



## Saving, Buying, and Spending Patterns of Overseas Filipino Workers in the Ilocos Region

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Received: Oct 3, 2023

Revised: Oct 21, 2023

Accepted: Nov 12, 2023

Online: Dec 20, 2023

### Abstract

This research study explores the financial behaviors of Overseas Filipino Workers (OFWs), focusing on their saving, purchasing, and expenditure patterns. The primary purpose of this research study is to examine and analyze the saving, buying, and spending behaviors of Overseas Filipino Workers (OFWs). By investigating these financial patterns, the study aims to understand better how OFWs manage their finances while working abroad. Specifically, the research seeks to identify critical factors influencing their financial decisions and determine the extent to which they prioritize savings and responsible spending. The study employed a quantitative research approach and involved 772 OFW respondents from various regions of the Philippines. The sampling method employed was a convenience-snowball non-probability sampling design. The findings indicate that most respondents are female, possess college degrees, have 1-2 dependents, and are currently employed in Hong Kong. Regarding their buying and spending preferences, OFWs tend to plan their purchases, demonstrating responsible spending habits due to their awareness of the challenges of earning money abroad. The primary expenses for OFWs revolve around food, remittances, and health and wellness. Additionally, many OFWs allocate a portion of their income to savings. It's important to note that this study has limitations, such as its focus on a single point in time.

**Keywords** *OFWs, savings, remittances, Ilocos Region*

### INTRODUCTION

Money is an essential resource that enables us to meet our daily needs. Therefore, it is crucial to use it wisely and efficiently. Managing one's finances is a fundamental skill for a successful life, especially for those who work abroad, like Overseas Filipino Workers (OFWs). These individuals sacrifice being away from their families to provide a better life for their loved ones.

Over the years, the remittances sent by OFWs have significantly contributed to the economic growth and prosperity of the Philippines. According to the International Monetary Fund in 2013, remittances have become a substantial source of national revenue, ranking the Philippines third in Asia. 2012 personal remittances reached a staggering \$23.8 billion in U.S. dollars. The Philippines also leads among ASEAN nations in receiving remittances, accounting for 10% of the country's gross domestic product (GDP). This is mainly because a substantial portion of these remittances is directed toward household spending, positively impacting the GDP growth rate.

A national strategy focused on labor migration could further boost the Philippine economy and

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address unemployment issues. OFW remittances are pivotal in reducing the country's vulnerability to external economic shocks, reducing dependence on foreign savings, increasing foreign currency reserves for debt servicing and imports, and significantly contributing to the Philippines' overall GDP.

In 2009, a study by Sanchez et al. revealed that one in every five Filipino households had a family member living overseas. The Philippine Statistics Authority reported around 1.83 million OFWs from April to September 2021 despite the risks and vulnerabilities associated with working abroad. Many Filipino professionals have left their domestic jobs to migrate overseas, alone or with their families, to pursue higher income opportunities.

The remittances sent by OFWs through official banks in 2021, as reported by the Bangko Sentral ng Pilipinas (BSP), amounted to P25.76 billion, reflecting a 4.6% increase from the previous year. These remittances have been crucial in preventing economic collapse in the Philippines.

However, with the substantial income OFWs earn in Filipino pesos, the focus shifts to the financial habits of their families back home. Some OFW families exhibit conspicuous consumption patterns, investing in the latest technology, expensive education, home renovations, and vehicle ownership. This study aims to investigate the financial practices of OFWs, given reports that many return to the Philippines without savings and, in some cases, with debts. According to a survey by the Social Enterprise Development Partnerships Inc. (SEDPI), a microfinance non-governmental organization, 10% of OFWs end up bankrupt after years of working abroad. However, nearly 80% of Filipinos working overseas are overspending and need more significant savings.

This research aims to gain insights into OFWs' buying, spending, and saving patterns. It seeks to provide OFWs with valuable guidance on budgeting their income based on their demographic characteristics, purchasing and saving behaviors, and attitudes toward spending. By identifying best practices and pitfalls related to income allocation, budgeting, saving, and spending, this study aims to empower OFWs to manage their finances more effectively, ultimately improving their financial well-being. The findings of this research can serve as a foundation for financial advice that helps OFWs develop responsible financial behaviors, enhancing their overall quality of life.

This research study makes several significant contributions to understanding Overseas Filipino Workers (OFWs) and their financial behaviors. Firstly, it offers valuable insights into the financial practices of OFWs, providing a comprehensive view of how they manage their money while working abroad by examining their saving, buying, and spending patterns. Secondly, the study underscores the substantial impact of OFWs' remittances on the Philippine economy. It highlights their pivotal role in contributing to national revenue, reducing vulnerability to external economic shocks, and bolstering the country's GDP. This information is essential for policymakers and economists seeking to understand the economic dynamics influenced by OFWs.

Moreover, the research delves into the financial dynamics of OFW families back home. It reveals their tendencies to invest in education, technology, and property, offering insights into how remittances shape domestic consumption and lifestyle choices. Lastly, the research is a foundation for financial education and awareness programs tailored to OFWs, enabling organizations and institutions to offer effective financial literacy training. Overall, the study aims to improve the financial well-being of OFWs and their families, positively influencing their quality of life.

