ZIBELINE INTERNATIONAL™ PUBLISHING

e-ISSN: 3009-1098 (Online)
CODEN: JTWEAG

Journal Of Third World Economics (JTWE)

DOI: http://doi.org/10.26480/jtwe.01.2024.56.61

REVIEW ARTICLE

AWARENESS AND INTENTION IN SAVINGS AND INVESTMENT OF PUBLIC MARKETS BUSINESS OWNERS IN THE 3RD DISTRICT OF LAGUNA

Elaine Joy C. Apat, Julieta A. Sumague, Geradine M. Tilap, Desiree L. Wagan, Guillermo B. Briones

Laguna State Polytechnic University, Philippines
****Corresponding Author Email: elaine.apat@lsup.edu.ph***

This is an open access journal distributed under the Creative Commons Attribution License CC BY 4.0, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited

ARTICLE DETAILS

Article History:

Received 11 October 2024
Revised 28 November 2024
Accepted 01 December 2024
Available online 12 December 2024

ABSTRACT

Individuals accumulate funds for acquisitions and unforeseen circumstances. This study aims to assess the awareness and intention in savings and investment of public market owners in the 3rd district province of Laguna, Philippines. This study is a quantitative - descriptive research. Data gathering was executed to one hundred forty-five (145) business owners in the said locale. Results revealed that they are aware and often heard savings and investing from friends and family. They save for children's education and prefer to invest in private sectors, for one third to half of their income an in long term manner. In addition, there are significant differences on their age and sex when it comes to the awareness of saving and investing. On the different ways of investing, there is a significant difference in their age and educational background. On the objective about saving, and duration they prefer for investment, they significantly differ on their age. Consultation with friends or relatives before choosing an investment, it differs significantly only in their number of dependents. Both on what they consider before investing, and preference of investing, they significantly differ with variable on their annual income. This recommends that local government may make intervention to empower the public market entrepreneurs to pay more attention to factors to consider while choosing a financial institution to save and invest their money in line with their financial goals, and helping them develop their skills to protect themselves, their business, and families against unexpected events which can have serious consequences on their financial stability.

KEYWORDS

Awareness, intention, savings, investment, management, entrepreneurs

1. INTRODUCTION

Savings and Investment management are effective tool for building a financial cushion and preparing for the future. It involves setting specific financial goals and adhering to smart budgeting and spending habits to save as much as possible. With proper planning, individuals can achieve their financial objectives while still enjoying their lifestyle. When done correctly, savings management becomes one of the most reliable methods for ensuring financial security and readiness for whatever challenges may arise (Oboloo, 2024). Savings management in procurement refers to the process of forecasting savings based on strategic sourcing plans, aligning these savings with the budget, and tracking their actual realization. Before generating savings, it's essential to understand various key theories that are fundamental for procurement professionals. These theories help make the management and reporting of savings more efficient and cost-effective. This process, also called Savings Management, is one of the most challenging tasks businesses must handle. When purchasing products, many managers and business owners assume they need everything listed. However, many of these items may already exist within the company, while others may not add value. This leads businesses to waste time and money on unnecessary purchases. To manage capital effectively, it's crucial to properly oversee both the savings management and the expenditure and acquisition processes. Business owners need assurance that they are handling savings efficiently and professionally.

Investing involves putting some money into assets in anticipation of gaining returns in the future. This is usually in the form of appreciation or income. Many investments take the form of buying stocks, bonds, and property. These investment ideas normally focus on raising wealth. There is a difference between saving and investing. In most cases, investing is riskier than saving, for it offers lesser returns, but it does guarantee returns over time. According to a study, an investment refers to the period when one puts money into assets anticipating generating an income or making a return over a certain period, typically in the form of appreciable value or cash flow (NerdWallet, 2022). That is why it usually involves buying investments based on the hope of acquiring wealth through stock, bond, or real estate purchase. In many ways, therefore, investing is very dissimilar from saving: it involves more risk in hopes of more return. When doing so, this article points to a conscious understanding that the person's ability to take risk must be well-known since investments can go both up and down in value. Loss, therefore, is very much part and parcel of the practice, though not necessarily guaranteed.

