

The Correlation Between Retirement Planning and Budgeting Behavior of Government Employees

¹Trisha Rojo, ²Vanna Cabrera, ³Jenny Mae Nacua, ⁴Mariel Jem Go, ⁵Jeraline Jumawan, ⁶Nieve Claire Noval, ⁷Swettie Princess Buhia, ⁸Mariel Hintapa, ⁹Princess Angela Mandapiton, ¹⁰Robie Je Ayo, ¹¹John Ryan Padero, ¹²D'Arcy Angelo Saludsod, LPT, MBM

^{1,2,3,4,5,6,7,8,9,10,11,12}College of Business and Accountancy, Capitol University, Cagayan de Oro, Philippines

doi: <https://doi.org/10.37745/gjpsa.2013/vol13n31940>

Published October 21, 2025

Abstract: *Managing money and preparing for retirement remain a challenge for many government employees. This study examined the correlation between retirement planning and budgeting behavior, focusing on how financial literacy, goal clarity, and attitudes toward retirement influence money management, track spending, and future budgeting practices. Using a descriptive-correlational design, data were collected from 134 government employees and analyzed with descriptive statistics, t-tests, one-way ANOVA, Mann-Whitney U, Kruskal-Wallis, and Spearman's correlation. Findings revealed that financial literacy was excellent, while goal clarity and attitudes toward retirement were only satisfactory, showing that many employees lacked retirement goals and held different perspectives. For budgeting behavior, respondents excelled in money management and future budgeting practices but performed only satisfactorily in track spending. Correlation analysis confirmed a strong positive relationship between retirement planning and budgeting behavior, indicating that those who prepare for retirement budget more effectively. Recommendations included financial allocation, discipline, and strategies such as wise income division, controlled spending, and the use of digital tools.*

Keywords: financial discipline, resource allocation, financial knowledge, financial security, saving

INTRODUCTION

Budgeting behavior is an essential component of financial management that influences an individual's ability to maintain financial stability and prepare for long-term needs. It encompasses how people allocate resources, manage money, track expenses, and engage in sustainable future budgeting practices that help safeguard against financial instability (Tan et al., 2024; Nawang & Shukor, 2023). For civil servants, budgeting behavior is particularly critical, considering they have fixed salaries and fewer sources of income. Proper budgeting ensures that resources are utilized optimally, short-term costs are addressed, and sufficient saving is left for the future. Poor budgeting, however, typically results in not having enough

money for long-term items such as retirement, hence making individuals vulnerable to economic insecurity (Ablay et al., 2023).

Retirement planning is a broad framework within which budgeting behavior operates. Retirement planning is the process of saving assets, saving funds, and investing in order to be independent financially (Ghadwan et al., 2023). All these processes are influenced by three factors, including financial literacy, goal clarity, and attitudes towards retirement. Financial literacy equips the way one makes financial decisions, goal clarity enables them to make achievable goals, and attitudes towards retirement put motivation to plan systematically (Yeung & Zhou, 2017; Burton et al., 2024). In the Philippines, retirement is mandatory under the Government Service Insurance System (GSIS) according to Republic Act No. 8291. This law provides pension benefits to government employees. However, these benefits usually do not cover all retirement expenses. As a result, workers need to depend on other savings or plans like Pag-IBIG MP2. Sound budgeting enables consistent saving and investing. Good retirement planning is crucial for these activities to lead to financial security during retirement.

The retirement planning and budgeting behavior also involves the United Nations Sustainable Development Goals (SDGs). The study contributes to SDG 1 (No Poverty) by focusing on financial behavior that lowers the risk of poverty in retirement. It also addresses SDG 3 (Good Health and Well-Being) by recognizing how financial security reduces stress and makes healthcare more affordable. Additionally, it supports SDG 5 (Gender Equality) by promoting mutual financial empowerment for both men and women. Finally, it relates to SDG 8 (Decent Work and Economic Growth) by encouraging productive financial practices to achieve economic security in retirement. Enhancing retirement planning and budgeting behavior among government employees is, therefore, not only beneficial at the individual level but also encourages aggregate social and economic progress.

Government workers face unique financial planning challenges because of fixed salary levels, inflation pressures, and the need to balance daily expenses with long-term savings goals (Ghadwan et al., 2023; Ayuste et al., 2023). Previous studies found that government policies, spending patterns, and financial literacy influence the effectiveness of retirement planning. Some researchers have also noted the importance of collaborative budgeting and financial education programs in promoting financial preparedness (Roestel, 2016; Yeo et al., 2023).

This study was driven by concerns over the financial security of government employees, especially the effect of budgeting practices on retirement preparedness. Many public employees struggle after retirement due to limited savings and weak budgeting, even when financial education programs are available. Although past research has examined retirement and budgeting, it often focused on the general population or private-sector employees, overlooking the specific conditions of public servants. Government workers' reliance on fixed income, exposure to inflation, and limited retirement benefits directly affect how they budget and prepare financially. However, the direct link between retirement planning and budgeting behavior in this group has not been fully examined.

This study seeks to address the gap by analyzing how retirement planning correlate budgeting behavior among government employees, with the ultimate goal of improving financial literacy, goal clarity, and

ensuring greater post-retirement security. Specifically, it aims to investigate the relationship between retirement planning and budgeting behavior of government employees by addressing several research questions. It seeks to determine the demographic profile of government employees in terms of age, sex, employment status, monthly household income, and marital status. Furthermore, it examines how government employees plan for retirement with regard to financial literacy, goal clarity, and attitudes toward retirement, as well as how they demonstrate budgeting behavior in terms of money management, track spending, and future budgeting practices. The study also explores whether significant differences exist in retirement planning and budgeting behavior when grouped according to demographic profiles, and whether a significant relationship exists between retirement planning and budgeting behavior. Finally, it aims to identify the activities recommended by respondents to enhance their budgeting behavior.

Specifically, this study aims to determine the demographic profile of government employees in terms of age, sex, employment status, monthly household income, and marital status. It further seeks to examine how government employees plan for retirement in relation to financial literacy, goal clarity, and attitudes toward retirement, as well as how they demonstrate budgeting behavior in terms of money management, track spending, and future budgeting practices. Additionally, it aims to assess whether significant differences exist in retirement planning and budgeting behavior when grouped according to demographic profiles, and to determine whether a significant relationship exists between the two variables. Lastly, the study intends to identify the activities recommended by respondents to enhance their budgeting behavior.

