

## A Descriptive Phenomenological Analysis of the Financial Blueprints and Coping Mechanisms of Overseas Filipino Workers in Thailand

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Date Received: 10 March 2022 Revised: 23 May 2022 Accepted: 1 June 2022

### Abstract

This paper investigated the financial status of Overseas Filipino Workers (OFWs) in Thailand. The purpose of the study was to understand the common financial challenges that OFWs face, examine their current economic blueprints, analyze their financial coping mechanisms, and come up with a financial literacy guidebook. Using a purposive sampling technique and in-depth interviews, the primary data for this study was collected from informants who had lived in Thailand for more than eight years. After the interviews, the researcher employed coding and theming to analyze the data, along with descriptive phenomenological data analysis created by Colaizzi (1978). Five themes emerged from the analysis: financial mistakes, debt management and budgeting, savings and emergency funds, insurance and investment, and financial retirement plans. The results also revealed an alarming deficiency of financial intelligence among most OFWs in Thailand. Likewise, the results of this study showed many unforeseen problems and challenges that significantly entangled many OFWs in poverty. Lastly, this study has significant implications on the financial mindset of Filipino workers who trade their time, health, and effort for hard-earned money abroad.

**Keywords:** *Overseas Filipino Workers, financial blueprint, coping mechanism*

### Introduction

Globalization and other economic factors have led people to constantly move to find better job opportunities. The Philippines is considered as one of the major sources of labor supply worldwide (Lorenzo, 2021). Moreover, it has more than a century of history in labor migration which has gained prominence in the last four decades. The Philippines has been looked upon by other countries as a model in managing international labor migration (Lorenzo, 2021). The estimated figure of Overseas Filipino Workers (OFWs) was 2.2 million during the period from April to September 2019 (Mapa, 2020). However, more than 10 million Filipinos—or about 10% of the population—are working and/or living abroad (Asis, 2017). With millions of OFWs across the globe, the purpose of working abroad is to help their loved ones. Lack of job opportunities to increase their sources of income in their own home country is the primary reason why Filipinos work overseas, especially those aged 15 to 35-years old (Hasnan, 2019).

While OFWs are recognized as modern-day heroes (Baclig, 2021) because of their sacrifices for their loved ones, having a financial blueprint is essential to a brighter future. The surge of cash remittances is undoubtedly one of the significant reasons the Philippine economy continues to grow. However, the ultimate challenge for most OFWs is how to handle their finances. For instance, a study by Social Enterprise Development Partnerships Inc. (SEDPI) revealed that one out of 10 OFWs is financially broke. Eight out of 10 of those who return to the Philippines have no savings (Rapisura, 2011). Additionally, the reason why most OFWs have no savings is because of common money management mistakes. These are some of the reasons why they struggle financially: they do not prioritize savings, lack skills to identify financial assets, investments, and financial goals, have a get-rich-quick-scheme attitude, have relatives who are overly dependent on them, spend money to please people, and lack emergency funds and insurance (Amparo, 2017a). Due to a scarcity of research on

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this topic, this paper attempts to fill this gap by exploring the financial status of most OFWs in Thailand and why they seem to face recurring financial crises throughout their lives.

## **Literature Review**

### ***Background of Filipinos in Thailand***

The vast majority of migrant workers in Thailand are unskilled laborers from neighboring countries; however, the country is also a popular destination for skilled workers and technicians from other ASEAN countries, with the Philippines taking the top spot. The top five were the Philippines, Malaysia, Singapore, Myanmar, and Indonesia, according to the Department of Employment (Fernquest, 2017). Sarausad and Archavanitkul (2014) have highlighted how migration began between the Philippines and Thailand. Instead of Thailand, Singapore and Malaysia were the typical destinations for Filipino migrants. The small number of Filipinos who visited Thailand mainly represented employees of international organizations, missionaries, entertainers, and women married to Thai men. Eventually, Filipinos started migrating to Thailand (from 1992 to 2012) after the country became an important tourist destination and center of economic growth in Asia. The latest available data indicated a total of 15,679 Filipino migrant workers who are legally working in the country and protected under Thai law (Ministry of Labour, 2018).