One of the primary problems of micro entrepreneurs' faces is a lack of financial resources. They often operate on thin margins, with limited income and high expenses. This makes it difficult to set aside money for savings, especially when faced with immediate needs for food, housing, and other necessities. Micro entrepreneurs often face social pressures that make it difficult to save. They may be expected to support family members, contribute to community expenses, or make impulsive purchases due to social norms or peer pressure. This can lead to a present-biased approach to finances, where immediate needs and wants take precedence over long-term savings goals. Micro entrepreneurs, particularly those in developing countries, often lack access to formal financial institutions, forcing them to rely on informal savings options.

Keeping cash at home, while seemingly simple, is highly vulnerable to theft, loss, or unplanned expenses. Saving in the form of assets, such as livestock or jewelry, offers a tangible sense of wealth but can be difficult to liquidate quickly when needed, and their value can fluctuate. Rotating

Quick Response Code	Access this article online	
	Website: www.jtwe.com.my	**DOI:** 10.26480/jtwe.01.2024.56.61

Cite The Article: Elaine Joy C. Apat (2024). Awareness and Intention in Savings and Investment of Public Markets Business Owners In The 3rd District Of Laguna. *Journal of Third World Economics (JTWE), 2(1): 56-61.*

savings and credit associations (ROSCAs), where members contribute money on a regular basis and one member receives the total amount each month, provide a structured approach to informal savings. However, ROSCAs lack the security and stability of formal institutions, relying heavily on trust within the group and leaving them susceptible to default or fraud. The reliance on these informal savings options underscores the urgent need for micro entrepreneurs to have access to secure and reliable financial institutions, enabling them to build a sustainable future and navigate economic challenges with greater stability as highlighted by (Guliman and Uy, 2019).

2. Literature Review

According to a study, saving money can be a challenge for small business owners, especially those who are just starting out (Adbi and Natarajan, 2023). Traditional banks can make it even more difficult. One issue is having to physically go to the bank, taking time away from managing the business. Additionally, banks often have high fees, which can strain small budgets. The process of transferring money can also be slow for business accounts compared to personal accounts, making it hard to pay bills and employees promptly. Small businesses may feel neglected by banks, receiving less support and advice compared to larger companies. These obstacles make it challenging for small business owners to effectively manage their finances and plan for the future.

Moreover, in the research article "The Curious Case of Filipino Micro-Entrepreneurs' Financial Sophistication and the Triple Bottom Line" highlights the challenges faced by Filipino micro-entrepreneurs in managing their finances, including saving. The article points to the persistent barriers to growth and performance in the MSME sector, often leading to business failures, and identifies limited access to finance as a key challenge. This lack of access directly impacts the ability of micro-entrepreneurs to save. The article also emphasizes the role of inadequate financial literacy, suggesting that many micro-entrepreneurs lack a comprehensive understanding of financial concepts, such as accounting, time value of money, and risk diversification. This lack of knowledge hinders their ability to make sound financial decisions, including developing effective saving strategies. The article further suggests that some micro-entrepreneurs may exhibit present-biased financial behavior, prioritizing immediate needs over long-term savings goals, leading to a lack of financial planning and a tendency to spend rather than save.

While the article doesn't explicitly detail specific problems encountered in saving, it provides a broader context of financial challenges facing micro-entrepreneurs in the Philippines, suggesting that limited financial resources, inadequate financial literacy, and a lack of access to formal financial institutions contribute to the difficulty in saving for micro-entrepreneurs. Micro entrepreneurs face significant hurdles when it comes to saving money, highlighting the critical need for greater access to secure and dependable financial institutions. Empowering them with enhanced financial literacy and fostering long-term financial planning are crucial steps in helping them overcome these obstacles, build sustainable businesses, and navigate economic uncertainties with greater stability. Addressing these challenges directly will enable micro entrepreneurs to achieve financial security and resilience, paving the way for long-term success and growth.

An author from Investopedia states, managing professional responsibility and specific management of distinct financial assets, like equity, fixed income, and real estate-to satisfy specific investment goals of the client (Madamba, 2024). It refers to activity that involves buying and selling of assets that include development of investment strategies, assets as well as monitoring of a portfolio for consistency with the clients' financial objectives and their tolerance to risk. According to one in-forms one's decisions based on adequate research and analysis of market trends that maximizes the operation of your investment portfolio (Chen, 2024). Other things that need consideration are ethical standards and regulation compliance, where the interests of clients will stand at the topmost level above all.

