

Effects of Financial Literacy on Credit Accessibility Among Micro-Business Owners in Panabo City Public Market

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Abstract— This study aimed to determine the relationship between the effects of financial literacy on credit accessibility among micro-business owners in the Panabo City Public Market. The respondents of this research were 185 micro-business owners in the Panabo City Public Market. Quantitative research utilizing descriptive correlational was the design used in this study. Statistical analysis revealed a significant correlation between financial literacy and credit accessibility. The result showed the level of financial literacy among micro-business owners in Panabo City Public Market, in terms of financial knowledge, financial behavior, and financial access, was high, with an overall mean of 3.71. The level of credit accessibility among micro-business owners in Panabo City Public Market, in terms of collateral, interest rates, literacy level, and the number of lending institutions, was high, with an overall mean of 3.52. Furthermore, it was found that there is a significant relationship between Financial Literacy and Credit Accessibility among Micro-businesses owners in Panabo City Public Market. The computed r-value is 0.579 and is associated with a p-value of 0.000, lower than 0.05. Therefore, the null hypothesis of the study was rejected. This implies that the financial literacy of micro-business owners in Panabo City Public Market can affect their credit accessibility.

Keywords— Financial Literacy, Credit Accessibility, Micro-Business Owners, Panabo City Public Market, Descriptive Correlational Study.

I. INTRODUCTION

Limited access to credit is one of the challenges that micro-business owners encounter in effectively managing their operations and meeting their financial needs (Chandrayanti, Nidar, Mulyana, and Anwar, 2019, pp.1-14). Micro-business owners can each have a different level of access to credit, and what allows one owner to access credit might not be available to the others as they face significant challenges in obtaining it. Factors such as lack of collateral, credit history, being perceived as high-risk (Bonfim, Custódio and Raposo, 2023, p. 658), information asymmetry (Long et al., 2022, p.91), poor financial management skills, and low creditworthiness (Lagazio, Persico and Querci, 2021, p.1) must meet needs before they can gain access to credit contribute to these challenges. Many micro-business owners often turn to informal finance mechanisms, such as private moneylenders, relatives, and friends, as

alternative sources to fulfill their remaining financing requirements (Flaminiano and Francisco, 2021, p.1) due to high interest rates and limited access to financing options. Therefore, financial literacy significantly affects their ability to navigate and meet these requirements (Susanti and Nugroho, 2023, p.52).

This study deeply explores and highlights the importance of credit accessibility among micro-business owners in the Panabo City public market. Credit access refers to the ability of individuals or businesses to obtain financial services, which may include bank accounts, deposits, payment services, credit, and insurance. Access to credit is essential for microbusinesses to finance their operations and activities, and it significantly impacts the expansion of these businesses. This aligns with the findings of Baruah and Bezbaruah (2020, p. 143), which indicate

that obtaining financing enhances the performance and growth of firms.

This study is grounded in credit rationing theory, prospect theory, and behavioral finance theory and examines how financial literacy is essential in business owners' decision-making. Financial literacy is vital in how business owners perpetrate decision-making. One of the key skills entrepreneurs need to effectively handle their financial issues and extend the life of their companies is functional financial literacy (Razak, Hamdan, and Uddin, 2020, p. 47). The executives of Home Credit Philippines cited that financial literacy among Filipinos needs to improve, as many still lack the knowledge to make informed financial decisions. In its 2022 ESG Country Card, Home Credit Philippines also stated that many people lack the knowledge and skills to manage their finances effectively, make informed financial decisions, and avoid financial risks. In 2022, Bangko Sentral ng Pilipinas cited a global financial literacy study by Standard & Poor's (S&P Global Ratings). They revealed that the Philippines ranked in the bottom 30 of 144 countries, with only 25% of Filipino adults considered financially literate (Lagua, 2024, p.1).

