



# Recreating Financial Literacy of Private Secondary School Teachers

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## Abstract

The study examined the personal financial activities of private secondary school teachers in selected municipalities of the 4th congressional district of Quezon in the Philippines. A descriptive quantitative research design, cluster sampling, and a researcher-made survey questionnaire collected online were all used in the study. Data focused on the financial knowledge, financial behavior, and financial attitude of the respondents. It employed both descriptive and inferential statistical methods. The theories of human capital, self-efficacy, goal-setting, and the financial literacy modelled this study. The majority of respondents are female-married, young professionals teaching either English or Social Sciences holding a permanent position as Teacher I with less than five years of service. An increase in saving found an association in the field of specialization. A weak positive association exists between basic good financial practices and the building of financial safety nets. Data from a survey showed that significant number of respondents are vulnerable to financial distress. Moderation of financial practices and literacy is an indication of poor financial management. Data attest the need to take steps and intervene through financial training and education to recreate the existing method of treating resources.

**Keywords:** *financial literacy, financial knowledge, financial behaviour, financial attitude, financial safety net*

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## 1. Introduction

Financial literacy is a global concern for a long time as more sectors of the society face financial difficulties. For instance, only 25 percent of Filipinos are financially literate (Laurus Enterprises, 2018). Over 75 million have no idea about insurance, inflation, and even the mere idea of savings accounts (Bangko Sentral ng Pilipinas, Financial Inclusion Survey, 2019). Financial literacy is significant causes Filipino are struggling with money (National Economic and Development Authority-Caraga, n.d.). Only 80 percent of the Filipino middle class are working with only 36 percent save regularly every month while 51 percent only save when they can, and 10 percent of it is consciously saving up for retirement (Villafuerte, 2015).

Private secondary school teachers are the best subject of financial literacy study today; it is relevant in this time of pandemic to catch learning for everyone and be ready for other possible financial struggles at any time comes. In a news report in the Philippines on May 22, 2020, the Senator Ralph Recto was quoted, "*about 330,000 teachers in private schools will be financially impacted, with either pay cuts or loir pay in the case of those paid per lecture hour,*" which was further elaborated by the secretary of the Department of Education, Secretary Leonor Briones that "*the income of around 263,000 teachers in private-run elementary and high schools are affected when classes were suspended due to the lockdown measures*". The news and statistics figured out that about 400 small private schools shut down due to sudden changes in learning environments. This is because almost 380,000 basic education students from private learning institutions migrated to public schools. The enrolment hit 73%, an all-time low enrolment record in the Philippines' private schools sector. Some private school teachers are forced to go outside of their homes to earn a living, even having a high threat of being infected with COVID-19 viruses.

The footprints of financial problems impact personal economic capability and the psychological aspect of the concerned individual. That effect must be corrected to become the smart decision-maker and visualize the most important purpose of each scarce resource. Aside from academia, teachers can become role models to the students and help them become fiscally and socially responsible citizens. A person with good financial sense will be better at planning in finance, particularly teachers who are vital contributors to society's development (Surendar & Sarma, 2018).

The income through salary of private secondary school teachers is greatly affected by the size of enrolment. Although they have the security of tenure and entitled to compensation and benefits as mandated by law, most private schools, particularly in the provinces, have not enough resources to provide such benefits without a sufficient number of enrollees. Unlike the case of public school teachers who continuously receive compensations and benefits, private schools are even forced to shut down due to unexpected events such as the pandemic. In this context, private secondary school teachers are the best subject of financial literacy study today; it is relevant in this time of pandemic to catch learning for everyone and be ready for other possible financial struggles at any time comes.

This study seeks to examine the personal financial activities and performance of private secondary school teachers in selected municipalities of the 4th congressional district of Quezon in the Philippines. It specifically determines the level of financial practices in terms of savings, credit, spending, investment and time value of money. It also assesses the financial literacy on building financial safety net in terms of debt management, emergency fund, health insurance, disability insurance and life insurance. It tests the following hypotheses:

Ho1: There is no significant difference in the basic good financial practices when grouped according to demographics

Ho2: There is no significant difference in the respondents' financial literacy with their building of financial safety net when grouped according to their demographics

Ho3: There is no significant relationship between respondents' financial literacy on building a safety net and their basic good financial practices

## **2. Literature review**

### ***2.1 The concepts of Financial literacy***

According to Sabri (2011), financial literacy involves knowing and understanding the often-complex spending, saving, and investing principles. Financial literacy also is the ability to use knowledge and skills to manage financial resources effectively. It is an essential skill, increasingly seen as important to the long-term well-being of individuals. In the study of Huston (2010), financial knowledge was emphasized as an integral dimension of, but not equivalent to, financial literacy. It was also stressed that the construct of financial literacy comprises two main

elements, its understanding and use, and four primary content areas—basic personal finance concepts, the borrowing, building, and protection of income and assets.

