

FINANCIAL MANAGEMENT PRACTICES OF SELECTED MICRO ENTERPRISES IN NOVALICHES, QUEZON CITY: BASIS FOR DEVELOPING SUPPORT PROGRAMS

ABSTRACT

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This study explored the financial management practices of selected micro enterprises in Novaliches, Quezon City, with the goal of assessing their effectiveness and proposing targeted support programs for sustainable business growth. Micro enterprises serve as vital drivers of local economic development, yet they frequently encounter persistent challenges in areas such as financial planning, budget control, and cash flow management. These issues are often intensified by limited access to formal training, financial literacy programs, and advisory services, highlighting the need for comprehensive support mechanisms. The COVID-19 pandemic underscored the financial fragility of many micro enterprises, particularly in managing liquidity and maintaining operational stability. Guided by Lasher's (2010) financial management principles, this study used a descriptive quantitative approach. A structured questionnaire was distributed to selected micro business owners to assess the effectiveness of their financial practices. Data were analyzed through frequency, percentage, and weighted mean, focusing on business characteristics such as years of operation, capitalization, and workforce size. Results showed that most micro enterprises have been operating for 3–5 years, with capitalization between ₱15,001 and ₱20,000, and 1–10 employees. Financial planning, control, and cash management were generally deemed "Effective," although challenges such as unforeseen expenses and budget deviations were frequently cited. A significant variation in financial control was found based on capitalization levels, emphasizing the need for improved resource allocation and financial strategy development. The study highlighted recurring financial stress among micro enterprise owners, primarily due to inadequate oversight and limited financial management resources. These findings emphasize the urgent need for practical and accessible support systems. As a response, the study recommends the development of targeted programs focused on SMART goal setting, strategic budgeting, consistent financial tracking, and the establishment of emergency funds. Customized financial literacy training, one-on-one mentorship, and affordable digital tools are also suggested to strengthen owners' abilities in contingency planning, fraud detection, and risk mitigation. To ensure long-term impact and scalability, the research calls for sustained collaboration among local government units, non-governmental organizations, and financial institutions in delivering ongoing education, support, and capacity-building initiatives. Sound financial management is fundamental to the long-term resilience and success of micro enterprises. The findings emphasize that while many micro business owners demonstrate effectiveness in planning, control, and cash handling, gaps remain, particularly in areas such as risk preparedness and financial oversight. Addressing these challenges through well-designed support programs, including targeted financial literacy training, strategic planning workshops, and digital financial tools, can significantly strengthen their capacity to withstand economic disruptions. Empowering micro entrepreneurs with these resources—through collaboration among government, private institutions, and NGOs—will not only enhance individual business sustainability but also contribute to inclusive local economic development.

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