

# Double-edge sword analysis on the effects of financial attitude and financial behavior among Philippine air force military personnel

Dennis S. Alingalan <sup>1\*</sup>, Nickie Boy A. Manalo <sup>2</sup>

<sup>1</sup> Batangas State University, The National Engineering University, Philippines

<sup>2</sup> College of Accountancy, Business Economics and International Hospitality Management  
Batangas State University, Pablo Borbon

\*Corresponding author E-mail: [nickieboy.manalo@g.batstate-u.edu.ph](mailto:nickieboy.manalo@g.batstate-u.edu.ph)

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## Abstract

This study investigates the impact of financial attitudes and behaviors among PAF personnel to identify the root causes of persistent financial challenges. Using a descriptive correlational design, the study gathered data through a researcher-developed survey that assessed financial behavior, attitudes, and actual and perceived financial knowledge. A stratified random sample of 248 officers and enlisted members from various units under the Headquarters Air Logistics Command at Clark Air Base, Pampanga, was selected from a total population of 696. Data were analyzed using statistical tools such as Frequency and Percentage, Mean, 7-Point Likert Scale, Binary Scale, ANOVA, Mann-Whitney U Test, and General Linear Mediation Analysis. Results showed that financial behavior (mean = 5.81) and financial attitudes (mean = 5.66) were extremely high, reflecting strong money management habits and a tendency to avoid loans and reduce unnecessary spending. However, actual financial knowledge (70.2%) and perceived financial knowledge (73.8%) remained critically low, suggesting a lack of financial confidence among personnel. The analysis revealed a significant relationship between actual financial knowledge and financial behavior ( $p = 0.005$ ), emphasizing that stronger financial literacy promotes better financial practices. In contrast, perceived financial knowledge ( $p = 0.688$ ) and financial attitude ( $p = 0.156$ ) did not significantly mediate financial behavior. In response, the study proposes the PAF Financial Literacy Yearning (FLY) Program—a comprehensive five-year initiative aimed at bridging knowledge gaps, reinforcing positive behaviors, and strengthening both individual and organizational financial resilience.

**Keywords:** Financial Behavior; Actual Financial Behavior; Perceived Financial Behavior; Financial Attitude; Financial Literacy Program.

## 1. Introduction

Financial matters hold considerable importance for individuals, as they are consistently tasked with making pivotal financial decisions in their daily lives. Such financial decision, whether significant or insignificant, directly or indirectly, impacts the individual's goals of achieving a comfortable life at present and the assurance of financial independence and a secure life in the future.

Managing personal finances is part of everyday life. It requires a clear understanding of one's financial situation to meet current needs and obligations and to make rational, forward-looking financial decisions. However, financial difficulty arises when an individual spends more than they earn or makes poor financial choices beyond their means. These difficulties originate from various sources such as lifestyles, behaviors, personal circumstances, or unexpected events which often lead to financial instability that must be addressed. Despite the recent increase in the basic salary of military personnel, individuals in the armed forces, particularly those serving in the Philippine Air Force (PAF), continue to face significant financial challenges. Problems such as mounting debts and insufficient savings create difficulties in meeting both personal and family obligations. Some personnel become heavily indebted, often borrowing money without carefully evaluating their ability to repay, resulting in salary deductions that leave them with little to no disposable income. The unique financial difficulties faced by Philippine Air Force (PAF) soldiers are compounded by burdensome debts, multiple loans, and continuous financial obligations. In many cases, substantial salary deductions for loan repayments leave them with little money for daily living expenses. Furthermore, the nature of military service, which involves frequent relocations due to career progression, specialization, and mission-related reassignments, adds unexpected financial burdens. These factors significantly increase operating expenses and contribute to chronic financial stress and anxiety, ultimately undermining the overall well-being of military personnel. Adding to the challenge, many soldiers serve as the primary breadwinners not only for their immediate families but also for extended relatives. Financial responsibilities arising from illnesses, accidents, and other emergencies further strain their already limited resources. The cycle of low net income and recurring financial stress leads to declining morale and motivation among personnel, manifested in missed deadlines, work complacency, and diminished performance. Given the crucial role of the military in maintaining peace, protecting citizens, and upholding national sovereignty as enshrined in