The issue of how people learn and use financial literacy has received much less attention. One in three adults worldwide understands basic financial concepts, making it clear that billions of people are unprepared to deal with rapid changes in the financial landscape (Hasler & Lusardi, 2017). In the study of Huston (2009) as cited by Dwiastanti (2015), financial literacy tests how well a person can comprehend and use information relevant to finance. A recent study strengthens the previous research as Lusardi (2019) emphasizes that financial literacy is an essential predictor of people's capacity to make financial choices. Relatively, Clements (2018) categorizes individuals as: budgeters, actives, reactive, and spenders.

Financial literacy levels tend to differ; empirical studies considered social status and values. Studies of Bhushan and Medury (2013) and Monticone (2010) as cited by Muizzuddin et al. (2017), agreed that factors influential to financial literacy level are demographic characteristics such as gender, education, cognitive skills, family history, wealth, time preferences, income, nature of employment, and place of work. Other researches clarified that personal factors, such as intelligence and cognitive ability, social and economic, can determine a person's financial literacy and financial conduct. As analyzed in the S&P Global Financial Literacy Survey, financial illiteracy is widespread, but it is particularly pronounced among women. Comparing the study results conducted by Lusardi and Mitchell (2013), financial literacy increases with age but declines at old age. Furthermore, the study of Potrich et al. (2015) discovered women have lower financial literacy levels than males, financial literacy is higher among adults in the middle of their life span and lowers among young and older adults, and singles are marginally more likely to have weak financial literacy than married people and people who have a low level of financial literacy are more likely to make poor financial decisions. The same findings were revealed in the research conducted on financial literacy for the professional and pre-service teachers in the Philippines. One-third of male professional teachers passed the basic financial literacy survey; women had inadequate information to make sound financial decisions (Montalbo et al., 2017). Ward and Lynch (2018) prove that initial financial role assignments in couples may be unrelated to ability, but fulfilling these assignments contributes to developing financial expertise in a long-term relationship. Relatively, in the study of Sabri (2011), male college students have higher financial literacy levels than their female

peers, that undergraduate business majors were more financially literate than non-business majors, and more educated families scored better than less educated backgrounds.

Johan et al. (2020) asserts that financial education may impact financial capacity. Likewise, Mbarire and Ali (2014) found that level of education matters for the level of financial knowledge while Al-Tamimi and Bin Kalli (2009) found that individuals who worked in the field of finance/banking or investment displayed higher levels of financial knowledge than those in other occupations. The study of Chen and Volpe (1998) and Shaari et al. (2013), as cited in the study of Komora et al. (2019), found that non-accounting majors are more likely to be less knowledgeable about personal finance than business majors, particularly in finance and accounting. The study of Potrich et al. (2015) revealed that students in the economics, administration, and accounting courses had a higher degree of financial expertise, and it found that those individuals who took the specialization near to business and administration have a higher tendency to save money. Johan et al. (2020) strengthen the arguments that students who took a personal finance course were statistically significant in starting savings long before a major event and regularly putting money away for savings. The same thing found individuals with longer labor experience have higher financial literacy because of greater familiarity with economic and financial subjects. The study of Potrich et al. (2015), also proved that people with more labor expertise encounter a greater range of financial circumstances, acquiring more insight and promoting the study of more complex facts and providing a foundation for decision-making. Moreover, Kartikasari and Muflikhati (2016) found that family sizes have a significant negative effect on the family's financial management. Similarly, the study of Potrich et al. (2015) individuals with one child are less likely to have poor financial literacy rates than people with two or three children. However, Mbarire and Ali (2014) found no significant relationship between occupation status and levels of financial literacy regardless of occupation status.

## ***2.2. Financial literacy and financial concepts***

Azmi and Ramakrishnan (2018) show habits as one of the variables contributory to financial fulfillment in the most beneficial way. Financial satisfaction depends on people's ability to manage and control their finance to improve their financial decision-making and financial status. Previous studies shown financial experience with a positive relationship to financial behavior. Similarly, people's financial awareness makes the most attractive conduct in expenditure activities to avoid financial difficulties. Inadequate financial literacy or awareness

will have adverse effects on individuals, such as low money savings when they need some money to meet their needs in crucial financial situations, which will cause them trouble. Solomon (2017) states that people often forget that spending habits might include spending a lot of money right after getting paid.

