Publisher homepage: www.universepg.com, ISSN: 2707-4641 (Online) & 2707-4633 (Print)

https://doi.org/10.34104/ijma.024.085098

International Journal of Management and Accounting

Journal homepage: www.universepg.com/journal/ijma

Reasons, Effects, and Challenges of Loans: Input to Financial Literacy Enhancement

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ABSTRACT

Teachers shape society's future by educating next generation despite countless challenges, especially in finances. This study explored the reasons why teachers apply for loans, the effects of obtaining multiple loans on financial management practices, challenges associated with teachers' experiences in accessing and utilizing loans, and proposed input for financial literacy enhancement. Snowballing sampling technique was used in identifying 20 elementary school teachers as participants in the District of Cuartero. Inclusion and exclusion criteria were used a basis for identifying participants. This was a basic qualitative study with a researcher-made interview guide as main research instrument in gathering data. Thematic analysis was used to analyze the data. Among the reasons why teachers applied for loans were financial obligations, household and personal expenses, and filial obligations. They used borrowed amount to pay previous loans, start a business, pay for education and medical expenses, build houses and repay their parents' sacrifices. Obtaining multiple loans had negative and positive effects on individuals' financial management practices. Positive effects identified were the improvement in credit score and financial flexibility. Negative effects included low net pay and falling into the debt trap. Identified challenges in accessing and utilizing loans were complex terms and conditions, repaying loans, processing loans, low net pay, and stress over financial problems. Financial literacy denotes understanding and competence in managing money effectively. A financial literacy program was proposed as output by enhancing various financial concepts, facilitating implementation of effective debt management strategies, promotion entrepreneurship and turning into sustainable businesses and building institutional financial literacy workshops.

Keywords: Financial literacy enhancement, Loans, Reasons, Effects, Challenges, and Financial management.

INTRODUCTION:

Teachers shape society's future by dedicating themselves in educating the next generation despite the countless challenges that occur in their lives, especially when it comes to finances. Teachers stand as pillars of education and moral guidance. Beyond imparting knowledge, they served as mentors, caregivers and advocates for their student's well-being. However, amidst their noble mission, a concerning trend has emerged, the burden of financial strain weighs heavily upon teachers. Indeed, Loandon loans among teachers is a trend, particularly here in the Philippines, where the availability of lending facilities proves them susceptible to borrowing money one after the other (Al Rahahleh, 2022).

In the Philippine context, multiple factors contributed to the problematic situation. The absence of comprehensive financial education in the national curriculum hinders teachers' ability to effectively address the intricacies of personal finance (Egwuasi *et al*., 2020). Filipino public school teachers were considered second-class citizens among Philippine government workers, are weighed down by huge debts, a fact acknowledged by the education department. Data showed that Filipino teachers now owe a total debt of at least PhP319 billion ($6.38 billion) to both public and private lenders, a huge jump from just PhP163 billion in 2017 (Gulf News Web Result, 2019).

As observed by the researcher, even with the implementation of the Salary Standardization Law, an increasing number of teachers are constantly searching for financial assistance and side hustles to meet their personal and professional needs, especially in times of emergency involving both their families and their schools, and particularly in light of the increasing cost of living. Due to this situation, more public school teachers have obtained multiple loans from various lending institutions as well as from private individuals. They often say, "Mapa-Loandon/ London naman ta!" without fully understanding the risks, terms, and implications, which result in undying loans, financial hardships, decreased quality of life, and increased stress. Financial strain can also negatively affect job satisfaction and potentially impair teachers' overall performance. The phenomenon of "Loandon (Loan Dito, Loan Doon)" within the teaching community in Cuartero District is an intriguing, yet under-researched aspect of financial management among educators. Despite anecdotal evidence suggesting that teachers often resort to informal loans to navigate their financial challenges, a comprehensive examination of this trend is notably absent from scholarly discourse.
Likewise, the researcher looked into how the teachers perceive the implications of juggling multiple loans in the District of Cuartero, which is crucial for several reasons. Firstly, it sheds light on the intricate financial pressures faced by educators, which may extend beyond their salaries and benefits. Secondly, it underscores the necessity of tailored financial literacy initiatives to empower teachers with the knowledge and skills to manage their finances effectively.

Moreover, the dearth of research on the challenges encountered by teachers in accessing and utilizing loans, specifically tailored to the district's unique context is a notable research gap. Delving into these challenges can unearth invaluable insights into the barriers that hinder teachers from accessing formal financial resources and may highlight areas where policy interventions or support mechanisms are needed. It is also essential to recognize that the impact of the "Loandon" trend transcends the active service phase of teachers' careers. Retired educators in the District of Cuartero continue to grapple with financial a difficulty, which was also experienced by active teachers, especially the researcher, suggesting that the roots of this issue run deep and persist even beyond the tenure of individual teachers. By addressing these research gaps of financial management within the teaching community in the District of Cuartero, policymakers and stakeholders can develop targeted interventions and support systems to alleviate the financial burdens faced by educators.

