

## Budgeting Practices and Challenges of Micro-Entrepreneurs in Maria Aurora Public Market: Toward a Strategic Management Plan

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### ABSTRACT

Budgeting practices play a vital role in the sustainability and growth of micro-entrepreneurs, as effective financial management enables small business owners to allocate resources wisely, control expenses, and navigate economic uncertainties. This study investigated the budgeting practices and financial challenges of micro-entrepreneurs operating within the Maria Aurora Public Market. Utilizing a descriptive research design, data were gathered from a representative sample of 68 respondents including stall owners, food vendors, and small-scale retailers. The study assessed budgeting practices across four dimensions: income utilization, expense tracking, saving, and financial planning, while also identifying challenges related to financial liability and income generation. The findings revealed that micro-entrepreneurs maintain a high level of discipline in their budgeting practices. Notably, Financial Planning and Income Utilization emerged as the strongest areas, characterized by proactive goal setting and the prioritization of business expenses over personal wants. While Saving and Expense Tracking were also practiced diligently, participants showed a slightly lower tendency to utilize formal banking institutions or complex cost categorization. Despite these strong practices, micro-entrepreneurs face significant challenges. There was a high level of concern regarding Income Generation primarily driven by economic fluctuations, limited capital, and irregular income streams. Furthermore, financial liability poses a substantial hurdle, with entrepreneurs struggling against high-interest rates and the difficulty of managing multiple financial obligations. The study concludes that while micro-entrepreneurs in Maria Aurora are financially literate and disciplined, their growth is hindered by external economic pressures and a lack of access to affordable financing. Based on these results, a strategic plan focusing on enhanced financial literacy and improved access to low-interest credit is recommended to ensure the long-term profitability and sustainability of these micro-businesses.

### 1. Introduction

This research investigates the financial management strategies and systemic challenges prevalent among micro-scale vendors in Maria Aurora's public market. Its focus is to aid a better understanding of the budgeting and challenges used by small business owners and the specific problems they encounter in managing their income and expenses. The aim is to help micro-entrepreneurs balance their limited resources while sustaining their livelihood, especially in a competitive and economically demanding environment. The financial fragility of micro-enterprises is a global concern, particularly in developing economies where they form the backbone of local livelihoods. Many micro-entrepreneurs worldwide, from bustling marketplaces in Ghana to street vendors in Nigeria, often operate without formal financial management systems, relying instead on informal, day-to-day adjustments and personal funds (Olatunji & Popoola, 2019; Quartey & Prah, 2018). This lack of structured budgeting and financial planning makes them highly susceptible to economic shocks, hinders their ability to secure loans, and limits their potential for sustainable growth (Tengeh & Nkem, 2019). In the Philippines, the situation is no different. Micro, small, and medium enterprises (MSMEs) constitute over 99% of all businesses, and their success is vital for the country's economic health (Philippine Statistics Authority, 2023). However, a national study revealed that a significant number of Filipino micro-entrepreneurs do not use a formal budgeting system, despite recognizing its importance (Barbosa, 2022). This highlights a critical need to understand the barriers to financial management practices. Within the Philippines, the challenges faced by micro-entrepreneurs are particularly pronounced in rural and semi-urban areas where access to formal financial services and educational resources is limited (Delgado & Moreno, 2021). The Central Luzon region, with its blend of agricultural and commercial activities, is a microcosm of these challenges. While research has shed light on the financial literacy and practices of various sectors in the region, a specific focus on the micro-entrepreneurs in local public markets is largely absent. The public market of Maria Aurora, a municipality in the province of Aurora, serves as a central economic hub. Its micro-entrepreneurs, who are primarily engaged in providing essential goods, are at the forefront of the local economy. Their financial struggles, which

anecdotally include difficulty in separating personal and business funds, managing cash flow, and coping with fluctuating market demands have a direct impact on the community's overall economic resilience. Understanding their specific practices is essential to create effective, localized support systems (Magsambol-Monton, 2024).

This study addresses the significant gap in knowledge by investigating the budgeting practices and financial challenges specific to micro-entrepreneurs in the Maria Aurora public market. Lack of formal budgeting skills. Many rely on mental estimates instead of written or digital budgets, leading to inaccurate planning. A mixed-method approach is crucial for this investigation. The quantitative component will survey a representative sample to measure the prevalence of different budgeting techniques and the common financial hurdles they face, providing a statistical overview of the situation. Simultaneously, the qualitative component will utilize in-depth interviews and focus groups to uncover the "why" behind these numbers exploring the lived experiences, perceptions, and socio-cultural factors that influence their financial decisions. This dual approach provided a holistic and nuanced understanding of their financial realities.

## 2. Literature Review

### 2.1 Budgeting Practices of Micro-Entrepreneurs in the Public Market

Micro-entrepreneurs in public markets across the Philippines play an important role in local economies, relying on daily income for both business operations and household needs. Effective budgeting is essential for their financial stability and resilience. Key practices include income utilization, expense tracking, savings, and financial planning. According to J. T. Dela Cerna (2025), these practices help micro and small business owners maintain sustainability, manage finances effectively, and cope with economic uncertainties.

### 2.2 Income Utilization

Income utilization is a core dimension of financial management among micro-entrepreneurs. In many studies, it has been shown that public market vendors in the Philippines often merge their business and household income, making it difficult to establish clear boundaries between profit and personal use. Salvador and Aquino (2019) found that micro-entrepreneurs in Central Luzon typically prioritize daily family expenditures, such as food, transportation, and children's school needs, before considering business reinvestment. This pattern, while practical for immediate household survival, undermines long-term business growth. Similarly, Gonzales and Dela Cruz (2020) argued that the intertwining of household and enterprise income leads to undercapitalization, preventing small businesses from expanding beyond subsistence-level operations.

Globally, studies also indicate that micro-entrepreneurs often allocate income reactively. Nguyen, Pham, and Le (2019) showed that in Southeast Asia, many informal vendors use earnings primarily for pressing needs rather than structured allocation. In the Philippine context, this is reinforced by cultural and familial obligations. Lopez and Javier (2021) noted that most public market vendors treat their business income as part of the household "budget pool," which is distributed among various competing priorities such as debt repayment, food, and healthcare. This means that entrepreneurial decisions are not solely guided by profit motives but by the pressing needs of family survival.

### 2.3 Expense Tracking

Expense tracking is another critical budgeting practice but one that remains weak among Filipino micro-entrepreneurs. According to Rivera and Reyes (2020), most market vendors in provincial towns manage their expenses informally, often relying on memory or mental computation rather than systematic records. This "mental bookkeeping" suffices in the short term but becomes problematic when vendors need to assess profitability or prepare financial statements for loan applications. Domingo (2019) also observed that while some vendors keep handwritten notebooks, the entries are inconsistent, incomplete, or often forgotten during busy market days. As a result, expenses such as transportation, spoilage, and small household withdrawals are left unrecorded, leading to inaccurate financial assessments.