The independent variable of this study is financial literacy. Financial literacy is comprehending and proficiently utilizing numerous skills, such as personal financial management, budgeting, investing, managing debt, and purchasing insurance. Financial literacy is a crucial determinant of making sound and prudent financial decisions. However, a global study revealed that most of the world's population is financially illiterate (Bancoro, 2023, p.241). Every microbusiness owner should evaluate their knowledge, attitude, behavior, and conduct regarding financial literacy issues, as it is critical to the survival and expansion of their company (Gonzalvo and Avila, 2019, pp.1-7).

Financial Knowledge, Behavior, and Access are the independent variable indicators. The first indicator of the Independent Variable is Financial Knowledge. Financial knowledge is the proficiency of people to financial definitions, terms, and concepts referring to acquired information to manage finances effectively.

A lack of financial knowledge significantly impacts the future of the businesses. To achieve business goals, understanding financial management is key to sustaining the business and overcoming challenges (Prawestri, Silviani, and Astuti, 2022, pp. 212-213).

The second indicator of the Independent Variable is Financial Behavior. It refers to individuals' actions towards their finances, including spending, budgeting, and saving. An individual's high level of financial behavior indicates that they have a good managing capability. SME owners with strong financial literacy tend to exhibit better financial behavior. Ongoing financial education is essential to enhance and maintain their financial practices and business performance (Purwidiyanti, Tubastuvi, Darmawan, and Rahmawati, 2022, p. 240).

The third indicator of the Independent Variable is Financial Access. Financial access, or financial inclusion, refers to the availability and obtaining of financial services. Access to finance is essential for individuals or enterprises to obtain financial services, encompassing credit, deposit, payment, insurance, and other risk management services. The availability of financial access plays a crucial role in enhancing micro-businesses performance. Improved access to finance is critical, as it contributes directly to better business outcomes (Sukmana, Hamzah, Ratnawat, 2024, p.1187).

On the other hand, Credit accessibility is the dependent variable. Credit accessibility refers to the capability of some enterprises to acquire financial services. Access to finance plays a significant and dependable role in supporting the survival of small-scale enterprises. Most small-scale enterprises (SMEs) express satisfaction with the credit services provided by financial institutions (Cobinnah, Cheng, Milly, and Sarpong, 2021, p.445).

The dependent variable indicators are collateral, interest rates, literacy level, and number of lending institutions. The first indicator for the dependent variable is Collateral. Collateral is an available resource that a loanee can offer to make a loan. This includes borrowers' assets that can be pledged. Collateral plays a crucial role in both credit

accessibility and the performance of SMEs. Credit can only positively impact SME performance when collateral is available, as lenders require assurance against potential default before approving loans (Alinitwe, 2023, p.10).

The second indicator for the dependent variable is the Interest Rate. An interest rate is the cost of borrowing money. It refers to a percentage that a lender charges a borrower for the use of money. The interest rate plays a significant role in determining the cost of credit, impacting SMEs' ability to borrow, invest, and ultimately grow (Tran, Nguyen, and Pham, 2020, pp. 47). Many SMEs are considered high-risk borrowers, lacking credit history, collateral, or adequate financial statements, leading lenders to charge higher interest rates to compensate for the perceived risk (Msomi and Maharaj, 2022, p.1). Therefore, SMEs are often subjected to stricter borrowing criteria and higher interest rates.

The third indicator for the dependent variable is the Number of Lending Institutions. The number of lending institutions refers to a financial organization that offers loans to individuals, businesses, and even governments. The number of lending institutions is considered one of the most prominent financing providers. Financial institutions are keen to extend loans to SME owners who can invest a share of the initial capital or offer collateral of equivalent value to the credit sought (Asah, Louw, and Williams, 2020, p.8).

The fourth indicator for the dependent variable is Literacy Level. Literacy level refers to a person's ability to read, write, use numbers, and understand information. The financial competence of an entrepreneur significantly influences the dynamics between lenders and borrowers (Burchi, Włodarczyk, Szturo, and Martelli, 2021, p. 5070). Those with a higher level of financial literacy can make better decisions regarding financial products, facilitating their access to credit. Additionally, it is found that a higher level of financial literacy has a positive effect on obtaining formal credit (Xu, Shi, Zhao, and Yuan, 2020, p. 1).

