

Caught in a Debt Trap? An Analysis of the Financial Well-being of Teachers in the Philippines

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Abstract Since the Teacher Advancement for Optimum Well-being or the Project TAO Survey conducted in 2000 by the Philippine Senate, which made a comprehensive study on the well-being of public school teachers in the country, there's has been a dearth of researches that provide empirical data on the current status of the financial well-being of the public school teachers in the country that can inform public policy on the matter. Specifically, this research seeks to investigate the phenomenon that many public school teachers in the country are caught in a "debt trap." A survey was conducted in two regions, utilizing an adopted version of the instrument used by the Financial Industry Regulatory Authority (FINRA) Investors Education Foundation in the 2012 National Financial Capability Study (NFSC) in the United State and a four-stages stratified cluster sampling determined the 710 public school teachers-participants in the of which 239 are elementary school teachers and 471 are high school teachers. Descriptive statistics such as frequencies and percentages were computed to examine the respondents' household condition and income; their perception on their debt situation and the factors that made them vulnerable to onerous debt and usurious lending. Results revealed that the financial well-being of public school teachers is serious, characterized by burgeoning debt problem and low net income. Contributing to these problems included

impaired capability of the spouses of the teachers to earn income for the family, low level of housing ownership and significant housing debt, insufficient skills in managing money and financial planning, and the high incidence of informal credit utilization. Several policies and programs of the government pertaining to teacher's welfare were suggested to be reviewed specifically the effectiveness of Republic Act. 4676, the "Magna Carta for Public School Teachers" in addressing the current financial challenges of the public school teachers.

Keywords: debt-trap, financial well-being, informal borrowing, public school teachers

Introduction

The issue of indebtedness or even over-indebtedness has been recognized in various studies as common and pressing concern all over the world (OECD, 2012; & Eurofound, 2013). In the country the same concern was highlighted by the latest Manulife Investor Sentiment Index (MISI) survey, which showed that 41% of Filipino investors carry high level of personal debt the second highest in the Asian region next to Malaysia (Manulife, 2016). In 2014, the story of three public school teachers in the province of Pangasinan (one of the Philippine provinces), who were shot by a police officer inside the school premises, shocked the country (PhilStar, Sept. 3, 2014). Allegedly, the shooter was a loan shark angered by the failure of the teachers to pay their loan. Even though most of the political and educational leaders of the country are focused on the implementation of the K-12 reform, the aforementioned story presents the plight of the public school teachers in the country.

Indebtedness among the public school teachers has long hunted the entire public school system in the

Philippines. In 1991, the Congressional Commission on Education [EDCOM]) survey recommended increasing the basic minimum wage salary of public teachers as part of the long needed educational reform. This recommendation was corollary to the findings that the teachers' salary in Manila alone highlighted the very low net salaries of teachers in the Philippines. Furthermore, almost one-fourth of the teachers (24%) lose half of their gross income to deductions for loan payments and a larger number of teachers (28%) get deductions amounting from 25% to 50% of their gross income. Considering the teachers' financial situation, the study indicated that it is not surprising that two-fifths of teachers (41%) engage in "sideline" (part-time or odd jobs) to boost their meager incomes. Despite these facts, there is a dearth of researches in the country that look into the status of the financial well-being of public school teachers, especially the factors that led them to this vicious cycle of debt and the development of the "culture of loan" - as teachers themselves describe this phenomenon among their ranks.

Over the last decade, the salary of public school teachers has increased several times through the implementation of new salary standardization laws. Yet the same questions that the Project TAO study of 2000 asked remain significant today: *Did the salary increases actually improve the school teachers' quality of life? Are they in better health and are better able to discharge their duties? Are they now less prone to onerous debts and usurious loan terms? Are the teachers and their families better prepared to face natural and man-made adversities?* As the Philippine government embarks on a major educational restructuring through the K-12 curricular reform, this study intends to bring again to the discussion the plight of the teachers on whose hands ultimately rest the success or failure of any major educational programs of the government. The results of this study are intended to contribute to inform public policy

on the subject of benefits and welfare of our public school teachers, but more importantly for the teachers themselves to recognize and understand the commonality of their financial experiences and woes. Hopefully, such understanding will lead them to make sound financial judgment and sustainable actions when it comes to managing their finances.

