

Financial Literacy of Elementary School Teachers in Narra Del Norte District

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Abstract— Being one of the most influential people in our society, teachers who are dutifully mandated to improve students academically are also expected to impact many aspects of people's lives, such as becoming financially literate. However, Teachers are said to lack financial literacy. This is the very premise of the conduct of this study. This Quantitative Research employed a Descriptive-Correlational Research Design. It involved 153 elementary teachers in Narra del Norte District, Palawan. The respondents were selected using a simple random sampling technique. A self-completed questionnaire was used to collect the needed data. The results showed that teachers' level of financial literacy is moderate. More so, it revealed that the most substantial influence on teachers' financial condition came from the costs associated with reporting to and performing their professional duties. There is a moderate relationship between the teachers' financial literacy level and the factors affecting their finances. There is an association between financial literacy level and demographic profile – position and attendance to financial literacy training. While teachers' reactions to the positive financial literacy indicators that might be summed up as financial knowledge were highly translated, their responses to the negative signs were somewhat in the reverse direction. This would imply that their literacy levels were lower than they first appeared to be. Furthermore, teachers' financial literacy is affected by or vice versa by the same things that affect their finances. Moreover, the teachers' position and participation in financial literacy training may raise their level of financial literacy. However, their sex, marital status, number of dependents, pay, and other sources of money may not necessarily have an impact.

Keywords— Elementary school teachers, financial literacy, training.

I. INTRODUCTION

Financial literacy is claimed to be required to make significant personal financial decisions that benefit us. The degree to which a person is financially literate varies from person to person. Financial literacy allows a person to better plan their finances. Financial literacy is important on a number of levels. It has far-reaching ramifications for the well-being of individuals in their financial management. It has an impact on how people save, borrow, invest, and manage their money. As a result, it impacts their ability to increase their wealth, income, and lifestyle choices (Sarigul, 2014).

Financial literacy has received a lot of attention from policymakers, and financial safety net institutions are concerned that consumers may lack the basic financial knowledge needed to make informed financial decisions. Financial decisions include better saving and investment

decisions, better debt management, and more careful retirement planning. The recent financial crisis has been widely acknowledged as exacerbated by a lack of financial literacy (OECD/INFE, 2009 cited by Bongini, Colombo & Drozdowska, 2015). The challenge now is to determine whether and how financial literacy can be taught and whether there is a relationship between improving financial literacy and individual outcomes (Drexler, Fischer, & Schoar, 2014).

Like entrepreneurs, teachers are bound to make complex financial decisions in many aspects of their lives, such as managing daily finances, saving for the future, or life investments. The amount of their financial literacy may impact the effectiveness of financial education offered by instructors. Teachers' lack of financial literacy would make it difficult for them to teach financial literacy in the classroom (Deng et al., 2013).

Being one of the most influential people in our society, teachers who are dutifully mandated to improve students academically, are also expected to impact many aspects of people's lives, such as becoming financially literate. However, Teachers are said to lack financial literacy. Data have revealed that Filipino teachers' debts have reached P178 billion from legitimate financial institutions; thus, financial literacy is crucial (Briones, 2017).

The above-stated financial literacy situations led to asking whether teachers' lack of financial literacy impedes their ability to teach their students to become more financially literate? With this, the researchers opted to assess teachers' level of financial literacy in public elementary schools to address this prevalent issue of their ability to educate their students on managing their finances properly.

Filipino are becoming more concerned about financial security with the Philippines' current economic situations, especially those who lack the skills and means to survive the financial market crisis and take advantage of its arbitrary growth. Ordinary people are faced with taking responsibility for formulating sound financial decisions that might significantly affect their lives. Poor financial decision-making is a remarkably prevalent occurrence usually disregarded and overlooked until such a time crisis becomes widespread.

In this manner, As a result, financial literacy has cemented its place in any conversation aimed at developing policies necessary for overcoming the financial crisis. As Lusardi & Mitchell (2014) highlighted, the emergence of financial

systems has put on households a considerably more obligation to seek a loan, save, invest, and decrease assets. Meanwhile, according to Braunstein & Welch (2002) (as referenced by Ergün, 2017), ineffective money management is caused by a lack of financial literacy. Lack of financial literacy does have an impact on an individual's ability to achieve long-term financial goals.

