

# Determinants of Saving Behavior Among Generation Z in Bayambang, Pangasinan, Philippines: An Integrated Model of Financial Literacy, Materialism, Financial Behavior, and Financial Attitude

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## Abstract

This study investigates the determinants influencing saving behavior among Generation Z individuals in Bayambang, Pangasinan, Philippines. Using an integrated model grounded in the Theory of Planned Behavior (TPB), this paper examined how financial literacy, materialism, financial behavior, and financial attitude shape saving decisions among young adults aged 18-27 years. A quantitative approach was employed with data collected from 105 Generation Z respondents who have employment or income sources in the municipality of Bayambang, Pangasinan. The research utilized Partial Least Squares-Structural Equation Modeling (PLS-SEM) to analyze relationships between variables. Results revealed that materialism ( $\beta=0.376$ ,  $p<0.001$ ), financial behavior ( $\beta=0.243$ ,  $p<0.05$ ), and financial attitude ( $\beta=0.244$ ,  $p<0.05$ ) significantly and positively influence saving decisions, collectively explaining 58.7% of the variance in saving behavior. Contrary to expectations, financial literacy showed no significant effect on saving decisions ( $\beta=0.061$ ,  $p=0.491$ ), suggesting that knowledge alone may be insufficient without behavioral application. These findings provide important implications for financial education programs targeting Generation Z in rural Philippine municipalities, emphasizing the need to address materialistic tendencies while strengthening practical financial behaviors and attitudes. The study contributes to behavioral finance literature by demonstrating how psychological and behavioral factors outweigh cognitive knowledge in determining saving behavior among young Filipino adults in provincial settings.

## Keywords

*Generation Z, Saving behavior, Financial literacy, Materialism, Financial behavior*

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## INTRODUCTION

Generation Z represents a pivotal demographic cohort whose financial behaviors will shape the Philippines' economic landscape for decades to come. Born between 1997 and 2012, this generation currently comprises a substantial portion of the Philippine population, representing approximately 27% of the total demographic distribution (Philippine Statistics Authority, 2023). Within Bayambang, Pangasinan, Generation Z constitutes a significant segment of the municipality's population. Bayambang, a first-class municipality in Pangasinan province located in the Ilocos Region, has a population of approximately 128,603 inhabitants as of the 2020 census (Philippine Statistics Authority, 2020). This demographic significance underscores the critical importance of understanding their financial decision-making patterns, particularly regarding saving behavior in a provincial Philippine context.

As Generation Z members transition into productive age and enter the workforce in Bayambang's diverse economy—encompassing agriculture, commerce, education, and services—they acquire independent income-generating capabilities, positioning them to make autonomous financial decisions regarding consumption and savings. However, this financial independence presents a double-edged sword. Research by Casingal and Ancho (2021, 2022) demonstrates that Filipino young adults, including teachers and workers in urban settings, frequently encounter financial difficulties that persist throughout their lives without proper financial management knowledge and behavioral discipline. Casingal and Ancho's (2021) study of Filipino public school teachers revealed that even educated professionals struggle with financial management, highlighting systemic financial literacy challenges across the Philippine educational and employment sectors.

Contemporary data reveals concerning patterns in Generation Z's financial behavior across the Philippines. According to the Bangko Sentral ng Pilipinas (BSP) Financial Inclusion Survey (2021), young Filipinos aged 18-30 demonstrate low savings rates, with only 22% maintaining regular savings accounts. This pattern is particularly pronounced in rural and provincial areas like Pangasinan, where access to formal financial services and financial education remains limited. Nevertheless, emerging trends indicate behavioral shifts among Generation Z toward digital financial services and mobile banking applications, which have proliferated across Philippine provinces during the COVID-19 pandemic (BSP, 2022). This phenomenon reflects evolving financial consciousness among young Filipino adults who are increasingly utilizing technology for financial management.

Saving decisions constitute complex behavioral outcomes influenced by multiple interacting factors within the Philippine cultural and economic context. Grace et al. (2024) define saving decisions as deliberate actions whereby individuals determine choices regarding asset storage and allocation. In the Philippine setting, saving behaviors are particularly influenced by cultural factors including familial obligations, remittance patterns, and communal financial practices (Casingal & Ancho, 2021). Previous research by Efendy and Oktapiani (2024) and P and Karnadi (2020) identifies four primary determinants: financial literacy, materialism, financial behavior, and financial attitude—factors that merit examination within the specific context of provincial Philippine municipalities like Bayambang.

