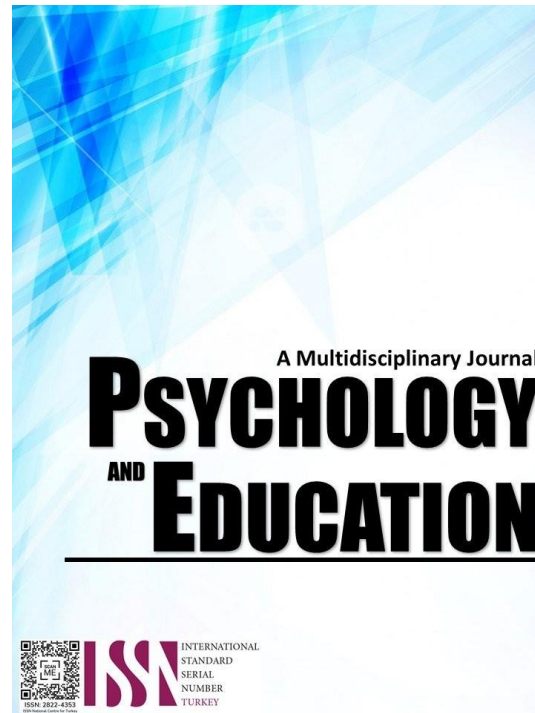


# EXPLORING THE IMPACT OF FINANCIAL LITERACY ON WORK ENGAGEMENT AMONG PUBLIC SECONDARY SCHOOL TEACHERS IN LANA O DEL NORTE, PHILIPPINES



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## Exploring the Impact of Financial Literacy on Work Engagement among Public Secondary School Teachers in Lanao del Norte, Philippines

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### Abstract

This study explored the relationship between financial literacy and work engagement among public secondary school teachers in Lanao del Norte, Philippines, offering insights relevant to teacher development and educational policies. Using a descriptive-correlational design, the research assessed teachers' financial knowledge, behavior, and attitudes alongside their levels of vigor, absorption, and dedication at work. Findings revealed high financial knowledge and behavior but only moderate financial attitudes, highlighting areas for improvement. A strong positive correlation emerged between financial literacy and work engagement, suggesting that financially literate teachers are more motivated and committed to their profession. These results underscore the need for financial literacy programs as part of teacher development initiatives, equipping educators with skills to manage financial challenges, reduce stress, and enhance job satisfaction. Strengthening financial well-being among teachers may contribute to greater engagement, improved teaching effectiveness, and overall educational quality. Future research could further examine the impact of financial education programs and explore contextual factors influencing financial literacy's role in teacher performance.

**Keywords:** *financial knowledge, financial behavior, financial attitude, teacher work engagement, financial literacy programs, descriptive-correlational design*

### Introduction

Financial literacy and work engagement are essential for personal and professional success, yet many individuals, particularly in emerging economies, struggle with fundamental financial concepts (OECD, 2021; Kasyanenko et al., 2023). This financial knowledge gap can lead to poor financial decisions, financial stress, and decreased engagement at work.

In education, teachers' work engagement significantly impacts teaching quality (Siddique et al., 2022) and student outcomes (Florecilla et al., 2017). Engaged teachers exhibit enthusiasm, dedication, and commitment, creating positive classroom environments that enhance student achievement (Türk & Korkmaz, 2022; Johnson, 2017). Work engagement, as defined by Schaufeli et al. (2002), comprises three key dimensions: vigor (energy and persistence in work), absorption (deep focus and immersion in tasks), and dedication (sense of significance and pride in work). However, one overlooked factor influencing teachers' work engagement is their financial literacy.

Financial literacy encompasses three core components: financial knowledge (understanding financial concepts), financial behavior (practices related to budgeting, saving, and debt management), and financial attitude (confidence and mindset toward financial decision-making) (Dwiastanti, 2015; James, 2023; Mitchell & Lusardi, 2015).

Research suggests that individuals with strong financial literacy demonstrate responsible financial behaviors (Aristei & Gallo, 2020; Woodyard & Robb, 2012) and that positive financial attitudes contribute to effective financial management and reduced stress (Hashmi et al., 2021). Enhancing financial literacy may alleviate financial burdens and improve teachers' overall engagement and job satisfaction (Arroyo & Bayani, 2024).