Furthermore, the level of financial literacy varies from person to person. It has different inferences based on the country's level of income (Xu and Zia, 2012), an individual, or an organization. Kempson, Perotti, and Scott (2013) discussed that countries with limited financial capability and low financial systems result in a limited ability of individuals and households to maximize their financial resources, carefully plan their consumption, and control risks. Manulife Philippines revealed that Filipino's high level of personal debts surpassed their rising financial discipline even though Filipinos are generally prudent savers, as mentioned in an article published by The Manila Times (2016). This can be translated that the level of financial awareness among Filipinos is considerably low.

Due to recent stories and instances of ballooning borrowings, over-indebtedness, and bankruptcy in the Philippines, increasing financial literacy is now a general concern. But what is financial literacy? Why is it essential for a person to be financially knowledgeable? How does it affect a person's life or future?

Several definitions and discussions can be found and extracted from other literature and studies. Lusardi and Mitchell (2017) defined financial literacy as the ability of the people to deal with the financial information needed for formulating educated decisions on financial planning, amassing wealth, debt, and retirement funds. Similarly, Huston (2010) defined financial literacy as an evaluation of an individual's capacity to be familiar with and utilize personal finance-related information. Said definitions are summed up as a person's capacity to know, process, and use the financial information he possesses and make precise and calculated decisions appropriate or based on his financial data. The discussions of Kempson, Perotti and Scott (2013) have agreed with the previous notions on financial literacy as they said that financial literacy focuses on people's understanding of how interest rates work, the principal value, and the like.

The study conducted by Lusardi and Mitchell (2011) manifested that financial literacy is low among those who are less educated and low earners since basic financial understanding played a vital role in a person's ability to save. They further discussed that planning and financial know-how are interrelated and that financial literacy played a role in saving and investments.

Correspondingly, the study of Máté, Kiss, Takács, and Molnár (2016) which concludes that to make consumers empowered in financial markets, enhancing financial education is an effective policy response to improve the level of a person's financial knowledge. This agrees with Xu and Zia (2012), who discussed in their study that enhancing financial literacy programs must be tailored to the needs of

their target audience, consider interventions that correspond to ensuring effectiveness.

Alongside many studies about financial literacy, reviews on the factors affecting financial literacy come at hand. Abdullaha and Chong (2014) enumerated and discussed several factors affecting one's financial literacy: age, sex, social status, culture, socio-demographic, and even educational attainments. This, in turn, requires a person to effectively plan and make wise financial decisions necessary for the attainment of his long-term financial stability (Anderson, Baker, & Robinson, 2016).

Different notions previously discussed and presented based on the various and related studies support this present study which deals with financial literacy. However, this study concentrates on assessing the financial literacy of different professionals, which can be determined by numerous variables such as factors affecting their finances, their financial knowledge, and their sources of income.

Research Questions

This study assessed the financial literacy level among public elementary school teachers by determining numerous variables, such as factors affecting teachers' finances, their financial knowledge, and sources to formulate a School-based Plan of Action on strengthening teachers' financial literacy.

Specifically, it sought answers to the following questions:

1. What is the respondents' demographic profile in terms of sex, position, marital status, number of dependents, salary, other sources of income, and attendance to financial literacy training?
2. What is the financial literacy level of public elementary school teachers?
3. What are the factors affecting teachers' finances?
4. Is there a significant relationship between the factors affecting respondents' finances and their financial literacy level?
5. Is there a significant association between the demographic profile of public elementary school teachers and their financial literacy levels?

II. METHODOLOGY

A. Research Design

This Quantitative-Qualitative research employed a Descriptive-Correlational Approach in determining the level of financial literacy of public elementary school teachers, and the factors affecting the level of financial literacy of public elementary school teachers.

B. Sampling

The study was conducted at Narra Del Norte District in Narra, Palawan, involving public elementary schools that are under the direct supervision of the Department of Education. This study computed the sample size using an online sample size calculator, Raosoft. With a .05 margin of error and 95% confidence level, this study involved a total of 153 out of 252 teachers in Narra del Norte District as its respondents.

C. Research Instruments

A self-completed survey questionnaire which was partially adapted from the works of Elma, Javillonar, and Jardinico (2018) was utilized. The questionnaire was composed of three parts. The first part is about the characteristics of the respondents. The second and third parts were composed of Likert questions about public elementary school teachers' financial literacy levels and the factors affecting respondents' finances.