the Constitution, safeguarding the morale and welfare of its personnel becomes a critical priority. Financial well-being is an essential component of overall morale, operational readiness, and mission effectiveness. It is within this context that the concept of the double-edged sword becomes particularly significant. Financial knowledge, attitude, and behavior among military personnel serve a dual function: they can empower individuals and strengthen resilience when managed wisely, but they can also expose vulnerabilities and exacerbate hardships when mishandled. Sound financial attitudes and responsible financial behaviors contribute to improved financial stability, enhanced well-being, and greater professional performance. In contrast, poor financial habits and misaligned attitudes can intensify financial distress, erode morale, and negatively impact the ability to perform duties effectively. Thus, financial decision-making among Philippine Air Force personnel presents a dual-edged reality, capable of fostering either personal and professional success or leading to financial hardship and decreased operational efficiency, depending on how it is approached.

Previous studies, such as those conducted by Abutin (2018) on the saving and investment behaviors of Philippine Army personnel and by Hernandez (2022) on the investment and loan decisions of Philippine Navy officers, have contributed valuable insights into military financial management. However, these works primarily focused on specific and isolated aspects of financial behavior, often overlooking the broader and more dynamic relationships among various financial dimensions. There remains a critical need for a more integrative and comprehensive approach that examines the interconnectedness of financial knowledge, financial attitudes, and financial behaviors, particularly among Philippine Air Force personnel who have remained largely underrepresented in existing research. Recent literature has further emphasized the importance of financial literacy as a key element of human capital, influencing both individual and collective economic well-being. For instance, Chen, Kang, and Wang (2023) demonstrated that improving financial literacy plays a significant role in mitigating household consumption inequality, contributing to broader goals of economic prosperity. In addition, Koskelainen et al. (2023) highlighted the increasing relevance of digital financial literacy in an era of rapid technological change, showing how digital platforms both enhance and complicate personal financial management. Taylor et al. (2023) and Matsuyama et al. (2023) also contributed by exploring the behavioral and credit management challenges that arise in contexts marked by financial vulnerability, such as payday borrowing and credit score reliability. Lastly, Mulla (2022) provided evidence that financial self-efficacy positively influences saving behaviors among millennials, suggesting that internal confidence and competence in financial matters are crucial factors. These collective insights underscore the need to investigate how financial literacy, attitudes, and behaviors are interwoven within the unique professional and socio-economic environment of Philippine Air Force personnel.

## 2. Research method

In an era where financial stability and personal money management are increasingly recognized as critical skills for all sectors of society, the armed forces are no exception. Military personnel, often subject to unique financial pressures such as deployment, irregular expenses, and compulsory savings schemes, must navigate complex financial landscapes both during and after their service. Yet, research specifically examining the financial dynamics among Philippine Air Force (PAF) personnel remains limited. This study addresses this gap by employing a double-edged sword analysis to assess the effects of financial attitude and financial behavior among PAF military personnel, recognizing that financial knowledge alone may not directly guarantee sound financial practices without the mediating roles of perception and attitude.

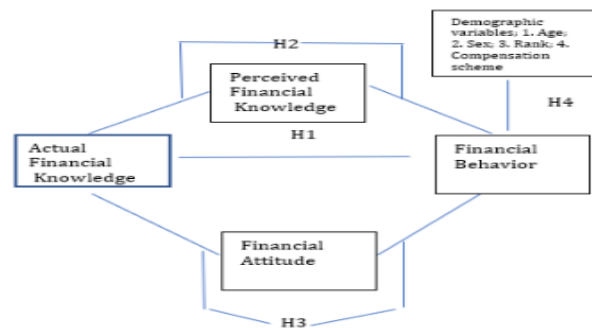


Fig. 1: Conceptual Model.

The study specifically described the profile of the respondents in terms of their age, sex, rank, and compensation scheme. It determined the respondents' levels of financial behavior, actual financial knowledge, perceived financial knowledge, and financial attitude. Furthermore, it investigated the significant correlation between actual financial knowledge and financial behavior, examined the mediating effects of perceived financial knowledge and financial attitude on the relationship between actual financial knowledge and financial behavior, and assessed the significant differences in financial behavior when respondents were grouped according to their profile characteristics. Based on the results, a proposed sustainable financial literacy program for the Philippine Air Force, known as the PAF Financial Literacy Yearning (FLY) Program, was developed.

