

Personal Financial Management Practices of Average earning households within Indigenous Communities of Mountain Province: Exploring Their Strategies and Challenges

Elvin P. Rosario

Email: elvinp.rosario@gmail.com

*Corresponding Author: elvinp.rosario@gmail.com

Citation: Rosario, E. P. (2025). Personal Financial Management Practices of Average earning households within Indigenous Communities of Mountain Province: Exploring Their Strategies and Challenges. *Journal of Cultural Analysis and Social Change*, 10(3), 411–422. <https://doi.org/10.64753/jcasc.v10i3.2426>

Published: November 26, 2025

ABSTRACT

This study examined the financial management practices, challenges, and coping mechanisms of average-earning households in Bontoc, Mountain Province, within the context of cultural traditions and socioeconomic realities. Guided by a qualitative design, the research gathered insights from participants belonging to households across different barangays of Bontoc and applied thematic analysis supported by relevant financial management theories. Findings revealed that households face persistent financial challenges such as income insufficiency, rising costs of basic goods, and obligations to education, healthcare, and cultural traditions. To address these, families employed strategies including strict budgeting, sideline work, borrowing, and reliance on extended kinship networks. Financial stress was found to manifest in psychological strain, disrupted education of children, and limited healthcare access. Nonetheless, coping mechanisms reflected both modern financial literacy practices such as budgeting, savings, and diversification, and indigenous cultural practices including *og-ogfo* and *bayanihan*. These combined strategies highlight the integration of economic, social, and cultural resilience in household financial life. The study concludes that sustainable household financial management in Bontoc cannot be addressed solely by modern financial frameworks; it must also recognize indigenous practices that strengthen community solidarity. It recommends policy interventions to enhance income stability, improve access to education and healthcare, and promote culturally sensitive financial literacy programs.

Keywords: Household Financial Management, Coping Mechanisms, Cultural Traditions, Financial Literacy

INTRODUCTION

Financial management was a fundamental aspect of household well-being, enabling families to allocate resources, plan for future needs, and respond to financial uncertainties. For Indigenous communities, particularly those living in geographically isolated and resource-limited areas like Mountain Province, a province in northern Philippines, financial management was not only a matter of survival but also a reflection of long-standing cultural practices and collective values. These practices were deeply embedded in community life, ensuring that financial decision-making remained closely tied to social obligations and cultural identity.

Financial management within Indigenous households in Bontoc, Mountain Province is not limited to budgeting, income allocation, or saving. It is deeply intertwined with culture, reciprocity, and social responsibility. Unlike mainstream Filipino families who often depend on banks, salary loans, and digital finance, Bontoc households weave financial decisions through cultural practices such as *supon*, *og-ogfo*, and *paluwagan*. These practices are not simply traditions; they serve as informal economic structures that ensure survival, dignity, and belonging during times of need.

In the context of Bontoc culture, money is not managed in isolation. The practice of *supon* occurs during rituals, weddings, wakes, christenings, and community gatherings where individuals give monetary support not as charity but as a symbolic investment in future solidarity. The system of *og-ogfo*, also known in some areas as *og-ogbu*, provides communal labor and collective aid. When a household faces illness, funeral expenses, or agricultural work, community members respond with pooled resources that may include rice, livestock, labor, or direct contributions. Alongside these, *paluwagan* operates as a rotating savings group, where members contribute a fixed amount periodically, and each member receives a turn to collect the lump sum. This system provides liquidity without interest or institutional requirements, sustained solely by trust and accountability.

These Indigenous systems of finance operate within a modern economic reality. Indigenous families today confront rising prices of rice, LP Gas, transportation, electricity, and educational expenses. While formal cooperatives and microfinance institutions exist, many households prefer cultural mechanisms because they do not require documentary compliance, collateral, or interest payments. Yet, these systems also face challenges. Some households experience financial strain when cultural obligations coincide with emergencies. Others risk debt when they cannot meet expected obligations within rituals and community events. Despite these pressures, cultural finance continues to protect households from predatory loans and safeguard their social identity.

This study examines how average-earning households in Bontoc manage finances not only through income and expenditures but through cultural responsibilities and communal ties. It recognizes that financial behavior among Indigenous peoples is shaped by identity, honor, and trust. Financial resilience in Bontoc is therefore collective and relational, not purely individual. By acknowledging these dynamics, this research aims to contribute a culturally grounded perspective on financial management, offering insights that go beyond standard models of financial literacy.

This study aligns with the Sustainable Development Goals. It supports SDG 1 on poverty reduction by recognizing Indigenous strategies for economic survival, SDG 8 on decent work and economic growth by documenting informal livelihood systems, SDG 10 on reduced inequalities through culturally respectful approaches to finance, and SDG 11 on sustainable communities by safeguarding traditional reciprocity systems. These alignments emphasize that Indigenous practices should not be replaced but integrated into community development and financial education.

Most financial studies in the Philippines explore budgeting, savings, credit, and livelihood, but they seldom examine how culture directly governs financial decisions. While *paluwagan* has been discussed in some literature, practices such as *supon*, *og-ogfo*, and ritual obligations remain largely undocumented in financial discourse. There is a lack of frameworks that recognize Indigenous communities as financial systems of their own. This study responds to that gap by presenting Bontoc households not as economically vulnerable subjects but as cultural financial actors with structured strategies rooted in community and tradition.

This study benefits policymakers by encouraging programs that integrate cultural financial systems rather than replacing them. For cooperatives and microfinance organizations, it highlights the potential of trust-based models that mirror *paluwagan*. For educational institutions such as Mountain Province State University, it offers content for financial literacy grounded in Indigenous experience. For communities, it affirms that culture is not a barrier to finance but a foundation of economic survival.

The study focuses on Indigenous households in Bontoc that belong to the average-earning bracket and are active participants in family financial decisions. It uses phenomenology to capture lived experiences rather than statistical trends. Results are context-specific but offer broader implications for other Indigenous settings.

