

The Effects of Salary Loans on Gov. Manuel D. Barretto National High School Teachers' Classroom Excellence and Career Improvement

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Abstract— Teachers play an unquestionable role as catalysts for students' learning in the ever-changing field of education. However, there are several obstacles hidden beneath their admirable goal that could seriously hinder their efficacy in the classroom. Among these difficulties, financial limitations have become a prevalent problem that affects educators' personal and professional lives.

The overall objective of this study is to examine the current impact of salary loans on the classroom excellence and career improvement of teachers of Governor Manuel D. Barretto National High School. The department of education can prevent teachers from accruing their debts through institutional changes. This study employed a descriptive design and used a survey questionnaire as the method, while measures and examine the problems encountered by respondent teachers. The survey was conducted in Governor Manuel D. Barretto National High School, Brgy. Maloma, San Felipe, Zambales.

Findings indicate that the financial capability and awareness of public-school teachers is not ideal and is merely a reflection of the negative trend in financial wellness nationally and globally. This is due to the fact that the respondent-teachers lack good money management skills, rarely engage in financial planning, and have a low level of knowledge of basic financial concepts, as evidenced by their poor performance in the financial literacy. The inclusion of financial education in the teacher education curriculum and in-service training of public-school teachers can be an effective way to not only improve academic performance but also enable them to secure a wealthier and brighter future for themselves and for their family. While the study provided server insights on the current level of financial capability of the public school teachers in terms of classroom excellence and on their career improvement as to financial wellness, further research is necessary to validate these findings.

Keywords— Teachers, salary loan, financial wellness.

INTRODUCTION

Teachers are the pioneers of education. Teachers are adaptable, versatile, and well-rounded people who can develop and shaping students into future successful and productive citizens. Even amid difficult times, sleepless nights, and even sacrifices to the point of putting aside one's own interests to fulfill their obligations to be an effective and efficient teacher, teaching is clearly a love.

In the Philippines, it is said that public school teachers are well-paid off profession. Nevertheless, when teachers are associated with huge salary loan, it implies that the teachers are underrated profession

because of the bulk school paper works, taking care the children, protecting the welfare of their family especially supervising the different backgrounds of their learners. These principles and ethical works of the teachers have become their identity as brave and modern heroes.

Thus, being financially fit is what a teacher probably wants to achieve. But due to the reasons of having a salary loan has a huge effect to become financially unwell.

Leonor Magtolis- Briones, the former secretary of education, said it is alarming to learn that over the past

few decades, borrowing has been a major problem for Philippine public schools. The most noteworthy instance occurred in 2016 when outstanding loans prevented over 26,000 teachers from receiving their retirement benefits. Teachers in public schools may borrow for a variety of reasons. Some recently retired teachers may already see it, and other teachers who are set to retire may also have to deal with it.

In 2017, former Secretary Leonor Briones of the Department of Education emphasized the importance of financial literacy for educators, particularly considering the growing debt of educators. After learning that most teachers have multiple debts, the former DepEd Secretary emphasized that the organization supports financial literacy initiatives and added that it is critical to assist instructors in managing their finances. Making bad final decisions and having a lot of debt might result from lack of financial literacy. The total amount of debt by public school teachers is at least P319 billion, an increase of P18 billion in less than two years.

According to the DepEd, as of May 2019, teachers owing P157.4 billion to the Government Services Insurance System (GSIS), and as of June 2019, there were P162 billion in outstanding loans to approved private lenders. The P319 billion total may be significantly higher because the data only includes loans that the DepEd automatically deducts from the teachers' monthly salary. The agency does not pay back loans from unlicensed lenders (loans sharks), who frequently charge outrageous interest rates. Here, educators are overburdened with debt.

Therefore, the purpose of this study is to evaluate the financial literacy knowledge, behavior, and attitudes of teachers as well as the financial difficulties they encounter in connection to their professional development and performance.

LITERATURE REVIEW

The whole health of your financial life is referred to as financial wellness. It is the state of your financial health, but it also includes the ways in which your financial health intersects with your physical, emotional, and social well being.

According to Hayhoe et al., (2000; & Joo, 2008), Financial well-being is directly related to the overall satisfaction a person feels regarding his financial status. They both described financial wellness as an active state of financial health evidenced by low debt level, active savings and/or retirement plan(s), and a good spending plan.

Another study presented by (Godfrey, 2006; & Van Praag et al., 2003) stated that low financial well-being or the presence of financial distress is shown to have detrimental effect on the psychological and physical health, reduce confidence and productivity in the workplace and increase absenteeism, delays, as well as lack of concentration. (Joo, 1998) further stated that debt is also seen as contributing to lower financial well-being (Norvilitis et al. 2006) and is identified as an unfavourable financial condition that cause of financial stress.