Financial Well-being

Financial well-being is directly related to the overall satisfaction a person feels regarding his financial status (Hayhoe et. al., 2000; & Joo, 2008). Joo and Grable (2004) 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. 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 (Godfrey, 2006; & Van Praag et al., 2003). Debt is also seen as contributing to lower financial well-being (Norvilitis et al. 2006) and is identified as an “unfavorable financial condition” that cause of financial stress (Joo, 1998).

Debt and Informal Borrowing

Household debt has been increasing in the recent years. Even relatively affluent countries experience this financial woe (OECD, 2013). Eurofound (2013), studying the over-indebtedness in European countries, reported that 70% of people rely on family members or relatives when they needed to borrow money. Oksanen, Aaltonen and Rantala (2015) confirmed that young people, low-income families, single parents and people with low levels of education are the most vulnerable group in incurring debt. Webley and Nynus (2001) proposed two possible ways, which explains why people run into debt: “dispositional” such as lack of self-control and risk

taking, and life-cycle circumstances. Unforeseen challenges in life, such as unemployment, sickness, or divorce, can also have significant impact (Aassve, Betti, & Mencarini 2007). The number of children is also expected to put a strain on the household budget (Keese, 2012).

Investigating the role of informal debt in the in the Philippines, both the Asian Development Bank (ADB) and the World Bank (WB) reported the prevalence of informal borrowing in the country. ADB (2015) confirmed that the prevalence of informal loans is high in the country, especially when compared to other ASEAN countries. For its part, the World Bank (2015) observed that the incidence of informal borrowing in the Philippines is higher than the average in other lower-middle income East Asian economies. In the same survey, approximately 11% of Filipino use exclusively formal credit products (bank loan, microfinance loan, credit card, mortgage, etc.) compared to 22% who rely on informal source of borrowings such as a money lender, family member, or friend. Although informal borrowing contributed significantly to household debt in the Philippines, the level of debt through the formal means, specifically those extended by banks is also increasing in recent years (Armas, 2015). In a recent survey conducted by Manulife Financial Corporation in the Philippines, it was reported that the level of personal debt among Filipinos is alarmingly high that might endanger their long-term financial well-being (Lopez M. L., 2016). The same survey also reveals that 4 out of 10 Filipino (41%) carry debt, the second highest in the ASEAN region.

Well-being of Teachers and Quality Education

Despite the growing literature on the impact of teacher incentives on student performance (Fryer 2011), previous researches revealed that the salary of teachers is on a downward trend in comparison with other professions

(Nickell & Quintini 2002; Hanushek & Rivkin 2007). In the Philippines, there seems to be a common consensus that the relatively low salary being received by our public school teachers is the main reason why they are vulnerable to loan sharks and “susceptible to be caught in a debt trap.” Ironically, other than the Project TAO survey in 2000 and the frequent anecdotes on the financial sufferings of many public school teachers usually highlighted by media and militant teacher organizations, there is still a dearth of researches investigating this problem. This study tries to examine the debt situation among the public school teachers not only to contribute to the body of literature highlighting their welfare and well-being, but also to put again in the spotlight the financial challenges and woes that many of these teachers experiences which ultimately may have an effect not only on the quality of their lives but also on the quality of their teaching.

Purposes of the Research

This study aims to give a clear picture of the current status of the financial well-being of the public school teachers in the country. Specifically, the study (1) assessed the current condition of debt among public school teachers, and (2) examined the factors that made them prone to onerous debt and vulnerable to usurious lending.

Methodology

Research Design

This research followed a descriptive design and utilized survey as its method. A survey has the ability to measure attitudes, beliefs, and knowledge (Fraenkel & Wallen 2006 as cited by Otter, 2010). According to World Bank (2015), conducting a survey is a very common method used by

policy makers to understand the nature and extent of the issues they want to address through intervention. The data from the survey were used to make an in-depth analysis of the financial and debt condition of public school teachers and to examine factors that make them more vulnerable to onerous debt and become victims of usurious lending. As deemed insightful, a comparison of the data obtained from the two regions and school levels were also made.

Instrument

The research adapted the survey questionnaire used by FINRA Investors Education Foundation in the 2012 National Financial Capability Study (NFSC) in the United States, which tried to benchmark key measures of financial capability and evaluate how those key measures vary with underlying demographic, behavioral, and attitudinal characteristics. The self-administered questionnaire was validated by three specialists and was piloted to graduate students who are public school teachers.