LITERATURE REVIEW

Financial Management Practices in Indigenous and Rural Communities

Financial management practices in Indigenous and rural households are often rooted in community-based systems rather than formal banking institutions. Lusardi & Mitchell (2014) emphasized that budgeting and saving are foundational to financial resilience, yet in resource-constrained settings, these practices often take unique cultural forms. In the Philippine context, the study conducted by Corminal and Matildo (2025) in Surigao del Sur found that households primarily depend on government programs—especially the Assistance to Individuals in Crisis Situations (AICS)—and strong familial networks for financial support. In contrast, private institutions and non-profits play a minimal role in providing assistance. The study also revealed that households consistently prioritize essential spending. While there is moderate success in budgeting and saving, investment behavior is weak, which reflects a lack of confidence and knowledge in this area. Also, Cruz and Sta. Romana (2019) found that households rely on practical budgeting strategies to manage income fluctuations. Similarly, Llanto (2007) documented the role of cooperatives and microfinance institutions in supporting household financial stability,

while Sison (2016) observed that cooperatives are particularly effective in rural areas due to shared community identity and trust.

However, budgeting and credit systems alone may not fully protect households from financial stress. Banerjee & Duflo (2011) argued that even disciplined financial planning cannot compensate for severe income scarcity, while Collins et al. (2009) highlighted how poor families often juggle multiple financial tools (borrowing, saving, informal lending) just to survive day-to-day.

Cultural Beliefs and Decision-Making

Cultural values strongly shape household financial decisions in Indigenous settings. Like in study of Opoku-Okuampa (2024), he examined the influence of cultural factors on financial behaviors in Ghana. The study revealed that there is a strong cultural preference for financial practices based on community trust and collective responsibility, which often leads individuals to favor informal systems over formal financial institutions. Additionally, family structures and societal expectations play a significant role in shaping financial priorities, placing greater emphasis on the needs of the group rather than individual goals.

Medina (2001) and Putnam (2000) stressed that Filipino families rely heavily on solidarity, shared responsibility, and trust networks as informal safety nets. Financial goals are often collective rather than individual, with decisions guided by communal ethics and obligations. Bautista (2020) also pointed out that educational and health expenditures are viewed as family investments rather than personal achievements.

Traditional practices such as *og-ogfo* (mutual help) and *bayanihan* remain important in the Cordillera, where they reduce financial burdens while reinforcing cultural identity. Salvador-Amores (2002) documented how such practices serve both economic and social purposes, while Portes (1998) identified them as examples of social capital sustaining community resilience. Yet, modernization challenges these traditions: Giddens (1991) noted that modernity weakens traditional bonds, with younger generations participating less in communal systems.

Economic Challenges and Vulnerabilities

Indigenous households face structural barriers that complicate financial management. Limited access to formal financial institutions and credit services remains a persistent challenge in rural Philippines (Llanto, 2007). Income instability, reliance on agriculture, and climate risks such as typhoons and droughts further exacerbate financial precarity. To cope, households often depend on informal borrowing from relatives, *paluwagan*, or loan sharks (the “5-6 system”), which provide quick relief but expose families to cycles of debt (Llanto, 2010; Collins et al., 2009). Ellis (2000) and Habito (2012) highlighted that diversification of income sources, including sideline jobs, farming, and micro-enterprises, is a common rural strategy. However, Carter and Barrett (2006) cautioned that diversification is not always effective; when secondary income sources are unstable or yield low returns, they may entrench poverty rather than alleviate it.

Coping Mechanisms and Household Resilience

In response to financial stress, households employ a wide range of coping strategies. Budgeting and prioritization of needs remain essential (Lusardi & Mitchell, 2014), while income diversification has been documented as a vital resilience strategy (Ellis, 2000; Intal, 2017). Family and community solidarity also play a central role, with Llanto (2007) and Medina (2001) affirming that kinship networks serve as primary safety nets in times of crisis.

Faith and spirituality further contribute to resilience, providing households with hope and psychological support. Meanwhile, financial resilience is reinforced by practices such as saving for emergencies and maintaining contingency plans, which align with findings from OECD (2017) and Aldana (2015) on the importance of financial literacy and long-term planning. Yet, Banerjee & Mullainathan (2010) cautioned that scarcity itself undermines these practices, as urgent needs often outweigh long-term financial goals.

Gap in the Literature

While previous studies have highlighted budgeting, borrowing, cultural solidarity, and income diversification as strategies for household survival, there is limited research that integrates these practices within the cultural context of Indigenous communities in Mountain Province. Specifically, few studies examine how traditional practices like “Og-ogfo” interact with modern pressures such as inflation, migration, and digital finance. This gap justifies the need for the present study, which explores the financial management practices of average-earning Indigenous households in Bontoc, Mountain Province, and situates them within broader theories of Cultural Capital, Behavioral Economics, and Social Identity.

Theoretical and Conceptual Framework

This study is guided by a Cultural Finance Framework composed of Social Capital Theory, Social Identity Theory, and Behavioral Economics. These perspectives together explain how culture, relationships, and survival strategies shape Indigenous financial behavior.

Social Capital Theory explains how trust-based relationships create financial security. Systems such as *paluwagan* and *og-ogfo* operate through mutual trust and shared responsibility. Instead of collateral, households rely on reputation and reciprocity to access resources.

Social Identity Theory clarifies how cultural expectations determine financial priorities. In Bontoc, spending for rituals, kin obligations, or funerals is not optional. Households invest in these obligations because it affirms identity and preserves family honor. Refusal to participate results in social distance or exclusion.

Behavioral Economics explains how households make financial decisions under scarcity. Families plan through mental accounting, small coin savings, in-kind reserves, and selective borrowing. Even when cash is limited, decisions are logical within cultural reasoning and long-term reciprocity.

