

Economic Contributions And Employment Effects Of Sari-Sari Stores In Dumaguete City

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Abstract– Sari-sari stores are vital micro-enterprises in Dumaguete City, significantly contributing to the local economy through income generation and employment. This study examines their economic impact, focusing on household income, job creation, and their role in supporting community commerce. It analyzes the demographic profiles of store owners and employees, identifies challenges in sustaining these businesses, and evaluates strategies to address such challenges.

Additionally, the research explores the relationships between sari-sari store income and key factors, including the demographic characteristics of respondents, employee income, and operational challenges. By investigating these connections, the study offers insights into how sari-sari stores operate within Dumaguete's informal economy and contribute to its overall resilience.

The findings underscore the critical role of sari-sari stores in promoting economic development and fostering social cohesion. Despite facing challenges such as resource limitations, market competition, and restricted access to financing, store owners demonstrate innovative strategies to sustain their businesses.

This study provides actionable recommendations for strengthening the sustainability of sari-sari stores, emphasizing their potential to drive inclusive economic growth. Policymakers, business owners, and community leaders are encouraged to support these micro-enterprises to enhance livelihood opportunities and contribute to Dumaguete City's economic resilience.

Index Terms– Economic contribution, employment effects, local economy , Sari-sari stores

I. INTRODUCTION

Sari-sari stores, or small neighborhood retail shops, play a vital role in the local economy of Dumaguete City, Philippines. These micro-enterprises provide convenient access to essential goods and services and contribute significantly to employment and income generation within the community. This study aims to investigate the economic contributions and employment effects of sari-sari stores in Dumaguete City, providing valuable insights for local policymakers and business owners.

Like many developing countries, the Philippines has a vibrant micro, small, and medium enterprise sector, including sari-sari stores [1]. These small businesses have been recognized for their potential to drive economic growth, create jobs, and alleviate poverty [2]. However, the extent of their economic impact and contribution to employment in specific local contexts, such as Dumaguete City, remains understudied [1].

Existing literature suggests that small and medium enterprises, including sari-sari stores, play a significant role in economic development, particularly transitioning economies[2]. Micro Business Enterprises, a category that encompasses sari-sari stores, have been found to contribute to infrastructure development, job creation, and poverty alleviation in the local economy of Bacolod City, Philippines [3] Similarly, studies on the Philippines have highlighted the importance of micro, small, and medium enterprises in the country's economic landscape, though the specific data on sari-sari stores is limited [1].

II. METHODOLOGY

The study employed quantitative-descriptive research design. Surveys were conducted among 50 sari-sari store owners operating in Dumaguete City's public market. Data collection focused on demographic profiles, economic contributions, operational challenges, and employment figures. Statistical tools such as frequency distribution, percentages, Pearson's R, and Eta Squared correlation tests were used to analyze

the relationships between variables and income levels.

III. RESULTS AND DISCUSSION

A. Demographic Characteristics

Demographic characteristics like age, sex and educational attainment were basic information gathered regarding the respondents.

Table 1 *Demographic Characteristics of the Respondents*

	<i>f</i>	%
Age		
21-30	4	8
31-40	6	12
41-50	28	56
Above 50	12	24
Sex		
Male	17	34
Female	33	66
Educational Attainment		
Primary Education	6	
Tertiary Education	36	
Others:	8	

Note: n = 50

Table 1 provides an overview of the respondents' demographic profiles, showing that a majority (56%) of store owners are aged between 41 and 50 years, signifying an experienced and knowledgeable workforce. Women comprised 66% of the respondents, emphasizing their vital contribution to the sari-sari store sector. Moreover, 72% had attained tertiary education, indicating a high literacy level that facilitates effective business management

B. Economic Contributions

Though sari-sari stores belong to micro enterprises, their number contributes to the local economy of Dumaguete.

