The Hidden Cost:

Financial Wellness and the Filipino Workforce in 2026

Based on insights from 650+ employees from the Philippines

FRONT MATTER

The Philippine Workforce is Quietly Under Pressure

Employees show up. They meet deadlines. They answer messages. But behind this is a workforce managing financial pressure that most employers cannot see, and haven't been asked to address.

Based on Sprout's survey data, about 68% of respondents earn below ₱50,000 per month, which aligns with the PSA's 2024 Occupational Wages Survey reporting an average monthly wage of ₱21,544 for full-time formal-sector workers. About 55% carry at least two dependents and 77% either share or bear sole responsibility for supporting their household. Employees are carefully managing their money; many simply don't have enough of it to build any margin.

Executive Summary

The Filipino workforce is financially disciplined. The data from 686 employees shows that they manage their money carefully, and they meet their obligations. But managing well isn't the same as being secure.

Most workers have very little margin between what comes in and what goes out, and when something unexpected hits, there is almost nothing to absorb it. That pressure doesn't stay at home. It enters the workplace as reduced focus, compounding stress, and eroded capacity.

Key Findings

- Employees budget well but cannot save.
- Income stability is the weakest dimension
- Financial stress follows employees to work
- Workplace support is expected but not felt

About This Study

This study is based on a survey of 686 employees in the Philippine workforce. It uses a quantitative survey approach with additional open-ended responses to understand financial wellness across different employee groups. Financial wellness is measured across five dimensions:

- Social Pressure
- Income Stability
- Budgeting Behavior
- Debt Management
- Savings Behavior

Each dimension is built from multiple Likert-scale items and tested for reliability to ensure the items measure the same concept.

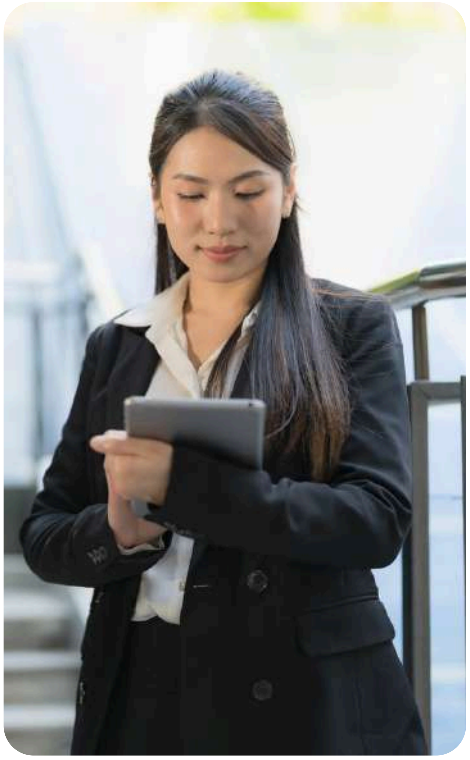
*A sixth dimension, **Financial Worries**, was removed after reliability testing showed low internal consistency. This was done to keep only stable and reliable measures in the final analysis.*

How to Read the Scores

All scores in this report use a 1 to 5 scale.

SCORE RANGE	INTEPRETATION
4.0 – 5	High financial wellness
3.0 – 3.9	Moderate financial wellness
2.0 – 2.9	Low to moderate financial wellness
1.0 – 1.9	Very low financial wellness

Use this scale when reading all tables and charts in the report.



CHAPTER 1 THE STATE OF FINANCIAL WELLNESS

Filipinos can budget. What they can't do is save or absorb a shock.

Here is something that should give every HR leader pause: the average Filipino employee is not financially irresponsible. They track their spending. They pay their bills. They are actually reasonably disciplined managers of whatever money they have. The problem is what happens after the bills are paid. Nothing is left. Or almost nothing. And in a country where a single hospitalization, a sudden vehicle repair, or a family emergency can cost the equivalent of weeks of salary.