### Financial Literacy and Saving Behavior

Financial literacy encompasses knowledge about financial management practices and the capability to apply this knowledge toward achieving long-term prosperity (P & Karnadi, 2020; Lily Mardianti, 2024). Casingal and Ancho (2022) demonstrated in their comprehensive study of Philippine public school teachers that financial literacy enables individuals to make informed decisions about budgeting, saving, and investment. However, their research also revealed significant financial literacy gaps among Filipino educators, suggesting broader challenges across Philippine society. Casingal and Ancho (2021) identified that Filipino public school teachers face particular financial literacy challenges including limited knowledge of investment instruments, inadequate understanding of insurance products, and insufficient skills in long-term financial planning—challenges likely shared by young adults in provincial settings.

Within the Philippine context, financial literacy assumes particular importance given the prevalence of informal financial arrangements, limited access to formal banking in rural areas, and cultural practices emphasizing immediate consumption over long-term saving (Casingal & Quimson, 2023). Empirical evidence regarding financial literacy's impact on saving decisions presents mixed findings. Multiple studies including P and Karnadi (2020), Permatasari et al. (2023), Setiawan et al. (2022), Rahayu et al. (2022), Fadhli and Johan (2023), and Efendy and Oktapiani (2024) document positive and significant relationships between financial literacy and saving decisions. However, contradictory findings by Saputra (2022) and Mardiana and Rochmawati (2020) suggest financial literacy may not universally influence saving decisions, indicating potential moderating variables such as cultural context, income levels, and access to financial services.

### Materialism and Saving Behavior

Materialism, defined as interest stemming from material goods ownership in pursuit of desired life circumstances (Saffana et al., 2023), represents a critical psychological factor influencing financial behaviors, particularly in developing economies like the Philippines. P and Karnadi (2020) argue that individuals exhibiting high materialistic tendencies demonstrate greater propensity toward extravagant spending rather than saving. This pattern may be particularly pronounced among Filipino Generation Z, who face intense social media exposure showcasing consumer lifestyles and material acquisition. Casingal and Ancho (2021) note that materialistic behavioral patterns frequently result in financial stress and debt accumulation, particularly among young Filipino professionals and teachers who face competing demands of personal consumption desires and familial financial obligations.

In the Philippine cultural context, materialism intersects with traditional values of "*hiya*" (shame/propriety) and "*amor propio*" (self-esteem), where material possessions often serve as visible markers of success and social status. Research examining materialism's influence on saving decisions yields divergent conclusions. P and Karnadi (2020) and Saffana et al. (2023) report negative and significant effects, suggesting materialistic attitudes discourage saving behavior. Conversely, Dewi et al. (2021) and Permatasari et al. (2023) identify positive and significant effects, proposing that materialistic individuals may save specifically to finance future purchases. This relationship warrants

specific examination within Bayambang's socioeconomic context, where agricultural cycles, seasonal income variations, and familial economic interdependence shape consumption and saving patterns.

### Financial Behavior and Saving Behavior

Financial behavior, conceptualized as habitual patterns in financial resource utilization (Efendy & Oktapiani, 2024), encompasses individuals' abilities to organize, budget, plan, control, monitor, manage, and store financial resources. Alfani et al. (2023) emphasize that financial behavior reflects practical application of financial knowledge through observable actions such as maintaining emergency funds, conducting regular savings, and systematically tracking expenditures. In the Philippine context, Casingal and Ancho (2022) found that even individuals with moderate financial knowledge often fail to translate that knowledge into consistent financial behaviors, suggesting behavioral dimensions operate independently of cognitive understanding.

Filipino financial behaviors are particularly influenced by cultural practices including "*paluwagan*" (rotating savings and credit associations), "*utang*" (debt relationships), and family-based resource pooling (Casingal & Quimson, 2023). These traditional financial practices reflect behavioral patterns that may facilitate or constrain individual saving behaviors. Empirical investigations consistently demonstrate financial behavior's positive influence on saving decisions. Efendy and Oktapiani (2024) and Grace et al. (2024) provide evidence that sound financial behaviors significantly predict saving decisions, suggesting that individuals demonstrating disciplined financial habits exhibit greater propensity toward consistent saving regardless of knowledge levels or cultural background.

### Financial Attitude and Saving Behavior

Financial attitude represents individuals' mental states, opinions, and assessments regarding personal finances as manifested through behavioral patterns (Efendy & Oktapiani, 2024). Tendean et al. (2022) explain that financial attitudes shape how individuals spend, save, accumulate, and dispose of financial resources. Within the Philippine cultural context, financial attitudes are shaped by multiple influences including family financial socialization, religious teachings emphasizing stewardship and providence, educational experiences, and exposure to financial stress. Casingal and Ancho (2021) documented that Filipino teachers' financial attitudes significantly influenced their financial management practices, with more positive attitudes toward saving and budgeting associated with better financial outcomes despite limited income levels.