In this conceptual view, culture forms the foundation of financial decision-making. Ritual obligations, kin-based support, and communal expectations shape how households allocate funds. Financial constraints such as income irregularity, rising costs, and limited access to loans intensify reliance on social capital and identity. Households respond through budgeting, *paluwagan* cycles, reciprocal aid, and the revival of traditional systems such as *supon* and *og-ogfo*. These practices sustain both economic needs and cultural integrity.

Statement of the Problem

This study seeks to understand the financial management practices of average-earning Indigenous households in Bontoc, Mountain Province, particularly in relation to cultural influences and coping mechanisms. Specifically, it asks:

1. What financial management practices were commonly employed by average-earning households in Bontoc, and how did cultural values influence these practices?
2. How did cultural beliefs and traditions impact financial decision-making processes and the prioritization of financial goals among average-earning households in Bontoc?
3. What were the primary economic challenges faced by these households that impacted their financial management strategies, and how did these challenges differ from those experienced by non-Indigenous communities?
4. What coping mechanisms did average-earning households use to manage financial stress?

METHODOLOGY

Research Design

This study adopted a qualitative descriptive phenomenological design to explore the lived financial experiences of average-earning Indigenous households in Bontoc, Mountain Province. Phenomenology was chosen to understand how individuals interpret and give meaning to their financial decisions within their cultural and economic realities. This design enabled the researcher to access subjective insights on how families budget, save, borrow, and cope with financial pressures rooted in Indigenous customs and community obligations. As Creswell (2013) emphasized, phenomenology allows researchers to examine the essence of human experiences, particularly useful in studies where cultural meaning deeply influences behavior.

Research Locale

The research was conducted in Bontoc, Mountain Province, a predominantly Indigenous community characterized by strong kinship networks and collective practices. Financial decisions in Bontoc are often guided by community expectations and cultural practices such as clan contributions, shared labor, and informal mutual support systems. The socio-cultural environment of Bontoc provides a distinctive context for understanding how financial management is shaped not only by economic constraints but also by cultural duties and communal reciprocity.

Participants and Sampling Procedure

Participants were selected through purposive sampling, focusing on Indigenous households identified as average earners. Based on the Philippine Statistics Authority (PSA) income classification, average-earning households are those that earn slightly above the poverty threshold, capable of meeting their basic needs yet unable to consistently generate financial surplus. Eligible participants met the following criteria:

- (1) Indigenous residents of Bontoc for at least five years.

- (2) aged 25 years and above.
- (3) active decision-makers in household finances.
- (4) earning within the PSA-defined lower to lower-middle income range.

A total of twelve (12) key informants were included. The number of participants was justified by data saturation, where no new themes emerged during the final interviews, consistent with phenomenological standards (Moustakas, 1994).

Table 1. Profile of Participants (N = 12).

Code	Age	Occupation / Source of Income	Monthly Income (₱)	Household Size
KI1	42	Public School Teacher	18,000–22,000	5
KI2	38	Farmer / Vegetable Seller	12,000–15,000	6
KI3	45	Tricycle Driver / Side Farmer	10,000–14,000	4
KI4	35	Sari-Sari Store Owner	15,000–18,000	5
KI5	50	Barangay Health Worker	13,000–16,000	6
KI6	29	Construction Worker / Mason	11,000–13,000	3
KI7	41	Tailor / Dressmaker	14,000–17,000	4
KI8	37	Housewife (Spouse is OFW helper)	20,000–25,000	5
KI9	47	Market Vendor	12,000–16,000	6
KI10	34	Jeepney Driver	15,000–19,000	4
KI11	52	Retired LGU Worker	18,000–20,000	5
KI12	30	Day Care Worker	13,000–15,000	4

These profiles represent households navigating financial responsibilities within constrained income levels, making them suitable for capturing the essence of financial management among Indigenous families.

Data Collection Procedures

Data were gathered through semi-structured interviews and a focus group discussion (FGD) to obtain both individual narratives and collective perspectives. The interview guide consisted of open-ended questions exploring budgeting practices, saving habits, borrowing experiences, and financial coping strategies. This format allowed participants to freely articulate how cultural expectations influenced their decisions. Consultations with community elders were conducted to ensure cultural appropriateness of the questions.

Interviews were conducted in Ilokano and Bontok languages, depending on the preference of the participants. Each session lasted between 20 to 30 minutes and was audio-recorded with consent. The FGD was held to validate emerging themes and to generate dialogue on shared practices such as pooling funds and reciprocal assistance. All recordings were transcribed verbatim to preserve authenticity of language and meaning, as suggested by Braun and Clarke (2006).

Data Analysis

The study employed thematic analysis following Colaizzi's phenomenological method. The researcher immersed in the data by repeatedly reading transcripts, then extracted significant statements related to financial experiences. Codes were formulated based on recurring ideas such as prioritizing necessities, reliance on informal credit, and cultural obligations. These codes were clustered into broader themes that reflected the financial realities of Indigenous households.

The interpretation of themes was guided by Cultural Capital Theory and Behavioral Economics, ensuring that cultural behaviors and financial reasoning were both acknowledged. Consistent with phenomenological rigor, emerging themes were validated through member checking, where selected participants confirmed the accuracy of interpretations (Creswell & Poth, 2018).

Ethical Considerations

The study adhered to ethical standards in conducting research with Indigenous communities. Approval was secured from local authorities, and participants provided informed consent after being briefed on the objectives, voluntary nature of participation, and right to withdraw. Confidentiality was maintained through the use of coded identities, and all data were securely stored.

Research rigor was ensured by observing the criteria established by Lincoln and Guba (1985). Credibility was strengthened through prolonged engagement and triangulation of interviews and FGD. Transferability was supported by detailed descriptions of the research context and participant profiles. Dependability was upheld through an audit trail documenting decision process in data collection and analysis. Confirmability was achieved through reflexive journaling to minimize researcher bias, ensuring that interpretations remained grounded in participants' actual accounts.

RESULTS AND DISCUSSION

Financial Management Practices in Indigenous Communities

This section addresses the first research question, which explores the financial management practices commonly employed by average-earning households in Bontoc. The findings reveal that while households apply elements of modern financial behavior, their decisions remain guided by indigenous values, kinship obligations, and collective reciprocity rooted in community traditions.