The five dimensions of financial wellness

Employees score best on what they can control. They score worst on what income determines.

Dimension	Mean score (1-5)	Signal
Budgeting behavior	3.27	Highest
Social pressure	3.10	Moderate
Debt management	2.85	Below midpoint
Savings behavior	2.68	Low
Income stability	2.37	Lowest

The 0.90-point gap between budgeting (3.27) and income stability (2.37) is one of the key findings of the report. Employees are managing their money as carefully as their circumstances allow. What they cannot do is stabilize the income that money management depends on, and that distinction changes what effective employer support actually needs to look like.

The income stability gap

Below ₱100K, almost everyone is exposed.

Income stability doesn't improve gradually with earnings. It stays low, then shifts at one specific threshold.

Monthly household income	Income stability score (1–5)
Below ₱20,000	2.21
₱20,000 – ₱49,999	2.34
₱50,000 – ₱99,999	2.58
₱100,000 and above Threshold	2.96

Every bracket below ₱100,000 falls under 3.0, the point at which income begins to feel reliably stable.

For these employees, an unexpected medical bill, a delayed paycheck, or a sudden household expense immediately disrupts essential spending. There is no buffer.

In fact, even among households earning ₱100,000 and above, income stability remains below 3.0. Financial pressure is lower, but it has not disappeared.

For most organizations, where the majority of employees earn below this threshold, financial vulnerability is a workforce-wide reality.

Savings vs. budgeting behavior

It's not a discipline problem. It's a margin problem.

BUDGETING BEHAVIOR

3.27 / 5

1 3 5

Employees consistently track spending, manage bills, and meet monthly obligations on time.

STRENGTH AREA

vs

SAVINGS BEHAVIOR

2.68 / 5

1 3 5

Most employees cannot set aside money consistently or build a meaningful financial cushion.

OPPORTUNITY AREA

If employees are disciplined enough to budget, why aren't they saving? Because budgeting and saving are not the same problem. Budgeting is about allocating what you have.

Saving requires something left over, and for most Filipino employees, nothing is. Once rent, food, utilities, and family obligations are covered, the month is done.

Savings becomes inconsistent not because of weak habits, but because there is no financial space in which to form them.

This matters for how employers respond. Financial literacy programs and budgeting workshops will not move the needle if the structural limitation (insufficient income margin) remains unaddressed.

Budgeting reflects what employees do with the money they have.

Savings reflects how much is left after they do it. For most, that amount is close to zero.

Why income matters more than behavior

A structural issue, not a behavioral one.
Saving is shaped by income level. Budgeting is not.

BUDGETING BEHAVIOR

Not significant*

Scores are broadly uniform across all income levels. Employees budget with similar discipline whether they earn **₱15,000** or **₱150,000** a month.

vs

SAVINGS BEHAVIOR

Significant*

Scores vary significantly by income. **Higher earners save more.** Lower earners consistently cannot, regardless of how carefully they budget.

**Significance value based on Kruskal-Wallis test*

Employees across income levels share similar financial habits. What they do not share is the capacity to act on those habits.

Improving financial literacy will not close the savings gap when the gap is caused not by knowledge, but by insufficient income margin.

That said, the interventions that will actually move the needle are structural: emergency fund access, payroll-linked savings tools, and mechanisms designed for employees who want to save but have nothing left to save with.

CHAPTER 2 WHO IS MOST AFFECTED

The high-obligation worker: profiling the employees most at risk Being a provider isn't a lifestyle choice. For millions of Filipino workers, it's a financial condition.

Financial stress in the Filipino workforce is not distributed evenly. It concentrates around specific conditions: the number of people depending on a single income, the weight of being the sole household provider, the career stage where obligations peak before wealth accumulates.

Why income matters more than behavior

Most employees are not financially secure, or even close. The workforce segments into four distinct financial profiles.

Financially secure

High income, strong savings. Resilient to most shocks.