Investment management is just the way one assembles his stock, a bond, and other investments portfolio based on goals (Yochim, 2024). You either hire an investment management service or you take care of your portfolio. Hiring someone to manage your investment portfolio sounds like a service only the rich need or can afford. But investment management is basically maximizing the money you have: be it $10,000 or $100 million in your portfolio, every dollar counts.

In this perspective, the investment management of micro businesses is a crucial measure towards sustainable growth and financial sustainability. Some author define the investment management of microenterprises as strategic process of resource allocation to maximize growth potential with minimal risks (Ferdousi and Mahmud, 2018). This is particularly relevant for micro businesses since they are normally characterized by low investments in capital and other factors that present bottlenecks in their access to conventional sources of finance. More importantly, effective investment management would significantly boost the operational capabilities of microenterprises and, subsequently, their capacity to scale up and offer employment in their communities.

Micro equity is defined by a report from Faster Capital as financing opportunities where investors can put small amounts of capital into earning ownership stakes in the microenterprises. It supports the financial needs of the micro businesses and has an effect of aligning the interests of the investors and entrepreneurs, thus fostering an environment that encourages innovative solutions and sustainable business practices.

According to Friedberg B, investment management for micro businesses would involve analysis and determination of risk as well as diversification. The knowledge of being distinct in market dynamics and the needs of the customers gives the owner the knowledge in some decisions made in making investment to bolster resilience against economic fluctuations.

Furthermore, as also reveals in her study, investment management of microenterprises encompasses, among other things, tapping community resources and networks to access finance and guidance (Maranan, 2019). As such, such teamwork fosters better financial management and is likely to improve relationships within the community, hence the sustainability of micro businesses.

According to Fit Small Business, a small business needs to invest more in technology and marketing in order to gain a competitive advantage. More investment in these areas will boost the profile of, as well as the efficiency of, operating performances, thus increasing returns on investment. Lastly, a Forbes article suggests that knowledgeable understanding of the financial structure and their right investment avenues can be considered as good investment management for the micro businesses. It would involve continuous education and adaptation to changing market conditions, which further is a great cause of succeeding in and surviving micro enterprises.

Investment management, therefore, in micro enterprises, pertains to resource distribution, risk analysis, and accessing community support, all in pursuit of sustainable development and financial viability. It is through sound investment practices that the challenges confronting micro entrepreneurship can be surmounted and that such lasting impacts will be achieved with regard to communities.

The study stated that investing in your business is important. Sometimes, business owners try to cut costs to make more money, but it's essential to also consider where you can invest wisely (Schroeder, 2022). For example, spending money on new software can help your business grow by increasing sales or saving time for your employees. If you're not seeing a good return on your investments, take a step back and think about how you can run your business better. Having a tax accountant can be helpful. Many entrepreneurs don't realize that income taxes are one of their biggest expenses. By finding ways to lower your taxes, you can increase your profits by 10 to 50% with just a few changes in how you manage your business and personal finances. This extra money can make a big difference in your future.

You can also look into where your business is registered, review how your company is structured, or see if owning your business through a Roth 401k can help you save on taxes. Diversifying into real estate is also a good idea. Once your business is doing well and making good money, you can consider investing in commercial real estate. This type of investment can give you more money and tax advantages. Some entrepreneurs have made a lot of money by owning properties like small office buildings, apartments, and warehouses that bring in a steady income and increase in value over time. If you want to invest in the stock market, it's important to be smart about it. Avoid risky investments like meme stocks or new platforms unless you have the time to research them thoroughly.

Thunstrom stated that in investing in your business, you must opt for a comprehensive disaster recovery strategy (Thunstrom, 2022). Small business proprietors should prioritize investing in a comprehensive disaster recovery strategy and explore business interruption insurance options to safeguard their businesses in case of unforeseen disasters. It is common for many small business owners to overlook having a formal disaster recovery plan and business interruption insurance, which serves as a crucial safety net to cover operational expenses during temporary closures.

