

Micro and Small Business in Tagbina: Economic Pillars of Socioeconomic Growth

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**Abstract:** Micro and small enterprises (MSEs) benefit the country's economic growth but face various challenges particularly socioeconomic factors. This study investigates the socioeconomic conditions of the MSEs in the Municipality of Tagbina, Surigao del Sur, Philippines focusing on the demographic and business profiles, challenges, and awareness of laws intended for these enterprises. Descriptive method was utilized using self-made survey questionnaire and data were collected from 165 MSEs situated in various locations in the municipality. Results of the study revealed that Barangay Poblacion is the center for trade, operated predominantly by female entrepreneurs, over 50 years of age and are married having one to two dependents. Most owners are bachelor's degree holders. Majority of MSEs in the area is in line with "sari-sari stores", operating for one to three years, and are home-based. These enterprises are mostly registered, earning less than ₱5,000 (Philippine currency) monthly, and support their business operations come from personal savings. High competition is identified as the primary challenge of MSEs in the area. Moreover, owners had limited training, operated based on personal knowledge. Financial planning management, marketing and sales as support services are the challenges they have identified. Further, most of these entrepreneurs are not fully aware of the laws and its implementing rules and regulations governing MSMEs. This highlights the need to create an effective community extension program focused on providing support for existing and aspiring entrepreneurs. The study suggests further studies of the socioeconomic determinants affecting the growth of local MSEs. This will facilitate comprehensive analysis and deeper understanding to address their needs.

**Keywords:** Micro and Small Enterprises, Socioeconomic Conditions, Economic Pillars

## 1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) are important in many countries' economic growths as they are a significant source of entrepreneurial skills and can supply efficiency, competitiveness, innovation, and employment (Pedraza, 2021). It increases employment rates across regions, sectors, genders, and skills. Consequently, Micro and Small Enterprises (MSEs) have been a subject of interest throughout the world, especially in developing countries, as they are significant in the long-term growth of the country. They encourage economic development by alleviating poverty, creating a large number of employment and job opportunities, enhancing industrial production and exports, improving self-sufficiency, and making a major contribution to Gross Domestic Product (GDP) growth (Teka, 2022). MSEs are also considered the natural home of entrepreneurship. However, most MSEs fail after a few months of operation as a result of various challenges they encounter.

The Philippine Statistics Authority reported that 99.5% of registered MSME businesses in the Philippines, as of 2022, employed 62.8% of the country's population. According to the Philippine MSME statistics conducted by the Department of Trade and Industry (DTI) in 2022, medium enterprises comprise 0.40% out of 99.5% of the MSME population, small enterprises make up 8.69%, and micro enterprises constitute the majority with 90.49%. These enterprises are mainly involved in wholesale and retail trade, the repair of motorcycles and motor vehicles, accommodation and food service, manufacturing, other services, and financial and insurance activities. Most of the MSME operations are located in the National Capital Area (NCR). Caraga region has 22,938 registered enterprises, which puts it in the second-to-last position among Philippine regions in terms of MSME establishments (Department of Trade and Industry, 2023).

The SME Unified Lending Opportunities for National Growth (SULONG) provides financial support, the Go Negosyo Act promotes entrepreneurship, and the One Town One Product (OTOP) Program encourages local product development and marketing (Department of Trade and Industry, 2023). Raquiza (2021) highlighted these and other government programs geared toward supporting MSMEs. However, despite the existence of various regulations and policies that the Philippines has in place for MSMEs, the economy continues to struggle with poor productivity, slow pace of development, instability (Raquiza, 2021) having insufficient access to financial resources, technological resources, and learning new skills (Philippine Statistics Authority, 2023).

Macroeconomic, societal, firm-specific, and demographic factors are some of the determinants of MSMEs, and they have been shown to have an influence on MSMEs (Saibu et al., 2024). Kassa (2021) also highlighted various challenges of Micro and Small enterprises (MSEs) in Ethiopia, including socioeconomic factors, lack of market access, the high mortality rate (referring to the high rate of business closures), low access to appropriate technology, bureaucratic and administrative challenges, and poor access to quality business infrastructure. According to Capiña (2021), the majority of micro and small businesses in the Philippines underperform compared to its ASEAN neighbors. The study emphasized the alarming result of human resources management and emphasized that effective human resources could lead the business to productivity and profitability. Moreover, the result of the study conducted by Barbosa (2021) revealed that MSEs in Tanauan, Leyte often practice financial management practices like budgeting and costing. However, working capital management, internal control, and long-term financing are sometimes observed. Another study also disclosed that the majority of enterprises in Cabanatuan City faced challenges with all facets of operation, particularly with technical or production, management, and organization (Santos & Santos, 2019). A qualitative study by Angeles (2022) also argued that access to finance is one of the problems that affects the growth motivation of the owners of micro and small enterprises in the country.