18%

Financially resilient

Stable savings, low debt stress. Lower income but protected.

24%

Managing but vulnerable *(Priority segment)*

Good budgeting, low savings. Appear stable; have no buffer.

34%

Financially strained *(Priority segment)*

High dependents, active debt pressure. Under sustained stress.

24%

Two of the most vulnerable groups, the **Financially Strained** and **Managing but Vulnerable** segments, make up **58% of the workforce.**

They are the majority, and the distinction between them matters. The **Strained** group is actively struggling, while the **Vulnerable** group appears stable but has no financial cushion.

A single unexpected expense is often enough to push the **Vulnerable** into **Strained** territory. Both groups are the primary audience for any employer intervention worth undertaking.

The dependent burden

3+ dependents is the tipping point. More dependents means lower scores across nearly every dimension, except one.

Number of dependents	Income stability	Savings	Debt mgmt	Budgeting
0 - 2 dependents	Higher	Higher	Higher	Moderate
3 - 4 dependents	Lower	Lower	Lower	Moderate
5+ dependents	Lowest	Lowest	Lowest	Highest

Employees supporting five or more dependents score lowest on income stability, savings, and debt management, but highest on budgeting behavior. This is not a sign of financial health. It is a sign of necessity. When every peso is already spoken for, strict budget discipline is not a virtue but a survival requirement.

But discipline alone does not create resilience. These employees are managing tightly precisely because they have no room for error, and savings and income stability remain weak regardless. Large households enforce budget discipline. They don't create financial security. The highest budgeting scores in the study belong to the group with the least financial cushion.

The primary provider premium

Sole providers absorb risk. Shared providers distribute it. Being the only earner in a household changes the structure of financial risk, regardless of salary level.

Provider role	Income stability	Debt management	Overall wellness
No provider responsibility	Higher	Higher	Higher
Shared provider	Moderate	Moderate	Moderate
Primary/sole provider	Lower	Lower	Lower

Primary providers score consistently lower on income stability and debt management than those with shared or no provider responsibilities. This is more of a risk concentration problem. When one income must cover an entire household, any disruption carries disproportionate consequences: a delayed paycheck affects everyone; an unexpected expense has no secondary buffer; debt becomes a short-term survival mechanism rather than a financial strategy. Shared providers distribute that risk. Sole providers absorb it entirely.

The managerial paradox

Promotion shifts financial risk. It doesn't resolve it. Managers score better overall, but not where it might matter most.

Dimension	Non-managers	Managers
Income stability	Lower	Higher
Savings behavior	Lower	Higher
Social pressure	Higher	Lower
Debt management	Comparable or better	Weaker
Budgeting behavior	Comparable or better	Weaker

Managers earn more, but their weaker scores on debt management and budgeting suggest that income gains are often matched by larger financial obligations: housing loans, car payments, private school fees, and the social expectations that come with seniority. Higher income does not always mean greater financial flexibility.

For HR leaders, this has a specific retention implication: managers who feel financially exposed may be more vulnerable to competitor offers than their compensation packages suggest.

Age and financial wellness

Age is a proxy for accumulated obligations, not accumulated security. Older employees generally score better, but the debt management exception tells a more complicated story.

Career stage	Income stability	Savings	Debt mgmt	Overall
Early career	Lower	Lower	Relatively better	Lower
Mid-career	Moderate	Moderate	Peak pressure	Moderate
Senior/experienced	Higher	Higher	Mixed	Higher

Younger employees tend to score lower on most dimensions, but their debt management scores are relatively better, not because they handle debt more skillfully, but because they haven't yet accumulated it. Housing loans, education costs, and long-term family obligations take time to build up. By mid-career, those obligations are at their peak; income has grown, but so have the financial responsibilities that absorb it. This changes what age means in financial wellness data. Seniority does not indicate financial maturity. It indicates the accumulated weight of financial responsibility that comes with longer careers, larger households, and deeper obligations.

