

Financial Resilience Index:

Asia navigates rising costs

Philippines



Introduction



Sun Life remains committed to helping more people in our community achieve financial security and live healthier lives. As we navigate an increasingly complex economic landscape, understanding how Filipino households manage their finances has never been more important.

This year's Financial Resilience Index reveals a troubling trend: as rising living costs intensify, more households are sacrificing their long-term financial security to cope with immediate pressures. While most Filipinos continue to manage their day-to-day expenses, fewer feel confident about what comes next. The proportion of highly resilient households has fallen from 33% to just 19%, with 95% reporting that inflation has made it harder to cover their monthly expenses.

What's particularly concerning is that short-term coping strategies—drawing down savings, reducing essential spending, and pausing retirement contributions—are eroding the very foundations of long-term financial stability. Only 7% of Filipinos feel very financially secure, and just 24% could sustain themselves for more than six months without income.

Yet there is reason for optimism. We continue to see growing adoption of financial tools and resources, including generative AI, which 52% of Filipinos now use for financial guidance. More importantly, those with stronger financial literacy demonstrate significantly greater confidence, resilience, and preparedness—showing that financial capability can make a meaningful difference, even under severe cost pressures.

This year's research underscores a fundamental truth: holistic financial planning, combined with improved financial literacy and trusted professional guidance, remains the most effective path to long-term financial security. By helping Filipinos understand their options and take control of their finances, we can empower them to protect their loved ones and work toward their goals, regardless of economic conditions.

JJ Moreno
Country Head & CEO
Sun Life Philippines

Survey Methodology

Financial Resilience Index 2026 – Philippines

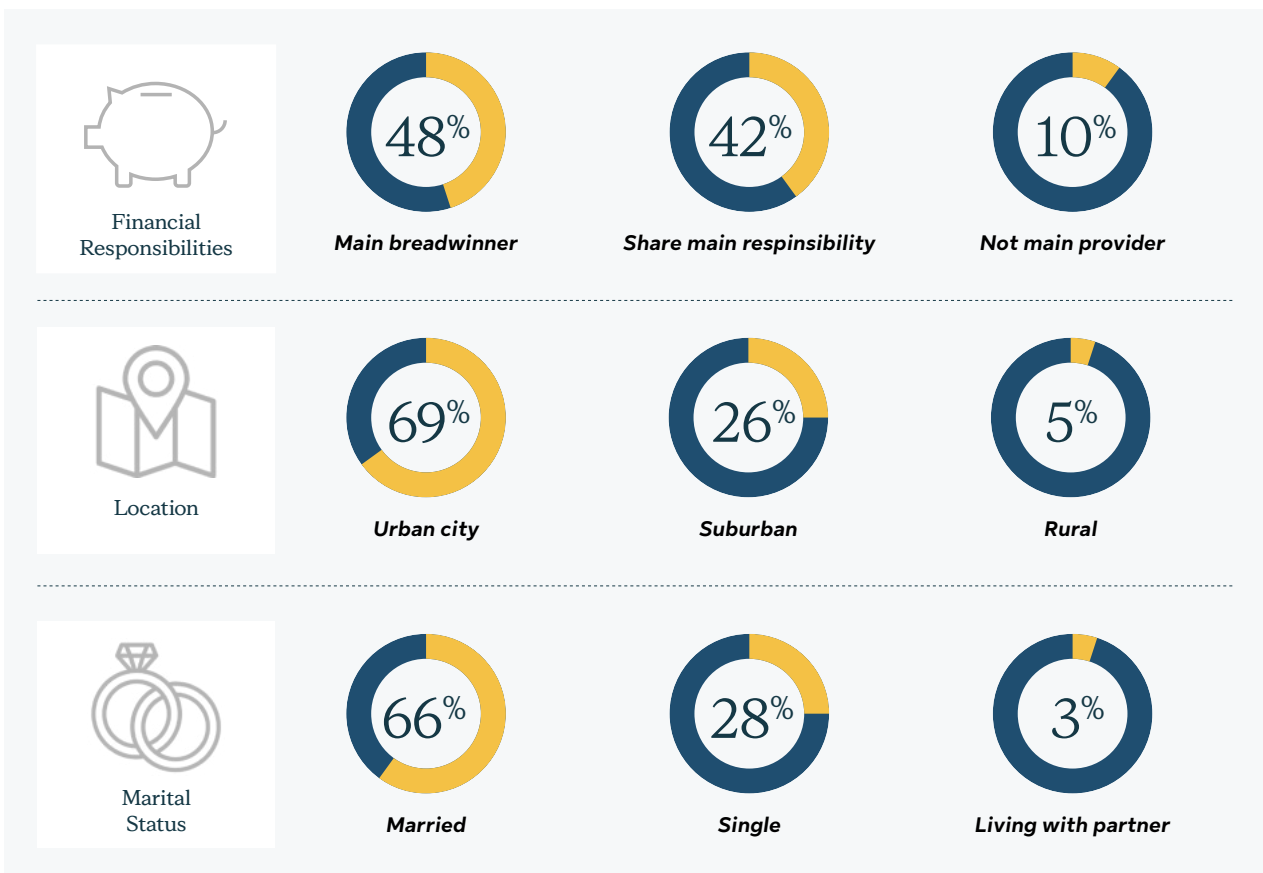
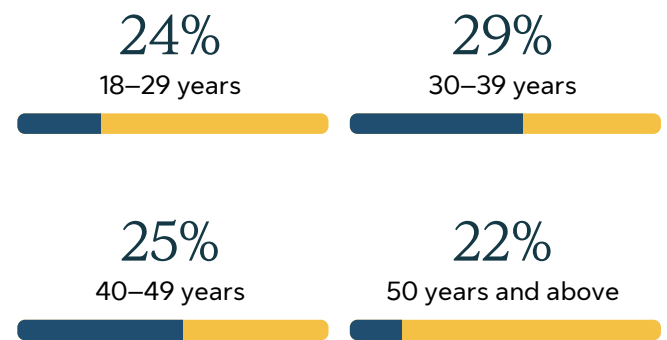
Survey Overview