Research examining financial attitude's impact on saving decisions demonstrates substantial consensus. Tendean et al. (2022), Mardiana and Rochmawati (2020), and Efendy and Oktapiani (2024) document positive and significant effects, indicating that favorable financial attitudes promote saving behavior across diverse cultural contexts. Casingal and Quimson (2023) emphasize that attitude modification represents a critical component of effective financial literacy interventions in Philippine settings, as attitudes often prove more amenable to change than deeply embedded cultural practices or structural economic constraints. These findings suggest that financial attitudes may serve as particularly important leverage points for interventions targeting Generation Z saving behaviors in provincial Philippine municipalities.

### Theoretical Foundation: Theory of Planned Behavior

This investigation employs the Theory of Planned Behavior (TPB) as its theoretical foundation. Originally developed by Ajzen (1991) as an extension of the Theory of Reasoned Action (Fishbein & Ajzen, 1975), TPB has emerged as one of the most extensively applied frameworks for studying human behavior across diverse cultural contexts. The theory explicates conceptual foundations for behavior patterns and recognizes how individuals make choices regarding specific behaviors (Anastasia & Pamungkas, 2023). TPB posits that behavioral intentions reveal motivating factors influencing behavior, indicated through individuals' effort intensity and commitment to executing planned behaviors (Jennifer & Pamungkas, 2021).

Within the context of saving behavior among Filipino Generation Z, TPB provides a comprehensive framework for understanding how attitudes, subjective norms, and perceived behavioral control interact to shape saving intentions and subsequent behaviors. The theory's applicability to Philippine contexts has been demonstrated across various domains including financial decision-making, health behaviors, and educational choices. This study extends TPB application by examining how financial literacy, materialism, financial behavior, and financial attitude function as antecedents and moderators within the planned behavior framework, specifically regarding Generation Z's saving decisions in Bayambang, Pangasinan.

### Research Gap and Objectives

This research extends the foundational work of P and Karnadi (2020) by incorporating financial behavior and financial attitude variables into the analytical model within a Philippine provincial context. The rationale for including these additional variables stems from Efendy and Oktapiani's (2024) findings demonstrating that financial attitude and financial behavior exert positive influences on saving decisions. Furthermore, this investigation addresses the scarcity of financial behavior research focused specifically on rural and provincial Philippine settings. While Casingal and Ancho's (2021, 2022) work provides valuable insights into Filipino financial literacy challenges, most existing research concentrates on urban centers or specific professional groups, leaving provincial Generation Z populations underexamined.

The primary objective of this study is to examine and elucidate the influences of financial literacy, materialism, financial behavior, and financial attitude on Generation Z saving decisions within the Bayambang, Pangasinan context. Specific research questions include: (1) How does financial literacy influence Generation Z saving decisions in a provincial Philippine setting? (2) What role does materialism play in shaping saving behavior among young Filipino adults in Bayambang? (3) To what extent do financial behaviors predict saving decisions in this context? (4) How do financial attitudes contribute to saving decision-making processes among Generation Z in provincial Philippines?

## METHODOLOGY

### Research Design and Approach

This investigation employed a quantitative research design utilizing a cross-sectional survey approach. The methodological framework aligns with positivist epistemology, seeking to establish causal

relationships between independent variables (financial literacy, materialism, financial behavior, financial attitude) and the dependent variable (saving decisions). This approach enables systematic hypothesis testing and generalizable findings regarding Generation Z saving behavior determinants within the Philippine provincial context.

### Population and Sampling Procedures

The target population comprised Generation Z individuals born between 1997 and 2012 (ages 18-27 years at time of data collection) residing in Bayambang, Pangasinan. According to the Philippine Statistics Authority (2020), Bayambang has a total population of 128,603, with approximately 35% falling within the Generation Z age cohort, yielding an estimated target population of 45,011 individuals. Sample size determination utilized the Slovin formula with a 10% margin of error, yielding a minimum required sample of 100 respondents. To ensure robust analytical power and account for potential response quality variations, the final sample included 105 respondents.

**Table 1:** *Population Distribution in Bayambang, Pangasinan*

Age Group	Population Count	Percentage (%)
18-21 years	18,005	39.98%
22-24 years	13,503	30.00%
25-27 years	13,503	30.02%
<b>Total Gen Z</b>	<b>45,011</b>	<b>100.00%</b>

Source: Philippine Statistics Authority (2020), researcher's calculations

Purposive sampling methodology was employed to ensure sample representativeness and relevance to research objectives. Following Sugiyono's (2010) framework as cited in Lenaini (2021), purposive sampling enables researchers to select participants meeting specific criteria essential for addressing research questions. Inclusion criteria specified: (1) Generation Z classification based on birth year (1997-2012), (2) current residency in Bayambang, Pangasinan for at least one year, and (3) employment or regular income generation capability. These criteria ensured participants possessed actual financial decision-making autonomy and real-world saving opportunities within the local economic context.