Investment and Time Value of Money (TVM) is co-existing elements in financial undertakings. The International Financial Reporting Standards (2011) defines investment as funds obtained from one or more investors to provide those investor(s) with investment management services commits to its investors whose business purpose is to invest funds solely for returns from capital appreciation. The principle of compounding is at the heart of investing and is vital concerning value saved. Financial literacy has been proven to affect saving and investment behavior and debt management and borrowing practices. Financial literacy is associated with higher returns on investments and investment in more complex assets, such as stocks. Several studies have documented that those who have higher financial literacy are more likely to appreciate the power of compounding interest (Lusardi, 2019). However, inflation lowers the value of currency over time on the time value of money. According to Tyler (2017), money tends to have differing degrees of purchasing power at different times. Stagnant money loses its value because of opportunity cost. Mctish (2020) explains that TVM is the basis behind compound growth.

### ***2.3. Financial literacy and financial safety nets***

According to Villafuerte (2018), the life expectancy in the Philippines is 71.66 years. While it is a fact that nobody knows when they will die, it is safer to be healthy in certain situations than to be sorry. Adams (2011) explained an individual should never go without financial safety nets, which include debt reduction, accumulation of emergency funds, adequate insurance, and investing. To enable oneself to be as financially successful and secure as possible, people have to spend time putting their financial safety nets.

*Debt reduction.* Debt reduction makes financial distress lessen the burdens. According to Ong et al. (2019), the effect of chronic debt on the poor is psychological and not just physical. Lusardi (2019) explains that more financially literate people are less likely to have credit card debt. Individuals with higher degrees of financial literacy are often more likely to refinance their mortgages if it makes sense. Young people are also struggling with debt, particularly student

loans; when asked what they would do if they had an opportunity to rethink their student borrowing decisions, almost half of the millennials suggested making a different decision.

*Emergency funds.* Emergency funds are a buffer fund that supports financial requirements in a sudden occurrence of expenditures; at least 3 to 6 months of monthly salary should be accumulated in the bank. Five percent of salary should be for this fund every month until it reaches the target. Financial literacy is closely associated with a better capacity to deal with disaster costs and weather income shocks. Many financially literate are more likely to be able to pay emergency expenses (Lusardi, 2019).

*Insurance.* Insurance for health, disability, and life are forms of financial safety nets that protect someone if incapacity comes in. Insurance is defined as “*a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder*” (IFRS 17, 2017, Key Definition, para. 1). Insurance is another dimension of the financial safety net which is also critical channel to mitigate poverty (Askar et al., 2020).

As reported by Cordero (2020), Manulife Philippines has said that 1.5 million Filipino families are forced into poverty per year due to unexpected health costs. The easiest solution is to have insurance. Insurance can protect the family if any untoward incident happens (Villafuerte, 2018). The insurance process helps the financial burden caused by harmful incidents by transferring the loss to an insurance firm. Weedige et al. (2019) concluded that uninsured risks might drag households back into poverty and influence human development.

Astari and Kismiantini (2019) found in their study that as age rose, the likelihood of getting health insurance increased dramatically. An important explanatory variable of getting health insurance was schooling. The likelihood of getting insurance with men was close to that stated by women who were not separated or very healthy. Fremstad and Vallas (2013) show the impact and relevance of having disability insurance in the United States of America (USA) in March 2013, about 8.8 million disabled employees received disability benefits. The need for insurance is clear in people’s minds, as Belbase et al. (2015) discovered that individuals have difficulty calculating how much life insurance coverage they should have.

### 3. Methodology

This study used descriptive design, a non-experimental research design, through the survey strategy. This research employed a quantitative approach of research to describe situations. It focuses on collecting data involving measuring variables, finding frequencies or correlations, and testing hypotheses to establish relationships among financial literacy variables.

The population are 24 private secondary schools within the fourth congressional district of Quezon in the Philippines. Cluster sampling techniques were implemented in the selection of the sample. The entire population was divided into smaller groups known as clusters or a random selection of one secondary school per municipality. A random selection among these clusters was applied to form a sample (Thomas, 2020). There were 127 samples who are teachers in the different private schools. The demographic profile shows that majority of the respondents are 25 years old and below (21.3%), female (60.6%) and married (53.5%) with 4 – 6 household members (61.4%). In terms of their educational and work qualifications, majority are teacher 2 (26%), permanent (66.1%) and have been working for 5 years and below (51.2%).

The instrument used in the study was the researcher-developed written questionnaire evaluated for reliability and validity. The questionnaire comprised three sections: the demographic characteristics of the respondents; the three constructs of financial literacy (financial knowledge, financial behavior, and financial attitudes), including saving, credit, spending, investment, and the time value of money, the level of financial safety nets are practicing in terms of debt management, emergency fund, health insurance, disability insurance, and life insurance. The question type includes a 4-point Likert scale level of Importance and True or False. Questions to measure the given variables are based on financial practices and performances, focusing the three constructs of financial literacy.

