

Lifestyle and Financial Management of Public School Teachers

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ABSTRACT

Financial woes are the frequent issues observed with the public school teachers. They engage in different loans. From this perspective, the study aimed to determine the lifestyles of the teachers that influence their financial management. This research used a mixed method. The descriptive design was supplemented with qualitative approaches. Quantitative data gathered from the descriptive survey was reinforced by observation, focus group discussion, and interviews. Findings reveal that public school teachers have high tendencies of being fatalistic and materialistic. They want to buy things even beyond their means, thus pushed them to engage in different loans. Though they have financial woes, their values in believing God prevail as they expect God's intervention in their financial difficulties. Furthermore, findings show that teachers are somewhat not literate in managing their finances. They do not give much importance to recording and organizing their expenses. They have the overwhelming stress of their financial well-being as they are not satisfied with their financial situation and afraid of their future financial concerns. Based on the findings, the teachers' lifestyles are influenced by their poor financial literacy. It is recommended that teachers should undergo seminars and training to develop their financial management skills and understanding.

Keywords: Financial management, teacher's lifestyle, financial well-being, financial concern, financial literacy, materialism, fatalism

INTRODUCTION

The importance of financial management skills in personal and work life has increased. Financial well-being and financial concerns are two important factors determining the quality of life and have been investigated in several studies according to Taft, Hosein, Mehrizi and Roshan (2013). In the study about financial literacy among elementary teachers, Deng, Chi, Teng, Tang, and Chen (2013) declared that experts in investment and financial management often say that ignorance is the greatest risk in investment and financial management. The authors also stated that it is a general agreement that many people lack the financial literacy necessary to make important personal financial decisions in their best interests (Deng *et al.*, 2013).

It is important to ascertain one's financial literacy vis-à-vis financial management for wiser financial decisions specifically for professionals like the teachers, sound decisions regarding finances is crucial. This study assumed that teachers need to exercise good financial management to be more productive in teaching.

Bayocot (2014) during the Country Report for the Philippines in the ASEAN Council of Teachers Convention in Singapore stressed that teachers are honored because of their important role in education.

He said that teachers' academic advancement, capabilities, and professional upgrading activities contributed to an enjoyable and productive teaching. However, financial worries sometimes form part of the teachers' failure in doing their best in the teaching arena. In some instances, teachers struggle to get out of their way to perform better on their job and achieve the desired goal, but there are times when teachers' job performance can be affected by a quite much conflict in their profession and financial difficulties (Bayocot, 2014).

The teachers have the capability to teach and to influence is not an issue. However, whether they have sufficient capabilities to manage a wholesome living, especially their finances and or livelihood becomes more of the concern. There is a need for teachers to live a balanced life to inspire others as teachers (Hereford, 2007). A balanced life includes among all others 'knowing how to set priorities. Hereford (2007) asserted that balance requires examining one's values and decides what are important to be able to set consciously boundaries, implying to have a balanced life knows how to live within their means.

In the workplace of the researcher, as public school district supervisor, it is a personal observation that public school teachers are groaning with financial woes.

They engaged in different loans. The focus of this study lies in contributing to the deeper understanding of the public school teachers' financial literacy, financial well-being, financial concerns, and their lifestyles.

FRAMEWORK

This study was anchored on the following theories, namely the Financial Literacy Theory as discussed by Widdowson and Hailwood (2007), Garman and Forgue (2000), Elder's Theory of Fatalism (1966), Kasser's (1993) Theory of Materialistic Consumerism, and Richin and Dawson's (1992) Model of Materialistic Consumerism. Moreover, this research assumed teachers' lifestyle has a bearing on financial literacy, financial well-being, and financial concerns. Likewise, lifestyle in this study used fatalism and materialistic consumerism as indicators.

OBJECTIVES OF THE STUDY

The data gathered were interpreted and analyzed to assess the financial management of the public school teachers. It further determined the interrelationships between and among the financial management variables. Likewise, if sought to find out the teachers' lifestyles that influenced their financial management.

MATERIALS AND METHODS

This study used a mixed method where the descriptive survey design was supplemented with qualitative approaches. The Quantitative data gathered from the descriptive survey was reinforced by observation, interviews and focus group discussion. The respondents of the study were the 2,302 public school teachers of the east districts of Misamis Oriental. In order to calculate the sample, the Slovin Formula used where:

$$n = N / (1 + Ne^2)$$

n = Number of samples

$$n = 341$$

N = Total population

$$N = 2,302$$

e = Error tolerance

$$e = .05$$

$$\text{Therefore: } 2,302 / (1 + 2,302 * 0.05 * 0.05) = 340.78 \text{ or } 341$$

There were five survey questionnaires - Financial Well-Being Scale Value, Financial Literacy, Financial Concerns, Fatalism, and Materialistic consumerism.

Financial Well-Being Scale Value. It was adopted from the study of Garman (2000). The questionnaire consists of ten statements that described the financial well-being of the teachers.

Financial Literacy Survey. The survey was designed by the World Bank and implemented in Russia in June 2008 in preparation for the Financial Literacy Program. It consists of 10 items that seek to gather the financial literacy of the public school teachers.

Financial Concern Survey Questionnaire. It was adopted from the study Taft, Hosein, Mehrizi and Roshan (2013) entitled “*The Relation Between Financial Literacy, Financial Well-being, and Financial Concerns.*” It consisted of ten statements and was used to determine the financial concerns of the teachers, particularly for their future.