### Data Collection Instruments and Procedures

Data collection utilized a structured questionnaire distributed via Google Forms during August-September 2024. This digital distribution method facilitated efficient reach across Bayambang's 77 barangays while ensuring data quality through built-in validation mechanisms. The questionnaire employed five-point Likert scales (1=Strongly Disagree to 5=Strongly Agree) to measure all constructs, ensuring consistency in response formats and facilitating subsequent quantitative analysis. The questionnaire was translated into Filipino (Tagalog) and pilot-tested with 20 Generation Z respondents to ensure cultural appropriateness and comprehension.

**Table 2:** *Variable Operationalization and Measurement*

Variable	Dimensions	Number of Items	Source
Financial Literacy (FL)	Investment knowledge Insurance knowledge General finance knowledge Savings/debt knowledge	4	Thung et al. (2014) Ling (2020)
Materialism (M)	Acquisition centrality Possession-defined success Acquisition as happiness	4	Helm et al. (2020)
Financial Behavior (FB)	Consumption patterns Cash-flow management Saving/investment practices	7→3*	Widyastuti et al. (2016) Agus (2022)
Financial Attitude (FA)	Money management attitudes Spending orientation Saving priorities	5→3*	Tendean et al. (2022)
Saving Decision (SD)	Saving intentions Actual saving behavior Goal-oriented saving	4	Widyastuti et al. (2016) Agus (2022)

*Note: Items reduced after convergent validity testing; initial → final item count*  
*Source: Researcher's compilation (2024)*

### Data Analysis Techniques

Data analysis employed Partial Least Squares-Structural Equation Modeling (PLS-SEM) using SmartPLS 4.0 software. PLS-SEM was selected for several methodological advantages: (1) capability to handle multicollinearity among predictor variables, (2) simultaneous analysis of measurement and structural models, (3) flexibility regarding data distribution assumptions, and (4) effectiveness with complex models involving multiple relationships. The analytical procedure encompassed two primary stages: measurement model assessment (outer model) and structural model evaluation (inner model).

Measurement model assessment evaluated convergent validity through factor loadings (threshold  $\geq 0.70$ ), construct reliability via Cronbach's alpha and composite reliability (thresholds  $\geq 0.70$ ), and discriminant validity using Heterotrait-Monotrait (HTMT) ratios (threshold  $< 0.90$ ). Structural model evaluation examined path coefficients, t-statistics, and p-values through bootstrapping procedures (5,000 resamples) to test hypothesized relationships. Model explanatory power was assessed through

R-squared values, with benchmarks of 0.67 (substantial), 0.33 (moderate), and 0.19 (weak) following Hair et al. (2019).

## RESULTS AND DISCUSSION

### Respondent Demographic Characteristics

The sample comprised 105 Generation Z respondents from Bayambang, Pangasinan. Demographic analysis revealed diverse characteristics reflecting the municipality's socioeconomic composition.

**Table 3:** *Demographic Characteristics of Respondents (N=105)*

Demographic Variable	Frequency	Percentage (%)
<b>Gender</b>		
Male	60	57.1
Female	45	42.9
<b>Age Group</b>		
18-20 years	2	1.9
21-24 years	101	96.2
25-27 years	2	1.9
<b>Occupation</b>		
Student	71	67.6
Employed (Full-time)	18	17.1
Employed (Part-time)	10	9.5
Self-employed	6	5.7
<b>Monthly Income</b>		
Below ₱5,000	42	40.0
₱5,000-₱10,000	35	33.3
₱10,001-₱15,000	18	17.1
Above ₱15,000	10	9.5

*Source: Researcher's data (2024)*

Demographic analysis revealed that male respondents constituted the majority (60 respondents, 57.1%), while female respondents numbered 45 (42.9%). Age distribution demonstrated concentration within the 21-24 years category (101 respondents, 96.2%), reflecting the core productive age segment

of Generation Z currently entering workforce and establishing independent financial lives in Bayambang. Occupationally, students represented the largest group (71 respondents, 67.6%), consistent with Bayambang's educational institutions including Pangasinan State University's Bayambang Campus. Monthly income distribution showed that 40.0% earned below ₱5,000, indicating that many respondents are students with limited part-time income or allowances.

### Measurement Model Assessment

#### Convergent Validity

Initial measurement model evaluation identified several indicators with factor loadings below the 0.70 threshold, specifically FB1, FB3, FB4, FA4, and FA5. Following Haryono's (2016) recommendation, these items were removed to enhance model validity and prevent data corruption in subsequent analyses. Table 4 presents the final factor loadings after item deletion.