Garman, (1998) stressed that financial wellness is a key component to financial health. As the prominence of individual's financial health continues to grow, people often use the term financial wellness to describe the level of a person's financial health. Financial satisfaction does not necessarily mean good financial health. Sometimes, people can be satisfied with their financial status, even though they have large debts. Therefore, an objective assessment of a person's financial situation is an important component of personal financial wellness. In addition to subjective financial satisfaction and objective measures, individual attitude and financial behaviors are also important components because they measure the potential of change in personal financial wellness.

Many researchers have argued that financial attitudes and knowledge play an important role in determining person's financial wellness. They concluded that they appears to be a common psychological profile among individuals with more financial knowledge that allows them to make different financial decisions, which often lead to greater attained levels of financial wellness. While the literature suggests that demographics, financial behaviors, financial knowledge, and financial stress level have impacts on financial wellness, results from previous studies have

not been consistent with their findings. Much of past inconsistency appears to be the result of misspecification of measurements and the assumption that each determinant factor has a direct influence on financial wellness (Porter and Garman, 1993). This assumption may, in fact, be incorrect. Joo (1998) suggested that in many cases, demographics and financial behaviors have an indirect effect on financial wellness, which has not been tested in previous studies.

Financial literacy focuses on the ability to manage personal finance matters efficiently including the knowledge of making appropriate decisions about personal finance, such as investing, insurance, real estate, paying for college, budgeting, retirement, and tax planning (Kenton, 2019). Financial literates are able to answer several questions about purchases, such as whether an item is required, whether it is affordable, and whether it is an asset or a liability. Financial literacy therefore shows how an individual makes financial decisions and helps a person develop a financial road map to identify what he earns, what he spends, and what he owes.

The Department of Education (2017) through the former Secretary Leonor Briones highlighted that financial literacy is crucial for teachers, especially because the teachers' debt has been increasing. Hence, the Education Chief highlighted that the agency welcomes financial literacy programs and further said that there is an urgent need to help teachers cope with their finances after it was found out that most teachers have various loans.

The lack of financial literacy can lead to owing large amounts of debt and making poor financial decisions. Public school teachers have indebted a combined balance of at least P319 billion, an increase of P18 billion in just over two years.

METHODOLOGY

This study will utilize the descriptive research design. The descriptive survey research design was used to describe the demographic profile of the teacher respondents. Their financial literacy level, financial challenges and the effect of teachers' loan on classroom excellence and career improvement.

The study will include all teaching staff of Governor Manuel D. Barretto National High School, Brgy. Maloma, San Felipe, Zambales. The respondents will compose of forty (40) teaching personnel.

This study will utilize a survey questionnaire adopted but modified as the primary instrument in gathering the data. The questionnaire consists of three parts. Part I elicits data on the profile of the teachers in terms of age, sex, civil status, years in service, position, basic salary, net take home pay, and number of loans. Part II solicits information on the financial literacy of teachers in terms of financial knowledge and financial behavior. Part III investigates the financial challenges of teachers.

RESULTS AND DISCUSSION

Part 1: Demographic Profile of the Respondents

This part discusses the findings on the profile of the respondents in terms of age, gender, civil status, years in service, position, basic salary, net take home pay and number of loans.

Table 1-8 shows the result on the demographic profile of the respondents. In the table 1 as to the age of the respondents which is most of the teachers are on the range of 31-40 years old with a mean of 33.12. Results revealed that majority of respondents were female with 83% and 18% for male.

As shown in the survey under the civil status in table 3, 63% of them were married. It clearly suggests that they already had a bigger financial need. As for the years of service in the table 4, most of the educators are in the 6-10 years of service.

The mean number of years in service is 11.38 years of teaching. As for the position shown in the table 5, 63% are Teacher 1 which implies the 60% of the basic salary of public-school teachers with a salary grade 11.

Table 7 represents the net take home pay which shows that most of teachers net salary ranges from 5000-6999 pesos semi-monthly. The mean net income of teachers was 6449.70 pesos. As to the frequency of salary loan shown in the table 8, 53% of the respondents has one loan while 20% of the respondents has 5 or more loans.