Theme 1. Budgeting and Expense Tracking Practices

Households described a combination of formal budgeting and mental allocation. Some prepare monthly budgets that prioritize savings and essential utilities as reported by KI1. Others spend based on urgency, guided by immediate needs as noted by KI3. While Lusardi and Mitchell (2014) identify budgeting as a sign of financial literacy, in Bontoc it is influenced by cultural obligations such as contributions to rituals and communal labor through *og-ogfo*. Budgeting is therefore an act of social preparation more than personal wealth planning.

Theme 2. Prioritization of Basic Needs

Food, electricity, and education are treated as top priorities by households, even during financial hardship. This was confirmed during the FGD, where participants stressed that essentials must always be met. Reyes (2015) and ADB (2018) found similar patterns in Filipino families. However, unlike urban households described by Kaur and Kapuria (2020), Bontoc residents may delay paying bills to fulfill kinship duties or assist in community events, demonstrating moral and cultural priorities alongside economic needs.

Theme 3. Savings Practices and Strategies

Savings behaviors vary among households. Some occasionally follow structured rules such as the 50/30/20 method, while others save only when income permits, as indicated by KI3. Lusardi (2019) links savings with financial resilience. Yet in Bontoc, savings also take indigenous forms including *paluwagan*, livestock, or stored rice, consistent with Tabuga (2018). These resources are preserved for cultural obligations, emergencies, or community support rather than for future investments.

Theme 4. Participation in Financial Groups and Cooperatives

Cooperatives and *paluwagan* are widely used across participants. KI2 and KI8 cited these groups as important sources of disciplined savings and mutual trust. Guzman and Nishimura (2019) support the role of such institutions in financial inclusion. However, participants acknowledged risks when members fail to repay contributions. This challenges Aldaba (2020), revealing that communal finance depends heavily on social trust and accountability.

Theme 5. Preparing for Major and Unexpected Expenses

Households prepare for major expenses such as health care and education through a mix of personal savings, *PhilHealth*, and kinship support. KI1 emphasized planning in advance, while KI3 relied on family networks during medical emergencies. Reyes et al. (2017) observed similar practices among Filipino households. Formal emergency funds reported by OECD (2020) are rare. Instead, Bontoc families draw on communal practices like *og-ogfo*, reinforcing reliance on social solidarity.

Theme 6. Traditional and Cultural Financial Practices

Cultural practices such as *og-ogfo*, *mangmang*, and *pasup-ok* continue to shape financial behavior. These indigenous systems function as informal insurance, ensuring collective responsibility in times of need. Scott (1974) and Prill-Brett (2015) emphasized the role of reciprocity in Cordilleran communities. Despite modernization predicted by Inglehart (1997), these traditions persist and coexist with modern financial systems, preserving cultural cohesion.

Theme 7. Adaptive Coping Mechanisms

Households adapt to financial strain by substituting expensive goods, seeking extra income, or borrowing within kinship circles. KI5 mentioned replacing meat with tofu, while KI10 engaged in side work such as *pasada* driving. These adaptive strategies reflect the resilience described by World Bank (2021) and Pernia and Quising (2019). However, unlike urban coping mechanisms, Bontoc households rely strongly on family and community support, highlighting both resilience and vulnerability.

Summary of Findings for SOP 1

Bontoc households combine modern financial practices with indigenous cultural systems. Financial decisions are directed not only by personal goals but by obligations to family, clan, and community. Budgeting, saving, and coping strategies are anchored in cultural reciprocity, emphasizing social survival over individual accumulation. These findings affirm global financial literature while offering a culturally grounded perspective unique to indigenous communities.

Influence of Cultural Beliefs and Traditions on Financial Decision-Making and Goal Prioritization

This section addresses the second research objective, which examines how cultural beliefs and traditions shape financial decision-making and goal prioritization among Indigenous households in Bontoc. Findings from interviews and group discussions reveal that financial behavior is inseparable from communal responsibilities, kinship ties, and spiritual customs. Eight themes emerged.

Theme 1. Culture as Shared Obligation

Households consistently linked financial choices to collective duties such as *og-ogfo* and *og-ogbu*, which require giving support in cash, labor, or goods regardless of personal income (KI2, KI10). Communal reciprocity functions as informal insurance, sustaining kinship solidarity in the absence of formal financial systems, as noted by Albuero (2017) and Reyes et al. (2020). While financial literature stresses independence (Lusardi & Mitchell, 2014), Bontoc households prioritize belonging and moral duty, demonstrating a collectivist model of economic responsibility.

Theme 2. Ritualized Spending and Savings

Rituals associated with land acquisition, misfortunes, or thanksgiving influence how money is saved and released. Participants described performing butchering rites to affirm transactions and guard against misfortune (KI1, KI2). Dacanay (2013) and Scott (2019) describe such practices as part of a moral economy where spending is spiritually regulated. Unlike Western models that view rituals as non-essential, Bontoc culture embeds financial discipline within ceremonial acts, reinforcing trust and credibility.

Theme 3. Event-Driven Budget Strain

Weddings, wakes, and clan reunions frequently strain household budgets, yet are still prioritized (KI2). While such events reduce funds for general expenses, participation strengthens reciprocal ties. This supports Cruz and Tolentino (2019) and Reyes et al. (2020), who found that Filipino families reallocate resources for social cohesion. Global financial models often view these costs as burdensome, but in Bontoc they serve as investments in future security through communal obligation.

Theme 4. Family-First Goal Orientation

Participants consistently placed family welfare above individual aspirations, often postponing personal goals for education, health, or support of extended kin (KI1). This aligns with Anong and Fisher (2015) and Reyes et al. (2020), who highlight intergenerational responsibility in collectivist cultures. Western frameworks that promote self-directed goals (Xiao & O'Neill, 2018) diverge from this Indigenous orientation, where financial success is measured by collective stability rather than individual advancement.