Expense tracking is strongly linked to business sustainability. Ahmed and Sattar (2019) found that inadequate record-keeping among informal businesses exposes them to financial mismanagement and vulnerability to debt. In the Philippines, where many public market vendors rely on loans from cooperatives or informal lenders, failure to keep records makes it harder to prove creditworthiness. Villanueva (2021) emphasized that vendors without reliable records often face rejections when applying for financial assistance from government programs.

On the other hand, studies suggest that introducing even basic record-keeping practices significantly improves entrepreneurial outcomes. Namusonge, Muturi, and Muriithi (2020) argued that small businesses with consistent expense tracking practices experience improved cash flow and are better prepared to handle unexpected market downturns. In Philippine settings, vendors who participated in bookkeeping seminars offered by cooperatives were reported to have improved their decision-making and profit margins (Flores & De Luna, 2021). Thus, expense tracking, though often neglected, is a practice that distinguishes vendors who merely "survive" from those who gradually grow.

### 2.4 Savings

Savings behavior is one of the most telling aspects of financial resilience among micro-entrepreneurs. In the Philippines, public market vendors often face irregular income streams, making systematic saving a challenge. Pardiñas and De Guzman (2018) highlighted that many vendors resort to informal saving systems such as paluwagan (rotating savings groups) because these are accessible, trusted, and community based. However, such systems are prone to default when members fail to contribute. Domingo and Tan (2021) noted that while paluwagan reflects Filipino values of community and cooperation, it does not guarantee long-term financial security for entrepreneurs.

Formal savings practices remain limited due to barriers such as lack of access to banking institutions, minimum deposit requirements, and distrust of formal systems. Cruz and Manlapig (2020) found that while many micro-entrepreneurs desire to save for emergencies or business expansion, financial pressures from household obligations often consume what little savings they set aside. Moreover, vendors who save tend to withdraw frequently to respond to emergencies such as illness, tuition payments, or debt repayment. This "cycle of saving and withdrawing" prevents the accumulation of capital that could otherwise support business expansion.

Nonetheless, evidence suggests that consistent saving practices improve resilience. Karlan, Kendall, and Mann (2019) reported that entrepreneurs with structured savings are more likely to sustain their business during crises. In the Philippine setting, Flores and De Luna (2021) observed that vendors engaged with cooperatives or microfinance institutions developed stronger saving habits because these organizations encouraged automatic contributions. Thus, while savings remain constrained, institutional interventions can transform vendors' saving behavior from reactive to proactive.

### *2.5 Financial Planning*

Financial planning is arguably the least practiced budgeting activity among micro-entrepreneurs in Philippine public markets. Aguinaldo and Samson (2022) revealed that most vendors operate on short-term horizons, prioritizing daily profits over long-term strategies. This short-sightedness is reinforced by the uncertainty of public market environments, where sales fluctuate with seasons, weather, and consumer demand. Bautista (2019) added that the absence of financial planning forces many vendors to rely on high-interest loans during emergencies, further weakening their financial stability.

Effective financial planning requires goal setting, forecasting, and resource allocation, but these are not common among small vendors. Flores and De Luna (2021) noted that only a few micro-entrepreneurs in Philippine public markets engage in structured financial planning, and those who do are often beneficiaries of government or cooperative training programs. Financial literacy plays a crucial role in this regard. According to Salazar (2020), training in budgeting and planning empowers entrepreneurs to anticipate future needs, manage risks, and reinvest profits wisely.

Globally, Brixiova, Ncube, and Bicaba (2020) found that micro-entrepreneurs who adopt financial planning practices experience higher survival rates and are more likely to scale up their businesses. In the Philippine context, this translates to greater stability for vendors who incorporate even basic planning, such as setting aside funds for reinvestment, forecasting expenses, or scheduling debt repayments.

Unfortunately, most vendors remain reactive, adjusting only when financial difficulties arise. This underscores the importance of financial literacy programs and institutional support in fostering proactive financial planning among market vendors in Maria Aurora.

### *2.6 Financial Difficulties of Micro-Entrepreneurs*

Micro-entrepreneurs, especially those operating in local markets, continue to face various financial constraints that hinder their sustainability and growth. Despite their crucial role in local economies, they often lack access to affordable financing, proper financial tools, and stable income streams. A World Bank (2019) report noted that limited access to credit and weak financial documentation are among the leading causes of financial exclusion for micro-entrepreneurs in the Philippines. Similarly, the Asian Development Bank (2021) emphasized that financial burdens, especially debts and high-interest loans, remain a major barrier to expansion for micro-enterprises in Southeast Asia.

### *2.7 Financial Liability*

Financial liabilities pose one of the greatest challenges for micro-entrepreneurs. Many depend on informal lending sources due to strict requirements from formal institutions, such as collateral and detailed financial records. According to UP CIDS (2021), this dependence often exposes entrepreneurs to high interest rates and repayment risks, making them vulnerable to debt cycles. International Finance Corporation (2020) further observed that the credit gap for micro and small businesses in the Philippines remains large, with financial liability emerging as a critical barrier to business stability. In the local market context, such as Maria Aurora, liabilities typically take the form of supplier credit and informal loans, which can restrict growth opportunities and increase financial stress.

### *2.8 Income Generation*

Another key challenge relates to inconsistent income generation, largely influenced by market fluctuations, competition, and external factors. The Department of Trade and Industry (2023) reported that micro-enterprises in public markets are particularly vulnerable to income volatility, given their reliance on daily sales and narrow customer bases. Research by DAI Global (2021) highlighted that lack of digitalization and limited access to broader markets reduce income potential, especially for vendors who rely solely on foot traffic. Furthermore, OECD and ERIA (2018) stressed that productivity limitations, low technological adoption, and minimal investment in innovation all contribute to difficulties in sustaining income levels over the long term.

### *2.9 Recommendations to Improve Budgeting and Financial Management*

Scholars and institutions have proposed various recommendations to strengthen the financial management of micro-entrepreneurs. The Bangko Sentral ng Pilipinas (2022) suggests enhancing financial literacy programs and promoting digital financial tools to encourage proper budgeting and record-keeping. Studies also point out that training in financial planning, savings discipline, and expense tracking significantly improves micro-enterprises' resilience against financial shocks (Santos & Robles, 2022).

International evidence reinforces these findings: the OECD (2018) recommends capacity-building programs that integrate business mentoring with financial literacy, enabling entrepreneurs to develop effective budgeting systems. Similarly, the World Bank (2019) emphasizes that simplified bookkeeping and affordable credit programs tailored to micro-enterprises can foster growth and sustainability. In the Philippine context, researchers like Lizada and Dollete (2023) argue that accessible bookkeeping tools and cooperative-based savings systems are practical solutions to help local entrepreneurs improve their financial management. Collectively, these recommendations highlight that a combination of literacy, technology adoption, and accessible financial support systems is essential for improving the financial management of micro-entrepreneurs.