The Sun Life Asia Financial Resilience Index is an annual survey conducted across six Asian markets to track how securely consumers are positioned financially. The survey examines financial confidence, planning horizons, emergency preparedness, savings buffers, and progress toward long-term financial goals.

Fieldwork Details

- **Fieldwork conducted:** April 2026
- **Markets covered:** Hong Kong, Indonesia, Malaysia, Philippines, Singapore, Vietnam
- **Total respondents:** Approximately 6,000 (approximately 1,000 per market)
- **Sample composition:** Respondents from different wealth levels, generations, and both rural and urban settings

Respondent Demographics – Philippines Age Distribution



Financial Resilience Classification

Respondents were classified into three resilience categories based on their answers across five key dimensions:



High Resilience

- Feels financially well secure
- Plans more than 5 years ahead
- Well prepared to cope with financial emergency
- Good self-perceived literacy around personal finances
- High confidence in meeting long-term financial goals



Medium Resilience

- Feels financially moderately secure
- Plans 1–4 years ahead
- Somewhat prepared to cope with financial emergency
- Moderate self-perceived literacy around personal finances
- Moderately confident in meeting long-term financial goals



Low Resilience

- Feels financially insecure
- Plans a few months ahead or not at all
- Unprepared to cope with financial emergency
- Poor self-perceived literacy around personal finances
- Low confidence in meeting long-term financial goals

Key Findings

Overview

- Financial resilience in the Philippines has weakened as rising costs force households into short-term financial trade-offs: the proportion of highly resilient consumers fell from 33% to 19%, while 95% say inflation has made it harder to cover monthly expenses.
- Households are still managing day-to-day finances, but with weaker confidence and protection against disruption: only 7% feel very financially secure, while just 24% say they could sustain themselves for more than six months without income.
- Rising costs are forcing difficult financial compromises: 22% are drawing down savings, 30% are reducing or skipping essential spending, and 9% have paused retirement savings.
- The biggest jumps in living costs are in everyday essentials, with utilities affecting 99%, followed by transportation fuel and groceries at 98%, followed by groceries (98%), cooking fuel (97%), and healthcare (95%).
- Gen AI is becoming a mainstream part of the financial research journey: 52% use Gen AI for financial advice at least sometimes, and 65% expect their usage to increase over the next 12 months.

