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Financial Management Practices of Public Secondary School Teachers in IGACOS Division: Basis for Intervention Program

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A B S T R A C T

Financial management practices are believed to be a concern for many teachers, significantly impacting their performance at work. However, the full extent of teachers' financial management practices has not been thoroughly explored. This study aimed to assess the extent of financial management practices among teachers in IGACOS Division and examine any significant differences in these practices across different school categories. Through purposive sampling, 156 public secondary teachers were selected as respondents. The descriptive survey method was utilized, and data were analyzed using Mean and ANOVA. The results revealed that the extent of financial management practices among teachers was moderately extensive. Specifically, saving practices and debt management were found to be moderately extensive, while expenditure and investment practices were less evident. Furthermore, no significant difference was found in the extent of financial management practices when analyzed by school category. This indicates that teachers from various school categories, including big, medium, and small schools, did not differ significantly in their financial management practices. Based on these findings, it is suggested that higher officials in the Department of Education, school principals, and teachers collaborate to enhance and strengthen teachers' financial management practices. This collaborative effort could help improve teachers' financial well-being and ultimately enhance their performance at work.

Keywords: Financial management practices, descriptive research, ICAGOS Division, Philippines

Introduction

Saving money is widely recognized as the most popular financial management practice (Azer & Mohamad, 2018). Utilizing effective financial management techniques can contribute to individuals' overall well-being and enable them to plan for their future security. According to Mien and Thao (2015), financial management practice encompasses an individual's behaviors and perceptions regarding their success in managing finances, with financial literacy often leading to more informed decision-making. However, comprehensive financial knowledge is often lacking among individuals (Azer & Mohamad, 2018).

In the USA, even teachers with relatively high salaries can face financial challenges due to the escalating cost of living in certain areas. For instance, in San Francisco, despite their higher incomes, 85 percent of teachers reported feeling frequently or sometimes anxious about their financial situation. Additionally, one-fifth of surveyed teachers hold second jobs to supplement their income (Schwartz, 2018).

Similarly, in Kenya, Bosire et al. (2019) found that 67% of teachers have not fully embraced standard financial management practices, suggesting that many may encounter difficulties in managing their finances. In a study on the financial status of elementary teachers, Deng, Chi, Teng, Tang, and Chen (2013) cited by Gumahad and Rodriguez (2017) emphasized that experts in investment and financial management often highlight ignorance as the greatest risk in financial management and investment (Bayocot, 2014; Gumahad & Rodriguez, 2017).

In the Philippines, particularly in Bulacan, public school teachers face significant financial challenges, frequently grappling with financial difficulties. They often resort to various loans from government agencies, private lending institutions, and individuals, leading to persistent financial problems (Oliva, 2019). Abaya et al. (2021) corroborated this, noting that public school teachers, often perceived as second-class citizens among government employees, are burdened by substantial debts. Teachers, being part of the better-educated segment of the Filipino community, are deemed particularly susceptible to accumulating large debts.

In the local context, it has been noted by the researcher that a significant number of teachers in public schools, both at the elementary and high school levels, are heavily reliant on loans. Moreover, some teachers find themselves burdened by multiple loans for various reasons. These observations align with the data released by the Department of Education, revealing that the collective debt of public school teachers nationwide has soared to a staggering P300 billion (Reysio-Cruz, 2019). Specifically, it was reported that teachers had accumulated P178 billion in loans from private lending institutions and P123 billion in credit from the Government Service Insurance System (GSIS) as of 2016 (Mateo, 2017). The Secretary of Education attributed this alarming debt to a lack of discipline in personal financial management among teachers and a tendency to resort to borrowing from loan sharks (Jabar & Delayco, 2021).

Given these circumstances, the financial management practices of teachers are being called into question. Zarate (2015) corroborated this, noting that financial struggles are a common issue among public school teachers. While there have been previous studies on financial management practices in the Philippine context, such as those conducted by Oliva (2019) and Abaya et al. (2021), which focused on the financial management of public school teachers, there has yet to be a study specifically examining teachers' financial management practices in the local setting. Therefore, the researcher embarked on a deeper exploration of financial management practices among teachers, aiming to develop an intervention program to enhance teachers' financial management skills.

This section delves into the theoretical framework that underpins the study, incorporating various theories that guide its direction. These theories include the Financial Literacy Theory proposed by Widdowson and Hailwood (2007), the Cognizance Theory by Evidente and Dilag (2021), and the Change Theory by Friedman (2005).

