

Financial Management Mindset and Retirement Preparedness of Employees

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Abstract- This study examines employees' financial management mindset and retirement readiness with an emphasis on cost of living management, money management, digital financial practices, and debt management in addition to retirement readiness in terms of sufficient financial resources, a sustainable lifestyle, and debt-free management. Using a descriptive-correlational design, the results show that respondents have a sound financial mindset, which is typified by responsible use of digital financial tools, cautious borrowing, and disciplined budgeting. These actions result in a high degree of retirement readiness, particularly in terms of preserving desired lifestyles, reducing debt, and preserving financial stability. Nonetheless, there is comparatively minimal investment and income diversification activity. The study, which has its roots in retirement planning and financial literacy, emphasizes how crucial it is to improve strategic financial planning. All things considered, having a proactive financial mindset greatly enhances long-term stability and retirement preparedness.

Index Terms- Employees, Financial Management, Mindset, Preparedness, Retirement

I. INTRODUCTION

Personal financial management is more important than ever since governments in many nations have shifted the authority to make retirement decisions from state institutions and employers to individual employees (Vieira, et al., 2023). According to Lan and Lee (2024), employees are expected to take more responsibility for their retirement savings as defined-contribution plans proliferate and defined benefit pensions decline. However, studies consistently demonstrate that a large number of consumers lack the financial literacy required to make important personal financial decisions that are in their best interests (Andres, et al., 2025; Saludsod, et al., 2025; Sundarasan, et al., 2024). This shortfall has an impact on retirement planning, investing, budgeting, and saving. It frequently leads to high debt levels, inadequate savings, and long-term financial instability.

Financially literate employees make stronger investments and generally achieve more favorable returns, according to findings (Yusoff et al., 2024). However, individuals with inadequate or erroneous financial knowledge are more likely to design inadequate retirement plans, which reduces lifetime financial utility (Baguio and Nemino, et al., 2025). According to Razali and Fernando (2024), financial literacy is thought to be a spectrum of skills that evolve throughout a person's existence, enabling them to adapt to both personal and economic changes. This point of view emphasizes how important it is to foster a financial management mindset that supports long-term retirement preparedness.

Furthermore, financial well-being supports several Sustainable Development Goals of the United Nations and advances in broader socioeconomic development. Macroeconomic circumstances, sociodemographic traits, and individual financial habits all have an impact (Dhewa, et al., 2024; Hewasinghe and Koralage, 2025; Pfau, 2026). Improving financial well-being requires managing personal finances through prudent borrowing, saving, and spending practices (Van Beek, 2026). On the contrary, financial stress has been linked to higher employee turnover, depression, burnout, and lower productivity (Lan and Lee, 2024). These repercussions show that financial instability affects institutional sustainability and organizational performance alongside individuals.

Retirement readiness is still a major concern in the Philippine setting. The Government Service Insurance System (GSIS) for public sector employees and the Social Security System (SSS) for private sector employees are the main means by which the retirement system functions. The goal of these government-mandated programs is to support retirees financially, but pension benefits frequently fall short of covering all living expenses. Many employees deal

with issues, such as rising living expenses, insufficient savings, and poor financial literacy. Retirement funds lose value due to inflation, economic pressures, and volatile investment returns (Adhikari, et al., 2025). These facts highlight the necessity of proactive financial management techniques among staff members.

In the Philippines, cultural norms also influence retirement planning practices. Although it is customary for children to support their elderly parents financially, recent changes indicate that some Filipinos are depending more and more on their own savings, investments, and pensions to maintain retirement (Keryene and Jason, 2025). Individuals' perceptions of their financial security and investment priorities influence their preferences for pension features like defined benefit plans and socially conscious investing. These results show that sociocultural and economic factors have an impact on retirement preparation.

Behavioral and life-span perspectives can also explain the relationship between retirement readiness and financial mindset. According to Lloyd, et al. (2025), attitudes, subjective norms, and perceived behavioral control all influence employees' intentions to participate in financial behaviors. In a similar vein, Sharma (2026) highlights how financial behaviors change throughout life and are influenced by both individual experiences and socioeconomic shifts. These theoretical underpinnings offer a framework for comprehending how workers' financial management strategies affect their retirement readiness.