Table 1: Age of Respondents

Age	Frequency	Midpoint	Percentage
20-30	14	25	35%
31-40	17	35.5	43%
41-50	6	45.5	15%
51-60	3	55.5	8%
61-65	0	63	0%
Total	40		100%
Mean	33.125		

Table 2: Gender

Gender	Frequency	Percentage
Male	7	18%
Female	33	83%
Total	40	100%

Table 3: Civil Status

Civil Status	Frequency	Percentage
Single	15	38%
Married	25	63%
Widow	0	0%
Separated	0	0%
Total	40	100%

Table 4: Years in Service

Years in Service	Frequency	Midpoint	Percentage
1-5	8	3	20%
6-10	15	8	38%
11-15	8	13	20%
16-20	4	18	10%
21-25	3	23	8%
26-30	0	28	0%
31 years above	2	33	5%
Total	40		100%
Mean	11.375		

Table 5: Position

Position	Frequency	Percentage
Master Teacher II	0	0%

Master Teacher I	7	18%
Teacher III	3	8%
Teacher II	5	13%
Teacher I	25	63%
Total	40	100%

Table 6: Basic Salary

Basic Salary	Frequency	Percentage
SG 11	24	60%
SG 12	5	13%
SG 13	9	23%
SG 14	2	5%
SG 15	0	0%
Total	40	100%

Table 7: Net Take Home Pay

Net Take Home Pay	Frequency	Midpoint	Percentage
9,000 or more	6	9999.5	15%
7,000-8,999	5	7999.5	13%
5,000-6,999	21	5999.5	53%
Less than 5,000	8	4000.5	20%
Total	40		100%
Mean	6449.70		

Table 8: Number of Loans

Number of Loans	Frequency	Percentage
5 or more	8	20%
4	0	0%
3	5	13%
2	6	15%
1	21	53%
Total	40	100%

Part II: Financial Knowledge and Behavior

This part presented the findings on Financial Knowledge and Behavior of Teachers at Governor Manuel D. Barretto National High School. Table 9 composed of statements on financial knowledge and

behavior. It is clearly shown that most of the teachers at Governor Manuel D. Barretto National High School are moderately literate in terms of financial knowledge while in terms of financial behavior the average 2.97 clearly suggests that most of the teachers are literate.

Table 9: Financial Knowledge and Behavior

Financial Knowledge	Mean	Degree
Financial knowledge helps you to have an effective decision in spending.	3.88	Moderately Literate
A money on hand today is worth more than a money promised in the future.	3.75	Moderately Literate
Inflation causes your family to struggle financially to keep up with the price of everything.	3.83	Moderately Literate
Investing money into multiple avenues is safer than investing it into a single avenue.	3.70	Moderately Literate
It is important to know the interest rates charged by banks and borrowing rates charged by financial institutions.	3.58	Moderately Literate
Finances have several uses, such as a pension plan, investment account, insurance policy and a credit card	3.53	Moderately Literate
Average	3.71	Moderately Literate
Financial Behavior	Mean	Degree
I have a weekly or monthly budget that I follow.	3.53	Moderately Literate
I review and evaluate spending on a regular basis	3.53	Moderately Literate
I live from paycheck to paycheck	3.55	Moderately Literate
I regular set aside money for saving.	3.58	Moderately Literate
I write down where money is spent.	3.35	Literate
I estimate household net worth.	3.15	Literate
I set aside money for retirement	2.93	Literate
I create financial goals	2.73	Literate
I make plans on how to reach my financial goals	2.68	Literate
I developed a plan for my financial future	2.68	Literate
I regularly review my total financial situation	2.63	Literate
I often spend more money than I have	2.73	Literate
I usually pay the credit card bills in full	2.65	Literate
I get myself into more debt each year	2.70	Literate
I compare my credit card receipts with monthly statements	2.65	Literate
I evaluate my risk management (insurance) strategies	2.58	Literate
Average	2.97	Literate

Part III: Financial Challenges

This part discusses the findings as to the degree of financial challenges of the respondents in terms of being a breadwinner to the family and being an educator.

The figures show the ranking as to the degree of financial challenges faces in terms of being a breadwinner to the family and being an educator. Figure 2 illustrates that as breadwinners they are the

main provider of all the needs of the family. Rank 1-3 statements signifies that most of the educator’s income spending is for the provision of family needs, educational expenses of their children or siblings and for the medical expenses. Figure 3 illustrates that educators of Governor Manuel D. Barretto National High School monthly expenses exceed their income, which supports the second rank statement of having a higher cost of necessity as well as the rising cost of education.