The first theory, known as the Financial Literacy Theory by Widdowson and Hailwood (2007), emphasizes the importance of a sound understanding of financial concepts. According to Widdowson and Hailwood (2007), a high level of financial literacy can lead to effective budget management, prudent investment decisions, appropriate debt levels, a comprehensive understanding of complex financial products and services, increased financial wealth, informed risk-return decisions, and an enhanced standard of living. In the context of this study, the Financial Literacy Theory underscores the significance of how financial management should be approached and practiced. It emphasizes the importance of budget management and responsible debt repayment in managing teachers' financial affairs (Ecija, 2020).

Another theory supporting this study is the Cognizance Theory proposed by Evidente and Dilag (2021). This theory emphasizes that possessing explicit knowledge of financial management practices, along with intrinsic attributes and personal drive, combined with authentic decision-making, enables individuals to become proficient in budgeting in real-world scenarios. In the context of this study, a teacher who fulfills all financial obligations demonstrates effective financial decision-making, highlighting the importance of teachers being capable of making sound financial decisions.

The final theory anchoring the study is the Change Theory proposed by Friedman (2005). In applying this theory to financial management, individuals first need to recognize the necessity for change. They must then abandon their existing methods of financial decision-making by unfreezing these patterns. The change process involves learning the fundamental principles of financial management. Once these principles are taught and internalized, the final step of refreezing occurs to solidify the newfound behavior. Throughout this three-step process, it is crucial to teach the new concepts in a manner tailored to the individual's needs.

It is crucial for individuals of all age groups, including teachers, to possess the ability to make sound financial decisions, especially in the aftermath of financial crises. As highlighted by Gumahad and Rodriguez (2017), teachers' academic progression, skills enhancement, and professional development endeavors significantly contribute to fulfilling and fruitful teaching experiences. Demonstrating effective financial decision-making is essential for individuals across all age brackets. For instance, someone who consistently pays off their credit card balance each month due to an understanding of the repercussions of high interest rates and debt exemplifies prudent financial management. The factors and life experiences influencing individual financial decision-making vary and evolve throughout the lifespan.

Methodology

Research Design

This study employed a quantitative research approach, specifically descriptive research. The primary goal of quantitative research is to enhance knowledge and comprehension of the social world. Researchers utilize quantitative methods to observe situations or events that impact individuals. This type of research yields objective data that can be effectively communicated through statistics and numerical figures (Williams, 2021).

Descriptive research, on the other hand, is utilized to depict the current status or circumstances of the factor under study. Researchers employing this method typically do not start with a hypothesis but develop one after gathering data. Variables are not manipulated in descriptive research, and researchers do not utilize the law of probability. Survey research with extensive datasets falls within this design category. In descriptive research, the researcher lacks control over the variables in the study and aims solely to describe the nature of the variables involved (McCombes, 2023).

For this study, a quantitative research approach, specifically descriptive research, was deemed most appropriate as it solely focused on exploring the financial management practices of public secondary teachers. Additionally, it aimed to identify an intervention program to strengthen the financial management practices of public secondary teachers.

Research Respondents

The study included 156 public secondary teachers from selected schools in the IGACOS Division as respondents. The determination of the sample size was based on the recommendation of Statistic Solutions (2020), which suggests that for a one-way ANOVA testing differences on one independent variable with two groups, a sample size of 128 is needed, similar to the independent samples t-test. The sample size depends on the number of groups in the independent variable, and for an independent variable with 3 groups, 156 respondents, or approximately 52 per group, were deemed appropriate.

Since the respondents were classified into three groups based on school category, 156 respondents were selected, with each group having 52 representatives.

Purposive sampling was employed in selecting the respondents. This non-probability sampling method is chosen based on the characteristics of the population and the study's objectives. Unlike convenience sampling, purposive sampling is also known as judgmental, selective, or subjective sampling. It can be particularly useful when a targeted sample needs to be reached quickly, and sampling for proportionality is not a primary concern (Crossman, 2020).

Regarding the inclusion and exclusion criteria, all public secondary school teachers in the IGACOS Division were given equal opportunities to participate in the study. However, teachers from private schools and those outside the IGACOS Division were not considered. The study ensured that each school category (small, medium, and large) was adequately represented. Participation in the study was voluntary, and respondents had the right not to participate or to withdraw at any time. To maintain confidentiality and prevent discrimination, respondents were given the option not to disclose their names in the questionnaires, and their responses were treated with strict confidentiality.

Research Instruments

This study utilized an adapted questionnaire. The instrument was about the financial management practices of teachers. It enlightened the direction of the study.

