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ASSESSING THE LEVEL OF FINANCIAL LITERACY AND FINANCIAL STRESS AMONG TEACHERS: BASIS FOR INSTITUTIONALIZED FINANCIAL LITERACY PROGRAM

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ABSTRACT

This action research was conducted to assess the level of financial literacy and financial stress among teachers in Colon National High School. It also examines the relationship between these two variables using a combination of quantitative and qualitative types of research. This utilized an adapted and modified from Owusu (2015) survey questionnaire to find out the level of financial literacy and financial stress of the respondents and an interview guide questionnaire through the conduct of focus group discussions and in-depth interview, for the reasons for their financial literacy and financial stress. Data were analyzed using Percentage Count, Mean, and Pearson Product Moment Correlation Coefficient statistical methods. It was found out that the financial literacy of the respondents is at a high level. Conversely, they have a low-level result of financial stress. Furthermore, it reveals that financial literacy has a significant relationship with their financial stress specifically in the aspect of debt management with of r= -0.420 and the *p*-value of p=0.000. Additionally, through the conduct of focus group discussions and in-depth interviews, the main reason for their financial stress pertains to their daily consumption of basic needs, education, health conditions, other debts, and mismanagement of income. Considering these findings, it is concluded that teachers' financial literacy is a crucial basis of knowledge on proper financial management as it significantly affects their extent of financial stress. Hence, it supports the program of the

Department of Education (DepEd) of providing financial literacy programs as headway to help curb their financial stress.

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CONTEXT AND RATIONALE

Financial literacy is the education and understanding of knowing how money is made, spent, and saved as well as the ability to make decisions to generate, invest, spend, and save money. Thus, to be financially literate and able to handle one's financial stuff and make financial decisions will serve a person's life goals and it requires a combination to have the knowledge, skills, behaviors, practices, and confidence to make responsible financial decisions that suit own financial situations (Mbazigwe, C., Duric Bus. Solutions, 2015) and (ANZ Bank, 2011).

Teachers are honored because of their significant role in education, their capabilities, academic, and professional advancement undertakings supplemented with pleasurable and productive teaching. However, financial uncertainties often form part of their failure in performing their best in the teaching field. In few instances, teachers battle to get out of their way to do better on their job and attain the required goal, but there are times when teachers' job accomplishment can be affected by a quite much conflict between their profession and financial struggles (Bayocot, 2014, ASEAN Council of Teachers Convention in Singapore). Consequently, Economic meltdown will result in financial stress and can have major effects on our health. In general, stress can cause heart attacks, strokes, and many other serious health issues regardless of the source. Two of the most common effects are anxiety and depression. To avoid these bad effects, we should be oriented on how to manage our finances, or we should be financially literate (Cambridge Credit Counseling Corp., 2017). Financial stress is a person's subjective, unwholesome feeling that one is unable to meet financial demands, afford the necessities of life, and have sufficient funds to make ends meet (Davis and Mantler, 2004).

DepEd Secretary Leonor Briones pronounced that financial literacy for teachers is vital and has become a crucial necessity in the organization due to increasing debt from legitimate lending institutions which amounting to Php170 billion. Data from the DepEd revealed that teachers across the country have incurred Php178 billion worth of loans from private institutions. Further, she signed the revised implementation of net take home pay will not less than Php4, 000 as her first move that aims to help manage teachers' finances. For this reason, she welcomes financial literacy programs and noted an urgent need for such in the department (SunStar, October 2017*)*. Despite this, teachers continue to find ways to scout private individual lenders or informal lenders with higher interest rates to grant them from borrowing. On this premise, the researchers were pressed to conduct a study concerning the level of financial literacy and extent of financial stress among teachers in their respective schools.

INNOVATION, INTERVENTION, AND STRATEGY

Considering the findings of this study, the following are innovation, intervention, and strategy that must be employ:

1. Tap and strengthened private partnership offering financial literacy education with Sta. Cruz Multi-Purpose Cooperative, to continuously conduct holistic financial literacy seminars and workshop in our school.
2. Utilize strong partnership with Sta. Cruz MPC by their financial advisors to help teachers who have been in debt trap that should be counseled to educate them in the right budgeting and management of their expenses.

ACTION RESEARCH QUESTIONS

This study was conducted to assess the level of financial literacy and financial stress among teachers in Colon National High School, Maasim, Sarangani Province during the school year of 2019-2020.

Specifically, it sought to answer the following questions:

1. What is the level of financial literacy of the respondents with respect to: Debt Management, Personal Savings, Personal Expenditures, Investment, Retirement planning; and Insurance?
2. What is the extent of the respondents' financial stress with respect to: Mental Health, Physical Health, Family Relationship and Social Relationship?
3. Is there a significant relationship between the financial literacy and financial stress of the respondents?
4. What are the respondents' reasons of financial stress?
5. Based on the findings, what financial literacy program could be implemented out from the result of the study?