Participants

Participants came from two regions; National Capital Region (NCR) and Region 4A (CALABARZON). The regions were purposively selected to capture differences in the financial well-being of teachers using the urban and rural dimension. Three DepEd Schools Division in the National Capital Region and two DepEd Schools Division from Region 4A were selected. The three Schools Divisions in the NCR are all City Schools Division while the two Schools Divisions in Region 4A are all from Province Division. A four-stage stratified cluster sampling was then employed to select the sample respondents of the survey. This sampling method was chosen in consideration of the limited resources allocated for the survey and in getting a good sample of respondents.

There are 710 public school teachers who participated in the survey as respondent, 239 are elementary school teachers and 471 are high school teachers. Majority of the respondents came from the National Capital Region NCR, 70% and the rest are from Region 4A (CALABARZON, 30%). Consistent with the previous studies (Project TAO 2000; “Statistics on Filipino Women” 2014) the respondents were predominantly female, around 79.4%, male account for 16.8% of the respondents and the remaining did not indicate their gender (3.8%). Table 1 shows the other attributes to the participants.

Table 1. Participants’ Attributes

Attribute/Criteria	Percentage
Age	
20-30	27.0%
31-40	31.5%
41-60	35.1%
61-65	25.0%
Education	
Bachelor	80.0%
Masters	16.9%
PhD.	1.1%
Civil Status	
Married	65.0%
Single	27.0%
Others	7.8%
Employment Status	
Permanent	94.9%
Contractual	5.1%
Rank	
Teacher	77.3%
Higher Rank	6.8%

Ethical procedures were strictly considered in the survey. Respondents were informed that participation in the survey was voluntary and that they could refuse to participate and not answer the questionnaire given to them. In addition, they were given the option to skip any question or set of questions that made them feel uncomfortable by just indicating that they refuse to answer. Finally, the personal identity of the respondents is not asked in the questionnaire and thus, all respondents' identity remained confidential throughout the presentation of the results of the survey.

Data Collection and Analysis

The survey questionnaire was distributed either personally by the researcher or the research assistants to the identified schools upon securing the approval of the Schools Division Superintendents of each sampled Schools Division. Questionnaires were left with the office of the Principal for distribution to the sampled teacher-participants. The return rate of the questionnaire is between 70%-80% of the targeted sample for each school. Descriptive statistics was utilized in the abovementioned survey. Frequencies/percentages were computed to examine the respondents' financial condition; their perception on their debt situation. Percentage and meanscores were used to describe the answers of the respondents. As deemed meaningful, data were also compared in terms of region and school level.

Results and Discussion

By investigating the condition of debt among the teacher-participants and the factors that possibly led many of them to be caught in a debt trap and usurious lending it will hopefully give us a significant indication of the status of their overall financial well-being. The discussion of the result will focus on the teacher-participants current condition, and factors

identified that made them prone to debt and usurious lending. Specifically, the factors investigated included the employment status of the spouses, sources of income and dependency burden, incidence of home ownership and debt, the means to make ends meet, prevalence of informal borrowing and vulnerability to usurious lending.

The Teachers' Financial Well-being: Are the Teachers in Debt?

Personal Debt Perception

On a scale of 1-7, teacher-participants were asked regarding their perception of the level of their personal debt. Figure 1 shows the sentiments of the participant-teachers regarding the statement “*I have too much debt.*”

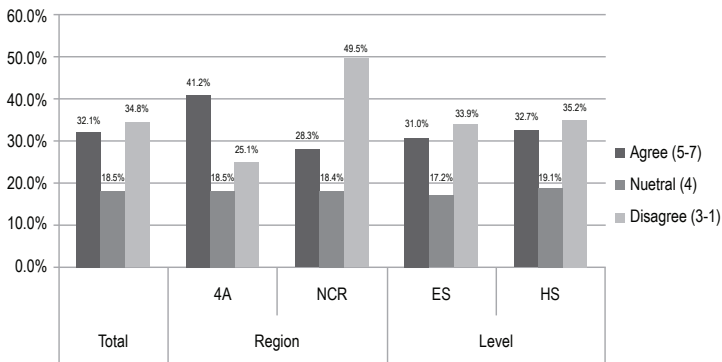


Figure 1. “*I have too much debt.*”

