SELF-EFFICACY and Financial Literacy as Determinants of Savings Behavior of Ambulant Vendors in Davao CITY

Vibie C. Capio[1], Mary Jane B. Amoguis, DBM[2]

[1]Instructor I at St. John Paul II College of Davao
vibiecapio23@gmail.com

[2]University of the Immaculate Conception, Davao City
mamoguis@uic.edu.ph

ABSTRACT

This study examined the influence of self-efficacy and financial literacy on the savings behavior of ambulant vendors in Davao City. Given this sector's economic vulnerability, understanding the psychological and cognitive factors that shape their financial practices is critical. A quantitative-descriptive research design was employed, involving 200 ambulant vendors selected through quota sampling. Data were collected using a validated survey instrument and analyzed using descriptive statistics, Pearson correlation, and multiple regression. Findings revealed that ambulant vendors possess adequate levels of financial literacy and a moderately high level of self-efficacy. Among the dimensions of financial literacy, financial knowledge and behavior were found to be the most influential in promoting better savings practices. While self-efficacy exhibited a positive correlation with savings behavior, it was not a significant predictor when considered independently. Instead, financial literacy emerged as the sole significant determinant of savings behavior. The study also confirmed that while self-efficacy may shape one’s perceived behavioral control, its influence on savings behavior becomes meaningful only when coupled with sufficient financial knowledge and supportive environments. The study substantiates the Theory of Planned Behavior by highlighting the pivotal role of financial literacy in shaping saving intentions and practices among ambulant vendors in Davao City.

KEYWORDS: *Business management, savings behavior, descriptive correlational, Davao City, Philippines.*

INTRODUCTION

Sibanda et al. (2025) found that informal sector workers with higher financial literacy demonstrated more disciplined saving practices despite unstable income patterns. Similarly, Nazimuddin et al. (2024) reported that self-employed individuals who adopted structured financial strategies were more likely to sustain retirement savings. These findings suggest that cognitive and behavioral factors may mitigate the financial vulnerabilities commonly experienced by ambulant vendors in Davao City. Ambulant vendors contribute significantly to Davao City's informal economy by generating employment opportunities, facilitating the circulation of affordable goods, and supporting household livelihoods. According to local estimates, approximately 500 ambulant vendors operate within key commercial areas of the city, serving as an important component of urban economic activity and income generation among low-income households. Despite their economic contributions, these vendors remain vulnerable to financial insecurity due to irregular income streams and limited access to formal financial services.

Saving behavior is crucial for people to take charge of their economic lives and financial security. This research aligns with Sustainable Development Goal 1 (No Poverty) by promoting financial resilience among economically vulnerable populations and Sustainable Development Goal 8 (Decent Work and Economic Growth) by strengthening the financial capability of informal workers. Understanding the determinants of savings behavior among ambulant vendors contributes to interventions that support inclusive economic participation and long-term financial security. Increasing understanding of the determinants of saving behavior may assist interventions aimed at improving the financial security and economic stability of ambulant vendors. For example, the savings practice will enhance people's livelihoods in education, health, and economic empowerment, thereby building stronger communities and alleviating poverty.

The existing literature has explored in detail how self-efficacy and financial literacy influence savings behavior. Self-efficacy, or an individual's perceived ability to manage financial tasks, significantly drives saving behavior, as those with higher self-efficacy tend to manage their finances more effectively (Purwidianti et al., 2022). Financial literacy is the knowledge and application of financial concepts that directly affect saving decisions, enabling a person to make informed and strategic choices (Leal, 2023). Self-efficacy, along with financial literacy, is a critical determinant of an individual's saving behavior; together, they shape household financial practices (Mpaata et al., 2025).

Research has examined how self-efficacy and financial literacy uniquely affect the savings behavior of ambulant vendors in developing economies, such as the Philippines. However, much of the existing research has focused on formal-sector workers or general populations, with few studies on informal workers who face challenges unique to their condition (Agustin et al., 2023). Moreover, the interactions among these independent variables in informal and mobile labor markets, such as those among ambulant vendors, have not been sufficiently studied. This study fills this gap by focusing on a critical yet underrepresented group in Davao City. This study contributes to the Theory of Planned Behavior by demonstrating how financial literacy may function as a stronger antecedent of actual saving practices than self-efficacy among informal workers. The findings provide context-specific evidence regarding the mechanisms underlying financial behavior in vulnerable populations.