Given the ongoing struggles of MSMEs in the country in recent decades, Raquiza (2021) emphasized that urgent and bold action from the government is needed to address their lack of access to credit and other forms of support. In addition, the government must highlight good practices and emphasize weak areas in making interventions for MSEs (Capiña, 2021). Stringent programs and policy execution aimed at addressing the issue of inadequate educational background and training in financial management systems and practices would support the long-term viability of these MSEs (Barbosa, 2021). Studying the different issues and challenges of MSMEs is crucial in providing a comprehensive understanding of the development of MSMEs' sectors. Investigating the social and economic factors is the most crucial way to facilitate the growth of MSMEs. This study put more emphasis on various socioeconomic aspects such as demographic and business profiles, and issues that plays a significant role in micro and small enterprises (MSEs) in Tagbina Surigao del Sur. Ultimately, this paper aims to enhance the existing knowledge in entrepreneurship and small business management, contributing to the creation of an effective community extension program to support existing and aspiring entrepreneurs.

### 1.1. Literature review

No internationally agreed definition of micro, small, and medium enterprises (MSMEs) exists, as each nation employs its own criteria based on economic realities (Kassa, 2021). Micro-enterprises own assets under PHP 3 million and employ 1–9 individuals, whereas small enterprises have assets ranging from PHP 3 million to PHP 15 million and employ 10–99 individuals (Barbosa, 2021). Microenterprises constitute 99.18% of the Philippine

MSME sector (Department of Trade and Industry, 2023). Nevertheless, they experience stagnation and diminished growth rates (Angeles, 2022; Aldaba, 2012).

The Philippine government instituted regulations, such the Magna Carta for Small Enterprises (RA 6977) and the Go Negosyo Act (RA 10644), together with programs such as SULONG and BMBE, to improve credit accessibility (Raquiza, 2021). The Department of Trade and Industry (DTI) and the Bangko Sentral ng Pilipinas (BSP) are pivotal in the advancement of micro, small, and medium enterprises (MSMEs) (Aldaba, 2012). Notwithstanding these initiatives, MSMEs continue to encounter challenges in obtaining finance, such as elevated collateral demands, exorbitant interest rates, and protracted loan disbursement procedures (Aldaba, 2012; Raquiza, 2021). Data indicate inconsistent increase in the number of MSEs from 2013 to 2020, attributed to restricted loan access and the risk-averse dispositions of both lenders and borrowers (Angeles et al., 2019).

Various variables affect the growth of MSMEs. Saibu et al. (2024) identified determinants related to macroeconomics, society, specific firms, and demographics. The factors encompass age, gender, education, marital status, business kind and location, tax obligations, and access to finance (Kassa, 2021; Pramono et al., 2021; Saibu et al., 2024; Angeles, 2022; Benedict et al., 2021). Entrepreneurs under 30 frequently achieve greater success, however alternative research indicate optimal productivity occurs between the ages of 36 and 45 (Teope, 2022). Women predominantly own MSMEs in the Philippines and frequently manage higher-growth firms (Teope, 2022; Saibu et al., 2024), however research on gender impacts yields inconclusive results (Tarfasa et al., 2016; Kassa, 2021).

Education significantly impacts performance. Entrepreneurs possessing bachelor's degrees demonstrate superior business performance (Pramono et al., 2021), but individuals with limited education are more prone to failure (Saibu et al., 2024). Nonetheless, certain research contend that education is not a substantial factor (Kassa, 2021). Marital status is significant, since married entrepreneurs typically manage more stable businesses (Wodajo et al., 2020; Saibu et al., 2024).