ACTION RESEARCH METHODS

This study utilized the combination of quantitative and qualitative research methods. Specifically, descriptive method was used in determining the level of financial literacy with respect to debt management, personal savings, personal expenditures, investment, retirement planning and insurance, and the extent of their financial stress with respect to mental and physical health, family, and social relationships. According to Jackson (2009), the descriptive type of research is appropriate for gathering information about existing conditions and determines and reports the way things they are.

The correlation method was used to prove if there was significant relationship between financial literacy and financial stress among teachers. This design enabled the researchers to observe two or more variables at the point in time and was useful for describing a relationship between two or more variables (Breakwell, Hammond and Fife-Schaw, 2005).

On the other hand, Focus Group Discussion and In-depth Interviews were done to understand the deeper reasons regarding their financial literacy and financial stress. Creswell 2007, phenomenology described the meaning for several individuals of their lived experiences, reasons, and views of a concept or phenomenon and most appropriate research method to use.

The Participants of the Study

The respondents of this study were the population of teachers in CNHS, eight (8) selected informants as participants of Focus Group Discussions, and one (1) informant in an In-depth Interviews to disclose their deeper reasons for financial stress.

Data Gathering Methods

Upon approval, a letter requesting permission was submitted to the school head. The researchers distributed personally the adapted and modified questionnaire to the respondents and retrieved it afterward. Simultaneously, we conducted the Focus Group Discussion and In-Depth Interviews using an interviewing guide questionnaire as part of the research procedure before and for the interpretation and analyses of data. This is supported by audio and video recording and photographs.

DISCUSSION OF RESULTS AND REFLECTION

This study evaluated the level of financial literacy of the respondents with respect to Debt Management, Personal Savings, Personal Expenditures, Investment, Retirement Planning, and Insurance. This was determined using Mean and the results are presented in table 1.

Level of Financial Literacy of Respondents

Table 1: The Mean scores among the variables (n=80)

Variables	Mean Scores	Description
Debt Management	89.8	Very High
Personal Savings	87.8	Very High
Personal Expenditures	85.3	High
Investment	75.5	High
Retirement Planning	70.5	Moderate
Insurance	87	Very High
(Ebel's Criteria: 86-100 Very High, 71-85 High, 40-70 Moderate, 15-39 Low, 0-14 Very Low)		

Results from Table 1, perceived by the teacher-respondents, their level of financial literacy is very high in the aspects of debt management, personal savings, and insurance with mean scores of 89.8, 87.8, and 87 respectively. Further, personal expenditures and investment are high with mean scores of 85.3 and 75.5. However, retirement planning the result is moderate it is because they do not have enough retirement savings. Generally, the teacher-respondents evaluated their level of financial literacy as high.

Considering the results, the researchers noted that the teacher-respondents understand both basic financial concepts and the ability to use the information to make wise personal and financial decisions such as in debt management and their personal savings. It is concluded that the lack of financial knowledge and financial skills of an individual can possibly put them in a tight economic situation. In addition to it, people with lower levels of financial literacy usually come up with poor loan decisions (Beal and Delpachitra, 2005).

Level of Financial Stress of the Respondents

Level of financial stress of the respondents with respect to mental and physical, health and family and social relationship among teacher-respondents. This was determined using Mean and the results are presented in table 2.

Table 2: The Mean scores among the variables (n=80)

Variables	Mean Scores	Description
Mental Health	38	Low
Physical Health	11.3	Very Low
Family Relationship	12.3	Very Low
Social Relationship	9.04	Very Low

(Ebel's Criteria: 86-100 Very High, 71-85 High, 40-70 Moderate, 15-39 Low, 0-14 Very Low)

As revealed from Table 2, results show that the level of financial stress of teacher-respondents as very low in the aspects of social relationship, physical health, and family relationship. However, mental health shows a low level. Generally, the result shows a low level of financial stress, this implied and supported inversely by the result of financial literacy level which is high. This implies that they rarely experience financial stress when they have financial problems. These minimal problems with their finances pertain to their day-to-day expenses in the households and those unexpected ancillary expenses occurred. This follows that when they are less financially stressed, they become successful with their teaching job performance. This conformed with the findings of Bentham (2013), that financial stress levels within the teaching profession are affecting the ability of teachers to successfully perform their roles. It further found out that financial services provider for teachers have sought that stress levels were having repercussions on their health, and that they would be better at their job if they were less stressed. Likewise, Barrett and Carter (2006, 2013) said that strengthening financial management competencies and building self-esteem are the factors that affect financial stress which can be reached through understanding the value of financial literacy.

Relationship between Financial Literacy and Financial Stress of the Respondents

This was tested using Pearson's Correlation Coefficient, *r* and presented in table 3.

