PERSONAL FINANCIAL LITERACY IN MOTOR PARTS INDUSTRY

Irish B. Reyes, Jhonrey L. Anong, Jilla Mae D. Susada

Department of Bachelor of Science in Business Administration - Major in Financial Management, Davao Oriental State University - Cateel Extension Campus, Cateel, Davao Oriental, Philippines, 8205

ABSTRACT

Financial literacy is one of those neglected issue in the motor parts industry. A lot of people join the job despite receiving any official training in personal finance, how to budget, saving, or various money-related topics. Businesses could not give financial literacy knowledge enough priority or attention. Instead of comprehensive financial education, job-related abilities are frequently prioritized. As a result, employees may lack the support and materials they need to improve their financial understanding and skills.

This research aims to understand how people with financial literacy can make and keep budgets, which aid in keeping track of their spending, income and can utilize this information to better manage their personal finances and choose wisely when it comes to business spending. The data gathered through complete enumeration method to selected owners and workers of motor parts owners in Cateel. The researchers conducted the survey to all registered owners and workers of the motor parts industry and determine there is no significant difference in the level of financial literacy of motor parts industry owners and workers when grouped according to age, monthly income, educational background, years in business and role in the industry.

Keyword: *financial literacy, personal financial literacy, motorparts industry*

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1. INTRODUCTION

Financial literacy is the capacity to comprehend and use different financial abilities, including financial management (Mohamad & Mufida, 2020) because it is explicitly linked with financial attitude, which leads to financial success and sustainability (Subha & Arthur, 2016). It has become increasingly important for the nation's future economic well-being (Subha & Arthur, 2016). It is also regarded as a necessary component for promoting financial inclusion and, ultimately, financial stability (Arthur, 2016).

The need for, and development of, financial education programs aimed specifically at improving financial literacy has been seen as a way of reducing people's financial issues. Financial literacy is an important quality for both individuals and businesses, as small and medium-sized businesses have the power to influence a nation's economy (Malaysia et al., 2018). These were shown by the failure to record transactions, improper recording methods, severely inadequate recording materials, and poor record-keeping procedures; by the lack of an income statement or a systematic method for evaluating income and expenses; by the lack of cash planning; and by the subsequent reliance on high-interest loans (Barte, 2012). Financial literacy is critical in making individual decisions that facilitate business expansion and development (Peng & Potrich, 2015). As a result, understanding financial management is crucial for entrepreneurs since it enables them to oversee their businesses performance. Like this, Bruhn & Zia (2011) claimed that informed financial decisions favorably impact the success of both the individual and the business firm owner.

According to Timmons and Spinelli (2007:387), the lack of financial analysis and management skills could be viewed as the entrepreneurs' Achilles heel. Entrepreneurs and management teams find the concept of financial management intimidating. Even highly educated individuals feel uncomfortable, intimidated, and terrified because they lack financial management expertise. The transition from being an entrepreneur to becoming an entrepreneurial venture managers can be exceedingly risky if there is little or no confidence in managing finances, as financial management is listed as one of the critical managerial competencies in new venture creation and development (Timmons & Spinelli, 2007, p. 269).

In order to protect people from the expensive effects of financial illiteracy, the evaluation of financial literacy must be looked at to turn them into financially literate people through financial education (Kadir & Lusardi, 2019). As such, this study aims to determine if there is a significant difference in the level of personal financial literacy among owners and workers in the motor parts industry. The researchers would conduct a study concerning the financial literacy of motor parts owners in Cateel.

1.1 Statement of the Problem

This study will determine the personal financial literacy of motor parts industry owners and workers in Cateel, Davao Oriental. It will delve deeper to answer the following questions:

1.What is the profile of the respondents in terms of:

a. years in the industry;
b. educational background;
c. role in the industry
d. age; and
e. net income?

2. What is the level of personal financial literacy in motor parts industry owners and workers in terms of:

a. Financial Behavior;
b. Financial Decision;
c. Financial Goals;
d. Financial Capacity;
e. Financial Skills;
f. Financial Knowledge;
g. Financial Experience; and
h. Financial Awareness?

3. Is there any significant difference in the level of personal financial literacy in motor parts industry owners and workers when respondents are grouped according to the:

a. years in the industry;
b. educational background;
c. role in the industry
d. age; and
e. net income?

1.2 Scope and Delimitation

This study focused on the level of personal financial literacy in the motor parts industry of owners and workers in Cateel. In gathering the data, the researchers used a complete enumeration method. This method involves gathering information from the entire population of motor parts industry owners and workers in Cateel. By utilizing complete enumeration, this aims to comprehensively understand the financial literacy levels within the population of interest. The study focuses on motor part owners and workers conducting business legitimately and per Cateel's laws. The study ensures that the data only includes people who have complied with the regulations and secured the authorizations required to run their enterprises by removing those without permits.

1.3 Conceptual Framework

This study is interested in the financial literacy of owners and workers in the motor parts industry in Cateel, Davao Oriental. This financial literacy is defined in terms of financial behavior, financial decision, financial goals, financial capability, financial skills, financial knowledge, financial experience, and financial awareness (Priyadharshini, 2017).

One's level of understanding of fundamental financial concepts and their capacity and confidence to manage their finances through sound, long-term financial planning, and appropriate, short-term decision-making while being aware of life events and shifting economic conditions are determined by their level of financial literacy (Remund, 2010). In contrast, Huston (2010) defines financial literacy as understanding and applying knowledge about personal finances. Huston, however, divided financial literacy into two categories—understanding (personal finance knowledge) and used—in her 2009 study (personal finance application).

Financial literacy refers to a person's capacity to comprehend and apply financial principles (Servon & Kaestner, 2008). Worthington (2006), however, characterized financial literacy in terms of mathematical aptitude and financial terminology awareness. As an alternative, financial literacy is defined by Lois Vitt and colleagues (2000) as the capacity to read, analyze, manage, and communicate about the personal financial circumstances that influence material well-being. It includes the capacity to make sound financial decisions and discusses money and financial matters with others without feeling awkward (or uncomfortable), make plans for the future, and react skillfully to life events that impact daily financial decisions, such as developments in the general economy (Johnson & Sherraden, 2007; van Rooij et al., 2011).

Financial literacy was further defined by Huang et al. (2008) as the capacity of a person to make wise judgments and take appropriate actions about using and managing money. However, according to the OECD, financial literacy is the capacity and confidence of consumers or investors to understand financial products and concepts, recognize financial risks and opportunities, make wise decisions, know where to turn for assistance, and to take other useful actions to enhance their financial well-being (Van Rooij et al., 2011).