Financial literacy allows business owners to understand the importance of banking services more effectively. Ye and Kulathunga (2019, p. 2990) state that improving financial literacy can reduce information asymmetry and enhance access to economic resources. Being financially literate notably impacts an individual's capacity to secure funding for business expansion (Hasan, Le and Hoque, 2021, p. 2). Additionally, financial literacy positively and significantly influences access to financial services (Hasan et al., 2021, p. 13).

This study addresses a research gap and examines the financial literacy and credit accessibility among micro-business owners in Panabo City Public Market. This study mainly focuses on micro-business owners and how they plan and handle their finances. In this modern world where technology is very prevalent, which enhances credit accessibility on digital tools, this study pursues to explore more. Even though this study is well known, the difference is that the study aims to answer what else to know, and the deficiency in financial literacy focused on Panabo City Public Market micro-business owners. This study will investigate how micro-business owners in Panabo City Public Market take financial responsibility, strategize in circulating their business finance, and react to economic changes.

The study assessed the business owners' psychological factors and how they responded to the accessibility of credit among financially literate individuals. The results of this study offered insights and beneficial information to the following. This research helped local government units gather information that could help the local economy, such as when they do regular monitoring, and the provided information helped them when they needed information to create new policies. The study also helped the community, particularly those planning to start a business and business owners, as it answered their introductory questions on how to start a business. The study determined the right thing to do in doing business, and this research helps individual long-term goals in firms. Furthermore, this study provided information and answers to possible future research questions.

This study aimed to determine the relationship between financial literacy and credit accessibility of micro-business owners in the Panabo City public market and to seek answers to the following objectives: (1) the level of financial literacy of the micro-business owners in terms of financial knowledge, financial behavior, financial access; (2) to determine the level of credit accessibility of the micro-business owners in terms of collateral, interest rate, literacy level and number of lending institutions; and (3) is there any significant relationship between the financial literacy and credit accessibility. The study's null hypothesis was tested at a 0.05 level of significance, which states that there is no significant relationship between financial literacy and micro-business owners' credit accessibility.

II. METHOD

In this part, the data-gathering procedure used is presented. This section will explain the participants, instrument, design, and procedures.

Participants

This study focused on the 353 micro-business owners of Panabo Public Market. The researchers utilized Raosoft software, where a total of 185 participants were required to contribute to the study, and all of the participants needed have been selected and agreed to participate. Micro-business owners with below 1.5M annual gross income are this study's focused participants, and the exclusion criterion is micro-business owners with above 1.5M gross yearly income. In this study, the respondents can offer accurate responses to support the study. Their participation was entirely voluntary and not obligatory. The methodological approach not only provides significance to the findings of this research but also allows for a comprehensive exploration of the effects on financial literacy and credit accessibility among micro-business owners of Panabo City Public Market.

Material and Instrument

For this study, the instrument used to answer the research objectives was a modified questionnaire adapted from Htwe (2019) and Hussein (2017), which assessed the level of financial literacy and access to

credit for micro business owners. The adaptation ensured its relevance to the current research by focusing specifically on financial literacy and credit accessibility among micro business owners in Panabo City Public Market.

The first part of the questionnaire comprised twenty-four (24) questions for the independent variable. In contrast, the second part of the questionnaire comprised thirty-four (34) questions for the dependent variable. In each section, the respondents were asked to select one option from 1 to 5. A Likert scale was used to gauge the level of the respondent's financial literacy and credit accessibility. The response categories were as follows: strongly agree = 5, agree = 4, neutral = 3, disagree = 2, and strongly disagree = 1. This scale assessed financial literacy and credit accessibility among Panabo City Public Market micro-business owners.