CHAPTER 3 WHAT CREATES PRESSURE

From managing to struggling: the behavioral triggers of financial strain. The shift from 'okay' to 'at risk' isn't always a crisis. Sometimes it's just another month.

Why people borrow

Emergencies & unexpected expenses

Medical bills, sudden repairs, family crises with no buffer to absorb them

Paying usual expenses

Rent, utilities, groceries; salary runs out before the month does

Neither reason is discretionary. Employees aren't borrowing for wants; they're borrowing because income doesn't stretch far enough to cover what's already essential. Debt here is a rational response, not a behavioral failure. Programs focused on coaching employees out of debt miss the point: the borrowing will continue as long as the income gap does.

The borrowing is not the problem. The insufficient income margin is.

The savings trap: expenses eat the margin

1. Expenses and responsibilities.
Obligations, like rent, food, utilities, family support, consume the full income before the month ends. There is nothing left to put aside.

2. Insufficient salary, no extra income.
Employees say plainly that the problem is not their habits.
It is the size of the number at the top.

3. Recurring bills plus emergency costs.
Even employees who build a small buffer see it eroded repeatedly by costs that cannot be predicted. The cycle restarts every month.

Social obligations

Most cited
➜ Groceries & food

Second most cited
➜ Bills & utilities

The common assumption is that Filipinos overspend socially, on celebrations, gifts, appearances. The data contradicts this. The top two social financial responsibilities are groceries and bills: survival costs, not social performance.

When a sibling's electricity is about to be cut, an employee with income steps in not out of cultural obligation, but because there is no one else. This reframes the intervention: social financial pressure here is structural, and solving it requires financial breathing room, not cultural coaching.

> **Filipino financial solidarity is less about social expectation and more about shared survival.**

The vulnerable segment: budgeting without a floor

The "Managing but Vulnerable" segment represents 34% of the workforce. They are also the most easily overlooked.

What they are good at	What they struggle with
Budgeting behavior; above average	Savings behavior; below average

	Meeting obligations; consistent	Income stability; fragile
	Financial discipline; present	Financial buffer; absent

As mentioned earlier, a single unexpected cost is enough to move them from "managing" to "strained." They will not identify as financially stressed. They will not ask for help. Their discipline reads as stability to anyone not looking closely. Employer programs that target only the most visibly distressed employees will miss this 34% entirely.

CHAPTER 4 WHAT IS THE COST TO EMPLOYERS

Money on the mind: how financial stress enters the workplace

> **When employees can't stop thinking about money, they can't fully think about work.**

Three ways financial stress shows up at work:

1. Impaired focus - Difficulty sustaining attention. The mind doesn't stay at the desk.

2. Financial preoccupation - Continuous background calculation; worrying, recalculating, replanning.

3. Stress and anxiety - Emotional weight carried through every shift, meeting, and interaction.

These three patterns appeared systematically across roles, industries, and income levels.

It means financial stress is not a personal problem showing up occasionally in the workplace. It is a workforce condition showing up every day.

The cognitive tax is real: employees under sustained financial pressure perform worse on tasks that require attention, judgment, and presence, which is most tasks at the workplace.

The sleep and focus connection

Money worries affect sleep and my ability to focus at work.

This finding consistently aligns with other measures of financial wellness such as income instability, debt pressure, and low savings. It is not an isolated concern. It actually shows a clear pattern: when financial wellness declines, sleep quality and work focus also decline. Employees are directly reporting this link themselves, showing that financial stress is not separate from work performance; it is closely connected to it.

The vulnerable segment: budgeting without a floor

The "Managing but Vulnerable" segment represents 34% of the workforce. They are also the most easily overlooked.

> **"I do not feel supported by my workplace in dealing with financial challenges."**

This means most employees already expect the workplace to play a role in their financial wellbeing, and most feel that expectation going unmet. The expectation is not being created; it already exists. Employees have concluded that the workplace should help. What they haven't seen is a response. This is the single most actionable finding for HR leaders: the demand signal is already there. The gap between expectation and reality is the space where employer intervention has the most immediate and visible impact.