The findings will be shared with local government units in Davao City, especially those offices dealing with small business development and financial services. Furthermore, the findings will be presented in national and international research conferences to reach a much broader audience and facilitate scholarly dialogue. Findings from this research will be published in peer-reviewed academic journals on savings behavior and development topics. Diffusion of knowledge at the community level will be carried out in consultation with local sidewalk vendor associations to ensure that information trickles down to the right stakeholders who will benefit most from the study's insights. A copy will be provided at the UIC Library for future reference.

This study employed a quantitative research approach, specifically a descriptive-correlational design, to examine the relationships among self-efficacy, financial literacy, and savings behavior among ambulant vendors in Davao City. Descriptive research was used to systematically describe the levels of self-efficacy, financial literacy, and savings behavior without manipulating the variables (Babbie, 2020). Meanwhile, the correlational design allowed the researcher to examine the statistical relationships among the variables, particularly the extent to which self-efficacy and financial literacy correlate with savings behavior (Field, 2018).

The study was conducted in Davao City, a key urban center in Mindanao with an estimated population of 1.6 million (Philippine Statistics Authority, 2020). It serves as a regional hub for commerce and informal economic activities. According to Patumbon (2024), the city hosts a substantial number of informal workers, including approximately 500 ambulant vendors who rely on street vending as a primary source of income. These vendors, distributed across areas such as Bankerohan, Agdao, and Uyanguren, typically sell street food, clothing, fruits, and accessories using portable carts or makeshift stalls. Solidum (2023) highlighted that ambulant vending remains a resilient livelihood strategy amid limited financial support and spatial regulations.

The respondents of the study were ambulant vendors from the four identified categories—street food, clothing, fruits, and accessories—who had been in business for at least one year, were actively vending in public areas in Davao City, and were willing to participate voluntarily. All respondents were aged 18 years and above and provided informed consent before participation. Recognizing the socio-economic vulnerability of ambulant vendors, particularly their limited financial security and exclusion from formal banking systems, the study prioritized ethical conduct and voluntary participation. Quota sampling was employed due to the lack of exact population data, ensuring equal representation with 50 respondents per category, for a total of 200 participants.

The primary research instrument was a structured survey questionnaire composed of three parts: savings behavior, self-efficacy, and financial literacy. The savings behavior section, adapted from Widyastuti et al. (2016), comprised 8 items with a Cronbach's alpha of 0.790, indicating reliability. The self-efficacy section was sourced from Lown et al. (2014) and included 11 items with a reliability coefficient ranging from 0.76 to 0.90. Financial literacy was measured using a tool adapted from Senarathna and Anuradha (2024), comprising 17 items and yielding a Cronbach alpha of 0.87. Each section of the questionnaire used a 5-point Likert scale, and the responses were interpreted using descriptive equivalents to determine the levels of each variable. These tools were validated by field experts to ensure their contextual relevance. To ensure comprehension among respondents, the questionnaire was translated into Bisaya/Cebuano and reviewed for linguistic accuracy. During administration, the researcher clarified unfamiliar terms when necessary while maintaining neutrality to avoid influencing participants' responses.

To initiate the data collection, permission was obtained from the Dean of the Graduate School of the University of the Immaculate Conception, Davao City. The study also secured ethical clearance from the UIC Research Ethics Committee, adhering to standards such as informed consent, respect for vulnerable populations, and data confidentiality. After validation of the instruments, the researcher identified qualified participants and personally administered the surveys during non-peak hours to avoid disrupting their vending activities. Respondents signed an Informed Consent Form (ICF), which stated the voluntary nature of the study, the right to withdraw at any time, and the confidentiality of their responses. The researcher assisted those who needed help in understanding the questionnaire while ensuring responses remained unbiased.

Data privacy and security were strictly observed throughout the study, in accordance with the Data Privacy Act of 2012. The collected data were anonymized using coding methods, securely stored, and scheduled for deletion 6 months after the study's completion. No identifiable personal information was included in the data analysis or reporting. All data were encoded, tabulated, and processed using statistical software. The results were interpreted objectively, with tables and figures used to enhance the clarity of presentation.