Figure 1 *Number of Years in Operating Sari-Sari Store*

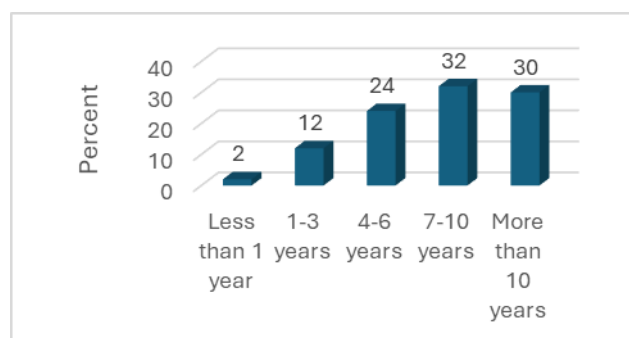


Fig. 1 above shows that 62 percent of the respondents have 7 to more than ten years in business with only 2 percent with less than 1 year in business. This means that majority of the respondents have enough experience in business and were able to sustain their business

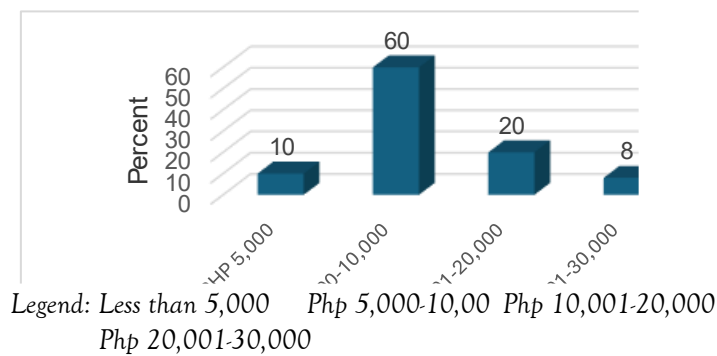
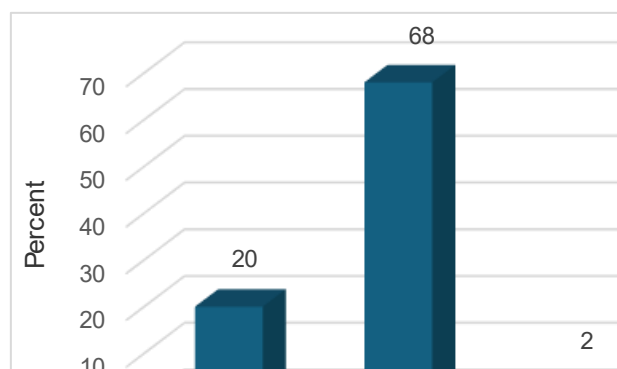
Figure 2 Average Monthly Income

Fig. 2 presents that 60 percent of the respondents have the average monthly income of P5,000 – P10,000 with 2 percent having income of more than P30,000. This indicates that majority of the respondents have monthly income below the poverty ceiling of P11,998 in 2021

Figure 3 Percent of Household Income that comes from Sari-Sari Store

The income in Sari-Sari Store in Fig. 2, however, it was just a supplemental income because Fig. 3 shows that 68 percent of the respondents have 25-50% of their household income comes from the Sari-Sari Store with 2 percent have 51-75% of their household income comes from the Sari-Sari Store. This implies that most of them have 50-75% other income in addition to the income from Sari-Sari Store.

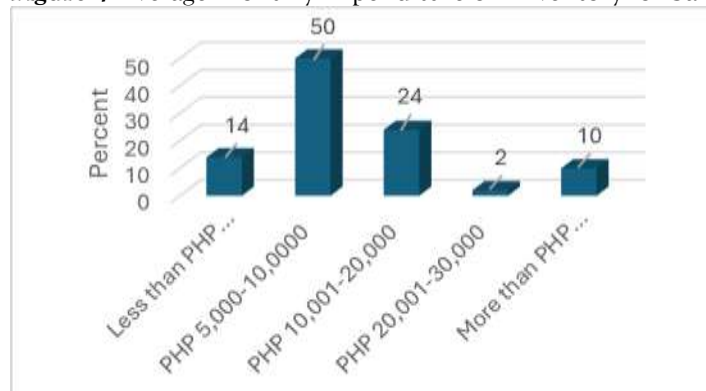
Figure 4 Average Monthly Expenditure on Inventory for Sari-Sari Stores

Fig. 4 illustrates that 50% of the respondents allocate an average of PHP 5,000–10,000 per month for purchasing inventory for their sari-sari stores, while only 2% spend between PHP 20,001–30,000. This suggests that half of the respondents invest within the lower to mid-range bracket for inventory acquisition.

