FINANCIAL MANAGEMENT

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One common problem among teachers nowadays is falling into the trap of never ending burden of loans. As they say it, their salary can be compared to onion, once it is divided, tears would begin to fall.

Like some government employees, a lot of teachers can hardly make both ends meet especially those with extended family members in their household. With lots of mouth to feed and lots of needs to meet, oftentimes they fall into the hands of informal lenders. However, there are others who had less obligation but still fall into the same dept. trap, that is because, they live beyond their means. They buy things they really don’t need and trying to ride with the trendiest fashions and gadgets.

Though President Duterte’s promise to increase salaries of teachers was laudable, it is still far from the horizon, because they will have to wait until year 2020. Moreover, they continue to find other means of income like accepting tutorial jobs to augment their salaries.

Although there are formal lenders available such as cooperatives, community based micro lending institutions and banks, which offer much lower interest rates, one could not help but shy away from them because of the requirements to fulfill before they could avail a loan.

Easy money comes at a price. Informal lenders, oftentimes called, loan sharks, offer readily available cash but at a much higher interest rate, commonly 20%. Although other informal sources are available and without interest like those from friends and
relatives, sometimes they run out of options as they are unable to pay most of them on time thereby making themselves blacklisted as borrowers.

In both instances, the need for financial literacy enters in order to educate the teachers on balancing the needs with their available income. They must be equipped with the proper knowledge of budgeting in order to suppress their tendency to go beyond limits. A program to implement financial literacy must be made available to all teachers under the supervision of a financial guru. Freeing the minds of teachers from loan obligations and other financial burdens would enhance their effectiveness as teachers, thereby improving the quality of education.

References:
