Title**: FINANCIAL LITERACY AND FINANCIAL MANAGEMENT PRACTICES AMONG PUBLIC ELEMENTARY SCHOOL TEACHERS IN SELECTED SCHOOLS**

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Modified Title: Financial Literacy and Its Relationship to Financial Management Practices among Public Elementary School Teachers in the Schools Division of Nueva Vizcaya

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INTRODUCTION

Financial Literacy and Financial Management Practices

In the context of rapid economic development and increasing financial complexity, financial literacy has become an essential life skill that significantly influences both individual and global financial well-being. The Organization for Economic Co-operation and Development (OECD) recognizes financial literacy as a core competence in the 21st century, emphasizing its importance in navigating modern financial systems and making sound financial decisions (OECD, n.d.).

Financial literacy enables individuals to make informed, effective decisions about managing their financial resources. It involves knowledge and understanding of fundamental financial concepts such as budgeting, saving, investing, and debt management. As financial challenges continue to intensify, financial literacy is increasingly regarded as a vital competency, particularly among educators who serve as role models and financial influencers within their communities.

Elementary school teachers play a crucial role in shaping the knowledge, values, and behaviors of young learners. Beyond their professional responsibilities, teachers face personal financial obligations that directly affect their well-being and job performance. Effective financial management is essential in ensuring financial stability and security; however, many teachers encounter financial difficulties due to limited financial knowledge, inadequate budgeting skills, and insufficient savings or investment practices. Given their significant influence on future generations, understanding teachers' financial literacy and financial management practices is vital in fostering a financially responsible and resilient teaching workforce.

This study focuses on the financial literacy and financial management practices of public elementary school teachers in selected schools within the Schools Division of Nueva Vizcaya. By examining teachers' financial knowledge and financial behaviors, the study seeks to identify existing gaps and provide recommendations to enhance financial literacy and financial management within the educational sector.

Understanding Financial Literacy and Financial Management

Bungabong and Rosalejos (2024) emphasized that financial literacy and financial management are fundamental components of personal finance that significantly influence an individual's financial well-being. In today's complex and dynamic economic environment, these competencies are indispensable for making informed decisions, achieving financial goals, and ensuring long-term financial security. Despite increased awareness, many individuals continue to lack sufficient financial education and access to financial resources.

Financial literacy, also referred to as financial capability, is defined as an individual's ability to manage financial resources effectively to achieve sustained financial security. It consists of two key components: financial understanding and application (Abaya et al., 2021). Sanderson (2015, as cited by Delmo et al., 2023) described financial literacy as the ability to apply financial knowledge and skills to make appropriate financial decisions and manage financial resources efficiently. Similarly, Sujaini (2021, as cited by Delmo et al., 2023) defined financial literacy as the competence to understand and utilize financial skills such as budgeting, saving, and financial management. Financially literate individuals are more likely to achieve self-sufficiency and financial security.

Dwiastanti (2015, as cited by Delmo et al., 2023) highlighted the growing importance of financial literacy research, emphasizing that individuals must possess adequate financial knowledge to manage their finances effectively and attain financial prosperity. Financial literacy positively influences financial capability and personal financial behavior (Akca et al., 2018;

Te'eni-Harari, 2016, as cited by Rapina, 2023). The development of financial literacy is a continuous process that requires sustained effort from individuals and support from educational institutions and the broader social environment (Çera et al., 2021, as cited by Rapina, 2023). Individuals with higher levels of financial literacy are more likely to demonstrate responsible financial behavior, particularly in long-term financial decisions such as home ownership and retirement planning (Blue et al., 2014, as cited by Rapina, 2023). Several studies confirm that as financial literacy increases, individuals' capacity to manage financial resources effectively also improves (Akca et al., 2018; Arofah et al., 2018, as cited by Rapina, 2023).

Financial Management Practices

Financial management is recognized by the World Bank Group as a key component of good governance and a critical factor in achieving sustainable development goals, including poverty reduction and shared prosperity (World Bank Group, n.d.). Pandey (2025) defined financial management as the systematic process of planning, organizing, directing, and controlling financial resources to achieve goals efficiently and effectively. It includes budgeting, forecasting, cash flow management, investment decisions, risk management, and financial reporting, with the primary objective of ensuring financial sustainability and stability.
Financial management practices refer to a combination of financial knowledge, skills, attitudes, and behaviors that guide individuals in making informed financial decisions (Borres, 2023). Hussain and Sajjad (2018, as cited by Borres, 2023) described these practices as essential elements contributing to financial well-being, including budgeting, saving, borrowing, investing, and spending. Engagement in these practices is influenced by perceived importance, individual capacity, and available financial opportunities (Ecija, 2020).
Moreover, financial management practices encompass activities such as capital budgeting, accounting, cash flow management, financial planning and control, and working capital management (Nkundabanyanga et al., 2017, as cited by Mang'ana, 2023). In a personal or household context, financial management includes income and expenditure management, saving, investing, debt management, and long-term financial planning (Low, 2024, as cited by Prakoso & Apriliani, 2024).
Budgeting is a fundamental financial management practice that facilitates planning, communication, and control of financial resources. It enables individuals to allocate resources effectively to achieve financial goals (Siegel et al., 2014, as cited by Alcantara, 2024). Budgeting translates financial plans into measurable and actionable steps, allowing individuals to monitor performance and make necessary adjustments (Hanninen, 2014, as cited by Alcantara, 2024).
Saving is another essential component of effective financial management, as it promotes financial security and preparedness for unforeseen circumstances. Regular saving helps individuals build financial reserves, reduce reliance on debt, and support long-term objectives such as retirement and asset acquisition. When combined with budgeting, saving contributes significantly to long-term financial stability and well-being (Prakoso & Apriliani, 2024).
Investment involves allocating resources with the expectation of generating future returns (Nguyen et al., 2020, as cited by Borres, 2023). Early investment enhances the growth potential of savings through compounding, allowing assets to accumulate over time. Investing early in diversified portfolios supports wealth accumulation and helps mitigate risks associated with inflation and market volatility (Yoganandham, 2025).

Influence of Socio-Demographic Factors on Financial Literacy and Financial Management
Several studies have established that financial literacy positively influences financial behavior (Ali et al., 2016, as cited by Murdiono et al., 2023). Demographic factors also play a significant role in shaping financial management behavior. Murdiono et al. (2023) noted that characteristics such as age, gender, and income significantly affect financial decision-making. Similarly, Humaidi et al. (2020, as cited by Murdiono et al., 2023) found that demographic variables influence financial management behavior.

Borres (2023) reported that financial literacy is strongly associated with socio-demographic characteristics and family structure. Age, health status, household size, and income level were identified as key determinants of financial literacy (Mark Taylor, 2018, as cited by Borres, 2023). Delmo et al. (2023) explained that demographic segmentation is a research approach that categorizes populations based on variables such as gender, age, income, marital status, and occupation. Gender differences influence financial preferences and behaviors (Zafer & Aslihan, 2012, as cited by Delmo et al., 2023), while age-based categorization reflects varying financial needs and priorities across life stages. Within the teaching profession, a substantial proportion of educators are married and tenured, which further shapes their financial responsibilities and management practices.

Keywords: Financial Literacy; Financial Behavior; Financial Management Practices; Financial Planning; Public Elementary School Teachers; Socio-Demographic Factors; Savings, Budgeting, and Investment; Nueva Vizcaya

METHODS

Research Design

This study employed a descriptive–comparative and descriptive–correlational research design. The descriptive–comparative approach was used to determine the differences in financial behavior and financial management practices of public elementary school teachers when grouped according to their profile variables. The descriptive–correlational design was utilized to examine the degree of relationship between the respondents' financial behavior and their financial management practices.

Locale of the Study and Respondents

The study was conducted in selected public elementary schools within the Schools Division of Nueva Vizcaya, namely: Bintawan South Elementary School, Ernesto "Lapan" Pale Elementary School, Felix–Juana Brawner Community School, Governor Juan Manzano Elementary School, Nagbitin Elementary School, Ocapon Elementary School, Sawmill Elementary School, Villa Par-Pale Elementary School, and Governor Alfonso Castañeda Elementary School.

A total of 64 permanent public elementary school teachers served as respondents of the study. The respondents were selected using purposive sampling, with years of teaching experience and length of service in their respective schools as the primary criteria for inclusion. Teachers with non-permanent employment status and those with less than one year of teaching experience were excluded from the study to ensure the reliability and relevance of the data gathered.