Whereas many studies have looked at retirement planning and financial literacy, few have looked at the relationship between retirement preparedness and financial management mindset, particularly in Philippine institutional settings. Examining employees' confidence in handling debt, digital spending, cost of living, and money management, as well as how these aspects relate to their overall retirement readiness, is still necessary. Closing this research gap will offer useful information for creating focused initiatives that improve government employees' long-term retirement readiness and

financial stability. Considering these conditions, the purpose of this study is to ascertain the Conrado F. Estrella Regional Medical and Trauma Center staff members' retirement readiness and financial management mindset. The study aims to improve retirement readiness and sustainable financial well-being in the public sector by looking at financial behaviors and long-term planning strategies.

II. METHODOLOGY

Descriptive design was used in the study in an effort to provide a precise overview of the variables being examined. Descriptive research design seeks to precisely and methodically characterize a population's or phenomenon's features without changing variables. In connection with this, regardless of the respondents' employment status, the 641 employees at Conrado F. Estrella Regional Medical and Trauma Center were the subject of the study. Slovin's formula was used to calculate the sample size of 246 with a 95% confidence level. Stratified random sampling was used to select the sample proportionately across divisions to guarantee a thorough representation of this population (Belandres, 2016).

The level of financial literacy is the main focus of the questionnaire. A number of financial concepts, such as cost of living, management, money management, digital expenditure management, and debt management, are rated by respondents. The ratings range from "Strongly Agree" (4) to "Strongly Disagree" (1) on a four-point Likert scale. The purpose of this section is to gauge how well respondents comprehend and apply financial concepts that affect their retirement readiness and financial stability. The questionnaire's second section evaluates the respondents' readiness for retirement. By assessing their readiness for sufficient financial resources, a sustainable lifestyle, and a debt-free retirement, this section investigates their confidence in preserving financial stability after retirement. The ratings range from "Strongly Agree" (4) to "Strongly Disagree" on the same four-point Likert scale.

III. RESULTS AND DISCUSSIONS

Confidence Level on the Financial Mindset of the Respondents as to Cost of Living Management

Table I: Confidence Level on the Financial Mindset of the Respondents on Cost of Living

The data indicated the respondents' extremely high confidence in their ability to manage their financial resources during retirement years.

Cost of Living Management	Weighted Mean	Descriptive Equivalent
I optimize spending my disposable income since the purchasing power of an income declines whenever prices of goods and services increase.	3.38	Strongly Agree
I suspend unnecessary consumption to minimize expenses due to increase (inflation) of prices of goods and services over time.	3.38	Strongly Agree
I apply budget prioritization consistently in my expenditures.	3.46	Strongly Agree
Average Weighted Total Mean	3.41	Strongly Agree

With an overall general weighted average of 3.41, which is considered Strongly Agree, the results demonstrate that respondents have a high degree of confidence in their financial mindset with regard to cost of living management. This implies that when it comes to modifying their financial practices in response to shifting economic conditions, employees as a group exhibit strong awareness and disciplined behavior. The application of budget prioritization consistently in their expenditures received the highest rating among the indicators, with a weighted mean of

3.46. This was followed by a tie between optimizing their disposable income and suspending unnecessary consumption, both at 3.38. The prevalence of budget prioritization suggests that respondents actively participate in organized financial planning, coordinating their expenditures with long-term objectives and necessities. Behavioral finance principles, which highlight that employees who implement systematic budgeting practices are more likely to display financially resilient behavior, particularly during times of economic uncertainty, support this behavior.

While respondents are highly aware of inflationary pressures, there may be slight variations in the consistency of applying these adaptive strategies, according to the slightly lower but still high ratings for optimizing disposable income and suspending unnecessary consumption. These actions are directly related to inflation and how it affects purchasing power, requiring the employees to modify their consumption habits in to preserve their financial security. Adhikari, et al. (2025) debate on financial literacy have shown that during inflationary times, employees with greater financial literacy are more likely to cut back on discretionary spending and reallocate resources effectively.