Financial Behavior. Through behavioral research, people in various nations have shown a need for financial literacy. There must be responsible behavior. International financial organizations and experts have investigated recent economic and financial disasters. Due to the necessity of adopting financially responsible behavior to influence the future, its significance has greatly increased. Previous research on financial behavior from the 1970s to the 1990s helped researchers create financial behavior metrics (Fitzsimmons et al., 1993).

Financial Decision. Previous studies have examined the impact of financial literacy on financial decisions in developed and developing countries. Inadequate financial literacy can result in poor financial decisions, harming an individual's financial status (Klapper et al., 2011). Financial goods are numerous and complex, making it difficult for people without financial literacy to decide how to use them (Priyadharshini, 2017). Financial knowledge may be measured with relative ease, but it is more challenging to investigate how someone interprets financial data and makes financial decisions. People with more financial literacy will better comprehend financial instruments and their terms, enabling them to make more responsible financial decisions (Khan, 2015). Grohmann (2018) also discovered that better financial decision-making results from greater financial literacy.

Financial Goals. Their financial goals can determine a person's financial literacy. With defined and quantifiable financial goals, a person will have a road map to financial independence (Priyadharshini, 2017). A person might avoid accepting offers of appealing but dishonest financial products by making intelligent judgments with the help of clearly articulating their financial objectives. Setting realistic financial objectives is essential to reaching financial freedom. Every person should aim to have a stable financial status, but bad decisions can harm a person's financial health without this objective.

Financial Capability. The idea of financial literacy has recently included financial capacity. According to Lusardi (2011), financial aptitude refers to a person's ability to manage their finances, plan for the future, choose and use financial products and services, and acquire the necessary skills and information to make sound financial decisions. Financial competency involves knowledge, self-understanding capacity, and drive to take appropriate action (Priyadharshini, 2017). Kempson et al. (2006) and the Organization for Economic Co-operation and Development (OECD, 2009) created a financial capability model that emphasizes the behavioral, knowledge, and attitude components, with six components measured in financial capability, namely the ability to meet needs, the ability to track, the ability to choose the appropriate product, the ability to plan, the ability to obtain and use information, and the ability to obtain assistance, as well as the ability to meet needs, such as advice that can be understood so people can act to overcome the financial problems they face.

Financial Skills. Three factors—actual knowledge, perceived knowledge, and financial skills—were suggested as influencing factors in financial behavior by Hung et al. (2009) in their conceptual model of financial literacy, and financial skills, knowledge, and attitude all affect financial behavior according to research by Khan et al., (2017), Lusardi and Mitchell 2013; Xiao et al., (2014). By integrating financial well-being, which is influenced by knowledge, skills, and experience ranging from attitude to financial conduct, Atkinson and Messy (2012) expanded this approach. According to Priyadharshini (2017), financial talents refer to a person's capacity to make informed judgments to stay out of financial trouble. According to Lusardi and Mitchell (2011), many people face financial difficulties because they lack the fundamental financial skills needed to establish and manage budgets, comprehend credit, comprehend investment instruments, or use the current banking system. It was one of the contributing factors to the Great Recession, which took place in a society with low financial literacy. By developing fundamental financial competencies like budgeting and information gathering, people can improve their capacity to manage their finances. The Measure of Awareness of Financial Skills was developed by Cramer et al. (2004) as a tool for evaluating financial skills (MAFS). Budgeting, saving, borrowing, and investing are the four operational definitions of financial literacy that are most frequently used, and they all emphasize how important it is to manage money with knowledge and skills. This definition strengthened the Jump Start Coalition for Personal Development. The ability to use knowledge and skills to manage financial resources successfully throughout a lifetime is referred to as financial literacy.

Financial Knowledge. A subset of financial literacy is financial literacy. Financial literacy was described by Huston (2010) and Hilgert et al. (2003) as knowledge necessary to make wise financial decisions (Lusardi, 2012b). According to prior studies, financial knowledge affects financial behavior, goals, and decisions (Babiarz & Robb, 2014; Woodyard et al., 2017). Levels of financial knowledge have been evaluated using objective and subjective financial knowledge and perceived knowledge (Asaad, 2015; Parker et al., 2012). When referring to what people believe they know and how they would assess their financial knowledge, this is known as subjective financial knowledge (Allgood & Walstad, 2013; Babiarz and colleagues, 2013). By evaluating people's degrees of understanding of various aspects of financial markets and goods, such as numeracy, literacy, and financial literacy, one may determine how much knowledge of finance is retained in people's memories. Financial ideas include assets, debts, savings and investments, the value of money, inflation, compound interest, and risk diversification (Lusardi et al., 2010; Lusardi & Mitchell, 2014).

Financial Experience. The experience of owning a financial product or talking to others about their own experiences is another aspect that enhances financial literacy and financial education. Financial experience has a favorable and significant causal effect on financial literacy, claim Frijns and friends (2014). A person with a wealth of financial knowledge also has a wealth of financial experience. However, due to methodological problems, the current research cannot establish the causal relationship between financial experience and financial literacy or vice versa. According to Hogarth and Hilgert (2002), financially literate people have the experience to close the knowledge-skills gap. Knowledge is only useful with practical experience. According to Moore (2003), there is a connection between financial conduct, experience, and knowledge. The amount of financial experience and actions a person has an impact on their level of financial competency.

Financial Awareness. One of the components needed to establish financial stability in an increasingly global economic development is financial awareness. Financial literacy includes financial awareness since it affects how people perceive information and make decisions (Khan, 2015; Mason & Wilson, 2000; Priyadharshini, 2017). According to Nga et al. (2010), demographic characteristics affect general and product knowledge of finances. A lack of financial awareness has substantial ramifications for understanding financial knowledge concerns connected to financial products and services, according to Guiso and Jappelli's study on the topic published in 2005. This, in turn, affects decisions and investments in the financial markets.

Figure 1 shows the conceptual diagram of the study. It shows that financial literacy is defined in terms of financial behavior, financial decision, financial goals, financial capability, financial skills, financial knowledge, financial experience, and financial awareness.