**Table 4:** *Outer Loading Values After Item Deletion*

<b>Indicator</b>	<b>FA</b>	<b>FB</b>	<b>FL</b>	<b>M</b>	<b>SD</b>
FL1			0.790		
FL2			0.750		
FL3			0.759		
FL4			0.799		
M1				0.712	
M2				0.739	
M3				0.722	
M4				0.748	
FB2		0.813			
FB5		0.775			
FB6		0.742			
FA1	0.789				
FA2	0.726				
FA3	0.751				
SD1					0.701
SD2					0.782
SD3					0.825

SD4

0.759

*Note: FA=Financial Attitude; FB=Financial Behavior; FL=Financial Literacy; M=Materialism; SD=Saving Decision*

*Source: SmartPLS 4.0 output (2024)*

All remaining indicators demonstrated factor loadings exceeding 0.70, confirming adequate convergent validity. Financial literacy indicators ranged from 0.750 to 0.799, materialism indicators from 0.712 to 0.748, financial behavior indicators from 0.742 to 0.813, financial attitude indicators from 0.726 to 0.789, and saving decision indicators from 0.701 to 0.825. These results indicate that all measurement items adequately represent their respective constructs.

### Construct Reliability and Validity

Table 5 presents the construct reliability and validity assessment including Cronbach's alpha, composite reliability, and average variance extracted (AVE) values.

**Table 5:** *Construct Reliability and Validity Measures*

Construct	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Financial Literacy (FL)	0.836	0.842	0.884	0.604
Materialism (M)	0.720	0.723	0.826	0.542
Financial Behavior (FB)	0.808	0.823	0.873	0.634
Financial Attitude (FA)	0.788	0.788	0.876	0.702
Saving Decision (SD)	0.795	0.801	0.865	0.615

*Source: SmartPLS 4.0 output (2024)*

Reliability assessment revealed satisfactory internal consistency across all constructs. All Cronbach's alpha values exceeded the 0.70 threshold, ranging from 0.720 (Materialism) to 0.836 (Financial Literacy). Composite reliability values similarly surpassed recommended thresholds, ranging from 0.826 to 0.884. Average Variance Extracted (AVE) values all exceeded 0.50, indicating that constructs explain more than half of the variance in their indicators. These results confirm that measurement instruments demonstrated adequate internal consistency and reliability for hypothesis testing.

### Discriminant Validity

Discriminant validity was assessed using the Heterotrait-Monotrait (HTMT) ratio criterion. Table 6 presents the HTMT values for all construct pairs.

**Table 6:** *Heterotrait-Monotrait (HTMT) Ratio*

	<b>FA</b>	<b>FB</b>	<b>FL</b>	<b>M</b>	<b>SD</b>
<b>FA</b>					
<b>FB</b>	0.882				
<b>FL</b>	0.761	0.751			
<b>M</b>	0.696	0.630	0.497		
<b>SD</b>	0.834	0.798	0.672	0.588	

*Note:* Values below 0.90 indicate adequate discriminant validity  
*Source:* SmartPLS 4.0 output (2024)

Results demonstrated that all HTMT values remained below the conservative 0.90 threshold recommended by Hair et al. (2019), indicating adequate discriminant validity. The highest HTMT value (0.882) occurred between Financial Attitude and Financial Behavior, suggesting these constructs, while related, maintain sufficient distinctiveness to justify separate measurement. These findings confirm that each construct captures unique variance and that measurement instruments adequately discriminate between conceptually distinct constructs.

### Structural Model Evaluation

#### Model Explanatory Power

Table 7 presents the R-squared values indicating the model's explanatory power for the dependent variable (Saving Decision).

**Table 7:** *R-Square Values*

<b>Endogenous Variable</b>	<b>R-Square</b>	<b>R-Square Adjusted</b>
Saving Decision (SD)	0.587	0.570

*Source:* SmartPLS 4.0 output (2024)

The structural model demonstrated moderate explanatory power regarding Generation Z saving decisions in Bayambang, Pangasinan. The R-squared value of 0.587 indicates that financial literacy, materialism, financial behavior, and financial attitude collectively explain 58.7% of variance in saving decisions. According to Hair et al.'s (2019) classification scheme, this R-squared value falls within the moderate to substantial range, suggesting the model captures important determinants of saving behavior while acknowledging that 41.3% of variance remains attributable to factors not examined in

this investigation, such as family financial socialization, peer influence, access to financial services, and cultural factors specific to the Philippine provincial context.

### Hypothesis Testing Results

Table 8 presents the results of hypothesis testing through bootstrapping analysis with 5,000 resamples.

**Table 8:** *Path Coefficients and Hypothesis Testing Results*

Hypothesis	Path	$\beta$	SD	t-value	p-value	Decision
H1	FL $\rightarrow$ SD	0.061	0.089	0.689	0.491	Not Supported
H2	M $\rightarrow$ SD	0.376	0.105	3.592	0.000	Supported
H3	FB $\rightarrow$ SD	0.243	0.102	2.387	0.017	Supported
H4	FA $\rightarrow$ SD	0.244	0.101	2.421	0.016	Supported

*Note:*  $\beta$ =standardized path coefficient; SD=standard deviation; Significance at  $p < 0.05$   
*Source:* SmartPLS 4.0 output (2024)

Bootstrapping analysis revealed mixed support for the hypothesized relationships. The following sections discuss each hypothesis in detail.

