THE VITAL ROLE OF FINANCIAL LITERACY AMONG TEACHERS

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Lack of knowledge when it comes to managing finances effectively is risky because it may result into financial issues such as financial pitfalls. It is a very serious issue among Filipino workers and employees, most especially those public school teachers who get loans from different lending institutions such as Government Service Insurance System (GSIS) and Pag-IBIG Fund, resulting to high level of debts and interests.

The Department of Education had released a data that around 23,000 teachers did not receive their pension during their retirement because of the unpaid debts. The teachers also have a liability of P173 billion worth of loans from private institutions and P123 billion credits to GSIS alone. These show that financial loans and debts of public teachers are increasing and it is a serious matter to deal with.

It is evident that it is important to have a financial literacy for teachers. Financial literacy refers to the knowledge on how to manage finances wisely and there are skills acquired from it that can help people to calculate the money they are spending, the money they borrowed and how much savings they already have. It also helps people in controlling their expenses and prioritizing the most important expenditures.

Kristina Zucchi (2017) said that financial literacy is crucial to help ensure consumers save enough to provide adequate income in retirement while avoiding high levels of debt that might result in bankruptcy and foreclosures. She also added that those with low financial literacy borrow more, have less wealth and end up paying unnecessary fees for financial products. In other words, those with lower financial literacy tend to buy on credit, and are unable to pay their full balance each month and end up spending more on interest fees.
This statement of Zucchi was exactly the problem of the public school teachers and according to the DepEd Secretary Leonor Briones, the number of teachers who are losing their licenses are increasing because of failing to pay their debts and there are also several teachers who are filed administrative cases by different private lending institutions.

Due to this serious dilemma, it is important to have seminars for teachers that tackle about financial literacy. As teachers, they must also be educated when it comes to the possible perils of having loans and unpaid debts to different PLIs. By these seminars and symposiums, deduction from their salaries will be avoided and they would not suffer from unpaid financial debts that may lead to more serious predicaments between them and different lending institutions.

Being literate of managing finances has a long-lasting impact for everyone. Handling money wisely is a great asset to have a better living because there would be no huge debts that will distress people and a case of estafa will be avoided. It also secures future living because if teachers are not buried in debts, they would be receiving their pension on their retirement. It is not easy to manage finances, but with better knowledge by having financial literacy, burdens can be eased immensely.

References:

