Why Employees Need a Safer Source of Credit

What Philippine borrowing data reveals about employee financial stress
— and why employers should care.

Many employees do not just need fast cash. They need a trustworthy alternative before high-cost or informal borrowing becomes their only option.

Employees may borrow because tuition, medical expenses, household bills, and family emergencies often arrive before the next payday. When savings are thin and formal credit is hard to access, short-term financial stress can quickly enter the workplace.

Thin savings

Many Filipinos cannot cover even one month of expenses without borrowing.

Limited access

Formal financial access remains uneven, especially for emergency credit.

High-cost fallback

Informal lenders and expensive debt can become the only fast option.

When savings are thin and bank credit is hard to access, employees typically turn to informal or high-cost debt.

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ACCESS

Philippine credit access: numbers don't lie

Data shows Filipino workers need a safer source of credit before emergencies push them toward informal or high-cost options.

Savings buffer

48%

Only 48% of Filipino adults could cover at least one month of living expenses without borrowing.

Many employees do not have enough emergency savings to handle short-term financial shocks.

25%

Adults had outstanding loans in 2025.

Borrowing is already part of how many households manage cash flow.

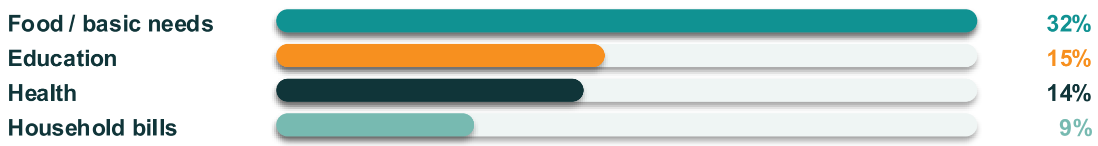
50%

Adults w/ formal financial account in 2025.

Many adults still have limited direct access to formal financial services.

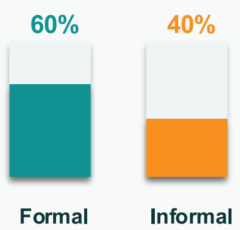
Why Filipino workers borrow

Top reported purposes for borrowing



Filipino workers often borrow for essential needs, not discretionary spending.

Borrowing sources



Informal borrowing remains a meaningful fallback when formal credit is hard to access.*

Debt strain

34% Filipino borrowers have difficulty paying existing loans

8% Filipino borrowers borrow again to pay existing loans

Some borrowers can get trapped in a cycle of repeat borrowing.

High-cost fallback

20%+ common interest charge associated with loan sharks

₱92.8k estimated average card debt vs. ₱21,900 average monthly income among cardholders.

Even employees with formal credit access may already be overstretched.

Bottom line: When employees cannot access formal, transparent, and affordable credit, many are left with informal or high-cost alternatives.

Sources and notes:

1. **BSP, 2025 Consumer Finance and Inclusion Survey (CFIS):** account ownership, borrowing, loan use, emergency savings, and repayment difficulty.
2. **PIA summary of BSP CFIS, Apr. 16, 2026:** public summary of key CFIS findings.
3. **DOF / SEC, "SEC takes steps vs informal lenders," Feb. 28, 2017:** context on 5-6 lending and 20%+ charges.
4. **Philippine Daily Inquirer / Roshi Pte. Ltd., Jul. 7, 2025:** credit card debt estimate; used as private-sector context, not official BSP data.

* **Note:** 60% formal / 40% informal split is normalized from BSP-reported borrowing-channel shares and rounded for readability.

How short-term need can become a debt cycle

The risk is not just one emergency loan. The risk is what happens after repayment reduces the employee's next take-home pay.

1. **Urgent expense**
   Tuition, hospital bill, rent, utilities, family need

2. **No savings buffer**
   Emergency costs cannot be absorbed

3. **Formal credit is hard**
   Bank loan may be slow or unavailable

4. **High-cost fallback**
   Informal lender, 5-6, *ATM sangla*, app loan

5. **Payday gets tighter**
   Repayment reduces next pay

6. **Borrowing repeats**
   Next shortfall triggers another loan

A responsible salary loan program helps interrupt the cycle before employees rely on repeated high-cost borrowing.

