or maintain their accounts all at the same time using the same digital interface (Mendoza et al., 2020). It provides faster, easier and more efficient services to the customers that lead to customer satisfaction (Ananda et al., 2020). In the Philippines, banks started to engage in electronic banking as early as 2000 following the trend of financial technology "fintech" integration (Mendoza et al., 2020). The government, through its financial regulating body, Bangko Sentral ng Pilipinas (BSP), accepted this innovation as part of the financial inclusion, thereafter drafting guidelines for the provision of electronic banking services amongst banks (BSP Circular No. 240, 2000). The government, through its financial regulating body, Bangko Sentral ng Pilipinas (BSP), accepted this innovation as part of the financial inclusion, thereafter drafting guidelines for the provision of electronic banking services amongst banks (BSP Circular No. 240, 2000). These results affirmed that there is a significant internet usage and awareness of online payment methods amongst Filipinos, 46% of those with accounts and using the internet remains indecisive about electronic transactions due to various behavioral components such as cost, convenience, security, and reliability of service (Mendoza et al., 2020). According to De Leon (2019), digital banking advancement, in the Philippines, has been slow and only 28% use digital banking.

**Table 6**

| Acceptability of E-Banking | 4  | 3  | 2  | 1  | TWP         | WM          | Descriptive Equivalent | Rank |
|----------------------------|----|----|----|----|-------------|-------------|------------------------|------|
|                            | HE | ME | SE | LE |             |             |                        |      |
| Accessibility              | 48 | 35 | 8  | 9  | 322         | 3.22        | MA                     | 1    |
| Cost Savings               | 25 | 41 | 27 | 7  | 294         | 2.84        | MA                     | 4    |
| International Access       | 30 | 32 | 29 | 9  | 283         | 2.83        | MA                     | 5    |
| Convenience                | 38 | 36 | 15 | 11 | 301         | 3.01        | MA                     | 3    |
| Time Management            | 43 | 40 | 10 | 7  | 319         | 3.19        | MA                     | 2    |
|                            |    |    |    |    | <b>AW M</b> | <b>3.02</b> | <b>MA</b>              |      |

**Legend:**

| SYMBOL | NUMERICAL<br>VALUE | STATISTICAL<br>LIMITS | DESCRIPTIVE<br>EQUIVALENT | DESCRIPTION                                                   |
|--------|--------------------|-----------------------|---------------------------|---------------------------------------------------------------|
| HE     | 4                  | 3.26-4.00             | High Acceptable           | Strongly positive<br>attitude with<br>minimal<br>reservations |
| ME     | 3                  | 2.51-3.25             | Moderately<br>Acceptable  | Somewhat positive<br>with minor concern                       |
| SE     | 2                  | 1.76-2.50             | Acceptable                | Neutral stance<br>without strong<br>objection or<br>approval  |
| LE     | 1                  | 1.00-1.75             | Fairly<br>Acceptable      | Lukewarm attitude<br>with notable<br>reservation              |

Table 7 below presents the possible remedial measures to address challenges face by College of Business Administration students when using e-banking. The computed total average weighted mean of 3.32 with a descriptive equivalent of "Highly Effective". It was hypothesized that the extent of remedial measures to address the challenges with the use of e-banking services for the college students of business administration in Baguio Central University is less effective, thus hypothesis is rejected. This implies that the perceived acceptability of these e-banking services, it also resonates with the effectivity perceived by these student respondents. However, it is only limited to student users. In detail, "Educating oneself" gained the highest rating of 3.17 with a descriptive equivalent of highly effective. Indicates that College of Business Administration students prefer 34 being educated before using any e-banking applications to avoid challenges. While "Use Secure Networks" gained the lowest rating of 3.21 with a descriptive equivalent of Moderately Effective.

As gleaned from the table, that it reflects a keen awareness and commitment to security practices among students. Students prioritize the use of secure networks (weighted mean 3.21), emphasizing the importance of a safe online environment when engaging in e-banking activities. This indicates a responsible

approach to digital financial interactions among the surveyed population. In addition, monitoring account activity received a noteworthy weighted mean of 3.28, suggesting that students are vigilant in keeping track of their financial transactions. The emphasis on secure passwords (weighted mean 3.36) underscores the recognition of the crucial role passwords play in safeguarding e-banking accounts.

Above all, the highest weighted mean is associated with the proactive approach of educating oneself about e-banking practices (weighted mean 3.47). This indicates a strong inclination among students to stay informed and knowledgeable about the evolving landscape of digital financial services, contributing to a culture of responsible e-banking.