Guided by the gaps identified in previous research and grounded in theoretical frameworks emphasizing the interplay between knowledge, perception, attitude, and behavior, the following hypotheses were developed:

H1: There is a significant positive correlation between actual financial knowledge and financial behavior among Philippine Air Force military personnel

H2: Perceived financial knowledge significantly mediates the relationship between actual financial knowledge and financial behavior.

H3: Financial attitude significantly mediates the relationship between actual financial knowledge and financial behavior.

H4: There is a significant difference in the financial behavior of respondents when grouped according to age, sex, rank, and compensation scheme.

This conceptual model recognizes that financial knowledge, while essential, must be supported by positive financial attitudes and strong self-perceptions of financial capability to result in consistent and beneficial financial behaviors. By exploring these pathways, the study offers a more nuanced understanding of financial literacy among military personnel and provides a foundation for the design of more targeted, effective financial education programs such as the PAF FLY Program.

The research study employs a quantitative, descriptive correlational design to explore the relationship between Financial Knowledge, Financial Attitude, and Financial Behavior among military personnel of the Air Logistics Command (ALC), Philippine Air Force (PAF). The primary objective of this study is to assess these variables and propose a Sustainable Financial Literacy Program tailored for PAF personnel. To collect data, the study uses a customized survey questionnaire designed specifically for the military context. The sample includes 248 personnel from various units within the ALC, selected through proportional random sampling. Before the main data collection, the researcher conducted a pre-test and dry run to ensure the instrument's reliability. The questionnaire was modified to align with the Philippine setting and the unique context of the Air Force. The financial knowledge component of the survey evaluates both actual and perceived (self-confidence) knowledge, while financial behavior and attitude are assessed using a 7-point Likert scale.



Fig. 2: Research Methodology.

The research employs a descriptive correlational technique, with respondents identified using stratified random sampling. The sample consists of 248 officers and enlisted personnel from the 410th Maintenance Wing, 420th Supply Wing, and the Air Force Research and Development Center. To measure financial behavior and attitude, the researcher created a specialized questionnaire. For financial knowledge, the study used a modified version of an existing instrument, which was adapted to reflect the unique challenges and financial responsibilities of personnel in the Philippine Air Force. The modified questionnaire underwent validation by the research adviser and a panel of evaluators. Subsequently, a pilot test involving 30 selected military personnel from the 600th Air Base Group, Air Installation, and Base Development Command, was conducted to test the reliability of the instrument, using Cronbach's alpha.

To analyze the data, the researcher used several statistical techniques. Frequency and percentage were employed to determine the distribution of the respondents' profiles and their levels of actual and perceived financial knowledge. The mean was used to calculate the average scores for financial behavior, actual financial knowledge, financial attitude, and perceived financial knowledge. The Likert scale assessed financial behavior and attitude, while the Binary Scale was used to evaluate actual and perceived financial knowledge. The One-Way ANOVA analyzed the significant differences in responses based on age, rank, and compensation scheme, while the Mann-Whitney U-test was used to compare differences based on sex. Finally, General Linear Mediation Analysis helped interpret the significant mediation effects of perceived financial knowledge and financial attitude on the relationship between actual financial knowledge and financial behavior.

### 3. Results and discussions

Table 1: Distribution of Respondents in Terms of Age

Age	Frequency	Percent
25 years or younger	21	8.5%
26 - 30 years old	86	34.7%
31 - 35 years old	38	15.3 %
36 - 40 years old	47	19.0 %
41 years old or older	56	22.6 %
Total	248	100%

As presented above, a total of 248 individuals were surveyed. Of this total, 26 – 30 year olds have the most in numbers, with 86 or 34.7 percent of respondents. This was followed by 36 4-year-olds with 47 or 19.0 percent. This finding manifests a relatively younger workforce in the Philippine Air Force because of its age qualification of applicants, maintaining a young and dynamic workforce.

Table 2: Distribution of Respondents in Terms of Sex

Sex	Frequency	Percent
Male	206	83.1 %
Female	42	16.9 %
Total	248	100%

As shown, of the total 248 respondents, 206 or 83.1 percent are male. Hence, 43 or 16.9 percent are Female. Results revealed that there are more male respondents as compared to female. It shows that the PAF is a heavily male-dominated organization considering its nature, especially in combat roles in war and conflict, just like any armed forces.