Theme 5. Cash Alternatives Through In-kind Contribution

When short of money, households contribute labor, food, or livestock to fulfill obligations, allowing them to remain socially active without cash expenditure (KI1). Albuero (2017) and Reyes et al. (2020) confirm that in-kind reciprocity maintains social membership. Although financial institutions disregard these contributions (Cayanan, 2021), they hold significant cultural value in Bontoc, where participation, not currency, is the measure of commitment.

Theme 6. Micro-Preparing Practices

Instead of maintaining formal emergency funds, households practice micro-preparing through small, flexible savings such as **supon** or **ajang** (KI9). Reyes et al. (2020) and Tabuga (2019) observed similar habits among low-income Filipino communities. Unlike structured emergency funds recommended by Lusardi and Mitchell (2014), Bontoc households rely on culturally grounded preparation that allows rapid adaptation to unforeseen events.

Theme 7. Mixed Impact on Long-Term Goals

Some households reported postponing long-term goals, while others managed to sustain them alongside obligations. This variation reflects Cruz and Tolentino (2019), who noted that resilience depends on income stability and strength of community networks. Reyes et al. (2020) further observed that reciprocity supports financially weaker households, showing that social capital can either cushion or burden long-term planning.

Theme 8. Guiding Cultural Values

Underlying financial choices were values of thrift, charity, and preparedness. Participants emphasized that generosity is a cultural expectation, not merely a financial act (KI10). Anong and Fisher (2015) and Reyes et al. (2020) affirmed that Indigenous households preserve resilience through shared responsibility. In contrast to efficiency-based financial models, Bontoc culture frames giving as an investment in communal strength.

Summary of Findings for SOP 2

Cultural beliefs and traditions deeply shape financial decision-making among Bontoc households. Obligations such as *og-ogfo*, ritual contributions, and event participation redirect resources but foster reciprocal aid and long-term resilience. Family-first priorities, in-kind practices, and micro-preparing strategies reveal a community-based financial system rooted in trust, solidarity, and cultural identity. These findings illustrate that in Bontoc, financial management cannot be separated from Indigenous values and the moral economy of kinship.

Economic Challenges and Financial Management Strategies

This section presents seven interrelated themes that illustrate how Indigenous households in Bontoc manage persistent economic constraints. Despite limited and unstable income, families maintain financial stability through culturally rooted practices such as kinship support, in-kind reciprocity, and adaptive thrift.

Theme 1. Income Insufficiency within Rising Costs

Households described income as barely sufficient for survival, frequently strained by rising prices of food, LPG, and electricity. Budgeting often focused on urgent needs rather than long-term planning, as expressed by KI1 and KI10. These patterns align with Collins et al. (2009) and ADB (2020), who noted that low-income households engage in continuous cash-flow juggling. Unlike studies emphasizing microenterprise diversification (Banerjee & Duflo, 2011), Bontoc families relied more on kin support and spending restraint than income expansion.

Theme 2. Health and Schooling as Recurrent Disruptions

Unexpected medical costs and recurring school expenses repeatedly destabilized budgets. Although PhilHealth was utilized, medicine and transport costs still required household adjustments, as reported by KI3 and KI11. This reflects findings by Gertler and Gruber (2002) and Wagstaff and Lindelow (2014) on out-of-pocket burdens despite insurance. In contrast to urban reliance on loans, Bontoc households first turn to savings and kinship assistance, consistent with community norms observed during enrolment periods.

Theme 3. Balancing Fixed Commitments and Cutbacks

Essential expenses such as food, utilities, rent, and LPG were treated as non-negotiable, while discretionary spending was reduced or delayed. KI2 and KI3 described temporary deferrals of snacks, mobile load, and even utility payments. This supports Thaler's (1999) mental accounting and Collins et al. (2009) on expenditure hierarchy. Unlike urban households that classify transport as essential (ADB, 2020), Bontoc families reduce travel to conserve funds, reflecting rural adaptability.

Theme 4. Thin and Irregular Savings Buffers

Savings were practiced but inconsistent, occurring only when surplus income was available. KI2 and KI3 noted that emergency needs often depleted general savings due to lack of separate accounts. FGD participants affirmed irregular saving habits through coin jars and small daily allocations. These observations echo Collins et al. (2009) and Karlan et al. (2016), who described vulnerable savings pools. Micro-savings of ₱50–₱100 resembled commitment savings found in ROSCAs (Gugerty, 2007).

Theme 5. Centrality of Informal Risk-Sharing

Kinship aid, *og-ogfo*, church collections, and neighborhood fundraisers remained primary crisis responses. KI1 and KI11 emphasized seeking help from relatives before borrowing from institutions. This strongly supports Fafchamps and Lund (2003), Putnam (2000), and Anderson and Baland (2002), confirming that mutual aid persists as the backbone of financial resilience. Formal credit was secondary, accessed only when communal support was insufficient.

Theme 6. Selective Use of Formal Mechanisms with Access Barriers

Households engaged with PhilHealth, cooperatives, and banks, but encountered challenges such as strict requirements and physical distance, as reported by KI3 and KI4. Llanto (2004) and World Bank (2018) identified similar access barriers. Paluwagan remained favored for its simplicity and trust-based structure (Gugerty, 2007). Rather than full reliance on formal institutions, families maintained hybrid portfolios combining accounts, paluwagan, and livestock.

Theme 7. Adaptive Coping Strategies Anchored in Culture

Households employed multiple adjustments including side work, budget tightening, temporary bill deferrals, and asset conversion. KI10 mentioned working as a driver, while KI4 noted selling pigs or *inasin* for extra funds. These practices support Morduch (1995) and Collins et al. (2009) on adaptive financial stacks. In Bontoc, coping extends beyond finance into culture, where livestock and preserved meats are not only food stores but economic assets embedded in socially recognized value.