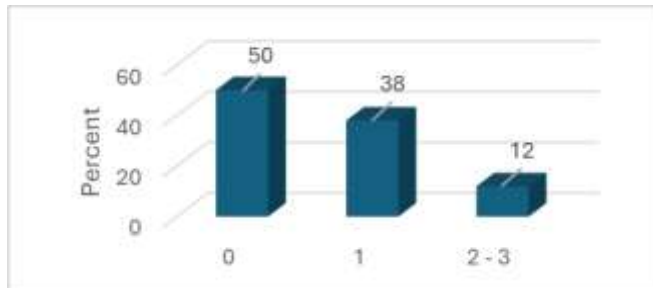
Sari-sari stores play a vital role in supporting household incomes, with 60% of respondents reporting an average monthly income of PHP 5,000–10,000 from their stores. Although this amount often falls below

the poverty threshold, 68% of respondents stated that their sari-sari stores contribute 25–50% of their total household earnings.

C. Employment Effects

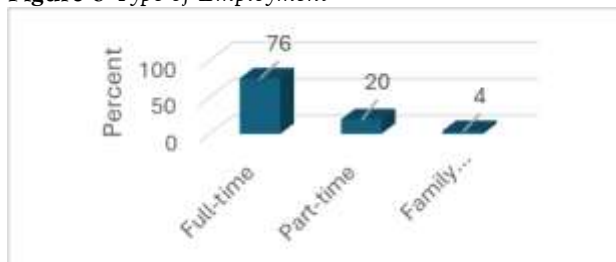
This part of the study determines the contribution of employment of sari-sari stores into the city and these were in terms of number of employees employed as well as the type of employment.

Figure 5 *Number of Employees Employed*



As shown in Fig. 5 although half of the respondents operated without employees, 12% employed 2-3 workers, highlighting limited job creation. Among employed workers, 76% were full-time, reflecting the potential of sari-sari stores to provide stable employment opportunities.

Figure 6 *Type of Employment*



Legend: Full-time Part-time Family members/helpers

Fig. 6 reveals that 76% of respondents have full-time employees, while only 4% rely on family members or helpers. This indicates that the majority of respondents personally manage their sari-sari stores throughout the day.

D. Key Challenges in Sustaining Sari-Sari Store Businesses

In maintaining their businesses, sari-sari store owners face key challenges that impact their operations.

Figure 7 *Key Challenges in Operating a Sari-Sari Store*

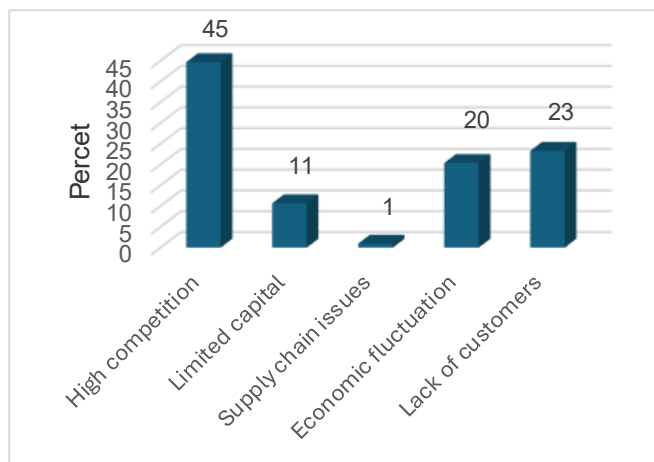


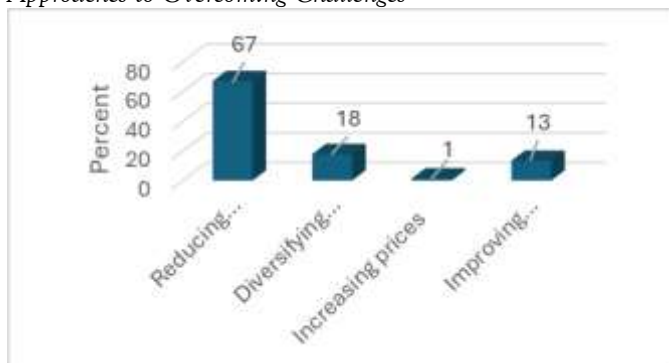
Fig. 7 reveals that 45% of respondents faced intense competition, while only 1% encountered supply chain issues. This suggests that competition is a significant challenge for many sari-sari store owners.

E. Strategies for Overcoming Key Challenges in Sustaining Sari-Sari Store Businesses

This section of the study explores strategies for managing the key challenges faced by sari-sari store owners in sustaining their businesses.

