SAVING AND INVESTMENT DECISIONS OF EMPLOYEES IN SELECTED PRIVATE COMPANIES IN CAVITE

Undergraduate Thesis
Submitted to the Faculty of the
College of Economics, Management and Development Studies
Cavite State University
Indang, Cavite

In partial fulfilment
of the requirements for the degree
Bachelor of Science in Business Management --
Financial Management

DANICA D. FAUSTINO
October 2013

ABSTRACT

FAUSTINO, DANICA D. Saving and Investment Decisions of Employees in Selected Private Companies in Cavite. Undergraduate Thesis. Bachelor of Science in Business Management. Cavite State University, Indang, Cavite. October 2013. Adviser: Prof. Ludivinia F. Victorino.

This study was carried out to determine the saving and investment decisions of employees in selected private companies in Cavite. Specifically, it aimed to: (1) identify the socio-demographic profile of the private employees in Cavite; (2) measure their knowledge about saving and investments; (3) determine their attitude towards saving and investing; (4) evaluate their saving and investment choices; (5) ascertain the relationship between the socio-demographic profile and their knowledge about saving and investments; (6) determine the relationship between the socio-demographic profile and their attitude towards saving and investing; and (7) assess the relationship between the participants' socio-demographic profile and their saving and investment choices.

The participants of the study were 150 employees in private companies in Cavite who have investment/s. The study was conducted in different areas of Cavite, namely: Tagaytay City, Dasmariñas City, Imus City, Bacoor City, Rosario, and General Trias. Frequency counts, mean, percentage, and standard deviation were used to determine the socio-demographic profile, saving and investment knowledge, saving and investment attitude, and saving and investment choice of the participants. Five-point likert scale was also used to determine the saving and investment knowledge and the extent of reliance of the participants on the sources of financial information. On the other hand, four-point

likert scale was used to determine the investment's level of appropriateness to achieve the participants' financial goals. Spearman Rank Correlation, Chi-Square, Point Biserial, and Pearson R were used to determine the significant relationship between the participants' socio-demographic profile and their saving and investment knowledge, attitude, and choice.

Saving and investment decision was categorized into saving and investment knowledge, attitude, and choice. Overall, the participants were moderately knowledgeable about saving and investment matters. On their saving and investment attitude, most of the participants were not meeting their desired amount of savings because of having other financial priorities; though they were unable to meet the latter, they were saving moderately and want to increase their saving over the next year. Most of the participants were moderately relying on the sources of financial information and were saving and/or investing for the short-term. On the participants' saving and investment choice, most of them were comfortable in making investment decisions, and can accept moderate levels of risk. Knowledge of the investment was the most leading factor that influences the participants to invest and a balance between principal appreciation, preservation of capital, and current income were the participants' overall approach to investing as a means of achieving their goals. Lastly, the given types of investment were moderately appropriate to achieve the participants' financial goals.

The study revealed that the participants' monthly income has a significant relationship with their saving and investment knowledge. On their saving and investment attitude, their monthly income, and gender have a significant relationship on their usual amount of savings per month. Civil and employment status have a significant relationship

with the reason they were unable to meet their amount of savings. Only their monthly income has a significant relationship with their saving propensity, and their educational attainment has a significant relationship with their reason for saving and/ or investing. On the participants' saving and investment choice, their gender, educational attainment, and civil status have a significant relationship with their level of confidence in making investment decisions. Lastly, only the participants' age has a significant relationship with their risk tolerance.