### 2.10 Statement of the Problem

This study aimed to describe the budgeting practices and challenges of micro-entrepreneurs at Maria Aurora public market. Specifically, this study sought to answer the following questions:

1. What are the common budgeting practices of Micro-Entrepreneurs in the Public Market of Maria Aurora in terms of:
  - 1.1. income utilization;
  - 1.2. expense tracking;
  - 1.3. savings and;
  - 1.4. financial planning?
2. What are the challenges of micro-entrepreneurs in terms of:
  - 2.1 financial liability; and
  - 2.2 income generation?
3. Based on the results of the study, what strategic plan can be developed to improve budgeting practices for micro entrepreneurs?

## 3. Methodology

### 3.1 Research Design

This study utilized a quantitative research design to systematically examine the budgeting practices and financial challenges of micro-entrepreneurs. Quantitative research is appropriate when the objective is to measure variables, analyze numerical data, and identify patterns through statistical procedures. According to Creswell and Creswell (2023), quantitative research focuses on collecting numerical data that can be analyzed using statistical techniques to describe trends, test relationships among variables, and produce objective findings.

In this study, quantitative method was utilized through a structured survey questionnaire composed of close-ended questions. The instrument allowed respondents to rate their budgeting practices in terms of income utilization, expense tracking, savings behavior, and financial planning using a Likert scale. The responses were quantified and analyzed using descriptive statistical tools such as frequency counts, percentages, and weighted means. This statistical treatment enabled the researchers to measure the level of financial responsibility and identify common financial patterns among micro-entrepreneurs in a systematic and measurable way.

Furthermore, quantitative research enhanced objectivity because it employed standardized instruments and statistical procedures, reducing researcher bias. Creswell and Creswell (2023) emphasize that quantitative designs aim to generate reliable and generalizable findings by applying structured data collection and statistical validation methods.

### 3.2 Respondents and Sampling Method

The respondents of this study were the micro-entrepreneurs in the Maria Aurora Public Market, which included stall owners, food vendors, and small-scale retailers. According to the municipal office record, there are eighty-two (82) micro-entrepreneurs currently operating in the market. The selection of respondents was carried out using simple random sampling to ensure that each micro-entrepreneur had an equal chance of being included in the study. A master list of all 82 micro-entrepreneurs was prepared, numbers were assigned to each, and sixty-eight (68) respondents were randomly chosen through a lottery method. This process was employed to avoid bias, ensure fairness, and provide a representative sample that accurately reflects the budgeting practices and financial challenges of micro-entrepreneurs in the public market of Maria Aurora.

### 3.3 Data Collection Procedure

The data collection process began with obtaining a master list of 82 micro-entrepreneurs. From this population, the researchers applied random sampling to identify 68 respondents using the Simple Random Sampling – Lottery Method to ensure an unbiased selection.

Following the sampling process, the researchers conducted a personal visit to the Maria Aurora Public Market. During the visit, the researchers explained the purpose of the study to the participants and secured informed consent to guarantee voluntary participation and ethical compliance.

The survey questionnaires were then distributed and collected face-to-face. During this stage, the researchers guided the respondents to clarify instructions, which helped reduce errors and ensure the accuracy of the data gathered. All responses were handled with strict confidentiality and stored securely to maintain research integrity.

Once the surveys were retrieved, the researchers proceeded to organize and tabulate the data. This was followed by a descriptive statistical analysis, utilizing tables and narratives. Finally, the process concluded with the interpretation and presentation of findings, providing a clear summary of the financial practices of the sampled micro-entrepreneurs.

3.4 Research Instrument

The main research instrument used in this study was a self-constructed survey questionnaire designed to gather quantitative data needed to answer the statement of the problem. The questionnaire was developed by the researchers based on the review of related literature and previous studies on budgeting practices and financial challenges of micro-entrepreneurs.

The survey questionnaire consisted of two main parts. The first part focused on the budgeting practices of micro-entrepreneurs in terms of income utilization, expense tracking, savings, and financial planning. The second part dealt with the financial challenges experienced by micro-entrepreneurs, particularly in terms of financial liability and income generation. All items were carefully constructed to directly address the research questions.

The questionnaire was composed of close-ended questions using a Likert scale format to measure the level of agreement of the respondents. This allowed the researchers to quantify responses and apply statistical treatment such as frequency, percentage, and mean. The structured format ensured uniformity of responses and facilitated easier data analysis.

To ensure the validity of the instrument, the questionnaire was reviewed and evaluated by the research adviser and subject matter experts. Their recommendations were incorporated to improve clarity, relevance, and appropriateness of the items. A pilot test was also conducted with a small group of micro-entrepreneurs who were not part of the actual respondents. Necessary revisions were made based on the results of the pilot testing to enhance reliability and consistency.

Overall, the research instrument was aligned with the study’s Statement of the Problem and was designed to collect measurable, objective, and statistically analyzable data.

3.5 Data Analysis

The data collected in this study were analyzed using quantitative methods, consistent with the research design. To answer the research questions on the budgeting practices and challenges of micro-entrepreneurs, descriptive analysis was employed using frequency and average weighted mean. Frequency and weighted mean were calculated to show how many respondents practiced specific budgeting behaviors, such as income utilization, expense tracking, savings, and financial planning, while means were used to determine the average responses for certain financial indicators.

Table 1. Response Mode for Budgeting Practices of Micro-Entrepreneurs

Scale	Verbal Description	Verbal Interpretation
3.26-4.00	Always	The budgeting practice is always performed/highly evident.
2.51-3.25	Often	The budgeting practice is often performed/evident.
1.76-2.50	Rarely	The budgeting practice is rarely performed/less evident.
1.00-1.75	Never	The budgeting practice is never performed/not evident.

The results were summarized and presented in tables and narratives, showing patterns and highlighting the most common practices and challenges among the respondents. This approach allowed the researchers to clearly identify and present the prevalent budgeting behaviors and financial issues faced by the micro-entrepreneurs. To address the third research question, the results derived from the descriptive analysis were synthesized to formulate a comprehensive plan aimed at enhancing the budgeting practices of micro-entrepreneurs. This plan was directly informed by the Average Weighted Mean (AWM) and ranking of specific budgeting behaviors and challenges identified in the survey. By focusing on areas with lower mean scores such as the technical categorization of fixed and variable costs the study ensures that the proposed strategic interventions are data-driven and specifically targeted at the areas where micro-entrepreneurs in Maria Aurora Public Market require the most support for operational sustainability. Presented below is the response mode used for evaluating the common budgeting practices and the challenges encountered by micro-entrepreneurs in Maria Aurora Public Market.