## **LITERATURE REVIEW**

### **Introduction to the Life-cycle Hypothesis Theory**

The life-cycle hypothesis (LCH) is an economic theory that examines individuals' spending and

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saving patterns throughout their lifetimes. Individuals aim to maintain a constant level of consumption throughout their lifespan by borrowing when their income is low and saving when it is high. The LCH presupposes that people plan their lifetime expenditures considering their future income. Thus, they incur debt while they are young, expecting their future income to allow them to repay it. They then save throughout middle age to sustain their standard of living in retirement (Hayes, 2021).

The LCH relies on several assumptions. For instance, the hypothesis posits that individuals squander their money as they age. The money is often transferred to children, or elderly individuals are hesitant to use it. Contrary to the theory's assumption, many individuals need more discipline to save when generating money. Another assumption is that individuals earn the most during their prime earning years. However, some individuals work less while relatively young and continue working part-time after retirement.

Hence, one conclusion is that younger people are better capable of taking financial risks than older ones, a generally established principle of personal finance. The theory applies to the research undertaking because it discusses that many families of OFWs lack the discipline to save, and many are exposed to financial risks.

### **The Importance of Overseas Filipino Workers in the Philippine Economy**

The Philippines, the top labor exporting nation in ASEAN, continues to see a rise in the number of educated Filipinos going abroad, either to dwell permanently or to work, due to restricted domestic job prospects and higher pay and benefits (Rivera & Reyes, 2011). According to a survey conducted by the International Monetary Fund (2013), around ten million Filipinos live overseas, representing approximately ten percent of the overall population, eighteen percent of the working-age population, and twenty-five percent of the labor force. The number of Filipinos living abroad increased from 7 million in 1997 to 10.5 million in 2011 due to increased migration. In addition, almost 10% of households have at least one Overseas Filipino Worker family member. According to Bautista and Tamayo (2020), decisions regarding migrants' motivation to work abroad were between "altruism" and "self-interest": altruism refers to a migrant's motivation triggered by the welfare of household members, whereas self-interest refers to a migrant's motivation shaped by personal investment objectives, anticipating a return in the future.

OFWs work overseas for various reasons, which vary based on the individual's demographics, wage, financial situation, and quality of life. The researcher argues that Maslow's Hierarchy of Needs may be utilized to construct a pattern for allocating and prioritizing an OFW's income and that perceived saving objectives can be arranged hierarchically.

Using Maslow's Hierarchy of Needs as their conceptual framework, Xiao & Noring (1994) conducted a study to determine whether perceived saving motives vary by household ownership, marital status, number of children, life cycle stage, employment status, income, asset and debt categories, and the head's gender and level of education. In addition, the research aimed to investigate consumer saving motivations by analyzing saving motivations. Using the framework, they connected saving motivations with financial requirements. Everyday (savings for daily costs), Buy (savings for plans, trips, and the like), Emergency (savings for emergencies), Retire (savings for retirement), Child (savings for children and grandkids), and Grow (saving for a better life, advancing the standard of living or other intangible reasons). This is supported by the most recent research (Lee & Hanna, 2012). They investigated the relationship between saving goals and demographics, which are the independent variables of their study, and the actual saving behavior of U.S. households to determine whether a household is a saver (dependent variable). They discovered that saving behavior is positively influenced by demographics and saving goals that are organized or patterned according to the hierarchy of needs theory. Among the factors, saving for self-development, emergency/security, and retirement/security significantly affected financial behavior. In addition, their study of the literature and previous research revealed that utilizing saving reasons as dependent variables revealed that household factors had a substantial impact on whether respondents identified certain saving intentions.

Many publications have described and enumerated why OFWs remain financially insecure following reintegration. First on the list is irresponsible spending, notably impulsive purchasing, and a lack of self-control when purchasing excessive demands. "The unexpected and large increase in money also provides a sense of empowerment," adds the author (Tabanag, 2011). OFWs enjoy a sense of power and realize they can now purchase goods for themselves and their family that they previously could not afford. In actuality, uncontrolled spending always results in financial catastrophe. The research done by Lachance & Tang (2012) determined that to provide appropriate advice and assistance to low-income persons, it is necessary to have a deeper understanding of their financial behavior. Understanding their distribution of funds, financial advice-seeking, and financial literacy attitudes is crucial.

### **On Personal Finance of OFWs**

Current research indicates the growing popularity of personal financial planning among those unaware of the dangers of not saving early in life. (Bhate & Dr. Bansal, n.d.) personal financial planning is "the act of deliberately organizing one's money to achieve long-term and short-term objectives." This includes understanding the individual's and their family's profile and real monthly income, keeping meticulous records of their debts, assets, spending, and risk management.