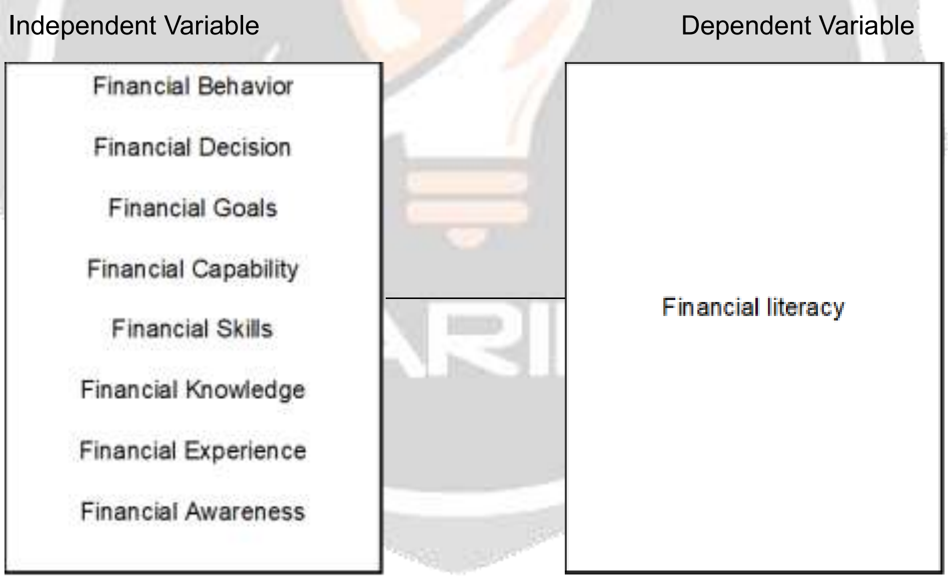

Figure1. The conceptual diagram of the study

2. REVIEW OF RELATED LITERATURE

This chapter discussed the review of related literature on the topics. This includes financial literacy and its importance, the influence of financial literacy on business performance, the need for education on financial literacy, financial literacy on small and medium enterprises, and financial attitude.

2.1 Financial Literacy and It's importance

Financial literacy is something that everyone requires (Mufida, 2022). It is regarded as an essential component for promoting financial inclusion and, ultimately, financial stability (Subha, 2014). Because of globalization, all countries and nations can easily deal with each other, and understanding financial concepts is essential in the current economy (Kumari, 2021). It would help the financially excluded understand the benefits and ways to join the formal financial system (Priya, 2014). Limited financial literacy, on the other hand, will result in incorrect financial decisions and a lack of future financial planning (Istifadah, 2022).

Financial literacy is a useful indicator of an individual's financial planning decision (Boon, 2011). Over the last decade, the importance of financial management skills in personal and professional life has grown, research in this area has been conducted, and financial literacy is becoming increasingly important for the economic well-being of the nation's future (Taft, 2013).

Sarva (2014) emphasized the importance of financial literacy for growth and inclusion, stating that better-informed consumers make more effective and appropriate decisions. It has become increasingly important for the future economic well-being of the nation; it must be explicitly linked with financial behavior and, thus, financial success and sustainability (Arthur, 2016). Individuals must also take on more responsibility for their financial decisions, such as investing in additional education, saving for a child's education, or planning for retirement (Lusardi, 2015).

2.2 The need for Education on Financial Literacy

Even in some of the world's most developed financial markets, a lack of financial literacy is a serious concern that requires immediate attention (Lusardi, 2019). The need for, and development of, financial education programs aimed at improving financial literacy has been viewed as a means of mitigating financial problems that individuals may face (Huston, 2010).

This study examined the relationship between financial literacy, well-being, and concerns (Taft, 2013). As a result, financial literacy is critical for assisting people in wisely managing their finances (Murugiah, 2016). The evaluation of financial literacy must be examined in order to transform them into financially knowledgeable individuals through the use of financial education (Kadir, 2011). Many countries have begun to offer financial education in their schools, recognizing the potential benefits of financial literacy at both the individual and national levels (Solomon, 2018).

Most financial-related seminars are usually aimed at business/finance students or finance lecturers (Ibrahim, 2010). This is due to budget constraints that would only allow some students to attend these seminars; therefore, well-designed and targeted financial education programs can help overcome these barriers to accessing formal financial services (Harun, 2010). It increases a client's financial knowledge, skill, and confidence in seeking and using financial information (Jasmindeep, 2016). That can address demand-side issues such as lack of trust, information and knowledge gap, social constraints, and behavioral biases Hieltjes and Petrova, (2013). Similarly, the review emphasized the importance of financial literacy in overcoming supply-side issues.

A growing body of evidence suggests that financial education has a greater impact on financial well-being and that differences in financial knowledge acquired early in life can explain a significant portion of financial and overall well-being in adulthood (Panos & Wilson, 2020). Individuals and investors must be financially literate to understand and master financial products and services. In today's volatile economic environment, individuals require financial skills to survive (Fatoki, 2014). Various studies support the argument of (Johnson & Sherraden, 2006) that well-designed financial education programs should allow individuals to gain practical experience because learning from experience and practice is important for knowledge retention (MAS, 2013). As suggested by (Sohn et al., 2012), active participation in learning allows students to develop a deeper understanding of the content and develop longer-lasting attitudes and behavior through experience. As a result, promoting financial education is critical to ensuring that individuals understand the importance of financial knowledge and how to make better financial decisions to improve their financial well-being and financial literacy.

2.3 Financial Literacy on Small Medium Enterprise

Small and medium-sized businesses face numerous challenges and shortcomings (Damayanti, 2018). Financial literacy is important for individuals and businesses (Al-Shami, 2018). As business, SMEs can move a country's economy (Malaysia M et al., 2018). These were demonstrated by nonrecording of transactions, improper recording techniques, highly defective recording materials, and poor record safekeeping practices; the absence of a recurring income and expense evaluation or the absence of an income statement; minimal or no cash planning; and the subsequent reliance on high-interest rate loans (Barte, 2012).

As financial literacy studies gain traction in the world, concern for developing economies grows (Mabula, 2016), and financial literacy is seen as an antidote to the growth and performance of new ventures, particularly in developing economies where most entrepreneurs lack financial knowledge in running businesses (Nomhwange et al., 2016). Many studies have found that financial literacy not only helps to instill individuals with the financial knowledge required to create household budgets, initiate savings plans, and make strategic investment decisions but that proper application of that knowledge also helps investors meet their financial obligations through prudent planning and resource allocation in order to derive maximum utility (Asenge, 2016). Developing economies have a long way to go regarding financial literacy, even though financial knowledge provides a foundation for humans to manage resources for production, distribution, and consumption activities (Mabula, 2016). The findings of this study demonstrate the impact of financial literacy on economic activity (Dwiastanti, 2018) and the advancement of financial management theory, economics, and finance (Firli, 2017).

Financial literacy is important on many levels because it assists people in managing their finances and improving their standard of living (Kamanga, 2018). It also contributes significantly to the financial system's soundness and efficiency and the economy's financial performance (Hall & Murugiah, 2016). Governments should make more efforts to create initiatives that raise awareness of the importance of financial literacy (Mabula, 2016). The government should train entrepreneurs to help them improve their financial knowledge, aiding business expansion. Further research into government policies and programs that encourage small businesses to develop financial knowledge is suggested by Lubem (2016).