The statistical tools employed in the study included the mean and standard deviation to describe the central tendency and variability of responses for each variable. The Pearson Correlation Coefficient was used to test for significant relationships among the variables, while Multiple Regression Analysis was employed to determine the predictive influence of self-efficacy and financial literacy on ambulant vendors' savings behavior. The data collection and analysis were conducted during the first quarter of 2025. Several methodological limitations should be acknowledged. The use of quota sampling limits the generalizability of findings beyond the study population. Likewise, the questionnaire's self-report nature may be subject to social desirability bias. The cross-sectional design also precludes causal inference among the variables examined.

RESULTS and DISCUSSION

The savings behavior of ambulant vendors in Davao City is high, as indicated by the overall mean score of 3.79 and a standard deviation of 0.84, and is evident. It implies that savings behavior is evident and consistent among the respondents. It further indicates that the respondents exhibit a strong commitment to saving, evidenced by regularly saving for unexpected expenditures and consistently making efforts to save for the future. This high-level result supports Ibarrientos et al. (2024) contention that savings behavior among their respondents was high, leading to increased savings accumulation. The category mean score for investing behavior is 3.73, indicating that respondents exhibit investing behavior. Items related to investing behavior, such as saving for unexpected expenditures, consistently saving, and regularly adding to savings, show high engagement. Moreover, the category mean score of 3.85, interpreted as high, indicates that spending behavior is evident among respondents. The findings suggest that people exhibit behaviors that maintain their savings, reflecting a conservative, well-planned attitude towards spending.

The ambulant vendors' self-efficacy in Davao City is reflected in a mean score of 3.73 and a standard deviation of 0.89, indicating a high level of self-efficacy. The results show that vendors' self-efficacy is evident, and they have strong confidence in their ability to address and respond to financial challenges. This high level of self-efficacy indicates that participants possess a high degree of flexibility, as evidenced by their control over their financial behaviors and decisions. Thus, the result aligns with Chong et al. (2021) findings, who stated that their respondents with high levels of self-efficacy save diligently regardless of financial pressure from elsewhere.

Table 1

Level of Savings Behavior, Extent of Self-Efficacy, and Status of Financial Literacy

Variables and their Indicators	Mean	SD	Description
Savings Behavior	**3.79**	**0.84**	**High**
Investing Behavior	3.73	0.73	High
Spending Behavior	3.85	0.94	High
Self-Efficacy	**3.73**	**0.89**	**High**
Financial Literacy	**3.80**	**0.96**	**High**
Financial Knowledge	3.77	0.95	High
Financial Behavior	3.74	0.98	High
Financial Attitude	3.91	0.96	High

Another notable result is that ambulant vendors in Davao City exhibited high financial literacy, as evidenced by an overall mean score of 3.80 and a standard deviation of 3.80. which is often demonstrated as evident. with a standard deviation of 3.80. The results imply that participants are secure in their financial situations, practice good financial behavior, such as budgeting and saving, and have a positive financial mindset. This outcome supported the argument of Frees et al. (2024), who stated that respondents with high financial literacy help individuals make better decisions about savings and investments. This is echoed by Wahyuni et al. (2023), who observed that participants with high financial literacy are confident they can handle their finances.

The category mean score for financial knowledge is 3.77, which is labeled as high, indicating that respondents often demonstrate financial knowledge. This indicates the respondents' ability to maintain control over their finances, manage them, and achieve their financial objectives. Among the financial knowledge statements that garnered the highest mean score of 4.46 is valuing savings and investing. It connotes that the respondents place significant importance on savings and investment. This finding aligns with Harahap et al. (2025) argument that individuals with strong financial knowledge prioritize savings and investment. Conversely, the item measuring security about their current financial situation had the lowest mean score of 3.41, which is still high. This suggests that, while vendors are financially knowledgeable, they still experience some financial insecurity. This finding is consistent with Morris et al.'s (2022) observation that some people still lack confidence in handling money in unstable or low-income situations.