According to a study, instead of solely focusing on your business in your investment portfolio, consider it as just one component of your overall investment strategy (Sanchez, 2017). It is advisable for small business investors to prioritize preserving their capital rather than solely aiming for significant growth. A conservative investment approach can provide a safety net during economic downturns when business performance may be impacted. Relying heavily on growth and high-risk investments poses the risk of both your portfolio and business suffering in case of market fluctuations. Combining your business stake with other investments can help reduce overall risk. Prioritizing asset preservation allows you to protect your capital in challenging market conditions while still enabling growth in favorable market conditions. For instance, a small business owner could consider investing in government bonds, high-quality municipal bonds, small-cap equities, or high-yield bonds alongside their business.

independently from the finance or investment aspect. It is essential to consider these as distinct processes, as the investment-saving relationship is evident solely through fluctuations in real income, or, at full employment, through alterations in the composition of real income; conversely, the financing of investment is integrated into the financing of overall economic activity by the existing money supply and its velocity of circulation.

3. Methodology

This study is a quantitative and descriptive research. A survey was administered to one hundred forty-five (145) business owners in the said locale. The questionnaire was crafted from different research studies for saving and investments variables. This is also intended to determine the profile of the respondents, to measure the saving and investment of the entrepreneurs. The locale of the study was the 3rd district of Laguna where in this place was recorded to be one of the primary contributors when it comes to livestock, vegetables and fruits production in the province. Among the 145 business owners, majority are fifty-one years old and above which has the highest frequency of 51 with the percentage of 35.2 while twenty-five years old and below got the frequency of 8 with

5.5%. When it comes to the sex, females are 105 with the percentage of 72.4 while the males are 40 with 27.6%. On their educational background, college graduates have a frequency of 86 which is 59.3%, whereas, undergraduates have a frequency of 59 that comprised 40% of the total sampling. Most of the respondents have P200,000 and below of their annual income with 58.6%, and on the number of dependents, 84 of the respondents which is 51%, have one dependent, while fifty-three have two to three dependents.

4. Results and Discussion

Table 1: Awareness in the Concept of Savings and Investment

Indicator	Yes		No	
	F	%	F	%
Do you know the concept of savings and investment?	129	89.0	16	11.0

Majority of the respondents are aware and demonstrated an understanding of the concept of savings and investment with the frequency of 12.9 which comprises 89% of the total sampling while only 11% are not fully aware. As savings play a crucial role as a backup source of funding during times of financial difficulty, the result implies that the most common way to attain financial security is through saving and investing for over a long period of time. In addition, a group researcher claimed that saving money is a basic human need that enables people to handle difficult financial choices in their life (Mpaata et al., 2021). As stated by a research study, every person must understand how to manage their finances in terms of investing and saving (Elshaer 2021).

Table 2: Sources on Different Ways of Investing

Indicator	Television/Newspaper		Bank/Broker		Friends/Relatives		Others	
	F	%	F	%	F	%	F	%
How did you know about the different ways of investing?	14	9.7	12	8.3	68	46.9	51	35.2

The table shows the sources on the different ways on investing in which friends and relatives got the highest frequency of 68 with 46.9% out of 145 respondents. According to Gallery et al 2011, individuals count on others and strive for guidance from relatives and friends before making financial and investment decisions due to their lack of financial literacy in analyzing financial plans. Concerning financial decisions, the central aim of exchange behavior is to increase profits and reduce losses, the social exchange theory adds that actions based on social interactions are greatly determined by the strength of the association between the consultant and the customer. Thus, family is considered one of the key variables that affect an individual's financial decisions (Hilgert et al., 2003). Further, another article from emphasized the significant influence of family and friends in investment decision-making, which can sometimes be as influential as financial advisors (Lamas, 2022).

Table 3: Objectives about Savings

	For Children's Education		For buying a house		Long-term growth		For retirement		For Health		Others	
	F	%	F	%	F	%	F	%	F	%	F	%
What is your objective about savings?	49	33.8	7	4.8	44	30.3	32	22.1	3	2.1	10	6.9

Most of the respondents' objective about savings is for their children's education that obtained a percentage of 33.8. The result is supported by recent research conducted by indicates that receiving financial advice is linked to a higher likelihood of saving for children's college education (Korankye et al., 2023). Additionally, the study found that seeking specific types of financial advice related to savings/investment, is positively linked to a household's choice to allocate funds for their children's postsecondary education. However, although tertiary education provides substantial advantages to both individuals and society, its affordability is constrained by expenses. As costs continue to rise, numerous students depend on loans or exhaust their parents' savings to fund their academic pursuits. It is essential to comprehend the saving behaviors of parents for the education of future generations, encompassing the amount they save, the techniques they employ, and the influences affecting their saving choices.