(Lai & Tan, 2009) their paper "An Empirical Study of Personal Financial Planning in a Developing Economy" analyzed the Malaysian perspective on personal financial planning. They correlated personal financial planning using three measures: a person's attitude toward personal financial planning, a list of elements that influence financial choices, and the frequency with which an individual manages their money. They collected data from 400 respondents using a series of standardized questions. The research revealed that a person's employment situation is the key factor impacting their financial planning behavior and the regularity with which they manage different parts of personal financial planning. If a person has better, higher-paying work, he tends to prepare for the future, save, and invest his money. Additionally, demographic factors like age, marital status, gender, and educational achievement significantly impact a person's financial priorities and allocations.

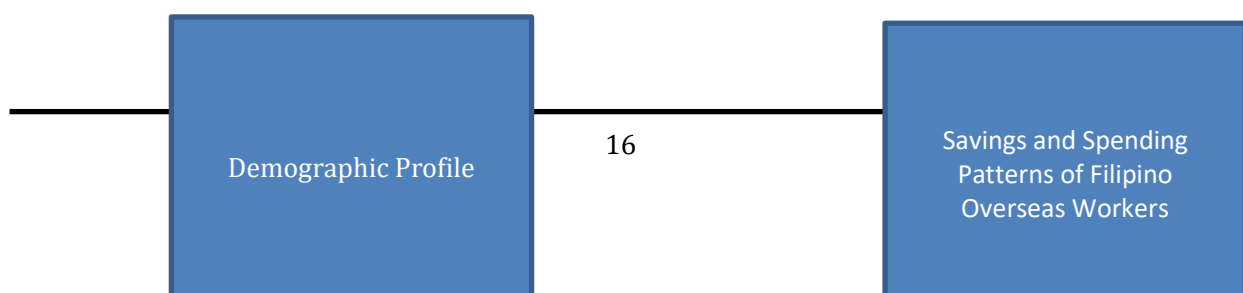
### *Research Problems*

OFWs must improve their purchasing and saving habits to manage their money better and improve their financial status.

Specifically, this study answered the following problems:

1. What is the demographic profile of the OFWs in terms of:
  - a. Sex
  - b. Age;
  - c. Number of Dependents;
  - d. Educational Attainment;
  - e. Years of Experience as an OFW; and
  - f. Country where they work?
2. What are the reasons for the OFWs to decide to work abroad?
3. What are the significant expenditures of OFWs?
4. What are the reasons why OFWs' save?
5. What are the perceptions of OFWs regarding expenditures?
6. What are the perceptions of savings among OFWs?
7. Is there a significant correlation between demographic profile and OFWs' savings and spending patterns?

### *Research Paradigm*





**Figure 1. Research Paradigm**

The figure shows that the study's primary purpose is to know the spending and savings patterns of Overseas Filipino Workers. After finding such, the relationship between demographic profile and savings and spending patterns was investigated.

**METHODOLOGY**

**Participants**

The participants of the study are Overseas Filipino Workers. The researchers made use of Google Forms to gather data. There are about 180,000 OFWs as of 2021, and using the Raosoft calculator, the approximate number of respondents will be 387 or 400 OFWs.

**Research Instrument**

This study used a survey questionnaire and an interview guide as research tools. Researchers self-administered the survey questionnaire. The document is broken into four parts.

The first part inquires about the social-demographic background of the respondents, including their age, number of dependents, income, educational attainment, and years of OFW experience.

The second, third, and fourth parts will consist of Likert-type questions about OFWs' saving, purchasing, and spending habits. Respondents answered whether they strongly agreed, agreed, disagreed, or strongly disagreed with each statement on their savings, purchasing, and spending habits. The questionnaire is based on a study by Kevin Galvez entitled *ALLOCATION OF REMITTANCES OF OVERSEAS FILIPINO WORKERS' (OFWS') HOUSEHOLDS IN CEBU, PHILIPPINES*.

**Data Analysis**

Described data based on percentage distribution was used to establish the profile of OFW households.

Descriptive statistics were utilized based on weighted means to assess OFWs' buying, spending, and saving behavior. The responses were interpreted as follows:

<b>Range</b>	<b>Verbal Description</b>	<b>Norms of Interpretation</b>
3.25-4.00	Strongly Agree	Very Important
2.50-3.24	Agree	Important
1.75-2.49	Disagree	Slightly Important
1.00-1.74	Strongly Disagree	Unimportant

In the research on the saving, buying, and spending patterns of Overseas Filipino Workers (OFWs) in the Ilocos Region, parametric relationships were employed to analyze and understand various aspects of the data. Parametric relationships involve statistical techniques that assume a specific distribution or functional form for the relationship between variables. Parametric correlation analysis assessed the strength and direction of the relationship between variables. This was conducted to determine the correlation between the demographic profile and their savings and spending patterns. This analysis provided insights into the linear association between these variables.

### Ethical Considerations

The research among OFWs incorporated a variety of ethical factors. The participants got comprehensive information on the research's objective and their unique contribution. After presenting and discussing the goal of the research inquiry, informed consent was sought. Similarly, the researchers invited people to engage in the study, and they can withdraw at any point throughout the examination. All responders' queries were answered thoroughly and honestly.

