

Financial Freedom of Teachers and Non-Teaching Personnel

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Abstract- Acquisition of needs and wants which includes sufficing financial obligations requires financial freedom. Financial freedom necessitates that financial resources are sufficiently enough to answer personal and family needs and emergent financial obligations. This study was conducted to determine the financial freedom of teachers and non-teaching personnel. Results revealed that among the demographic variables, only work category ($r=0.523$; $p=0.023$) and household size ($r=0.786$; $p=0.033$) showed significant association with financial freedom. While teachers obtained a lower mean rating of 2.98 compared with 3.24 for non-teaching personnel, both exhibited moderately low financial freedom which means that both teachers and non-teaching personnel had only 41% to 60% available cash or reserve money and they have to borrow from outside sources the remaining 40% to 59% cash requirement for their emerging financial obligations, transactions, untoward events and emergencies.

Keywords- Descriptive-correlation study, Financial freedom, Financial resources availability, Financial situation, Teachers and Non-Teaching Personnel

I. INTRODUCTION

The acquisition of needs, wants and servicing of financial obligation fulfill a level of satisfaction in a person and such requires financial freedom. Some teacher or non-teaching personnel who is remunerated by the government is expected to have the monetary resources for the acquisition of needs and wants, and for financial servicing. The needs of some teacher or non-teaching personnel can either be predetermined or undetermined which in effect requires the ready availability of financial resources. By being financially ready for any financial obligations, transactions, or untoward events and emergencies constitute the whole gamut of financial freedom.

Financial freedom is seen as a function of financial resources availability. It means absence of restraint [13]. It refers to the financial capability of a person in meeting his financial obligations [13], [9]. Financial freedom means that financial resources are sufficient enough to meet personal and family needs and other transactions. The fact that teachers or non-teaching personnel receive regular remuneration,

financial benefits, and can enjoy the opportunity to source out monetary resources, it is assumed that they are able to freely acquire and enjoy with their day-to-day predetermined and undetermined needs and wants.

Empirical data however revealed that teachers and non-teaching personnel receive a monthly net take home pay which is lower than the poverty threshold for a Filipino family of five members which is Php 7,890.00 [8], [5]. Same empirical data further revealed that teachers and non-teaching personnel had outstanding financial liability of less than Php 50,000 to Php 800,000 [5]. Whether or not the reasons for the financial liability is for need and want acquisitions, this information seems to reveal that teachers, including non-teaching personnel who are both government-paid employees are devoid of financial freedom.

This study was undertaken to generate empirical information regarding financial capability of the teachers and non-teaching personnel in terms of being able to meet instant or undetermined financial obligations or transactions, and untoward events and emergencies.

A. Statement of the Problem

This study determined the financial freedom of the teachers and non-teaching personnel. Specifically, the study answered the following:

1. What is the characteristic profile of the respondents in terms of:
 - 1.1. Work Category
 - 1.2. Household Size
 - 1.3. Monthly Net Take Home Pay
 - 1.4. Number of Personal Financial Management Forum/Seminar/ Training Attended
 - 1.5. Pastime
 - 1.6. Total Amount of Loan or Financial Liability
2. What is the financial freedom of the teachers and non-teaching personnel?
3. Is there significant relationship between the respondents' characteristic profile and financial freedom?

II. METHODOLOGY

A. Research Design

This study utilized the descriptive-correlation method of research.

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B. Research Locale

This study was conducted at the Eastern Samar State University Salcedo Campus, Salcedo, Eastern Samar.

C. Respondents of the Study

All teachers of ESSU Salcedo Campus who possess regular-permanent appointment including those with regular appointment but on temporary status pending completion of Masters degree comprised as the respondents. In addition, non-teaching personnel with regular-permanent status were also included as respondents of the study.

D. Sampling Procedure

The respondents were determined through complete enumeration of the regular-permanent teachers and non-teaching personnel of ESSU Salcedo Campus, including those teachers with regular-temporary appointment.

E. Research Instrument

The researcher-made instrument was used in the study. Part I of the questionnaire focused on the characteristic profile of the respondents. Part II focused on financial freedom. The research instrument underwent dry run to ascertain its usability for the study. Suggestions for the improvement of the questionnaire as a result of the dry run were duly considered.

F. Data Gathering Procedure

Permission from concerned authorities to conduct the study was solicited before personally fielding the questionnaire. The respondents were requested to provide honest answers. Collection of the questionnaire was done immediately after the respondents have finished answering.

G. Measurement of Variables

The variables of the study were categorized, measured and described based on the scale and interpretation appropriate for the study.