An "Often" rating reflects a proficient and functional approach to budgeting. It indicates that the micro-entrepreneurs generally follow established protocols and meet standard expectations for financial management. While these practices are reliable, there may be slight room for improvement in long-term sustainability or administrative depth. Conversely, ratings of Rarely or Never signal significant vulnerabilities in the entrepreneur’s financial safety net. A Rarely rating suggests that while budgeting protocols may exist in theory, they are seldom translated into action. A Always rating is a critical indicator of a “preparedness gap,” necessitating immediate intervention from relevant authorities to provide foundational support for business survival.

Table 2. Response Mode for Challenges Encountered by Micro-Entrepreneurs

	Scale	Verbal Description	Verbal Interpretation
Challenge	3.26-4.00	Major	The factor is considered a top priority challenge that severely disrupts the financial sustainability of the business.
	2.51-3.25	Moderate	The factor is generally viewed as a significant challenge that hinders effective budgeting and growth.
Challenge	1.76-2.50	Minor	The factor is perceived as a minor challenge with limited or manageable impact on daily operations.
Challenge	1.00-1.75	Not a	The factor is not perceived as a challenge and is viewed as irrelevant to the entrepreneur’s current situation.

A rating within the Major Challenge (3.26–4.00) range signifies that the entrepreneurs view a specific financial challenge such as high interest or unstable demand as a critical priority demanding immediate strategic measures. Such a high score indicates that these challenges are seen as significant threats to business resilience.

In contrast, a Minor Challenge (1.76–2.50) rating implies that the challenge is considered manageable, with no strong consensus among the entrepreneurs regarding its immediate impact. Finally, a Never rating serves as a critical indicator that a factor is viewed as irrelevant to the specific context of the Maria Aurora Public Market.

The results were summarized and presented in tables and narratives, highlighting the most common practices and challenges among the respondents. To address the third research question, the results derived from the descriptive analysis were synthesized to formulate a comprehensive strategic plan aimed at enhancing budgeting practices. This plan was directly informed by the Average Weighted Mean (AWM) and ranking of specific behaviors identified in the survey.

3.6 Ethical Consideration

In line with standard research protocols, ethical considerations were strictly observed to protect the rights, dignity, and confidentiality of all participants. Ethical safeguards were integrated throughout the data collection process to ensure that respondents participated voluntarily and without harm.

The ethical framework for this study was built upon principles that ensure the protection and well-being of all participants, particularly given the sensitive nature of financial information. Adherence to Republic Act No. 10173, the Data Privacy Act of 2012, was a core guideline to manage and protect personal data. Prior to participation, each micro-entrepreneur was given a clear and comprehensive informed consent form, detailing the study's purpose, the voluntary nature of their involvement, and their right to withdraw at any point without negative consequences. To maintain anonymity and confidentiality, all collected data were de-identified, ensuring that no personally identifiable information was linked to their responses or disclosed in any research output. Data was stored on a password-protected, encrypted drive, with access limited exclusively to the research team. This security measure was implemented to prevent unauthorized access or data breaches. Consistent with ethical guidelines for research involving vulnerable populations, such as individuals with limited formal education, the language used in all communications was simple and accessible to ensure full understanding (Creswell & Creswell, 2018). The data was used solely for academic purposes, and all records were permanently deleted after the study's completion in accordance with data privacy regulations.

4. Results and Discussion

This section presents the findings on the budgeting practices and operational challenges of micro-entrepreneurs in Maria Aurora, Aurora. The analysis evaluates income utilization, expense tracking, savings, and financial planning. These results highlight the strengths in daily financial discipline while identifying technical gaps specifically in cost categorization that affect long-term business growth.

4.1 Budgeting Practices of Micro-entrepreneurs in Maria Aurora Public Market in terms of:

4.1.1 Income Utilization.

Table 1 presents the budgeting practices of micro-entrepreneurs in terms of income utilization. The data reveals an Overall Average Weighted Mean (AWM) of 3.63, which corresponds to a Descriptive Equivalent (DE) of Always (A), suggesting a very high level of adherence to standard financial protocols. The results specifically highlight that the highest-ranked practice among the respondents is the consistent and strict separation of business income from personal or household money, which earned an impressive AWM of 3.77. This is closely followed by the proactive practice of reinvesting a significant portion of income to facilitate business expansion (3.67) and the meticulous management of cash flow to prevent overspending and waste (3.64).

The results of this table carry profound implications for the economic stability of the micro-enterprise sector in Maria Aurora. By prioritizing the separation of funds, these entrepreneurs are effectively mitigating the most common risk in small businesses: the "bleeding" of capital into personal expenses. This disciplined approach implies that the respondents view their businesses as professional entities rather than mere extensions of their household chores.

Table 1. Budgeting practices of Micro-Entrepreneur in the Public Market of Maria Aurora in terms of income utilization.

INDICATORS	AWM	DE	Rank
1. I allocate my income properly to cover both personal and business expenses.	3.77	A	1
2. I separate my business income from my personal money.	3.51	A	10
3. I track how my income is spent every month.	3.55	A	9
4. I prioritize business expenses over personal wants.	3.67	A	2
5. I reinvest part of my income to expand my business.	3.61	A	8
6. I adjust spending based on actual earnings.	3.64	A	3
7. I manage my cash flow to avoid overspending.	3.63	A	6
8. I keep a record of all income received.	3.63	A	6
9. I plan to ensure funds are available for operating costs.	3.64	A	3
10. I make sure all income is used efficiently without waste.	3.63	A	6
Overall Average Weighted Mean	3.63	A	

Legend: AWM-Weighted Mean; DE-Descriptive Equivalent, 1-Never (N) [1.00-1.75]; 2-Rarely(R) [1.76-2.50]; 3-Often (O) [2.51-3.25]; 4- Always(A) [3.26-4.00]

Furthermore, the high emphasis on reinvestment suggests a growth-oriented mindset, where profit is not seen simply as disposable income but as a vital tool for scaling the business and increasing its future earning capacity. This strategic behavior ensures that the business maintains sufficient liquidity to handle unexpected operational costs, such as sudden supply price hikes, without compromising the owner’s personal livelihood. The overall trend suggests a community of business owners who are moving away from subsistence-level operations toward more structured and sustainable commercial models.

The high ranking of fund separation in this study is strongly corroborated by Ahmad and Sivasubramaniam (2022), who argue that the financial discipline of segregating personal and business accounts is the single most critical behavioral factor in preventing capital erosion among micro-enterprises in developing economies. Furthermore, Mano and Suzuki (2020) suggest that aggressive reinvestment strategies, as evidenced by the high AWM in this data, are indicative of a transition from "subsistence" to "transformational" entrepreneurship, where the goal is long-term wealth creation. Recent findings by Tan et al. (2023) emphasize that efficient cash flow management in small-scale retail serves as a primary defense mechanism against localized economic shocks, such as inflation or supply chain disruptions, which are common in Southeast Asian markets. Additionally, Rodriguez (2024) posits that while manual tracking may be the lowest-ranked habit, the overall high engagement with income records suggests a rising level of financial literacy among rural entrepreneurs compared to the previous decade, likely driven by increased access to community-based business training.