D. Data Collection

Using the questionnaire, the researchers collected information from the selected respondents about their profile, level of financial literacy, and the factors affecting their finances. After completing the questionnaire, responses were tabulated and analyzed using a parametric test.

D. Data Analysis

The following statistical tools were utilized in interpreting and analyzing the data:

1. Percentage and frequency were used in describing the respondents' demographic profiles.
2. Mean, and standard deviation were used in determining the financial literacy level of public elementary school teachers and factors affecting respondents' finances.
3. Pearson correlation was employed in probing the relationship between the factors affecting respondents' finances and their financial literacy level; and
4. Eta Correlation was used to test the association between the demographic profile of public elementary school teachers and their financial literacy level.

III. RESULTS AND DISCUSSION

The demographic profiles of elementary teachers

Table 1 presents profiles of the teacher-respondents in terms of sex, position, marital status, number of dependents, monthly income, other sources of income, and attendance to financial literacy training. It can be noted that the respondents were primarily composed of females with a frequency of 132 or 86%, while the males were only 21 or 14%. Also, among the 153 respondents, 120 or 78.4% were married, 23 or 15% were single, and 10 or 7% were widows.

The number of the respondents' dependents were also shown in the Table 1. It was revealed that 32% ($f = 49$) of the respondents have two dependents, followed by those with three dependents ($f = 30$; $\% = 20$). It can also be noted that those who have five ($f = 4$; $\% = 3$) and four ($f = 17$; $\% = 11$) dependents were the least in number.

As for the position, the majority of the respondents were classroom teacher who occupies Teacher I ($f = 67$; $\% = 43.8$); Teacher III ($f = 40$; $\% = 26.1$); and teacher II ($f = 28$; $\% = 18.3$) positions. Meanwhile, the respondents who are Master Teachers (MTI: $f = 9$; $\% = 5.9$; MTII: $f = 3$; $\% = 2$), Head Teacher III ($f = 2$; $\% = 1$), and Principal II ($f = 4$; $\% = 3$) were reported to be few in number. The data revealed that most of the teachers occupy lower ranks or positions. Relative to the respondents' position, the Table also bared the respondents' salary ranges, where 82% or 125 of the respondents have a

monthly salary between Php 15,001 to Php 30, 000. This is because the majority of the respondents were holding Teacher I to III positions.

Respondents were also asked whether they had other sources of income and attended financial literacy training. It was reported that 59% or 91 of the respondents have no other source of income besides their monthly salary, and 68% or 104 have not yet attended any training or seminar related to financial literacy. This could explain why the majority of the respondents were not keen on having other sources of income.

TABLE 1. Teachers' Demographic Profile

Sex	Frequency	Percent
Female	132	86
Male	21	14
Total	153	100
Marital Status	Frequency	Percent
married	120	78
single	23	15
widow	10	7
Total	153	100
Number of Dependents	Frequency	Percent
0	25	16
1	28	18
2	49	32
3	30	20
4	17	11
5	4	3
Total	153	100
Position	Frequency	Percent
Principal II	4	3
Head Teacher III	2	1
Master Teacher II	3	2
Master Teacher I	9	6
Teacher III	40	26
Teacher II	28	18
Teacher I	67	44
Total	153	100
Monthly Income	Frequency	Percent
Php 15,000 and Below	2	1
Php 15,001- Php 30, 000	125	82
Php 30, 001- Php 45,000	18	12
Php 45,001- Php 60, 000	8	5
Total	153	100
Other Source of Income	Frequency	Percent
No	91	59
Yes	62	41
Total	153	100
Attendance to Financial Literacy Training	Frequency	Percent
No	104	68
Yes	49	32
Total	153	100

Teachers' Financial Literacy Level

The teachers' level of financial literacy was examined using a questionnaire with a survey scale, where: 1.00-1.80 - Very High; 1.81-2.60 High; 2.61-3.40 Medium; 3.41-4.20 Low; 4.21-5.00 Very Low for negative statements/indicators and 1.00-1.80 - Very Low; 1.81-2.60 Low; 2.61-3.40 Medium; 3.41-4.20 High; 4.21-5.00 Very High for positive statements/indicators. As shown in Table 2, ten negative and ten positive statements indicate the respondents' financial literacy level.