### ***Definition of Financial Literacy***

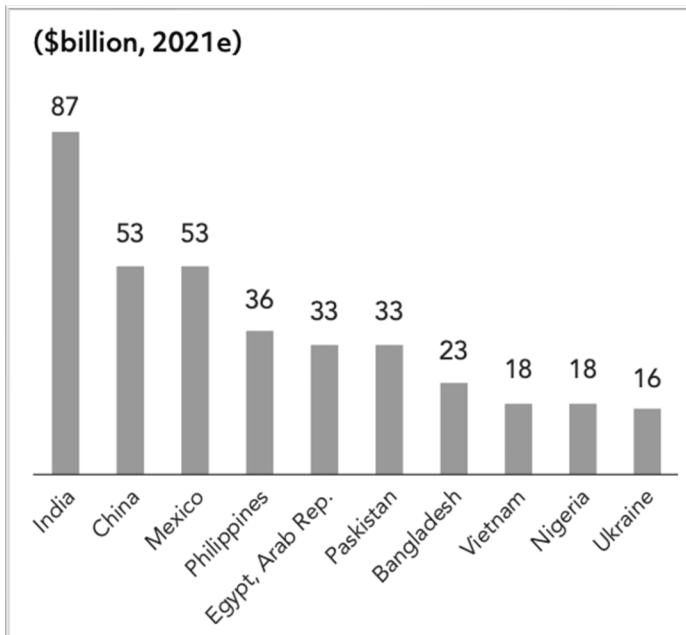
Financial literacy refers to financial knowledge and the capability to utilize this knowledge to make sound personal financial decisions (Hogarth & Hilgert, 2002). In addition, financial literacy is the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing. Financial literacy is the foundation of an individual's relationship with money, and it is the start of a lifelong journey of learning. The earlier they start, the better off they will be because education is the key to success when it comes to managing money (Fernando, 2021). In a nutshell, financial literacy means having a basic understanding of how money works. On the other hand, Huston (2010) explained that financial literacy is made up of two elements: understanding and use. Understanding financial literacy implies that a person is knowledgeable about personal finance, and applies such knowledge in dealing with one's own finances.

The benefits of financial education are far-reaching. In fact, it forms the foundation of an abundant life. Properly planning one's finances improves self-esteem and garners the respect of friends and family. Without financial literacy courses or other education, people naturally make bad decisions about their money. A financial blueprint is an individual's vision and compass. It is a realistic, long-term plan of action based on their unique money numbers. It will keep them on track as they build their wealth and help to make their dream of financial liberation a reality (Wahhab, 2019).

### ***Money Remittances by OFWs***

Money remittances contributed by millions of OFWs are one of the most important features of the Philippine economy. The direct exports of laborers abroad generate sizeable remittances. In 2021, the top five remittance recipients (Figure 1) in current US dollar terms were India, China, Mexico, the Philippines, the Arab Republic of Egypt, and Pakistan (World Bank Group, 2021). Moreover, the Philippines had the highest amount of remittances among the Southeast Asian countries (Tchantchanee et al, 2013). Mapa (2020) has provided a general overview of OFW remittances. Interestingly, the estimated amount that OFWs have sent to their loved ones in the Philippines through banks and money transfers was Philippine Pesos 211.9 billion; this figure was from April to September 2019 only. Undoubtedly, the Overseas Filipino Workers' remittances contributed to the economic growth and development of the Philippines, making these remittances a significant source of national income.