LITERATURE REVIEW

The relationship between retirement planning and budgeting behavior has been widely recognized as an essential topic in financial management research, particularly for government employees. Research has discovered that inadequate retirement planning contributes to unsatisfactory financial conditions at an older age because individuals suffer from decreased income and elevated dependence on scarce resources (Sembiring & Leon, 2021). Income, sex, age, and marital status are demographic variables that influence individuals' retirement preparedness and money management (Tan et al., 2024). Financial knowledge is also the most influential driver of retirement preparedness, with individuals being able to make good savings and investment choices and encouraged towards long-term financial security (Hassan et al., 2016; Waga et al., 2021). Practice retirement planning and budgeting behavior are not possible apart from each other because budgeting offers a systematic method of planning, appropriating, and controlling expenses that directly affect retirement preparedness (Tan et al., 2024). Thus, retirement planning cannot be viewed in isolation but as part of an integrated process involving financial literacy, demographic influences, and disciplined budgeting practices.

Budgeting Behavior

Budgeting behavior is central to affecting money management as it reflects people's habits, attitudes, and discipline in managing finances. Economic, social, and psychological factors all come into play in how individuals' budget, allocate resources, and prioritize long-term money wellness (Agsaullo et al., 2021; Akhtar, 2024). Theory of Planned Behavior (TPB) is a group conceptual model, proposing that budgeting

practices are greatly affected by attitudes, subjective norms, and perceived control (Habibah et al., 2018). Budgeting is discovered to give discipline, help in track spending, suppress wasteful expenses, and allow for prudent monetary choices, thus economic resilience (Ablay et al., 2023). Money management is particularly effective in improving discipline and retirement planning since one will be able to find wasteful expenditure and use the funds prudently (Bhuvanapriya et al., 2024; Zhang, 2024). Budgeting is also enhanced by financial literacy because financially literate individuals are in a good position to regulate expenses, lower debts, and save in the long term (Gunawan et al., 2021; Robles & Polinar, 2024). Weak budgeting and poor expense tracking can make public officials financially vulnerable after retirement, underscoring the need for consistent money control (Llona, 2022). Demographics such as income and education influence budgeting and retirement readiness, linking financial literacy to stronger financial habits (Sembiring & Leon, 2021). Personal and social factors also affect budgeting discipline and retirement planning, particularly among public employees (Fabian et al., 2022). In the public sector, budgeting behavior is accompanied by accountability, transparency, and effectiveness of resources, making it even more critical for government officers to practice controlled money management for organizational and personal viability (Juwita & Murti, 2020; Yeo et al., 2023). Overall, budgeting behavior complements retirement planning by fostering responsible financial behavior, ensuring that individuals not only save but also sustain long-term financial health.

Demographic profile and budgeting behaviors are closely linked to financial decision-making and retirement planning. Sembiring and Leon (2021) found that education, marital status, and income strongly influence retirement readiness, with highly educated, married, and high-income workers planning better for retirement. Age is a key factor in financial literacy, as older individuals tend to have greater financial knowledge, while sex shows no significant impact (Mansor et al., 2015). Financial stress is more common among younger and lower-income individuals, limiting their money management capacity (Prakash et al., 2022). Parcia (2017) emphasized that age, income, and length of service affect financial stability those with higher income and longer tenure are more secure, whereas those with dependents are more financially responsible. Although men may be more financially knowledgeable, women tend to be more fiscally disciplined. Fabian et al. (2022) and Ndou (2023) confirmed that higher income and earnings improve financial literacy, budgeting, and retirement planning. Overall, demographic factors such as age, sex, income, and education significantly shape budgeting behavior and financial well-being.

Retirement Planning

Retirement planning involves discipline in saving, investing, and budgeting for retirement financial adequacy. Research has established that financially capable individuals are likely to undertake retirement planning activities and increase retirement savings (Waga et al., 2021). Retirement is institutionalized in the Philippines under Republic Act No. 8291 (GSIS Law), Republic Act No. 7641 (Retirement Pay Law), and Republic Act No. 9505 (PERA Act), mandating contributions, benefits, and voluntary savings programs for workers' protection. These legislations pose the importance of complementing institutional assistance with individual self-control in managing finances (RA 8291, 1997; RA 7641, 1992; RA 9505, 2008). Effective retirement planning depends on financial literacy, goal clarity, and attitudes toward

retirement, as these factors influence long-term preparedness and financial stability (Ghadwan et al., 2023; Yeung & Zhou, 2017; Rameli & Marimuthu, 2018). The study revealed that while government employees possessed excellent financial literacy, they showed only satisfactory goal clarity and attitudes, reflecting limited direction in setting retirement goals (Nagpal & Sharma, 2023; Zhu & Chou, 2018). A strong positive correlation was found between retirement planning and budgeting behavior, indicating that those who plan better for retirement also manage their finances more effectively (Tan et al., 2024; Hussain, 2023). Guided by the Theory of Planned Behavior (Ajzen, 1991), this relationship highlights how attitudes and self-control drive consistent financial practices (Magwegwe & Lim, 2021). Despite formal systems like GSIS and Pag-IBIG, financial illiteracy, low investment knowledge, and retirement anxiety hinder adequate preparation (Boco, 2023; Dumaran, 2020). Thus, social support mechanisms, counseling, and pre-retirement education programs are vital to strengthen goal clarity, discipline, and financial readiness among public employees (CSC, 2019; Roestel, 2016).

Theoretical Framework

The Theory of Planned Behavior (TPB) of Ajzen (1991) states that the behavior of an individual is influenced by three primary determinants: their attitude toward the behavior, subjective norms, and perceived control over behavior. For the purpose of the current study, TPB is used to explain how government employees form retirement planning and budgeting behavior. Employees with a positive mindset towards saving and budgeting, who are socially supported by friends and relatives, and feel they have the resources and ability to manage money, will be inclined to plan more effectively for retirement (Tan et al., 2024; Magwegwe & Lim, 2021). This model underscores that economic decision-making is affected not just by money but also by controlling beliefs, social norms, and personal attitudes. TPB gives a sound ground for the study of the relationship between retirement planning and budgeting behavior.

Conceptual Framework

Figure 1 illustrates the relationship between retirement planning as the independent variable and budgeting behavior as the dependent variable. Retirement planning is measured by financial literacy, goal clarity, and attitude towards retirement, while budgeting behavior is assessed through money management, tracking of spending, and future budgeting practices. The illustration indicates that the level of retirement planning influences the budgeting behavior of government employees.