Table 4: Type of Sector, the Respondents prefer to Invest their Money

	Private Sector		Public Sector		Government Sector		Others	
	F	%	F	%	F	%	F	%
In what type of sector, you would prefer to invest your money?	52	35.9	49	33.8	21	14.5	23	15.9

Table presents the sectors in which the respondents prefer to invest their money. Majority of them prefer the private sector with 35.9%, followed by 33.8% through the public sector and 14.5 is through the government sector. Generally, investing involves giving up something now in exchange for a future benefit or higher returns. As such, prior to deciding whether to involve the private sector, it's important to consider the potential benefits, such as the opportunity for higher returns, early entry into innovative projects, and the chance to play a strategic role (Clark, 2023).

Table 5: Consulting Friends/Relatives before Choosing an investment						
	Always		**Sometimes**		**Never**	
	F	%	F	%	F	%
Do you consult your friends or relatives before you choose your investment?	49	33.8	63	43.4	33	22.8

The table shows that 63 respondents, representing 43.4%, are sometimes consulting their friends or relatives before choosing an investment. The result is supported by an article of Mzwinila quoted "*Your friends and family may offer you financial advice with good intentions, but you should be wary of basing your investment decisions purely on stories shared* " (Mzwinila, 2019). She also mentioned that when considering investing, it's important to take into account your personal situation, your comfort with risk, your financial goals, and how long you plan to keep the investment. Sometimes people around you might urge investment decisions based only on possible profits, overlooking your individual requirements, which could affect the success of your investments. However, Investors often hesitate to pay for professional guidance, but it may end up being more expensive to seek free advice from an unqualified source. A competent independent financial adviser can assist you in choosing investments that align with your specific situation and guide you in managing your behavior while making investments to enhance your overall investment results. Trust is a critical factor when selecting an adviser. Seeking recommendations from trusted friends and family can be a good first step in finding a financial advisor, however in research of it suggests that your own financial knowledge and confidence are even more important (Akhtar and Das, 2019). The study found that attitude and financial self-efficacy (your belief in your ability to manage money) significantly influence your decision to invest. Interestingly, what others think of your investment choices (subjective norms) has a minor positive effect, but it's your own financial foundation that truly matters.

Table 6: Percentage of Respondents' Income they want to be Invested								
	0 – 15%		**16 – 30%**		**31 – 50%**		**51% above**	
	F	%	F	%	F	%	F	%
What percentage of your income would you want to be invested?	36	24.8	31	21.4	52	35.9	26	17.9

The table illustrates the respondents' willingness to allocate the percentage of their income to an investment. Majority or 35.9 are willing to allocate 31 to 50% of their income. This implies that beginning to plan for the future, many people often wonder on what portion of their earnings should they allocate towards investments. Investing not only aids in wealth accumulation but also ensures a financial cushion for retirement. As per the guideline, half of your net pay should be designated for essential expenses such as housing, groceries, healthcare, transportation, childcare, and paying off debts. 15% of your income before taxes, should be invested for retirement, while 5% of your take-home pay should be allocated for short-term savings, such as an emergency fund. This leaves 30% of your income that can be used for optional expenses such as entertainment, dining out, or additional savings.

Table7: Respondents' Preference on the Duration for their Investment						
	Short-Term		**Midterm**		**Long-term**	
	F	%	F	%	F	%
What duration would you prefer for your investment?	23	15.9	33	22.8	89	61.4

This table summarizes the result on the respondents' preference on the duration for their investment. It shows that 15.9 prefer a short-term period while 22.8 chose midterm, while most of them chose long-term period with the total of 61.4 percent. This indicates that the majority of the respondents prefer long-term goals for their investment.

Table 8: Things to consider most before Investing								
	Safety Principle		**High Returns**		**Low Risk**		**Full Time**	
	F	%	F	%	F	%	F	%
What do you consider most before investing?	52	35.9	34	23.4	34	23.4	25	17.2

Majority of the respondents with 35.9% consider safety principles before investing while 34 consider high returns and low risk with 23.4% of the total sampling. According to a study, while all investments carry some level of risk, he points out, understanding this risk is essential (Simpson, 2022). This can be especially challenging for new investors who are grappling with the concept of risk and how it translates into potential losses or missed returns. Even a situation with a seemingly equal chance of success can feel risky (Velmurugan et al., 2022). The good news is that there are various investment options available, each with its own risk profile. These options range from low-risk to high-risk, along with traditional and more recent opportunities (Velmurugan et al., 2022). Regardless of the specific option, investing involves putting your money into assets or schemes with the expectation of earning a positive return in the future. It's important to remember that investing goes beyond just saving money; it's about actively using your saved funds to potentially grow your wealth (Walunj and Tamhane, 2024).