**Figure 1** Top Remittance Recipients, 2021



Source. World Bank–KNOMAD staff p.18; [https://www.knomad.org/sites/default/files/2021-11/Migration\\_Brief%2035\\_1.pdf](https://www.knomad.org/sites/default/files/2021-11/Migration_Brief%2035_1.pdf)

#### ***Evidences of Financial Mismanagement***

In 2017, the story of a couple who became trapped by the horrible effects of unwanted debt raised the awareness of proper financial management amongst Filipino teachers in Thailand (Amparo, 2017b). Both of them were teaching in Thai schools. However, with personal loans from five different people and with a ten percent monthly interest rate, the couple became buried in debt. They had to borrow money just to pay the interest aside from the principal amounts. Worse yet, they had to surrender their passports as collateral to secure a loan. While the husband was narrating his story to the researcher, he could not hold back his tears. He began to cry as he recalled the pain and depression he and his wife felt. The researcher had tried to comfort him and said, “You really had a difficult time.” He replied, “It wasn’t just difficult. It was very, very difficult.” In addition, a Filipina and her colleague were arrested for running a company that allegedly scammed people into investing in a loan business. The company, Filipino Cooperative Investment Loan, had been advertising via online media and amassed more than 700 victims (The Nation, 2020).

Furthermore, the family of an OFW sought financial assistance for the repatriation of the remains of a loved one who had an accident in Thailand. According to the report, the family needed more than a hundred thousand Baht and hoped that the embassy and the Filipino community in Thailand would help them (Caballes, 2017). Likewise, labor migrants like Filipinos are also vulnerable to injuries and accidents within their work conditions and environments. For instance, a case in Thailand reported two Filipinos who were brought to the nearest hospital after being hit by a speeding motorcycle. Unfortunately, since they did not have sufficient savings and health insurance, the family members and friends raised funds to cover their treatment, surgery, and the ballooning cost of hospital bills (Felipe, 2019). The more profound message of these incidents reveals that OFWs are not financially educated, and they need a financial blueprint in managing their hard-earned money to be prepared for unforeseen crises.

## Research Objectives

The justification of this research is observable yet has not been addressed due to lack of financial education amongst OFWs. The objectives of the study were to:

1. Understand the current levels of financial literacy of OFWs.
2. Explain the financial coping mechanisms that most Filipino OFWs employed.
3. Analyze the most common financial challenges that OFWs face.
4. Create a practical financial literacy guidebook.

## Methodology

This study was conducted by interviewing selected respondents, and utilized Colaizzi's descriptive phenomenology in descriptive qualitative research. The goal of phenomenology is to investigate human experience (Polit & Beck, 2008; Van Manen, 1990) and understand a phenomenon based on the perspective derived from participants' personal narratives (Polifroni & Welch, 1999). The important findings derived from phenomenology are an understanding of a phenomenon as seen through the eyes of those who have experienced it. Descriptive phenomenology is especially valuable in areas where there is little existing research (Morrow et al., 2015). The researcher employed a semi-structured interview questionnaire consisting of relevant components to assess the current financial blueprints, coping mechanisms, problems, and challenges of OFWs in Thailand. Through in-depth interviews, the primary data of this study came from the five OFW informants who had lived in Thailand for more than eight years.

In terms of data analysis, the researcher employed the process of descriptive phenomenological data analysis in Table 1. Below are the seven descriptive steps employed by the researcher using the framework from Colaizzi's approach to qualitative design.

**Table 1** Steps in Colaizzi's Descriptive Phenomenological Method

| Steps   | Description  |
|---|--|
| 1. <b>Familiarization</b>                                   | The researcher familiarizes him- or herself with the data by reading through all participants' accounts several times.   |
| 2. <b>Identifying Significant Statements</b>                | The researcher identifies all statements in the accounts that are of direct relevance to the phenomenon under investigation.   |
| 3. <b>Formulating Meanings</b>                              | The researcher identifies meanings relevant to the phenomenon that arise from a careful consideration of the significant statements.   |
| 4. <b>Clustering Themes</b>                                 | The researcher clusters the identified meanings into themes that are common across all accounts.   |
| 5. <b>Developing an Exhaustive Description</b>              | The researcher writes a full and inclusive description of the phenomenon, incorporating all the themes produced in Step 4.   |
| 6. <b>Producing the Fundamental Structure</b>               | The researcher condenses the exhaustive description down to a short, dense statement that captures just those aspects deemed to be essential to the structure of the phenomenon. |
| 7. <b>Seeking Verification of the Fundamental Structure</b> | The researcher returns the fundamental structure statement to all participants to ask whether it captures their experience.  |