Additionally, everything stated was adhered to by the researchers throughout the research project. The researcher made every effort to guarantee that the respondents receive only the best, that they profit from the study's findings, that they contribute to the development of the teaching and learning process, and that they are never physically, psychologically, or emotionally injured. Additionally, informed consent included (a) an agreement between the researcher and the participants in which the latter consented to their participation in the study. Sufficient information will be presented and explained to participants at their level of comprehension, (b) information from which participants can withdraw at any time, ask questions, and refuse to answer questions if they are uncomfortable with the questions, (c) an explanation of the study's potential risks and benefits to enable participants to make informed decisions about their participation in the study, and (d) a description of the participants. Before the commencement of data collection, a signed consent form was collected.

Similarly, the researchers protected confidentiality and anonymity by issuing a code to each participant based on the reference and attaching it to the interview guide. The researchers did not include the participants' identities while filing the data collected from responders. To ensure participant anonymity, the researchers assigned a unique numerical code to each participant. Nobody but the researcher is aware of the source of the statement. The researchers protected the participants' privacy by withholding details about their experiences. On the right to withdraw from the study, participants were notified that they may withdraw at any moment or if their involvement makes them feel uneasy. This right was conveyed to participants before the beginning of the data collection process.

## FINDINGS AND DISCUSSION

### Profile of the Respondents

Table 1. Demographic Profile of OFWs

Constructs	Frequency	Percentage
<b>Gender</b>		
Male	186	24.9
Female	561	75.1
<b>Age</b>		
18-21	56	7.5
22-25.	107	14.3
26-29	124	16.6
30-34	106	14.2
35-39	113	15.1
40-44	116	15.5
45-49	66	8.8
50-54	37	5
55-59	13	1.7
60-above	9	1.2
<b>Number of Dependents</b>		
None	176	23.6
1-2	307	41.1
3-4	197	26.4
Five and more	67	9
<b>Highest Educational Attainment</b>		
College Graduate	729	97.6
Masters Graduate	14	1.9
Doctoral Graduate	4	0.5

<b>Years of Experience as an OFW</b>		
1-5	384	51.4
6-10	188	25.2
11-15	98	13.1
16 and more	77	10.3
<b>Country where they Work</b>		
Hongkong	139	18.6
Singapore	99	13.3
Canada	70	9.4
UAE	59	7.9
Saudi Arabia	58	7.8
Taiwan	37	5
USA	36	4.8
Kuwait	30	4
Qatar	24	3.2
Italy	17	2.3
Japan	17	2.3
Australia	17	2.3
Israel	11	1.5
Macao	10	1.3
Malaysia	9	1.2
Lebanon	8	1.1
Bahrain	7	0.9
New Zealand	7	0.9
Spain	6	0.8
Thailand	6	0.8
Norway	6	0.8
Oman	6	0.8
No Response	31	4.2

Table 1 shows the demographic profile of the respondents in terms of gender, age, number of dependents, highest educational attainment, years of experience as OFW, and country where they work.

As to gender, most of the OFWs are female, comprising 75% of the respondents. This is in conjunction with the latest report of the Philippine Statistics Authority (2022), which said that 1.10 million female OFWs, or 60.2%, and only 0.73 million males, or 39.8%. According to the findings, these OFWs have about 1-2 dependents. This comprises 41.1% of the OFW respondents, and as to educational qualifications, 97% are college graduates. Also, most OFWs have 1-5 years of experience (51%), and most work in Hong Kong. This negates the results of the PSA survey (2022), where they found that most of our OFWs are working in Saudi Arabia.

### **Reasons for OFW in Working Abroad**

Table 2. Reasons Working Abroad

<b>Constructs</b>	<b>Frequency</b>	<b>Percentage</b>
Higher Income	432	57.8
Better Job Opportunity	232	31.1
Have Relatives/Friends Abroad	54	7.2
Personal Preference	29	3.9

Table 2 presents the significant reasons why Filipinos are working overseas. Understanding why Filipinos choose to work abroad is essential for gaining insights into the socio-economic dynamics of the Philippines and the global labor market. By examining these reasons, people can appreciate

the aspirations, sacrifices, and contributions of Filipinos working abroad and the impact this diaspora has on the Philippines' economy, society, and culture. The main reason for working abroad is higher income (57.8%). This conforms with the study of Bautista and Tamayo (2020), where it was found that many Filipinos are challenged by the salary in the Philippines, which is why many opt to work abroad. Aside from job chances, Filipinos desire to work abroad for higher pay and perks. Making a respectable living overseas is feasible, depending on the chosen nation. Also, in the study of Camendan et al. (2022), OFWs said that poverty is their main reason for going abroad so they will have money to send to their families back home. According to the study participants by Dalisay and Tan (2021), they chose to work abroad because they were unhappy with their domestic employment. For them, the benefits of working abroad outweighed the difficulties of being away from their families and loved ones.