**Table 3:** Rank Distribution of Respondents

Rank	Frequency	Percent
AM/AW - AM1C/AW1C	94	37.9 %
Sgt - Msg	71	28.6 %
2LT - 1LT	66	26.6 %
CPT - MAJ	9	3.6 %
LTC - COL	7	2.8 %
General Officer	1	0.4 %
Total	248	100%

Presented above, of the total 248 respondents, 94 or 37.9 percent them have the rank of AM/AW – AM1C/AW1C. This was followed by 71 percent or 28.6 percent who had the rank of Sgt-Ssg. Results revealed that the majority of the respondents were in the “AM/AW – AM1C/AW1C”. These are the new recruits ranging from 1 year to 7 years in the service who made greater number among enlisted personnel and are just building up their career path in the service.

**Table 4:** Compensation Scheme Distribution of Respondents

Compensation Scheme	Frequency	Percent
Less than 30,000	40	16.1 %
30,001- 40,000	105	42.3 %
40,001- 50,000	64	25.8 %
50,001- 60,000	30	12.1 %
60,000 – 70,000	5	2.0 %
70,001 and above	4	1.6 %
Total	248	100%

Of the 248 respondents, 105 or 43.3% reported a compensation ranging from 30,001 to 40,000, making this the most common income bracket among the participants. This group largely represents newly commissioned personnel and those in the early stages of their military careers. Following this, 64 respondents or 25.8% indicated earnings between 40,001 and 50,000, reflecting those who have gained additional years of service, typically from one to seven years, and may have received incremental salary adjustments based on rank advancement or length of service. These findings suggest that a significant proportion of the Philippine Air Force personnel surveyed are still in the early to mid-level stages of their career paths, which may influence their financial behavior, knowledge, and attitudes as they navigate increasing financial responsibilities alongside professional growth.

**Table 5:** Financial Behavior of PAF Military Personnel

Level of Financial Behavior	Mean	SD	Interpretation
1. I seek information about home products that suit my taste and preference.	5.62	1.44	Extremely High
2. I focus on my budget or spending plan.	6.06	1.18	Extremely High
3. I see to it that the family's consumption depends on my income.	5.79	1.57	Extremely High
4. I make sure that I have enough money and can manage it.	6.17	1.16	Extremely High
5. I am conscious of how I spend money daily.	6.03	1.19	Extremely High
6. I am cautious in buying branded and high-end products and make sure that I can afford them.	5.77	1.53	Extremely High
7. I am aware of the lending process.	6.06	1.24	Extremely High
8. If I avail a credit card, I will abide by the terms and conditions that the company implements.	5.88	1.63	Extremely High
9. I believe that credit cards can be managed diligently.	5.55	1.68	Very High
10. I save money from every paycheck in a separate account.	5.52	1.69	Extremely High
11. I have started or maintained an emergency savings fund.	5.60	1.68	Extremely High
12. I save because of the profit that it will incur.	5.67	1.47	Extremely High
Overall	5.81	0.97	Extremely High

Legend: 6.51 – 7.00 - Extremely High; 5.51 – 6.50 – Very High; 4.51 – 5.50 - High; 3.51 – 4.50 - Average; 2.51 – 3.50 - Low; 1.51 - 2.50 – Very Low; 1.00 – 1.50 - Extremely Low.

The overall weighted mean for the level of financial behavior among PAF military personnel reached 5.81, verbally described as Extremely High. This result reflects that many personnel demonstrate healthy money management habits and effective decision-making strategies. Personnel actively practice money management as part of their daily lives, consciously shaping their mindset to use financial resources wisely and responsibly. Many now treat financial planning as a habit rather than a task. They set clear timelines for achieving their financial goals, such as deciding which school they can afford to send their children to, planning the right time to purchase a house and lot, and determining when to acquire a new vehicle. Saving and investing have become primary financial concerns among soldiers. Instead of waiting until later in their careers, most prioritize saving and investing early, aiming to build passive income streams that will support them after they retire from military service. A notable number of personnel invest in farmland and small businesses, indicating a shift toward long-term financial security and entrepreneurial thinking within the ranks.