Table 9: Preferences on their Investment												
	Stocks		**Bank Deposit**		**Gold**		**Mutual Fund**		**Real Estate**		**Others**	
	F	%	F	%	F	%	F	%	F	%	F	%
Which among the following would you prefer to invest in?	32	22.1	40	27.6	12	8.3	16	11.0	30	20.7	15	10.3

The table represents the respondents' preferences of investing with majority chose bank deposit with 27.6% followed by stocks with 22.1%, and real estate with 20.7%. This implies that people deposit money in banks because it is safer and get good interest on their deposits as well as they can withdraw whenever they want.

On the other hand, only few chose stocks, as supported by the study of findings indicated that investors' views on purchasing stocks in Asia are influenced by various factors, including impartial information, financial data, and societal significance (Teoh et al., 2021).

Table 10: Test of Difference										
	Age		**Sex**		**Educational Background**		**Number of Dependents**		**Annual Income**	
	λ^2	p-value	λ^2	p-value	λ^2	p-value	λ^2	p-value	λ^2	p-value
Do you know the concept of savings and investment?	10.420*	0.015	4.098*	0.043	0.070	0.792	2.553	0.466	5.115	0.164
How did you know about the different ways of investing?	18.156*	0.033	5.009	0.171	11.134*	0.011	14.511	0.105	8.438	0.491
What is your objective about savings?	27.281*	0.027	4.905	0.428	6.852	0.232	13.620	0.554	19.599	0.188
In what type of sector, you would prefer to invest your money?	8.142	0.520	5.349	0.148	1.820	0.611	15.316	0.083	7.919	0.542

Table 10 (Cont.): Test of Difference										
Do you consult your friends or relatives before you choose your investment?	8.666	0.469	2.294	0.514	1.602	0.659	59.466*	0.000	11.702	0.231
What percentage of your income would you want to be invested?	9.547	0.656	4.414	0.353	7.101	0.131	10.163	0.602	9.122	0.692
What duration would you prefer for your investment?	36.454*	0.000	3.875	0.275	1.804	0.614	10.541	0.308	12.497	0.187
What do you consider most before investing?	7.530	0.582	0.496	0.920	3.272	0.352	7.439	0.592	19.196*	0.024
Which among the following would you prefer to invest in?	14.048	0.522	5.626	0.344	8.509	0.130	15.396	0.423	28.184*	0.020

**Significant at α=0.05*

The table summarizes the test of difference on the demographic profiles and awareness on savings and investment among the business owners in third district of Laguna. In the concept of savings and investment, there are significant differences on their age and sex with a p- value of 0.015 and 0.043 respectively. The finding implies that middle aged people are more aware and demonstrated an understanding on the concept of savings and investment thereby aiding them in their efforts to raise and invest funds significantly, ultimately contributing to capital formation. Whereas females are relatively more aware of the investment and saving avenues as compared to male counterparts.

On the different ways of investing, there is a significant difference on their age and educational background with the p- value of 0.033 and 0.011 respectively. In the research by some researcher, it has shown that age plays a crucial role in shaping an individual's approach to investment (Charles and Kasilingam, 2013). Whereas, according to a person's level of education significantly impacts their investment choices (Ansari, 2018). The higher their level of education, the better equipped they are to understand the complexities of investing. On the objective about saving, and duration they prefer for investment, they significantly differ on their age with the p-value of 0.027 and 0.000 respectively. Finding indicates that age of the respondents has significant effect on saving for their children education, long-term growth, retirement, and including long-term duration they prefer for investment.

There are no significant differences on the sector they prefer to invest their money and on the percentage of income they want to be invested to all the profiles of the respondents. Thereby, these two indicators have no significant impact on any of the profiles of the respondents, regarding consulting with friends or relatives before choosing an investment, it differs significantly only on their number of dependents with the p-value of 0.000. When it comes to consulting family or friends before choosing an investment, may not necessary be influenced by the number of dependents. Both on what they consider before investing, and preference of investing, they significantly differ with variable on their annual income with p-value of 0.024 and 0.020 respectively. It shows significant impact on income with what the respondents consider before investing, and preferences of investing such as bank deposit, stocks and real estate.