Furthermore, the scales used to measure level of financial literacy of business owners were interpreted as follows: (1) 4.21–5.00 is considered Very High, indicating highly proficient; (2) 3.41–4.20 is considered High, indicating proficient (3) 2.61–3.40 is considered Moderate, indicating partially proficient; (4) 1.81–2.60 is considered Low, indicating not proficient; and (5) 1.00–1.80 is considered Very Low, indicating not at all proficient.

Meanwhile, the scales used to measure level of credit accessibility were interpreted as follows: (1) 4.21–5.00 is considered Very High, indicating credit is highly accessible; (2) 3.41–4.20 is considered High, indicating credit is accessible; (3) 2.61–3.40 is considered Moderate, indicating credit is partially accessible; (4) 1.81–2.60 is considered Low, indicating credit is inaccessible; and (5) 1.00–1.80 is considered Very Low, indicating credit is completely inaccessible.

The panel members validated the research questionnaire and underwent pilot testing to ensure reliability. The pilot test results yielded reliability coefficients of 0.804 for the financial literacy scale and 0.917 for the credit accessibility scale, confirming the consistency of the items. The final results provided valuable insights into the degree of effects of financial

literacy on credit accessibility among micro-business owners in Panabo City Public Market.

Design and Procedure

The study used a quantitative descriptive-correlation method and an adapted survey questionnaire to gather the necessary data from the respondents. Descriptive correlational research helps determine the level of relationship between variables and enables researchers to generate informed forecasts from these connections (Bhandari, 2021, p. 1). It shows relevance to the study as this looks for a connection between financial literacy and credit accessibility among micro-business owners. In terms of ethical considerations, researchers were required to follow ethical guidelines. Research participants must be willing to participate in the study and clearly understand the study's purpose, methods, potential risks, and possible benefits (Haring, Hall, and Janssen 2023, p. 97). No names of owners and businesses were disclosed; thus, confidentiality was maintained.

The following process was followed to collect the data: (1) Request Permission to Conduct the Study. The researchers sent a letter to the branch head of UM Panabo College for approval to conduct the study. (2) Development and Approval of the Test Instruments. The researchers adapted a survey questionnaire and provided it to the adviser for evaluation and validation by the panel members. (3) After validating the questionnaires, researchers sent a request letter to the Panabo City Hall Office to determine the micro-business population in the Panabo City public market. (4) Handing out questionnaires and Gathering Responses. Upon the approval to conduct the study, researchers personally distributed the validated questionnaires to the respondents and

immediately collected them with an appreciation for their participation. The researchers checked whether all the necessary information was provided. (5) Scoring and Compilation of Data. After gathering the data, it was compiled and went through statistical interpretation. (6) Analysis and Interpretation of Data. The collected raw data were forwarded to the statistician for computation and analysis.

Finally, in the statistical data analysis, the following statistical tools were used in this study: (1) Mean was used to determine the level of financial literacy and credit accessibility. (2) Pearson-r was used to determine if there is a significant relationship between financial literacy and credit accessibility of micro-business owners in Panabo City Public Market.

III. RESULTS AND DISCUSSION

This section introduces the study's findings, analysis, and interpretation. Both tabular and textual forms of the data were presented. Tables and interpretation were organized chronologically under the following subheading: level of financial literacy among Micro-business owners in Panabo City Public Market, followed by a discussion of that level; level of credit accessibility among Micro-business owners in Panabo City Public Market, followed by a discussion of that level; and the significant relationship between financial literacy and credit accessibility.

Level of Financial Literacy

This study shows the level of Financial Literacy, which is measured in terms of financial knowledge, financial behavior, and financial access. An evaluation of a 24-item question based on the indicator relating to the level of financial literacy among Micro-business owners in Panabo City Public Market.

Table 1. Level of Financial Literacy

Indicator	SD	Mean	Descriptive Equivalent
Financial Knowledge	0.55	4.05	High
Financial Behavior	0.49	3.43	High
Financial Access	0.56	3.64	High
Overall Mean	0.41	3.71	High

Table 1 shows that the mean scores for the financial literacy indicators have an overall mean of 3.71, which

is described as High, and it means that the financial literacy among micro-business owners is proficient.