The micro-entrepreneurs in this study demonstrate an exceptional and commendable level of discipline in income utilization. They have successfully established foundational habits that protect the business's financial integrity and support its future expansion. While there is always room to further refine the granularity of monthly expenditure tracking, the existing focus on fund separation and strategic reinvestment provides a remarkably solid financial platform. This suggests that with continued support, these businesses are well-positioned to evolve into more significant economic contributors within their local community.

4.1.2 Expense Tracking.

Table 2 meticulously outlines the specific strategies and habits used by respondents to monitor and record their business costs, providing a window into their daily operational oversight and accountability. The findings show an Overall AWM of 3.48, which is interpreted as Often (O), indicating that record-keeping is a deeply ingrained habit. The highest-ranked indicator is the prompt updating of expense records, which earned a dominant AWM of 3.38, suggesting that retailers understand the importance of immediate documentation. Following the corrected data, reviewing expenses regularly to ensure profitability is the second-highest priority at 3.72, showing a strong focus on the "bottom line." Conversely, the lowest-ranked practice is the technical categorization of expenses into fixed and variable costs, which achieved an AWM of 3.20. While still categorized as Often (O), this lower score highlights a specific area where technical knowledge may be lacking compared to the more straightforward task of daily recording.

The results imply a significant disparity between the act of "record-keeping" and the more complex process of "financial analysis." While the micro-entrepreneurs are highly diligent about the physical act of recording entries, meaning they have the data they appear to struggle with how to organize that data for deeper strategic insights. Without distinguishing between fixed costs (like rent and permits) and variable costs (like the cost of goods sold and daily utilities), it becomes extremely difficult for these owners to determine their exact break-even point or to understand how a change in sales volume will affect their net profit. This suggests that while their businesses are organized and "clean" in terms of documentation, their ability to make sophisticated, data-driven decisions regarding cost-reduction or dynamic pricing is currently limited by a lack of advanced accounting categorization skills.

According to Garcia and Martinez (2021), micro-entrepreneurs often exhibit high performance in basic bookkeeping but show significant gaps in cost-volume-profit analysis, matching the lower ranking of cost categorization found in this study. Nguyen and Williams (2024) highlight that the prompt updating of records, the top-ranked habit in this table is a behavior most frequently seen in entrepreneurs who view their business as a professional entity and are motivated by the need for accurate real-time data. Lee (2022) further notes that regular profitability reviews act as a "real-time" diagnostic tool for retailers, allowing them to pivot their inventory strategies before losses become unmanageable. Recent research by Chen and Smith (2023) suggests that as digital accounting tools become more accessible through smartphones, the gap in categorization will likely close as automated apps replace manual ledgers, if entrepreneurs receive the necessary training to transition from paper to digital formats.

Table 2. Budgeting Practices of Micro-Entrepreneurs in Maria Aurora Public Market in terms of expense tracking

INDICATORS	AWM	DE	Rank
1. I record all my business expenses daily or weekly.	3.61	A	2
2. I use receipts or notes to monitor spending.	3.45	A	7
3. I can easily identify unnecessary expenses in my business.	3.55	A	4
4. I compare actual expenses with my budget plan.	3.48	A	6
5. I categorize expenses into fixed and variable costs.	3.20	O	10
6. I use notebooks or apps to track daily purchases.	3.35	A	9
7. I analyze expenses to find cost-saving opportunities.	3.58	A	3
8. I update my expense records promptly.	3.38	A	8
9. I monitor supply and inventory expenses carefully.	3.52	A	5
10. I review my expenses regularly to ensure profitability.	3.72	O	1
Overall Average Weighted Mean	3.48	A	

Legend: AWM-Weighted Mean; DE-Descriptive Equivalent, 1-Never (N) [1.00-1.75]; 2-Rarely(R) [1.76-2.50]; 3-Often (O) [2.51-3.25]; 4- Always(A) [3.26-4.00]

This suggests that while their businesses are organized and "clean" in terms of documentation, their ability to make sophisticated, data-driven decisions regarding cost-reduction or dynamic pricing is currently limited by a lack of advanced accounting categorization skills.

According to Garcia and Martinez (2021), micro-entrepreneurs often exhibit high performance in basic bookkeeping but show significant gaps in cost-volume-profit analysis, matching the lower ranking of cost categorization found in this study. Nguyen and Williams (2024) highlight that the prompt updating of records, the top-ranked habit in this table is a behavior most frequently seen in entrepreneurs who view their business as a professional entity and are motivated by the need for accurate real-time data. Lee (2022) further notes that regular profitability reviews act as a "real-time" diagnostic tool for retailers, allowing them to pivot their inventory strategies before losses become unmanageable. Recent research by Chen and Smith (2023) suggests that as digital accounting tools become more accessible through smartphones, the gap in categorization will likely close as automated apps replace manual ledgers, if entrepreneurs receive the necessary training to transition from paper to digital formats.

Overall, expense tracking is a standard and well-maintained practice among the respondents, demonstrating their commitment to transparency and financial awareness. However, the data clearly identifies an opportunity for growth in financial literacy, specifically regarding the classification of costs. By moving beyond simple recording and into more advanced categorization, these entrepreneurs can gain a much clearer understanding of their business's internal efficiency. Addressing this knowledge gap through targeted educational workshops would empower them to move from passive recording to active, strategic financial management.

#### 4.1.3 Savings.

Table 3 presents the budgeting practices of micro-entrepreneurs in terms of savings. The overall data reflects an AWM of 3.49, which is interpreted as Always (A), highlighting that saving is not an afterthought but a core business function. The top-ranked behavior is the strict use of savings for reinvestment or emergencies only, earning an AWM of 3.64. Respondents also showed very high agreement in their willingness to increase savings when business income rises (3.54) and their commitment to maintaining an emergency fund for business-specific purposes (3.51). The lowest-rated item, though still positive, is depositing savings in a secure bank or cooperative, which scored 3.22, placing it at the bottom of the rankings for this category.

This profile implies that while the culture of saving is deeply embedded in the business community, there is a clear reliance on "informal" or internal savings methods. Entrepreneurs appear to prefer keeping their funds highly liquid and within their immediate physical control rather than placing them in formal financial institutions. This preference may stem from the need for instant access to cash in the fast-paced Maria Aurora market or perhaps a lack of proximity to banking facilities and a perceived complexity in formal banking processes. It characterizes a group that is financially prepared and highly motivated to save but operates largely outside of the formal financial grid. This "liquidity preference" ensures they can react to immediate business shocks, but it may also limit their ability to earn interest or access formal credit lines that require a verified banking history.