Source. Morrow, R. Rodriguez, A. & King, N. (2015): Colaizzi's descriptive phenomenological method.

In selecting the sample, purposive sampling was employed to select respondents who had resided in Thailand for more than eight years with a shared set of characteristics. Therefore, the target participants in the study were categorized as Overseas Filipino Workers, which meant that they were employed in Thailand and possessed related documents such as valid visas and work permits. The purpose of the study was clearly explained and the assurance given that detailed, meaningful narratives would be treated as confidential was given prior to the actual interviews. An informed consent process was utilized to protect respondents' confidentiality and to guarantee that no

identifiable marks were included in the research report. The interview questions used in this study were reviewed by the three experts in the field of finance and investments to ensure the congruency and appropriateness of each question item and to provide assurance that responses would answer the research objectives.

Although the questions were semi-structured, participants were free to share their experiences and opinions about the questions. Aside from taking down notes, the researcher asked permission from each participant to record the conversation prior to the actual interview. Participants had received instructions from the researcher that they were allowed to skip to questions whenever they felt too personal, or if they were not comfortable answering them. Each interview lasted for more than 30 minutes. The data gathered was audio-recorded, transcribed (using dictation/speech recognition software), and is interpreted in the results and discussions section.

After gathering data, the researcher selected significant statements from the participants and formulated deeper meanings or implications in terms of managing finances. In this stage of analysis, significant statements and phrases pertaining to practical financial decisions and financial intelligence were extracted from each transcript.

### **Findings and Discussions**

This section indicates the findings and discussion based on the emergent themes and final thematic map. The demographic profile of the informants is highlighted in Table 2. All five participants were employed as teachers (three males and two females), and since they had worked in Thailand for over eight years, they could provide rich and substantial narratives pertaining to their financial journeys as OFWs.

**Table 2 Demographic Profile of Informants**

| Participants  | Gender | Age Range | Occupation       | Years in Thailand |
|---------------|--------|-----------|------------------|-------------------|
| Participant 1 | Female | 21–30     | Science Teacher  | 10                |
| Participant 2 | Male   | 40–45     | Arts Teacher     | 15                |
| Participant 3 | Male   | 21–30     | Business Teacher | 10                |
| Participant 4 | Male   | 40–45     | English Teacher  | 16                |
| Participant 5 | Female | 21–30     | English Teacher  | 9                 |

Since qualitative methods place primary emphasis on saturation (i.e., obtaining a comprehensive understanding by continuing to sample until no new substantive information is acquired) (Miles & Huberman, 1994), five emergent themes indicated that substantive information had been acquired in the analysis, which are: a) financial mistakes, b) debt management and budgeting, c) savings and emergency fund, d) insurance and investments, and e) a financial retirement plan. These themes (Table 3) serve as a framework for creating a financial literacy guidebook for OFWs and their immediate family members.

#### **Theme 1: Financial Mistakes**

The study showed some financial mistakes committed by OFWs: lack of financial goals, impulse buying, living like a one-day millionaire, over-remitting to family members, and lack of skills to scrutinize fraudulent investment schemes. For instance, Participant 4 mentioned his struggle with impulse buying as one example of financial mistakes: "Some areas that I need to improve are savings and impulse buying, for sometimes, I bought something that I could not use."