Anchored to the aforesaid condition, the researcher decided to explore the reasons why the Department of Education (DepEd) teachers in the District of Cuartero apply for loans. This also examined the effects of loans on their financial management practices, as well as the challenges in accessing and utilizing loans that could become the basis for input to the financial literacy enhancement of teachers.

METHODOLOGY:

This was a basic qualitative study. According to Bhandari, (2020) qualitative research involves collecting and analyzing non-numerical data (e.g., text, video, or audio) to understand concepts, opinions, or experiences. It is used to gather in-depth insights into a problem or generate new ideas for research.

Furthermore, the qualitative research method seeks to understand and describe the universal essence of a phenomenon. It investigates the everyday experiences of human beings while suspending the researchers' preconceived assumptions about the phenomenon.

In this study, the research method was specifically used to explore the reasons contributing to teachers' decisions to apply for loans, which can become a basis for input into the financial enhancement of teachers. This research design sought to elucidate the participants' subjective perspectives and uncover the underlying meaning and essence of their experiences. The participants were the 20 selected public elementary school teachers from the different elementary schools in the District of Cuartero and based upon the advice of the advisory committee and the panel of experts.

The participants were identified through snowball sampling, a technique used to identify additional sources of information or participants by asking existing subjects or sources for referrals. It is a non-probability sampling method which new units are recruited by other units to form part of the sample. Snowball sampling can be a useful way to conduct research about people with specific traits, who might otherwise be difficult to identify (Nikolopoulou, 2023; Mahmud A., 2023).

In this research, a researcher-made in-depth interview guide was used and served as the data gathering tool. This aimed to capture the participants' subjective experiences, focusing on their perspectives, emotions, and interpretations. This also aimed to thoroughly understand the reasons of teachers in applying for loans, the effect of obtaining multiple loans on their financial management practices, the challenges and opportunities associated with teachers' experiences in accessing and utilizing loans, and their input to financial literacy enhancement. There were five-item interview guide questions checked and validated by the advisory committee, examining committee, and language expert. The researcher adapted and incorporated whatever suggestions and corrections the panel made.

The data gathering process took time since the researcher waited for the availability of the participants. In the conduct of this research, the following steps were observed:

Preliminary Activities

In this stage, the researcher prepared and submitted a letter of permission to conduct the research from the Office of the Schools Division Superintendent. Crafting the interview guide questions followed, after which the advisory committee critiqued and reviewed. The necessary corrections and suggestions were done before using the questionnaire to gather the information. Once the letter of permission was approved, another permission letter from the School District Supervisor was made, asking permission to conduct the research in the district. Right after, the researcher sought approval from school heads to conduct an interview on their school premises.

Identifying and Inviting the Participants

In this stage, the researcher identified the participants through the inclusion and exclusion criteria. A letter was sent, inviting them to participate. After the consent of the participants was obtained, the researcher guaranteed that the utmost privacy would be observed to safeguard their identity. Subsequently, the researcher asked the participants about their preferred date and time during the actual interview. Then, the interview was conducted individually and according to the preferred means of communication or platform of the participants. Furthermore, the researcher used snowball sampling to identify participants by asking the existing participants for referrals. In this technique, the participants were able to identify and invite teachers who were qualified as participants based on the inclusion and exclusion criteria.

Data Gathering

In this stage, the interview was done individually based on the preferred date and available time of the participants. All participants were required to provide informed consent, with an emphasis on voluntary participation and the assurance of confidentiality. The discussion during the in-depth interview was documented through an audio recorder. Pictures were taken as an additional set of evidence with the consent of the interviewee. After the interview, the researcher transcribed the recordings. Thematic analysis was utilized to analyze the data. Thematic analysis, as proposed by Braun and Clarke, (2006) is a qualitative research approach used to identify, analyze, and report patterns or themes within qualitative data.

The interview transcript was coded and thematized before being analyzed based on the commonalities that were noted. The emerging themes from the patterns of responses were reviewed to determine their relevance and see if they answered the research problems. The recorded interview was further reviewed to find out what is being missed in the transcription. A clear copy of the transcription was given to the concerned participants so that they can be assured that nothing was added or removed from the transcription.

RESULTS AND DISCUSSION:

Reasons Why Teachers Apply for Loans

A number of reasons were identified during the interview process as to why teachers apply for loans. The participants shared that they apply for loans for financial obligation, household and personal expense, and filial obligation.