Although those who did not perceive themselves as having too much debt (34.8%) outnumbered those who perceived themselves as having too much debt (32.1%), the difference is interestingly small. The high incidence of debt among public school teachers was already highlighted by Project TAO in 2000. This current study reveals that a third of the public school teacher perceived themselves as having too

much debt. Considering that the data shows that 3 out of 10 respondent teachers consider themselves are heavily buried in debt is a cause for concern. Furthermore, their burgeoning debt problem is also reflected in their very low average net monthly salary, which, as approximated in this research is only Php 7,812.52. These findings with regards to the problem of debt among public school teachers is consistent with the results of the earlier study of Project TAO (2000) on the well-being of public school teachers and the wider study of World Bank (2015) and Manulife, Philippines (Lopez, 2016) regarding the status of financial capability among Filipinos.

It is evident from the data that there are more respondents from Region 4A that fell they have too much debt than from NCR. Since NCR represents an urban area which requires higher cost of living compared to a predominantly rural area like Region 4A, one might easily infer that those from the latter would likely to have a higher debt but the data revealed otherwise. Data on the respondents' approximated average net salary also shows that public school teachers from NCR have a higher net salary amounting to Php 8,387.85 compared to Php 6,447.14 received by public school teachers from Region 4A. On the other hand, there is no evident difference between the perception of elementary and secondary school teachers when it comes to the level of their debt.

Amount of Debt and Loans

The average amount of debt among Filipino reported in the Manulife survey goes as high as PhP 291,582 (Lopez, 2016). Incurring unsustainable amount of debt will not only jeopardize one's capability to satisfy day-to-day expenses, but might also start a vicious cycle of debt that will be almost impossible for a person to escape.

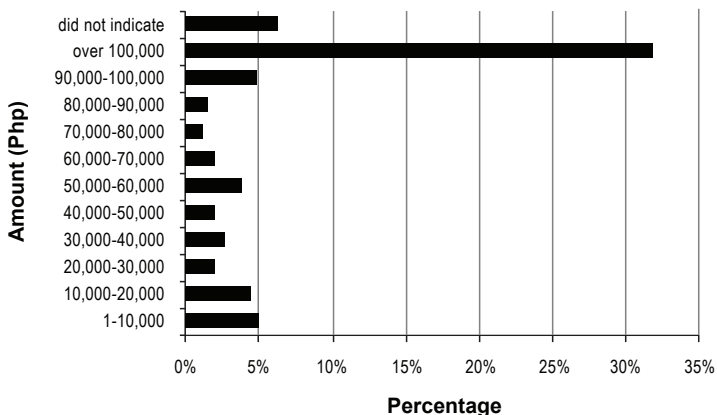


Figure 2. Amount of Debt or Loan.

In terms of the approximate amount of their debt and loans, 31.7% of the participants reported that the amount exceeds Php100,000. This is considerable, as the percentage shares of each of the other 10 loan-amount brackets are only single digit. Almost 59% of those who reported to have a debt exceeding Php 100,000 perceived themselves as having too much debt. While only 16% of those who reported to have a debt less than Php 20,000 have a perception of having too much debt. There are more participants from Region 4A (44.1%) than from NCR (26.5%) who reported to have debts and loans exceeding Php 100,000. This is consistent with the findings above that more public school teachers from Region 4A who feels that they have too much debt as compared with those from NCR. This finding that there are more teachers from Region 4A representing a rural area who reported that their debt or loans exceed Php 100,000, than those from NCR, a predominantly urban area, needs to be further investigated to examine thoroughly this irony. The number of elementary and high school teacher who reported to have debt and loans exceeding Php 100,000 are almost equal.

Factors that led to Debt

Employment Status of Spouses, Sources of Income, and Dependency

Certain demographic characteristics of the household such as may help explain why many of the participant-teachers are perceived their debt situation negatively.