5. Conclusions

The result indicates that business owners prefer to invest a portion of their income in different investment such as, bank deposits, stocks, and real estate as it will appreciate in the future. This investment scheme proves that the respondents are responsibly will set aside money to have an investment for their future needs. Large proportion of the participants were females which reveals that they exhibit higher inclination to invest their money as compared to males. Likewise, they are still cautious and focus on savings for their children education, long term growth and retirement rather than for buying house and for their health benefits.

on income with what the respondents consider before investing, and preferences of investing such as bank deposit, stocks and real estate.

Recommendation

Workshops and seminars can be conducted to the participants that include the adults and younger generation to guide and further help them analyze the importance of savings and investment avenue, discuss to them to have a Financial Plan which is a tool that helps one to decide how to use their money to achieve personal life and business goals, and discuss a savings and investment plan which are critical tools for managing money to meet short, medium, or long-term financial goals as well as sharing tips to successful saving and investment, thereby, aiding them in their efforts to raise and invest funds significantly, ultimately contributing to their capital formation. Local government may make intervention to empower the participants to pay more attention to factors to consider while choosing a financial institution to save and invest their money in line with their financial goals, and helping them develop their skills to protect themselves, their business, and families against unexpected events which can have serious consequences on their financial stability. Participants may take consideration on personal financial issues, as well as business issues, being able to apply that knowledge to manage their finances. They may consider also that investments can make a difference, if they can generate higher cash flows in the future.

References

Adbi, A., and Natarajan, S., 2023. Fintech and Banks as Complements in Microentrepreneurship. Strategic Entrepreneurship Journal, 17 (3), Pp. 585-611. https://doi.org/10.1002/sej.1470

Akhtar, F., and Das, N., 2019. Predictors of investment intention in Indian stock markets. International Journal of Bank Marketing, 37 (1), Pp. 97–119. https://doi.org/10.1108/ijbm-08-2017-0167

Ansari, Y., 2018. Investment Decisions as Related to Academic Background and Other Factors: An Empirical Assessment. International Journal of Economics, Commerce and Management, Vol. VI (Issue 7), ISSN 2348 0386.https://www.researchgate.net/publication/326413960_Investment_Decisions_As_Related_To_Academic_Background_And_Other_Factors_An_Empirical_Assessment

Charles, A., and Kasilingam, R., 2013. Does the Investor's age Influence Their Investment Behavior? Paradigm, 17 (1–2), Pp. 11–24. https://doi.org/10.1177/0971890720130103

Chen, J., 2024. Investment Management: More Than Just Buying and Selling Stocks. Investopedia. https://www.investopedia.com/terms/i/investment-management.asp

Clark, B., 2023. The pros and cons of investing in private companies. Micro ventures. https://microventures.com/the-pros-and-cons-of-investing-in-private-companies

Elshaer, I.A., Saad, S.K., 2021. Entrepreneurial resilience and business continuity in the tourism and hospitality industry: The role of adaptive performance and institutional orientation. Tour. Rev., 77, Pp. 1365–1384.

Fersousi, F., and Mahmud, P., 2018. Investment in Microenterprises for Scaling up Business Growth: Evidence from Social Business Project. IntechOpen. http://dx.doi.org/10.5772/intechopen.72126

Fit Small Business. 2024. Fit Small Business: Get your Business into Shape! https://fitsmallbusiness.com/

Forbes Article. 2024. How To Choose A Business Structure That Fits Your Financial Priorities. https://www.forbes.com/sites/cicelyjones/2024/04/14/financial-considerations-of-choosing-a-structure-for-your-new-business/

Friedberg, B., 2021. 5 Fundamental Strategies for Investing in Small Businesses. https://barbarafriedbergpersonalfinance.com/5-fundamental-strategies-for-investing-in-small-businesses/

Gallery, N., Newton, C., Palm, C., 2011. Framework for Assessing Financial Literacy and Superannuation Investment Choice Decisions. Australas. Account. Bus. Financ. J., 5, Pp. 3–22.

Guliman, S.D.O., and Uy, A.O.O., 2019. The Curious Case of Filipino Micro-Entrepreneurs' Financial Sophistication and the Triple Bottom Line. DLSU Business and Economics Review, 28 (3), Pp. 1-10.