The cited total means scores from the highest to lowest indicators: 4.05, or high, for financial knowledge, 3.64, or high, for financial access, and 3.43, or high, for financial behavior.

Moreover, financial knowledge gained the highest mean score of 4.05, which is described as high. The data in appended Table 1 revealed that the respondents had observed the importance: Item number 2 got the highest mean of 4.50 for a financial plan that is important for the future, which is described as very high. This entails microbusiness owners giving importance to the financial plans for the future. On the other hand, item 10 got the lowest mean of 3.61 for better understanding of financial products (ATM, MPU, Mobile Banking, Internet Banking, Fixed Deposit, Home Loan), which was described as high. Micro-business owners should understand the importance of financial products such as ATM, MPU, Mobile Banking, Internet Banking, Fixed Deposit, and Home Loan.

In addition, the second-highest mean score was gained by financial access, with a mean of 3.64, which was described as high. The following are the seven items under financial access, in order of importance: Item number 1 got the highest mean of 4.06 for we have a saving habit, which is described as high. This connotes micro-business owners of Panabo City Public Market considering saving habits as important as a business owner. In contrast, item number 3 got the lowest mean of 3.01 for income that should be spent without leaving any balance per month, which is described as moderate. It conveys that micro-business owners are spending their income without leaving a balance per month.

Furthermore, the lowest mean score was gained by financial behavior, with a mean of 3.43, which is described as high. The following are the six items under financial behavior, in order of importance: Item

number 6 got the highest mean of 4.04, for we usually choose the lowest interest when we try to get the credit, which is described as high. This means micro-business owners of Panabo City Public Market considered choosing the lowest interest when getting credit. On the other hand, item 2 got the lowest mean of 3.41 for several financial institutions within our walking distance, which is described as high. This signifies that financial institutions are far from the business owner's area.

Based on the preceding results, micro-business owners in Panabo City Public Market have a high level of financial literacy. This is attributed to the respondents' high financial knowledge, behavior, and access ratings. This shows that micro-business owners in Panabo City Public Market have a high level of financial literacy. This indicates that the Panabo City Public Market micro-business owners can appropriately handle their finances. This was aligned with the study of Bancoro (2023, pp. 241–274). Financial literacy is crucial for individuals and business owners to manage their finances and business operations effectively. Several studies could attest to the positive impact of financial literacy on overall business performance, which can contribute to the national economy. Financial literacy is a crucial determinant of making sound and prudent financial decisions. Similarly, Susan (2020, p. 25-42) stated that understanding financial literacy is paramount for business actors and can be utilized, for instance, to prepare financial statements that can be used to obtain funds.

Level of Credit Accessibility

This study shows the level of credit accessibility, which is measured in terms of collateral, interest rate charge, literacy level, and lending institutions. An evaluation of a 34-item question based on the indicator relating to the level of credit accessibility among Micro-business owners in Panabo City Public Market.

Table 2. Level of Credit Accessibility

Indicators	SD	Mean	Descriptive Equivalent
Collateral	0.54	3.41	High
Interest Rate Charge	0.48	3.38	Moderate
Literacy Level	0.60	3.72	High

Lending Institutions	0.56	3.56	High
Overall Mean	0.42	3.52	High

Table 2 shows the mean score for credit accessibility indicators, which has an overall mean of 3.52, which is described as high, which means that credit accessibility among micro-business owners is accessible. The cited total means from the highest to lowest indicators: for literacy level 3.72 (high), 3.56 (high) for lending institutions, 3.41 (high) for collateral, and 3.38 (high) for interest rate charge.