Additionally, three hypotheses was tested in the study. Ho1 aims to test the significant differences between retirement planning and the respondents' demographic profile. Ho2 seeks to examine the significant differences between budgeting behavior and their demographic profile. Meanwhile, Ho3 focuses on testing the significant relationship between retirement planning and budgeting behavior. These hypotheses will be statistically analyzed and discussed in the Results and Discussion section.

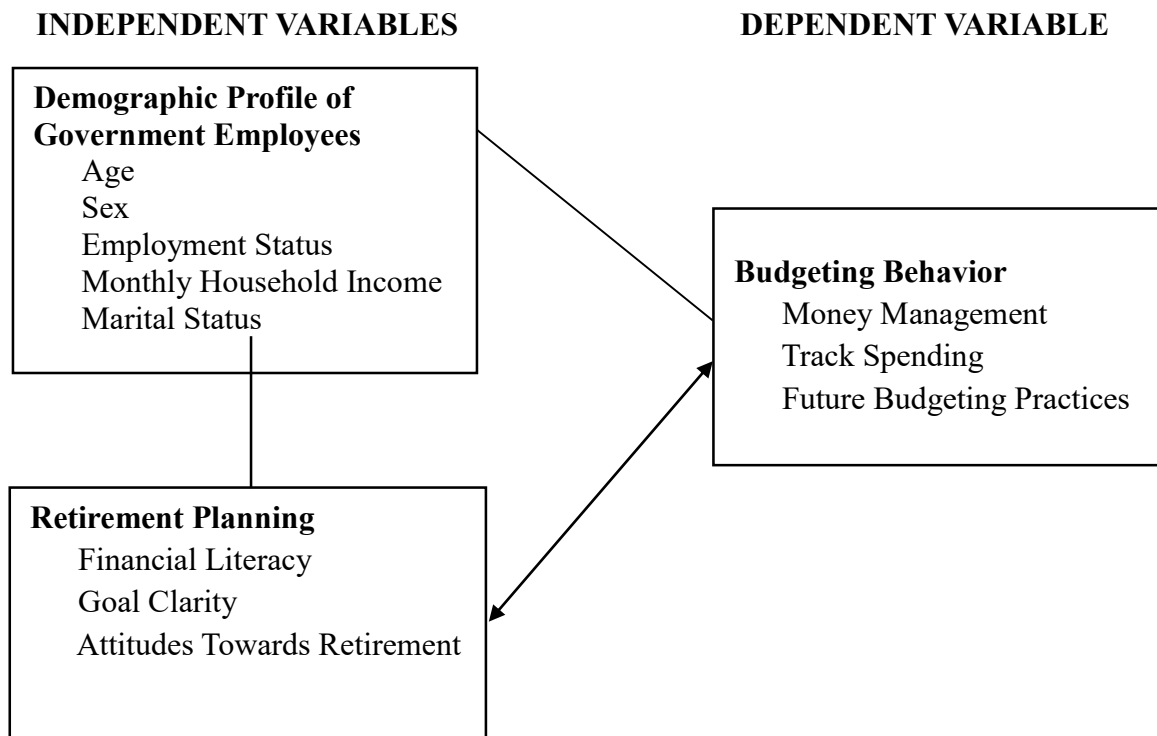


Figure 1: Conceptual Framework

METHODOLOGY

This study employed the quantitative descriptive–correlational research design to determine the correlation between retirement planning and budgeting behavior among government employees. The plan was suitable because it allowed the researchers to measure the relationship between the independent variable, retirement planning, and the dependent variable, budgeting behavior, depending on the demographic profile of the respondents in terms of age, sex, employment status, monthly household income, and marital status (Tan et al., 2024; Ghadwan et al., 2023). The research was conducted among government employees in a government office in Cagayan de Oro City, Northern Mindanao, Philippines, chosen due to its accessibility and the suitability of the respondents' financial condition, i.e., their registration in formalized retirement schemes such as those provided by the Government Service Insurance System (GSIS) (Ayuste et al., 2023).

The target population of the study consisted of government employees from the selected agency, with a total of 134 respondents participating. The demographic profile of the respondents was described in terms of age, sex, employment status, monthly household income, and marital status to provide a foundation for comparative and correlational analysis. Data were collected using an adapted research questionnaire

designed to capture relevant information on retirement planning and budgeting behavior. The instrument comprised three main sections: (1) the demographic profile of the respondents; (2) measures of retirement planning, assessed through financial literacy, goal clarity, and attitudes toward retirement; and (3) measures of budgeting behavior, evaluated through money management, track spending, and future budgeting practices. The adapted instrument was primarily based on the work of Hassan et al. (2016), from which essential sub-variables such as financial literacy, goal clarity, and attitudes toward retirement were adopted and modified to fit the context of government employees. In addition, the construction on attitudes toward retirement was further guided by Elvira-Zorzo et al. (2024b) to ensure comprehensive coverage of attitudes toward retirement preparedness. Likewise, the budgeting behavior components specifically money management, tracking spending, and future budgeting practices were adapted from Wan Nawang and Abdul Shukor (2023), Zhang (2024), Gonzales (2024), and Gonzales et al. (2024). All items were contextualized to reflect the realities of government employment, such as retirement under the Government Service Insurance System (GSIS), and were linguistically refined for clarity and cultural relevance. The questionnaire underwent content validation by experts in financial management and research methodology, who reviewed the clarity, relevance, and appropriateness of the items. To further establish reliability, the instrument was pilot tested among government employees not included in the main study, and the results were analyzed using Cronbach's Alpha, with coefficients exceeding 0.70 across all scales, confirming both internal consistency and reliability of the instrument.

Formal permission to conduct the study was secured from the head of the government office prior to data gathering. Questionnaires were administered with an informed consent form describing the aim of the study, its voluntary nature, anonymity, and confidentiality. Researchers personally distributed and collected questionnaires to ensure clarity, avoid errors, and enhance precision. Respondents were briefed, reminded of their right to withdraw anytime, and assured that participation would not affect their employment or benefits. The researchers stayed present to clarify instructions and address inquiries. Ethical protocols were strictly observed, with confidentiality maintained, no identifying information disclosed, and data used solely for academic purposes.