Instruments were distributed through Google forms to limit physical interaction and observe health protocols to prevent the spread of COVID-19 viruses. Before the conduct of data gathering, a formal written communication was sent to the administrators of the private learning institution to get approval. The survey questionnaire link was sent to the respondents' email and private message in various social media. No participant has been forced to reveal information that the participant does not wish to reveal. Participants' confidentiality and privacy were respected.



The study utilized the statistical measures to characterize and infer responses from the data obtained. To analyze and interpret data which is involved indicators for demographic characteristics, basic good financial practices, building financial safety nets it used the percentage, weighted mean, and standard deviation. To test the question of hypothesis and synthesize the relationships among variables, about the significant difference on the basic good financial practices of the respondents when grouped according to their demographic characteristics, the independent sample t-test, ANOVA, and Spearman Rank Correlation were used.

#### 4. Findings and Discussion

**Table 1**

*Level of financial literacy of private secondary school teachers*

<b>Variables</b>	<b>M</b>	<b>SD</b>	<b>Verbal Interpretation</b>
Savings	2.60	0.665	Moderately Practiced
Credit	2.67	0.625	Moderately Practiced
Spending	3.14	0.607	Moderately Practiced
Investment	2.44	0.787	Slightly Practiced
Time Value of Money	2.59	0.779	Moderately Practiced

*Legend: 3.26 – 4.00 = Highly Practiced; 2.51 – 3.25 = Moderately Practiced; 1.76 – 2.50 = Slightly Practiced; 1.00 – 1.75 = Not Practiced at All*

Table 1 shows that the four areas of basic good financial practices are moderately practiced while investment registered as slightly practiced. It proves the findings of Villafuerte (2015) that financial literacy is a significant cause of Filipino struggle with money by advocating, what's left of it is saved; if none is left, none is saved.

Regarding investment and time value of money, as presented by mean, standard deviation, and verbal interpretation, the respondents are slightly practicing investments. On the other hand, the respondent is moderately practicing the concept of the time value of money. The slight practices towards investment and moderate practices in applying the time value of money implicate the suffering of securing income and assets and other benefits that can provide financial sophistication.

The result could bring trouble, and it will add financial complexity to make a sound economic decision. Little knowledge about compound interest can confuse financial transactions and can have significant long-term negative financial consequences. It reminds the narratives of

Lusardi et al. (2014) that those who underestimate the power of interest compounding are more likely to end up with excessive debt.

**Table 2**

*Level of financial literacy of private secondary school teachers towards building-up a financial safety net*

<b>Variables</b>	<b>P</b>	<b>SD</b>	<b>Verbal Interpretation</b>
1. Debt Management	77%	(0.240)	Highly Literate
2. Emergency Fund	86%	(0.180)	Highly Literate
3. Health Insurance	71%	(0.160)	Moderately Literate
4. Disability Insurance	62%	(0.120)	Moderately Literate
5. Life Insurance	73%	(0.130)	Moderately Literate

*Legend: <90% = Very Highly Literate; 75% - 90% = Highly Literate; 60% - 74% = Moderately Literate; 50% - 59% = Slightly Literate; < 50% = Needs Improvement*

Table 2 shows the respondents' level of financial literacy towards building up a financial safety net. As viewed, respondents have high consciousness towards borrowing; high literacy in terms of borrowing eliminates unnecessary and uncontrolled borrowings bringing psychological or physical effects. The result was parallel to a report that more than 80 percent of Filipinos have high levels of personal debt as a survey by Manulife Investor Sentiment Index (MSI). Similarly, the discovery of Lusardi (2019) that almost half of millennials suggested that they would rethink if they had an opportunity to make a financial decision. It also asserts the findings of Ong et al. (2019) that more mortgage accounts paid down have shown better gains in emotional functioning. Borrowed funds can generate good returns if invested or used wisely, it can lead eventually to asset accumulation.

As can be seen, the level of financial literacy of the respondents in terms of an emergency fund found nearly 9 out of 10 respondents were highly literate. The challenge with literacy level is how it will be transferred to practices; readiness is a compromise if unexpected spending occurs. Authors of empirical studies argued that having financial literacy is closely associated with a better capacity to deal with disaster costs and weather income shocks. Like the suggestions of Lusardi (2019), many financially literate are more likely to pay emergency expenses.

Moreover, the respondent's level of financial literacy in terms of health insurance are moderately literate. Only 7 out of 10 respondents believes that health insurance is necessary to everyone to protect against illnesses and safeguard an individual's income and assets. Moderate literacy means thirty percent of respondents are facing the possible hindrance of acquiring health insurance because of the false perception that health insurance is costly for individuals. Unknown to many that uninsured health care carries a higher risk and cost, which may lead to poverty. Sustainable development is unlikely to be genuinely viable without sufficient insurance. This is the exact discovery of Astari and Kismiantini (2019) that as age increased, the likelihood of getting health insurance increased dramatically. It implies that these teachers will be aware of value of health insurance when they near the age of retirement.