**Table 6:** Actual Financial Knowledge

Actual Financial Knowledge	Frequency	Percent
No Knowledge at All	2	0.8 %
Very Low	174	70.2 %
Low	24	9.7 %
Average	37	14.9 %
High	5	2.0 %
Very High	6	2.4 %
Total	248	100%

A total of 248 military personnel participated in the assessment of their actual financial knowledge. Among them, 174 respondents, or 70.2%, demonstrated a Very Low level of actual financial knowledge. Following this, 37 respondents, or 14.9%, displayed an Average level of financial knowledge. These results indicate that most of the personnel possess a very limited understanding of financial concepts.

Financial education remains absent from standard military training and specialized skill development programs, which primarily focus on operational functions and roles. Most personnel feel uncomfortable discussing personal finances and tend to avoid seeking financial advice on money management. Additionally, many lack awareness of digital advancements in financial transactions, exposing them to greater financial risks.

**Table 7:** Perceived Financial Knowledge

Perceived Financial Knowledge	Frequency	Percent
Very Low	183	73.8 %
Low	33	13.3 %
Average	19	7.7 %
High	11	4.4 %
Very High	2	0.8 %
Total	248	100%

A total of 248 Philippine Air Force (PAF) personnel participated in the assessment of their perceived financial knowledge. Among them, 183 respondents, or 73.8%, reported a Very Low level of perceived financial knowledge, followed by 33 respondents, or 13.3%, who reported a Low level. These results indicate that most PAF personnel recognize their limited financial knowledge, while only a small portion perceive themselves as having a very high level of financial understanding. The findings suggest that the personnel's low level of actual financial knowledge corresponds with low self-confidence in managing their finances. This situation highlights a significant gap in personal financial management learning and development within the PAF. One might assume that military personnel, who receive doubled salaries, incentives, and exhibit strong discipline as professionals, would also display a high level of perceived financial knowledge.

**Table 8:** Financial Attitude of PAF Military Personnel

Level of Financial Attitude	Mean	SD	Interpretation
1. I risk my money on high-end investment only after diligent consideration of the consequences.	4.16	2.05	Average
2. I consider what is urgent, important, and necessary when deciding on money matters.	6.15	1.19	Very High
3. The financial risk-taking attitude (FRT) of consumers influences their financial choices and well-being.	5.54	1.36	Very High
4. I thoroughly analyze my financial condition and create a customized financial plan to achieve my objectives	5.98	1.16	Very High
5. I keep updated about financial topics, including insurance, investing, taxes, savings, retirement, among others, which allows me to make sound judgments about my finances.	5.58	1.42	Very High
6. I make short and long-term plans for my finances.	5.79	1.23	Very High
7. I experience stress when there is a financial problem or challenges at home.	5.21	1.63	High
8. I look forward to financial freedom, where I would no longer be bothered by money problems.	6.03	1.26	Very High
9. Social events and challenges can result in financial stress.	5.51	1.45	Very High
10. I consistently and periodically test myself when it comes to satisfying both present and future financial demands.	5.66	1.21	Very High
11. It makes me feel good when there is enough money to sustain present needs and have savings for the future.	6.39	1.01	Very High
12. I uphold that personal satisfaction is influenced by financial knowledge.	5.91	1.22	Very High
Overall	5.66	0.89	Very High

Legend: 6.51 – 7.00 - Extremely High; 5.51 – 6.50 – Very High; 4.51 – 5.50 - High; 3.51 – 4.50 - Average; 2.51 – 3.50 - Low; 1.51 - 2.50 – Very Low; 1.00 – 1.50 - Extremely Low.

The assessment of the financial attitude of Philippine Air Force (PAF) military personnel revealed a Very High level, characterized by their efforts to avoid reliance on loans and to minimize unnecessary spending. Many personnel have shifted their financial focus from excessive borrowing toward building emergency funds and saving for retirement early in their careers. They now prioritize maximizing capital fund contributions, especially those offering the highest interest rates from trusted financial institutions. These capital contributions are systematically deducted from their monthly salaries, allowing their savings to grow consistently. Typically, they only withdraw the dividends every quarter, while keeping the principal capital intact to ensure sustained financial growth.