### Discussion of Findings

#### Financial Literacy and Saving Decisions: Knowledge-Behavior Gap in Philippine Context

The non-significant relationship between financial literacy and saving decisions ( $\beta=0.061$ ,  $p=0.491$ ) presents a notable departure from substantial prior research documenting positive associations. This finding aligns with Saputra (2022) and Mardiana and Rochmawati (2020) but contradicts the broader literature including P and Karnadi (2020), Setiawan et al. (2022), and Efendy and Oktapiani (2024). Within the Philippine provincial context, this knowledge-behavior gap may be particularly pronounced due to specific structural and cultural factors.

Several Philippine-specific explanations merit consideration. First, Casingal and Ancho's (2022) research on Filipino public school teachers demonstrated that even individuals with formal education and moderate financial knowledge frequently fail to translate that knowledge into consistent financial behaviors. This suggests that financial literacy measured as cognitive knowledge proves insufficient without corresponding behavioral skills, environmental supports, and attitude development. Second, in Bayambang's context, limited access to formal financial institutions in rural barangays, prevalence of informal financial arrangements (*paluwagan*, 5-6 lending), and seasonal income variations in agricultural employment may create structural barriers that override knowledge-based decision-making. Third, strong cultural obligations toward extended family support—a phenomenon Casingal and Ancho (2021) identified as a significant financial stressor among Filipino workers—may compel young adults to allocate available resources to familial obligations rather than personal savings, regardless of financial literacy levels.

From a TPB perspective, this finding suggests that while financial literacy may inform attitudes toward saving, it insufficiently motivates actual behavioral intention or behavior without additional psychological and environmental supports. Casingal and Quimson's (2023) work on Filipino teachers' views on financial literacy emphasizes that effective financial education in Philippine contexts must address not only knowledge deficits but also behavioral skills, cultural practices, and structural constraints that shape financial decision-making.

### Materialism's Paradoxical Positive Effect on Saving in Philippine Provincial Context

The positive and significant effect of materialism on saving decisions ( $\beta=0.376$ ,  $p<0.001$ ) represents this study's most counterintuitive finding. While initial hypothesis predicted a negative relationship based on P and Karnadi (2020) and Saffana et al. (2023), results aligned with Dewi et al. (2021) and Permatasari et al. (2023) who documented positive associations. Within Bayambang's socioeconomic context, this paradox requires interpretation considering Filipino cultural values, social media influence, and emerging financial consciousness among Generation Z.

The positive materialism-saving relationship likely reflects instrumental or goal-oriented saving—wherein materialistic individuals in Bayambang save specifically to finance future purchases rather than for long-term security or emergency preparedness. This interpretation is particularly plausible given Generation Z's exposure to consumer culture through social media, desire for status symbols (smartphones, branded clothing, motorcycles), and awareness that these acquisitions require accumulation rather than debt-financed purchases. Filipino cultural values of "*hiya*" (avoiding shame) and "*amor propio*" (self-esteem) may reinforce this pattern, as debt accumulation carries social stigma while successful saving for desired purchases demonstrates financial capability and maturity.

Additionally, Generation Z in Bayambang may have witnessed older family members' debt struggles, creating awareness that materialistic desires can be better satisfied through saving than through debt accumulation. This behavioral recalibration reflects what Casingal and Ancho (2021) describe as "financial awareness through adverse experience"—learning financial discipline not from formal education but from observing negative consequences of poor financial management among family members and peers.

### Financial Behavior's Direct Influence on Saving in Provincial Philippines

The positive and significant effect of financial behavior on saving decisions ( $\beta=0.243$ ,  $p<0.05$ ) aligns with theoretical expectations and empirical precedents established by Efendy and Oktapiani (2024) and Grace et al. (2024). Within Bayambang's context, this finding underscores that actual financial management practices—including budgeting with limited resources, expense tracking despite informal income sources, and systematic allocation despite seasonal variations—directly facilitate saving behaviors regardless of formal financial knowledge levels.

This finding holds particular significance for Philippine provincial contexts where formal financial education remains limited but traditional practices like "*paluwagan*" (rotating savings associations) and "*alkansya*" (piggy bank saving) demonstrate behavioral foundations for systematic saving. Casingal and Ancho's (2021) research on Filipino teachers' financial challenges revealed that

behavioral discipline in expense tracking and budgeting proved more predictive of positive financial outcomes than formal financial knowledge or income levels. Similarly, among Bayambang's Generation Z, practical behaviors like maintaining expense records (even informally), consciously limiting discretionary spending, and utilizing mobile banking applications appear to facilitate consistent saving habits.