The level of financial literacy of the respondents in terms of disability insurance are moderately literate represented by 6 out of 10 respondents. Forty percent of the respondents are unaware of acquiring disability insurance policies is a form of financial safety nets that protect someone if incapacity comes in.

The level of financial literacy in terms of life insurance is moderately literate represented by nearly 7 out of 10 respondents. The data is noteworthy because it demonstrates a lack of life insurance literacy. Thirty percent does not bear in mind the consequences of not having life insurance. Life is not guaranteed; hundreds of people are lost every day.

**Table 3**

*Significant difference on level of basic good financial practices according to demographic profiles*

Variable	Group	M	SD	F statistic	p-value	Decision	Conclusion
Savings	Age	2.565	0.632	0.310	0.947	Fail to Reject Ho	No Significant Difference Exist
	Sex	2.585	0.653	-1.283	0.202	Fail to Reject Ho	Not Significantly Different
	Civil status	2.430	0.773	1.050	0.354	Fail to Reject Ho	No Significant Difference Exist
	Highest educational attainment	2.663	0.572	0.680	0.566	Fail to Reject Ho	No Significant Difference Exist
	Designation at work	2.591	0.631	0.990	0.439	Fail to Reject Ho	No Significant Difference Exist
	Field of specialization	2.672	0.645	2.44*	0.022	Reject Ho	Significant Difference Exist
	Employment status	2.607	0.668	0.370	0.691	Fail to Reject Ho	No Significant Difference Exist
	Length of service	2.636	0.609	1.200	0.313	Fail to Reject Ho	No Significant Difference Exist
	Household size	2.580	0.667	1.150	0.320	Fail to Reject Ho	No Significant Difference Exist
Credit	Age	2.689	0.534	0.720	0.656	Fail to Reject Ho	No Significant Difference Exist
	Sex	2.685	0.616	1.125	0.263	Fail to Reject Ho	Not Significantly Different

	Civil status	2.513	0.531	1.340	0.267	Fail to Reject Ho	No Significant Difference Exist
	Highest educational attainment	2.760	0.557	2.310	0.080	Fail to Reject Ho	No Significant Difference Exist
	Designation at work	2.676	0.530	1.010	0.427	Fail to Reject Ho	No Significant Difference Exist
	Field of specialization	2.638	0.579	1.390	0.215	Fail to Reject Ho	No Significant Difference Exist
	Employment status	2.580	0.596	2.270	0.108	Fail to Reject Ho	No Significant Difference Exist
	Length of service	2.744	0.550	0.620	0.648	Fail to Reject Ho	No Significant Difference Exist
	Household size	2.663	0.651	0.140	0.872	Fail to Reject Ho	No Significant Difference Exist
Spending	Age	3.146	0.593	0.870	0.535	Fail to Reject Ho	No Significant Difference Exist
	Sex	3.130	0.617	-0.783	0.435	Fail to Reject Ho	Not Significantly Different
	Civil status	3.003	0.567	1.390	0.253	Fail to Reject Ho	No Significant Difference Exist
	Highest educational attainment	3.143	0.511	0.780	0.506	Fail to Reject Ho	No Significant Difference Exist
	Designation at work	3.219	0.469	1.810	0.091	Fail to Reject Ho	No Significant Difference Exist
	Field of specialization	2.710	0.681	1.950	0.067	Fail to Reject Ho	No Significant Difference Exist
	Employment status	3.127	0.596	0.350	0.702	Fail to Reject Ho	No Significant Difference Exist
	Length of service	3.154	0.559	0.370	0.831	Fail to Reject Ho	No Significant Difference Exist
Investment	Household size	3.123	0.653	0.160	0.852	Fail to Reject Ho	No Significant Difference Exist
	Age	2.386	0.760	0.710	0.662	Fail to Reject Ho	No Significant Difference Exist
	Sex	2.455	0.793	0.496	0.621	Fail to Reject Ho	Not Significantly Different
	Civil status	2.373	0.833	0.200	0.815	Fail to Reject Ho	No Significant Difference Exist
	Highest educational attainment	2.635	0.642	1.780	0.154	Fail to Reject Ho	No Significant Difference Exist
	Designation at work	2.456	0.788	1.340	0.235	Fail to Reject Ho	No Significant Difference Exist
	Field of specialization	2.415	0.750	1.740	0.106	Fail to Reject Ho	No Significant Difference Exist
	Employment status	2.482	0.742	2.720	0.070	Fail to Reject Ho	No Significant Difference Exist
Time Value of Money	Length of service	2.482	0.704	1.380	0.243	Fail to Reject Ho	No Significant Difference Exist
	Household size	2.417	0.789	0.310	0.733	Fail to Reject Ho	No Significant Difference Exist
	Age	2.528	0.778	0.490	0.838	Fail to Reject Ho	No Significant Difference Exist
	Sex	2.580	0.789	-0.371	0.711	Fail to Reject Ho	Not Significantly Different
	Civil status	2.417	0.747	0.810	0.445	Fail to Reject Ho	No Significant Difference Exist
	Highest educational attainment	2.640	0.750	2.430	0.068	Fail to Reject Ho	No Significant Difference Exist
	Designation at work	2.574	0.821	1.300	0.255	Fail to Reject Ho	No Significant Difference Exist
	Field of specialization	2.591	0.727	1.230	0.292	Fail to Reject Ho	No Significant Difference Exist
	Employment status	2.563	0.772	1.730	0.181	Fail to Reject Ho	No Significant Difference Exist
	Length of service	2.590	0.839	1.000	0.412	Fail to Reject Ho	No Significant Difference Exist
	Household size	2.557	0.807	0.220	0.800	Fail to Reject Ho	No Significant Difference Exist