Data on the employment and work status of the spouses of the participant-teachers indicated that a significant number have spouses who have diminished earning capability due to unemployment, sickness, disabilities or retirement. The financial burden of the household is heavily, if not solely weighted, on the shoulders of almost a third of the participants. This phenomenon was also observed in the Project TAO (2000) survey. It is surprising that the percentage of teachers who have spouses that are unemployed or underemployed is still very high even at present. The finding is even more significant since almost 80% of the teachers are female. Only a few (between 8.2%-18.3%) of the respondents indicated other sources of income. The primary source of other income include remittances from abroad (18.3%). The next primary source of other income is business (15.5%), only very few have rental income (8.2%), and income from pension (8.6%). It is common place to hear stories about public school teachers sending various kinds of goods on the side to augment their income.

Almost half (48.65%) of the participants' households belong to the lowest income bracket, (PhP 200,000-300,000). More respondents from Region 4A indicated that their household belongs to the lowest income bracket than those from NCR (59.2% vs. 44.1% respectively); while more high school teachers indicated that their household belong to the lowest income bracket than that of elementary school teachers (51.2% vs. 43.5% respectively). On a positive

note, the dependency burden of the participants is not high; many of them indicated only an average of 1 or 2 dependent children or dependent relatives. Almost half of the respondents (43.1%) indicated that they do not have dependent relatives and only 4.3% stated that they have 4 or more dependent children.

Incidence of Housing Ownership and Debt

The house is one of the major assets of a household. Owning a house can be a very good indicator of financial health. On the other hand, renting a house is a major expense that represents a significant portion of the income of any household or individual. When asked whether they own their house, only 39.3% of the respondents answered yes, compared to 46.1% who answered no. Those who declared themselves as house owners, they either have a housing loan (52.3%) or a mortgage (32.6%) on their house, thus, almost 90% of the respondents who declared that they own their house, have a housing debt. This finding cut across all demographic groupings. Moreover, 40.6% of those who declared having a housing loan, also perceived themselves as having too much debt compared to 37.9% of those who declared not having one. In addition, 42.4% of those who have mortgage in their house perceived themselves as having too much debt compared to 38.7% of those who declared not having one. On the other hand, 28% of those who do not own their house, perceived themselves as having too much debt (for more details please refer to the data presented in the Appendix Section).

Although incurring a loan to buy a house is not necessarily bad, and may even be considered as a financially wise decision than, say, renting. On the other hand, if in addition to a housing loan-which is usually a substantial amount - other debts are also acquired, it may start a vicious

cycle of debt, one which many public school teachers feel they are already into. It is also worth noting that since close to half of the respondent are not house owners, it makes housing one of the significant issues on improving the welfare or living standard of the public school teachers in the country.

There are more respondents from Region 4A (50%) who are home owners than from NCR (35%). This result was also echoed by the Project TAO survey, it concluded that it is understandable since housing in urban areas like NCR is relatively more expensive than in rural areas represented by Region 4A. Many public school teachers from NCR may not be able to afford the high price of housing in their area.

Making Ends Meet and Planning Ahead

Being able to fully satisfy one's daily financial needs without resorting to borrowing is a good indication of financial health. There are however various reasons that will compromise the ability of a person to make ends meet such as personal emergencies, calamity, and economic downturn. All of these future events might force a person to resort to borrowing especially if one does not have savings to act as buffer to escape him out of these predicaments. Worst, if he is already in debt even before any of these unfortunate events happen there is a great danger he will be caught in a debt trap.

Health emergency tops the reasons why the participants borrow money or take out a loan (45.8%) followed by the reasons "to cover daily expense" (41.4%) and "education of children" (40.4%). The same pattern is seen between the two regions and level. It seems that the teachers do not have an emergency fund that they could use as buffer in case of emergency. This finding shows that the health benefits being extended by Philhealth, the health insurance agency of the government, is not enough to cover the health needs of the public school teachers and their family

members so much so that when emergency occur they had to rely on borrowed money. Covering daily expenses is seen as the second main reason to borrow or take out loan. Having to borrow money for daily expense means that many public school teachers are having a hard time making ends meet on a regular basis. This shows that they are having a hard time managing their money. Having to borrow money just to meet daily expenses is a sign that one already has a debt problem (Collard, S., Finney, A., & Davies, S. 2012). In fact, half of those who reported having to borrowed money to merely finance daily expenses perceived themselves as having too much debt. Financing the education of their children is the third top reason why respondents need to borrow money. This reason coupled with not having an emergency fund could indicate that public school teachers do not have a financial plan for their future. The ability to plan for the future and manage money efficiently is important indicators of financial capability. Data shows that public school teachers seem to lack both these abilities or at least show weakness in these aspects of financial capability.