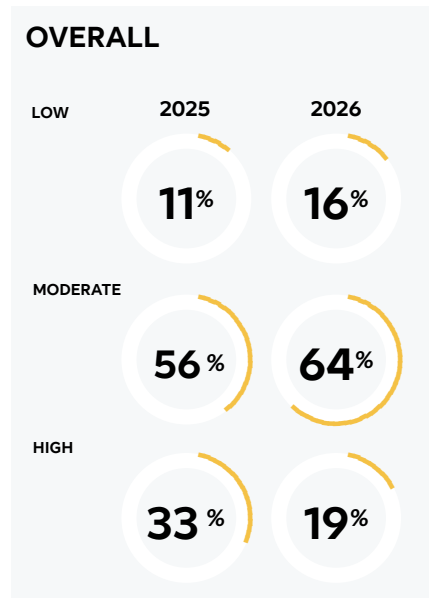
#1

Resilience is contracting at the top

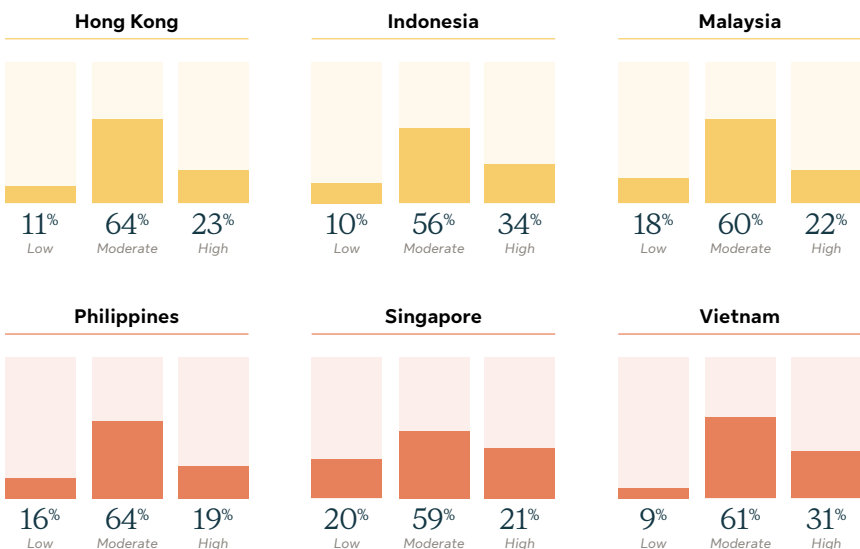
- The proportion of 'high' resilience households has declined from 33% to 19%, while the 'moderate' resilience group increased from 56% to 64%.
- Only 7% feel very financially secure, down from 20% in 2025, reinforcing the weakening perception of financial security.
- High financial security fell sharply from 66% to 36%, indicating fewer households feel strongly positioned to withstand financial disruption or uncertainty.
- Confidence in managing long-term financial goals has also weakened, with high confidence declining from 64% to 48% year-on-year.

Financial Resilience Index table for Philippines

Financial Resilience Index		2025	2026
How secure do you feel financially?	Low	18%	22%
	Moderate	16%	42%
	High	66%	36%
Do you have a financial plan for the future?	Low	26%	38%
	Moderate	51%	40%
	High	23%	22%
How confident are you in your ability to cope with a financial emergency?	Low	25%	25%
	Moderate	26%	37%
	High	49%	39%
Please rate your level of financial literacy when it comes to personal finance.	Low	05%	08%
	Moderate	37%	57%
	High	58%	35%
How confident are you in your ability to manage your finances to meet your long-term financial goals?	Low	16%	17%
	Moderate	20%	36%
	High	64%	48%



Overall Index Market Comparison (2026)



- Confidence toward long-term financial goals decline
- Long-term planners are more than 3 times more likely to feel confident meeting long-term financial goals compared to those with no financial plan (69% vs 19%).
- Confidence in handling a financial emergency rises from 12% among consumers with no financial plan to 58% among long-term planners.

#2

Costs are forcing short-term financial trade-offs

- 95% say inflation has made it harder to cover monthly expenses, making rising living costs the dominant pressure shaping household finances.
- 61% cite the cost of living as the biggest barrier to taking greater control of their finances, ranking above income and financial knowledge.
- Managing day-to-day expenses is now the top priority for 54% of respondents over the next 12 months, ahead of saving, investing, or long-term planning.
- Essential expenses are driving the financial squeeze, with utilities affecting 99% of respondents, followed by transportation fuel and groceries (both 98%), cooking fuel (97%), and healthcare (95%).
- When asked which expenses increased the most over the past six months, 83% cite groceries and food, followed by transportation and fuel (74%) and utilities (59%).
- Financial pressure is increasingly forcing short-term coping behaviours, with 64% reducing non-essential spending, 22% drawing down savings, 30% reducing or skipping essential spending, and 9% pausing retirement savings.
- Preparedness for further cost increases remains limited, with only 47% feeling prepared for additional increases in the cost of living, including just 7% who feel fully prepared.

