

Financial Literacy and Income Distribution of Palay Farmers: Basis to Income Management and Agriculture/ Livelihood Program

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ABSTRACT

The capacity of the farmers in distributing their income properly is their biggest challenge. Helping them in income management, livelihood, facilitating, and conducting programs that will help them be trained in crop management are the purposes of this study. This study aims to test the difference between the profile of the respondents to their financial literacy and income distribution. More so, it tests the significant relationship between their financial literacy and income distribution. The descriptive quantitative method that used the purposive sampling technique was participated by the farmers harvesting Palay in San Pablo City using standardized questionnaires. Findings revealed that gender, educational attainment, and monthly income differ significantly with financial literacy as to behavior. Financial literacy based on attitude and behavior; family needs have an inverse correlation. However, when it comes to debt repayment, a positive correlation represents the attitude and behaviors of the farmers towards paying their debts. Most male Palay farmers earn below PHP10,000; they spend less than they make and seldom save money. As most farmers were older males, they have a high level of income distribution on their basic family needs having a high level of literacy on financial matters in terms of attitude. Farmers who are low-income earners prioritize family needs, and they have a positive attitude and behavior toward paying their debts. Therefore, there is a positive correlation between financial literacy regarding mentality and behavior and income distribution regarding family needs and debt repayment.

Keywords: farmers, financial, financial literacy, income distribution, literacy, alternative program