**Table 3** Five Emergent Themes

|   |  |
|---|--|
| <b>Theme 1: Financial Mistakes</b>  | <b>Theme 2: Debt Management and Budgeting</b>  |
| <ul style="list-style-type: none"> <li>• Lack of financial goals</li> <li>• Impulse buying</li> <li>• Living like a one-day millionaire</li> <li>• Over-remitting to family members</li> </ul>  | <ul style="list-style-type: none"> <li>• Getting out of debt</li> <li>• Budgeting and tracking spending</li> <li>• Having extra income to reduce debt</li> <li>• Defining good debt and bad debt</li> </ul>                              |
| <b>Theme 3: Savings and Emergency Fund</b>  | <b>Theme 4: Insurance and Investments</b>  |
| <ul style="list-style-type: none"> <li>• Savings must be a top priority</li> <li>• Need to have a high income to save</li> <li>• Financial readiness in case of emergency situation</li> <li>• OFWs have a mindset of working only</li> <li>• Lack of savings and emergency fund</li> </ul> | <ul style="list-style-type: none"> <li>• Protecting oneself and investments</li> <li>• Diversification of investments</li> <li>• Long-term financial goal to build wealth</li> <li>• Scrutinize fraudulent investment schemes</li> </ul> |
| <b>Theme 5: Financial Retirement Plan</b>   | <b>Research Output</b>   |
| <ul style="list-style-type: none"> <li>• Concrete financial planning for retirement</li> <li>• Avoid being a burden to family members</li> <li>• Retire comfortably if OFWs manage their money wisely</li> </ul>  | <ul style="list-style-type: none"> <li>• Financially literacy guidebook for OFWs as part of an intervention program</li> </ul>   |

Moreover, Participant 2 mentioned another example of a financial mistake, which was lack of skills to scrutinize investment fraud. One practical reason why OFWs fell into scams was because they did not spend time analyzing the investment being offered to them and they easily trusted people. When people are not financially literate, they are usually not critical about the potential signs and red flags of unregulated investment activities. While acquiring wealth takes time, greed and the prospect of easy money were the main reasons that people fell into scams. Literature also suggested that debt burden appears to have an effect on fraud victimization. In a Federal Trade Commission survey, nearly 1 in 4 respondents with more debt than they could comfortably handle were victims of fraud, compared to 1 in 10 of those without personal debt (Federal Trade Commission, 2007). Additionally, those who are less content with their lives may be more vulnerable. Lottery and investment fraud victims were more likely than the general population to feel that they had gotten less than they deserved out of life (Consumer Fraud Research Group, 2006).

### **Theme 2: Debt Management and Budgeting**

Debt management and budgeting are two essential factors to achieve financial success. However, Participant 3 emphasized wise spending and responsible used of credit cards. Part of the budgeting process is the ability to forecast future spending accurately (Sussman & Alter, 2012). Swart (2012) also stressed that everyone must support the family budget for proper implementation of agreed-upon allocations. Participant 1 emphasized the significance of financial transparency to ensure everyone in the family is committed to achieving financial goals: "My family in the Philippines is not aware of my financial condition, salary increase, and if there are issues about renewal of contract. I need to be more transparent with them so they will have realistic financial expectations."

One factor that guides adults' responses to financial situations is how financial issues were handled by their parents (Jorgensen, 2010). In other words, a proper financial orientation and upbringing has a significant influence on one's coping mechanisms and financial outlook. To illustrate this, Weil (2009) emphasized the significance of integrating a genogram element in financial therapy to understand the intricacies of money management within families. For instance, behavior of parents and family members, such as credit card misuse and overspending, affects how people respond to their financial difficulties.

Needless to say, financial conflicts may also damage healthy family relationships. When it comes to debt management and budgeting, it is critically important that every family member is on board and understands the shared common financial values to ensure financial success. Additionally, most financial education programs target individuals, many of whom do not make decisions alone, but in a family system (Kim et al., 2017).

