Often people say that there’s no money in teaching, an expression rooted either from low salary of teachers or lack of financial literacy among teachers to manage their finances effectively. The proposal for financial literacy program for teachers arouses from various concerns regarding the financial capability of teachers in the Philippines which focuses on money management, lowering of debts and the ability to plan ahead.

The indebtedness of most teachers may be due to the ease of borrowing. Teachers may even apply for a personal loan without collaterals and even does not entail any group pressure to pay. Moreover, teachers may just simply lack the appropriate financial literacy such as unreasonable spending for a holiday, buying personal items, or spending for a party. Many had ended up with multiple loans. The contagion of borrowing in a chummy setting like teaching, is also an important driver. One teacher borrows, learns about the lending institutions and the contacts, transmits these to her co-teachers, and soon, the rest are on a borrowing streak.

On a study conducted by Ferrer (2018), the capability of public school teachers to manage their finances is far from what is desired and expected, and significantly reflects the negative trend on financial capability of teachers nationally. Some factors gathered from his study are the teachers’ deficient money management skills, failure to conduct financial planning, and inadequate knowledge on basic financial concepts as reflected on their financial literacy quiz. The Department of Education recognizes these opportunities that led them to conduct financial literacy training with teachers is some places. Integrating financial education in the teacher education curriculum and training for in-
service teachers can be effective as a way of empowering professionals for more wealthy and prosperous future.

According to Bangko Sentral ng Pilipinas (2015), the Philippines has a financial literacy problem where most Filipino adults could not answer a financial literacy quiz correctly, the same quiz given to group of public school teachers held in a conference. The quiz include basic numeracy, computing of compound interests, fundamentals of inflation, and investment diversification. In addition, the study shows that more Filipinos lack specific knowledge when making financial decisions. The decision-making skills of Filipinos when it come to money suggested to began from childhood to adulthood. Those who began saving as children display better attitudes and financial habits to saving, spending, buying products and services, monitoring expenses and planning for retirement including insurance benefits.

Financial literacy among people helps them make better financial decisions which affects their involvement to diversified investments and they are more competent in managing debt. The promotion of greater awareness and understanding on the essential economic and financial issues helps Filipino public acquire the correct knowledge and develop the skills regarding economic and financial decisions.

References:

Ferrer, Jerick C. Financial Capability of Public School Teachers in the Philippines. EDUCARE: International Journal for Educational Studies, August 2018