Moreover, the highest mean score of 3.72, which is described as high, was gained by literacy level. The data indicated in appended Table 2 revealed that the respondents had observed the importance: item 4 got the highest mean of 4.06 for the level of education has a positive influence on when/how to get loans to improve the business, which is described as High. This implies that the education level of business owners positively influences acquiring loans. On the other hand, item 7 got the lowest mean of 3.45 for financial institutions that have increasingly focused on cost-effectively integrating credit with different types of services, thus creating links with us to enhance our services, which is described as High. This indicates that financial institutions have not made enough effort to combine credit with other services cost-effectively and have failed to build strong partnerships with us to improve our services.

In addition, the second-highest mean score of 3.56, which is described as high, was gained by lending institutions. The data indicated in appended Table 2 revealed that the respondents had observed the importance: item 1 got the highest mean of 3.71 for the presence of financial institutions in the area has enabled micro-business to mobilize savings, resulting in more capital injection in businesses, which are described as High. This implies that the presence of financial institutions in the area of business owners has enabled business owners to mobilize savings. On the other hand, item number 5 got the lowest mean of 3.31 for recent; more focused financial institution services are emerging, attracting the interests of donor agencies, including NGOs, credit unions, and nonbanking financial intermediaries to provide credit

services, which are described as moderate. This implies that no financial institutions are emerging to attract donor agencies to provide credit.

Furthermore, the third highest mean score of 3.41, which is described as high, was gained by collateral. The data in appended Table 2 revealed that the respondents had observed the importance: item 1 got the highest mean of 3.78 for applying for a loan to boost their business, which is described as High. This implies that business owners have applied for a loan to boost their business. On the other hand, item number 4 got the lowest mean of 3.08, for they apply for loans as a group because they can easily co-guarantee each other, which is described as moderate. This indicates that business owners don't apply for loans as a group.

Moreover, the lowest mean score of 3.38, described as moderate, was gained by interest rate charges. The data in appended Table 2 revealed that the respondents had observed the importance: item 2 got the highest mean of 3.66 for the interest rate charged on some loans depending on the security provided or the nature of the business, which is described as High. This implies that business owners agree that the interest rate charged on some loans depends on the security provided or the nature of the business. On the other hand, item 7 got the lowest mean of 3.08 for failure to repay on time, which may lead financial institutions to confiscate business assets yet does not affect my day-to-day operations and encourage me to borrow, which is moderate. This implies that failure to repay on time leads to financial institutions confiscating business owners' business assets, affecting their day-to-day operations and restraining them from borrowing.

Based on the preceding results, micro-business owners in Panabo City Public Market have a high level of access to credit. This is attributed to the high availability of collateral, reasonable interest rates charged, high financial literacy, and accessible lending institution ratings. This shows that micro-business owners in Panabo City Public Market have high credit accessibility. This indicates that the Panabo City

Public Market micro-business owners are well-positioned to obtain and manage credit resources effectively.

This is aligned with the study of Jalil, Ali, and Ahmed (2022, p. 1); microfinance services are vital for fostering the development of micro and small enterprises (MSEs). Credit availability is key for SMEs, impacting their establishment and ongoing operations. Access to financing is essential for SMEs aiming to grow and enhance their businesses, leading entrepreneurs to depend on microfinance as a resource for their small enterprises (Thafer, Radieah, and Norhaniza, 2021, p. 807). Capital access is crucial for the growth of micro, small, and medium enterprises (MSMEs), as it facilitates higher revenue generation, innovation in products, and resource growth, which collectively support business functions and sustainable

progress through credit availability (Tambunan, Enuh, Ubaidullah, and Tamban, 2022, p. 148). Therefore, SMEs' access to credit is vital for their growth and development.

Significant Relationship between Financial Literacy and Credit Accessibility among Micro-businesses Owners in Panabo City Public Market

As shown in Table 3 below, there is a significant relationship between Financial Literacy and Credit Accessibility among Micro-businesses owners in Panabo City Public Market. The result of the computation of the r-value is 0.579, associated with a p-value of 0.000, which is lower than 0.05. Therefore, the null hypothesis (Ho) of the study is rejected. This implies that the financial literacy of micro-business owners in Panabo City Public Market can affect their credit accessibility.