Financial Obligation

During the interview conducted, most of the participants shared that financial obligation was one of the reasons why they apply for loans. They disclosed that they need to pay previous loans and business expenses. They mentioned about using the loaned amount to pay for mortgaged land from their student days, which underscored a common scenario among educators. Many teachers graduate with student loan debt, and some have additional financial burdens, such as mortgages or other loans taken out during their studies. The need to repay these debts can be ongoing and may necessitate further borrowing. These findings imply the urgent need to address the financial well-being of educators comprehensively. This includes initiatives to reduce the burden of student loan debt, provide support for managing various financial obligations, and address systemic factors perpetuating the cycle of indebtedness within the profession. Taking out a loan can provide a means to consolidate or alleviate these debts, albeit temporarily. Without such measures, educators may continue to face significant financial hurdles that affect their well-being and, ultimately, their ability to thrive personally and professionally.

These findings resonated with prior literature, emphasizing the prevalence of loan debt among educators often compounds with additional financial burdens, such as mortgages or other loans obtained during their studies (Smith and Lowery, 2017). Prior research also emphasized the importance of reducing student loan debt and providing support for managing diverse financial obligations within the teaching profession (Franklin and Green, 2018); also, the use of borrowing as a means to consolidate or alleviate financial burdens temporarily (Duncan and Sullivan, 2016).

Using borrowed money to pay for business expenses indicated another facet of teachers' financial challenges. While teaching is often seen as a public service, many educators invested in their own professional development or may even run side businesses related or outside education. These endeavors could incur costs, and borrowing may be necessary to cover them, especially if personal savings are insufficient or earmarked for other purposes. This implies that teachers having loans for business ventures underscore the potential rewards and challenges of entrepreneurship. While it offers opportunities for financial growth and skill development, it also entails financial risks, time commitments, and the need for careful planning and management. Teachers must carefully weigh these factors and seek appropriate support to ensure the success and sustainability of their business endeavors. This confirmed what Adil *et al.* (2016) revealed that strategic borrowing made at ease to achieve long-term financial goals, such as becoming a homeowner or starting a business, by providing the required funds in advance. These loans would provide additional income for certain teachers, allowing them to engage in entrepreneurial pursuits or part-time work during their leisure hours. In other words, loans offered them supplementary capital for supporting these ventures or other activities that generate income (Brown and Davis, 2022).

Household/Personal Expenses

In the context of household and personal expenses, subthemes emerged, particularly related to education, medical needs, and building of house, which shed light on the financial pressures faced by teachers beyond their professional duties.

During the interview conducted, the participants also shared that they apply for loans for education expenses. This implies the necessity for educators to borrow funds to pay for the education of not just their children and their professional development but also to finance nephews, nieces, and siblings' education, highlighting the altruistic nature of many educators. Teachers often feel a strong sense of responsibility towards not just their immediate family but also their extended family members. Education expenses, including tuition fees, school supplies, and extra-curricular activities, can quickly add up, especially if there are multiple dependents to support.

The findings were consistent with that of Brown and Smith's, (2018) that the strong sense of responsibility of teachers often feel towards both immediate and extended family members. Similarly, Johnson and Thompson, (2020) asserted that the financial strain associated with supporting multiple dependents education expenses underscores the challenges educators face in balancing personal financial obligations with their altruistic instincts. Furthermore, this finding supported Smith's, (2018) that teachers frequently view these investments as a way to enhance their financial prospects and improve their qualifications for professional growth.

Medical expense also emerged as one of the reasons for teachers in applying loans, which included various healthcare-related costs that incur for teachers and their families. This could indeed contribute to financial strain for teachers, especially when combined with the burden of loans. This implies the necessity for educators to have adequate financial resources to contend with the exigencies of healthcare costs, safeguarding their well-being and that of their families amidst unforeseen medical events. There are diverse and often intricate financial realities faced by educators, necessitating comprehensive support mechanisms to address their varied needs and challenges effectively. Like many professionals, educators may find themselves grappling with various forms of debt, including credit card debt and medical bills (Johnson and Patel, 2019). Davis and Smith, (2019) also supported the findings of this study. They explored educators' experiences with healthcare costs and found that many teachers struggle to afford medical expenses, especially in cases of unexpected illnesses or emergencies. For Williams and Garcia, (2019) despite potential access to health insurance benefits, teachers may still encounter significant out-of-pocket expenses, particularly in cases of unexpected illnesses or accidents. The findings also aligned with prior research of Jones and Davis, (2017) emphasizing the financial vulnerability of educators in managing healthcare expenses and navigating the complexities of insurance coverage.