H. Data Analysis

The data gathered from the respondents were tallied and tabulated. Frequency and percentage were used to analyze data in problem 1; weighted mean for problem 2; and Cramer's V coefficient of correlation for problem 3. The hypotheses were tested at 0.05 level of significance. A computerized statistical analysis was utilized to facilitate statistical computation.

III. RESULTS AND DISCUSSION

A. Characteristic Profile of the Respondents

Work Category. It could be seen from the data in Table I that majority or 63 (59.43%) of the respondents were teachers and 43 or 40.57% were non-teaching personnel, or a total of 106 respondents of the study.

TABLE I

WORK CATEGORY OF THE RESPONDENTS

Work Category	Frequency	Percent
Teachers	63	59.43
Non-Teaching Personnel	43	40.57
Total	106	100.0

Household Size. The data in Table II showed that majority or 67 (63.21%) of the respondents had moderately small household size with less than five to five members followed by 25.47% having medium-sized households with 6 to 7 members. Household size is comparable to the 5-family member threshold which was set by [8] for food and poverty level for a Filipino family of five (5) members.

TABLE II

HOUSEHOLD SIZE OF THE TEACHERS AND NON-TEACHING PERSONNEL

Household Size	Frequency	Percent
3 members and below	23	21.70
4-5 members	44	41.51
6-7 members	27	25.47
8-9 members	7	6.60
10 and above	5	4.72
Total	106	100.0

Monthly Net Take Home Pay. The data in Table III reflected that 31 respondents (29.25%) were receiving a monthly net take home pay of Php10,000 to Php14,999 whereas 25 (23.59%) and 19 (17.92%) of them were receiving Php5,000 to Php9,999 and Php4,999 and lower monthly net take home pay, respectively, which is comparable to the food and poverty threshold of Php5,513.00 per month; and likewise comparable to the poverty threshold of Php7,890.00 per month for a Filipino family of five members [8]. With the foregoing information on poverty threshold, this result of the study revealed that 25 (23.59%) and exactly 19 (17.92%), totaling 44 (41.51%) of the teachers and non-teaching personnel were poor, the fact that their monthly net take home pay falls within the food and poverty threshold of Php5,513.00 per month, while 62 (58.49 percent) of them were non-poor as their monthly net take home pay were within the non-poor level or higher than Php7,890.00 per month [8].

TABLE III

MONTHLY NET TAKE HOME PAY OF THE TEACHERS AND NON-TEACHING PERSONNEL

Monthly Net Take Home Pay	Frequency	Percent
Php4,999 and below	19	17.92
Php5,000 to Php9,999	25	23.59
Php10,000 to Php14,999	31	29.25
Php15,000 to Php19,999	24	22.64
Php20,000 and above	7	6.60
Total	106	100.0

Number of Personal Financial Management Forum/Seminar/Training Attended. It was revealed from the data in Table IV that majority of the respondents had 1 to 2 times attendance in forum, seminar or training in personal financial management. This result further revealed that the

teachers and non-teaching personnel respondents were poorly trained in personal financial management.

TABLE IV

NUMBER OF PERSONAL FINANCIAL MANAGEMENT FORUM/SEMINAR/ TRAINING ATTENDED BY THE TEACHERS AND NON-TEACHING PERSONNEL

Number of Personal Financial Management Forum/Seminar/Training	Frequency	Percent
Zero (0) Forum/Seminar/Training	22	20.76
1-2 Fora/Seminars/Trainings	60	56.60
3-4 Fora/Seminars/Trainings	19	17.92
5 and above Fora/Seminars/Trainings	5	4.72
Total	106	100.0

Pastime. Majority or 44 respondents (41.51%) kept busy watching TV and keeping in touch with the internet or social media, and an equal number or 44 respondents (41.51%) kept busy doing income-generation activities or business-related activities. The remainder participants kept busy doing the other pastime activities (Table V).

TABLE V

PASTIME OF THE TEACHERS AND NON-TEACHING PERSONNEL

Pastime	Frequency	Percent
Doing Household-related chores	5	4.71
Attending Church Activities	2	1.89
Watching TV and keeping in touch with the internet or social media	44	41.51
Outdoor bonding with family members	9	8.49
Involving oneself in a game of chance/attending in get-money-quickly activity	2	1.89
Doing income-generation activity/business-related activity	44	41.52
Total	106	100.0

Total Amount of Loan or Financial Liability. Majority or 71 (66.99%) of the teachers and non-teaching personnel (Table VI) had financial liability ranging from less than Php100,000 to Php300,000 and two (2) of them had the highest financial liability of Php900,001 to Php1 million. This result further revealed that all the respondents had outstanding loan from money lenders and loan-granting institutions, except three (2.83%) who were not yet granted to avail due to temporary appointment and less contribution.