Descriptive and inferential statistics were applied in the data analysis. Descriptive statistics such as frequency counts, percentages, mean, and standard deviations were computed to describe respondents' demographic description of retirement planning and budgeting behavior. Inferential statistics were applied for testing significant differences and relationships. Independent Samples t-tests were applied for sex whereas One-way ANOVA was employed to compare across age, employment status, monthly household income and marital status. Where the normality results from the Shapiro–Wilk test were assessed, non-parametric tests such as the Mann–Whitney U Test and the Kruskal–Wallis Test were employed where applicable. Specifically, the Mann–Whitney U Test was used to determine differences in variables based on sex, while the Kruskal–Wallis Test was utilized to compare responses across age, employment status, monthly household income, and marital status. Spearman's Rank Correlation was utilized to examine the correlation between retirement planning and budgeting behavior for us to test the direction and strength of the correlation between the variables. Level of significance was used at $\alpha = 0.05$ for all the inferential tests. Along with p-values, test statistics such as F-values, t-values, and correlation coefficients were also

given to highlight the significance of the results. Statistical analysis were processed using specialized software designed for social science research, ensuring accuracy and reliability of computation.

RESULT

Demographic Profile of Government Employees

Table 4.1 presents the frequency and percentage distribution of the demographic characteristics of the 134 government employees who participated in the study. The profile includes age, sex, employment status, monthly household income, and marital status.

The demographic profile of the 134 government employees revealed that most respondents were within the age range of 25–34 years (43.28%), followed by those aged 15–24 years (23.88%) and 35–44 years (20.90%), indicating a relatively young to mid-career workforce. In terms of sex, female respondents (54.48%) slightly outnumbered males (45.52%). The majority were employed on a temporary or contractual basis (61.19%), while 36.57% held regular or permanent positions, and only a few were classified as casual employees (2.24%). With respect to household income, the largest proportion (43.28%) reported earnings between ₱10,957 and ₱21,914 per month, while progressively fewer respondents were represented in the higher-income brackets. Regarding marital status, most were single (67.91%), followed by married (28.36%), with a small proportion identified as separated (2.99%) or widowed (0.75%). This profile provides a clear overview of the respondents' background, which serves as a foundation for analyzing their budgeting behavior and retirement planning readiness.

Table 4.1 Frequency and Percentage Distribution of Respondents' Demographic Profile

Demographic Profile	Frequency	Percentage
Age		
15-24 years old	32	23.88%
25-34 years old	58	43.28%
35-44 years old	28	20.90%
45-54 years old	11	8.21%
55-64 years old	5	3.73%
65 years old above	0	0.00%
TOTAL	134	100.00%
Sex		
Male	61	45.52%
Female	73	54.48%
TOTAL	134	100.00%
Employment Status		
Regular/ Permanent	49	36.57%
Temporary/ Contractual	82	61.19%
Casual	3	2.24%
TOTAL	134	100.00%
Monthly Household Income		
Php 10,957- Php 21,914	58	43.28%
Php 21,195 - Php 43,828	41	30.60%
Php 43,829 - Php 76,688	25	18.66%
Php 76,689 - Php 131,484	5	3.73%
Php 131,485 - Php 219,140	3	2.24%
Php 219,141 or higher	2	1.49%

	TOTAL	134	100.00%
Marital Status			
Single	91	67.91%	
Married	38	28.36%	
Separated	4	2.99%	
Widowed	1	0.75%	
TOTAL	134	100.00%	

Retirement Planning of Government Employees

Table 4.2 presents the summary assessment of Retirement Planning government employee respondents, addressing one of the core research questions of the study. It shows the mean scores, descriptive interpretations, and overall classification across three dimensions: Financial Literacy, Goal Clarity, and Attitude Towards Retirement.

Table 4.2 Retirement Planning of Government Employees: Financial Literacy, Goal Clarity, and Attitudes Toward Retirement

Dimension	Mean	SD	Description
Financial Literacy	3.44	0.40	Excellent Retirement Planning
Goal Clarity	3.06	0.57	Satisfactory Retirement Planning
Attitude Towards Retirement	3.16	0.49	Satisfactory Retirement Planning
Overall	3.22	0.49	Satisfactory Retirement Planning

Legend: 1.00-1.74 (Poor) 1.75-2.49 (Fair) 2.50-3.24 (Satisfactory) 3.25-4.00 (Excellent)

The overall mean of 3.22 (SD = 0.49) indicates that respondents have a Satisfactory Retirement Planning status. Among the three constructs, Financial Literacy has the highest mean ($M = 3.44$, $SD = 0.40$; Excellent Retirement Planning), suggesting that respondents are highly knowledgeable in managing money matters, which strengthens consistent budgeting practices. The relatively low SD (0.40) signifies that respondents' financial literacy levels are consistent, meaning most of them share similar levels of financial knowledge and skills. On the other hand, both Goal Clarity ($M = 3.06$, $SD = 0.57$) and Attitude Towards Retirement ($M = 3.16$, $SD = 0.49$) fall under Satisfactory Retirement Planning, showing that while respondents have some direction and a generally positive mindset toward retirement, there is still room for improvement. The higher SD in Goal Clarity (0.57) implies greater variation in respondents' clarity about their retirement goals, some may have specific plans, while others remain uncertain.

Budgeting Behavior of Government Employees

Table 4.3 presents the assessment revealed varying levels across dimensions.

Table 4.3 Budgeting Behavior of Government Employees: Money Management, Track Spending and Future Budgeting Practices

Dimension	Mean	SD	Description
Money Management	3.30	0.51	Excellent Budgeting Behavior
Track Spending	2.99	0.43	Satisfactory Budgeting Behavior
Future Budgeting Practices	3.40	0.47	Excellent Budgeting Behavior
Overall	3.23	0.47	Satisfactory Budgeting Behavior

Legend: 1.00-1.74 (Poor) 1.75-2.49 (Fair) 2.50-3.24 (Satisfactory) 3.25-4.00 (Excellent)

The overall mean of 3.23 (SD = 0.47) indicates that respondents have a Satisfactory Budgeting Behavior status. Among the three constructs, Future Budgeting Practices scored the highest (M = 3.40, SD = 0.47; Excellent Budgeting Behavior), suggesting that respondents are forward-looking and inclined toward preparing for long-term financial stability. Money Management followed with a mean of 3.30 (SD = 0.51; Excellent Budgeting Behavior), showing that respondents generally possess sound financial skills, such as managing income and expenditures effectively. On the other hand, Track Spending obtained the lowest mean (M = 2.99, SD = 0.43; Satisfactory Budgeting Behavior), indicating weaker consistency in monitoring daily expenses. The relatively low SD values across all dimensions imply that responses were moderately consistent, reflecting shared budgeting patterns among government employees.