Legend:  $M$  = Mean  $SD$  = Standard Deviation \*Significant at  $\alpha=0.05$

Table 3 shows that, with the exception of the field of specialization, there is no significant difference in the level of basic good financial practices based on respondent demographic profiles such as age, gender, civil status, highest educational attainment, designation at work, employment status, length of service, and household size, using ANOVA. When compared to demographic profiles, all variables of basic good financial practices such as savings, credit, spending, investment, and time value of money hold constant with greater than a 0.05 level of significance. The result provides evidence that the level of practice in terms of savings varies significantly across fields of specialization. This is congruent to the studies of Johan et al. (2020) that students who took a personal finance course had statistically significant outcomes and Potrich et al. (2015) that people with more job experience have better financial literacy because they are more familiar with economic and financial topics. It is directly the opposite of Mbarire and Ali (2014) that there was no significant relationship between occupation status and levels of financial literacy. The result also contradicts the studies of Lusardi and Mitchell (2013) that females of all ages have lower financial literacy than males; Montalbo et al. (2017) that female professional teachers have inadequate information to make sound financial decisions; Potrich et al. (2015) that families with dependents were more likely to display low levels of financial literacy; and Kartikasari and Muflikhati (2016) that family sizes have a significant negative effect on the family's financial management.

Table 4 shows the significant difference in the level of financial literacy of private secondary school teachers towards building up a financial safety net according to their demographic characteristics using ANOVA. In general, all variables found as constant with 5 percent level of significance, there is not enough evidence to conclude that the level of literacy of private school teachers in terms of building up a financial safety net has a significant difference across demographic profiles. Only the level of financial literacy in terms of disability insurance and the civil status group has a p-value with less than 0.05, which has sufficient evidence of a significant difference. The result implies that the financial practices and performances of single, married, separated, and widowed has different effect on their financial knowledge. This is similar to the findings of Potrich et al. (2015) that singles have a significantly lower level of financial literacy.

Table 4

Significant Difference on the Level of Financial Literacy towards Building-Up a Financial Safety Net according to demographic profiles