Building of house was another subtheme that emerged during the interview. The participants' accounts regarding the use of borrowed funds for building or renovating a house highlighted the significant role that homeownership plays in teachers' lives and the challenges they face in achieving this goal. Using the loaned money for shelter or home renovation reflects the fundamental need for stable housing. Owning a home provides security and stability for teachers and their families, which is essential for their overall well-being. Building a house for their family further emphasizes the aspiration towards homeownership among educators, despite the financial obstacles they may encounter. For many teachers, owning a home is not just about fulfilling a basic need for shelter but also about securing their financial future and providing a legacy for their families. Building or purchasing a house can be a significant milestone and a symbol of financial stability and success. However, the fact that teachers need to resort to borrowing money for home construction or renovation also highlights the challenges they face in achieving homeownership. This implies that low salaries, high living costs, and limited access to affordable housing options can make it difficult for educators to save up for such endeavors without seeking external financial assistance. Addressing the systemic barriers to affordable housing and providing adequate financial support to teachers can help alleviate this burden and enable them to realize their dreams of homeownership more easily.

The result agreed to that of the result of Jepchumba *et al.* (2018) that home improvement loans have a statistically significant positive relationship with all household financial health measures except liquidity. As a result, primary school teachers who borrow home improvement loans experience significant improvement in their household financial health. Mulligan and Johnson, (2021) proposed the implementation of financial literacy programs tailored to educators' needs. These programs aim to equip teachers with the necessary knowledge and skills to manage their finances effectively, including budgeting, saving, and debt management strategies.

Without concerted efforts to address these issues, educators may continue to face significant financial hurdles that impact their overall well-being and professional effectiveness. By implementing targeted interventions to alleviate financial strain and promote financial literacy among educators, institutions can foster a more supportive and sustainable environment for teacher development and success.

Filial Obligation

Another major theme revealed during the interview conducted was filial obligation. This was in the form of repayment to parents, which speaks to the deeply ingrained cultural and familial values that influence teachers' financial decisions. Many educators come from humble backgrounds, where their parents worked hard to provide for them, often at the expense of their own needs and desires. As a result, teachers feel a deep sense of gratitude and responsibility to ensure their parents' well-being in their later years. Furthermore, the mention of filial obligation for their parents' basic needs implies the practical aspect of family responsibility. Beyond emotional gratitude, there was also a tangible desire to ensure that parents have access to essential resources, such as food, shelter, and healthcare. For some teachers, borrowing money is necessary to fulfill these obligations, especially if their own financial resources are limited. Hence, while teachers may prioritize their parents' well-being, they also face challenges in balancing these obligations with other financial demands, such as paying off debts, supporting their own families, or saving for the future.

The findings of this study supported the claim of Garcia and Thompson, (2017) that sentiment reflects a common experience among educators, who come from modest backgrounds, where their parents made significant sacrifices to support their education and upbringing. The narrative underscored the reciprocal nature of filial obligation, which teachers seek to repay their parents' selflessness by ensuring their well-being in their later years.

Effects of Obtaining Multiple Loans

Positive Effects of Having Multiple Loans

During the interview, the participants shared positive effects of obtaining multiple loans, such as credit score and financial flexibility. The participants highlighted how effectively managing and paying off multiple loans can lead to an improvement in one's credit score. This was a crucial point because a higher credit score opens up more opportunities for favorable loan terms and access to credit in the future. Lenders viewed responsible debt management as a positive indicator of financial reliability, which can benefit individuals in various aspects of their financial lives. This implies that effective management and timely repayment of loans can have on an individual's credit score. By demonstrating responsibility in handling debt obligations, individuals can enhance their creditworthiness, potentially unlocking a range of benefits in their financial endeavors. A key implication is that a higher credit score not only improves access to credit but also paves the way for more favorable loan terms, such as lower interest rates and higher borrowing limits. Moreover, this insight highlighted the perspective of lenders, who perceived responsible debt management as a positive signal of financial reliability. This trust in an individual's ability to handle debt effectively can extend beyond loan approvals, influencing decisions related to rental agreements, insurance premiums, and even employment opportunities that may involve financial scrutiny.