Furthermore, since living expenses are cheaper in many other countries, OFWs may be able to save more than they would at home. This will enable OFWs to travel more during vacations and between job possibilities. Filipinos working abroad often prioritize the well-being of their families and communities, sending a substantial portion of their earnings back home. Remittances provide a lifeline for countless families, helping to alleviate poverty and improve their quality of life. However, it is essential to note that working abroad can also present challenges and sacrifices for Filipinos, such as being away from their families and dealing with cultural differences. Additionally, the experience and salaries of Filipinos abroad can vary depending on factors such as qualifications, job sector, location, and the specific country they are working in.

### Major Expenditure of OFWs

Table 3. Expenditures of OFWs

Constructs	Percentage of their salary				
	1-10%	11-20%	21-30%	31-40%	41-50%
Food	226	271	111	67	72
Remittances	114	271	125	97	140
Communication	372	175	80	44	76
Balibayan Boxes	453	140	90	40	24
Lodging	416	167	85	41	38
Clothing	423	192	85	29	18
Transportation	446	186	60	31	24
Education	277	220	101	62	87
Gifts	514	135	49	37	12
Gadgets	493	154	57	34	9
Health and Wellness	206	246	128	66	101
Loans	526	127	58	23	13
Utilities	393	205	73	43	33

Table 3 gives us the significant expenditures of OFWs. Based on the research, the major expenditures of OFWs are food, remittances, and health and wellness.

One of the primary purposes of remittances sent by OFWs is to support their families back home. A significant portion of their income goes towards meeting the basic needs of their loved ones, such as housing, food, and healthcare. Additionally, OFWs prioritize investing in their children's education, recognizing the long-term benefits it brings. They allocate funds for school fees, books, uniforms, and educational materials to provide their children with better educational opportunities and a brighter future. According to the Philippine Statistics Authority (2022), total remittances will reach PHP 151 Billion in 2021. The significant expenditures of OFWs reflect their commitment to supporting their families, investing in education and housing, and securing their financial future. Their remittances provide immediate relief and improved living conditions for their loved ones and contribute to the overall growth and development of the Philippine economy.

Moreover, a study by Janeo et al. (2019) suggested that remittances are the significant expenditures of an OFW, adding it as an explanatory variable for GDP. The study found that the medical expenses



of their loved ones are a significant chunk of remittances. Lastly, the study of Manapol et al. (2022) suggested that the three significant expenditures of OFWs are food, remittance, and communication, which in the current study's result is similar except for communication.

Another interesting finding of this study is that among the significant expenditures of OFWs is on their health and wellness. The health and well-being of OFWs and their families are of utmost importance. Much of their remittances cover medical expenses, including consultations, medications, hospitalization, and treatments. OFWs understand the necessity of maintaining good health and allocate funds to ensure access to quality healthcare services. Moreover, some OFWs invest in health insurance policies to provide additional financial security and peace of mind for themselves and their loved ones.

**Reasons for Saving**

Table 4. Reasons for Saving

Constructs			Frequency	Percentage
Comfortable Lifestyle	After Retirement		217	29
Payment of Debts			22	2.9
Emergencies			49	6.6
Education of Children			350	46.9
Insurances			10	1.3
Business			84	11.2
Others			15	2

Table 4 shows the common reasons why OFWs save. It can be deduced from the table that 46.9% save for their children's education. OFWs understand the importance of education and work hard to enhance their abilities. They may ensure improved prospects and employability by saving some of their earnings and investing it in their children's education.

Also, another reason why OFWs save is that they want comfortable lifestyles after retirement (29%). OFWs are fully aware that their employment abroad is temporary and must prepare for their future return to the Philippines. Saving a percentage of their earnings helps individuals accumulate a retirement fund, providing a secure and pleasant future for themselves and their families.

Lastly, the findings show that many OFWs want to have their own business venture, which is why they save (11.2%). Many OFWs want to establish their enterprises when they return to the Philippines. Saving money overseas gives individuals the funds to engage in different business projects. The desire for financial independence and a higher quality of life fuels this entrepreneurial attitude.

This is in conjunction with the results of Manapol et al. (2022), which claimed that OFWs and their family members could invest and save because of the remittances they sent.

**OFWs' Perceptions of Expenditures**

Table 5. Perceptions on Expenditures

Items	Mean	VI
I buy things that I do not need	1.59	SD
I like to spend money than save it for the long term	1.65	SD
If I see something I want, I buy it immediately	1.65	SD
I bought more than I had planned to buy	1.68	SD
I will immediately buy a car once I have the money for it	1.82	D
I will immediately buy a house once I have the money for it	2.47	D

I will immediately buy a cellphone once I have the money for it	1.79	D
Before I shop, I plan what to buy, where to buy, and the limit of the price	3.26	SA
I buy myself and my family the latest electronic gadget in the market	1.83	D
If I decide to buy a new electronic gadget, I ask for recommendations from my family and peers first	2.65	A
I plan my weekly expenses	3.18	A
I spend the same things monthly (ex. Grocery, toiletries, shampoo, etc.)	3.14	A
I buy things because they are "in "(Waikiki-uso)	1.51	SD
I buy things because my friends have them too	1.42	SD
I bought something because I was forced to buy it	1.53	SD
I have the "Okay, I will buy this to fit in" attitude	1.52	SD
I do not give in to peer pressure or buy things because it is "uso."	2.31	D
I buy things because I like them, not because everyone else has them	2.79	A