Ultimately, the findings show that the respondents are financially proactive and exhibit strong cost-of-living management through spending control, budgeting, and adaptive consumption. The emphasis on budget prioritization as the leading practice highlights its crucial role in preserving financial stability, even though all indicators fall within a high agreement range. All of these results point to the necessity of ongoing financial education and disciplined money management practices in maintaining long-term financial well-being by indicating that workers with a strong financial mindset are better able to handle economic pressures.

Table II: Confidence Level on the Financial Mindset of the Respondents on Money Management

Money Management	Weighted Mean	Descriptive Equivalent
I continuously contribute money to government-owned and controlled corporations, such as Philhealth, SSS, GSIS, Pag-ibig, and Landbank.	3.43	Strongly Agree
I set aside money regularly and save to my depository bank for future financial needs.	3.40	Strongly Agree
I wisely invest part of my disposable income to PAG-IBIG MP2, government treasury bills, stock market investment, jewelries, and other capital assets that appreciates over time.	3.01	Agree
Average		Strongly Agree
Weighted Total Mean	3.28	

Employees generally demonstrate sound and responsible financial management practices, according to the data, which shows a general weighted average of 3.28, Strongly Agree. This overall outcome points to a favorable attitude toward contributing, saving, and making plans for future financial requirements. With a weighted mean of 3.43, the continuous contribution of funds to government-owned and controlled corporations is the most highly rated indicator. Regularly setting aside funds and savings in their depository bank comes in second at 3.40. These leading responses suggest a strong preference for institutionalized and structured saving methods as a means of achieving financial

security. Frequent contributions to housing funds and social security programs show adherence to long-term financial safety nets, which are consistent with retirement planning principles. Consistent saving practices also corroborate findings in the literature on financial literacy, which highlight the importance of disciplined saving as a fundamental element of resilience and financial well-being.

However, with a weighted mean of 3.01 (Agree), the lowest-rated indicator, which indicates that they prudently invest a portion of their disposable income, indicates relatively little involvement in investing activities. This indicates that respondents may be more conservative, preferring traditional savings and government-backed programs over potentially higher-yielding but riskier investment options, even though the results are still positive. This pattern is in line with insights from behavioral finance, which explain why employees frequently show signs of risk aversion, especially when they do not know enough regarding or have enough confidence in investment vehicles like stocks or treasury bonds Ghadwan, et al., 2022)

Table III: Confidence Level on the Financial Mindset of the Respondents on Management of Expenditures

Digital Management of Expenditures	Weighted Mean	Descriptive Equivalent
I monitor regularly my cash flows through account transaction history and monthly account statements to responsively control my expenditures.	3.29	Strongly Agree
I use online payment platforms as the need arises.	3.28	Strongly Agree
I only utilize online banking platforms that are licensed and recognized by the Bangko Sentral ng Pilipinas and the Philippine Deposit Insurance Corporation.	3.58	Strongly Agree
Average Weighted	3.38	Strongly

Total Mean	Agree
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The overall weighted average of 3.38 (Strongly Agree) indicates that respondents have a particularly strong and flexible financial mindset when it comes to digital expenditure management. This shows a careful and security-conscious approach to using digital financial tools in addition to familiarity with them. With a weighted mean of 3.58, the highest-rated practice, using only online banking platforms licensed and approved by the Philippine Deposit Insurance Corporation and the Bangko Sentral ng Pilipinas, highlights a crucial aspect of contemporary financial behavior: security and trust. Financial literacy, which highlights the significance of assessing financial institutions to reduce risks in an increasingly digital environment, strongly supports the idea that respondents are not just digital users but also knowledgeable decision-makers who give platforms' legitimacy top priority.