### ***Theme 3: Savings and Emergency Fund***

An emergency fund is a bank account with money set aside to pay for large, unexpected expenses, such as unforeseen medical expenses, home-appliance repairs or replacement, major vehicle fixes, and unemployment (Burnette, 2021). Thus, it is important to have an emergency fund. Participant 2 admitted that he had no emergency fund, while Participant 1 tried to build a substantial buffer for future needs.

Additionally, since all the participants had been in Thailand for more than eight years already, a critical question was if they see themselves staying longer or just temporarily? Whether migrants invest in the host country or send them directly to their loved ones who are not employed abroad, the literature suggests that saving and the amount of monetary remittances depend on the status of the foreign worker, whether workers are temporary or long-term. However, migrants who plan to stay only temporarily tend to save more than immigrants who plan to stay permanently (Dustmann & Görlach, 2016). Moreover, Wen et al. (2021) have studied the effect of temporary migration on migrants' savings rates in China using data from the 2017 China Migrants Dynamic Survey. Results showed that temporary migration has a significant effect on migrants' savings rates. On average, migrants with a temporary intention save 3.41% more than their permanent counterparts. Three participants supported this finding by acknowledging a connection between financial freedom and length of time working as an OFW, especially in regards to consciousness of saving money. In other words, participants' sense of awareness and understanding of the nature of their employment (i.e., they will not be working in Thailand for the rest of their lives) can affect their saving behavior.

Yes. There is a connection between the length of staying here in Thailand and financial freedom. Because I think if you start saving from the first year of your contract, you will be able to at least save enough and have an emergency fund. I believe there is a correlation between financial freedom and length of time as an OFW, especially in saving money. But still depends on how OFW plan. (Participant 1).

There is a connection between the length of stay in Thailand to financial freedom. (Participant 2).

There is a connection between the length of stay and financial freedom – it can affect one's financial stability. (Participant 3)

Unfortunately, saving becomes challenging when one has the habit of impulse buying. To avoid financial distress, Participant 3 acknowledged that he needs to improve on his saving habit and avoid impulse buying. But this is easier said than done, especially when one's mindset is not congruent with financial goals. For instance, the notion of loss aversion kicks in when saving money. Because most OFWs enjoy spending on payday, they think saving money is a loss rather than a gain because it involves cutting spending. The implication is that OFWs prefer immediate gratification to saving money and having long-term financial goals. In other words, why wait 5-10 years when they can enjoy spending their money right now? Since patience and a long investment horizon are essential to acquire substantial savings, OFWs need to be rational when it comes to their spending habits.

### ***Theme 4: Insurance and Investment***

Sequencing is critical when it comes to investing. Because any investor can face many risks, such as market crashes, high annual inflation, injury, illness, and death, it's crucial to ensure that OFWs and their assets are fully protected. All participants agreed that a comprehensive insurance policy is necessary before committing to any investment instrument like the stock market, unit investment trust fund, mutual funds, provident fund, or real estate. Participant 3 emphasized the importance of health insurance and essential need because OFWs age and become more prone to illnesses and accidents. Moreover, they are open to learning about financial products in which to invest and grow their money. For instance, one area in which they need coaching is in diversifying their investment portfolio—for example, in paper assets that are readily accessible online. Participant 3 indicated his desire to diversify his investments in order to have extra income—"Investing is more relevant to me, put eggs in many baskets and add income stream. We have expenses but I believe we need to add extra income."

However, although most OFWs wanted to grow their money, some had a limited understanding of the technicalities of some legitimate and regulated financial products. Because of the lack of basic skills in investing, they turned to attractive investments that touted high returns, and this was a common reason why OFWs fell into scams. Participant 3 admitted that there is no such thing as easy money.

Why did OFWs fall into a scam? I think it is because they want easy money. But in real life, there is no such thing. Everything in this world, you need to work hard for it. You can't get it in just one night. Be productive and work hard so you can attain your financial goals.