*1.00-1.75 Strongly Disagree; 1.76-2.50 Disagree; 2.51- 3.25 Agree; 3.26-4.00 Strongly Disagree*

Overseas Filipino Workers (OFWs) make considerable sacrifices by abandoning their family and nation to work in another country. Because they earn more than people who live and work in the Philippines, their opinions of expenditures often vary from those of those who live and work there. Table 5 depicts OFWs' perceptions of spending and the elements that impact their spending patterns.

It can be deduced from the table that OFWs plan their spending. They do not buy things that they do not need, and they do not buy things just because it is the trend. Overseas Filipino Workers (OFWs) confront distinct obstacles and possibilities when handling their money. Because of their employment overseas and their responsibility to their families, OFWs generally take a deliberate and strategic spending approach. Budgeting is one of the critical ways OFWs plan their expenses. They meticulously arrange their money in many areas, such as remittances, savings, necessities, and discretionary expenditures. By creating a budget, OFWs may prioritize their financial duties and ensure they have enough finances to satisfy their family's requirements and ambitions. OFWs are more likely to make long-term spending choices. They analyze how their spending may affect their future financial stability and well-being. They emphasize possibilities for saving and investing in building a secure future for themselves and their children. OFWs may reduce financial risks and move toward financial security by making forward-thinking choices. OFWs organize their expenditures with purpose and strategy. They guarantee that their income is used successfully through budgeting, analyzing family requirements, goal setting, factoring exchange rates and cost of living, performing research, and making long-term choices. OFWs may use the planning process to meet their commitments to their families, accomplish their financial objectives, and maximize their foreign work chances.

In a study by Ignacio et al. (2022) participants stated that the pandemic had taught them that they were capable of far more good than they gave themselves credit for, such as when they were unable to afford to go out to restaurants, stores, bars, theaters, concerts, etc. They realized how much money they could save if they abstained from these activities as frequently as before the pandemic. They learned from their daily experiences not to presume that their income would continue indefinitely and to construct a lifestyle budget to prepare for unforeseen expenses.

## OFWs' Perceptions of Savings

Table 6. Perceptions on Savings

Items	Mean	VI
I make sure to save a portion of my income	3.67	SA
I would rather wait for the item to be on sale than buy it now	3.43	SA
I consider the price before buying	3.57	SA
I consider if what I am buying is something I need	3.59	SA
Before I buy something, I carefully consider whether I can afford it	3.62	SA
I will stay this weekend not to spend my salary and save my money.	3.35	SA
I have the "save now so that I will have money to spend tomorrow" attitude	3.26	SA
I save money in my bank account	3.51	SA

*1.00-1.75 Strongly Disagree; 1.76-2.50 Disagree; 2.51- 3.25 Agree; 3.26-4.00 Strongly Disagree*

Table 6 presents the perspectives on the savings of OFWs. Overseas Filipino Workers (OFWs) often demonstrate a strong saving culture, motivated to guarantee a better future for themselves and their family. Their attitudes about savings are influenced by various variables, including their job experiences overseas, their financial aspirations, and their knowledge of the value of financial security. OFWs generally view savings as a means to achieve financial security. They recognize that their overseas employment is not permanent and need to prepare for the eventual end of their work abroad. By saving a portion of their income, they aim to build a safety net to provide for their families and support them during unforeseen circumstances such as job loss, medical emergencies, or retirement.

OFWs ensure that a portion of their income goes to savings ( $x=3.67$ ). Saving money is a fundamental aspect of financial management, and Overseas Filipino Workers (OFWs) are known for their diligent savings habits. Recognizing the importance of securing their future and the well-being of their families, OFWs prioritize saving a portion of their income.

Various authors (Manapol et al., 2022; Amparo et al., 2022; and Ignacio, 2022) have discussed the significance of savings among OFWs. Banko Sentral ng Pilipinas has urged overseas Filipino workers to save and invest more. They emphasized that OFWs must have savings plans so as not to waste their labor. In light of this, we asked our respondents whether they saved money. Most OFWs, or 83%, stated that they save, which is higher than the number cited in the business mirror, which states that only 35.5% of OFWs save. The typical response is approximately PhP 23,000.00 when asked how much they save.

## Model Results

Table 7. Correlation of Demographic Profile to Perception of Expenditure

As seen in Table 7, there is no significant relationship between the demographic profile and the perception of expenditure. All of the variables have a p-value of more than .001, which means that the demographic profile of OFWs does not affect their perceptions of expenditures.