Significant Differences in the Retirement Planning when grouped according to profile

Table 4.4 presents the results of the inferential statistical analysis testing for significant differences in the respondents' Retirement Planning when grouped according to their demographic profile (Age, Sex, Employment Status, Monthly Household Income, and Marital Status). Since the data were normally distributed, as confirmed by the Shapiro–Wilk Test ($p > 0.05$) for the variables related to retirement planning, parametric tests were applied. Specifically, an Independent Samples t-Test was used to determine the significant difference in retirement planning when grouped according to sex, while a One-Way Analysis of Variance (ANOVA) was utilized for demographic variables with more than two groups namely age, employment status, monthly household income, and marital status. This analysis tested H_{01} , which states that there is no significant difference in the retirement planning of government employees when grouped according to their demographic profile. The level of significance was set at $\alpha = 0.05$ to determine whether variations in retirement planning across these groups were statistically significant.

Table 4.4 The Test for Significant Difference in Respondents' Retirement Planning when grouped according to their Demographic Profile

Category		Mean	Test Statistic	p-value	Decision*	Interpretation
Age	15-24	3.15	1.564	0.188	Do not reject Ho1	Not Significant
	25-34	3.18				
	35-44	3.37				
	45-54	3.18				
	55-64	3.28				
Sex	Male	3.15	0.346	0.557	Do not reject Ho1	Not Significant
	Female	3.27				
Employment Status	Regular	3.18	0.491	0.613	Do not reject Ho1	Not Significant
	Temporary	3.23				
	Casual	3.40				
Monthly Household Income	Php 10,957.00 to Php 21,914.99	3.14	1.107	0.360	Do not reject Ho1	Not Significant
	Php 21,195.00 to Php 43,828.99	3.28				
	Php 43,829.00 to Php 76,668.99	3.27				
	Php 76,669.00 to Php 131,484.99	3.41				
	Php 131,485.00 to Php 219,140.99	3.09				
	Php 219,141.00 to Higher per month	3.03				
Marital Status	Single	3.19	0.540	0.656	Do not reject Ho1	Not Significant
	Married	3.28				
	Separated	3.27				

Widowed

3.07

**If p-value < 0.05, then reject H_{01}*

The test for significant differences in respondents' retirement planning when grouped according to their demographic profile revealed no significant differences across all categories. By age, mean scores ranged from 3.15 to 3.37, with test statistics of 1.564 and a p-value of 0.188, which is greater than the 0.05 significance level. Since the p-value exceeds this threshold, the decision is to do not reject the null hypothesis (H_{01}), indicating that there is no statistically significant difference in retirement planning across age groups.

For sex, males obtained a mean of 3.15 while females had 3.27, with a test statistic of 0.346 and a p-value of 0.557, also exceeding 0.05. Thus, the decision was to do not reject H_{01} , confirming no significant difference between male and female respondents.

In terms of employment status, regular employees (3.18), temporary employees (3.23), and casual employees (3.40) did not differ significantly, as shown by a test statistic of 0.491 and a p-value of 0.613, again above 0.05, leading to the same decision to do not reject H_{01} .

With respect to monthly household income, mean scores ranged from 3.03 to 3.41, with a test statistic of 1.107 and a p-value of 0.360. Since the p-value is above 0.05, the null hypothesis (H_{01}) was not rejected, indicating no significant difference among income groups.

For marital status, mean values ranged from 3.07 to 3.28, with a test statistic of 0.540 and a p-value of 0.656, which likewise exceeds 0.05, leading to the conclusion of failing to reject H_{01} and confirming no significant difference across marital status categories.

Significant Differences in Budgeting Behavior when grouped according to profile

Table 4.5 examines the differences in perceptions of budgeting behavior across various demographic profiles, including age, sex, employment status, monthly household income, and marital status. Since the data were first subjected to a normality test using the Shapiro–Wilk test, the results confirmed that the variables were not normally distributed. Therefore, non-parametric tests were used specifically, the Mann–Whitney U test for variables with two categories (sex) and the Kruskal–Wallis H test for variables with more than two categories (age, employment status, monthly household income, and marital status). This section presents the actual results and analysis testing significant differences among the responses according to their demographic profile. The H_{02} states that there is no significant difference in the budgeting behavior of government employees when grouped according to their demographic profile.

The test for significant differences in respondents' budgeting behavior when grouped according to their demographic profile revealed no significant differences across all categories. By age, median scores ranged from 3.13 to 3.37, with test statistics of 2.343 and a p-value of 0.673, which is greater than the 0.05 significance level. Since the p-value exceeds this threshold, the decision is to do not reject the null

hypothesis Ho₂, indicating that there is no statistically significant difference in budgeting behavior across age groups.

For sex, males obtained a median of 3.07 while females had 3.33, with a test statistic of 1.865 and a p-value of 0.062, which is above the 0.05 level of significance. Thus, the decision was to do not reject Ho₂, confirming no significant difference between male and female respondents.

Table 4.5 The Test for Significant Difference in Respondents' Budgeting Behavior when grouped according to their Demographic Profile

Category		Median	Test Statistic	p-value	Decision *	Interpretation
Age	15-24	3.13	2.343	0.673	Do not reject Ho ₂	Not Significant
	25-34	3.27				
	35-44	3.37				
	45-54	3.33				
	55-64	3.13				
Sex	Male	3.07	1.865	0.062	Do not reject Ho ₂	Not Significant
	Female	3.33				
Employment Status	Regular	3.13	1.381	0.501	Do not reject Ho ₂	Not Significant
	Temporary	3.27				
	Casual	3.73				
Monthly Household Income	Php 10,957.00 to Php 21,914.99	3.10	11.038	0.051	Do not reject Ho ₂	Not Significant
	Php 21,195.00 to Php 43,828.99	3.40				
	Php 43,829.00 to Php 76,668.99	3.13				
	Php 76,669.00 to Php 131,484.99	3.73				

	Php 131,485.00 to Php 219,140.99	2.87				
	Php 219,141.00 to Higher per month	2.94				
Marital Status	Single	3.27				
	Married	3.13	1.922	0.589	Do not reject Ho2	Not Significant
	Separated	3.43				
	Widowed	2.87				

**If p-value < 0.05, then reject Ho2*

In terms of employment status, regular employees (3.13), temporary employees (3.27), and casual employees (3.73) did not differ significantly, as shown by a test statistic of 1.381 and a p-value of 0.501, leading to the same decision to do not reject Ho2.