2.4 The Influence of Financial Literacy on Business Performance

Success or failure are the two strategic business performance outcomes frequently mentioned in the literature (Eniola & Entebang, 2015b). Business performance can be used as a gauge of good or bad management in the field of management (Kim & Patel, 2017). However, other factors, such as luck, could also be blamed (Mabhungu & Van Der Poll, 2017). A key marvel of business management is business performance. The literature has made projections about it (Hitt et al., 2016 Nzewi et al., 2017). Performance can be defined as an organization's capacity to meet or exceed the predetermined objectives or goals set by its investors over a specific period (Kim, 2017). Cross-comparison is challenging because performance appears to be conceptualized, justified, and measured in various ways.

Performance is typically used to gauge a business's health over a specific period (Eniola, 2015). This makes performance one of the main concerns for business owners. The ability to measure business performance is a better way to determine whether a company is growing or not. Indicators that make it simple to look at the state of the company include financial and non-financial measurements like annual sales turnover rate, growth rate, number of employees, employee competency, innovation, competition, and resource availability (Simpson et al., 2012 and Javed and Muhammad, 2011). However, setting objectives, which entails establishing what a person or business enterprise wishes to accomplish over a specific period, is a crucial component of performance in a business environment. The objectives must be precise, quantifiable, attainable, accurate, and timely planned (Kim & Patel, 2017).

Performance has many connotations, including development, survival, profitability, innovation, and rivalry (Eniola, 2016). Because literate entrepreneurs are more likely to use and access financial services that help to improve their business performance, entrepreneurial financial literacy increases the use of economic forces (Fatoki, 2014). Low levels of financial literacy can hinder an entrepreneur's ability to evaluate and comprehend various financing options and navigate complex loan applications (Vincent, 2014). In seminars where members are taught skills like bookkeeping, arithmetic, project detection, and communication, people who need help reading or writing are also slow to understand (Xiao, 2017).

Financial literacy positively impacts an entrepreneur's competence, increasing his forecasts of financial attachment into the social and economic mainstream by increasing the possibility of his profits and an increased the functioning capability and performance of the business. Financially literate entrepreneurs are likelier to succeed in their businesses than their illiterate counterparts (Adomako & Danso, 2014). Financial literacy has a positive effect on behavior, such as budgeting expenses and purchasing insurance; on the other hand, irrefutable behaviors, such as excessive credit use, may have a negative impact on an individual's financial well-being. Financial literacy is a crucial factor in personal decision-making that enhances business growth and development (Peng et al., 2015; Potrich et al., 2015).

2.5 Finance as an Attitude

Financial attitude applies principles to create and uphold value through sound decision-making and resource management. It is a factor that significantly impacts how financial management is carried out (Kebede et al., 2017). Carpena & Zia (2011) state that good decision-making and resource management are formed by applying financial principles and conventions. Consequently, acquiring relevant information improves one's financial attitude.

A study has shown that realizing the proper financial attitude regarding risk management and diversification can improve financial literacy. Risk management and investment diversification may boost an entrepreneur's business performance. In a study conducted by Fatoki (2014) on financial literacy among microbusiness owners, the majority lack an insurance policy to protect their operations in case of a hazard that negatively impacts their company's performance. Consequently, it is a crucial factor in determining investment decisions.

Additionally, an entrepreneurial business owner with diversified investments typically has lower business risk over the long term while improving his business's performance and long-term survival (Chu et al., 2017). On the other hand, the mindset of the business owner is equally important in determining the success of the company's risk management strategy. Therefore, learning more about financial management is essential for entrepreneurs since it helps them effectively manage the performance of their businesses. Similarly, Bruhn & Zia (2011) argued that when a financial decision is made with knowledge, it will positively affect the success of both the individual and the business enterprise owner.

3. METHODOLOGY

3.1 Research Local and Duration

The research was conducted in Cateel, a second-class municipality in Davao Oriental composed of 16 barangays, where the people's main economic activities include fishing and farming. However, barangay Poblacion and Tagadao were the recipient barangays for this study, with a distance of 19.9 km (Tagadao) away from Poblacion. This barangay has lots of motor parts owners and workers in the area.

Figure 2. Map of Cateel Davao Oriental

3.2 Research Design

This study used a descriptive survey research approach. A sample of respondents was polled to determine their level of financial literacy. This research approach was chosen for its dedication to gathering information on current conditions or situations for analysis and interpretation. It examines the differences in financial literacy levels of the owners and workers in the motor parts industry. This strategy is used to characterize variables, and it offers the researcher acceptable procedures for systematically collecting extensive data from a wide number of respondents via distributing questionnaires.

3.3 Respondents and Sampling Procedure

This study's total number of respondents was 20, involving 8 owners and 12 workers using a complete enumeration method from the motor parts industry who have been permitted for a year and above and reside in Cateel, Davao Oriental. This approach offers a thorough and representative sample, removing potential biases in the sampling process and enabling a more accurate representation of the population's features.

3.4 Research Instrument

The Survey questionnaire was adopted from Financial Literacy and Its Variables: The Evidence from Indonesia. The questionnaire we will use is anchored on the study of Dewi, Febrian, Effendi, Anwar, & Nidar (2020), which in turn adopted financial literacy variables introduced by other researchers, namely financial awareness (Nga and friends, 2010; Woodyard, 2013); financial experience (Hogarth & Hilgert, 2002; Woodyard, 2013); Subjective et al. (Priyadharshini, 2017; Robb & Woodyard, 2011); financial skills (Priyadharshini, 2017), financial capability (Leskinen & Raijas, 2006); financial goals (Hogarth, 2002; Robb & Woodyard, 2011; Woodyard, 2013), financial decisions (Priyadharshini, 2017); financial behavior (OECD, 2009); and (Woodyard & Grable, 2014). In quantifying the respondents' responses to the level of personal financial literacy, each item of the indicators will be interpreted using the Likert scale. The interpretation is shown below.

Table 1. Interpretation of Data

Range of	Verbal	Interpretation	Remarks

Means	Description		
4.20 – 5.00	Very high	Financial literacy is always at the expected level.	Financial literacy is always manifested.
3.40 – 4.19	High	Financial literacy is often at the expected level.	Financial literacy is often manifested.
2.60 – 3.39	Moderate	Financial literacy is sometimes within the expected level.	Financial literacy is sometimes manifested
1.80 – 2.59	Low	Financial literacy is rarely within the expected level.	Financial literacy is seldom manifested.
1.00 – 1.79	Very low	Financial literacy is never at the expected level.	Financial literacy is not manifested.