Interestingly, the survey outcomes reveal a commendable focus on security measures and a proactive stance toward self-education among College of Business Administration Students. This mindset bodes well for the future of e-banking adoption, emphasizing responsible practices and informed decision-making within the academic community (Sheykin, 2023). It implies that the hypothesis regarding the extent of remedial measures to address the challenges associated with the use of e-banking services for the College of Business Administration Students at Baguio Central University is "Less Effective", and thus rejected. This is because the remedial measure indicators all provide positive solutions to problems encountered while using e-banking.

According to Gupta (2023), the financial sector is witnessing rapid evolution, and the growing internet penetration is initiating digital inclusion on a large scale. Digital banking instills a sense of financial independence and responsibility in children. By introducing them to digital banking early on, they can learn about the importance of online security, fraud prevention, and protecting personal and financial information. For instance, teaching children to create strong passwords and avoid sharing sensitive information online helps them understand the

significance of safeguarding their digital identities. The positive impact of early financial education, including digital banking literacy, on long-term financial well-being cannot be overstated. Introducing children to digital banking at a young age provides them with the knowledge and skills needed to make informed financial decisions throughout their lives.

In the financial sector, perceived online identity theft is noted to be characterized by vulnerable transactions in which internet banking 36 systems cannot be isolated, due to the harmful impact, such as; confidentiality, integrity, and privacy of a bank and its customers (Hille et al.,2015; Jibril, Kwarteng, Nwaiwu et al., 2020; Jordan et al., 2018; Nwaiwu et al.,2020). Nonetheless, e-banking services equates with the use of technology and using technology has its pros and cons with the plethora of researchers about the use of acceptability and events the challenges, in using these e-banking services, it requires to be extra-careful while using such.

This also means that all respondents similarly agree to the use of these e-banking services in school transactions, conveniently because it its widely used. This corresponds with the study of Gupta (2023) that students lack in financial knowledge and skills, and students are more drawn to the accessibility and acceptability of these e-banking services. (Polasik and Wisniewski; and Hille, Walsh, and Cleveland (Hille et al., 2015) Polasik and Piotr Wisniewski,2009).

Moreover, the research functions as a warning about customer retention in online banking and serves as a reminder to business organizations like Baguio Central University that the preservation of a loyal customer base is vital for their ongoing survival. The results urge financial institutions to take proactive steps in strengthening their security and privacy protocols in light of cybercrime occurrences, specifically online identity theft, within the banking sector. This research serves as a poignant reminder to private schools like the students that the preservation

of a devoted customer base is imperative for their ongoing survival in college.

Based on the results and discussions of the study on the utilization of electronic banking by students at College of Business Administration in BCU. The researchers drew the following inferences. The Gash application serves as the primary and dominant electronic banking service employed by students enrolled in the College of Business Administration at Baguio Central University. With weighted mean of 3.39. The descriptive equivalent of "always" implies that students conduct the majority of their online transactions with Cash. The primary benefit of using e-banking is increased accessibility, demonstrating that College of Business Administration students are welcoming the adoption of technology via e-banking with a weighted mean of 3.22 and a descriptive equivalent of "moderately effective." Acquiring knowledge is the primary solution to tackle the difficulties faced when utilizing e-banking services. The highest weighted mean is associated with the proactive approach of educating oneself about e-banking practices with a weighted mean of 3.47.

## **Conclusions and Recommendations**

### **Conclusions**

Based on the results and discussions of the study about the adoption of e-banking of College of Business Administration students in Baguio Central University. These are the following inferences that the researchers concluded. Gash application is the number one and the primary e-banking service or application that the College of Business Administration students in Baguio Central University use, among all available e-banking services in Baguio Central University. Accessibility is the number one effect of using e-banking indicates that College of Business Administration students are embracing or accepting the use of technology thru e-banking. One of the remedial measures to

address the challenges is to educate oneself. Having more control of their money not only makes college students' lives easier, but also provides security and helps them learn responsibility.

## **Recommendations**

Based on the conclusions, the following recommendations were made. Institutions and other merchants are encouraged to use Gash and Paymaya for the convenience of the students and for easy access to payments. Students may embrace the convenience of mobile notifications to stay informed about account updates and any potential issues. Take advantage of various features offered by e-banking platforms; to gain control over your finances and make informed financial decisions. E-banking may enhance productivity by automating bill payments, reducing physical visits, and enabling staff to transact independently. It minimizes overhead, errors, and fraud, making it a crucial tool for schools. Electronic banking may be used by school to automate bill payments, reduces in-person visits, and allows work outside business hours. Mass informative and dissemination is highly appreciated to empower students in increasing the financial knowledge, skills and talents. Further studies on the uses of e-banking services in broader depth and breadth and with different methodologies are initiated by the researchers so as to explore and ensure the setting of questions about students use of e-banking services.

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