Demographic Profile	B	P-value	S.E.	f <sup>2</sup>
Sex	0.03	0.24	0.038	0.00
Age	0.02	0.34	0.038	0.00
No. of Dependents	0.09	<0.01	0.037	0.008
Highest Educational Attainment	0.05	0.11	0.038	0.002
Years of Experience	0.09	<0.01	0.037	0.001
Country	0.07	0.03	0.037	0.003

Table 8. Correlation of Demographic Profile to Perception of Savings

Demographic Profile	B	P-value	S.E.	f <sup>2</sup>
Sex	0.10	0.05	0.038	0.002
Age	0.06	0.10	0.038	0.003
No. of Dependents	0.06	0.05	0.037	0.003
Highest Educational Attainment	0.04	0.13	0.038	0.002
Years of Experience	0.03	0.21	0.038	0.001
Country	0.06	0.06	0.037	0.003

Table 8, on the other hand, presents the correlation of demographic profile to perceptions of savings. It can be deduced from the table that the number of dependents and years of experience abroad got p-values of <0.001, which means that these two are statistically significant to perceptions of savings. This means that as the number of dependents increases and the number of years increases, the perceptions of OFWs in savings become more significant. In other words, the more dependents the OFWs have and years of experience, the more they save money.

### CONCLUSIONS

OFWs have a strong feeling of duty toward their families and are committed to building a better future for themselves and their children. Their saving, purchasing, and spending habits reflect this sense of responsibility. OFWs prioritize saving a part of their income, providing for their family's needs, investing in long-term objectives, and responsibly spending money. The primary motivators behind their financial decisions are the desire to provide for their family, reach a state of financial security, and make informed judgments that improve their well-being. When governments, financial institutions, and individual people understand these trends, they can better assist the financial needs and ambitions of overseas Filipino workers (OFWs).

a. Essential Expenses

OFWs prioritize vital costs such as housing, education, healthcare, and providing for the fundamental requirements of their families. Before distributing cash for their chosen expenditures, they ensure that the needs above have been sufficiently fulfilled.

b. Spending in a Responsible Manner

In general, OFWs have prudent habits regarding their expenditures. They prioritize their necessities more than their desires and are thrifty. They know their financial responsibilities and avoid frivolous expenditures and unneeded debt.

- c. **Putting an Emphasis on Family**  
When it comes to money, OFWs put the requirements and desires of their families at the forefront of their minds. They are likely to spend their money on products and services that will be useful to their loved ones, such as items for their children's education, medical bills, house upgrades, and activities for the family to enjoy together.
- d. **Remittances**  
Overseas Filipino Workers have a long-standing tradition of returning money to their families. They send a sizeable percentage of their earnings back to the Philippines so that they may provide for their family there. The practice of saving is an essential part of this process since OFWs routinely put some of their earnings away for potential needs in the future, unexpected events, or long-term objectives.
- e. **Goal-Oriented Saving**  
Overseas Filipino Workers (OFWs) often have specific financial objectives, such as buying a home, starting a company, or paying for their children's education. They take a systematic approach by routinely putting money away in savings and devoting a percentage of their salary to work toward accomplishing these goals.
- f. **Bank Deposits and Investments**  
Overseas Foreign Workers often put their money in banks because they feel it is a safe place to do so. They like savings accounts or time deposits that provide interest on their deposits rather than traditional bank accounts. In addition, some overseas Filipino workers look into other investment opportunities, such as the stock market, mutual funds, or real estate, to expand their wealth and bring in additional passive income sources.

OFWs know the significance of putting money aside for the future and prioritize setting aside a percentage of their earnings. Whether they are motivated to save money by the desire for peace of mind, financial security, future aspirations, family commitments, emergency readiness, investment possibilities, or future ambitions, savings are essential for their financial well-being. OFWs can establish a solid foundation for themselves, realize their goals, and care for their families by developing disciplined savings habits, which, in the long run, contribute to the OFWs' attainment of financial independence and the growth of the Philippine economy.

Different literature supports the current study. Bautista and Tamayo (2020) reported that Filipinos struggle with wages. Therefore, many work overseas. Filipinos want to work overseas for better income and benefits. Depending on the country, living well abroad is possible. According to Camendan et al. (2022), OFWs travel overseas to transfer money to their family. The Dalisay and Tan (2021) research participants said they left their domestic jobs because they were dissatisfied. They valued working overseas over being away from family. Moreover, as to reasons for working abroad, according to Bautista and Tamayo (2020), many Filipinos labor abroad due to income insecurity. Filipinos aspire to work abroad for higher pay and advantages. Living well abroad is feasible, depending on the nation. OFWs go abroad to send money to their families, according to Camendan et al. (2022). Participants in the Dalisay and Tan (2021) study said that they quit their domestic occupations because they were unsatisfied. They preferred working abroad to being away from family.

## **LIMITATION & FURTHER RESEARCH**

### **Implications and Future Research Directions**

The spending and saving behaviors shown by Overseas Filipino Workers (OFWs) give valuable information that may substantially impact policies and assistance extended to this vital demographic group. By conducting an in-depth analysis of these patterns, policymakers and support groups may better comprehend the financial difficulties and requirements encountered by Overseas Filipino Workers (OFWs) and their families. A significant observation is the pressing need for customized financial literacy instruction explicitly designed for Overseas Filipino Workers (OFWs), given that many may possess insufficient expertise to make well-informed financial

choices despite their diligent earnings. As a result, authorities and support groups may give precedence to efforts that focus on providing Overseas Filipino Workers (OFWs) with fundamental financial literacy, including skills such as budgeting, saving, and prudent expenditure.