Ethnocentrism and Socio-Cultural Variables Survey Questionnaire. It was adopted from Cinches 2012, which originally consisted of 32 statements. However, only ten statements suited to determine the fatalism measurement of teachers were taken.

Measure of Materialistic Consumerism. It was designed from the study of Hirsh and Dolderman 2007. It was composed of thirteen statements. It measured the consumerism behavior of teachers.

RESULTS AND DISCUSSION

Data were analyzed using Pearson r correlation. Table 1 presents the Pearson r-values showing the relationship between financial management variables.

Table 1. Pearson r-values Showing the Relationship Between Financial Management Variables

| Financial Well Being (M=3.247) vs | r-values |
|---|----------|
| Financial Literacy | 0.165** |
| Financial Concerns | 0.122* |

*Significant at 0.05

** Significant at 0.01

There is a significant relationship between financial well-being and financial literacy ($r = 0.165, p=0.05$) and financial concerns ($r = 0.122, p= 0.01$). There is significant relationship between and among the financial management variables. The hypothesis was rejected. It further explains that when a person is highly stressed in his/her financial situation, it is because of low financial literacy where one does not have the proper knowledge in dealing with finances. Thus, a financial concern arises for the future needs. With this, it clearly manifested that the three variables have a strong relationship with each other. This confirms the study of Taft, Hosein, Mehrizi and Roshan (2013) that financial well-being and financial concerns are two important factors determining the quality of life and are investigated in several studies. Furthermore, in the study on financial literacy among elementary teachers, Deng, Chi, Teng, Tang, and Chen (2013) declared that experts in investment and financial management often say that ignorance is the greatest risk in investment and financial management. The authors also stated that it is a general agreement that many people lack the financial literacy necessary to make important personal financial decisions in their best interests (Deng *et al.*, 2013).

The three variables further validated having strong relationship with cause and effect. Poor literacy in financial management will result to high stress in financial well-being and increases fear and anxiety in financial concerns.

Table 2 shows the r values that established the relationships between the financial management variables and the teachers' lifestyle in terms of fatalism and materialism. Data reveal that except for financial concerns, the teachers' lifestyle was significantly related to their financial management. The hypothesis of no significance was therefore rejected.

The table further shows that financial literacy and fatalism are significantly related ($r= -0.124, p=0.01$) with materialism ($r= - 0.109, p+0.05$); financial well-being is likewise significantly related to fatalism ($r=0.117, p=0.05$) and to materialism ($r=0.115, p=0.01$). The data further tell that financial concerns are significantly related to fatalism ($r=0.112, p=0.05$) but not to materialism.

Table 2. Pearson r-values Showing the Relationship Between Financial Management and Teachers' Lifestyle

| Financial Management | Teachers' Lifestyle | |
|-----------------------------|----------------------------|--------------------|
| | Fatalism | Materialism |
| Financial Literacy | - 0.124** | - 0.109* |
| Financial Well-Being | 0.117* | 0.115** |
| Financial Concerns | 0.112* | 0.095 NS |

*Significant at 0.05

** Significant at 0.01

This study further explains that the higher the tendency of fatalism, the lesser are the teachers' financial literacy, higher financial well-being, and financial concerns. Financial well-being is significantly associated with materialism. This finding suggests that the less financial stress the person experience, the greater the likelihood to be materialistic. However, financial literacy is negatively related to materialism which means that the more financially literate a person, the less would be the tendency to be materialistic.

Increased financial literacy has a positive impact on people's personal and business life. The financial knowledge helps reducing social and psychological pressures, and increasing the welfare of the family in the personal life. Financial knowledge reduces stress, illness, financial disputes, abuse of children and conflict among the families. People who have grown up in families with the higher financial knowledge and well-being are less depressed, show less aggressive and anti-social behavior, and have more self-confidence (Fox, Bartholomae, and Lee, 2005).

CONCLUSIONS

The interrelationship among financial management that involved financial literacy, financial well-being and financial concerns of the public school teachers had assessed in this study. Also, it investigated the lifestyle of the teachers if it influenced their financial management.

Results revealed that there is a significant interrelationship between and among the financial management variables. It explains that when a person is

highly stressed in his/her financial situation, it is because of low financial literacy that one does not have proper knowledge in dealing with finances (Remund, 2010). Thus, a financial concern arises for the future needs. In the study of Taft, Hosein, Mehrizi and Roshan (2013), financial concern appears when one cannot meet his financial needs or his assessment of financial status is not good (Friedman, 1991).

The teachers' materialistic and fatalistic tendencies is strongly associated with their financial management. Specifically, being materialistic and fatalistic can have negative effects on the person's financial management. Poor financial management causes teachers not only emotional stress but consequently emotional and psychological stress (Fox, Bartholomae, and Lee, 2005). Being in this state does not make a teacher productive in the classroom. This situation also deprives the learners of their due to what is conceived as an ideal learning environment.

RECOMMENDATIONS

Since teachers have high tendencies of being fatalistic and materialistic, it is highly recommended that there will be a regular intervention addressing psycho-social and spiritual needs of the teachers to temper fatalism and materialism be conducted.

Considering the poor financial management of the teachers, it will be helpful if Financial Literacy would be included in pre-service curriculum.

Since teachers have overwhelming stress in their financial well-being, it is recommended that stress intervention should be given to avoid stress related illness.

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