Regarding monthly household income, median scores ranged from 2.87 to 3.73, with test statistics of 11.038 and a p-value of 0.051. Although some variations appeared between income brackets, the p-value remained slightly above 0.05, indicating no significant difference in budgeting behavior across income levels.

For marital status, median values ranged from 2.87 to 3.43, with a test statistic of 1.922 and a p-value of 0.589, which also exceeds 0.05. Therefore, the null hypothesis Ho2 was not rejected, confirming no significant difference among the categories of marital status.

Significant Relationship between Retirement Planning and Budgeting Behavior

Table 4.6 presents the relationship between retirement planning and budgeting behavior of government employees, measured using Spearman's Rank Correlation Coefficient. The results indicate the strength and significance of the relationship between these two variables. Retirement planning measures the extent to which employees are actively preparing for their financial future post-retirement, while budgeting behavior assesses their regular financial habits and practices. Spearman's rank correlation coefficient and p-value were used to determine the relationship.

Table 4.6 Relationship between Retirement Planning and Budgeting Behavior of Government Employees

Variables	Correlation Coefficient	P-value	Decision*	Interpretation
Retirement Planning	0.614	0.001	Reject Ho3	Significant
Budgeting Behavior				

*If $p\text{-value} < 0.05$, then reject H_{o3}

Table 6.5 shows a correlation coefficient of 0.614 with a p-value of 0.001, which is less than the 0.05 level of significance. Therefore, the null hypothesis (H_{o3}) is rejected in favor of the alternative hypothesis, confirming that there is a statistically significant relationship between government employees' retirement planning and their budgeting behavior. The correlation coefficient of 0.614 indicates a strong positive relationship, suggesting that as retirement planning improves, budgeting behavior also tends to improve. This significant relationship demonstrates that budgeting behavior plays an essential role in retirement planning and serves as a critical point of intervention for strengthening financial preparedness among government employees.

Practices of Government Employees that will enhance their Budgeting Behavior

Table 4.7 presents the activities recommended by respondents to enhance their budgeting behavior. The results highlight the various strategies that employees believe could improve their financial habits. These activities were gathered through a survey, allowing respondents to suggest practical steps they think could help improve budgeting practices in the workplace.

Table 4.7 Recommendations from respondents to enhance their Budgeting Behavior

THEME	DESCRIPTION	FREQUENCY
Financial Allocation	Financial allocation focuses on the proper management of resources to meet both immediate and long-term financial goals. It involves practices such as prioritizing debt repayment, effectively allocating money to cover essential needs, and investing in assets that offer potential future returns. This theme underscores the importance of strategic financial planning, where every dollar is intentionally directed towards areas that will support financial security and growth.	4
Financial Discipline	It revolves around the importance of self-control and responsibility in managing finances. It emphasizes the need for	3

	careful budgeting, tracking expenses, and making informed financial decisions. By maintaining discipline, individuals can achieve long-term financial stability and security, especially when planning for future needs like retirement. Financial discipline ensures that money is spent wisely and that financial goals are met consistently.	
Budgeting Strategy	Budgeting strategy involves planning and monitoring income and expenses to meet personal financial goals, such as retirement savings and debt reduction. It integrates both traditional budgeting methods and modern digital tools to improve financial decision-making and ensure that money is spent according to priorities. By setting clear goals and using technology for tracking, individuals can better manage their finances, adjust plans as needed, and work towards financial independence.	3
Legend: <i>n = 10 respondents for qualitative questions</i>		

As shown in Table 4.7, the respondents provided several recommendations to enhance their budgeting behavior, which were categorized into three main themes: financial allocation, financial discipline, and budgeting strategy. The theme on financial allocation emphasizes the proper management and distribution of financial resources to meet both short-term and long-term goals, ensuring that funds are intentionally directed toward essential needs and potential investments. Financial discipline highlights the importance of self-control, responsibility, and consistent tracking of expenses to maintain stability and achieve financial goals such as retirement planning. Meanwhile, budgeting strategy focuses on the integration of both traditional and modern digital budgeting methods to improve financial decision-making, goal setting, and expense monitoring. Collectively, these themes underline the significance of strategic planning, mindful spending, and disciplined saving practices in achieving long-term financial security and independence.

DISCUSSION

This research examined the relationship between retirement planning and government employees' budgeting behavior. The findings revealed that while employees displayed excellent financial literacy, their levels of goal clarity and attitudes toward retirement were only satisfactory. This suggests that although they are knowledgeable about financial concepts, many remain uncertain about setting specific retirement goals and hold mixed perceptions about retirement preparedness. This aligns with earlier research emphasizing that financial knowledge does not always translate into proactive planning unless paired with clear goals and positive attitudes (Nagpal & Sharma, 2023; Zhu & Chou, 2018).

Addressing Statement of the Problem No. 3, which sought to determine how government employees demonstrate budgeting behavior in terms of money management, track spending, and future budgeting

practices, the results revealed that employees performed excellently in money management and future budgeting practices, but only satisfactorily in track spending. This means that most employees are skilled in handling their income and preparing for long-term financial needs but are less consistent in monitoring their daily expenditures. This finding implies that while government employees possess strong financial literacy, they may not regularly track their expenses, leading to potential budgeting inefficiencies. Similar patterns were found in previous studies that identified expense-tracking as one of the weakest financial behaviors despite high financial knowledge (Zhang, 2024; Llona, 2022).

In relation to Statement of the Problem No. 4, which examined whether there is a significant difference in the retirement planning practices of government employees when grouped according to their demographic profile, the results revealed no significant differences in any demographic categories such as age, sex, employment status, monthly household income, or marital status. This indicates that these demographic factors do not significantly affect how government employees plan for retirement. One possible explanation is that working in the same government system provides employees with equal access to retirement programs and financial opportunities, resulting in similar levels of financial behavior and preparedness.

Furthermore, the findings of this study confirmed a strong positive correlation between retirement planning and budgeting behavior, indicating that a well-established financial plan for the future is associated with effective daily money management. This supports the hypothesis that employees who are well-prepared for retirement also tend to exhibit strong budgeting habits. It also aligns with the Theory of Planned Behavior, which suggests that attitudes and perceived behavioral control rather than just financial resources shape an individual's intention to save and budget effectively (Tan et al., 2024). This result reinforces the findings of Hussain (2023), who emphasized that retirement readiness and budgeting are closely interconnected.

Based on these results, the study recommends improving financial allocation, discipline, and budgeting strategies among employees. This can be done through wiser income division, consistent expense tracking, and the use of digital tools to plan and monitor finances. Strengthening these practices will not only promote short-term financial stability but also contribute to better retirement security.