Firm-specific determinants, including industry sector, geographical location, age, and legal status, are essential. The service and manufacturing sectors typically exhibit greater growth (Fufa, 2015; Geleta & Talegeta, 2019). The majority of micro-organizations in the Philippines function for 1–3 years, employing 1–9 individuals and leasing workspaces (Santos & Santos, 2019), although a limited number evolve into larger enterprises (Tekla, 2022). Kassa (2021) contends that the type, age, and location of a firm do not substantially influence the growth of micro and small enterprises (MSEs). Although the majority of firms are legally registered (Fufa, 2015; Santos & Santos, 2019; Tarfasa et al., 2016), intricate and expensive licensing processes diminish profitability. Access to capital continues to be a vital factor. A significant number of MSMEs depend on personal savings, while banks exhibit reluctance due to perceived risks (Kassa, 2021; Benedict et al., 2021; Pramono et al., 2021). Tax liabilities adversely affect profitability and growth (Benedict et al., 2021).

### 1.2. Theoretical framework

Additional critical elements encompass familial business heritage, financial acumen, managerial experience, and entrepreneurial education. Entrepreneurs from business-oriented families typically exhibit superior performance (Kassa, 2021). Entrepreneurs with financial literacy are more inclined to make prudent decisions and obtain formal loans (Benedict et al., 2021; García-Pérez-de-Lema et al., 2021). Competent and trained managers are more likely to achieve success (Fufa, 2015), while Kassa (2021) warns that experience can facilitate as well as impede growth. Entrepreneurial training improves corporate results but is sometimes inaccessible, particularly during inflationary times (Kassa, 2021). Continuous training, innovation, and human capital development are vital for the prosperity of MSMEs (Tarfasa et al., 2016; Santos & Santos, 2019).

The framework demonstrates that the demographic and business characteristics of MSE owners impact the issues they face, subsequently influencing their awareness and adherence to regulations pertaining to micro and small companies. The availability and accessibility of training programs and government support services further modulate these linkages, thereby alleviating or exacerbating the encountered issues. This approach offers a

thorough perspective to assess how fundamental socioeconomic factors influence the circumstances of micro and small business proprietors in rural economies such as Tagbina, Surigao del Sur.

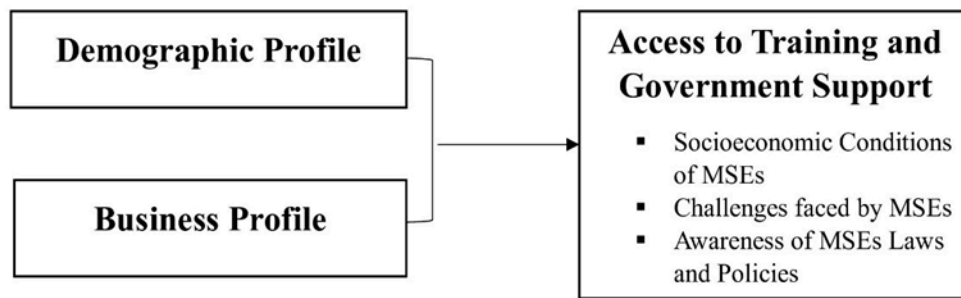


Figure 1. Conceptual Framework of the Study

## 2. Research Methods

The study utilized a descriptive research design, which scientifically entails the observation and description of the subject without affecting the information. One hundred and sixty-five (165) managers or business owners possessing the requisite knowledge to address the questions in the questionnaire were selected as participants in the nine barangays of Tagbina, Surigao del Sur. The respondents come from different micro and small enterprises (MSEs) sectors, such as wholesale and retail, manufacturing, food service, and other services.

Purposive sampling was utilized to identify persons with the necessary qualities. Malaluan (2019) also used this sampling technique. It provides field researchers with specific instructions to collect data from samples that adhere to the predetermined criteria or characteristics. Furthermore, the study utilized convenience in distributing the questionnaire. As affirmed by Malaluan (2019), it will select respondents in the most convenient and efficient manner.

The constructed questions were self-designed. This is to attain the data needed in the questionnaire. The survey questionnaire is composed of three parts. The first and second parts comprise the entrepreneur's demographic and business profiles. The third questionnaire comprises a set of close-ended questions about the challenges faced by micro and small enterprise owners. Questions designed according to a Likert scale, which consists of five levels of measurement, were also added. A score of 5 indicates that a respondent is very familiar, while a rate of 1 indicates that the respondent is not familiar at all.

