

Financial Resilience Index Philippines



Optimism Deserves a Plan





Introduction

The Philippines is one of the eight key Asian markets covered by the Sun Life Asia Financial Resilience Index, which measures household financial resilience across five pillars: literacy and confidence, behaviour, planning, tools, and resources. In October 2023, a double-blind survey of 8,000 consumers across eight territories was conducted in the Philippines, mainland China, Hong Kong SAR, India, Indonesia, Malaysia, Singapore and Vietnam, with respondents drawn from different wealth levels, generations, and both rural and urban settings.

The Sun Life Asia Financial Resilience Index

Sun Life's purpose is to help people achieve lifetime financial security and live healthier lives. When times are good and people can meet their day-to-day expenses, they can experience a sense of financial wellbeing. However, most financial goals require long-term planning, and when economic or financial shocks occur many people realize they do not have the necessary resources to cope. How individuals and communities plan for – and overcome – these unexpected, higher-impact events is called **financial resilience**.

This report seeks to understand financial resilience in Asia. By investigating the factors and behaviours that contribute to financial resilience in the region, including financial literacy, planning and budgeting, and access to advice and services (and by drawing comparisons between those who are most resilient and those who are less so), we will be in a better position to create workable strategies for the people who need it most.

Overall, the survey shows a need for greater financial planning, supported by widespread financial education. We all thrive when Asia's communities have the knowledge, skills and support to navigate the complexities of personal finance, because financially stable economies rely on financially resilient individuals.

Carla Gonzalez-Chong

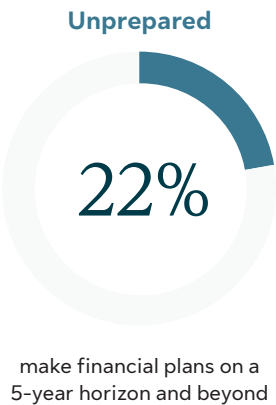
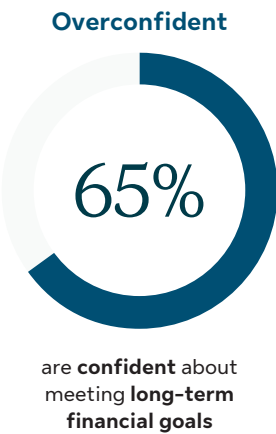
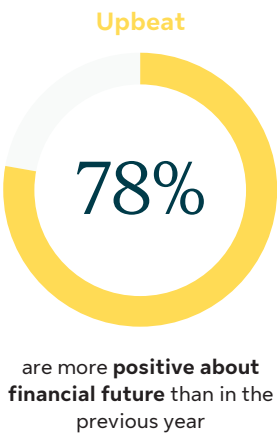
Chief Client Experience & Marketing Officer, Philippines

Key Findings

#1

Optimism is high, but achieving financial goals requires a plan

A long-term approach to financial planning is critical for building resilience. However, our study shows a gap when it comes to Filipinos’ optimism about their finances versus their long-term preparedness.

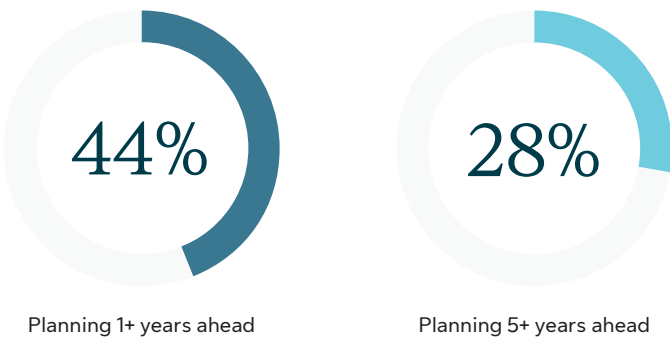


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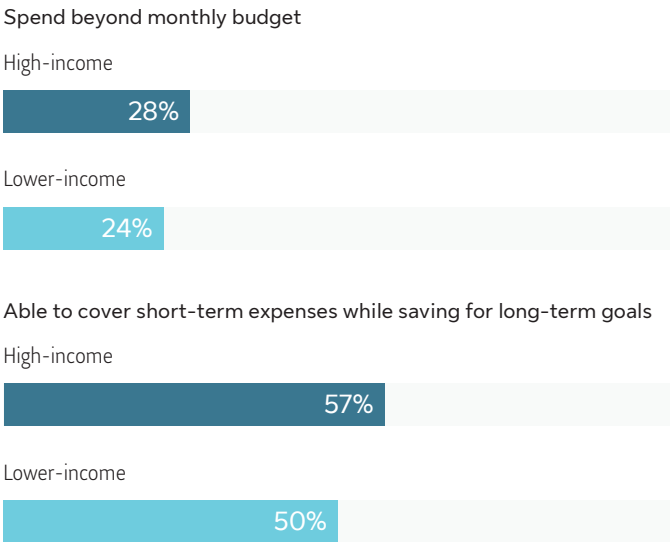
Even wealthy Filipinos have gaps in financial resilience

Good discipline in money management goes hand in hand with improved financial resilience at all wealth levels. Our survey shows that even among the wealthiest respondents, many people in the Philippines lack preparedness and under-estimate their expenditure levels or the benefits of building a long-term financial plan.