Despite these positive findings, the study has limitations. The sample was limited to one government office in Cagayan de Oro City, making the results less generalizable to all government employees. Self-reported data may also be influenced by bias, and external factors such as inflation or government policy changes were not considered. Future studies are encouraged to include a wider range of respondents and additional economic variables to provide a more comprehensive understanding of retirement planning and budgeting behavior.

CONCLUSION

This study examined the correlation between retirement planning and budgeting behavior. Specifically, it investigated how financial literacy, goal clarity, and attitudes toward retirement correlate to money management, track spending, and future budgeting practices. There was a strong positive relationship between retirement planning and budgeting behavior, implying that progress in one facet was likely to be accompanied by progress in the other. Employees showed high levels of competence in future budgeting practices and money management but required enhancement in track spending, which was rated satisfactory. Overall, respondents demonstrated satisfactory levels in both retirement planning and budgeting behavior. Among the constructions of retirement planning, financial literacy was excellent, while goal clarity and attitudes toward retirement were both satisfactory, suggesting that while employees have good financial knowledge, many still lack clear and specific retirement goals. No significant differences were observed in retirement planning or budgeting behavior by age, sex, employment status, monthly household income, or marital status. This means that individual attitudes and financial literacy are greater indicators of retirement readiness than demographics. Despite the good financial literacy among respondents, with a clear understanding of why retirement saving is important, goal clarity was where they had to do better. Many respondents lacked clear, actionable retirement plans, and while their financial literacy toward retirement was generally positive, more focused engagement and clearer planning are needed. Although government workers demonstrated good financial habits, they require stronger financial literacy initiatives and more effective tools for retirement planning. Encouraging goal clarity and involving family members in the planning process could further enhance their retirement preparedness. Additionally, improving daily track spending and developing consistent budgeting behavior will support both retirement planning and long-term financial security.

Recommendations

Based on the study's findings, the following targeted recommendations are proposed:

Government Employees. Begin careful tracking of daily spending, apply budgeting knowledge, and actively engage in retirement planning. Define retirement goals early, maximize GSIS and Pag-IBIG contributions, and explore investment options. Guidance from financially successful colleagues can strengthen fiscal responsibility. Developing consistency in monitoring expenses and clarifying personal retirement objectives will ensure that employees not only maintain financial literacy but also become more disciplined and goal-oriented in preparing for the future.

Government Agencies. Apply financial education and retirement readiness initiatives on investing, managing debt, saving, and budgeting. Provide tracking devices, projections, and constant training with GSIS and Pag-IBIG. Conduct regular testing and counseling follow-ups for low-readiness staff. Enhancing these initiatives will bridge gaps in track expenditure and vague retirement objectives, helping staff turn general information into concrete financial self-discipline and long-term security.

Financial Institutions and Financial Advisors. Financial planning and consulting can make retirement goals clear and offer simple-to-use means of tracking daily spending. One-on-one guidance and workshops can educate employees towards better long-term financial planning.

Legislators and Government Leaders. Legislation can promote retirement readiness through required personal finance education and budgeting courses in the public sector, together with assistance for digital aids that simplify goal clarity and track spending.

Individual Households. Families can sit down to discuss family budgets and fiscal objectives and check every now and then for overspending to alert them early and encourage saving habits.

Educational Institutions and Prospective Researchers. Future studies can focus on interventions that boost goal clarity and track spending, as these are critical to increase in retirement planning and budgeting behavior.

REFERENCES

- Ablay, J. a. M. C., Gindap, R. a. L., Ralla, P. J. L., Garcia, N. P. P., Garcia, N. P. P., Pacete, D. a. B., Raminto, P. N., Sayon, S. K. S., & Tomaquin, R. G. (2023). The Relationship between Spending Behavior and Student Financial Management Skills. *International Multidisciplinary Research Journal*, 5(1). <https://doi.org/10.54476/ioer-imrj/579933>
- Agsaullo, L. J., Busalan, J., Busalan, J., & Collado, R. (2021). *Budgeting and Spending Behaviors of Accountancy*. <https://www.scribd.com/document/508952224/Budgeting-and-S>
- Akhtar, M. W. (2024). Behavioral issues in retirement savings. In *Université Clermont Auvergne*. https://theses.hal.science/tel-04440480v1/file/2023UCFA0058_AKHTAR.pdf
- Ayuste, R. G. (2023). *A revolution in retirement planning for the Philippines*. World Finance. <https://www.worldfinance.com/wealth-management/a-revolution-in-retirement-planning-for-the-philippines>
- Bhuvanapriya, S., Sreedeeve, K. K., Saranya, S., & Vaidianathan, S. (2024). *The Essential Role of Expense Tracking in Personal and Business Financial Management*. https://www.researchgate.net/publication/387268333_The_Essential_Role_of_Expense_Tracking_in_Personal_and_Business_Financial_Management
- Boco, Ma. S. G. (2023). Retirement Preparedness, Anxiety, and Perceived Social Support among Retirable Employees: Basis for an Institutional Retirement Plan. *International Journal of Novel Research and Development*, 8(8), a451–a452. <https://www.ijnrd.org/papers/IJNRD2308055.pdf>
- Burton, E., Chonody, J., Teater, B., & Alford, S. (2024). Goal setting in later life: an international comparison of older adults' defined goals. *BMC Geriatrics*, 24(1). <https://doi.org/10.1186/s12877-024-05017-x>
- Civil Service Commission. (2019). *Attendance to the GSIS pre-retirement seminar for retiring government employees* (Memorandum Circular No. 15, s. 2019). <https://www.csc.gov.ph/downloads/category/233-2019?download=2119%3Amc-no-15-s-2019->

attendance-to-the-gsis-pre-retirement-seminar-for-retiring-government-employees&utm_source=chatgpt.com