The questionnaire underwent validation to ensure that the questions are in the correct format and to review and change them before finalizing and releasing them to the respondents. Afterward, a reliability test or dry run was made to assess the accuracy and consistency of the sets of questions in yielding reliable results for the study. The study includes 30 participants from entrepreneurs from Barobo, Surigao del Sur, who underwent pilot testing to avert the inconsistency and inaccuracy of the results that could impact the findings of the study. A retrieval-based reliability test was conducted afterward that generate Cronbach Alpha value of 0.960.

## 3. Findings and Discussion

### 3.1. Demographic Profile of Respondents

The first part of the questionnaire gathered demographic data of MSE owners in Tagbina, Surigao del Sur, as presented in Table 1. Most businesses are located in Poblacion (71.5%), followed by Quezon (9.1%), Tagongon (7.9%), Manambia (3.6%), Maglambing (2.4%), Magsaysay and Doña Carmen (1.8% each), Carpenito (1.2%), and Osmeña (0.6%). In terms of age, 35.8% of respondents are 50 years and above, 24.2% are aged 34–41, 22.4% are 42–49, and 17.5% are under 33. The majority are female (79.4%), with males making up 20.6%. Most respondents are married (77%), followed by singles (18.8%) and widowed (4.2%). Educational attainment varies, with 32.1% being degree holders, 28.5% high school graduates, 24.2% college-level, 9.1% with primary education, 5.5%

vocational or technical graduates, and 0.6% having no formal education. Regarding dependents, 44.2% have one to two, 27.9% have three to four, 15.2% have none, and 12.7% have five or more.

**Table 1. Demographic profile of the respondents**

Characteristics	Variables	Frequency/Percentage
Location	Poblacion	118 (71.5%)
	Quezon	15 (9.1%)
	Tagongon	13 (7.9%)
	Manambia	6 (3.6%)
	Maglambing	4 (2.4%)
	Doña Carmen	3 (1.8%)
	Magsaysay	3 (1.8%)
	Carpenito	2 (1.2%)
	Osmeña	1 (0.6%)
Age	50 and up	59 (35.8%)
	34 – 41 years	40 (24.2%)
	42 – 49 years	37 (22.4%)
	26 – 33 years	22 (13.3%)
	18 – 25 years	7 (4.2%)
Gender	Female	131 (79.4%)
	Male	34 (20.6%)
Marital Status	Married	77%
	Single	18.8%
	Widowed	4.2%
Educational Attainment	Bachelor’s degree	53 (32.1%)
	Secondary Education	47 (28.5%)
	College Level	40 (24.2%)
	Primary Education	15 (9.1%)
	Vocational/Technical	9 (5.5%)
	No formal education	1 (0.6%)
Number of Dependents	2 – 1 dependent	73 (44.2%)
	3 – 4 dependents	46 (27.9%)
	None	25 (15.2%)
	5 or more	21 (12.7%)

The study revealed that most micro and small enterprises (MSEs) in Tagbina are located in Poblacion, the municipality's commercial hub, supporting Musa and Ngugi's (2015) finding that location significantly influences MSE growth. Rasvanis and Tselios (2023) added that location affects strategic planning and access to essential resources. The low MSE concentration in other barangays aligns with studies suggesting that distant locations face limited market access and smaller customer bases, negatively impacting performance (Meressa, 2020). Teope (2022) who noted older entrepreneurs often exhibit greater efficiency. Bancoro et al. (2023) also observed that sari-sari store owners in Dumaguete were primarily 41 and older. White (2012) noted that older generations are often reluctant to entrust business leadership to youth. However, this contrasts with Saibu et al. (2024) and Kassa (2021), who reported higher MSE ownership among younger individuals. In terms of gender, most MSE operators in Tagbina are female, reflecting national trends where women dominate the micro and small business sectors (Teope, 2022).

Similarly, Franck (2012) found that women engage in informal businesses for autonomy, income, and work-life balance, influenced by both necessity and choice. Saibu et al. (2014) even argued that female-led enterprises outperform male-led ones in growth and job creation, contrasting with Tarfasa et al. (2016) and Kassa (2021). Furthermore, most entrepreneurs were married, supporting Wodajo et al. (2020) and Saibu et al. (2024), who associated marital status with enterprise success. Educationally, most respondents held bachelor's degrees, which

correlates with business success as shown by Pramono et al. (2021), and Teope (2022). However, Goedhuys and Sleuwagen (2000) argued that vocational training and basic education also influence entrepreneurial potential. Lastly, most MSE owners had small families (one to four dependents), aligning with Teka's (2022) observation that smaller family sizes contribute to better MSE growth outcomes.