**Table 9:** Effect of Actual Financial Knowledge on Financial Behavior

Variable	Estimate	SE	$\beta$	z	p	Decision to Ho	Interpretation
Actual Knowledge	0.00866	0.0031	0.174	2.776	0.005	Reject	Significant

p-value of F-statistics = .005      Decision to Ho = Reject      Adjusted  $R^2$  = .312.

The results presented in Table 9 reveal a significant positive relationship between Actual Financial Knowledge and Financial Behavior among the respondents. The estimate of 0.00866 suggests that an increase in actual financial knowledge is associated with a positive change in financial behavior. The standard error of 0.0031 indicates a relatively precise estimate of this relationship, while the standardized coefficient ( $\beta$  = 0.174) reflects a moderate strength of the effect. This indicates that as personnel gain more knowledge about managing their finances, their financial behavior improves to a certain extent.

The z-value of 2.776 exceeds the critical threshold of 1.96, suggesting that the observed effect is statistically significant. The p-value of 0.005, which is below the commonly accepted significance level of 0.05, provides further evidence that the effect of actual financial knowledge on financial behavior is not due to chance. Therefore, we reject the null hypothesis ( $H_0$ ), which posits that there is no effect of actual financial knowledge on financial behavior.

**Table 10:** Mediation of Perceived Financial Knowledge and Financial Attitude to the Effect of Actual Financial Knowledge to Financial Behavior

Effect	Estimate	SE	$\beta$	z	p	Decision to Ho	Interpretation
Indirect ActualKnow $\Rightarrow$ Per- ceivedKnow $\Rightarrow$ FinBehav- ior	6.59E-04	0.0016	0.0132	0.402	0.688	Failed to Reject	Not Significant

ActualKnow $\Rightarrow$ FinAtt $\Rightarrow$ FinBehavior Component	0.00351	0.0025	0.0706	1.418	0.156	Failed to Reject	Not Significant
ActualKnow $\Rightarrow$ PerceivedKnow	0.52833	0.0387	0.6551	13.655	< .001	Reject	Significant
PerceivedKnow $\Rightarrow$ FinBehavior Direct	0.00125	0.0031	0.0202	0.402	0.687	Failed to Reject	Not Significant
ActualKnow $\Rightarrow$ FinAtt	0.0041	0.0029	0.0899	1.421	0.155	Failed to Reject	Not Significant
FinAtt $\Rightarrow$ FinBehavior	0.85732	0.0416	0.7855	20.615	< .001	Reject	Significant

Legend: if p-value is less than 0.05, rejects the hypothesis; if p-value is greater than 0.05, accepts the hypothesis.

First, the mediation effect of Perceived Financial Knowledge on the relationship between Actual Financial Knowledge and Financial Behavior is not significant. The p-value of 0.688, which is greater than 0.05, indicates that the hypothesis is not rejected. This suggests that while actual financial knowledge may be linked to how individuals perceive financial matters, this perceived knowledge does not significantly influence their financial behavior. In other words, even though a person may have accurate knowledge about finances, this does not necessarily translate into corresponding changes in their behavior. A person may decide to follow certain financial practices, but this decision does not guarantee that they will act on it, especially when it comes to managing their finances effectively.

Second, the mediation effect of Financial Attitude on the relationship between Actual Financial Knowledge and Financial Behavior is also not significant. The p-value of 0.156, which exceeds the 0.05 threshold, leads to the failure to reject the hypothesis. This result highlights that while military personnel's attitudes and beliefs about money can influence their financial management capacity, these attitudes do not ensure alignment with their actual financial knowledge. Financial attitude may shape an individual's approach to money management, but it does not automatically ensure the person will act by their knowledge. To effectively manage finances, military personnel must not only develop a positive attitude towards money but also ensure they possess adequate financial knowledge to inform their decisions.

**Table 11:** Test of Significant Difference on the Financial Behavior

	F	p	Decision to Ho	Interpretation
Age	4.57	<.001	Reject	Significant
Sex*	1.27	0.365	Failed to Reject	Not Significant
Rank	1.49	0.194	Failed to Reject	Not Significant
Compensation Scheme	2.02	0.077	Failed to Reject	Not Significant

\* Mann-Whitney U.