Generation Z's digital nativity presents unique opportunities for behavioral interventions. The proliferation of mobile banking, e-wallet applications (GCash, PayMaya, Coins.ph), and automated savings features during the COVID-19 pandemic has made systematic saving behaviorally easier for young Filipinos in provincial areas. These technological tools reduce behavioral friction associated with traveling to physical bank branches, maintaining minimum balance requirements, and navigating formal banking procedures—barriers that historically constrained saving behaviors in rural Philippine municipalities.

### Financial Attitude's Psychological Foundation for Saving Among Filipino Youth

The positive and significant effect of financial attitude on saving decisions ( $\beta=0.244$ ,  $p<0.05$ ) confirms findings by Tendean et al. (2022) and Mardiana and Rochmawati (2020), emphasizing psychological orientations' foundational role in financial behaviors across cultural contexts. Within Bayambang's context, financial attitudes are shaped by multiple influences including family financial socialization, Catholic religious teachings emphasizing stewardship and providence, educational experiences, peer comparisons facilitated by social media, and direct exposure to financial stress within households.

Casingal and Ancho (2022) documented that Filipino teachers' financial attitudes significantly influenced their financial management practices, with more positive attitudes toward saving and budgeting associated with better financial outcomes despite limited and delayed salary payments. Similarly, among Bayambang's Generation Z, attitudes reflecting future orientation, valuing financial security over immediate gratification, and perceiving saving as personally important appear to translate directly into saving behaviors. These attitudes may be particularly influential in contexts where structural barriers (limited formal employment, seasonal income, familial obligations) constrain behavioral options—positive attitudes toward saving motivate individuals to save whatever amounts possible despite constraints.

The significance of financial attitude in this Philippine provincial context aligns with Casingal and Quimson's (2023) recommendation that financial literacy programs targeting Filipino populations should emphasize attitude modification alongside knowledge transmission. Interventions utilizing peer modeling, success stories from community members who achieved financial goals through systematic saving, and religious/cultural framing emphasizing financial stewardship as moral responsibility may prove particularly effective in shaping positive financial attitudes among Generation Z in Bayambang and similar provincial municipalities.

## CONCLUSION AND RECOMMENDATIONS

### Research Conclusions

This investigation examined determinants of saving behavior among Generation Z individuals in Bayambang, Pangasinan, Philippines, employing an integrated model grounded in the Theory of Planned Behavior. Four primary conclusions emerge from the analysis:

First, financial literacy demonstrated no significant influence on saving decisions ( $\beta=0.061$ ,  $p=0.491$ ) among Generation Z in Bayambang, suggesting that cognitive knowledge alone proves insufficient for behavioral change in Philippine provincial contexts. This finding challenges conventional assumptions regarding financial education effectiveness and highlights the knowledge-behavior gap requiring intervention attention. The result aligns with Casingal and Ancho's (2021, 2022) findings that Filipino workers and teachers often possess moderate financial knowledge without corresponding behavioral application, suggesting structural, cultural, and psychological factors mediate the knowledge-behavior relationship.

Second, materialism exhibited a positive and significant effect on saving decisions ( $\beta=0.376$ ,  $p<0.001$ ), contrary to initial hypotheses predicting negative associations. This counterintuitive finding suggests that materialistic desires among Bayambang's Generation Z, when properly channeled, motivate goal-oriented saving rather than universally promoting debt-financed consumption. This pattern may reflect Filipino cultural values emphasizing shame avoidance in debt accumulation combined with Generation Z's digital financial literacy enabling systematic saving toward material goals.

Third, financial behavior demonstrated positive and significant influence on saving decisions ( $\beta=0.243$ ,  $p<0.05$ ), confirming that practical financial management skills and disciplined habits directly facilitate saving behaviors in Philippine provincial contexts. This finding underscores the importance of behavioral interventions over knowledge-focused education, particularly given Generation Z's access to digital financial tools that reduce behavioral friction in saving processes.

Fourth, financial attitude exhibited positive and significant effects on saving decisions ( $\beta=0.244$ ,  $p<0.05$ ), emphasizing the foundational role of psychological orientations in shaping financial behaviors among Filipino youth. This finding aligns with Casingal and Ancho's (2022) emphasis on attitude modification as a critical component of effective financial literacy interventions in Philippine contexts.

Collectively, these findings illuminate how psychological and behavioral factors outweigh cognitive knowledge in determining saving behavior among Generation Z in Philippine provincial municipalities. The integrated model explains 58.7% of variance in saving decisions, demonstrating substantial explanatory power while acknowledging cultural, structural, and familial factors requiring future investigation.

### Practical Recommendations

**For Generation Z individuals in Bayambang and similar Philippine municipalities:** Focus on developing practical financial behaviors rather than solely pursuing financial knowledge. Leverage digital financial tools (mobile banking apps, e-wallets with automated savings features) to create systematic saving habits. Channel materialistic motivations productively by setting specific saving

goals for desired purchases rather than financing acquisitions through debt. Engage with peer networks demonstrating successful saving behaviors to reinforce positive financial attitudes.