Figure 8

Approaches to Overcoming Challenges



Legend: *Reducing operating costs *Diversifying products
*Increasing prices *Improving customer service

Fig. 8 shows that 67% of respondents reduced operating costs to address the primary challenges faced by sari-sari store owners, while only 1% raised prices. This suggests that the majority of respondents focused on cost-cutting measures to overcome the challenges they encountered.

F. Correlation

1. Correlation between Monthly Income in Sari-Sari Stores and Demographic Profile of Respondents (n=50)

Using Pearson R, Spearman Rho, and Eta Squared, the study analyzed the correlation between the monthly income of sari-sari store owners and the respondents' demographic profile, including age, sex, and educational attainment.

Table 2 Significant Correlation between Monthly Income in Sari-Sari Stores and Demographic Profile of Respondents (n=50)

Legend:	V- Very High Correlation	H-High			
Correlation	M-Moderate Correlation				
	L-Low Correlation	N-Negligible			
Correlation	S-Significant	NS-Not Significant			
	SE-Small Effect	ME-Medium			
Effet	LE-Large Effect				
	Correlation Statistics	Age	Sex	Educational Attainment	
Monthly Income In Sari-sari Store	r/ η	.152 _N	.075 _N	-.031 _N	
	p-value/ η^2	.292 _{NS}	.005 _{SE}	.830 _{NS}	

Table 2 indicates that the monthly income of sari-sari stores shows a negligible correlation with age (.152), sex (.075), and educational attainment (-.031) of the respondents. Additionally, the p-values for the correlation between monthly income and age (.292) and educational attainment (.830) are both greater than 0.05, suggesting that these factors are not statistically significant. The Eta Squared value of 0.005 indicates that sex has a small effect on income. Overall, these findings suggest that the monthly income of sari-sari stores is not significantly associated with the respondents' demographic profile.

2. Correlation Between Monthly Income in Sari-Sari Store and Monthly Income of Store Employees
Using Pearson R, the monthly income in Sari-Sari Stores were correlated with the monthly income of store employees.

Table 3 Significant Correlation between Monthly Income in Sari-Sari Stores and Monthly Income of Store Employees (n=50)

	Correlation Statistics	Monthly Income of Store Employees	Interpretation
Monthly Income in Sari-Sari Store	r	-.051	Negligible Correlation
	p-value	.723	Not Significant

Legend: V- Very High Correlation H-High Correlation M-Moderate Correlation L-Low Correlation N-Negligible Correlation S-Significant NS-Not Significant
Table 3 shows a negligible correlation of -.051 between the monthly income of sari-sari stores and the monthly income of store employees. Additionally, this correlation is not significant at the 5% significance level. This suggests that the monthly income of sari-sari stores is not related to the monthly income of store employees, and vice versa.

3. Correlation Between Monthly Income in Sari-Sari Stores and Primary Challenges Faced by Sari-Sari Store Owners in Sustaining Their Business

Using Eta Square Correlation, the monthly income in Sari-Sari Stores correlated with the primary challenges faced by Sari-Sari Store owners to sustain their business operation.

Table 4 Significant Correlation between Monthly Income in Sari-Sari Stores Primary Challenges Faced by Sari-Sari Store Owners (n=50)

	Correlation Statistics	Primary Challenges Faced by Sari-Sari Store Owners	Interpretation
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Monthly Income In Sari-Store	η	.344	Low Correlation
	η^2	.118	Small Effect
Legend:	V- Very High Correlation	H-High Correlation	M-Moderate Correlation
	L-Low Correlation	SE-Small Effect	ME-Medium Effect
	LE-Large Effect		

Table 4 shows a low correlation between the monthly income of sari-sari stores and the primary challenges faced by the store owners, as indicated by an eta value of .344. Additionally, these challenges have a small effect on the monthly income, as reflected by an eta squared value of .118. Therefore, the monthly income of sari-sari stores is not significantly associated with the primary challenges faced by the store owners.

V. CONCLUSION

Sari-sari stores play a crucial role in Dumaguete City's informal economy, contributing to household incomes, limited employment opportunities, and community commerce. Despite challenges such as competition and resource constraints, store owners exhibit resilience through cost-reduction strategies. Policymakers and stakeholders are encouraged to implement support initiatives, such as access to micro-financing and capacity-building programs, to enhance the sustainability of these micro-enterprises. These efforts will further strengthen their role in fostering economic inclusivity and resilience.

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