\*\*\* Mean Difference (31-35 vs 36-40) = .8986.

\*\*\* Mean Difference (31-35 vs 41 and above) = .7817.

The results presented in Table 11 indicate a significant difference in financial behavior across different age groups of military personnel, with a p-value of less than 0.001. Since this p-value is lower than the 0.05 alpha threshold, we reject the null hypothesis, suggesting that age significantly affects financial behavior. Specifically, the analysis reveals that personnel in the age groups of 31-35 years and 36-40 years exhibit significantly different financial behavior compared to other age categories.

The military personnel aged 31-35 show a higher level of financial behavior than those in other age groups. This can be attributed to the fact that individuals in this age range typically start to establish financial goals, such as saving for their children's education, securing housing, or preparing for retirement. At this stage of their careers, they have likely made more mature financial decisions, considering the long-term implications of their actions. Additionally, these personnel have likely embraced the military lifestyle, which includes balancing career responsibilities with personal wellness and family obligations.

In contrast, the age groups outside of 31-35 and 36-40 did not show significant differences in financial behavior. This suggests that age alone may not fully explain the variance in financial behavior in these categories, or that other factors, such as experience, personal financial goals, and external financial pressures, play a more prominent role in shaping financial decisions at different stages of life.

Drawing upon established theories and frameworks, the PAF Financial Literacy Yearning (FLY) Program acts as a strategic intervention to close the financial literacy gaps identified across different age groups. It directly addresses disparities between perceived and actual financial knowledge, strengthens the link between financial knowledge and behavior, and reshapes financial attitudes among personnel. By sharpening both mindset and practical financial skills, the FLY Program equips military personnel to make informed financial decisions throughout their careers, from initial enlistment to retirement. The term "Yearning" captures the deep, shared aspiration among PAF personnel to attain financial autonomy and security. The program highlights the crucial role of psychological behavior and education in sustaining long-term financial change. It builds on the psychological principle that intrinsic motivation drives behavior change, encouraging personnel to develop a positive relationship with money. The FLY Program shifts participants' mindsets from reactive financial management to proactive planning and responsibility. This emphasis on mindset strengthens the practical financial education delivered, ensuring that personnel not only learn how to manage their finances but also feel empowered and confident to act independently.

In addition, the FLY Program aligns strategically with the PAF's long-term vision outlined in the PAF Flight Plan 2040. By embedding the program within the Strategic Objective of "Select, Place, Sustain, Values-driven & Professional PAF Personnel," the initiative reinforces the Air Force's commitment to nurturing well-rounded, financially responsible personnel. This integration anchors the program's sustainability within the broader organizational agenda, especially as financial literacy becomes an essential element of force sustainment and overall personnel well-being. The implementation of the FLY Program will follow a phased approach. The initial five-year plan focuses on closing immediate financial literacy gaps through targeted interventions and structured activities. After this period, program leaders will conduct a comprehensive review, assessment, and evaluation to steer future improvements and adapt to the evolving financial needs of PAF personnel. By prioritizing both psychological and educational foundations, the FLY Program empowers individuals, strengthens the organization, and supports national efforts to advance financial literacy. It prepares the military workforce to manage their financial lives effectively during active service and beyond.

To further enhance the impact and effectiveness of the PAF Financial Literacy Yearning (FLY) Program, the researcher will integrate psychological and behavioral theories that drive lasting change in financial behavior. These theories offer critical insights into how individuals form, maintain, and modify their financial habits and attitudes over time. By aligning the program's structure with established principles of psychology and behavioral education, the FLY Program aims to cultivate a deeper, more sustainable understanding of personal financial management among PAF personnel. One foundational framework that the researcher will incorporate is the Transtheoretical Model (TTM), or Stages of Change Model, which recognizes that behavior change progresses through sequential stages: pre-contemplation,

contemplation, preparation, action, and maintenance. The FLY Program will embed interventions suited to each stage. In the pre-contemplation stage, targeted awareness campaigns will increase personnel's recognition of financial mismanagement. During the contemplation stage, workshops and peer discussions will highlight the emotional and psychological benefits of financial security. In the preparation and action stages, participants will engage in goal setting, personal budgeting, and receive incentives for reaching financial milestones. The maintenance stage will feature regular follow-ups, continuing education, and sustained access to financial literacy resources. By adapting interventions based on an individual's readiness for change, the FLY Program will more effectively foster long-term financial behavior improvement.