### 3.2. Business Profile of the Respondents

Table 2 shows that sari-sari stores are the most common MSE type in Tagbina, comprising 49.1%, followed by carinderias and rental/leasing services, both at 12.7%. Most businesses have been operating for 1–3 years (42.4%), while 18.2% have been running for over 10 years, and 39.4% for more than 3 but less than 10 years. The majority are home-based (37.3%), with others operating from owned spaces (27.3%), rented spaces (17.6%), or as mobile/street vendors and other setups (4.8%). Most businesses are registered (84.1%), while 15.9% remain informal. Personal savings serve as the primary source of capital for 73.9% of owners, followed by microfinance (10.9%), government loans (6.7%), and others (0.6%). In terms of income, 29.1% earn below ₱5,000 per month, 26.7% earn ₱5,001–₱10,000, 23% earn ₱10,001–₱20,000, and 21.2% earn above ₱20,000.

**Table 2. Business Profile of the Respondents**

Characteristic	Variables	Frequency/Percentage
Business Type	Sari-sari store	81 (49.1%)
	Renting of leasing services	21 (12.7%)
	Carenderia	21 (12.7%)
Years in Operation	1 – 3 years	70 (42.4%)
	10 years or more	30 (18.2%)
	4 – 6 years	28 (17%)
	Less than 7 years	21 (12.7%)
	7 – 9 years	16 (9.7%)
Business Location	Home-based	83 (50.3%)
	Own space	45 (27.3%)
	Rented space	29 (17.6%)
	Market stall	3 (1.8%)
	Mobile or street vending	3 (1.8%)
Business Registration	Registered	138 (84.1%)
	Not registered	26 (15.9%)
Main Source of Capital	Personal Savings	122 (73.9%)
	Microfinance	18 (10.9%)
	Family	13 (7.9%)
	Government loan	11 (6.7%)
	Others	1 (0.6%)
Monthly Business Income	Less than 5, 000	48 (29.1%)
	5, 001 – 10, 000	44 (26.7%)
	10, 001 – 15, 000	35 (12.7%)
	15, 001 – 20, 000	21 (10.3%)
	More than 20, 000	17 (10.3%)

The study highlighted that SMEs in Tagbina place strong emphasis on strategic planning and Enterprise Risk Management (ERM), underscoring the importance of risk awareness for effective implementation (eds Fraser et al., 2021). Sari-sari stores (49.1%) are the most prevalent business type, followed by carinderias and leasing services (12.7% each), consistent with findings that retail and service sectors show higher growth (Fufa, 2015; Geleta & Talegeta, 2019; Wodajo et al., 2020). These enterprises thrive due to their adaptability, affordability, and

community relevance (Turgo, 2013). Most have operated for only 1–3 years (Malaluan, 2019; Bancoro et al., 2023), with a few exceeding 10 years, indicating rare but notable stability (Tarfasa et al., 2016), possibly due to lower rural competition (Willian & Jones, 2009, as cited by Musa & Ngugi, 2015). Many operate from home or owned spaces (Abebe, 2014), though roadside or commercial locations are seen as growth-enhancing. While 84.1% are registered (Fufa, 2015; Santos & Santos, 2019; Tarfasa et al., 2016), complaints about lengthy registration persist. Most owners rely on personal savings (73.9%) for capital (Santos & Santos, 2019; Abebe, 2014; Teka, 2022), with limited access to formal credit due to banking hesitancy and risk concerns (Kassa, 2021). Some borrow occasionally to sustain operations (Bancoro et al., 2023). Income remains low for most, with earnings under ₱5,000 per month, aligning with previous studies that show sari-sari stores often generate below ₱10,000 (Khan et al., 2020). Notably, lower incomes correlate with increased borrowing (Bancoro et al., 2023).