The expectation is already there. The response is still missing.

Translating wellness gaps into business risk

Focus impairment→Productivity loss. Chronic distraction has a measurable cost in output quality and error rates. If 58% of your workforce carries sustained financial stress, a fraction of every working hour is already spent elsewhere.

Debt distress→Absenteeism risk. The Financially Strained segment carries compounding pressure (debt obligations, high dependents, low income stability) that increases the likelihood of health deterioration and unplanned absence.

Low income stability→Attrition. Below ₱100K household income, where most of the workforce falls, employees have little financial reason to stay. A competitor offering a salary advance or emergency fund may represent a life-changing difference.

CHAPTER 5 WHAT LEADERS CAN DO

The employer's role in financial resilience. You cannot solve a structural problem with a pamphlet. But you can start with the right tools.

Reframing financial wellness as strategy, not benefit.

A salary advance program is not a perk. An emergency savings tool is not a goodwill gesture. Access to affordable credit is not a lifestyle benefit.

These are investments in cognitive capacity, workforce stability, and organizational performance.

The data shows that financial stress is already present in your organization, whether or not you have a program to address it. What matters now is whether your organization responds, or absorbs the cost quietly.

Prioritize the right segments

Different segments need different interventions. Deploying the same solution across the full workforce wastes resources and signals that leadership doesn't understand the actual conditions.

Segment	Primary need	What works
Financially Strained	Emergency access and debt relief	Salary advance, emergency funds, regulated lending access
Managing but Vulnerable	Savings infrastructure	Payroll-linked savings, micro-savings schemes, automated deductions
Financially Resilient	Growth and stability tool	Investment access, financial goal-setting platforms
Financially Secure	Long-term planning	Wealth-building programs, retirement tools

The discipline is already there. These employees don't need education. They need mechanisms.

What effective workplace financial support looks like - The data points specifically to what is missing. Effective programs address those precise gaps.

Emergency financial access. - The most acute vulnerability is income stability. An emergency loan facility or salary advance program addresses this directly. Speed and accessibility matter: programs requiring extensive documentation will not help an employee whose electricity is being cut off this week.

Savings mechanisms for zero-margin earners. - Voluntary savings does not work for employees with nothing left after bills. What works is structural; payroll-deducted savings that happen before the money is available to spend. Even ₱100–₱500 per cutoff, automated and consistent, begins building a buffer that the individual cannot reliably build alone.

Access to understandable financial products. - Many employees borrow from informal sources not because they prefer them, but because they don't trust or understand formal alternatives. Employer-facilitated access to regulated, low-cost financial products, with simple explanation, closes this gap.

> **Employees don't need their employer to solve their personal finances. They need to know the workplace sees the problem and has created at least one pathway toward help.**

Measuring impact: what to track after you act

Before launching a program, assess where your workforce sits across these dimensions. After 12 to 24 months, resurvey. Look for movement in the dimensions most directly targeted by your intervention.

Business metric	What it signals
Voluntary attrition rate	Financial instability drives turnover
Absenteeism frequency	Debt stress and health impact
Salary advance or loan utilization	Unmet emergency financial need
EAP financial counseling uptake	Latent demand for support
Savings program enrollment	Whether access translates to usage

A final word

The employees in this study are not waiting to be rescued. They are managing. They are budgeting. They are meeting their obligations.

> **What they cannot do alone is build a buffer against the unexpected.**

That buffer is where organizations can intervene. Not with pamphlets or seminars on compound interest, but with access...with tools.

This report is based on the 2026 Philippine Workforce Financial Wellness Survey of 686 employees. Analysis includes Likert-scale composite scoring, Cronbach's Alpha reliability testing, Kruskal-Wallis significance testing, and free-text topic modeling.