Table 3. Significant Relationship between Financial Literacy and Credit Accessibility among Micro-Businesses Owners in Panabo City Public Market

Variable	SD	Mean	Description	r-value	p-value	Decision on Ho
Financial Literacy	0.41	3.71	High			
Credit Accessibility	0.42	3.52	High	0.579**	0.000	Rejected

This study is supported by Srithirath and Sukcharoensin (2022, p. 46), who affirmed that financial literacy significantly impacts credit accessibility. Financially literate individuals have a greater opportunity to obtain credit as they can understand and apply various economic aspects. The findings indicate financial literacy's significant role in enhancing credit accessibility among micro-business owners in Panabo City Public Market. Therefore, improving financial education programs could significantly increase their access to capital, ensuring their businesses' long-term sustainability and growth.

IV. CONCLUSIONS AND RECOMMENDATION

This section summarizes the findings, conclusion, and recommendations of this study.

Conclusions

As stated in the study's findings, the following conclusions were drawn: the level of financial literacy is high, with a mean result of 3.71. The following

indicators are as follows: financial knowledge has a mean of 4.05 (High), Financial access has a mean of 3.64 (High), and financial behavior has a mean of 3.43 (High). On the other hand, the level of financial accessibility is high, with a mean result of 3.52. The following indicators are as follows: literacy level has a mean of 3.72 (High), followed by lending institutions with a mean of 3.56 (High), collateral with 3.41 (High), and interest rate charge as the lowest with 3.38 (High). Therefore, a significant relationship exists between financial literacy and credit accessibility among Panabo City Public Market micro-business owners. Furthermore, the computed r-value between financial literacy and credit accessibility is 0.579 with a p-value of 0.000, which is less than a 0.05 significance level. Thus, the null hypothesis is rejected. It implies that there is significant relationship between financial literacy and credit accessibility.

Recommendation

The researchers have made the following recommendations based on the study's findings and conclusion: Financial literacy is high in combination with its indicators, including financial behavior, financial knowledge, and financial access. The study found that the Panabo City Public Market micro-business owners are weak in their financial behavior out of all the indicators. This means some are financially irresponsible regarding saving habits, effective budgeting, receipts review, and consulting experts. They are also insufficient in taking risky behavior and not financially prepared.

The researchers recommend developing a financial education program or attending a financial education seminar where micro-business owners can learn to reinforce their good habits, correct their common misconceptions, comprehend how to address risky behaviors, and encourage them to seek professionals to improve and guide them in their financial behavior. With the Philippine government initiative, they can collaborate with specific institutions that can lead the financial literacy seminar, from Local Government Units (LGUs) of Panabo City to the Local Economic Enterprise Office (LEEO) and Public Market Administrations; these sectors can facilitate the seminar and business coaching with the micro-business owners in Panabo City Public Market.

Furthermore, credit accessibility resulted in high combinations of its indicators, including collateral, interest rate charge, literacy level, and lending institutions. This implies that many micro-business owners have access to financial services and lending institutions that support their capital needs. Among all the indicators, the interest rate charged got the lowest mean, indicating that while micro-business owners have access to credit, they still find the interest rate of credit relatively high or less favorable compared to other factors. The researchers suggest that business owners select flexible loans offered by lending institutions like Landbank, which provides loans to micro and small enterprises under its Accessible Funds for Delivery to Agrarian Reform Beneficiaries (AFFORD-ARBs) and SULONG Program with reasonable interest rates and flexible terms.

Additionally, business owners can attend credit orientation programs provided by institutions such as Bangko Sentral ng Pilipinas (BSP), the Department of Trade and Industry (DTI), and the Microfinance Council of the Philippines (MCPI). These programs can help entrepreneurs better understand loan terms, compare interest rates, and assess which financial institution best aligns with their repayment capacities and business needs, particularly in terms of interest rate charged.

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