On the positive note, only a small percentage of the respondents indicated that they borrow money because of delay in salary (18.7%). Delay in salary was the common complaint of public school teachers in the past that forced them to take out loans (Project TAO, 2000).

Informal Borrowing

The prevalence of informal borrowing has already been an issue of concern in the country. Both the World Bank (2015) and ADB (2015) reported the prevalence of informal borrowing in the Philippines. Because of informal borrowing many have been prone to become victims of scams, usury and other forms of abuse. The finding of these two studies was also confirmed in their research.

A significant number of teacher-respondents have engaged in informal borrowing, such as borrowing money from family, friend and co-workers (64.5%), and money lenders (59.4%). The prevalence of this type of informal borrowing among the teachers is even higher than the national average (39%) as reported by World Bank (2015). Surprisingly, teachers belong to the more educated segment of the country's population, thus they may be considered as the least vulnerable to this type of financial mistake compare to the average population. This finding is even more worrisome, when you consider further that 60% of the participants-teachers experienced borrowing money one or more times from money lenders charging higher interest rates than the banks and other formal lending institutions. In fact, it is common knowledge that some of them charge interest rate as high as 20% monthly (terms vary depending on the lender), like the so called 5-6 lending scheme. It is apparent that the propensity of many public school teachers to use informal borrowing means making them highly vulnerable to usurious lenders, which could have contributed to the fact that they are caught in a debt-trap.

Another common method of borrowing money is through the GSIS, SSS or Pag-ibig Fund (68%), and from banks (61.8%). Only 23.1% reported using credit card, and fewer (16.9%) reported to have used pawn shops. The relatively low incidence of credit card use among public school teacher seems to be one of the positive findings of this research. Although given the high incidence of their use of informal borrowing, one can opine that it is even more advantageous for these teachers to use credit card as a borrowing method, as these financial institutions issuing these cards are regulated by the government and thus, follow sound industry standards.

Vulnerability to Usury

As mentioned earlier, due to the high incidence of informal borrowing among Filipinos, they are more likely to be victimized by loan sharks and financial scams (World Bank 2015; ADB 2015). When asked how many times they have been victimized by usurious lenders, almost 30.4% of the respondents answered rarely or sometimes, while 64.5% declared not having experienced being victimized. There are more respondents from NCR who experienced usury (32.3%) versus those from Region 4A (26.1%). In terms of school level, more elementary teachers became victims of usury (33.5%) than high school teachers (26.1%). On a positive note, none of the respondents answered that they are either often and even frequently victimized by usury.

Only 29.8% of those who reported to have never experience being a victim of usurious lenders perceived themselves as having too much debt. This compared to 40.7% of those who answered that they have been victimized often and 61.9% of those who answered that they have been frequently victimized of usurious lenders perceived themselves as having too much debt. The connection between being a victim of usury and the perception of having too much debt seems to be very apparent to the situation of the participant-teachers.

Conclusion and Recommendations

Primarily, the study intends to provide a clear illustration of the current status of the financial well-being of the public school teachers in terms of their debt condition and the factors affecting this condition. The findings of the survey confirmed that debt is still a significant challenge in the financial well-being of the public school teachers in the Philippines. As professionals, teachers don't normally fit to

the proto-type (low income, low education attainment, high number of children, unemployed) of those who should be heavily in debt as identified in research studies (Oksanen et al. 2015; Aassve et al. 2007; Keese 2012). Some other circumstances might have put these teachers in this financially challenging situation.

A possible contributory factor include the fact that majority of teachers belong to the lowest teacher rank (54.2%), thus, earning only entry level salary. Regrettably, this was the same finding highlighted by Project TAO (2000) more than a decade ago, which also reported that 65% of the public school teachers are receiving only entry level salary. Policy makers should look into the professional advancement of public school teachers, specifically, the promotion procedures and qualification requirement should be revisited and priority should be given to faster advancement in rank as long as the qualifications are met.