Summary of Findings for SOP 3

Bontoc households confront recurring income shortages, inflation, and financial shocks through strategies that prioritize essentials, maintain irregular savings, and depend on layered safety nets. While global literature identifies savings and credit as resilience tools (Collins et al., 2009; Llanto, 2004), this study shows that in Bontoc, cultural systems such as *og-ogfo*, *inasin* practices, and reciprocal livestock obligations sustain financial stability. Rather than turning first to loans or digital finance, households follow a culturally sequenced response: tightening budgets, mobilizing kinship, using savings, and resorting to formal credit only when required. These practices reveal resilience rooted in tradition, but also expose fragility under prolonged economic strain.

Coping Mechanisms for Financial Stress

The findings revealed six major coping mechanisms that households in Bontoc use to navigate financial stress. These strategies combined modern financial practices with deep-rooted cultural traditions, showing that survival is sustained not only through income but through kinship, solidarity, and indigenous values.

Theme 1. Budgeting and Spending Control

Participants consistently practiced budgeting, prioritizing needs over wants as shared by KI4 and KI8. This reflects Lusardi and Mitchell (2014) and Cruz and Sta. Romana (2019), who identified budgeting as central to financial resilience. However, as Banerjee and Duflo (2011) observed, even disciplined budgeting cannot fully resolve the limitations of low income, a reality also evident in Bontoc households.

Theme 2. Income Diversification

Many households supplemented income through farming, driving, selling produce, or small sideline work, as described by KI2. Ellis (2000) and Habito (2012) confirmed diversification as a rural resilience strategy. Yet Carter and Barrett (2006) cautioned that unstable side jobs may reinforce poverty cycles, a limitation mirrored in Bontoc where diversification provided relief but not security.

Theme 3. Family and Community Solidarity

Solidarity emerged as a deeply embedded cultural response to hardship. Households pooled income, shared expenses, and consulted family members during crises, as expressed by KI3 and KI8. The FGD unanimously affirmed that emotional and financial support from kin and community was indispensable. This aligns with Putnam (2000) and Medina (2001) on social capital, while Hoffman and Averett (2004) warned that such dependence may increase reciprocal obligations. In Bontoc, solidarity functions not only as support but as cultural duty.

Theme 4. Cultural Resource Sharing through *Og-ogfo* and *Bayanihan*

Traditional systems such as *og-ogfo* and *bayanihan* remained central to coping. KI8 emphasized that these practices lessen financial burden and strengthen unity. Portes (1998) and Salvador-Amores (2002) confirmed that cultural reciprocity operates as an informal safety net. Despite modernization concerns raised by Giddens (1991), Bontoc families continue to rely on cultural exchanges rather than market-based assistance.

Theme 5. Borrowing Practices as Temporary Relief

Households used borrowing as a supplementary measure, favoring cooperatives for larger needs and informal loans for small amounts, as noted by KI2 and KI7. Literature on microfinance and cooperatives (Cull et al., 2009; Llanto, 2007) supports the role of borrowing in financial inclusion. However, Collins et al. (2009) and Llanto (2010) warned of potential debt risks. Borrowing in Bontoc was carefully measured, guided by trust and relationships rather than credit institutions alone.

Theme 6. Financial Resilience and Lessons Learned

Participants emphasized the importance of discipline, contingency planning, and learning from hardship, as KI11 advised. OECD (2017) and Aldana (2015) highlighted planning and saving as resilience tools. Yet Banerjee and Mullainathan (2010) noted that scarcity often undermines consistent planning. In Bontoc, resilience emerges not from financial capacity but from cultural values such as thrift, prayer, and collective responsibility.

Summary of Findings for SOP 4

Bontoc households cope with financial stress through layered strategies that combine budgeting, diversified livelihoods, and resilient cultural systems. While borrowing and planning contribute to modern financial adaptation, it is family solidarity, *og-ogfo*, and *bayanihan* that provide core protection. These findings show that financial survival in Bontoc is not solely economic but fundamentally cultural, rooted in communal reciprocity and shared responsibility.

SUMMARY AND CONCLUSION

This study explored the financial management practices, cultural influences, economic challenges, and coping mechanisms of average-earning Indigenous households in Bontoc. The findings reveal that financial decision-making in this community cannot be understood solely through economic lenses, as it is deeply grounded in cultural traditions, kinship responsibilities, and collective survival ethics. Four key conclusions are drawn.

1. Financial practices are hybrid, guided by culture rather than individualism. Households in Bontoc engage in modern financial practices such as budgeting, prioritization of essentials, modest saving, participation in cooperatives, and preparation for major expenses. However, these practices are not purely individualistic, as assumed in conventional financial literacy models. Instead, they are influenced by cultural responsibility, with financial decisions shaped by communal expectations. Indigenous systems such as *og-ogfo* and *bayanihan* redefine financial resilience as a collective endeavor rather than personal achievement.

2. Cultural obligations override personal financial goals. Cultural traditions like *og-ogfo*, *bayanihan*, ritual offerings, in-kind contributions, and kin-based reciprocity play a central role in how households allocate resources. Community obligations are prioritized even when they compete with personal goals. Financial choices are therefore moral and social acts, reflecting values of solidarity, belonging, and respect for ancestral customs. In this cultural framework, financial well-being is measured by one's ability to fulfill obligations to family and clan, not merely by savings or wealth accumulation.

3. Structural challenges persist, but cultural networks provide informal safety nets. Households face persistent structural pressures such as insufficient income, inflation, health and schooling costs, and barriers to formal finance. Despite these constraints, Bontoc families demonstrate resilience through cultural networks of support. Kinship ties, community fundraising, and traditional reciprocity often precede the use of banks or loans. Yet, reliance on cultural safety nets alone exposes families to long-term vulnerability, as these mechanisms ensure survival but do not eliminate systemic financial risk.

4. Coping is sustained by cultural resilience, not economic capacity. Coping strategies include budgeting, supplemental income, borrowing, and contingency planning. However, the strongest source of resilience is cultural that is expressed through family solidarity, communal labor exchange, and moral commitment to mutual aid. These strategies guarantee day-to-day survival but seldom enable upward mobility or wealth accumulation. Financial resilience in Bontoc is therefore social and cultural before it is economic, anchored in values of thrift, generosity, and collective responsibility.