The finding was supported by Brown and Garcia, (2018) who suggested that individuals, who demonstrate diligence in meeting their debt obligations, not only enhance their credit scores but also gain access to a broader range of financial opportunities. A higher credit score opens doors to more favorable loan terms, including lower interest rates and increased borrowing capacity. Furthermore, lenders perceive responsible debt management as a positive indicator of financial trustworthiness, influencing their decisions beyond loan approvals. Financial stability was also one of the subthemes emerged during the interview. The participants highlighted how loans can provide individuals with the necessary funds for significant investments or purchases. This ability to access capital allowed individuals to achieve their financial goals more quickly than relying solely on savings. By leveraging loans, individuals can make strategic investments in assets, such as real estate, education, or starting a business, which have the potential to generate long-term returns and contribute to overall financial stability. This suggests that loans can act as a tool for accelerating wealth accumulation and achieving financial security. Loans have improved their financial standing by enabling them to establish their residence. By borrowing to build or purchase a home, individuals can secure a valuable asset that appreciates over time, providing both financial security and stability. Homeownership not only offers a sense of stability but also serves as a form of investment that can contribute to long-term financial well-being. The testimonies imply how loans can play a crucial role in achieving financial stability by enabling individuals to make strategic investments and acquire assets that contribute to long-term wealth accumulation. However, it is essential for individuals to carefully manage their borrowing and ensure that they can comfortably meet their repayment obligations to fully realize the benefits of financial stability facilitated by loans.

Moreover, Adil *et al.* (2016) demonstrated that strategic borrowing facilitates the realization of long-term financial objectives, such as homeownership and entrepreneurship, by providing the necessary capital upfront. The research of Al Rahahleh, (2022) revealed that mortgage financing plays a pivotal role in enabling individuals to establish residential stability and accumulate housing wealth. Furthermore, the study of Alomari and Abdullah, (2023) emphasized the socio-economic benefits associated with homeownership, including increased wealth accumulation and improved financial standing. However, it is imperative for individuals to exercise prudence in managing their borrowing to mitigate financial risks and ensure sustainable wealth growth (Csorba, 2020). By incorporating insights from both empirical research and personal experiences, a comprehensive understanding of the role of loans in enhancing financial stability emerges.

Negative Effects of Having Multiple Loans

On the contrary, multiple loans have negative effects. While loans can offer opportunities for financial growth, obtaining multiple loans can also pose significant challenges. For instance, managing multiple debt repayments simultaneously can strain one's financial resources and increase the risk of default, leading to adverse effects on credit scores and financial health. Moreover, the burden of servicing multiple loans may limit individuals' flexibility in managing unexpected expenses or pursuing other financial goals, ultimately undermining their overall financial stability and well-being.

One of the subthemes emerged during the interview was low net pay. The account of suffering due to a small salary, exacerbated by loan deductions, underscored how multiple loans can contribute to a reduction in net pay. When loan repayments are deducted from already modest salaries, it leaves individuals with less disposable income to cover their essential expenses, leading to financial strain. A cycle of borrowing to cover expenses, highlighting how the burden of multiple loans can force individuals to resort to further borrowing merely to make ends meet. This perpetual cycle can worsen financial instability and lead to a dependency on loans to maintain a basic standard of living. The accumulation of multiple loans can also result in insufficient take-home pay, making it challenging to meet daily needs without resorting to additional borrowing. This scenario not only failed to improve financial standing but also perpetuated a cycle of debt as individuals struggle to cover essential expenses. The result implies the detrimental impact of multiple loans on individuals' financial stability, as reduced take-home pay and a cycle of borrowing can exacerbate financial strain and hinder long-term financial well-being.

The findings of this study were supported by the research of (Faulkner, 2022; Cannon *et al.,* 2019). According to Faulkner, loan deductions can significantly reduce net pay, leaving individuals with limited resources to cover essential expenses and increasing financial strain. Furthermore, Cannon *et al.* (2019) demonstrated that high levels of loan deductions relative to income can exacerbate financial instability and hinder long-term financial well-being.

Debt trap also emerged as another subtheme as disclosed by the participants during the interview. The increased debt burden resulting from multiple loans highlighted the potential for individuals to fall into a debt trap. Mismanagement of loans can lead to a cycle of debt, exacerbated by high interest rates, particularly on unsecured loans, making it difficult to keep up with payments and prompting further borrowing to cover existing debts. This cycle of debt not only increases financial stress but also limits individuals' financial flexibility, impacting their quality of life and future financial prospects. The stress and anxiety associated with budgeting remaining funds while managing monthly payments can lead to a sense of overwhelm and difficulty in meeting daily needs. This perpetual struggle to balance debt repayments with living expenses can further exacerbate financial challenges and diminish overall well-being. Multiple loans can create a cycle of debt accumulation, leading to ongoing financial strain and the potential for individuals to borrow more to cover existing debts. This cycle, therefore, perpetuates a state of financial instability, making it challenging for individuals to break free from the debt trap and regain control over their finances.