4. RESULTS AND DISCUSSION

This chapter presents the results of the respondents' profiles, such as age, years in business, role in the industry, educational background, average monthly income, and years of being an employee are presented in the first section. The level of personal financial literacy of motor parts industry owners and workers followed it. Finally, a significant difference in the level of personal financial literacy in motor parts industry owners and workers when respondents are grouped according to years in the industry, educational background, average monthly income, and years of being an employee

4.1 Profile of the Respondents

A person's age can play a significant role in determining their level of financial literacy. People experience various financial conditions and obstacles as they move through different life phases, from managing their finances to making investment decisions. These encounters aid in the growth of financial knowledge and abilities and a better comprehension of the effects of various financial decisions.

Table 2. Profile of the respondents in terms of age

Category	Frequency	Percentage
Below 25 years old	5	25.0
26-30 years old	6	30.0
31-35 years old	2	10.0
36-40 years old	3	15.0
41-45 years old	2	10.0
Older than 46 years old	2	10.0
Total	**20**	**100**

The result showed the profile of the respondents. Among the 20 respondents, there are 30% aged 26-30 years old, 25% for below 25 years old, 15% for respondents aged 36-40 years old, 10% for age bracket 31-35, 10% for 41-46 years old, and 10% for older than 46. It suggested that most respondents were within the 26-30 age range, whereas the age range 31-35, 41-46, and older than 46 years old had the least respondents. A person's perspective shifts with age and experience. According to recent studies (Robb et al., 2012; Zick et al., 2012), consumers in various age groups exhibit various financial behaviors. Every age group has viewpoints, pressures, and influences (Zick et al., 2012). Examining consumer needs connected to financial concerns, age, or stage in life may offer a more useful strategy than classifying age groups by generation. Research on general and financial decision-making has shown that knowledge grows through time, and financial literacy also rises with age (Alhenawi & Elkhal, 2013).

Table 3. Profile of the respondents in terms of monthly income

Category	Frequency	Percentage
Less than 5,000	4	20.0
5,001-10,000	9	45.0
10,001-15,000	4	20.0
more than 20,001	3	15.0

Total	**20**	**100.0**

Table 2 shows that most of the monthly incomes of respondents with (5,001-10,000 pesos), which comprised 45% (9), have the highest percentage. In contrast, the lowest percentage is 15% (3) of respondents who answered that they have an income of more than 20,001 pesos a month (see Table 2). We indicate that between 5,000 to 10,000 monthly income is the respondent's salary in the workplace. According to a study, financial well-being is described as a person's perception of their financial status, real or perceived, improving their living standards.

How financially literate a person is greatly depends on their monthly income, which varies widely from person to person. Income is frequently regarded as a crucial element of stable finances because of how much it can influence a person's ability to manage their money. Monthly income can impact spending habits, savings goals, and investment preferences.

In his study, Monticone (2010) discovered that while those with higher salaries were more likely to learn about finances independently, those with lower incomes found it too expensive or lacked the same incentives. It is crucial to calculate the effects of financial education on the many groups that research suggests could benefit from workers' and owners' financial literacy. Adults with low and moderate incomes face various economic challenges, such as financial instability and barriers to upward mobility, partly from low wages and limited employment opportunities (Treskonet et al., 2021).

Table 4. Profile of the respondents in terms of educational background

Category	Frequency	Percentage
High school level	5	25.0
High school graduate	8	40.0
College level	3	15.0
College Graduate	4	20.0
Total	**20**	**100**

Shown in Table 3 is the result of the educational background of the respondents. Forty percent (8) of the total respondents are high school graduates, and fifteen percent (3) total respondents had the least percentage. Lack of financial literacy is a severe issue that needs to be addressed immediately in some of the most sophisticated financial markets in the world (Lusardi, 2019).

Obtaining higher education might prove that someone can succeed in academia, but not in a real-world job situation. Success at work reveals more about your abilities to potential employers (Education vs. Experience: Which One Gets the Job? 2022). Experience is the most important factor in the motor parts sector; not all repair shops will insist that their staff members hold a certificate to operate there (Motorcycle Mechanic Degrees, n.d.). It gives a solid basis for financial ideas and practices, and a business or finance education background can undoubtedly enhance financial literacy. However, it is important to note that financial literacy is not limited to those with a formal education in finance or business.

Table 5. Profile of the respondents in terms of years in business

Category	Frequency	Percentage
2-3 years	3	15.0
4-5 years	2	10.0
More than 10 years	3	15.0
Total	**8**	**100**

Table 4 shows that among the 8 employers, 15 percent answered 2-3 years, another answered more than 10 years, and lastly, 10 percent of the respondents answered 4-5 years in business. Entrepreneurs with ten years of experience in the field possess various knowledge types, the aptitude or skills to put that information to use, perceived knowledge, sound financial judgment, and even financial experiences (Hung et al., 2009). The ability to efficiently manage financial resources throughout their life cycle and link them with financial products and services is essential in the light of business reality (Gavigan, 2010).

The business owners' and workers' years of business being own bosses and earning a solid life is possible when they own a business. The performance and expansion of small and medium-sized businesses (SMEs) have drawn the attention of many people worldwide, including development economists, business owners, governments, venture capital firms, financial institutions, and non-governmental organizations (Eniola & Entebang, 2014).

In order to increase the likelihood of success within a set framework of agreed-upon planned targets, standards, and individual and group ability necessities, performance management entails the creation of a shared understanding about what is to be achieved as well as how it will be achieved (Armstrong & Baron, 1998).

Table 6. Profile of the respondents in terms of their role in the industry

Category	Frequency	Percentage
Employer	8	40.0
Employee	12	60.0
Total	**20**	**100**

In terms of the role in the industry the role that a person plays in the industry can be important in terms of their understanding of financial management practices and decision-making. There are definitions of financial literacy specifically addressed to managers and business people. A financially literate SME owner or manager understands the impact of various business growth stages on the company's performance, knows where to find the best products and services, and can confidently interact with suppliers of these goods and services (USAID, 2009). Financial literacy as it relates to managers' aptitude and decision-making was emphasized by Lusardi and Tufano (2009). Small and medium-sized businesses have been acknowledged to have tremendous potential for sustainable development, according to Eniola and Ektebang (2014). Through the expansion of SMEs, the surplus of labor from larger companies could find new jobs.

However, the result showed that in the role in the industry, 40 percent (8) of the total employer and 60 percent (12) employees, a total of 100 percent (20) total of respondents. There is no significant difference in the motor parts industry's financial literacy level.