Moreover, a thorough analysis of expenditure patterns might facilitate the formulation of assistance programs specifically tailored to meet the needs of the intended beneficiaries. Suppose empirical evidence suggests that a significant proportion of remittances is allocated towards educational and healthcare purposes. In that case, authorities may investigate targeted aid forms in these domains, such as scholarships or healthcare benefits for families of overseas Filipino workers (OFWs). Furthermore, the study's results may underscore the significance of promoting saving behavior among overseas Filipino workers (OFWs), perhaps resulting in the development of savings incentives and financial instruments specifically tailored to support the act of saving.

Additionally, this study has the potential to stimulate the development of practical tools and resources specifically designed for Overseas Filipino Workers (OFWs), such as budgeting applications and financial planning manuals, which cater to their distinct requirements. These technologies can enhance the financial management capabilities of Overseas Filipino Workers (OFWs) and enable them to make well-informed decisions about their expenses. The importance of assisting Overseas Filipino Workers (OFWs) in their investments and entrepreneurial endeavors upon repatriation to the Philippines may also be underscored. This help may manifest in many forms, such as business training, access to credit facilities, or counseling in real estate deals.

On top of that, the consistent monitoring of individuals' expenditure and savings patterns may provide policymakers with valuable information for the continuing assessment and improvement of aid initiatives. By maintaining congruence between policies and the dynamic financial behaviors and requirements of Overseas Filipino Workers (OFWs), policymakers may guarantee that their endeavors provide substantial and enduring effects on the financial welfare of OFWs and their families. In conclusion, these observations may provide valuable guidance for developing policies and support initiatives to improve the financial resilience and general well-being of overseas Filipino workers (OFWs), guaranteeing that their diligently earned money contributes to their sustained prosperity.

### **Limitations of the Study**

Even though analyzing the purchasing and savings patterns of Overseas Filipino Workers (OFWs) can provide valuable insights, it is essential to recognize the limitations and difficulties researchers may face in this field of study. The study of OFWs' purchasing and savings habits may be susceptible to sample bias. Due to geographical dispersion, language barriers, and limited participation in research studies, it may be difficult for researchers to access a representative sample of OFWs. This could affect the findings' applicability to the entire OFW population. Additionally, researching purchasing and savings patterns at a specific moment may offer limited insight into the long-term financial behaviors of OFWs. As OFWs progress through various phases of their occupations, encounter life events, and adjust to shifting economic conditions, their financial decisions and priorities may change over time. A longitudinal perspective would enhance comprehension of their financial management practices.

### **Recommendations**

Based on the findings, the following recommendations are suggested:

**Financial Literacy Programs.** Initiating financial literacy programs specifically designed for OFWs in the Ilocos Region is crucial. These programs should cover budgeting, saving, investment opportunities, and debt management. Local government units of the Ilocos Region, the NWU-BSBA Department, financial institutions like banks and insurance companies, and non-governmental organizations can collaborate to provide comprehensive financial education.

**Investment Opportunities.** Efforts should be made to create awareness among OFWs about

various investment options. Seminars, workshops, and online resources can be utilized to educate OFWs about the benefits and risks associated with different investment avenues. Encouraging OFWs to diversify their savings into investment instruments can help them maximize their earnings and achieve long-term financial goals. NWU-BSBA department can initiate an awareness campaign.

**Support for Entrepreneurship.** Providing support and resources for OFWs interested in starting their businesses or ventures can be beneficial. This could include access to funding, business training, mentorship programs, and networking opportunities. The Department of Trade and Industry and NWU-BSBA Department can spearhead this program. Promoting entrepreneurship can enable OFWs to generate sustainable income streams, reducing their dependency on overseas employment.

**Responsible Spending Campaigns.** Launching campaigns to promote responsible spending habits among OFWs is essential. These campaigns should emphasize the importance of financial planning, avoiding unnecessary debt, and prioritizing long-term financial goals over short-term material desires. Collaboration with local communities, schools, and media outlets can help reach a wider audience.

**Collaboration with Financial Institutions and NWU-BSBA Department.** Financial institutions and the NWU-BSBA Department should collaborate with OFWs and their families to develop tailored financial products and services that cater to their needs. This can include specialized savings accounts, affordable remittance services, investment options with low entry barriers, comprehensive insurance packages for financial institutions, and education in savings, investments, and entrepreneurship from the NWU-BSBA Department. Such collaborations can help OFWs make informed financial decisions and enhance their financial well-being.

Overall, addressing financial literacy, promoting responsible spending habits, and providing opportunities for investment and entrepreneurship can empower OFWs in the Ilocos Region to make the most of their earnings, achieve financial security, and contribute to the economic development of their communities.

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