Overall, financial life in Bontoc Indigenous households is a cultural economy, where money is managed not only for survival but for the preservation of identity, kinship, and community cohesion. This study challenges Western notions of financial independence and demonstrates that among Indigenous peoples, financial decisions are cultural duties tied to belonging, reciprocity, and continuity of tradition. Understanding Indigenous financial practices therefore requires recognizing that economic behavior is inseparable from cultural heritage.

ACKNOWLEDGEMENT

The researcher extends sincere gratitude to the Indigenous households of Bontoc who graciously shared their time, stories, and cultural wisdom. Appreciation is also given to the panel of evaluators for their valuable comments and guidance, and to Mountain Province State University for the academic support that made this study possible. Above all, the researcher is thankful to God for strength and perseverance throughout this journey.

REFERENCES

- Aldaba, R. A. (2020). *Philippine cooperatives and inclusive growth: Opportunities and challenges*. Philippine Institute for Development Studies.
- Aldana, R. P. (2015). *Pag-iimpok: The Filipino value of saving and its implications for financial literacy*. Philippine Journal of Psychology, 48(2), 145–162.
- Alburo, J. (2017). *Reciprocity and community survival: Indigenous household practices in rural Philippines*. Philippine Sociological Review, 65(1), 35–57.
- Anderson, S., & Baland, J. M. (2002). The economics of ROSCAs and intra-household resource allocation. *Quarterly Journal of Economics*, 117(3), 963–995. <https://doi.org/10.1162/003355302760193931>
- Anong, S. T., & Fisher, P. J. (2015). Financial literacy and collective household practices: Evidence from collectivist cultures. *Journal of Consumer Affairs*, 49(2), 489–510. <https://doi.org/10.1111/joca.12072>
- Asian Development Bank. (2018). *Philippines: Financial inclusion and household priorities*. ADB Publications.
- Asian Development Bank. (2020). *Philippines economic update: Investing in inclusive growth*. ADB Publications.
- Banerjee, A. V., & Duflo, E. (2011). *Poor economics: A radical rethinking of the way to fight global poverty*. PublicAffairs.
- Banerjee, A. V., & Mullainathan, S. (2010). The shape of temptation: Implications for the economic lives of the poor. *NBER Working Paper No. 15973*. <https://doi.org/10.3386/w15973>
- Bourdieu, P. (1986). The forms of capital. In J. Richardson (Ed.), *Handbook of theory and research for the sociology of education* (pp. 241–258). Greenwood Press.
- Carter, M. R., & Barrett, C. B. (2006). The economics of poverty traps and persistent poverty: An asset-based approach. *Journal of Development Studies*, 42(2), 178–199. <https://doi.org/10.1080/00220380500405261>
- Cayanan, J. A. (2021). Informal economies and credit exclusion in rural Philippines. *Philippine Journal of Development*, 46(1), 87–108.
- Collins, D., Morduch, J., Rutherford, S., & Ruthven, O. (2009). *Portfolios of the poor: How the world's poor live on \$2 a day*. Princeton University Press.

- Corminal, A. & Matildo, E.L. (2025). Financial Resilience and Household Finance Practices among Low-Income Families: Exploring Pyscho-Socio-Economic Influences. *Internation Journal Of Advance Research And Innovative Ideas In Education*, 11(3), 2600-2609.
- Cruz, J. M., & Sta. Romana, R. (2019). *Diskarte sa Badyet: Filipino household financial management practices*. Ateneo de Manila University Press.
- Cruz, L. T., & Tolentino, R. (2019). Mental budgeting among Filipino families: Insights and implications. *Philippine Journal of Social Sciences*, 44(2), 122–140.
- Cull, R., Demirgüç-Kunt, A., & Morduch, J. (2009). Microfinance meets the market. *Journal of Economic Perspectives*, 23(1), 167–192. <https://doi.org/10.1257/jep.23.1.167>
- Dacanay, M. L. (2013). *Social enterprises and the moral economy of indigenous peoples in the Philippines*. Institute for Social Entrepreneurship in Asia.
- De los Reyes, J., & Dacanay, A. (2021). Survival strategies of Cordilleran families: Deferring bills and sustaining reciprocity. *Cordillera Studies Journal*, 12(1), 45–63.
- Ellis, F. (2000). *Rural livelihoods and diversity in developing countries*. Oxford University Press.
- Esguerra, E. (2017). *Paluwagan as informal finance: Social and economic roles in the Philippines*. Philippine Review of Economics, 54(2), 251–274.
- Fafchamps, M., & Lund, S. (2003). Risk-sharing networks in rural Philippines. *Journal of Development Economics*, 71(2), 261–287. [https://doi.org/10.1016/S0304-3878\(03\)00029-4](https://doi.org/10.1016/S0304-3878(03)00029-4)
- Geertz, C. (1973). *The interpretation of cultures*. Basic Books.
- Gertler, P., & Gruber, J. (2002). Insuring consumption against illness. *American Economic Review*, 92(1), 51–70. <https://doi.org/10.1257/000282802760015603>
- Giddens, A. (1991). *Modernity and self-identity: Self and society in the late modern age*. Stanford University Press.
- Gugerty, M. K. (2007). You can't save alone: Commitment in rotating savings and credit associations in Kenya. *Economic Development and Cultural Change*, 55(2), 251–282. <https://doi.org/10.1086/508716>
- Guzman, F. A., & Nishimura, Y. (2019). Cooperatives as instruments of financial inclusion in the Philippines. *International Journal of Social Economics*, 46(4), 496–512.
- Habito, C. F. (2012). Diversification and resilience in rural livelihoods. *Philippine Economic Review*, 49(2), 65–90.
- Hoffman, S. D., & Averett, S. L. (2004). *Women and the economy: Family, work, and pay*. Addison-Wesley.
- Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions, and organizations across nations* (2nd ed.). Sage.
- Inglehart, R. (1997). *Modernization and postmodernization: Cultural, economic, and political change in 43 societies*. Princeton University Press.
- Intal, P. (2017). Resilience through diversification in the Philippine rural sector. *PIDS Policy Notes*, 2017-12, 1–4.
- Kahneman, D. (2011). *Thinking, fast and slow*. Farrar, Straus and Giroux.
- Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica*, 47(2), 263–291. <https://doi.org/10.2307/1914185>
- Karlan, D., McConnell, M., Mullainathan, S., & Zinman, J. (2016). Getting to the top of mind: How reminders increase saving. *Management Science*, 62(12), 3393–3411. <https://doi.org/10.1287/mnsc.2015.2296>
- Kaur, P., & Kapuria, C. (2020). Household financial resilience: A comparative study of urban and rural contexts. *International Journal of Consumer Studies*, 44(5), 391–404.
- Llanto, G. M. (2004). *Policy and regulatory issues in microfinance: A Philippine perspective*. PIDS Discussion Paper No. 2004-19.
- Llanto, G. M. (2007). *The role of family and informal networks in household finance in the Philippines*. Philippine Institute for Development Studies.
- Llanto, G. M. (2010). *Financial inclusion, education, and regulation in the Philippines*. ADBI Working Paper Series.
- Lusardi, A. (2019). Saving behavior and financial literacy: A comparative perspective. *Journal of Pension Economics and Finance*, 19(3), 273–289. <https://doi.org/10.1017/S1474747219000077>
- Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy: Theory and evidence. *Journal of Economic Literature*, 52(1), 5–44. <https://doi.org/10.1257/jel.52.1.5>
- Medina, B. (2001). *The Filipino family* (2nd ed.). University of the Philippines Press.
- Modigliani, F., & Brumberg, R. (1954). Utility analysis and the consumption function: An interpretation of cross-section data. In K. Kurihara (Ed.), *Post-Keynesian economics* (pp. 388–436). Rutgers University Press.
- Morduch, J. (1995). Income smoothing and consumption smoothing. *Journal of Economic Perspectives*, 9(3), 103–114. <https://doi.org/10.1257/jep.9.3.103>
- OECD. (2017). *G20/OECD INFE report on adult financial literacy in G20 countries*. OECD Publishing.
- OECD. (2020). *OECD/INFE 2020 international survey of adult financial literacy*. OECD Publishing.