- Dumaran, D. C. (2020). *Pre-retirees' plan prior to retirement of the local government employees in the Province of Palawan*. ResearchGate. https://www.researchgate.net/publication/340919096_Pre-retirees'_Plan_Prior_to_Retirement_of_the_Local_Government_Employees_in_the_Province_of_Palawan#fullTextFileContent
- Elvira-Zorzo, M. N., Merino-Tejedor, E., & Lorenzo, M. (2024). The Assessment of Attitudes towards Retirement from a Psychosocial Approach. *Sustainability*, 16(4), 1549. <https://doi.org/10.3390/su16041549>
- Fabian, M., Charles, E., Robina, M., & Eton, M. (2022). Influence of demographic factors on retirement planning and Socio-Economic status of civil servants in Uganda. *Society & Sustainability*, 4(2), 9–20. <https://doi.org/10.38157/ss.v4i2.465>
- Gallardo, M. L. C., & Libot, B. (2017). Financial Literacy and Retirement Preparedness among University of Bohol Employees. *University of Bohol Multidisciplinary Research Journal*, 5, 14–29. <https://doi.org/10.15631/ubmrj.v5i0.48>
- Ghadwan, A. S., Ahmad, W. M. W., & Hanifa, M. H. (2023). Financial Planning for retirement: The moderating role of Government policy. *SAGE Open*, 13(2). <https://doi.org/10.1177/2158244023118130>
- Gonzales, R. S., Gimena, K. E., Paigalan, J. L., Cagang, T. B., Jr., Eribal, A. H., MPA, & Department of Education/Maasim 2 District/Colon National High School. (2024). “Ipon now, gastos later”: The spending and savings habits of selected senior high school students in Colon National High School. In *International Journal of Novel Research and Development* (Vol. 9, Issue 5, pp. c272–c273) [Journal-article]. <https://www.ijnrd.org/papers/IJNRD2405231.pdf>
- Gunawan, V., Dewi, V. I., Iskandarsyah, T., & Hasyim, I. (2021). Women’s Financial Literacy: Perceived financial knowledge and its impact on money management. *Economics and Finance in Indonesia*, 67(1), 63. <https://doi.org/10.47291/efi.v67i1.720>
- Habibah, U., Hassan, I., Iqbal, M. S., & Naintara, N. (2018). Household behavior in practicing mental budgeting based on the theory of planned behavior. *Financial Innovation*, 4(1). <https://doi.org/10.1186/s40854-018-0108-y>
- Hassan, K. H., Rahim, R. A., Ahmad, F., Zainuddin, T. N. a. T., Merican, R. R., & Bahari, S. K. (2016). Retirement planning behaviour of working individuals and legal proposition for new pension system in Malaysia. *Journal of Politics and Law*, 9(4), 43. <https://doi.org/10.5539/jpl.v9n4p43>
- Hussain, S. S. (2023). *A STUDY ON RETIREMENT PLANNING AND SAVING BEHAVIOUR OF RETIRED EMPLOYEES IN KASHMIR*. https://www.researchgate.net/publication/375720295_A_STUDY_ON_RETIREMENT_PLANNING_AND_SAVING_BEHAVIOUR_OF_RETIRED_EMPLOYEES_IN_KASHMIR
- Juwita, R., & Murti, G. T. (2020). Behavior Aspect of Public Sector Planning and Budgeting (A Literature Review). *Advances in Economics, Business and Management Research*, 143. <https://doi.org/10.2991/aebmr.k.200522.038>

- Llona, F. M. (2022). Spending behavior of Non-Teaching personnel in private higher educational institutions in Albay Province. *JPAIR Multidisciplinary Research*, 50(1), 118–139. <https://doi.org/10.7719/jpair.v50i1.437>
- Magwegwe, F. M., & Lim, H. (2021). Factors associated with the ownership of individual retirement accounts (IRAs): Applying the theory of planned behavior. *Journal of Financial Counseling and Planning*, 32(1), 116–130. <https://doi.org/10.1891/jfcp-19-00023>
- Nagpal, S., & Sharma, N. (2023). *Employee Financial Literacy And Retirement Planning Behavior: A Case Study*. Educational Administration: Theory and Practice. <https://kuey.net/index.php/kuey/article/view/8541>
- Nawang, W. R. W., & Shukor, S. A. (2023). *Factors Determining Money Management Among University Students*. https://www.researchgate.net/publication/373898587_Factors_Determining_Money_Management_Among_University_Students
- Rameli, R. S., & Marimuthu, M. (2018). A Conceptual Review on the Effect of Attitudes towards Retirement on Saving Intentions and Retirement Planning Behavior. *SHS Web of Conferences*, 56, 02005. <https://doi.org/10.1051/shsconf/20185602005>
- Robles, M. P., & Polinar, M. a. N. (2024). Money management Practices of senior high school teachers at a public School: A case study. *International Journal of Multidisciplinary Applied Business and Education Research*, 5(10), 3812–3822. <https://doi.org/10.11594/ijmaber.05.10.01>
- Roestel, M. V. (2016). *A Collaborative Approach to Budgeting and the Impact on the Budgeting Process: A Case Study*. Walden University ScholarWorks. <https://scholarworks.waldenu.edu/cgi/viewcontent.cgi?article=3440&context=dissertations>
- Sembiring, M. R. P., & Leon, F. M. (2021). The influence of demographics factor on pension planning and financial literacy of private employee. *Business and Entrepreneurial Review (BER)*, 21(1), 131–152. <https://doi.org/10.25105/ber.v21i1.9230>
- Tan, X., Xiao, J. J., Meng, K., & Xu, J. (2024). Financial education and budgeting behavior among college students: Extending the theory of planned behavior. *International Journal of Bank Marketing*, 2024. https://digitalcommons.uri.edu/cgi/viewcontent.cgi?article=1279&context=hdf_facpubs
- Waga, C. S., Memba, F., & Muriithi, J. (2021). Financial Behaviour and Retirement Planning in Kenya, Assessing the role of Self-Control Bias. *European Scientific Journal ESJ*, 17(23). <https://doi.org/10.19044/esj.2021.v17n23p348>
- Yeo, K. H. K., Lim, W. M., & Yii, K. (2023). Financial planning behaviour: a systematic literature review and new theory development. *Journal of Financial Services Marketing*. <https://doi.org/10.1057/s41264-023-00249-1>
- Yeung, D. Y., & Zhou, X. (2017). Planning for Retirement: Longitudinal effect on retirement resources and post-retirement well-being. *Frontiers in Psychology*, 8. <https://doi.org/10.3389/fpsyg.2017.01300>
- Zhang, Y. (2024). *Promoting Positive Financial outcomes: The role of Expense-Tracking as a Financial Self-Regulatory behavior*. <https://asset.library.wisc.edu/1711.dl/63XZYPDLKMY638S/R/file-908a3.pdf>

Zhu, A. Y. F., & Chou, K. L. (2018). Retirement goal clarity, needs estimation, and saving amount: evidence from Hong Kong, China. *Journal of Financial Counseling and Planning*, 29(2), 328–342. <https://doi.org/10.1891/1052-3073.29.2.328>