With a weighted mean of 3.29, the second-highest indicator is that they actively participate in financial self-regulation by routinely monitoring their cash flows through account transaction history and monthly account statements. This behavior represents a change from passive to intentional money management, where employees use digital records to monitor their spending habits and remain accountable. In personal finance, this kind of behavior is widely acknowledged as essential to stable finances and efficient spending control (Keryne and Jason, 2025). While still falling within the strongly agree range, the lowest-rated item, which is that they use online payment platforms, when necessary, has a weighted mean of 3.28, indicating a more circumspect or situational use of digital payments. This could be a reflection of underlying worries about relying too much on technology or a desire to strike a balance between digital and conventional approaches.

These trends show a purposeful and risk-aware use of digital financial tools from the perspective of behavioral finance. Employees are more likely to use technology when it gives them a sense of security and control, rather than merely for convenience. All things considered, the findings present a convincing

image of financially conscious employees who are not only technologically proficient but also astute in their decision-making (Andres, et al., 2025). Their actions demonstrate a combination of prudence, self-control, and flexibility, qualities that are essential for negotiating the changing financial environment of today. This implies that even though digital integration is already robust, strengthening trust and boosting confidence in digital payment ecosystems could improve their resilience and financial efficiency even more.

Table IV: Confidence Level on the Financial Mindset of the Respondents on Debt Management

Debt Management	Weighted Mean	Descriptive Equivalent
I minimize incurring high financing costs in borrowing funds.	3.48	Strongly Agree
I stay away from borrowing money from usurious (high-interest loans) lending institutions.	3.44	Strongly Agree
I avoid borrowing money from my ATM as collateral	3.68	Strongly Agree
Average Weighted Total Mean	3.53	Strongly Agree

The overall general weighted average of 3.53 (Strongly Agree) exhibits that respondents have a very strong and disciplined financial mindset when it comes to managing debt. This implies that employees are extremely deliberate and cautious when it comes to initiating a loan, demonstrating a proactive rather than reactive approach to debt. Avoiding using their ATM as collateral is the most highly rated practice among the indicators (weighted mean of 3.68), followed by avoiding high financing costs when

borrowing money (3.48), and avoiding borrowing money from usurious lending institutions (3.44). The occurrence of avoiding ATM-collateralized borrowing indicates a keen awareness of risky or predatory lending practices, which frequently put borrowers in grave danger. This behavior is consistent with the study of Dhewa, et al. (2024) showing that employees who actively steer clear of high-risk debt instruments are less likely to suffer from excessive debt and the psychological and financial fallout that goes along with it.

Reducing financing costs, the second-highest indicator, supports cost-sensitive borrowing practices even more. Given that high-interest debts greatly increase long-term financial burden and repayment difficulty, Wang, et al. (2025) indicate that financially competent individuals tend to carefully weigh interest rates and borrowing costs. This illustrates a strategic and logical approach to debt, where borrowing choices are determined by sustainability rather than immediate consumption. The slightly lower rating for avoiding usurious lending institutions, however, indicates that even though respondents are generally cautious, there may still be exposure to or access to such lending options, necessitating ongoing financial vigilance. High-interest lending is frequently associated with situational and behavioral factors, such as urgency and limited financial options, which can override otherwise prudent financial intentions on borrowing behavior (Ahamed, 2025).

From a wider angle, these trends align with findings from behavioral finance, which highlight how both risk perception and cognitive control influence efficient debt management. Additionally, careful borrowing and debt avoidance are linked to reduced financial stress and enhanced well-being, underscoring the protective function of financial capability in handling responsibilities. Overall, the findings show that respondents are risk-aware, financially cautious, and strategically focused when managing debt. Their emphasis on cutting expenses and strong dislike of high-risk borrowing are signs of a mature financial mindset. All of these points point to the possibility of strengthening their already sound debt management strategies and promoting long-term financial stability by increasing access to safe credit

options and bolstering financial education on responsible borrowing.