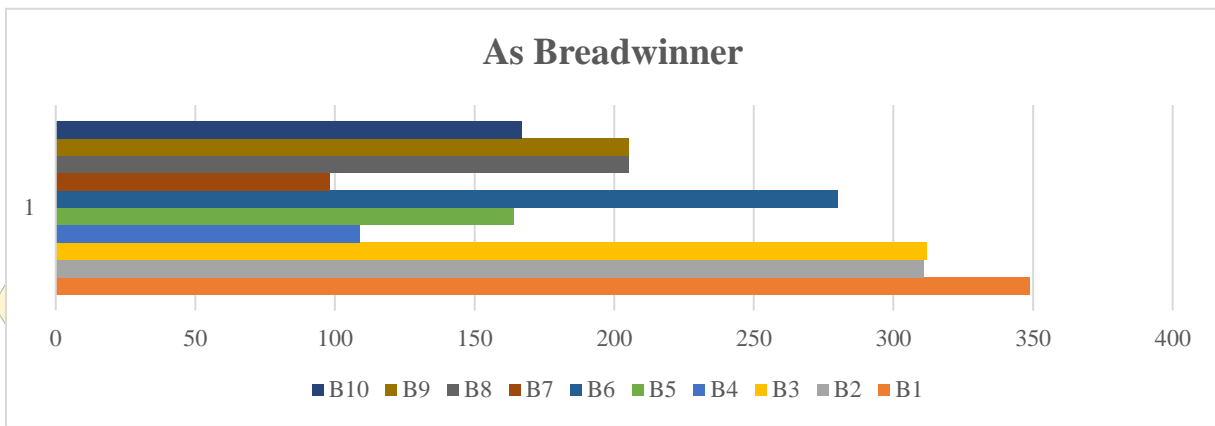


Figure 2: As Breadwinner

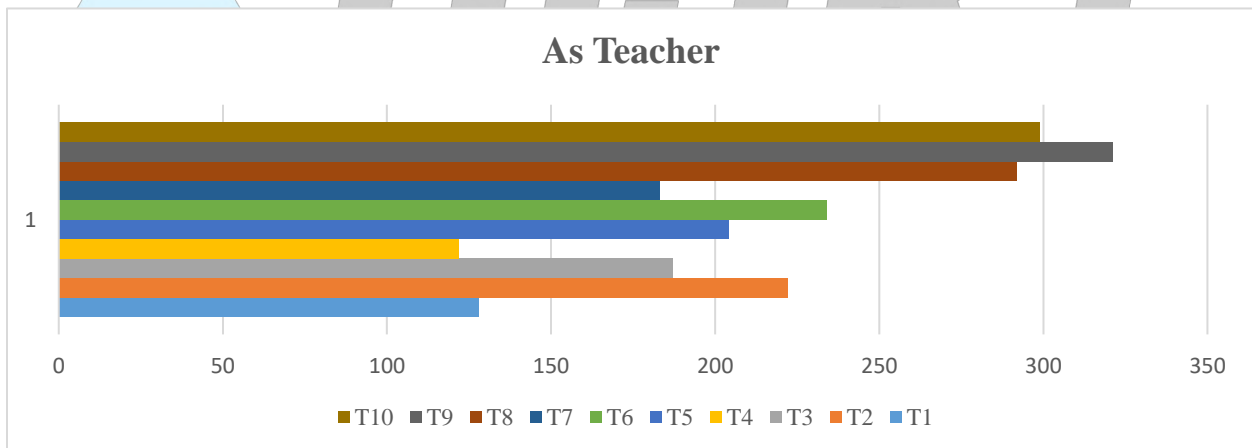


Figure 3: As Teacher

CONCLUSION AND RECOMMENDATION

This study aimed to describe the effects of salary loans on classroom excellence and career improvement of Governor Manuel D. Barretto National High School Teachers. With a total of forty teaching personnel at Governor Manuel D. Barretto National High School at Brgy. Maloma, San Felipe, Zambales the descriptive research design was used in this study, and a survey

questionnaire serves as a research instrument. Data in this study will be analyzed and interpreted using the descriptive statistics such as relative frequency, simple percentage, and weighted mean is used for the data treatment.

Based on the findings of the research, the following conclusions where generated:

In various ways, the presence of lending institutions contributed to addressing teachers' financial issues.

Most of the teachers are breadwinners and the main provider within their family as well as investing in education and medical expenses.

Having multiple loans in middle age limits financial freedom and stability, lowers net income, accumulates more debt, causes challenges in managing monthly loan repayments, and leads to financial instability. Conversely, borrowing money can help respondents realign their budget by cutting daily expenses and altering their lifestyle.

The effect of salary loans on classroom excellence and career improvement summarizes that tardiness, no job focus, decreased net pay, difficulty in coping with monthly loan payments and no financial stability are some of the factors.

As the research results in a positive outcome where most of the teachers of Governor Manuel D. Barretto National High School are in the range of moderately literate to literate when it comes to financial knowledge and behavior, having salary loans is a positive benefit since it was being spent for family needs, education and medicine.

RECOMMENDATIONS

Based on the findings of the study and the conclusion generated, the researcher recommends the following:

1. The Department of Education might consider in organizing workshops and seminars on financial management for educators.
2. The government might explore creating a structured strategy to better assess teachers' work performance, motivation, and job satisfaction, leading to enhanced learning outcomes.
3. School heads ought to motivate and assist educators in joining and attending financial management training to enhance their financial literacy and freedom.
4. Communicate the results and findings to the school's top management through workshops, Learning Action Cell or LAC session and In-Service Training (INSET).

5. Similar study may be conducted by other schools to validate the result of the study.

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