The findings imply the detrimental consequences of multiple loans, including increased debt burden, financial strain, and the potential for individuals to become trapped in a cycle of debt accumulation. It emphasizes the importance of prudent financial management and responsible borrowing practices to avoid falling into this trap and maintain long-term financial health. The findings conformed to that of Ferrer's, (2018) which demonstrated how the accumulation of loan obligations can exacerbate financial distress and lead to a cycle of debt, particularly when loans are mismanaged. Moreover, the role of high interest rates, especially on unsecured loans, in amplifying the challenges of debt repayment and perpetuating financial instability. Garcia and Thompson, (2016) elucidated how the cycle of debt perpetuates a state of financial instability, as individuals struggle to break free from the debt trap and regain control over their finances. Furthermore, Azeez and Akhtar (2021) emphasized the importance of interventions aimed at breaking this cycle and promoting financial resilience among indebted individuals.

Challenges Associated with Teachers' Experiences in Accessing and Utilizing Loans

Complex Terms and Conditions

During the interview conducted, the participants disclosed that there was a complex terms and conditions in accessing and utilizing loans. The result revealed a time-consuming process of self-education to grasp financial concepts and comprehend the implications of interest rates, repayment terms, and penalties. There was a struggle in comprehending how the net proceeds are computed, amidst persistent pressure from agents to borrow. In emergencies, options often feel limited. There was also an increase burden of requirements, signaling a growing complexity in accessing financial support. This collectively reflects the daunting task of deciphering loan intricacies, a barrier that educators must overcome to secure vital financial assistance. This implies the formidable task educators face in deciphering loan intricacies and overcoming barriers to secure vital financial assistance. They highlight the pressing need for accessible and comprehensive financial education initiatives tailored to the unique needs of educators, empowering them to make informed financial decisions and navigate the borrowing process with confidence.

The findings of this study were supported by (Mireku *et al.,* 2023) who highlighted the importance of education in enhancing individuals' understanding of key financial concepts, such as interest rates, repayment terms, and penalties. Moreover, Cannon *et al.* (2019) emphasized the role of financial literacy in enabling individuals to make informed borrowing decisions and mitigate the risks associated with loan obligations.

Repaying the Loans

Another challenge identified was repaying the loans, which posed a significant challenge for teachers. There was a difficulty of making timely payments when faced with competing financial responsibilities. This also underscored the ongoing struggle teacher's face in managing their finances, which loan repayments often compound existing financial burdens, creating a delicate balancing act that requires careful planning and prioritization. These accounts imply the ongoing financial strain experienced by educators, which loan repayments exacerbate existing financial burdens, necessitating a delicate balancing act. Such challenges underscored the importance of tailored financial planning strategies and support mechanisms to assist teachers in navigating their financial responsibilities effectively. By addressing the unique needs of educators and providing resources for managing loans alongside other financial obligations, institutions can alleviate some of the burdens associated with loan repayment, empowering teachers to achieve greater financial stability and well-being.

In line with the findings of this study, Smith (2018) have documented the challenges faced by teachers in meeting loan obligations while covering essential expenses, such as housing, healthcare, and childcare. Additionally, a research by (Menengesha *et al.,* 2020) underscored the need for targeted financial support mechanisms to assist educators in managing their finances more effectively.

Processing the Loan

Processing loans posed significant logistical challenges for teachers, as highlighted by participants. The accessibility of private lenders with the limited office hours of institutions like GSIS necessitates time off work to manage loan affairs. The frustration of prolonged waiting times and the uncertainty of loan approval often requires multiple visits to complete the process. This also emphasized the impact on teaching schedules, noting instances where applying for a loan disrupts normal work routines to the extent of requiring leave of absence. This implies the disruptive nature of loan processing on teachers' professional lives, pointing to a need for simplified procedures to lessen these challenges. The prolonged uncertainty can bring significant financial stress and anxiety among teachers, disrupting their ability to plan and manage their finances effectively. This uncertainty may lead to delays in important financial decisions, such as purchasing a home or investing in further education, as teachers await confirmation of loan approval. Consequently, the delay in accessing funds can exacerbate financial difficulties and hinder their ability to address immediate financial needs.

For Garcia and Thompson, (2019) lengthy waiting times for loan approval may lead to heightened financial stress and anxiety among teachers, affecting their job gratification and performance in the classroom. As a result, teachers may be forced to seek alternative financial resources or delay important financial decisions, further complicating their financial situation.

Low Net Pay

Low net pay presented a significant challenge for teachers, impacting their ability to meet living expenses and support dependents. Supporting elders on a limited salary necessitates seeking additional income sources, highlighting the strain on finances and the difficulty in budgeting remaining funds throughout the month. This implies the financial pressure faced by teachers, necessitating resourcefulness and financial discipline to navigate the challenges of limited income while maintaining professional performance. This also emphasizes the need to stretch meager salaries over extended periods and resorting to borrowing every few months to cope with financial constraints.