4.2 Level of Personal Financial Literacy in the Motor Parts Industry

Shown in Table 7 is the statistical result on the level of personal financial literacy in motor parts industry owners and workers as measured through the following indicators: financial behavior, financial decision, financial goals, financial capacity, financial skills, financial knowledge, financial experience; and financial awareness and the overall mean rating for the of the level of personal financial literacy in the motor parts industry.

Table 7. Level of personal financial literacy in terms of financial awareness

Indicator	Standard Deviation	Mean	Descriptive Interpretation
Financial Awareness			
Evaluating spending regularly	.946	3.50	High
Making a list before shopping.	1.251	3.25	Moderate
Comparing some financial products before making a decision	.940	3.60	High
Documenting bills.	1.196	3.20	Moderate
Gathering information related to financial issues	1.129	3.30	Moderate
Grand Mean	**.7175**	**3.37**	**Moderate**

The result showed that in terms of financial awareness of motor parts owners and workers, it is moderate with a mean of 3.37, which indicates that the financial literacy of motor parts industry owners and workers is sometimes manifested. It suggests that having an in-depth awareness of finances helps people develop long-term plans for their lives (Howlett et al., 2008).

The level of personal financial literacy in terms of financial awareness of the individual means that people are vulnerable to economic difficulties if they do not have financial awareness (Holik, 2019). An economic study trend that is becoming more and more popular is financial awareness. Today, formal education is one of the most crucial elements in creating financial awareness (Forte, 2014). Financial literacy refers to two constantly intertwined concepts: a stock of information about financial products and how to use them (Huston, 2010). Financial awareness is a synonym for financial literacy in this situation. The financial items circulating in the community are unfamiliar to many of us. Although they have some awareness of money and banking, it is limited to shopping and money management. This ignorance limits the inability to increase access to welfare.

Additionally, they are accustomed to carefully considering options before making a choice. According to Clark et al. (2016), Federal Reserve employees demonstrated greater financial awareness than the general public. They participate fully in any financial planning done at work. They can build up their future financial plans. Some people struggle financially solely due to their lack of knowledge about these problems (Holik, 2019). As a result, being financially aware can help business owners and workers live wealthy lives.

Table 8. Level of personal financial literacy in terms of financial behavior

Indicator	Standard Deviation	Mean	Descriptive Interpretation
Financial Behavior			
Paying bills on time.	.852	4.10	High
Allocating a portion of funds for charitable or social activities**.**	1.040	3.15	Moderate
Investing in diversification.	1.293	2.75	Moderate
Investing for retirement.	1.334	3.10	Moderate
Grand Mean	**.88071**	**3.28**	Moderate

The result shows that the financial behavior of motor parts owners and workers is moderate, with a mean of 3.28. The result suggests that good financial behavior can be observed from one's attitude toward controlling the outflow of money. The skill and knowledge of financial concepts, or financial literacy, is intimately tied to whether or not financial management is done wisely. Everyone views and behaves toward money differently. People's attitude toward money can influence their thinking and acting (Ameliawati, 2018).

This finding demonstrates that financial literacy favors actions like setting up a budget for expenses and getting insurance. Conversely, unavoidable actions like excessive credit utilization may harm a person's financial security (Peng., 2015). Sarva (2014) noted that more informed consumers make good judgments, and financial literacy is crucial for inclusion and progress. It must be directly associated with financial behavior, financial success, and sustainability since it has grown important for the country's long-term economic health (Arthur, 2016).

Additionally, people must assume more responsibility for their financial choices, such as saving for retirement, investing in further education, or paying for a child's education (Lusardi, 2015).

Table 9. Level of personal financial literacy in terms of financial capability

Indicator	Standard Deviation	Mean	Descriptive Interpretation
Financial Capability			
Paying bills	.988	4.15	High
Having money in cash.	1.108	3.85	High
Buying things when they need to be bought.	.926	3.95	High
Gathering information before deciding to buy.	.821	4.05	High
Grand Mean	**.691**	**4.00**	High

Table 8 presents the financial capability of motor parts owners and workers. It is high, with a mean of 4.00 which indicates that the financial literacy of motor parts industry owners and workers is often manifested. Financially capable people can identify and protect themselves from financial risks (for example, through insurance); build up some savings; to avoid becoming over-indebted; identify and protect themselves against financial risks (for example, through insurance); invest wisely (if they have the resources to do so); and undo financial mistakes (Mundy, 2011). Lusardi (2011) used terms like "how well people make ends meet, plan for the future, choose and manage financial products and services, and develop their own skills and knowledge to make financial decisions" to measure peoples' financial capability. Financial capability is the sum of a person's knowledge, ability to comprehend their personal financial status, and drive to act (Priyadharshini, 2017).

Moreover, an entrepreneur's capability is positively impacted by financial literacy, which raises his expectations of financial integration into the social-economic mainstream by boosting the likelihood of his earnings and raising the functional capacity and performance of the business. Financial literacy is important on many levels because it helps people manage their finances and raise their standard of living (Kamanga, 2018). As a result, financially literate entrepreneurs have a higher chance of success in their businesses than their illiterate counterparts (Adomako & Danso, 2014). It also contributes to the stability and effectiveness of the financial system and the financial success of the economy (Hall & Murugiah, 2016).

Table 10. Level of personal financial literacy in terms of financial experience

Indicator **Financial Experience**	**Standard Deviation**	**Mean**	**Descriptive Interpretation**
Holding onto emergency savings.	.865	3.70	High
Doing financial records.	1.333	3.25	Moderate
Having experience in managing personal assets.	1.268	3.15	Moderate
Investing experience in the stock market.	1.651	2.90	Moderate
Savings experience in non-bank financial institutions.	1.309	2.85	Moderate
Grand Mean	**.9387**	**3.17**	Moderate

Shown in Table 10 is the result of the level of personal financial literacy. It was found to be moderate, with an average mean of 3.17, indicating that the financial literacy of motor parts owners and workers is sometimes manifested. It reveals that while some business owners and employees in the motor parts industry could have some expertise in handling their finances, they have yet to deal with all the financial decisions and difficulties they might have. The experience relates to finance activities, such as planning investments, pension funds, insurance, and credit. Based on this experience, it will be considered and planned in the future in order to meet future needs (Susdiani, 2017). The ability to interpret financial statements using relevant data requires financial experience. People with considerable financial knowledge have a wide range of factors at their disposal, allowing them to manage their money and make decisions regarding investments more effectively, ultimately resulting in enhanced and ideal outcomes (Al-Dmour, 2018).