Literacy	Group	M	SD	F statistic	p-value	Decision	Conclusion
Debt Management	Age	7.778	2.332	0.573	0.776	Fail to Reject Ho	No Significant Difference Exist
	Sex	7.660	2.459	-0.540	0.59	Fail to Reject Ho	Not Significantly Different
	Civil status	7.580	2.150	0.104	0.901	Fail to Reject Ho	No Significant Difference Exist
	Highest educational attainment	7.898	1.958	0.446	0.721	Fail to Reject Ho	No Significant Difference Exist
	Designation at work	7.985	1.858	1.516	0.168	Fail to Reject Ho	No Significant Difference Exist
	Field of specialization	7.505	2.502	1.403	0.21	Fail to Reject Ho	No Significant Difference Exist
	Employment status	7.857	2.111	1.233	0.295	Fail to Reject Ho	No Significant Difference Exist
	Length of service	7.760	2.328	1.374	0.247	Fail to Reject Ho	No Significant Difference Exist
Emergency Fund	Household size	7.723	2.110	0.851	0.429	Fail to Reject Ho	No Significant Difference Exist
	Age	8.569	1.631	1.082	0.379	Fail to Reject Ho	No Significant Difference Exist
	Sex	8.610	1.748	0.070	0.945	Fail to Reject Ho	Not Significantly Different
	Civil status	8.297	1.704	1.074	0.345	Fail to Reject Ho	No Significant Difference Exist
	Highest educational attainment	8.405	1.736	0.337	0.799	Fail to Reject Ho	No Significant Difference Exist
	Designation at work	8.764	1.356	0.776	0.609	Fail to Reject Ho	No Significant Difference Exist
	Field of specialization	8.450	1.719	1.132	0.347	Fail to Reject Ho	No Significant Difference Exist
	Employment status	8.530	1.868	0.374	0.689	Fail to Reject Ho	No Significant Difference Exist
Health Insurance	Length of service	8.526	1.734	0.752	0.559	Fail to Reject Ho	No Significant Difference Exist
	Household size	8.500	1.834	0.716	0.491	Fail to Reject Ho	No Significant Difference Exist
	Age	6.996	1.608	0.446	0.871	Fail to Reject Ho	No Significant Difference Exist
	Sex	7.080	1.607	-0.541	0.589	Fail to Reject Ho	Not Significantly Different
	Civil status	6.640	1.744	1.328	0.269	Fail to Reject Ho	No Significant Difference Exist
	Highest educational attainment	6.973	1.435	1.021	0.386	Fail to Reject Ho	No Significant Difference Exist
	Designation at work	7.118	1.304	0.507	0.828	Fail to Reject Ho	No Significant Difference Exist
	Field of specialization	7.023	1.560	0.741	0.638	Fail to Reject Ho	No Significant Difference Exist
Disability Insurance	Employment status	7.073	1.743	0.189	0.828	Fail to Reject Ho	No Significant Difference Exist
	Length of service	7.032	1.502	0.582	0.676	Fail to Reject Ho	No Significant Difference Exist
	Household size	7.017	1.518	0.590	0.556	Fail to Reject Ho	No Significant Difference Exist
	Age	6.198	1.162	0.486	0.843	Fail to Reject Ho	No Significant Difference Exist
	Sex	6.220	1.200	-0.732	0.466	Fail to Reject Ho	Not Significantly Different
	Civil status	5.753	1.446	4.768*	0.01	Reject Ho	Significant Difference Exist
	Highest educational attainment	6.323	1.188	1.374	0.254	Fail to Reject Ho	No Significant Difference Exist
	Designation at work	6.363	1.061	0.819	0.573	Fail to Reject Ho	No Significant Difference Exist
Life Insurance	Field of specialization	6.121	1.209	0.952	0.469	Fail to Reject Ho	No Significant Difference Exist
	Employment status	6.367	1.202	1.243	0.292	Fail to Reject Ho	No Significant Difference Exist
	Length of service	6.312	1.122	0.437	0.782	Fail to Reject Ho	No Significant Difference Exist
	Household size	6.210	1.188	2.383	0.097	Fail to Reject Ho	No Significant Difference Exist
	Age	7.365	1.308	0.825	0.568	Fail to Reject Ho	No Significant Difference Exist
	Sex	7.320	1.271	-0.849	0.398	Fail to Reject Ho	Not Significantly Different
	Civil status	6.913	1.414	1.740	0.18	Fail to Reject Ho	No Significant Difference Exist
	Highest educational attainment	7.123	1.288	1.598	0.193	Fail to Reject Ho	No Significant Difference Exist
Life Insurance	Designation at work	7.328	1.162	0.569	0.78	Fail to Reject Ho	No Significant Difference Exist
	Field of specialization	7.269	1.256	1.010	0.428	Fail to Reject Ho	No Significant Difference Exist
	Employment status	7.403	1.097	0.230	0.795	Fail to Reject Ho	No Significant Difference Exist
	Length of service	7.368	1.367	0.806	0.523	Fail to Reject Ho	No Significant Difference Exist
	Household size	7.307	1.250	0.133	0.876	Fail to Reject Ho	No Significant Difference Exist

Legend: M = Mean

SD = Standard Deviation

\*Significant at  $\alpha=0.05$

The result also implies that the level of financial literacy across variables provide no significant difference between sex, age, educational attainment, designation, specialization, employment status, length of service and household size. This means that in terms of sex, both males and females have the same level of financial knowledge as manifested in their financial behavior and attitudes. Similarly, the same level of knowledge exists regardless of the teachers' employment designations, length of service, professional status and household size. This results contrasts the study of Sabri (2011) that male college students had higher financial literacy levels than their female peers and Montalbo et al. (2017) that male professional and pre-service teachers in the Philippines has higher basic financial literacy than female. It is also an inverse of the result of Komora et al. (2019) that there is link between educational qualifications and financial literacy; Potrich et al. (2015) that people with more labor expertise encounter a greater range of financial circumstances, acquiring more insight and promoting the study of more complex facts and providing a foundation for decision-making; Komora et al. (2019) that non-accounting majors are more likely to be less knowledgeable about personal finance than business majors particularly in finance and accounting; and Potrich et al. (2015) that individuals with one child are less likely to have poor financial literacy rates than people with two or three children.