### 3.3 Challenges faced

Table 3 highlights the key challenges faced by micro and small enterprise (MSE) owners, with high competition (61.2%) as the most reported issue, followed by limited access to capital (32.7%) and low customer retention (20%). Other challenges include high operational costs (19.4%), strict local regulations (17%), poor financial management (12.7%), lack of technology adoption (11.5%), inadequate marketing (7.9%), limited skilled labor (6.1%), and others (2.4%). In terms of financial management, 90.3% rely on personal knowledge, with few depending on family (7.3%) or hired bookkeepers (1.2%). Additionally, 74.5% had not received any business training in the past two years, while 25.5% had, mostly on financial management (47.6%), followed by marketing and sales (23.8%), customer service (16.6%), regulatory compliance (9.5%), and others (2.4%). Notably, none received training on technological use. When asked about needed support, most cited financial planning (61.2%), marketing strategies (51.5%), and access to financing (30.3%), with lower demand for customer service (26.1%), legal compliance (17%), networking (8.5%), and tech training (6.1%). The Likert scale results show most respondents were unfamiliar with MSME laws. RA 11377 (Innovative Start-Up Act) had the highest unfamiliarity (44.8%), while RA 11494 (Bayanihan to Recover as One Act) had the highest "slightly familiar" response (22.4%). RA 9178 (Barangay Micro Business Enterprise Law) saw 24.8% neutral responses, and RA 7394 (Consumer Act) had the highest "somewhat familiar" (18.2%) and "very familiar" (17.6%) ratings. Finally, the result indicating that capability is "very much observed" suggests that MSEs are responsive to customer, technological, and industry changes—an essential trait identified by Harraf et al. (2015) as a success factor for organizations that must stay alert and adaptive to external shifts.

**Table 3. Challenges faced by the respondents**

Characteristics	Variables	Frequency/Percentage
What are the significant challenges you face as a micro and small business owner	High competition	101 (61.2%)
	Inability to access capital / financing	54 (32.7%)
	Low customer retention	33 (20%)
	High operation costs	32 (19.4%)
	Strict regulatory compliance from the local government	28 (17%)
	Improper managing of finances	21 (12.7%)
	Inability to adopt technological trends	19 (11.5%)
	Inadequate marketing and sales	13 (7.9%)
	Lack of skilled labor force	10 (6.1%)
	Others	4 (2.4 %)
How do you currently manage your business finances?	Personal Knowledge	149 (90.3%)
	Family	12 (7.3%)
	Outsource bookkeeper	2 (1.2%)
	Others	2 (1.2%)
Have you attended any business training or	No	123 (74.5%)

workshops in the last two years?	Yes	42 (25.5%)
If yes, what topics were covered in the training?	Financial management	20 (47.6%)
	Marketing and sales	10 (23.8%)
	Customer service	7 (16.6%)
	Regulatory compliance of the local government	4 (9.5%)
	Technology use	0
What kind of support or services would help you improve your business?	Others	1 (2.4 %)
	Financial planning and management	101 (61.2%)
	Marketing and sales strategies	85 (51.5%)
	Access to financing	50 (30.3%)
	Customer service management	43 (26.1%)
	Business registration and compliance	28 (17%)
	Networking opportunities	14 (8.5%)
Technology training	10 (6.1%)	
	Others	5 (3%)