Why employers should care

Employees may bring financial stress into the workplace. HR, finance, and managers may get pulled into salary advance requests. Without clear options, employees turn to lenders that worsen the problem.

Where Access helps

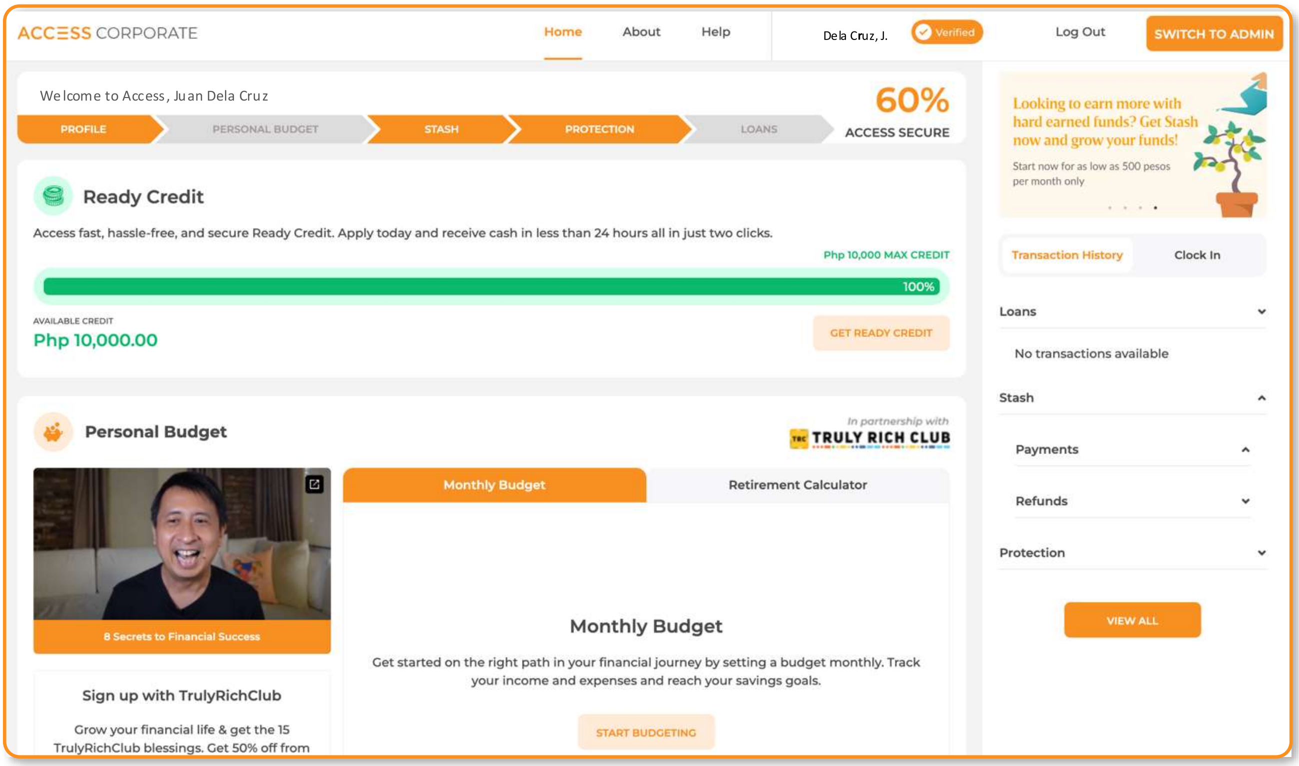
Access helps employers offer employees a structured alternative to informal and high-cost borrowing — without requiring the employer to fund loans directly.

For employees

- Lower-than-credit-card interest rates
- Responsible loan sizing
- Payroll-linked repayment
- Clear loan terms
- More manageable repayment structure

For employers

- Less pressure to fund salary advances
- Less manual handling of loan requests
- More organized employee financial support
- Zero employer cost
- Stronger benefits story



Access gives employees a trustworthy source of credit before informal or high-cost borrowing becomes their only option.

Want to explore how this can work for your company?

Book a short consultation at www.bridgeaccess.life