Hilgert, M.A., Hogarth, J.M., Beverly, S.G., 2003. Household Financial Management: The Connection between Knowledge and Behavior. Fed. Reserve Bull., 89, Pp. 309–323.

Korankye, T., Pearson, B., and Salehi, H., 2023. Financial Advice Use and Saving for Children's college Education: A propensity score matching approach. Financial Counseling and Planning, 34 (1), Pp. 96–111. https://doi.org/10.1891/jfcp-2021-0069

Lamas, S., 2022. The role of family and friends in investing decisions. https://www.morningstar.com/. https://www.morningstar.com/financial-advisors/role-family-friends-investing-decisions

Madamba, D., 2024. Investment Management: More Than Just Buying and Selling Stocks. Investopedia. https://www.investopedia.com/terms/i/investment-management.asp

Maranan, S.E., and Maranan, J.P., 2019. Investment Management Perspective of Micro-Enterprises. International Journal of Advanced Research and Publications. (Vol. 3, Issue 5, pp. 75-76). https://www.ijarp.org/published-research-papers/may2019/Investment-Management-Perspective-Of-Micro-enterprises.pdf

Mpaata, E., Koske, N., Saina, E., 2021. Does self-control moderate financial literacy and savings behavior relationship? A case of micro and small enterprise owners. Curr. Psychol.

Mzwinila, L., 2019. Should you take investment advice from family and friends? AllanGray. https://www.allangray.co.za/latest-insights/personal-investing/should-you-take-investment-advice-from-family-and-friends/

NerdWallet. 2022. NerdWallet: Finance Smarter. https://www.nerdwallet.com/

Sanchez, M.A., 2017. A Framework to Assess Organizational Readiness for the Digital Transformation. Dimension Empresarial 15 (2), Pp. 27-40. https://www.researchgate.net/publication/319653685_A_FRAMEWORK_TO_ASSESS_ORGANIZATIONAL_READINESS_FOR_THE_DIGITAL_TRANSFORMATION

Schroders Global Investor Study 2022: Investors Feel Increasingly Empowered to Prioritize Personal Values and Needs. (2022, July 7). Schroders. https://www.schroders.com/en-us/us/individual/media-center/schroders-global-investor-study-2022-investors-feel-increasingly-empowered-to-prioritize-personal-values-and-needs/

Simpson, S.D., 2022. Low-Risk vs. High-Risk Investments: What's the Difference? Investopedia. https://www.investopedia.com/financial-edge/0512/low-vs.-high-risk-investments-for-beginners.aspx

Team, I., 2024. Keynesian Economics: Theory and How It's Used. Investopedia. https://www.investopedia.com/terms/k/keynesianeconomics.asp#:~:text=The%20central%20belief%20of%20Keynesian%20economics%20is%20that,the%20study%20of%20broad%20aggregate%20variables%20and%20constructs.

Teoh, K.B., Restrepo, C.P., López, C.A., Thulasedass, S.S.C., Singh, P., Suardi, E.I.S., Aryani, D.N., Aggarwal, J., and Das, A., 2021. A Study on Investors' Perceptions towards Stock Market. International Journal of Accounting and Finance in Asia Pacific, 4 (3), Pp. 60–74. https://doi.org/10.32535/ijafap.v4i3.1206

Thunstrom, T., 2022. 15 Smart Investment Strategies for Small Business Owners. Fit Small Business. https://fitsmallbusiness.com/investment-strategies-for-small-business-owners/

Velmurugan, D.G., Subashini, D.R., and Sandhiya, M.M., 2022. Investors' Perspective on Various Investment Options. International Journal on Economics, Finance and Sustainable Development, 4 (4), Pp. 37-44. Retrieved from https://journals.researchparks.org/index.php/IJEFSD/article/view/2940

Walunj, R.E., and Tamhane, R., 2024. An Analysis of Investment options for Individual Investors. ResearchGate, Vol. 12(Issue 03), ISSN (O): (2321-1709). https://www.researchgate.net/publication/378776003_An_Analysis_of_Investment_options_for_Individual_Investors

Yochim, D., 2024. Stock Research: How To Do Your Due Diligence in 5 Steps. NerdWallet. https://www.nerdwallet.com/article/investing/how-to-research-stocks