Table V: Weighted Mean Result on the Retirement Preparedness of the Respondents

Adequate Financial Resources	Weighted Mean	Descriptive Equivalent
Sufficient funds must be saved and deposited in my bank for any unexpected expenses during my retirement years	3.34	Very Prepared
Multiple sources of income (pension and investments such as cash dividends, rental income, etc.) are necessary to suffice my financial needs, such as hospitalization, medical maintenance, and other unanticipated expenses during my retirement years.	3.10	Prepared
Contingency funds are essential to cover unexpected expenses such as home repairs, calamity emergencies, etc., after I retire.	3.32	Very Prepared
Average Weighted Total Mean Lifestyle Sustainability	3.25	Very Prepared
Having a residential unit is of utmost importance for me and my family during my retirement years to avoid incurring rental costs.	3.54	Very Prepared
An owned vehicle (car, mobility options) is necessary to avoid additional travel costs during my retirement.	3.51	Very Prepared
A separate fund for appropriate recreational activities and hobbies after retirement is important for my retirement years.	3.51	Very Prepared

Total Average Weighted Mean	3.52	Very Prepared
Debt-Free Retirement		
Pre-retirement debts need to be paid off to avoid the burden of high-interest payments.	3.50	Very Prepared
Borrowing funds from usurious (high-interest loans) lending institutions must be avoided during my retirement years.	3.52	Very Prepared
Overspending on unnecessary expenses to maximize the utilization of retirement funds.	3.10	Prepared
Total Average Weighted Mean	3.37	Very Prepared

When the three main factors are combined, the overall general weighted average of 3.38 (Very Prepared) shows that respondents are highly prepared for retirement. This shows that employees are proactively aligning their resources, lifestyle expectations, and debt strategies to ensure long-term security in addition to being aware of the financial demands of retirement. With a weighted mean of 3.54, the most highly rated item is that they own a residential unit, which is crucial to preventing rental expenses. This is closely followed by two items that are tied at 3.52: owning a car is essential to preventing additional travel expenses, and borrowing money from usurious lending institutions must be avoided during retirement years. These top answers highlight a strong preference for financial independence and asset ownership, both of which are well-supported by retirement literature. Owning necessities like housing dramatically lowers ongoing costs and improves retirement financial stability, according to Pfau (2026). In a similar vein, avoiding high-interest debt is consistently found to be a crucial factor in determining retirement security because it keeps finite fixed income resources from being depleted.

The lowest-rated indicators, on the other hand, have a weighted mean of 3.10 for both multiple sources of income and overspending on unnecessary expenses to maximize the use of retirement funds. These results indicate comparatively less emphasis on income diversification and controlled spending behavior, even though they are still within a positive range. This is significant because it emphasizes how important it is to have a variety of sources of income, including investments, pensions, and passive income, to reduce financial risk and maintain consumption throughout retirement. Furthermore, according to Razali and Fernando (2024), employees should strategically distribute their resources throughout their lives to ensure that their investments and savings are adequate to accommodate their post-retirement needs without becoming unduly dependent on a single source of income.

All things considered, the results paint a convincing representation of respondents as generally well-prepared and progressive in their retirement planning. Their strong preference for debt avoidance and asset ownership shows risk awareness and financial prudence. Nonetheless, there is room for improvement given the relatively less emphasis on income diversification and frugal spending. Respondents may be able to develop a more resilient and balanced retirement plan by strengthening these components through focused financial education and planning interventions. In conclusion, even though the degree of readiness is praiseworthy, maintaining financial stability throughout retirement will require maximizing investment diversification and controlling spending.

V. CONCLUSION

In accordance with the study's findings, respondents exhibit a strong and consistent financial management mindset, which is demonstrated by their responsible use of digital financial tools, careful debt management, and disciplined budgeting. This results in a generally high degree of retirement readiness, especially with regard to asset ownership, cost management, and awareness of financial security. However, there may be room for improvement given comparatively less emphasis on income diversification and investment participation. Overall,

the results support the importance of financial literacy and strategic retirement planning in attaining long-term financial stability by confirming that having a sound financial mindset greatly increases retirement readiness.

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