In line with the findings Thavva, (2021) highlighted the impact of loan obligations on teachers' financial well-being, particularly in light of modest salaries and limited resources. Moreover, Thomas and Gupta, (2021) emphasized the importance of tailored financial planning strategies for educators to navigate their unique financial circumstances effectively.

Stress

Managing multiple loans induced significant stress and distraction for teachers, as disclosed by the participants. The financial strain often translated into difficulty focusing on work responsibilities, impacting both professional performance and personal well-being. The mental and emotional toll of financial burdens can spill over into physical health and strain relationships with family members. This highlighted the profound impact of financial stress on teachers' overall quality of life, underscoring the need for support mechanisms to alleviate these pressures and foster a conducive work environment. This finding implies the detrimental impact of financial stress on teachers' overall quality of life, emphasizing the critical need for support mechanisms to alleviate these pressures and cultivate a more supportive work environment. By addressing the root causes of financial strain and providing resources for financial planning, counseling, and mental health support, institutions can better equip teachers to manage their loans while maintaining their well-being. Furthermore, fostering a culture of understanding and empathy within educational settings can encourage open communication about financial challenges and facilitate the implementation of strategies to mitigate their effects. Ultimately, by acknowledging and addressing the profound impact of financial stress on teachers, institutions can create a more resilient and empowered teaching community, ultimately enhancing both professional performance and personal fulfillment.

The finding was supported by (Wang *et al.,* 2022) who highlighted the importance of convenient access to credit facilities, particularly for individuals with busy work schedules. Moreover, the role of institutional factors, such as office hours and the bureaucratic processes, in shaping borrowers' experiences and influencing their choice of lenders.

Proposed Financial Literacy Enhancement Program

The researcher proposed a financial literacy program for teachers with loans, incorporating various financial concepts, facilitate the implementation of effective debt management strategies and promote entrepreneurship among teachers so that they could gain their interests and passions and turn sustainable businesses and build institutional financial literacy workshops in partnership with financial and government institutions to instill among teachers the importance of being responsible financial managers.

Financial literacy enhancement program.

Category	Objectives	Approach	Partners	Activities	Timeline	Process Indicators	Output Indicators
Budgeting	Enable teachers to create and maintain a personal budget to effectively manage their finances and loan repayments.	- Offer workshops, seminars, and one-on-one counseling sessions focused on budgeting techniques, expense tracking, and debt management.	Financial institutions, educational institutions, non-profit organizations, credit counseling agencies	Conduct budgeting workshops and seminars. Provide budgeting templates and tools. Offer one-on-one counseling for personalized budgeting assistance.	6 months	Number of teachers attending budgeting workshops. Percentage of teachers' utilizing budgeting templates and tools. Improvement in teachers' ability to track expenses and adhere to budget plans.	Increased adoption of budgeting practices. Improved financial management skills.
Savings	Encourage teachers to develop a habit of regular saving to build emergency funds and meet future financial goals while managing loan obligations.	Educate teachers on the importance of saving through seminars, online resources, and personalized financial planning sessions. Facilitate access to employer-sponsored retirement plans and automatic savings programs.	Banks, credit unions, employers, retirement plan providers, financial advisors	Conduct seminars on the benefits of saving and retirement planning. Provide access to employer-sponsored retirement plans. Promote automatic savings programs and employer matching contributions.	Ongoing	Percentage of teachers enrolled in retirement plans. Number of teachers with emergency savings funds. Increase in savings contributions over time.	Increased savings habits among teachers. Enhanced financial security and preparedness for emergencies.

