



**NINETEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES**  
*First Regular Session*

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**SENATE**

**P. S. Res No. 569**

**Introduced by SEN. WIN GATCHALIAN**

**RESOLUTION**

**DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN  
INQUIRY, IN AID OF LEGISLATION, ON THE ALARMING RESULTS OF  
THE 2021 FINANCIAL INCLUSION SURVEY CONDUCTED BY THE  
BANGKO SENTRAL NG PILIPINAS**

1       **WHEREAS**, Article 2, Section 9 of the 1987 Constitution provides that  
2       "The State shall promote a just and dynamic social order that will ensure the  
3       prosperity and independence of the nation and free the people from poverty  
4       through policies that provide adequate social services, promote full  
5       employment, a rising standard of living, and an improved quality of life for all";  
6

7       **WHEREAS**, the country's shared vision laid down in *AmBisyon Natin*  
8       *2040* enunciates that "*all Filipinos will enjoy a stable and comfortable lifestyle*  
9       *secure in the knowledge that we have enough for our daily needs and*  
10       *unexpected expenses, that we can plan and prepare for our own and our*  
11       *children's futures. Our families live together in a place of our own, yet we have*  
12       *the freedom to go where we desire, protected and enabled by a clean, efficient*  
13       *and fair government*"<sup>1</sup>;  
14

15       **WHEREAS**, the 2021 Financial Inclusion Survey<sup>2</sup> conducted by the  
16       Bangko Sentral ng Pilipinas shows that although more Filipinos may be owning

<sup>1</sup> AmBisyon Natin 2040 (NEDA 2016); PDP 2017-2022 (NEDA 2017); updated PDP released in 2021.

<sup>2</sup> 2021 Financial Inclusion Survey, BSP, accessed on December 21, 2022.

1 financial accounts and investing, “fewer Filipinos had savings and insurance in  
2 2021.” The share of adults with savings fell to 37% in 2021 from 53% in 2019,  
3 while the share of adults with insurance declined to 17% in 2021 from 23% in  
4 2019. This finding is consistent with the 4.6% year-on-year contraction of the  
5 total number of estimated insured lives by microinsurance products from 46.97  
6 million as of Q1 2021 to 44.81 million as of Q1 2022<sup>3</sup>;

7  
8 **WHEREAS**, the same survey indicates that “borrowing was the main  
9 coping mechanism of Filipinos across all financial needs, followed by use of  
10 savings and income.” Interest rate, loan amount, tenor and flexibility of terms  
11 were top considerations of borrowers in 2021;

12  
13 **WHEREAS**, the same survey reveals that “only two percent of Filipinos  
14 were able to correctly answer all the six (6) basic financial literacy questions”  
15 and that “69% of adults correctly answered half of the six (6) financial literacy  
16 questions.” Worth noting is that only 30% of the respondents correctly  
17 answered the question on simple and compound interest and only 42% of the  
18 respondents correctly identified the effect of inflation to their purchasing power,  
19 which is lower than in 2019 at 55%;

20  
21 **WHEREAS**, these results are consistent with previous findings on the  
22 Philippines in similar international financial literacy surveys. In a 2015 global  
23 study by Standard & Poor’s, the George Washington University School of  
24 Business, and the World Bank, only 25% of adult Filipinos are knowledgeable  
25 on basic financial concepts compared to 59% in Singapore, 52% in Myanmar  
26 and 36% in Malaysia, among others.<sup>4</sup> It was also found that the Philippines  
27 scored in the bottom 30 of 144 countries surveyed on financial literacy.<sup>5</sup>

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<sup>3</sup> Insurance Commission Press Release, September 21, 2022, Microinsurance Premiums/Contributions Grow 14.87% Year-On-Year in Q1 2022

<sup>4</sup> Leora Klapper, Annamaria Lusardi and Peter van Oudheusden, Financial Literacy Around the World: Insights from Standard & Poor’s Ratings Services Global Financial Literacy Services, accessed on December 21, 2022.

<sup>5</sup> Paulo Montecillo, Philippine Daily Inquirer, PH Among Least Financially Literate, December 3, 2015, 5:32 am, accessed on December 21, 2022.

1           **WHEREAS**, these results suggest that given their limited income and  
2 credit, many Filipinos are still delaying or depleting savings, mismanaging credit  
3 or defaulting on their debts, bypassing legitimate investment opportunities or  
4 falling victim to investment scams, or taking out “buy now, pay later” loans  
5 from unregulated lending companies, often with high interest rates.  
6 Unfortunately, most of these affected Filipino households are also the same  
7 ones seeking government aid;

8  
9           **WHEREAS**, these results point out the missing gaps and risks in our  
10 poverty measures. It also signals alarming concerns, considering not only the  
11 threat of unforeseen financial shocks, including natural disasters, but also of  
12 financial exclusion and financial illiteracy to most financially vulnerable sectors;

13  
14           **WHEREAS**, Congress should formulate policies directed towards  
15 reforms that will help improve the Filipinos’ financial behavior towards savings,  
16 insurance, investments, and preparation for retirement, and those that will  
17 educate and encourage Filipinos to be financially informed, responsible and  
18 prudent;

19  
20           **NOW, THEREFORE, BE IT RESOLVED BY THE SENATE**, to direct  
21 the proper Senate Committee to conduct an inquiry, in aid of legislation, on the  
22 alarming results of the 2021 Financial Inclusion Survey conducted by the  
23 Bangko Sentral ng Pilipinas.

*Adopted,*



**WIN GATCHALIAN**