- Opoku-Okuampa, I. (2024). The Influence of Cultural Factors on Financial Decision-Making in Ghana. *International Journal of Finance and Banking Research*, 10(6), 118–125. <https://doi.org/10.11648/j.ijfbr.20241006.12>
- Pernia, E. M., & Quising, P. F. (2019). Resilience and adaptability of Philippine households. *Philippine Economic Review*, 56(1), 1–25.
- Portes, A. (1998). Social capital: Its origins and applications in modern sociology. *Annual Review of Sociology*, 24(1), 1–24.
- Prill-Brett, J. (2015). Indigenous reciprocity practices in the Cordillera: Continuities and changes. *Cordillera Review*, 7(2), 77–101.
- Putnam, R. D. (2000). *Bowling alone: The collapse and revival of American community*. Simon & Schuster.
- Reyes, C. M. (2015). Household expenditure priorities in the Philippines. *Philippine Journal of Development*, 40(1–2), 29–58.
- Reyes, C. M., Alba, M., & Ang, A. (2017). Coping with shocks and risks: The role of social protection. *Philippine Journal of Social Development*, 9(2), 12–29.
- Reyes, C. M., Tabuga, A. D., & Asis, R. D. (2020). Financial inclusion and household resilience in the Philippines. *Philippine Institute for Development Studies Discussion Paper Series, 2020-06*.
- Salvador-Amores, A. (2002). *Cordillera ritual and community life*. University of the Philippines Press.
- Scott, J. C. (1974). *The moral economy of the peasant: Rebellion and subsistence in Southeast Asia*. Yale University Press.
- Scott, W. H. (2019). *Barangay: Sixteenth-century Philippine culture and society*. Ateneo de Manila University Press.
- Sison, A. (2016). Cooperative trust and rural development in the Philippines. *Philippine Cooperative Review*, 8(1), 55–70.
- Tabuga, A. D. (2018). Savings behavior of low-income households in the Philippines. *Philippine Journal of Development*, 45(2), 33–57.
- Tabuga, A. D. (2019). Informal savings practices and financial resilience. *PIDS Policy Notes, 2019-06*.
- Tajfel, H., & Turner, J. C. (1986). The social identity theory of intergroup behavior. In S. Worchel & W. G. Austin (Eds.), *Psychology of intergroup relations* (pp. 7–24). Nelson-Hall.
- Thaler, R. H. (1999). Mental accounting matters. *Journal of Behavioral Decision Making*, 12(3), 183–206. [https://doi.org/10.1002/\(SICI\)1099-0771\(199909\)12:3<183::AID-BDM318>3.0.CO;2-F](https://doi.org/10.1002/(SICI)1099-0771(199909)12:3<183::AID-BDM318>3.0.CO;2-F)
- Thaler, R. H., & Sunstein, C. R. (2008). *Nudge: Improving decisions about health, wealth, and happiness*. Yale University Press.
- Wagstaff, A., & Lindelow, M. (2014). Are health shocks different? Evidence from multicountry data. *Economic Development and Cultural Change*, 62(2), 331–363. <https://doi.org/10.1086/674098>
- World Bank. (2018). *Philippines economic update: Investing in the future*. World Bank Publications.
- World Bank. (2021). *Philippines poverty and equity assessment 2021*. World Bank Publications.
- Xiao, J. J., & O'Neill, B. (2018). Consumer financial education and financial capability. *International Journal of Consumer Studies*, 42(2), 238–248. <https://doi.org/10.1111/ijcs.12413>