The ambulant vendors of Davao City also exhibited high levels of financial behavior, as indicated by a category mean of 3.74, suggesting that this behavior is often observed among the respondents. The high financial behavior rating implies that the respondents actively manage their finances by creating budgets, reviewing expenditures, and consistently saving money. Additionally, the ambulant vendors in Davao City often manifested a high financial attitude with a category mean of 3.91. This means respondents have strong confidence in their savings and are actively enhancing their knowledge of financial matters. Interestingly, the item on continuous improvement in understanding financial matters received a very high mean score of 4.23. It suggests that the respondents are actively working towards enhancing their financial knowledge, reflecting a high level of commitment to financial education and self-enrichment. This is consistent with the findings of Wahyuni et al. (2023), who stressed that respondents with a high financial attitude value the significance of financial education. The findings are consistent with studies involving other informal workers, which demonstrate that financial capability often exerts a stronger influence on financial behavior than psychological confidence alone. This highlights the importance of practical financial competencies among economically vulnerable populations.

Correlation Between Variables. Reflected in Table 2 is the positive significant relationship between financial literacy and saving behavior (R = .772) and another positive significant relationship between self-efficacy and saving behavior (R = .590). The findings indicate that ambulant vendors who are more financially literate and have higher self-efficacy are more likely to exhibit better saving behavior. The results of the Kolmogorov-Smirnov test revealed that the three variables are not significant ($P > .05$), indicating that the data follow a normal distribution and are appropriate for a parametric test.

The study's findings reinforce the Theory of Planned Behavior (Ajzen, 1991). In this context, financial literacy shapes positive attitudes by providing individuals with the essential knowledge to prioritize and plan their savings, while self-efficacy represents their perceived ability to manage saving behaviors even in the face of challenges. A study by Noor et al. (2020) found that self-efficacy significantly contributed to improved financial decision-making and long-term savings behavior. Likewise, Choowan et al. (2024) found that consumers with higher levels of financial literacy are more inclined to adopt productive financial practices, which offer greater odds of long-term savings.

Table 2
Correlation between Variables

Variables Correlated with Saving Behavior	r	*p*	Remarks
Self-Efficacy	.590	.000	Significant
Financial Literacy	.772	.000	Significant

**Correlation is significant at the 0.01 level (2-tailed)

Determinants of Savings Behavior. Revealed in Table 5 is the significance of the influence of self-efficacy and financial literacy on the savings behavior of ambulant vendors in Davao City. It shows that, among the two independent variables, financial literacy ($\beta = 0.691$, $P < .05$) significantly determines saving behavior. This suggests that an increase in financial literacy across units can contribute to a .691 improvement in the saving behavior of ambulant vendors in Davao City. The results align with Malik (2022) findings, which stated that financial literacy significantly increases individuals' ability to manage money wisely, establish savings goals, and plan for future financial needs. Moreover, Ahamed (2025) reiterated that the more financially literate respondents are, the more likely they are to save.

The R^2 value of 0.603 suggests that self-efficacy and financial literacy can explain 60.3% of the variance in saving behavior. At the same time, the remaining 39.7% may be influenced by other factors not included in the study. The analysis also shows that the regression model has a good fit, with an R-value of 0.776, indicating that the independent variables are closely associated with the dependent variable. The high F-statistics further support the model's statistical validity. In addition, the tolerance (.553) and VIF (1.877) values fall within acceptable ranges, indicating that the predictors exhibit no multicollinearity.

Although self-efficacy exhibited a positive relationship with savings behavior, its independent predictive influence was not statistically significant when financial literacy was included in the regression model. This suggests that confidence alone may not translate into effective saving practices without adequate financial knowledge and decision-making skills. Ambulant vendors may believe in their capacity to manage finances; however, the absence of practical financial competencies may constrain the conversion of such confidence into consistent saving behavior.

Table 3
Determinants of Saving Behavior

Variables (Influencers)	Beta	p-value	t	Remarks
Self-Efficacy	.118	.057	1.915	Not Significant
Financial Literacy	.691	.000	11.196	Significant

$r = .776$
$r^2 = .603$
$p = .000$
$F = 148.617$

CONCLUSION

Based on the findings of the study, the following conclusions were drawn:

The savings behavior among ambulant vendors in Davao City was evident, particularly in spending and investment behavior. This indicates that a significant number of ambulant vendors practice good money habits, such as saving for the future and making sound spending choices.