Other contributory factors include impaired earning capability of the spouses, housing debt, insufficient money management and financial planning capabilities and high incidence of informal borrowing leading to vulnerability to usurious loans. The impaired capability of many of the teacher's spouses to enough money for the family may have to earn income for the family may have also contributed to the teachers' financial difficulties. To possibly remedy this situation, the government though the Technical Education and Skills Development Authority (TESDA) can prioritize the family members of public school teachers especially their spouses in scholarship grants on vocational and technical skills training or entrepreneurship education to increase their employment prospects and finally contribution to the household income. On the other hand, the teachers' insufficient skills in money management and financial planning which can be gleaned from the absence of a reserve fund to shield them against unforeseen emergencies and

the finding that many of them had to borrow money merely to cover daily expenses. Studies on the effect of financial literacy on financial behavior highlighted the fact that the low level of financial literacy is correlated with the lack of financial planning, incurring high debt and difficulty in debt repayment and frequent financial mistake (Stango & Zinman 2007; Luzardi & Mitchell 2007). Kidwell and Turrisi (2004) found a positive link between debt accumulation and poor money management skills. The World Bank (2015) reported that many Filipinos have low level of financial literacy and does not even have a clear grasp of basic financial concepts. Also, the same report highlighted that Filipinos find daily money management and long-term planning difficult. The same reason may also explain the high incidence of informal credit utilization, which is also a factor why many public school teachers are vulnerable to being victimized by loan sharks and financial scammers. Low level of financial literacy has been associated with incurring financial mistakes such as borrowing on high interest rates and excessive fees (Van Rooij, Luzardi & Alessie 2011, citing Agarwal, Driscoll, Gabaix & Laibson 2009 & Moore 2003). It seems that the integration of financial education in the teacher-education curriculum is more crucial now than ever. Furthermore, government financial agencies like the Government Service Insurance System (GSIS), Landbank, Social Security System (SSS), Pag-ibig Fund and other legitimate private financial institutions can assist the teachers to free themselves of these usurious loans by providing a financing scheme that will enable the teachers write-off these loans and other bad debts.

Owning a home seems to be still beyond the reach of many public school teachers especially those living in urban areas since the Project TAO (2000) identified this problem more than more than a decade ago. The recommendation of this earlier survey for the government to implement a

socialized housing program for these teachers is still relevant today. The famous adage that health is wealth seems to be quite meaningful for many of these public school teachers. An assessment of the over-all health assistance program of the government and how it can effectively address the health-related issues of the teachers is highly needed. If health emergency can be eliminated as a primary reason why the teachers need to borrow money especially through informal means, the financial burden that they are now carrying can be significantly reduced.

The full implementation of the provisions of Republic Act 4670 or the Magna Carta for Public School Teachers is long overdue. As the law recently celebrated its 50th anniversary since its enactment in 1966, it is high time the government should finally fulfill the intention of the the law and give the public school teachers all the benefits that they rightfully deserve. Concomitantly, the law makers should also take a closer look and review the applicability and effectiveness of this legislation to the current situation of public school teachers, most especially their financial well-being. The multi-faceted economic and social issues surrounding the current status of the public school teachers in the country such as sustainable salary increases, health benefits, housing, scholarship grant for them and their family members and loans privileges can be comprehensively address through an updated Magna Carta for Public School Teachers.

“It’s the Teachers Stupid” is part of the title of an article in Forbes which discussed the message on Bill Gates’s first letter for his foundation. Mr. Gates cited the fact that teachers matter when it comes on the issue of student achievement (Forbes 2009). As the Philippines embark on a lot of reforms in education, the role of public school teachers in the success of these enterprise is without question (Fryer, Jr. et al 2011). Giving priority to the well-being of the public school teachers is a prerequisite in ensuring quality education

for all their students. No amount of resources and innovative reforms in education can substitute to having an army of teachers who are skilled dedicated, and motivated and at the same time, who are living a life of financial contentment and growth.