The study made use of an adapted research questionnaire from Bosire et al. (2019). Items were modified to suit to the needs of the present investigation. The survey consists of 34 items. There are 8 items for use of savings practices, 9 items for use of expenditure practices, 9 items for use of investment practices, and 7 items for debt practices. Respondents rated the items on a 5-point Likert scale, ranging from strongly disagree to strongly agree. Each statement elicited the respondents' perception on the financial management practices. The alpha coefficient for the 34 items was .78, suggesting that the items have relatively *high* internal consistency. The questionnaire was modified, refined, and contextualized to the local setting. For construct validity, there were expert validators who evaluated the contents of the questionnaire.

Table

Table 1

Summary on the Extent of Financial Management Practices

No	**Financial Management Practices**	**Mean**			**Overall**	**Descriptive Equivalent**
		Big	**Medium**	**Small**		
1	Use of Savings Practices	3.30	3.30	3.34	3.31	Moderately Evident
2	Use of Expenditure Practices	2.31	2.33	2.35	2.33	Less Evident
3	Use of Investment Practices	1.90	1.92	1.97	1.93	Less Evident
4	Debt Practices	3.30	3.30	3.33	3.31	Moderately Evident
Overall		**2.70**	**2.71**	**2.75**	**2.72**	**Moderately Evident**

Table 1 provides the summary on the extent of financial management practices. It is exhibited that the overall mean of financial management practices is 2.72, which is in a moderately evident level. Of which, small schools category has an overall mean of 2.75, medium schools category has an overall mean of 2.71, and big schools category has an overall mean of 2.70. This means that the extent of financial management practices is sometimes evident.

Data show that all four (4) indicators have varying results ranging from less evident to moderately evident level. As arranged chronologically, use of saving practices and debt practices have the highest mean score (3.31). This is followed by use of expenditure (2.33), and use of investment (1.93).

This outcome suggests that some teachers exhibit responsible financial behavior by actively participating in saving practices and managing their debts effectively. However, the lower mean score for expenditure practices indicates a less extensive adoption, and the lowest mean score for investment practices reflects a less extensive implementation. These findings indicate a need to further promote and support teachers' financial management practices, especially in the areas of expenditure and investment, to equip them with essential financial knowledge and skills.

The moderately extensive outcome for financial management practices aligns with the World Bank's revelation (2015) that public-school teachers, often considered second-class citizens among government employees, are burdened by substantial debts. Teachers, being part of a more educated segment of the Filipino community, are believed to be particularly susceptible to accruing significant loans. Additionally, Montalbo et al. (2017) asserted that both professional and pre-service teachers in the country possess very low levels of financial literacy.

Similarly, Bosire et al. (2019) revealed that despite advocacy from personal finance experts and educators for standard financial management practices, research indicates that many individuals have not embraced their use. Zarate (2015) emphasized the importance for teachers to lead balanced lives in order to inspire others. A balanced life includes knowing how to set priorities, which implies living within one's means by consciously examining values and establishing boundaries. Furthermore, Hernandez (2013) underscored the necessity for teachers to exert significant effort in becoming effective, efficient, and financially stable.

Table 2

Significance of the Difference in the Financial Management PracticesWhen Analyzed by School Category

Variable	**Category of School**						*t-stat*	*P value*	*Sig.*	*Decision on Ho*
	Big School		Medium School		Small School					
	Mean	*D.E*	*Mean*	*D.E*	*Mean*	*D.E*				
Financial Management Practices	2.70	VE	2.71	VE	2.75	VE	2.74	0.00	Significant	Reject

Table 2 exhibits the significance of the difference in the financial management practices when analyzed by school category. As to the overall mean, it shows the result of each category is as follows: the small school category has a rating of 2.75 or moderately evident, medium school category has a rating of 2.71 or moderately evident, and big school category has a rating of 2.70 or moderately evident. It has a t-value of 2.74 and p-value of 0.00 lower at the 0.05 level of significance, thus the null hypothesis is rejected.

Therefore, the computed t-value for the financial management practices of the respondents revealed to be not significantly different when analyzed by the category of school. The results of the analysis of financial management practices among teachers when categorized by school category show that there is no significant difference in the extent of financial management practices across small, medium, and big schools. The implication of these results is that, regardless of the size of the school they are in, teachers generally exhibit similar levels of financial management practices. These findings highlight that the extent to which teachers manage their finances does not significantly vary based on the size of the school they work in.

The outcomes of the present study contradict the findings of Jabar and Delayco (2021) regarding financial literacy among teachers in both public elementary and secondary schools. Their study suggested that teachers exhibited a low inclination towards impulse buying, generally displaying a contemplative approach and avoiding hasty credit card purchases, indicating a lesser susceptibility to impulse buying. Additionally, the results diverge from the research conducted by Barbić et al. (2019), which identified teachers as possessing self-control in spending, planning for the future, and seeking information, all of which were considered predictors of favorable financial behaviors.