The vendors' self-efficacy was high, indicating they believe in their ability to manage financial burdens. The financial literacy of ambulant vendors was often manifested. This indicates that ambulant vendors possess adequate financial knowledge, demonstrate sound financial behavior, and maintain positive financial attitudes.

The study found significant relationships between self-efficacy and savings behavior, and between financial literacy and savings behavior. However, financial literacy exerted a stronger, statistically significant influence on savings behavior. This finding implies that ambulant vendors who are more financially literate with high levels of self-efficacy exhibit better saving behavior

In determining which of self-efficacy and financial literacy significantly determines saving behavior, the result revealed that only financial literacy is the determinant of savings behavior. This indicates that financial knowledge, behavior, and attitude were particularly influential in supporting better savings practices.

The study's findings reinforce the Theory of Planned Behavior's central assumptions by showing that financial literacy shapes positive attitudes toward saving, leading to stronger intentions and actual savings behavior. Conversely, self-efficacy, which represents an individual's perceived behavioral control, was found insufficient on its own to foster consistent savings behavior unless supported by financial knowledge and favorable environmental factors. These favorable environmental factors may include access to affordable banking services, financial education initiatives, supportive family practices, community savings mechanisms, stable income opportunities, and policies promoting financial inclusion among informal workers. Such conditions create an enabling environment through which self-efficacy can be translated into actual saving behavior. This supports the theoretical proposition that while belief in one's capabilities is important, it must be coupled with the right attitudes and external conditions to effectively influence behavior.

Given that investing behavior was evident among ambulant vendors, financial institutions may consider developing low-barrier micro-investment products specifically designed for informal workers. Examples include flexible micro-savings accounts, mobile-based investment platforms, and investment schemes requiring minimal initial deposits. Such products may encourage sustained financial participation among ambulant vendors.

REFERENCES

Agustin, J. G., Sabanal, F., & Apilan, K. (2023, May 1). *Effects of financial literacy to saving behavior among young professionals in Davao City*. https://repository.umindanao.edu.ph/handle/20.500.14045/1280

Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, *50*(2), 179–211. https://doi.org/10.1016/0749-5978(91)90020-t

Babbie, E. R. (2020). *The practice of social research* (15th ed.). Cengage Learning.

Chong, K. F., Sabri, M. F., Magli, A. S., Rahim, H. A., Mokhtar, N., & Othman, M. A. (2021). The effects of financial literacy, Self-Efficacy and Self-Coping on the financial behavior of emerging adults. *Journal of Asian Finance Economics and Business*, *8*(3), 905–915. https://doi.org/10.13106/jafeb.2021.vol8.no3.0905

Choowan, P., Daovisan, H., & Suwanwong, C. (2024). Effects of Financial Literacy and Financial Behavior on Financial Well-Being: Meta-Analytical Review of Experimental Studies. *International Journal of Financial Studies*, *13*(1), 1. https://doi.org/10.3390/ijfs13010001

Claro, D. M. L., Gabule, D. S., & Litob, M. E. G. (2023). Financial Inclusion and Financial Well-Being of ambulant vendors in Kapalong, Davao del Norte. *International Multidisciplinary Research Journal*, *5*(4). https://doi.org/10.54476/ioer-imrj/285338

Field, A. (2018). *Discovering statistics using IBM SPSS statistics* (6th ed.). Sage Publications.

Frees, D., Gangal, A., & Shaviro, C. (2024). Quantifying the Causal Effect of Financial Literacy Courses on Financial Health. *ArXiv*. https://arxiv.org/abs/2405.01789

Harahap, K., AW, J., Rizal, M., & Thohiri, R. (2025). The Influence of Financial Attitude, Financial Behavior, Financial Knowledge, and Financial Technology on Students' Investment Interest in the Capital Market. *European Union Digital Library*. https://doi.org/10.4108/eai.17-9-2024.2353117

Ibarrientos, G., Torres, C., Arduo, A. J., Pondoyo, A., Rollon, J., Onis, J. C., & Sumatra, K. (2024). The Relationship Between Financial Self-Efficacy and Financial Behavior of College Students. *International Journal of Multidisciplinary Studies in Higher Education*, *1*(1), 103–112. https://doi.org/10.70847/587962