**For financial educators, LGU officials, and DepEd personnel in Pangasinan:** Design financial literacy programs emphasizing behavioral skill development and attitude modification over knowledge transmission. Following Casingal and Ancho's (2021, 2022) recommendations for Philippine contexts, incorporate experiential learning (budgeting simulations with actual income scenarios), peer learning circles, and success story sharing from community members. Partner with digital financial service providers to facilitate access to automated saving tools. Develop culturally appropriate messaging that frames saving as fulfilling familial obligations and demonstrating financial maturity. Consider integrating financial education into Alternative Learning System (ALS) programs to reach out-of-school youth in rural barangays.

**For banks, cooperatives, and fintech companies serving rural Pangasinan:** Develop savings products aligned with Generation Z behavioral patterns: goal-based savings accounts with visual progress tracking, micro-savings features accepting deposits as low as ₱10-20, gamified saving challenges with peer comparison elements, and flexible withdrawal policies acknowledging seasonal income variations in agricultural communities. Reduce account opening requirements and minimum balance thresholds that create barriers in provincial areas. Leverage mobile platforms to extend reach beyond poblacion centers into rural barangays where physical branch access remains limited.

**For policymakers and BSP:** Enhance financial inclusion initiatives targeting provincial Generation Z through expanded digital financial service access, youth-oriented financial products with appropriate features and protections, and financial education integrated into senior high school and technical-vocational curricula. Consider incentive structures (matching contributions, tax benefits for youth savers) to encourage early saving habit formation among Generation Z in rural and provincial areas.

### Research Limitations

Several limitations warrant acknowledgment. First, the cross-sectional design precludes causal inference and temporal sequencing determination. Longitudinal investigations tracking Bayambang's Generation Z saving behaviors across multiple time points would provide stronger causal evidence and illuminate how financial behaviors evolve as young adults transition from student status to full employment. Second, the sample's geographic concentration in Bayambang limits generalizability to other Philippine municipalities with different socioeconomic characteristics, ethnic compositions, or economic structures. Third, self-report measurement introduces potential social desirability bias, particularly given Filipino cultural values emphasizing "hiya" that may influence response patterns. Future research incorporating objective behavioral measures (actual savings account balances, transaction data from partner financial institutions) would strengthen validity. Fourth, the 41.3% unexplained variance suggests additional determinants warrant investigation, including family financial socialization patterns, peer influence mechanisms, access to formal financial services, digital financial literacy specific to Philippine e-wallet platforms, and cultural factors unique to Ilocano communities in Pangasinan.

### Future Research Directions

Future investigations should address current limitations while extending theoretical understanding of saving behaviors in Philippine provincial contexts. Specific recommendations include:

First, conduct longitudinal studies tracking Generation Z financial behaviors as they transition from education to employment, examining how saving patterns evolve with income stability, family formation, and life stage transitions. Such research could particularly examine whether materialistic motivations for saving prove sustainable over time or represent temporary behavioral patterns.

Second, implement comparative studies across diverse Philippine municipalities with varying socioeconomic characteristics, urbanization levels, and ethnic compositions. Examining whether findings from Bayambang generalize to Ilocano communities in other Pangasinan municipalities, Tagalog-speaking areas in Central Luzon, or Visayan and Mindanaoan provinces would illuminate cultural and contextual moderators of saving behavior determinants.

Third, incorporate additional theoretical variables strengthening explanatory power. Particularly promising candidates include: (1) family financial socialization processes specific to Philippine extended family structures, (2) peer influence mechanisms mediated through social media platforms popular among Filipino Generation Z, (3) access to and utilization of digital financial services (GCash, PayMaya, bank apps), (4) financial self-efficacy beliefs shaped by early financial experiences, (5) religious orientation and its influence on financial stewardship attitudes, and (6) exposure to financial stress within households. Mediation analyses could examine whether attitudes and behaviors mediate financial literacy's influence on saving, clarifying mechanism specificity.

Fourth, design and evaluate culturally appropriate financial literacy intervention programs for Philippine provincial contexts. Following Casingal and Ancho's (2021, 2022) recommendations, interventions should emphasize behavioral skills and attitude modification while respecting cultural values and addressing structural constraints. Randomized controlled trials comparing knowledge-focused versus behavior-focused interventions would provide definitive evidence for policy and practice.

Fifth, conduct qualitative investigations exploring Generation Z's subjective experiences of saving, financial decision-making processes, and meanings attributed to material possessions and saving behaviors. Mixed-methods approaches integrating survey data with in-depth interviews and focus group discussions would provide comprehensive understanding of how cultural values, family dynamics, peer influences, and digital media exposure shape saving attitudes and behaviors among Filipino youth in provincial settings.

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