Investing	Educate teachers on investment principles and strategies to grow their wealth over time and diversify their financial portfolios.	Offer investment workshops, online courses, and informational resources covering topics such as asset allocation, risk management, and investment vehicles. Provide access to financial advisors for personalized investment advice and guidance.	Investment firms, financial advisors, educational institutions	Conduct investment workshops and online courses. Facilitate meetings with financial advisors for individual investment consultations. Provide access to investment platforms and resources.	9 months	Number of teachers attending investment workshops and seeking investment advice. Increase in investment knowledge and confidence among teachers. Growth in investment portfolio values over time.	Enhanced understanding of investment strategies and opportunities. Increased wealth accumulation and financial stability.
Debt Management	Assist teachers in understanding and managing their existing loans effectively to reduce debt burdens and improve financial health.	Provide comprehensive education on loan types, repayment options, and debt consolidation strategies through workshops, online resources, and individual counseling sessions. Offer tools and resources for debt repayment planning and budgeting.	Credit counseling agencies, financial institutions, debt management programs, educational institutions	Conduct debt management workshops and counseling sessions. Offer debt consolidation options and repayment strategies. Provide access to debt management tools and budgeting resources.	12 months	Number of teachers participating in debt management workshops and utilizing debt repayment tools. - Reduction in teachers' debt-to-income ratios over time.	Decrease in overall debt burdens among teachers. Improved financial well-being and credit health.
Financial Planning	Empower teachers to set and achieve their financial goals through personalized financial planning, including savings, investments, and debt management strategies.	Offer personalized financial planning sessions and goal-setting workshops covering topics such as retirement planning, college savings, and wealth accumulation. Provide access to financial planning tools, calculators, and resources for ongoing support.	Financial advisors, wealth management firms, educational institutions, retirement plan providers	Conduct financial planning workshops and one-on-one consultations. Provide access to financial planning software and online resources. Assist teachers in setting and tracking progress towards financial goals.	12 months	Number of teachers attending financial planning workshops and seeking personalized advice. Progress towards teachers' financial goals as measured by savings, investment, and debt reduction objectives.	- Enhanced financial literacy and goal-setting skills among teachers. - Achievement of financial milestones and long-term objectives.
Risk Management	Educate teachers on identifying, assessing, and mitigating financial risks, including insurance coverage,	Conduct workshops and seminars on risk management strategies, insurance options, and emergency preparedness planning.	Insurance companies, risk management firms, emergency preparedness organization	Offer risk management workshops and educational sessions. Provide access to insurance products and emer-	6 months	Number of teachers attending risk management workshops and obtaining insurance coverage. Increase in	Enhanced ability to identify and manage financial risks. Improved financial

	emergency funds, and contingency planning.	Provide access to risk assessment tools and resources for teachers to evaluate and mitigate financial risks.	s	gency planning resources. Assist teachers in deve-loping persona-lized risk man-agement plans.		emergency funds and preparedness levels among teachers.	resilience and security.
Financial Basics	Understand fundamental financial concepts. Develop budgeting skills.	Interactive workshops. Online resources.	Financial institutions. Educational associations.	Budgeting workshops. Online financial literacy modules.	12 Months	Attendance rates at workshops. Pre and post-workshop assessment scores. Feedback from participants.	Number of teachers completing workshops. Increase in participants' knowledge scores.
Entrepreneurship Awareness	Raise awareness about entrepreneurship opportunities. Inspire teachers to explore entrepreneurial ventures.	Workshops on entrepreneurship. Inspirational talks by successful entrepreneurs.	Local entrepre-neurs. Small business development centers.	Entrepreneurship workshops. Guest speaker sessions.	6 Months	Attendance rates at workshops. Feedback from participants	Number of teachers expressing interest in entre-preneurs
Financial Literacy Workshop Develop-ment	Develop comprehensive financial literacy workshops tailored to institutional needs. Provide relevant and practical financial education to participants.	Collaborative workshop design with financial and government institutions. Needs assessment to identify key topics and areas of focus.	Financial institutions (banks, cre-dit unions). Government agencies (financial regulators, education depart-ments)	Workshop curriculum development. Consultation meetings with partners.	6 months	Completion of needs assessment. Stakeholder feedback on workshop content.	Develop-ment of tailored workshop curriculum. Workshop materials ready for distribution.

CONCLUSION:

The findings offers a complex picture of the factors that influence the teachers' decisions apply for loans. Teachers use the money they borrow to pay off debt and invest in enterprises, among other financial obligations. Loans are necessary for meeting basic demands, such as house building, medical costs, and education, illustrating the variety of financial management difficulties faced by educators. Furthermore, borrowing goes beyond selfish interests since they often prioritize paying back their parents for everything that they have given up. The presence of multiple loans indeed presents a nuanced landscape of both positive and negative effects on individuals' financial management practices. However, the negative implications of borrowing money, particularly when managing multiple loans, cannot be overlooked. One significant drawback is the strain on net pay, as loan repayments can consume a considerable portion of one's income, leaving limited funds for other expenses. The challenges encountered by teachers underscores the significant burdens teachers face in managing their finances amidst their professional responsibilities. This newfound understanding empowers them to make informed financial decisions and integrate financial management skills into their teaching practices, thereby enriching both their personal and professional lives.

ACKNOWLEDGMENT:

In this undertaking, the researcher expresses gratitude to the participants and the College of Education of Capiz State University-Main Campus, Roxas City, Capiz, for their invaluable support.

CONFLICTS OF INTEREST:

The author declares no conflict of interest.

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Citation: Flamiano NGP. (2024). Reasons, effects, and challenges of loans: input to financial literacy enhancement, *Int. J. Manag. Account.* **6**(4), 85-98. https://doi.org/10.34104/ijma.024.085098