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Appendix

Respondents' Spouse Employment and Work Status

A1. Spouse's current employment or work status	Total		Region				Level			
			4A		NCR		ES		HS	
	frequency	%	frequency	%	frequency	%	frequency	%	frequency	%
did not indicate	22	3.1	7	3.3	15	3.0	6	2.5	16	3.4
self employed	97	13.7	32	15.2	65	13.0	38	15.9	59	12.5
full time employed	227	32.0	67	31.8	160	32.1	64	26.8	163	34.6
part-time employed	23	3.2	8	3.8	15	3.0	15	6.3	8	1.7
OFW	67	9.4	16	7.6	51	10.2	27	11.3	40	8.5
homemaker	19	2.7	4	1.9	15	3.0	2	0.8	17	3.6
sick or disabled	5	0.7	1	0.5	4	0.8	3	1.3	2	0.4
unemployed	34	4.8	11	5.2	23	4.6	14	5.9	20	4.2
retired	12	1.7	1	0.5	11	2.2	3	1.3	9	1.9
prefer not to say	22	3.1	5	2.4	17	3.4	7	2.9	15	3.2
not applicable	182	25.6	59	28.0	123	24.6	60	25.1	122	25.9
Total	710	100	211	100	499	100	239	100	471	100

Household Income

	Total		Region				Level			
			4A		NCR		ES		HS	
	frequency	%	frequency	%	frequency	%	frequency	%	frequency	%
200,000-300,000	345	48.6	125	59.2	220	44.1	104	43.5	241	51.2
300,000-400,000	80	11.3	21	10.0	59	11.8	22	9.2	58	12.3
400,000-500,000	46	6.5	11	5.2	35	7.0	13	5.4	33	7.0
500,000-600,000	22	3.1	4	1.9	18	3.6	7	2.9	15	3.2
600,000-700,000	5	0.7	2	0.9	3	0.6	1	0.4	4	0.8
700,000-800,000	7	1.0	0	0.0	7	1.4	2	0.8	5	1.1
800,000-900,000	5	0.7	1	0.5	4	0.8	3	1.3	2	0.4
900,000- 1M	6	0.8	0	0.0	6	1.2	2	0.8	4	0.8
1M or more	16	2.3	1	0.5	15	3.0	9	3.8	7	1.5
Don't know	46	6.5	8	3.8	38	7.6	17	7.1	29	6.2
Prefer not to say	79	11.1	22	10.4	57	11.4	34	14.2	45	9.6
Did not indicate	53	7.5	16	7.6	37	7.4	25	10.5	28	5.9
Total	710	100	211	100	499	100	239	100	471	100

Reasons to Borrow Money or Take out Loan

Reasons	Total		Region				Level			
			4A		NCR		ES		HS	
	frequency	%	frequency	%	frequency	%	frequency	%	frequency	%
Cover daily expenses	294	41.4%	95	45.0%	199	39.9%	97	40.6%	197	39.5%
Delay in salary	133	18.7%	31	14.7%	102	20.4%	44	18.4%	89	17.8%
Education of children	287	40.4%	89	42.2%	198	39.7%	95	39.7%	192	38.5%
Health emergency	325	45.8%	113	53.6%	212	42.5%	109	45.6%	216	43.3%
Purchase of appliances	157	22.1%	65	30.8%	92	18.4%	53	22.2%	104	20.8%
Pay maturing loans	209	29.4%	67	31.8%	142	28.5%	70	29.3%	139	27.9%

Borrowing Method

Borrowed money at one or more times in 3 years	frequency	%
Borrow money from family, friends& co-workers	458	64.5%
Borrow money from money lenders	422	59.4%
Short term loan from GSIS, SSS or Pag-ibig	483	68.0%
Taken out a short from banks & other financial institution	439	61.8%
Loan from school cooperative	259	36.5%
Use credit card to buy	164	23.1%
Used a pawn shop	120	16.9%

Victimized by Usurious Money Lending

How many times have you been a victim of money lending usury?	Total		Region				Level			
	frequency	%	4A		NCR		ES		HS	
			frequency	%	frequency	%	frequency	%	frequency	%
Never	458	64.5%	142	67.3%	316	63.3%	148	61.9%	310	65.8%
Rarely	91	12.8%	15	7.1%	76	15.2%	32	13.4%	59	12.5%
Sometimes	90	12.7%	27	12.8%	63	12.6%	40	16.7%	50	10.6%
Often	20	2.8%	8	3.8%	12	2.4%	6	2.5%	14	3.0%
Frequently	15	2.1%	5	2.4%	10	2.0%	2	0.8%	13	2.8%
Not say	1	0.1%		0.0%	1	0.2%	1	0.4%		0.0%
did not indicate	35	4.9%	14	6.6%	21	4.2%	10	4.2%	25	5.3%
Total	710	100%	211	100%	499	100%	239	100%	471	100%