#3

Income and savings remain central, but buffers remain limited

- Consumers understand what financial security requires: 68% say higher income is one of the most important foundations of financial security, ranking above sufficient savings (65%) and stable income (50%).
- Only 7% feel fully secure about their current financial situation, reinforcing the gap between how consumers define financial security and their actual preparedness.
- Just 24% say they could financially sustain themselves for more than six months without income or external help.
- Financial stress remains common, with 52% experiencing financial stress at least weekly and 20% feeling stressed almost every day.
- Family responsibilities continue to add financial pressure, with 88% saying they do not feel fully secure about their financial responsibilities toward others.
- Rising living costs are also eroding savings buffers directly, with 22% drawing down savings and 9% reducing or pausing retirement contributions.
- Highly resilient households are more than 18 times more likely to feel prepared for rising living costs than low-resilience households (91% vs 5%).
- More than three quarters (77%) of low-resilience households say they are “not prepared at all” for further cost increases, compared to just 3% among highly resilient households.
- High inflation impact households are more likely to draw down savings compared to those experiencing lower inflation impact (23% vs 17%).
- High inflation impact households are also:
 - more than 3 times more likely to borrow money (29% vs 9%)
 - more than 2.5 times more likely to skip essential purchases (34% vs 13%)
 - 2 times more likely to reduce or pause retirement savings (12% vs 6%)

#4

Short-term pressures are squeezing long-term planning

- 61% have no financial plan or only plan up to one year ahead, while only 22% have financial plans extending beyond five years.
- Managing day-to-day expenses remains the top financial priority over the next 12 months at 54%, followed by building emergency funds (46%) and paying/saving for children's education (36%).
- Over the next three to five years, saving for retirement becomes the top priority at 43%, although day-to-day expenses remain elevated at 34%, suggesting immediate pressures continue shaping longer-term planning.
- Consumers understand the importance of stronger financial habits, with 66% identifying building savings as one of the most effective ways to improve finances, followed by increasing income (59%) and reducing expenses (55%).
- However, more structured long-term actions remain less embedded, with only 23% citing professional financial advice as an important action to improve finances.
- Investment behaviour also remains cautious, with 90% describing their investment approach as moderate or conservative.

#5

Financial literacy remains the key resilience divider


- 66% rate their financial literacy as basic, low, or very low, highlighting continued gaps in financial capability.
- Consumers with higher financial literacy are 56 percentage points more likely to feel confident about their household financial situation and 45 percentage points more likely to feel optimistic about their financial future.
- Frequent financial stress is also lower among higher literacy consumers, who are 16 percentage points less likely to experience regular financial stress.
- Only 18% of low-literacy respondents feel prepared for further increases in the cost of living, compared to 71% among high-literacy respondents.
- Long-term planning also differs significantly by literacy level, with 79% of low-literacy consumers planning one year ahead or less, compared to 43% among higher-literacy consumers.
- Higher resilience consumers are more likely to adopt proactive financial management behaviours, including seeking professional financial advice (35% vs. 12%), and improving financial knowledge and education (65% vs. 44%).
- Literacy impact on preparedness and resilience
- Consumers with high financial literacy are nearly 4 times more likely to feel prepared for rising living costs compared to low-literacy consumers (71% vs 18%).
- More than half (54%) of low-literacy consumers feel unprepared for future cost increases, compared to just 15% among high-literacy consumers.
- High-literacy consumers are 9 times more likely to feel "very prepared" (18% vs 2%).

#6

Gen AI is becoming a standard part of mainstream financial decision-making

- 52% use Gen AI for financial advice at least sometimes, including 20% who use it every time or most of the time they make financial decisions. In 2025, 19% cite using GenAI as a source of financial information.
- Gen AI usage continues to accelerate, with 65% expecting their usage to increase over the next 12 months.
- Consumers are primarily drawn to Gen AI for speed, simplicity, and accessibility, with 61% citing both convenience or easy access and quick responses, while 52% say it helps simplify complex information.
- Adoption is significantly higher among more financially resilient consumers, with 49% of high-resilience respondents frequently using Gen AI compared to 16% among low-resilience respondents.
- Financial literacy also shapes adoption, with 46% of high-literacy consumers frequently using Gen AI versus 14% among low-literacy consumers.
- While Gen AI is becoming increasingly common in the financial research journey, respondents continue to value human support for more complex decisions.

Top five valued human advisor characteristics

Helps you understand the long-term benefits and risks of different products in a simple way (64%).	1		4	Provides personalized recommendations based on your needs (55%).
Has extensive knowledge and expertise in the insurance / financial services industry (57%).	2		5	Build a relationship and cares about me (45%).
Offers clear and easy-to-understand explanations of policies (57%).	3		6	Literacy vs Gen AI adoption comparison *

* Literacy vs Gen AI adoption comparison

- High-literacy consumers are more than 3 times more likely to frequently use Gen AI tools for financial advice compared to low-literacy consumers (46% vs 14%).
- Awareness without adoption is also significantly higher among low-literacy groups (34% vs 12%).
- Highly resilient households are nearly 4 times more likely to frequently use Gen AI tools for financial advice compared to low resilience households (49% vs 13%).
- More than one-third (37%) of low-resilience households are aware of Gen AI financial tools but have not used them, compared to just 12% among highly resilient households.
- Low-resilience households are also more than 5 times more likely to be completely unaware of such tools (21% vs 4%).