TABLE VI

TOTAL AMOUNT OF LOAN OR FINANCIAL LIABILITY OF THE RESPONDENTS

Total Amount of Borrowed Money/ Present Loan	Frequency	Percent
1,000,000 – 900,001	2	1.89
900,000 - 800,001	1	0.94
800,000 – 700,001	1	0.94
700,000 – 600,001	3	2.83
600,000 – 500,001	6	5.66
500,000 – 400,001	10	9.43
400,000 – 300,001	9	8.49
300,000 – 200,001	26	24.53
200,000 – 100,001	25	23.59
100,000 and below Without Loan	20 3	18.87 2.83
Total	106	100.0

Financial Freedom of Teachers and Non-Teaching Personnel. It can be noted in Table VII that while the teachers garnered smaller mean ratings in all the financial freedom indicators compared to the non-teaching personnel, both of them exhibited *moderately low financial freedom*, except for the first item “I have money to spend for an urgent transaction or expenses” wherein teachers exhibited slightly high financial freedom, and on the third item “I can pay for the treatment of a seriously ill family member” wherein the non-teaching personnel exhibited low financial freedom.

TABLE VII

FINANCIAL FREEDOM OF TEACHERS AND NON-TEACHING PERSONNEL

Item	Teachers		Non-teaching Personnel	
	Mean	Interpretation	Mean	Interpretation
I have money to spend for an urgent transaction or expenses.	2.29	Slightly High	3.26	Moderately Low
I can pay my debts without using our household’s budget for medicine, food, clothing, shelter, or education.	2.79	Moderately Low	3.16	Moderately Low
I can pay for the treatment of a seriously ill family member.	3.24	Moderately Low	3.51	Low
There is additional cash income to my family provided by a member or members of the household.	2.81	Moderately Low	3.00	Moderately Low
The additional cash income of my family which is provided by a member or members of my household is more or less coming from a permanent source.	2.84	Moderately Low	3.12	Moderately Low
The truth is that I have cash savings which is at least equivalent to three months of full salary for my salary grade. I am not afraid of a short financial crisis because of my cash savings.	3.16	Moderately Low	3.40	Moderately Low
Availability of money becomes my problem until the next monthly pay is available because my monthly net take home pay is consumed immediately.	3.16	Moderately Low	3.16	Moderately Low
I will sell something at home or borrow money to be able to pay an emergency transaction or expenses.	2.92	Moderately Low	3.28	Moderately Low
Overall Mean	2.98	Moderately Low	3.24	Moderately Low

Summing up, the mean rating for financial freedom of the teachers and the non-teaching personnel is 2.98 and 3.24, respectively. These results revealed that both of them exhibited moderately low financial freedom, which means that both the teachers and the non-teaching personnel had only 41% to 60% available cash, and they have to borrow from outside sources the remaining 40% to 59% cash requirements for their instant or undetermined financial obligations or transactions, and financial needs for untoward events and emergencies.

Relationship Between the Respondents' Characteristic Profile and Financial Freedom

Household Size. Data on household size and financial freedom ($r= 0.786$; $p= 0.033$), Table VIII, reflected a significant relationship. This result further reflected that the number of household members living with the teachers or with the non-teaching personnel significantly affected their financial freedom. This means that the financial freedom of the bigger household is significantly different from a smaller household. This result is braced up by the expectancy value theory of Atkinson, 1960; Fishbein, 1970; Eccles, 1983, Wigfield, 1994; Wigfield & Tonks, 2002 [1] which maintains that persons set expectations out of their goal, and their behavior or attitude is seen as a function of the expectation. Thus, both smaller and bigger household set expectation corresponding with their consumption behavior or goal. But as regards the expected financial capability in meeting financial obligations, transactions, or untoward events and emergencies, the smaller household had a significantly different financial capability as compared with the bigger household. This result suggests that increase in household size increased the chance of high cost borrowing and decreased the possibility of having emergency savings [10].

Work Category. The correlation data for work category and financial freedom ($r=0.523$ and $p=0.023$) in Table VIII indicated a significant relationship, revealing that work category is associated to financial freedom. This means that teachers have different financial capability compared to non-teaching personnel. This result is backed up by the hierarchy of needs theory of Maslow [4] which maintains that persons differ in their needs and priorities and that their needs hierarchy reflects the prioritization of their goals. Anent this theory, teachers have different needs and priorities as compared with their non-teaching personnel cohorts, and the prioritization of needs and goals is in part dependent on work or profession. In effect, financial capability in meeting financial obligations, transactions, or untoward events and emergencies depends on work category or profession.