According to Susandiani (2017), the concept of personal financial experience can be reflected in the experience of financial-related activities like investment planning, pension fund management, insurance, and credit. A financial experience is a circumstance people go through after carefully considering many financial transactions (Lusardi & Tufano, 2015). The financial experience in question is events or things related to financial transactions that have been experienced (Ariska, 2018).

Moreover, financial experience is an individual experience that occurs in managing and managing finances as a consideration and planning for the future to meet future needs (Susdiani, 2017). This result shows that financial experience has a positive influence on investment decisions. With financial experience, it can be used to manage finances well; individuals will allocate their funds to be invested in various assets after considering their short-term needs.

Table 11. Level of personal financial literacy in terms of financial decision

Indicator **Financial Decision**	**Standard Deviation**	**Mean**	**Descriptive Interpretation**
Making decisions without planning.		2.55	Low
Being sorry for buying something after being easily persuaded.	1.050	2.95	Moderate
Being sorry for buying something without consideration.	.988	3.15	Moderate
Buying on impulse.	.883	2.60	Moderate
Buying something after pressure from others.	.865	2.70	Moderate
Grand Mean	**.4876**	**2.79**	Moderate

The result shows that the financial decision of motor parts owners and workers is moderate, with a mean of 2.79, indicating that the financial literacy of motor parts industry owners and workers is sometimes manifested. Finding out that there is a mean of 2.55 that interprets as low means that lack of financial literacy shows that the person frequently makes decisions or acts without carefully contemplating the course of action. The person appears to lack any sense of order or logic in decision-making, acting impulsively and randomly. They could rely on instinct or snap judgments instead of thoroughly analyzing all available options or gathering relevant information before deciding. This makes one more vulnerable to unintentional financial mistakes and less equipped to handle unexpected economic turbulence (Hung et al., 2009). According to Lusardi (2012a), who supported this finding, many financial decisions, including those involving saving, spending, investing, and borrowing, are influenced by financial literacy and numeracy.

Moreover, better financial decision-making resulted from greater financial literacy (Grohmann, 2018). It is in line with the findings of Chen and Volpe (1998) and Lusardi (2012b) found that a lack of financial knowledge and literacy will limit one's capacity for decision-making. Chijwani (2014) enhanced the findings of earlier studies showing that individuals with limited financial literacy may make decisions that negatively affect their financial circumstances. The studies above demonstrate that those more financially aware are better equipped to make sound financial decisions.

It shows that the decision-making outcome, well-informed, educated people should sometimes make better financial judgments for their well-being and to support local economic development (Nidar, 2020). A lack of financial literacy can lead to poor financial decisions that adversely affect an individual's financial wealth. The moderate mean shows that although some workers in the motor parts industry may be aware of the fundamentals of finance, they may only sometimes make the best financial decisions.

Table 12. Level of personal financial literacy in terms of financial goals

Indicator	**Standard Deviation**	**Mean**	**Descriptive Interpretation**
Financial Goals			
Making plans for how to use money.	.955	4.10	High
Planning for long-term goals such as retirement.	1.142	4.10	High
Saving money to buy items with cash rather than with credit.	1.060	3.70	High
Grand Mean	**.839**	**3.97**	High

Table 12 shows the result of financial goals, which is high with a mean of 3.97, which indicates that the financial literacy of motor parts industry owners and workers is often manifested. Setting financial goals is an important component of financial literacy, as it allows individuals to identify specific targets and create a plan for achieving them. Owners and employees in the motor parts industry may be inspired to act and make financial decisions that support their aims by setting high financial goals. With clear and measurable financial goals, a person will have a road map to help them reach financial independence (Priyadharshini, 2017).

The literature frequently refers to success or failure as the two strategic outcomes of the concept of company performance (Eniola & Entebang, 2015b). In the subject of management, business performance can be utilized as a barometer for good or bad management (Kim & Patel, 2017).

However, other causes may also exist, such as chance (Mabhungu & Van Der Poll, 2017). Business performance is a key achievement of business management. The literature has suggested it (Hitt et al., 2016; Nzewi et al., 2017). Performance is the ability of a business over a given time to fulfill or exceed the preset objectives or goals established by its investors (Kim, 2017). Performance is understood, supported, and measured in various ways, making cross-comparison difficult.

Table 13. Level of personal financial literacy in terms of financial skills

Indicator	**Standard Deviation**	**Mean**	**Descriptive Interpretation**
Financial Skills			
Keeping bills and receipts where they are easy to find.	1.031	3.30	Moderate
Evaluating savings financial statements on a regular basis.	1.000	3.50	High
Managing risk through the purchase of insurance.	1.234	2.95	Moderate
Evaluating debt on a regular basis.	1.000	3.50	High
Grand Mean	**.76895**	**3.31**	Moderate

The result shows that the financial skills of motor parts owners and workers are moderate, with a mean of 3.31, indicating that the financial literacy of motor parts industry owners and workers is sometimes manifested. Regarding financial skills, financial literacy can be a useful predictor of a person's financial planning choices (Boon, 2011). Financial management abilities have become more crucial in both personal and professional life over the past ten years, and research in this field has shown that financial literacy is crucial for the country's future economic health (Taft, 2013).

Priyadharshini (2017) asserted that the ability to make knowledge-based decisions is correlated with financial abilities and can help people avoid financial troubles. According to observations made by Lusardi and Mitchell in 2011, most people face financial difficulties because they need more knowledge to handle credit, invest, or use the current banking system. People must gain the basic financial skills necessary to create and maintain budgets.

Another possible reason the unbanked have moderate financial skills is that they need more experience using financial products. If they used financial concepts daily, their understanding could increase with time. As people observed the value of their savings rise, the idea of interest, for instance, would become clearer. The fact that unbanked individuals have poorer and less educated backgrounds is the easiest explanation for their lack of financial literacy (Klapper, L., 2015).

Table 14 Level of personal financial literacy in terms of subjective financial knowledge

Indicator	**Standard Deviation**	**Mean**	**Descriptive Interpretation**
Subjective Financial Knowledge			
Writing down where the money is spent.	.759	3.55	High
Having knowledge of risk and return.	.940	3.40	High
Discussing economic and financial issues.	.887	3.05	Moderate
Grand Mean	**.592**	**3.33**	Moderate

Table 14 reveals the result of subjective financial knowledge of motor parts owners and workers with a mean of 3.33 which displays that financial literacy of the motor parts industry is sometimes manifested. A solid understanding of finance is now necessary for survival rather than just as a luxury due to the changing nature of the economy. Financial literacy does not make people expert money leaders; it gives them the skills and knowledge they need to make wise financial decisions and have more control over their lives (Raul, 2020).