Practical steps to build financial resilience

Start by identifying where you are today.

The statements below can help you recognise where you may have gaps in your financial resilience. You can identify more than one, as financial resilience is built across several areas. Once you've identified what applies to you, explore the our guidance and practical steps to strengthen your overall financial resilience, **and speak with a Sun Life advisor who can help.**

If this sounds like you...

"I don't feel financially secure right now."

"I only plan a few months ahead, or I don't have a plan."

"I'm not confident managing my finances."

"I don't feel knowledgeable about personal finance."

"An unexpected cost would be difficult for me."

Your resilience gap may be...

Financial security

Future planning

Financial confidence

Financial literacy

Emergency readiness

Start here

1. Build a stronger financial foundation

2. Shape your financial future

3. Take control of your financial decisions

4. Grow your financial knowledge

5. Strengthen your financial safety net



Where are your financial resilience gaps?

Here are five tips to help you take control of your financial future:



1. Build a stronger financial foundation

Savings are the cornerstone of a strong financial foundation; 64% of High Resilience respondents are building their savings fund.

Set aside a portion of your salary each month into a rainy day fund to build resilience against unexpected expenses. Keep savings in an account that offers returns above the rate of inflation to help preserve your purchasing power. Savings act as a buffer when circumstances change, giving you peace of mind and flexibility in turbulent times.



2. Shape your financial future

Don't coast along without a plan. The most financially resilient people set clear goals and build long-term roadmaps to reach them.

High Resilience respondents are 22 percentage points more likely to work with a financial adviser and are more proactive, with 59% investing consistently for long-term growth and 78% reviewing their retirement savings or pension plan at least every few months. Working with a professional can help you balance your household budget with your long-term goals, ensure you invest in assets aligned to your risk tolerance, and develop plans that adapt as your circumstances change.



3. Take control of your financial decisions

Building financial literacy can help you feel more equipped to navigate uncertainty and understand the choices available to you.

Fifty-five percent of High Resilience respondents are actively improving their financial knowledge. Start with the areas most relevant to your life stage, such as saving, borrowing, pensions, investing, inflation, or protection. Trusted financial news, reputable online resources, and conversations with qualified professionals can help you make sense of money matters. The aim is not to know everything, but to build enough understanding to ask better questions and recognise when advice may be needed.



4. Grow your financial knowledge

Confidence grows when knowledge is put into practice. If financial decisions feel overwhelming, create a simple routine: check

in regularly, compare options, weigh risks and trade-offs, and identify your next step. Highly literate individuals are three times more likely to feel confident about their household finances, showing how understanding and action reinforce each other. For more complex decisions, sense-checking with a professional can help you move forward with confidence.



5. Strengthen your financial safety net

Financial setbacks can happen with little warning, whether it's the loss of a job, a sudden medical expense, or costly home

repairs. Ensure you have an emergency plan that could cover your financial costs. Having a financial contingency plan in place can ease pressure and make situations more manageable. High resilience individuals are also more likely to put protection into place, with 64% holding life insurance to support longer-term security. Review how insurance can add a layer of protection for you and your loved ones.

Building your overall financial resilience

Financial resilience is built over time through consistent action across multiple areas. The most resilient households combine habits such as building savings, planning ahead, improving financial knowledge and preparing for unexpected events.

Together, these steps strengthen overall stability and flexibility, while building greater confidence in managing your finances over time.

About the Index

Sun Life is committed to helping more people in our communities achieve financial security and live healthier lives.

Sun Life Asia's third annual Financial Resilience Index categorises households into low, moderate, and high resilience groups based on how secure they feel and how they manage their finances. It highlights the behaviours and attitudes that distinguish those who are prepared for shocks from those who are more vulnerable.

The Index looks at five key aspects of everyday financial life:

- **Financial security** – whether households feel secure or insecure in their current situation
- **Planning horizon** – how far ahead they plan, from only a few months to more than five years
- **Emergency preparedness** – their ability to cope with unexpected financial shocks
- **Financial literacy** – how well they understand personal finance concepts and rate their own knowledge
- **Confidence in long term goals** – whether they feel able to meet future financial commitments

Together, these dimensions provide a fuller picture of how households are managing today's pressures, and how prepared they are for what comes next.



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