Distribution of Respondents

Distribution of Respondents

School	Sample (n)	Percentage (%)
Governor Alfonso Castañeda ES	9	
Bintawan South ES	11	
Ernesto "Lapan" Pale ES	9	
Felix–Juana Brawner Community School	7	
Governor Juan Manzano ES	4	
Nagbitin ES	7	
Ocapon ES	7	
Sawmill ES	7	
Villa Par-Pale ES	3	
Total	64	

RESULTS

This study assessed the levels of financial literacy, financial behavior, and financial planning of selected public elementary school teachers in Nueva Vizcaya and examined the relationships among these variables as well as their association with selected demographic factors. The major findings are summarized as follows:

1. Level of Financial Literacy

1.1. Teachers demonstrated a good level of saving practices (M = 3.53), frequently recognizing the importance of saving and engaging in basic saving behaviors.
1.2. Budgeting skills were found to be adequate (M = 3.33), indicating moderate awareness of income and expenditures but inconsistent implementation of structured budgeting and saving practices.
1.3. Investment practices were rated low (M = 2.28), as most teachers seldom participated in insurance, real estate, or stock market investments.
1.4. Overall, the level of financial literacy was adequate (M = 3.01), characterized by strength in saving, moderate competence in budgeting, and weakness in investment knowledge and practices.

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2. Financial Behavior

2.1. Teachers exhibited good purchase behavior (M = 3.99), prioritizing necessities, comparing prices, and practicing responsible spending habits.
2.2. Promptness and timeliness of bill payments were also rated good (M = 3.83), although some respondents reported settling payments only at or near due dates.
2.3. Long-term financial goals were assessed as adequate (M = 3.47), reflecting awareness of future financial needs but limited engagement in systematic saving and investment activities.
2.4. The incidence of debt was rated low (M = 2.29), suggesting minimal reliance on loans, though some teachers experienced challenges in managing existing obligations.
2.5. Overall, teachers' financial behavior was adequate (M = 3.39).

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3. Financial Planning for Future Expenses

3.1. Teachers generally demonstrated awareness of future financial needs, particularly retirement (77.6%) and health care (72.4%). However, this awareness did not consistently translate into concrete financial planning and fund allocation.
3.2. For example, while 77.6% of teachers acknowledged the need for retirement preparation, only 65.5% reported having a plan, and merely 43.1% had allocated funds for this purpose.
3.3. The lowest levels of awareness and preparedness were observed for discretionary future expenses, such as weddings and vehicle purchases.

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4. Relationship Between Variables

4.1. A moderate positive correlation was found between financial literacy and financial behavior ($r = 0.596$, $p < .01$), indicating that higher financial literacy is associated with better financial practices.
4.2. A moderate positive correlation also existed between financial literacy and financial planning ($r_{pb} = 0.364$, $p < .01$), suggesting that increased financial knowledge supports improved planning capabilities.
4.3. Similarly, financial behavior and financial planning were positively correlated ($r_{pb} = 0.326$, $p < .05$), implying that responsible financial practices enhance readiness for future financial needs.

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5. Influence of Demographic Factors

5.1. Age showed a significant positive correlation with financial literacy ($r = 0.182$, $p < .05$) and financial behavior ($r = 0.210$, $p < .05$), indicating that older teachers demonstrated slightly higher levels of literacy and better financial practices. No significant relationship was found between age and financial planning.
5.2. Household size did not significantly influence financial literacy, financial behavior, or financial planning.
5.3. Gender differences were significant only in financial literacy ($p = .038$), with male teachers scoring higher than female teachers. No significant gender differences were found in financial behavior, while financial planning showed only marginal variation.
5.4. Civil status significantly affected financial literacy ($p = .007$) and financial behavior ($p = .038$), with married teachers performing better than their single or widowed counterparts. No significant differences were observed in financial planning.

DISCUSSIONS

Public elementary school teachers exhibit an adequate level of financial literacy, with strong saving practices but limited knowledge and participation in investment activities. This generally cautious and risk-averse financial orientation may be attributed to constrained income levels and minimal exposure to investment opportunities.

- Teachers demonstrate moderately sound financial behavior, particularly in responsible spending and timely payment of financial obligations. However, their long-term financial strategies—especially in investment and future-oriented planning—remain insufficiently developed.

- While teachers are aware of the importance of financial planning for retirement, health care, and educational needs, this awareness is not consistently translated into concrete actions. Many struggle to convert financial knowledge into regular savings and structured financial plans.

- Financial literacy has a significant influence on financial behavior and financial planning, and financial behavior likewise contributes meaningfully to planning outcomes. These findings indicate that financial knowledge and practices operate synergistically in enhancing overall financial preparedness.

- Demographic variables influence financial outcomes selectively. Age and civil status positively affect financial literacy and financial behavior, whereas gender differences are evident only in financial literacy. Household size does not significantly affect financial outcomes, suggesting that individual discipline and financial knowledge play a more critical role than family composition.