According to the Securities and Exchange Commission, one potential red flag of a fraudulent investment is the high returns with little or no risk (Chen, 2021). While every investment carries some degree of risk, investments yielding higher returns typically involve more risk. Another characteristic of a scam is a consistent flow of returns regardless of market conditions (Chen, 2021). In this case, OFWs must exercise caution and be highly suspicious of easy money and any guaranteed investment opportunity that offer them. When OFWs know how to make prudent financial decisions, they can avoid the common pitfalls of those who do not. In some worst-case scenarios, OFWs who have fallen prey to investment scams return to the Philippines empty-handed. Fortunately, OFWs can protect themselves from investment scams by following the necessary steps: educating themselves, becoming more cautious of high investment returns in short time periods, earning money without product movement or services, investing only in companies that have good reputations and are recognized or regulated by governments (Amparo, 2017c).

#### ***Theme 5: Financial Retirement Plan***

Retirement is inevitable. There is a critical need to start planning for retirement, as OFWs will not be working abroad for the rest of their lives. Failure to establish concrete goals can impact one's financial outlook and eventually affect other family members. A previous study indicated priority expenditures of OFWs such as (1) to educate their children or siblings; (2) to provide for the needs of their families; (3) to improve their quality of life; and (4) to think of or put their meager savings into preferred investments that would give them additional income (Macatangay & Vargas, 2021). While generosity and offering financial help are typical in Asian cultures, particularly within families, OFWs must not forget to save for retirement.

Without behavioral change, an OFW may become a burden if he or she fails to save for the future. Participant 4 expressed his worry that he may not be financial prepared for the future, so he started thinking about retirement planning:

Yes. Health comes first before wealth. You need to invest in your health so that you can protect everything you work hard for. Saving for retirement is a must, too. I don't want to end up asking and depending on my future children's money to survive.

While some research has indicated that most retirees are content with their lives, others show that up to one-third of retirees find the transition difficult or suffer a decrease in well-being after retirement (Bonsang & Tobias, 2012). Garcia (2006) claimed that 84% of respondents considered it their responsibility to fund their retirement. Aside from daily needs, migrant workers need financial skills to manage their needs throughout their life cycle, such as education, marriage, children, and income security when they become old or sick (International Labour Organization, 2011).

Participant 1 admitted that delaying gratification is challenging when it comes to setting long-term financial goals due to a spending culture and consumerism mentality brought on by social media. However, Participant 2 emphasized that saving money for retirement must be done today, not tomorrow. Moreover, interviewees encouraged fellow OFWs to allocate a consistent, substantial amount for their retirement fund in order to secure a better future.

## Scope and Limitations

Because this study primarily explores the personal financial experiences of OFWs as a critical phenomenology, future research may wish to interview the family members and loved ones of OFWs to gain broader insights on how family dynamics affect their personal finances. Moreover, this study was conducted before the COVID-19 pandemic. Hence, future research could integrate the implications of the COVID-19 pandemic on the financial education of OFWs and their families. In addition, the participants were Filipino teachers in Thailand and so the research findings do not represent how the interviewees of other occupations manage their financial issues.

## Conclusions

Based on the study, the results suggest that OFWs may be financially illiterate and exhibit less interest in pursuing related investment endeavors. While remittances have been considered a significant factor to the Philippine economy, the results indicated that OFWs lack financial intelligence and an investment mindset. Moreover, the study showed that OFWs lack the mechanisms to manage their earnings. One possible explanation for their financial challenges is the absence of a concrete financial blueprint and financial education to guide them in managing their financial resources. Moreover, the study revealed that the lack of financial discipline amongst OFWs included their households in the Philippines, who sometimes become too extravagant in spending the remittances.

## Recommendations

While applying practical knowledge can be challenging for most Filipino migrants, good spending habits and a proper investment mindset require commitment and discipline. Based on the findings, OFWs are encouraged to prioritize saving and start building a reasonable amount of emergency funds to avoid financial distress.