Table 3: The Chi-square among the variables (n=80)

Financial Literacy Variables	Financial Stress	
	Pearson's Correlation Coefficient, *r*	p-value
Debt Management	-0.420	0.000***
Personal Savings	-0.134	0.236
Personal Expenditures	-0.193	0.086
Investment	0.181	0.108
Retirement Planning	-0.021	0.855
Insurance	0.096	0.399

** means statistically significant at *p-value is <0.05*

The results showed, among the indicators of financial literacy, debt management is the only variable that manifested significant relationship with the financial stress. The negative value of correlation *r* implies an inverse effect of the independent and dependent variable. Thus, low, or poor management of the respondents' debt will result in a high extent of financial stress, whereas proper management of debt will lead to low extent of financial stress. Although generally they are financially literate, when it comes to managing their debts, there are still instances that it somehow causes them financial stress because of poor financial management. This therefore suggests that respondents, based on this result, must have the knowledge, skills and determination, self-confidence, and sense of direction to have a self-directed life where they can adapt any changes in the society most especially in the world of finance to cope with financial distress like depression, anxiety, and poor critical decisions.

This is consistent with the article published by SunStar (October 2017), that financial literacy has become a crucial necessity in the organization, pronounced by DepEd Secretary Leonor Briones. This study presumed that teachers demand to practice sound financial management to be more productive in teaching.

Reasons of Financial Stress of the Informants

Generally, the largest portion of their income usually goes to or is intended for their basic needs or commodities such as food, education (savings/trust funds) and shelter (house bills i.e., electricity, water bills and the like) as stated by informants. Since most of them are parents, their main priorities of expenses are intended for food, fare, education of their children/siblings, and medical expenses. Few of them revealed are intended for debts (vehicular and other debts). Further, it was revealed that one of the reasons to avail loans from both public and private institutions is the untimely release of their salary and other monetary benefits, thereby getting into loan sharks or debt trap once uncontrolled.

These results are indeed true as it agrees with the study conducted by the Consumer Financial Survey (CFS) of the Banko Sentral ng Pilipinas (BSP) (2017), revealed that out of the pie of expenses, more than a third of their monthly income, Filipinos put high priority on food and beverages consumed at home, loans for motor vehicle, education for children, and transportation.

Reflection

Based on the findings, it could be concluded that the teacher-respondents' financial literacy is a crucial basis of knowledge on proper financial management as it significantly affects their extent of financial stress. This confirms the premise of self-efficacy theory that the respondents' behavior is demonstrated in their capabilities and capacities to understand financial products and services towards financial management. It affects their actions and their lives. Furthermore, in the theory of behavioral finance, this research provides results that the individual financial behavior of the respondents is shown on how they manage their resources or sources of funds specifically the money from their salaries and monetary benefits received used for spending, saving, investing, determination of borrowing/loans and the decision for insurance and retirement. It is significant to underscore that the concept of behavioral finance is relatively imperative in this study as it is seen in respondent's financial behavior particularly in managing other expenses and savings.

Additionally, the findings of the study support the plan and program of Department of Education (DepEd) as it welcomes financial literacy program which provides necessary information to be part of the solutions to the culture of over-borrowing by continuously conducting financial literacy seminars. This can be the headway to help curb teachers' experiences of financial stress.

The Department of Education should strengthen its financial literacy program for teachers, especially those unaware about proper financial management. This program should be strictly launched across all bureaus of education regardless of the positions of the employees. Also, it is suggested that teachers who have been in debt trap should be counseled to educate them about the right budgeting and management of their expenses.

ACTION PLAN

<table>
<tr><th>Name of Program</th><th>Activities</th><th>Time Frame</th><th>Specific Objectives</th><th>Expected Outcome</th><th>Proposed Budget</th><th>Source of Fund</th><th>Person Involved</th></tr>
<tr><td>Income and other sources</td><td rowspan="6">Seminar and Workshop</td><td>October 2019</td><td>Understand the sources of income and alternative resources and how it affects lifestyle choices and spending decision.</td><td rowspan="6">85 to 100% of teachers can learn and apply the knowledge</td><td rowspan="6">10,200</td><td rowspan="6">MOOE</td><td rowspan="6">All teaching force and partner agency as facilitator</td></tr>
<tr><td>Money management</td><td>November 2019</td><td>Demonstrate ability to use money management skills and strategies and understand the purposes and service of financial institution.</td></tr>
<tr><td>Credit and Debt Management</td><td rowspan="4">Dec. 2019 to January 2020</td><td>Identify and evaluate credit products and services, interest rates, fees, charges, how to leverage debt, and pros and cons of high-cost alternative financial services.</td></tr>
<tr><td rowspan="3">Planning, Saving, and Investing</td><td>Apply strategies for creating wealth/building assets.</td></tr>
<tr><td>Match financial products and services for specified goals.</td></tr>
<tr><td>Demonstrate ability to use decision making processes in making financial decision related to planning, saving and investing.</td></tr>
</table>

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