Leal, E. (2023). *Parental socialization, peer influence, self control and financial literacy as determinants of saving behavior of the workforce of a state college in Davao de Oro*. https://ejournals.ph/article.php?id=20640

Lown, J. M., Kim, J., Gutter, M. S., & Hunt, A. (2014). Self-efficacy and savings among middle and low income households. *Journal of Family and Economic Issues*, *36*(4), 491–502. https://doi.org/10.1007/s10834-014-9419-y

Malik, S. K. (2022). Financial Literacy: a Global perspective. *Utkaluniversityutkaluniversity*. https://www.academia.edu/80124491/Financial_Literacy_A_Global_Perspective

Morris, T., Maillet, S., & Koffi, V. (2022). Financial knowledge, financial confidence and learning capacity on financial behavior: a Canadian study. *Cogent Social Sciences*, *8*(1). https://doi.org/10.1080/23311886.2021.1996919

Mpaata, E., Kyambade, M., Matovu, A., & Naigwe, J. (2025). Impact of social influence, financial literacy, and self-control on saving behavior among micro and small enterprise owners in Uganda. *Cogent Psychology*, *12*(1). https://doi.org/10.1080/23311908.2025.2471703

Nazimuddin, W. a. W., Foziah, N. H. M., & Afthanorhan, A. (2024). The effect of financial skills and strategies toward saving behavior among self-employed workers in retirement planning. *Asian Development Policy Review*, *12*(3), 304–316. https://doi.org/10.55493/5008.v12i3.5171

Noor, N., Batool, I., & Arshad, H. M. (2020). Financial literacy, financial self-efficacy and financial account ownership behavior in Pakistan. *Cogent Economics & Finance*, *8*(1), 1806479. https://doi.org/10.1080/23322039.2020.1806479

Patumbon, R. (2024, May 2). *250 displaced vendors relocated to Bankerohan*. SunStar Publishing Inc. https://www.sunstar.com.ph/davao/250-displaced-vendors-relocated-to-bankerohan

Philippine Statistics Authority. (2020). Population and housing census results. PSA. https://psa.gov.ph

Purwidianti, W., Santoso, A., Darmawan, A., Rahmawati, I., & Setiyani, L. (2022). The impact of financial literacy, financial planning, Financial Self-Efficiency, and demographic variables on financial behavior. *Proceedings of the 3rd International Conference of Business,* *Accounting, and Economics, ICBAE 2022, 10-11 August 2022, Purwokerto, Central Java, Indonesia*. https://doi.org/10.4108/eai.10-8-2022.2320785

Senarathna, N., & Anuradha, N. (2024). Financial literacy and financial distress on financial wellness among public university students in Sri Lanka. *Asian Finance Review*, 1(2), 36–49. http://dx.doi.org/10.31357/afr.v1i2.6915

Sibanda, E., Muzavazi, T. A., Setoboli, T., & Tshuma, N. (2025). Assessing the impact of financial literacy on savings behavior in the informal sector. *International Journal of Research and Innovation in Social Science*, *IX*(I), 2889–2899. https://doi.org/10.47772/ijriss.2025.9010235

Solidum, G. (2023). Status and problems of the street vendors: inputs for local government unit planning. *Sprin Journal of Arts Humanities and Social Sciences*, *2*(04), 51–62. https://doi.org/10.55559/sjahss.v2i04.102

Wahyuni, S. F., Radiman, N., Hafiz, M. S., & Jufrizen, N. (2023). Financial literacy and financial attitude on financial management behavior: An examination of the mediating role of the behavioral intention of students at private universities in Indonesia. *Investment Management and Financial Innovations*, *20*(3), 239–250. https://doi.org/10.21511/imfi.20(3).2023.20

Widyastuti, U., Suhud, U., & Sumiati, A. (2016). The impact of financial literacy on student teachers' saving intention and saving behaviour. *Mediterranean Journal of Social Sciences*, 7(6), 41. https://doi.org/10.5901/mjss.2016.v7n6p41

Yap, F. D., & Artates, J. R. (2023). Financial literacy level of dry market vendors. *Journal of Business and Management Studies*, *5*(4), 01–05. https://doi.org/10.32996/jbms.2023.5.4.1