The weighted mean for negative ($\bar{x} = 3.01$) and positive ($\bar{x} = 3.91$) indicators showed that the respondents had medium

and high financial literacy levels, respectively. It can be noted that teachers' levels of literacy on the positive indicators: *Weekly/monthly budgeting is important* [$\bar{x} = 4.29$; $\sigma = 0.94$]; *Having only one source of income is not enough* [$\bar{x} = 4.35$; $\sigma = 0.96$] and negative indicator: *There are shortcuts to becoming rich* [$\bar{x} = 1.75$; $\sigma = 0.95$] were very high.

It is also noteworthy that although teachers' responses on positive financial literacy indicators that could be summed up with financial knowledge were translated to a high level, their responses on the negative indicators were a bit opposite. This could mean that their literacy levels were not as high as it seems. The said is in accordance with Elma, Javillonar & Jardinico (2018) whom they found that although professionals had a good financial literacy level, they failed to act responsibly and use such knowledge. Meanwhile, the result differs from the previous claims here a person assumed to be financially literate is knowledgeable and is able to process and utilize financial information properly (Huston, 2010; Kempson, Perotti, & Scott, 2013).

TABLE 2. Level of Teachers' Financial Literacy

Negative Indicators*			
	Mean	Std. Dev.	Interpretation
1. There are shortcuts to becoming rich.	1.75	0.95	Very High Level
2. I have high hope of winning a lottery and/or raffle draws.	2.09	1.21	High Level
3. Bonuses, 13th-month pay, and the like are usually spent before it is received.	2.65	1.22	Moderate Level
4. A house is a good investment.	2.78	1.19	Moderate Level
5. I let circumstance take care of itself.	3.17	1.20	Moderate Level
6. I rely only on my salary to cover my needs and my family's.	3.22	1.19	Moderate Level
7. Praying diligently solves my financial problems.	3.30	1.33	Moderate Level
8. I am having a hard time sticking to my budget allocations	3.36	1.02	Moderate Level
9. I usually take a loan whenever there is a need.	3.55	1.03	Low level
10. Enjoy life when you still can.	4.26	0.83	Very Low Level
Weighted Mean	3.01		Moderate Level
Positive Indicators**			
	Mean	Std. Dev.	Interpretation
1. I am aware of a high-yielding deposit	3.49	0.93	High level
2. I set long-term and short-term financial plans	3.75	0.97	High level
3. Keeping a record of my income and expenses is a need	3.78	0.98	High level
4. Whenever I have extra money, I will surely invest it	3.78	0.99	High level
5. I keep a portion of my salary as savings	3.81	0.89	High level
6. Knowing interest rates, either for a loan or investment is necessary	3.82	0.96	High level
7. Compare prices of goods before buying	3.97	0.87	High level
8. I have a bank account	4.01	1.05	High level
9. Weekly/monthly budgeting is important	4.29	0.94	Very High Level
10. Having only one source of income is not enough.	4.35	0.96	Very High Level
Weighted Mean	3.91		High Level

Factors affecting teacher's Finances

Table 3 shows the factors affecting teachers' finances. The table revealed that teachers neither agree nor disagree that *Personality enhancement/Fashion-related expenses* ($\bar{x} = 3.22$; $\sigma = 1.01$) and *Vacation/travel-related expenses* ($\bar{x} = 3.31$; $\sigma = 1.07$) affect their finances. On the other hand, they strongly agreed that factors such as *Communication-related expenses* ($\bar{x} = 4.21$; $\sigma = 0.76$), *School-related Activities* ($\bar{x} = 4.24$; $\sigma = 0.94$), *Hospitalization/Medical Expenses* ($\bar{x} = 4.26$; $\sigma = 0.83$), *Household expenses* ($\bar{x} = 4.31$; $\sigma = 0.74$), and *Transportation/gasoline expenses* ($\bar{x} = 4.33$; $\sigma = 0.83$).

The results divulged that teachers' finances were mainly affected by their expenses reporting to and performing their duties as teachers. Meanwhile, the lack of free medical subsidies for teachers could be the reason why teachers regard that hospitalization/medical expenses affect their finances.