Moreover, the results echo those of Bosire et al. (2019), which unveiled that only 33% of the sampled teachers adhered to standard financial management practices, with 30% occasionally utilizing these practices and 37% abstaining altogether. This implies that a significant proportion of teachers (67%) have yet to fully adopt these standard practices in managing their personal finances. The implication is that many teachers may encounter challenges in their financial management, either due to a lack of understanding regarding the importance of these practices or due to potential underlying factors influencing their financial behavior.

Intervention Scheme

I. Title: Strengthening the Financial Management Practices of Teachers

II. Rationale

The researcher's study uncovered that there was no notable variance in the financial management practices among teachers within the IGACOS Division. It was found that teachers across all school categories exhibited a moderately extensive level of financial management practice. Consequently, there is a collective need for collaboration among DepEd officials, school administrators, and teachers to pinpoint specific initiatives that could form part of a well-structured intervention program, taking into account the various indicators of financial management practices.

III. Program Overview

The activities and initiatives within the intervention program are designed to elevate and refine the current practices of teachers in the IGACOS Division. The goal is to promote financial literacy among teachers, thereby enhancing their financial management skills. Additionally, the program seeks to cultivate genuine awareness among all teachers who may have financial concerns.

ACTION PLAN FOR STRENGTHENING THE FINANCIAL MANAGEMENT PRACTICES OF TEACHERS

Indicators	Objectives	Strategies/Activities	Success Indicators
Use of Saving Practices	To equip teachers with varied saving tips. To inform teachers of varied agencies or institutions that would help them to save.	Trainings and seminars for selected teachers about effective savings techniques. Invite varied institutions that have offered big interest on savings/	100% of the selected teachers/ participants gains in-depth learning about varied forms of saving techniques and strategies. 100% of the selected teachers/participants get informed of institutions that have enticing offer to teachers about savings interest.
Use of Expenditure Practices	To equip teachers of effective spending and budgeting techniques To inform teachers of other means of augmenting their income to address their spending and budgeting concerns.	Trainings and seminars for selected teachers about effective spending and budgeting techniques Trainings and seminars about parttime teaching jobs.	100% of the selected teachers/ participants gains in-depth learning about varied forms of effective expenditure practices. 100% of the selected teachers/participants get informed of other means of augmenting their income which are still relevant to teaching.
Use of Investment Practices	To inform teachers of legit investment institutions	Trainings and seminars for selected teachers regarding investment. Invite varied investment institutions offering their services/products.	List of legit investment institutions. Maximum participation of teachers to get involved in investment.
Debt Practices	To equip teachers with effective debt management practices	Trainings and seminars for selected teachers focusing on development of debt management practices	Maximum participation of teachers in strengthening debt management practices.

Conclusions

Based on the findings of this study, the following conclusions were offered:

The degree to which teachers engage in financial management practices is occasionally apparent, particularly in terms of saving and debt management. Conversely, the utilization of expenditure and investment strategies is less frequent. This indicates that the extent of financial management practices among teachers varies across different dimensions. Overall, teachers' financial management practices are intermittently observed.

Furthermore, the findings suggest that there is no significant disparity in financial management practices when considering school category. This implies that teachers from schools of varying sizes—whether big, medium, or small—exhibit similar levels of financial management practices, as indicated by a p-value of .000, which falls below the .05 threshold of significance, leading to the rejection of the null hypothesis.

Recommendations

The following suggestions were offered based on the conclusions of the study:

Officials within the Department of Education have the opportunity to revise existing policies and initiatives aimed at bolstering teachers' financial management practices. They can develop concrete measures to address teachers' concerns regarding savings, expenditures, investments, and debts.

Similarly, school principals can play a crucial role in identifying programs and activities tailored to enhance teachers' financial management skills. By addressing the specific challenges faced by teachers in managing their finances, principals can collaborate with financial experts, cooperatives, and private lending institutions to promote financial literacy and strengthen practices.

Teachers themselves can explore avenues to supplement their income, recognizing that various aspects of financial management, such as savings, expenditures, investments, and debt repayment, are often influenced by their earnings. Moreover, they can enhance their financial literacy by participating in seminars, webinars, and training sessions focused on financial matters.

For future researchers, this study can serve as a paradigm model. They may conduct further investigations to delve deeper into the nature of teachers' financial management practices, utilizing qualitative research methods or mixed-method approaches to gain a comprehensive understanding of the subject.

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