In addition, the researchers will incorporate principles from behavioral economics to address common psychological biases that often lead to irrational financial decisions, such as procrastination in saving or impulsive spending. The FLY Program will apply behavioral "nudges," such as automatic deductions for savings and investment contributions, to guide personnel toward sound financial practices without relying solely on conscious decision-making. Reframing financial decisions to emphasize long-term gains and leveraging loss aversion principles will further encourage proactive financial planning.

The program will also integrate Social Cognitive Theory (SCT), which emphasizes observational learning, self-regulation, and the dynamic interplay between personal, behavioral, and environmental influences. Through peer-to-peer learning, mentorship, and group discussions, personnel will observe and model effective financial behaviors demonstrated by peers, mentors, and senior officers. By fostering an environment that supports financial education and celebrating financial successes, the program will enhance participants' self-efficacy and commitment to sound financial management. Moreover, the FLY Program will apply constructivist learning theories by incorporating active learning strategies. Activities such as case studies, simulations, and hands-on financial planning workshops will engage personnel in critical thinking, problem-solving, and the practical application of financial concepts. Teaching participants to set SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) financial goals, along with regular progress monitoring, will help build a sense of accomplishment and sustain motivation over time.

Finally, the researchers will embed Self-Determination Theory (SDT) into the program to deepen intrinsic motivation among participants. By fostering autonomy, competence, and relatedness, the FLY Program will empower personnel to take ownership of their financial decisions, set meaningful financial goals, and find support through mentorship and peer networks. Strengthening these psychological drivers ensures that positive financial behaviors become enduring and self-sustaining.

## 4. Conclusions

Based on the summary of findings, the following are concluded:

- 1) The profile is composed of younger workforce, dominated by male, and most are in the lower rank which consistently earning between 30,001 – 40,000.00, a unique group ranging from 1 to 7 years in the service who are just starting building-up their career path and growth and setting their dreams highlighting their future financial stability.
- 2) Practicing money management influences the mindset of personnel on how to use it wisely and responsibly thereby creating a habit as displayed in the making timeline of money goals such as when to procure for their money goals, what school they can afford to send their children, when to buy house and lot and when to buy a new car.
- 3) Both actual and perceived were found to be very low, which can be construed that the personnel with a low level of actual financial knowledge have low self-confidence; hence, despite the efforts of the unit in their financial literacy program, there is a gap in personal financial management and development among personnel.
- 4) The shift of focus from availing loans to building emergency funds and saving for retirement at the early stage of their career, maximizing the use of capital fund contributions with the highest interest rate offered by financial institutions, and setting spending limits.
- 5) Since the effect of actual financial knowledge on financial behavior is found to be significant, it reveals that soldiers' financial knowledge on financial matters influences how they act on their cash, which includes budgeting, saving, investing, among others.
- 6) Since there is no significant mediation of perceived knowledge and attitude to the relationship of actual knowledge and behavior, it can be construed that, what is objectively known to soldiers is related to his or her perception, but it does not guarantee that he or she would behave properly and according on his or her decision on financial matters, while, what is in the soldier's mind and feeling when it comes to his or her finances influence his or her capacity and ability to handle money, but it does not give the guarantee that what is in his or her mind and feeling conform to his or her actual knowledge on financial matters, therefore, it reflected the existence of a gap that need intervention from the organization.
- 7) The significant difference in terms of age only proved that the organization must provide financial literacy assistance to most of its members who are young and just starting to build their careers.
- 8) The proposed PAF Financial Literacy Yearning Program is an endearing task for the organization once it is approved and implemented. Future researchers could explore additional directions to enrich the findings of this study. A logical next step would be to conduct longitudinal studies that examine the long-term impact of the Financial Literacy for the Youth (FLY) Program. Such studies could provide valuable insights into how sustained financial education influences financial behaviors and knowledge over time. Additionally, cross-country comparisons could offer a broader perspective, enabling the examination of how financial literacy programs in different military contexts impact personnel. These avenues for future research would contribute to a deeper understanding of the effectiveness of financial literacy initiatives and their long-term effects on military personnel.

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