Table 6 shows the significant relationship between private secondary school teachers' literacy level on building up a financial safety net and their basic good financial practices using Spearman Rank Correlation. Holding all variables as constant with a higher than 0.05 level of significance, there is no enough evidence to conclude that the respondents' level of literacy about debt management, emergency fund, health insurance, disability insurance, and life insurance towards basic good financial practices in terms of savings, credit, spending, investment, and time value of money has no significant correlation all. Savings and other variables of good financial practices can be increased or decreased with or without knowledge of financial literacy variables.

Given the weak positive relationships, the theory of human capital may aid in understanding the situation, as there was a financial return for the time and money spent on education and training (Gillies, 2015). Credit can be a useful tool for obtaining what is required, but it can also lead to a financial problem if not managed properly. This result explains that the spending of the teachers is positively correlated to their debt management. This could be attributed to the fact that people resort to obtaining loan or credit to buy necessary or unnecessary good if there is insufficient fund as explained by Lyons et al. (2019).

**Table 6***Significant relationship between the level of literacy and level of good financial practices*

Variables	Criteria	Correlation Coefficient	Degree of Relationship	p-value	Conclusion
Savings	Debt Management	-0.015	Weak Negative Relationship	0.870	Not Significantly Correlated
	Emergency Fund	0.032	Weak Positive Relationship	0.723	Not Significantly Correlated
	Health Insurance	0.090	Weak Positive Relationship	0.315	Not Significantly Correlated
	Disability Insurance	0.156	Weak Positive Relationship	0.080	Not Significantly Correlated
	Life Insurance	0.121	Weak Positive Relationship	0.177	Not Significantly Correlated
Credit	Debt Management	0.102	Weak Positive Relationship	0.255	Not Significantly Correlated
	Emergency Fund	0.124	Weak Positive Relationship	0.166	Not Significantly Correlated
	Health Insurance	0.107	Weak Positive Relationship	0.231	Not Significantly Correlated
	Disability Insurance	0.118	Weak Positive Relationship	0.186	Not Significantly Correlated
	Life Insurance	0.082	Weak Positive Relationship	0.361	Not Significantly Correlated
Spending	Debt Management	0.208*	Weak Positive Relationship	0.019	Significantly Correlated
	Emergency Fund	0.161	Weak Positive Relationship	0.070	Not Significantly Correlated
	Health Insurance	0.014	Weak Positive Relationship	0.880	Not Significantly Correlated
	Disability Insurance	0.037	Weak Positive Relationship	0.681	Not Significantly Correlated
	Life Insurance	0.050	Weak Positive Relationship	0.580	Not Significantly Correlated
Investment	Debt Management	-0.012	Weak Negative Relationship	0.893	Not Significantly Correlated
	Emergency Fund	-0.045	Weak Negative Relationship	0.616	Not Significantly Correlated
	Health Insurance	0.060	Weak Positive Relationship	0.501	Not Significantly Correlated
	Disability Insurance	0.165	Weak Positive Relationship	0.063	Not Significantly Correlated
	Life Insurance	-0.029	Weak Negative Relationship	0.742	Not Significantly Correlated
Time Value of Money	Debt Management	0.059	Weak Positive Relationship	0.511	Not Significantly Correlated
	Emergency Fund	0.082	Weak Positive Relationship	0.360	Not Significantly Correlated
	Health Insurance	0.087	Weak Positive Relationship	0.329	Not Significantly Correlated
	Disability Insurance	0.159	Weak Positive Relationship	0.074	Not Significantly Correlated
	Life Insurance	0.090	Weak Positive Relationship	0.315	Not Significantly Correlated

Legend: *M* = Mean      *SD* = Standard Deviation      \*Significant at  $\alpha=0.05$

The finding affirms Lusardi (2019) that more financially literate people are less likely to have credit card debt as a manifestation of the relationship between spending and debt management. People tend to find sources of funds in order to sustain the level of expenditure.

## 5. Conclusion

The study showed that younger teachers and women are more vulnerable to financial distress because the basic good financial practices found in terms of investment are slightly practiced, while other variables such as savings, credit, spending, and time value of money are moderately practiced. The slight to moderate financial practices indicates poor financial



management. In addition, the respondents were found to be moderately literate on health insurance, disability insurance, and life insurance while highly literate on debt management and emergency funds. Overall, respondents have a satisfactory level of financial literacy. The results also showed that only the field of specialization and savings have significant difference on the level of basic good financial practices. Furthermore, there was no significant correlation among the variables.

In view of the results, the concerned government institutions must provide necessary intervention as mandated by section 4 of Republic Act 10922. Agencies have a legal responsibility to provide necessary intervention to increase the financial consciousness of the constituent, the affected groups in particular. It needs to strengthen financial literacy, financial behaviors, and skills by increasing exposure and education to financial management. A program for professionals is needed to sustain financial awareness. Adherence to policies and the support of the heads of the institutions in providing intervention is vital for the overall well-being of the teachers.

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