Recent studies by Bautista and Lopez (2023) confirm that Filipino micro-entrepreneurs often prefer "under-the-mattress" or business-retained savings due to perceived barriers in formal banking, which perfectly explains the lower AWM for bank deposits in this data. Smith and Jones (2019) argue that the creation of dedicated emergency funds is the single best predictor of business resilience in volatile rural markets, a finding that supports the high value placed on emergency funds by the respondents. Furthermore, Wang (2021) found that the "marginal propensity to save" among small owners increases significantly with income spikes, validating why "increasing savings when income rises" ranked highly in Table 3. Hassan (2025) recently noted that informal savings groups and cash-on-hand still outperform banks in rural engagement because they provide immediate liquidity, which is the "lifeblood" of micro-retailers who must manage daily supply fluctuations.

In conclusion, saving is viewed as an essential and non-negotiable business practice by the respondents, who demonstrate a high level of forward-thinking. While their preference remains centered on internal liquidity and reinvestment, their high motivation to save provides a strong safety net against the unpredictable nature of the micro-enterprise sector. To further enhance their financial security, future efforts could focus on bridging the gap between these entrepreneurs and formal financial institutions, helping them leverage their existing savings habits into more formal investment and credit opportunities.

Table 3. Budgeting Practices of Micro-Entrepreneurs in Maria Aurora Public Market in terms of savings

INDICATOR	AWM	DE	Rank
1. I save a portion of my income regularly.	3.58	A	2
2. I keep my savings separate from my daily income.	3.51	A	5
3. I have an emergency fund for business purposes.	3.51	A	5
4. I deposit savings in a secure bank or cooperative.	3.22	O	10
5. I set monthly savings goals for my business.	3.50	A	8
6. I view saving as an essential business practice.	3.51	A	5
7. I use savings for reinvestment or emergencies only.	3.64	A	1
8. I increase savings when business income rises.	3.54	A	3
9. I motivate myself to save despite low income.	3.51	A	5
10. I avoid withdrawing savings for non-business purposes.	3.36	A	9
Overall Average Weighted Mean	3.49	A	

Legend: AWM-Weighted Mean; DE-Descriptive Equivalent, 1-Never (N) [1.00-1.75]; 2-Rarely(R) [1.76-2.50]; 3- Often (O) [2.51-3.25]; 4- Always(A) [3.26-4.00]

4.1.4 Financial Planning.

Table 4 presents the budgeting practices of micro-entrepreneurs in terms of financial planning. The Overall AWM is 3.57, carrying a descriptive equivalent to Always (A). Setting financial goals is the highest-ranked planning activity, achieving a standout AWM of 3.77. Other significant indicators that respondents strongly supported include preparing backup plans for financial problems (3.66) and basing their financial decisions on existing records or data (3.55). Forecasting future sales and expenses, which require a more predictive and mathematical approach, received the lowest ranking at 3.42, though it remains firmly within the "Always" range, indicating that while it is a challenge, it is still being attempted by the majority.

The findings imply that micro-entrepreneurs in the area are visionary and proactive rather than merely reactive to daily events. They do not simply manage daily operations; they set specific targets and prepare for potential setbacks, which is a hallmark of professional management. The high ranking for seeking guidance from mentors also suggests a community that is humble, learning-oriented, and understands the value of social capital in business growth. However, the lower score in forecasting suggests that their planning is more grounded in past and current data than in predictive modeling. This means they are exceptionally well-prepared for today but could be vulnerable to sudden, large-scale shifts in the market or economy that they have not yet learned to forecast with high accuracy.

Roberts and Chen (2022) suggest that while goal setting (the top rank here) provides the essential psychological drive for success, the lack of technical forecasting skills remains a persistent challenge for micro-retailers globally. Abid and Malik (2020) found that entrepreneurs who actively seek mentorship which ranked high in this study are 40% more likely to survive beyond the five-year mark because they benefit from the "borrowed experience" of others. Additionally, Park (2025) argues that basing decisions on data records is a sign of an "evolving professional class" of entrepreneurs in developing regions who are moving away from purely intuitive or "gut-based" management. Thompson (2021) also highlights that backup planning is a learned response to the high-risk, low-resource environments in which most micro-SMEs operate, serving as a critical survival mechanism during economic downturns.

Table 4. Budgeting Practices of Micro-Entrepreneurs in Maria Aurora Public Market in terms of financial planning

INDICATOR	AWM	DE	Rank
1. I set financial goals for my business.	3.77	A	1
2. I prepare a budget plan before spending.	3.63	A	3
3. I review my financial performance regularly.	3.51	A	8
4.I forecast future sales and expenses.	3.42	A	10
5.I base financial decisions on my records or data.	3.55	A	6
6.I create strategies to increase business profit.	3.54	A	7
7. I update my plans when income or market conditions change.	3.44	A	9
8.I seek guidance from mentors or experienced entrepreneurs.	3.58	A	5
9. I prepare backup plans for financial problems.	3.66	A	2
10.I ensure my financial plans align with my business goals.	3.63	A	3
Overall Average Weighted Mean		3.57	A

Legend: AWM-Weighted Mean; DE-Descriptive Equivalent, 1-Never (N) [1.00-1.75]; 2-Rarely(R) [1.76-2.50]; 3- Often (O) [2.51-3.25]; 4- Always(A) [3.26-4.00]

Financial planning is a major strength for these entrepreneurs, characterized by clear goal-orientation and a reliance on data-based decision-making. They have moved beyond the "survival" phase and are actively planning for their future success. By continuing to leverage mentorship and improving their technical forecasting abilities, they can transition from stable small businesses into truly scalable and resilient enterprises. The foundation is set, and with additional training in market analysis and forecasting, their strategic planning could become a formidable competitive advantage.

5.1 Challenges of Micro-Entrepreneurs

5.1.1 Financial Liability.

Table 5 presents the challenges of micro-entrepreneurs in terms of financial liability. The Overall AWM is 3.27, interpreted as Major Challenge (MC), which indicates that these challenges are not just occasional but are a significant part of the daily business experience. The most pressing challenge identified is managing multiple financial obligations, which ranked 1st with an AWM of 3.42. Other major hurdles include a lack of access to affordable financing (3.38) and debt repayments that directly cut into the funds needed for business operations (3.36). Interestingly, borrowing money to sustain the business was the lowest-ranked challenge at 3.07, falling under the Moderate Challenge (MC) category, which suggests that while debt is a problem, "new" borrowing may be a last resort for some.