The researcher suggests consideration of the Financial Literacy Model (Table 4), which was created from the emergent themes formulated from the narratives, as a key to acquiring financial intelligence.

**Stage 1 Financial Education:** Intelligent financial behavior requires a proper mindset. Education is the best weapon against unscrupulous investments offered to OFWs.

**Stage 2 Set Financial Goals:** The problem with most OFWs is they are thinking for the short-term only. Setting short-term and long-term financial goals must be the top priority of every OFW.

**Stage 3 Get out of Bad Debt:** OFWs need to be sensible and prudent in identifying good debt and bad debt. If the type of debt provides an opportunity to generate income, it is a sign of good debt. However, if one is borrowing money to purchase depreciating assets, it is a sign of bad debt that may lead to a chronic debt cycle or financial bondage and should be avoided.

**Stage 4 Develop the Good Habit of Proper Budgeting:** Creating a doable and realistic budgeting plan is integral to responsible money management. Through careful budgeting, Filipino migrant workers can allocate funds for essential things and avoid overspending while eliminating unnecessary expenses.

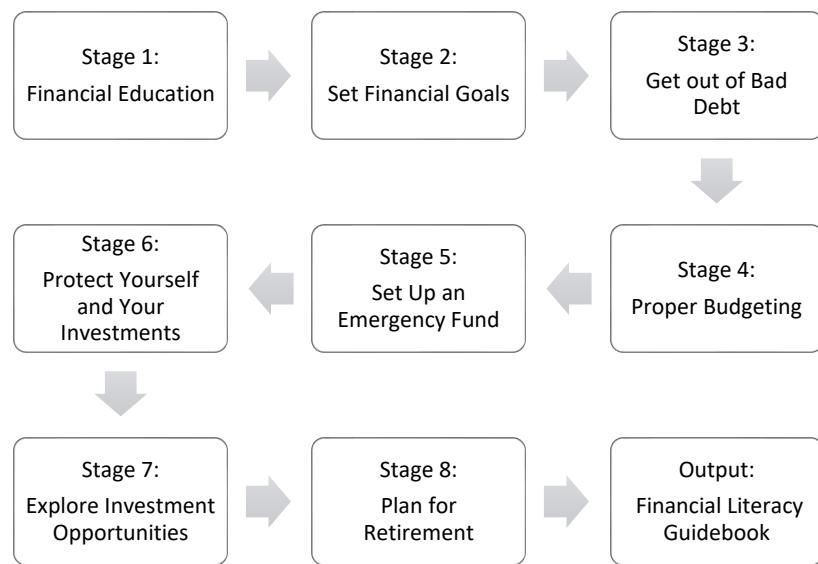
**Stage 5 Set Up an Emergency Fund:** Establishing an emergency fund is a vital element of a sound financial plan as it provides a cushion during financial hardship. The ideal amount of money for this fund varies depending on one's financial condition, but most financial experts suggest having three to six months of living expenses.

**Stage 6 Protect Yourself and Your Investments:** One way for OFWs to be financially secure in the future is to have comprehensive insurance, because it protects them from emergencies such as injury, critical illness, accidental death, and repatriation cost. While health and life insurance will help cover unexpected expenses, it will also protect assets and prevent savings from being wiped out.

**Stage 7 Explore Investment Opportunities:** In order for OFWs to achieve initial financial success so that they can return to the Philippines, a strategic decision to navigate various financial investment instruments and create portfolio diversification may be helpful.

**Stage 8: Plan for Retirement:** Planning for retirement is essential to prepare for old age.

**Figure 2 Proposed Financial Literacy Model**



This study also recommends that Filipino educators and community leaders integrate the financial literacy guidebook into the intervention program. Moreover, relatives in the Philippines might want to look into entrepreneurial activities that can eventually help lead to financial independence.

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