Most lectures on finance are often geared toward business/finance majors or finance professors (Ibrahim, 2010). Due to financial restrictions, only some students could attend these seminars.

As a result, well-crafted and targeted financial education programs can assist in removing these obstacles to using formal financial services (Harun, 2010). It improves a client's understanding of finances, ability to use and find financial information, and confidence (Jasmindeep, 2016) that can solve demand-side problems such as low trust, a knowledge and information gap, social 20 20 limitations, and behavioral biases (Hieltjes & Petrova, 2013).

A rising body of research indicates that the value of financial education has a stronger impact on financial well-being and that variations in early-life financial knowledge can account for a sizable amount of adult financial and general well-being (Panos & Wilson, 2020). To comprehend and master financial products and services, people and investors must be financially literate. Financial literacy is necessary to survive today's unstable economic climate (Fatoki, 2014). Numerous studies back up the claim made by Johnson and Sherraden (2006) that individuals should have the chance to get real-world experience as part of well-designed financial education programs since practice and learn from experience are crucial for knowledge retention (MAS, 2013). According to (Sohn et al., 2012), by actively engaging in the learning process, students can gain a more in-depth comprehension of the subject matter and form attitudes and behaviors that will remain longer. In order to increase one's financial well-being and financial literacy, one must ensure that people understand the value of financial information and how to make better financial decisions.

It implies that even though they may display varying degrees of confidence in their financial understanding, it is crucial to remember that a person's perceived level of financial expertise may differ from their real level of understanding or knowledge. People can overestimate or underestimate their level of financial knowledge. Although some business owners and workers in the motor parts sector may feel rather confident in their financial knowledge, there may be certain areas where they might benefit from further training or tools to advance their financial literacy.

4.3 Significant Difference in The Level of Personal Financial Literacy in Motor Parts Industry.

In Table 15, the level of personal financial literacy among owners and employees in the motor parts industry was evaluated using an analysis of variance (ANOVA) and T-test. Based on factors like age, monthly income, educational background, number of years in business, and role in the industry. When considering these variables, the results show no discernible disparities in personal financial literacy among motor parts industry workers. The general degree of financial literacy remained fairly constant regardless of age, monthly income, educational background, business years, or specific industry jobs.

Table 15. Analysis of variance (ANOVA) result

Factor	F-value	p-value	Statistical Inference
Age	.643	.671	Not significant
Monthly Income	1.802	.187	Not significant
Educational Background	.494	.692	Not significant
Years in the Industry	.209	.818	Not significant

The respondent’s profile is ever-evolving; therefore, a smart a businessperson should be aware of internal and external dynamics and what is happening within the business. Furthermore, the reason is usually that a business cannot manage its external environment. According to Nga et al. (2010), the profile of the respondents, which includes elements like age, gender, education, income, and occupation, can have a big impact on financial literacy and decision-making. According to research, these elements can affect a person's financial knowledge, attitudes, and behaviors.

Other elements, such as individual values and beliefs and access to financial resources, should also be considered as they may impact financial literacy. Even if there is no visible difference in the profile, these other variables can still greatly impact how well-informed, kind, and ethical a person is about money. For instance, age and education were significant determinants of financial literacy in a study by Mandell and Klein (2009).

Overall, despite the lack of statistically significant variations in the respondent profiles, it is crucial to interpret the results in light of the constraints of the study as well as the larger social and cultural factors that influence financial literacy.

Table 16. T-test result

Factor	t-value	*p-value*	Statistical Inference
Role in the Industry	1.940	.068	Not significant

Employers and employees play key roles in promoting economic expansion and advancement. Employers build businesses and jobs that boost economic activity and give customers access to goods and services. Employees, in turn, are essential to producing those goods and services, and their spending power influences their demand. Owners may consider ways to improve the perception of their sector in order to attract and retain staff. Employers are essential for economic expansion because they start new firms and grow current ones, which leads to job opportunities and promotes innovation.

In this study, the result showed no significance. Employers and workers in this study have a similar understanding of financial concepts and practices. Financial knowledge can be cultivated and comprehended through financial education or financial literacy. Dwiastanti (2015) defined financial literacy as a "meaning-making process" in which people employ a variety of abilities, tools, and background knowledge to absorb information and make decisions while being aware of the financial repercussions of those choices. According to the description above, financial literacy is an individual's ability to decide depending on the financial risk involved. This ability is achieved through the use of a variety of skills, resources, and contextual knowledge.

Saving and investing are additional components of financial literacy (Rashid, 2012). Financial literacy is key in helping people realize the need to save since it will give them stability for their immediate needs. Savings, for instance, might be a tool to meet one's consumption when there is an urgent need. All that is needed in effective saving is awareness and discipline in money management. When investing, someone will benefit from financial literacy if they know and comprehend how to buy stocks and other investment instruments.

More concretely, there has been a disciplined rise in financial literacy, and people are beginning to learn how to choose a wise attitude while making stock trading selections. Furthermore, financial literacy has taught people how to protect themselves from investment fraud.

5. CONCLUSION

The profile of the respondents revealed that in terms of age, the highest percentage is 30%, aged 26-30 years old. In terms of monthly income, the data displayed that owners' and workers' monthly income is the highest at 45%. In terms of educational background, owners and workers get the highest percentage, with 40%, while owners in business for 2-3 years get the highest percentage of 15% and more than 10 years.

The average score for financial awareness was 3.37, which is considered moderate, suggesting that the respondents occasionally demonstrate familiarity and understanding of financial terms and procedures. Financial behavior was given a mean score of 3.28, which is moderate. The results imply that the respondents occasionally practice responsible financial practices. The average financial capability result was 4.00, indicating a moderate level. It shows that the respondents are financially capable and can manage their money responsibly. With a mean of 3.17, the financial experience was also moderate, indicating that the respondents are somewhat exposed to various financial circumstances and transactions. Given a mean of 2.79, it was concluded that the financial decision was moderate. This suggests that the respondents occasionally make wise and well-informed financial decisions. The average mean for financial goals was 3.97, which is considered moderate. Accordingly, the respondents are somewhat committed to and clear about their financial goals. The average score for financial skills was 3.31, which is considered reasonable. It suggests that the respondents have average knowledge and skills in financial management. On the other hand, subjective financial knowledge also showed a moderate level of personal financial literacy, having an average score of 3.33. In the study context, the respondents probably have a modest confidence level in comprehending financial concepts, principles, and procedures.

The study did not find significant differences in personal financial literacy among motor parts industry owners and workers when grouped according to age, monthly income, educational background, business years, and industry role. The study asserts that people tend to have a comparable level of personal financial literacy regardless of age, income level, educational achievement, work experience, or particular business functions.

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