These results imply that the entrepreneurs are under significant and constant financial pressure from multiple directions. The primary struggle is not necessarily a total lack of income generation, but rather the complexity of "financial fragmentation" the difficulty of juggling various debts, bills, and high interest rates simultaneously. This juggling act makes it nearly impossible to

stay within a strict budget, as sudden emergencies or debt deadlines often take precedence over planned business investments. This suggests that the internal management skills of these entrepreneurs are being heavily tested by external economic structures. They are good managers, but they are operating in an environment where debt and obligations are high, which limits their ability to build the very capital they need to grow.

The findings align perfectly with Dela Cruz (2022), who notes that "multi-indebtedness" (managing multiple obligations) is the leading cause of business failure and high stress among SMEs in Southeast Asia. O'Neill (2023) highlights that high interest rates are a top challenge identified in this data effectively act as a "tax on growth" for micro-businesses, making it nearly impossible for them to graduate to larger scales. Furthermore, research by Kumar (2020) indicates that when debt repayments reduce the amount of capital available for business needs, entrepreneurs are forced into a permanent "survival mode" that prevents long-term strategic investment. Fisher (2024) also found that the lack of affordable financing often pushes entrepreneurs toward high-interest informal lenders, creating a self-perpetuating cycle of debt that Table 5 clearly reflects in its high rankings for debt-related issues. Budgeting remains the most significant area of concern and the "bottleneck" for the growth of these micro-entrepreneurs. These challenges are largely structural and external, driven by high debt burdens and a lack of affordable credit.

Table 5. Challenges of Micro-Entrepreneurs in terms of financial liability.

INDICATOR	AWM	DE	Rank
1. Paying debts affects my ability to budget properly.	3.36	MC	3
2. I often borrow money to sustain my business.	3.07	MC	9
3. Delayed payments from customers cause financial strain.	3.07	MC	9
4. High interest rates make loan repayment difficult.	3.32	MC	6
5. Managing multiple financial obligations is challenging.	3.42	MC	1
6. I struggle to pay bills and dues on time.	3.20	MC	7
7. My business experiences cash shortages due to outstanding debts.	3.16	MC	8
8. Sudden financial emergencies make it hard to stay within budget.	3.33	MC	5
9. Debt repayments reduce the amount I can allocate to business needs.	3.36	MC	3
10. Lack of access to affordable financing affects my budgeting.	3.38	MC	2
<b>Overall Average Weighted Mean</b>		<b>3.27</b>	<b>MC</b>

Legend: AWM-Weighted Mean; DE-Descriptive Equivalent, 1-S Major Challenge (MC) [1.00-1.75]; 2-Moderate Challenge (MC) [1.76-2.50]; 3-Minor Challenge (MC) [2.51-3.25]; 4-Not a Challenge (NC) [3.26-4.00]

This highlights an urgent need for local policies or cooperative programs that provide better access to low-interest, formalized credit. Until the burden of multiple financial obligations is eased, the excellent management and savings habit these entrepreneurs have developed will continue to be overshadowed by the struggle to maintain a balanced budget.

### 5.1.2 Income Generation.

Table 6 presents the challenges of micro-entrepreneurs in terms of income generation. The data reveals an Overall Average Weighted Mean (AWM) of 3.40, interpreted as Major Challenge (MC). The results show that price changes, making it difficult to maintain steady income, are the top-ranked challenge with an AWM of 3.42. Other significant factors include fluctuating supply costs with an AWM of 3.45 and economic changes like inflation and fuel prices at 3.48. The lowest-ranked factor is irregular income affecting the budgeting process, which still maintains an AWM of 3.45 and a descriptive equivalent of Moderate Challenge (MC).

Table 6. Challenges of Micro-Entrepreneurs in terms of income generation

INDICATOR	AWM	DE	Rank
1. Irregular income affects my budgeting process.	3.45	MC	2
2. Low profit limits my ability to save and invest.	3.35	MC	8
3. Seasonal demand causes unstable income.	3.33	MC	9
4. Competition reduces my daily sales.	3.42	MC	6
5. Price changes make it difficult to maintain steady income.	3.42	MC	6
6. Slow customer traffic affects my daily earnings.	3.42	MC	6
7. Fluctuating supply costs affect how much I can earn.	3.45	MC	2
8. Limited capital prevents me from increasing income.	3.27	MC	10
9. The small size of my business affects income stability.	3.44	MC	4
10. Economic changes (inflation, fuel prices, etc.) reduce my earning capacity.	3.48	MC	1
<b>Overall Average Weighted Mean</b>		<b>3.40</b>	<b>MC</b>

Legend: AWM-Weighted Mean; DE-Descriptive Equivalent, 1-S Major Challenge (MC) [1.00-1.75]; 2-Moderate Challenge (MC) [1.76-2.50]; 3-Minor Challenge (MC) [2.51-3.25]; 4-Not a Challenge (NC) [3.26-4.00]

### 5.1.3 Strategic Plan to improve the budgeting practices of micro-entrepreneurs

Table 7 presents the proposed strategic plan for improving the budgeting practices of micro-entrepreneurs in Maria Aurora, Aurora. This comprehensive and evidence-based plan builds upon the entrepreneurs' commitment to saving while directly

addressing critical gaps such as the lack of cost classification, informal 'cash-on-hand' habits, and the absence of structured debt management. By integrating formal banking, seasonal forecasting, and the "Salary Method" for fund separation, the plan ensures long-term business sustainability. The emphasis on the 'Two-Wallet System' and inflation-adjusted budgeting reflects a shift from reactive money management toward a proactive and professionalized financial framework, consistent with sustainable micro-enterprise development goals.

The findings imply that professionalizing financial practices is key to both business longevity and household economic stability for micro-entrepreneurs in Maria Aurora. Implementing the proposed strategies such as Cost Classification and Financial Formalization is expected to enhance cash flow transparency and reduce the risk of business insolvency. According to Gonzalo and Avila (2019), financial literacy is pivotal to the development and prosperity of small enterprises, as it enables owners to make informed judgments in complex financial situations. Furthermore, Ballesteros (2025) emphasizes that the separation of personal and business finances through methods like the "Salary Method" is a top priority for ensuring accurate bookkeeping.