Number of Personal Financial Management Forum/Seminar/Training Attended. The number of financial management forum/seminar/training attended is not significantly associated to financial freedom ($r= 0.388$; $p= 0.433$, Table VIII). This means that the financial freedom of the teachers and non-teaching personnel with one personal financial management seminar does not differ significantly from those who have attended two or more personal financial

management seminars. This result contradicts with the finding of Courchane and Zorn (2005) in [6] which disclosed that financial education leads to sound personal finance decision and lack of knowledge about key personal finance issues contributed to mistakes in financial decision-making.

Monthly Net Take Home Pay. Monthly net take home pay and financial freedom ($r=0.465$; $p= 0.146$) have no significant relationship (Table VIII). This result revealed that either big or small monthly net take home pay of the teachers and non-teaching personnel had no significant association to financial capability in meeting financial obligations, transactions, or untoward events and emergencies. This result indicated that whatever net take home amount is available, said amount will be proportionately utilized based on needs and priorities. This result is indirectly parallel with the work of [10] which found that persons with high take-home income were more likely to have a stock of precautionary savings, and much less likely to use high-cost borrowing. It is likewise indirectly parallel with the finding of Garasky, et al. (2008) in [2] which disclosed that when families' income is insufficient to meet their financial obligations, they may not have the capacity to save.

Total Amount of Loan or Financial Liability. Financial liability and financial freedom data ($r=0.159$; $p=0.369$) in Table VIII showed that the two variables had no significant association and this manifested that the financial capability in meeting financial obligations, transactions, or untoward events and emergencies was not significantly affected by financial liability. While financial liability is predicated by the theory of resources scarcity [11] and by the needs theory of Maslow [4] which maintains that a person has multiple needs and wants but his or her financial resources are scarce and have alternative uses, and that a person sets priority for his or her needs and wants in ascending order, respectively, yet the financial borrowing of the teachers and non-teaching personnel did not significantly affect their financial capability. This result is but opposed to an earlier finding [7] disclosing that American households extremely affected by financial emergencies resort to loan. In fact, 20% of the households "strongly agree" that they have too much debt and if those "somewhat agree" were added, then over 40% of households believed that they have too much debt for emergency purposes.

Pastime. The correlation data between pastime and financial freedom ($r=0.598$; $p= 0.554$) in Table VIII did not reflect a significant relationship. This result revealed that pastime had no significant effect on financial freedom, and regardless of pastime of the teachers and non-teaching personnel, such had no significant association to their financial capability in meeting financial obligations, transactions, or untoward events and emergencies. This finding is supported by the theory of taste and preference [12] which maintains that consumers have various tastes and preferences which are determined by customs and traditions, and culture. Thus, as dictated by habit or custom, teachers and non-teaching personnel kept busy with something during

off-work periods based on preferences, but it had no significant effect on their financial capability in meeting financial obligations, transactions, or untoward events and emergencies.

TABLE VIII
RELATIONSHIP BETWEEN CHARACTERISTIC PROFILE AND FINANCIAL FREEDOM OF TEACHERS AND NON-TEACHING PERSONNEL

Dependent Variable	Index of Correlation	p value	Interpretation
Household Size	0.786	0.033	Significant
Work Category	0.523	0.023	Significant
No. of Personal Financial Mgt. Forum/Seminar/Training Attended	0.388	0.433	Not Significant
Monthly Net Take Home Pay	0.465	0.146	Not Significant
Total Amount of Loan or Financial Liability	0.658	0.386	Not Significant
Pastime	0.665	0.553	Not Significant

IV. RECOMMENDATION

From the results of the study, the following recommendations are offered:

1. The university in coordination with the teachers and employees association must undertake a series of personal financial enhancement fora/seminars/trainings intended for the teachers and non-teaching personnel to allow them better planning and control of their net monthly income and other receivables due to their employment in the government.
2. Teachers and non-teaching personnel must take the opportunity of making regular savings out of their monthly net take home pay. Monetary savings will increase their financial capability in meeting financial obligations or transactions, and financial needs for untoward events and emergencies.
3. Values re-orientation seminar for teachers and non-teaching personnel must be conducted. Teachers and non-teaching personnel must be imbued with the virtues of frugality, savings and investment, and other related virtues so that they shall never be entangled with costly loan obligations, instead become financially free or financially independent government employees.
4. The university in coordination with the teachers and employees association may initiate ways and means to help financially tightened teachers and non-teaching personnel engage in financially rewarding activities or opportunities that will allow them to augment their meager net income, i.e., assignment in income generating projects with corresponding share in profit; use of vacant periods in entrepreneurial activities organized by the cooperative association of the university, with due financial incentives; undertake research and extension

activities with corresponding monetary incentives; and undertake forced savings with a chosen cooperative or financial house.

5. Similar study may be conducted to determine similarities and differences of results. Other financial freedom indicators may be explored in the study.

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