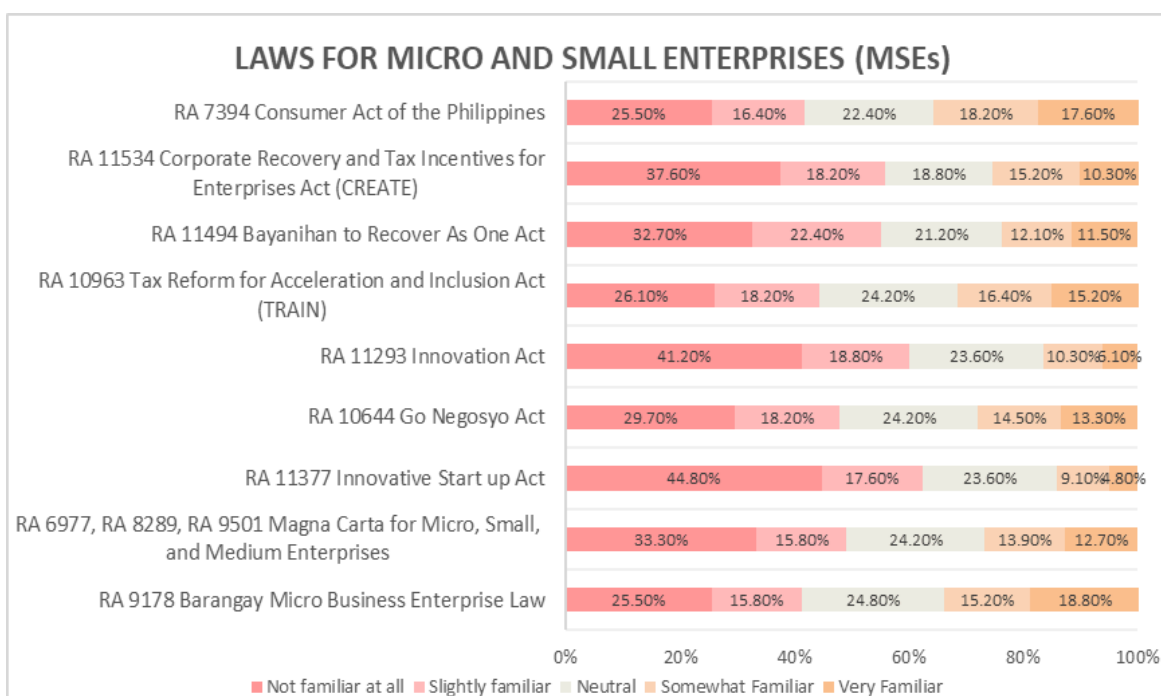


Figure 2. Graph of the level of familiarity of the respondents about the laws of Micro and Small Enterprise (MSEs)

Over half of the MSE owners in Tagbina identified high competition as their main challenge, followed by limited access to capital and low customer retention. High competition in rural areas stems from various factors, including location. Kassa (2021) found that firms near urban centers benefit from greater visibility and financial access, while remote ones face logistical issues (Kassa, 2021; Mersha & Ayenew, 2017). This environment can lead to early business closures (Kamunge et al., 2014). Additionally, MSEs face unfair competition from larger enterprises with better resources (Tshikovhi et al., 2023; Kassa, 2021). In contrast, Musa and Ngugi (2015) argued that rural competition may be lower due to fewer enterprises.

Most Tagbina business owners rely on personal knowledge for financial management, and many lack formal training. Those trained focused on financial management and marketing, which they identified as essential support

needs. This aligns with Forijati et al. (2022), who emphasized the impact of personal knowledge on business strategy and knowledge management. Financial literacy is widely recognized as crucial for business sustainability (Benedict et al., 2021; García-Pérez-de-Lema et al., 2021). Overall, entrepreneurial training is key to improving MSE performance (Kassa, 2021; Tarfasa et al., 2016; Santos & Santos, 2019). Respondents were unfamiliar with MSME-related laws and programs in the Philippines. This contrasts with Balaria et al. (2020), who found that MSMEs in Nueva Ecija knew of the Magna Carta for MSMEs, BMBE Act, and Go Negosyo Act.

#### 4. Conclusion

This study aimed to assess the socioeconomic conditions of micro and small enterprises (MSEs) in Tagbina, Surigao del Sur, focusing on demographic and business profiles, challenges, and familiarity with MSME laws using a descriptive survey method. Among 165 MSE owners, most were female (79.4%), aged 50 and above (35.8%), married (77%), with bachelor's degrees (32.1%), residing in the población (71.5%), and had one to two dependents (44.2%). The majority owned sari-sari stores (49.1%) operating for 1–3 years (42.4%), based in their homes (37.3%), and registered (84.1%). Personal savings (73.9%) were the primary capital source, and many earned below ₱5,000 monthly (29.1%). High competition was the leading challenge, with most lacking formal business training (74.5%) and relying on personal knowledge (90.3%) for financial management. Training needs centered on financial planning, marketing, and sales. Notably, none were familiar with MSME-related laws. These findings support the development of targeted extension programs and policies aligned with the UN's Sustainable Development Goals. They highlight the critical role of HEIs like North Eastern Mindanao State University (NEMSU) in community development through extension services (Quezada, 2014). This study provides baseline data for crafting responsive support programs for MSEs and urges further research into the socioeconomic determinants affecting enterprise growth to enhance the effectiveness of community interventions.

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