A minority of high-income respondents are planning long term



High-income and lower-income groups show similar gaps in financial planning

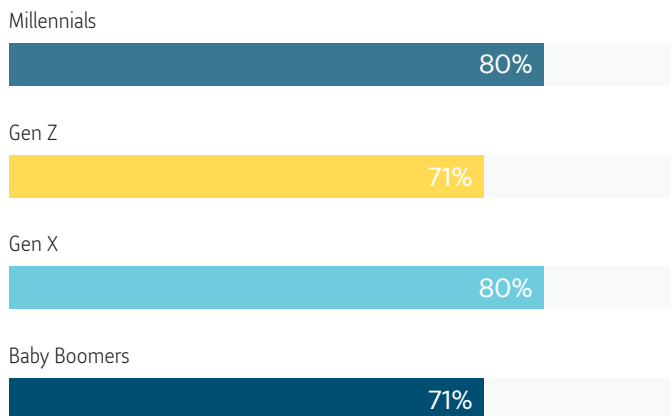


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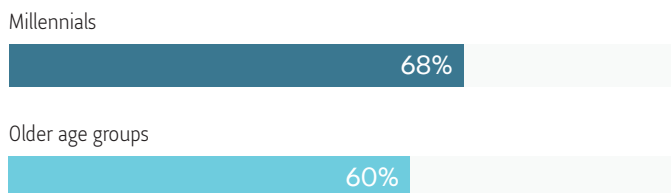
Millennials – the Philippines’ most financially resilient generation

Millennials in the Philippines appear to be in the sweet spot in life, with enough investable assets, less familial obligations than older groups, and just the right amount of adventure and knowledge to build toward their financial future.

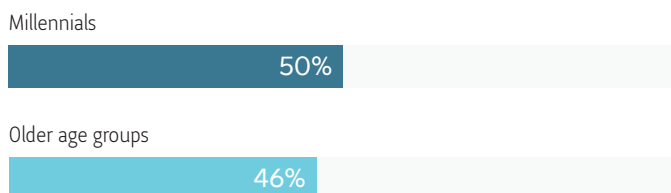
More optimistic about their financial future compared to most other generations



More confident than older age groups when it comes to their ability to meet long-term financial goals



More likely to make decisions based on research than older generations

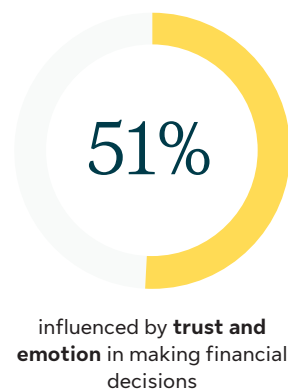


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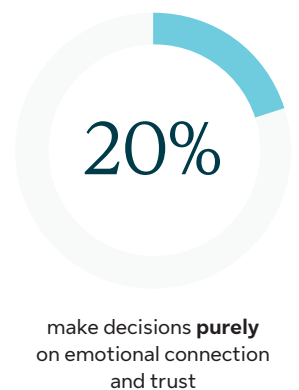
Financial behaviour is often guided by emotion, while desire for education is strong

The research found that perceptions of trust and emotion play a large part in financial behaviour, with over half (51%) of respondents saying it influenced their financial decisions. Financial education was identified as a key desire by half of respondents, underlining the need for better access and professional help in financial management.

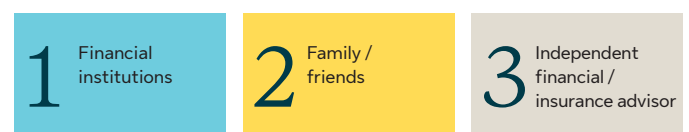
Trust-based decisions



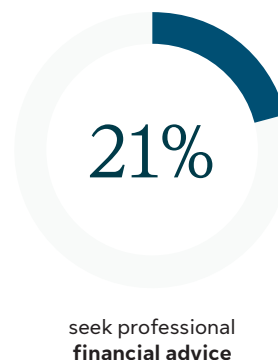
Gut feelings



Top three most trusted sources of information



Untapped expertise



#5

Mind the gap – bridging the urban/
rural divide in the Philippines

Bridging the financial resilience divide between rural and urban communities requires increasing financial education and access to tools that can help people save toward their goals and boost their protection against unexpected shocks. Delivered correctly, digital channels can raise awareness, educate, and provide access routes to advice and services tailored to specific needs and preferences.



People living in cities

Have a greater sense of financial security than those in rural areas

More confident in managing their finances to meet long-term goals

More likely to name financial institutions as their most trusted source of financial information



Urban



Rural

49%

39%

61%

VS

48%



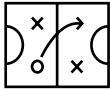
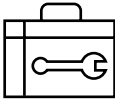

35%

21%

How financially resilient are people in the Philippines?

To understand how the Philippines measures up in terms of financial resilience, we also need to compare it with other markets in the region. Overall, the Philippines shows similar levels of resilience in financial planning and behaviour to the other Asia markets surveyed. The Sun Life Asia Financial Resilience Index shows that in the Philippines, confidence, tools and resources are key to achieving greater resilience. With a clearer understanding of financial resilience and the means to realise it Filipinos could secure a prosperous future for themselves and contribute to a reinvigorated national economy.

Measuring financial resilience across five key pillars:

	Literacy and Confidence	Behaviour	Planning	Tools	Resources
					
High resilience					
Asia	49%	17%	34%	8%	37%
Philippines	41%	16%	32%	5%	31%
Moderate resilience					
Asia	43%	64%	41%	36%	44%
Philippines	50%	70%	40%	27%	45%
Low resilience					
Asia	8%	19%	25%	56%	19%
Philippines	9%	15%	29%	68%	24%

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