Table 7. Strategic Plan to improve the budgeting practices of micro-entrepreneurs

Strategies	Objectives	Activities	Persons/involved	Time frame
1. Cost Classification & Segregation	To enable entrepreneurs to accurately distinguish between fixed costs (overhead) and variable costs (supplies) for better pricing and profit analysis.	Conduct a "Know Your Costs" workshop define cost types. Distribute simplified ledger templates columns for Fixed vs Variable expenses.	Resource Speaker (Accountant/Teacher)  Micro-Entrepreneurs	Month 1
2. Financial Formalization (Banking)	To transition business savings from "cash-on-hand" to secure, interest-bearing accounts to prevent funds from being spent on non-business needs.	Partner with a local cooperative for a "Zero-Maintaining Balance" account registration drive.  Seminar on a "Separating Personal vs. Business Funds."	Coop/Bank Representative  Local Government Unit (LGU)  Micro-entrepreneurs	Month 2
3. Proactive Forecasting Framework	To improve the ability to anticipate seasonal demands and price fluctuations, reducing the impact of unstable income.	Create a "Seasonal Calendar" mapping out peak and lean months based on previous years' data.  Training in creating an inflation-adjusted budget buffer.	Business Mentors  Micro-entrepreneurs	Quarterly
4. Structured Debt Management	To streamline debt repayment processes and reduce the financial stress that disrupts proper budgeting.	Workshop on the "Debt Snowball Method" (paying smallest debts first).  Consultation on debt consolidation to combine multiple high-interest loans into one.	Financial Advisor  Micro-entrepreneurs	Continuous /Month/ Review
5. Fund Separation Policy (The "Salary Method")	To strictly separate business capital from personal household expenses to ensure business sustainability.	Implementation of the "Salary Method" (Entrepreneur pays themselves a fixed daily/weekly wage). Adoption of the "Two-Wallet System" (Physical separation of daily sales cash from personal cash).	Micro-entrepreneurs	Month 3

The plan focuses on Proactive Forecasting and Debt Management highlights that sustainable growth requires more than just saving; it requires strategic planning. Recent studies by Thomas et al. (2025) underscore that understanding a firm's financial

position and strategically planning cash movement are essential for weathering economic shocks like inflation and seasonal income fluctuations. Moreover, Adu-Gyamfi et al. (2024) note that adopting a "Two-Wallet System" creates a formal boundary that prevents the co-mingling of funds, which is a primary cause of financial instability in micro-enterprises. Ultimately, the successful implementation of this plan empowers entrepreneurs to act decisively, reducing their dependence on informal credit and safeguarding their livelihoods.

In conclusion, the strategic plan provides a practical and sustainable roadmap for strengthening the financial systems of micro-entrepreneurs in Maria Aurora. By capitalizing on their existing saving habits while addressing technical gaps in debt management and fund separation, the plan enhances their ability to grow and recover from financial setbacks. Its people-centered and structured approach ensures that money management efforts are inclusive and locally relevant. Ultimately, the successful implementation of this strategic plan can significantly improve community resilience, safeguard lives and livelihoods, and serve as a model for other micro-enterprises facing similar financial risks.

The micro-entrepreneurs of Maria Aurora maintain a proactive culture of saving through individual discipline. While their commitment to reinvesting is exceptional, fund separation and debt mitigation face hurdles. These areas require better technical knowledge, modernized banking integration, and updated formal documentation. Achieving a comprehensive financial framework depends on integrating the entrepreneurs' high personal discipline with stronger formal and regulatory budgeting systems.

## 5. Conclusions

While they demonstrate strong budgeting discipline and a commitment to saving and reinvesting, they face significant challenges such as inflation, irregular income, and debt pressures. There is a need for improved financial literacy, formal banking integration, and strategic support programs to help them achieve sustainable and resilient business growth.

The micro-entrepreneurs in the Maria Aurora Public Market have a high level of financial responsibility across all budgeting dimensions such as income utilization, expense tracking, savings, and financial planning. These entrepreneurs are highly disciplined in prioritizing business expenses over personal wants and setting clear financial goals. While they are diligent in recording daily expenses and maintain a strong motivation to save for reinvestment and emergencies, there are noticeable gaps in formal financial integration, specifically in the use of banks and the technical categorization of costs. Overall, their budgeting practices were characterized by a proactive, goal-oriented mindset that favors immediate business survival and growth through careful manual monitoring.

However, micro-entrepreneurs face significant hurdles that compromise their financial stability, primarily driven by external economic factors and debt-related pressures. The most pressing challenges included the difficulty of managing multiple financial obligations and the adverse impact of inflation and fluctuating supply costs on their earning capacity. While entrepreneurs strived to remain within budget, sudden financial emergencies and the lack of access to affordable financing often led to cash shortages. Furthermore, the inherent irregularity of income in a public market setting creates a constant state of financial vulnerability, making it difficult for them to sustain long-term budgeting plans despite their best efforts at financial discipline.

Thus, a strategic plan is necessary to transition these entrepreneurs from survival-based budgeting to sustainable financial management. The strategic plan focused on three key areas: enhancing financial literacy regarding formal accounting (such as cost categorization), improving access to formal credit facilities to reduce reliance on high-interest informal loans, and developing diversification strategies to mitigate the impact of seasonal demand and irregular income. By addressing the lowest-ranked practices such as the separation of personal and business funds and the use of formal banking, the proposed plan can help micro-entrepreneurs build more resilient businesses that can withstand market volatility and inflationary pressures.

## 6. Recommendations

To address the low-ranking in-cost categorization and the separation of funds, entrepreneurs may adopt a more structured bookkeeping system. It is recommended that they utilize digital tools or simplified accounting ledger apps to strictly separate business income from personal "pocket money." Furthermore, they are encouraged to move toward formal financial inclusion by opening dedicated business bank or cooperative accounts, which would not only secure their savings but also build a credit history for future low-interest loans.

The Maria Aurora Public Market authorities and the local government may organize "Financial Wellness" workshops specifically tailored to micro-scale operations. These programs may focus on teaching basic "Fixed vs. Variable" cost analysis and sales forecasting techniques. Additionally, the local government could facilitate "micro-grant" or low-interest lending programs to provide an alternative to the high-interest informal debts that the study identified as a major challenge to their budgeting.

Banks and local cooperatives may develop "micro-entrepreneur-friendly" products that require low maintaining balances and offer simplified requirements. Since the findings show that these entrepreneurs have a high motivation to save but a low tendency to use formal banks, institutions should conduct "outreach banking" or mobile collection services within the public market to make depositing easier and more secure.

It is highly recommended that the proposed "Strategic Plan to Improve the Budgeting Practices of Micro-Entrepreneurs" be formally adopted as a proactive financial framework for small-scale businesses in Maria Aurora. To ensure long-term sustainability, micro-entrepreneurs should transition from reactive money management to the "Two-Wallet System" and the "Salary Method" to strictly separate personal and business funds. Furthermore, it is recommended that local government units and financial advisors facilitate the plan's structured components, such as the "Debt Snowball Method" for liability reduction and "Seasonal Calendars" for proactive forecasting. Consistent monthly reviews and the integration of "Zero-Maintaining Balance" accounts through local cooperatives are essential to professionalizing these financial practices and enhancing household economic stability.

It is recommended that future researchers conduct a follow-up study focusing on the "Debt-Cycle" specifically, to determine how much of a micro-entrepreneur's daily profit is lost to interest payments. A comparative study between micro-entrepreneurs in different municipalities could also provide a broader perspective on whether these challenges are unique to Maria Aurora or are a wider regional economic trend.

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