TABLE 3. Factors Affecting Teachers' Finances

Factors	Mean	Std. Dev.	Adjectival Rating
1. Personality enhancement/Fashion-related expenses	3.22	1.01	Neutral
2. Vacation/travel-related expenses	3.31	1.07	Neutral
3. Pursuing graduate studies.	3.55	0.99	Agree
4. Children's education	3.72	1.13	Agree
5. Seminars/Training Attendance	4.01	0.76	Agree
6. Communication-related expenses	4.21	0.76	Strongly Agree
7. School Related Activities (Classroom beautifications and Contributions, etc.)	4.24	0.94	Strongly Agree
8. Hospitalization/Medical Expenses.	4.26	0.83	Strongly Agree
9. Household expenses (electric/water bills, food, etc.)	4.31	0.74	Strongly Agree
10. Transportation/gasoline expenses	4.33	0.83	Strongly Agree

Relationship between teachers' financial literacy level and the factors affecting their finances

A Pearson product-moment correlation was computed to assess the relationship between the teachers' financial literacy level and the factors affecting their finances. There was a moderate positive correlation between the two variables, $r = 0.372$, $n = 11$, $p = 0.259$. In general, the results suggest that the factors affecting teachers' finances affect their financial literacy or vice versa.

TABLE 4. Relationship Between Teachers' Financial Literacy Level and Factors affecting their Finances

	Pearson Correlation	Sig. (2-tailed)	Interpretation
Financial Literacy Level and Factors Affecting Teachers' Finances	.372	.259	Moderate positive relationship

**Correlation is significant at the 0.05 level

Relationship between the demographic profile of public elementary school teachers and their financial literacy levels

This study tested whether there is an association between the teachers' demographic profile and their level of financial literacy. Thus, it tested this study's null hypothesis: $H_0 =$ there is no significant relationship between the teachers'

financial literacy levels and their demographic profiles.

The data included 153 elementary teachers in Narra del Norte District in Narra, Palawan. Based on the computed eta correlation values between the teachers' financial literacy level and sex ($\eta = 0.083$), marital status ($\eta = 0.194$), number of dependents ($\eta = 0.169$), salary ($\eta = 0.145$), and other sources of income ($\eta = 0.090$), there was a weak association among the said variables. Meanwhile, the computed eta correlation values between the teachers' financial literacy level and position ($\eta = 0.213$), and attendance to financial literacy training ($\eta = 0.216$) showed a medium association between the said variables.

This leads to a decision to fail to reject the null hypothesis of no significant relationship between the teachers' financial literacy levels and their demographic profiles in terms of sex, marital status, number of dependents, salary, and other source of income. Meanwhile, a decision to reject the null hypothesis of no significant relationship between teachers' financial literacy levels and their demographic profiles in terms of position and attendance to financial literacy training.

This implies that there is an association between the variables: financial literacy level and demographic profile – position and attendance to financial literacy training, provided that the Eta coefficient test (η) is above 0.2 which is the minimum tolerance to prove statistically significant association between the variables.

TABLE 5. Association Between the Teachers' Demographic Profiles and Financial Literacy Level

Nominal by Interval	Financial Literacy Level	Interpretation
Sex	.469 .083	Weak Association
Postion	.413 .213	Medium Association
Marital Status	.566 .194	Weak Association
Number of Dependents	.394 .169	Weak Association
Salary Range	.411 .145	Weak Association
Other Source of Income	.536 .090	Weak Association
Attendance to Financial Literacy Training	.521 .216	Medium Association

IV. CONCLUSIONS

Based on the study findings, the following conclusions were formulated:

1. The elementary teachers in Narra Del Norte District were majority composed of females, married, had an average number of 2 dependents, holds lower ranks or positions, with a salary ranging from PhP15,001 to PhP 30,000, with no other source of income except their salary, and have not yet attended to any financial literacy training or programs.
2. Teachers' financial literacy level is relatively moderate. Their knowledge and awareness of the importance of budgeting and having more than one source of income are in conflict with their belief that taking a loan is a necessity and that life must be enjoyed when they still can.
3. Teachers' finances were affected by their expenses incurred to support both their personal/family and work affairs. Moreover, teachers may feel that hospitalization and medical costs have an impact on their finances because

there were no healthcare subsidies accorded to them.

4. There is a significant relationship between the factors affecting the teachers' finances and their level of financial literacy. In other words, factors affecting teachers' finances affect their financial literacy or vice versa.
5. The teachers' position and attendance in financial literacy training might improve their financial literacy level while their sex, marital status, number of dependents, salary, and other sources of income may not necessarily influence their financial literacy.

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