Despite receiving salaries above the minimum wage, Filipino teachers face financial challenges due to gaps in financial literacy (Nerona, 2023). Many teachers lack essential knowledge in saving, investing, insurance, and retirement planning (Erno, 2022), leaving them vulnerable to financial insecurity (Casingal & Ancho, 2022; Galapon & Bool, 2022). While public school teachers generally receive competitive salaries, effective financial management remains a challenge (de Guzman & Reginalde, 2022), potentially impacting their productivity and overall well-being.

This study is grounded in the Theory of Planned Behavior (TPB) (Ajzen, 1991), which explains how financial literacy may influence teachers' work engagement. TPB posits that behavior is shaped by three factors: attitudes, subjective norms, and perceived behavioral control. In this context, teachers' attitudes toward financial literacy—whether they perceive financial management as valuable—may influence their financial behaviors and, in turn, their ability to stay engaged at work. Subjective norms, including social and professional expectations regarding financial responsibility, may shape teachers' financial decisions and commitment to their profession. Lastly, perceived behavioral control, or the extent to which teachers feel capable of managing their finances, may directly affect their financial well-being and capacity to maintain high levels of work engagement.

Although prior studies highlight the significance of financial literacy and work engagement, the direct relationship between these constructs remains underexplored, particularly in the context of teachers. This study addresses this gap by examining how financial literacy relates to teachers' work engagement.

## Research Questions

The present study investigated the relationship between financial literacy and work engagement of the public secondary school teachers in Lanao del Norte division for School Year 2022-2023. Specifically, it sought to answer the following questions:

1. What is the level of financial literacy of public secondary school teachers in terms of financial knowledge, financial behavior, and financial attitude?
2. What is the level of work engagement of public secondary school teachers in terms of vigor, absorption, and dedication?
3. Is there a significant relationship between financial literacy and the work engagement of public secondary school teachers?

## Methodology

### Research Design

This study employed a descriptive-correlational research design, a quantitative approach that aims to describe the characteristics of variables and explore potential relationships between them (Creswell, 2014). This design was deemed appropriate as it allowed the researcher to determine the levels of financial literacy and work engagement among teachers and examine whether a significant relationship exists between these variables.

### Respondents

The respondents of this study were all teaching personnel of a public secondary school located in a rural area of Lanao del Norte, under the jurisdiction of the DepEd Division of Lanao del Norte. The study utilized a complete enumeration method, involving all 33 junior and senior high school teachers in the school. Given the relatively small population size, this approach was chosen to ensure comprehensive data collection, eliminating the need for sampling. Complete enumeration also minimized sampling bias and provided a more accurate representation of the financial literacy and work engagement levels among teachers in the study context.

### Instrument

The study utilized a structured questionnaire divided into two sections, measuring the key variables. The first section assessed financial literacy, which was examined through three dimensions: financial knowledge, financial behavior, and financial attitude. This instrument was adapted from Surendar and Subramanya Sarma (2018), whose financial literacy scale has been validated in previous studies. Its reliability has been established, with reported Cronbach's alpha values exceeding 0.80, indicating strong internal consistency.

The second section measured work engagement using the Utrecht Work Engagement Scale (UWES) developed by Schaufeli and Bakker (2004), which evaluates three dimensions: vigor, dedication, and absorption. The UWES is a widely recognized instrument with demonstrated reliability and validity, consistently reporting Cronbach's alpha values above 0.85 in various research settings.

### Procedure

The data collection process commenced after securing approval from the school principal and obtaining informed consent from all teacher-respondents. The researcher distributed the survey questionnaires personally to ensure clarity of instructions and facilitate immediate responses to queries. The respondents were given ample time to complete the questionnaires at their convenience to ensure accurate and thoughtful responses. Upon completion, the researcher collected the surveys, ensuring confidentiality by employing data coding techniques. All collected data were securely stored to maintain anonymity and compliance with ethical standards.

### Data Analysis

In analyzing the gathered data, the researcher used the following statistical tools: Mean Scores and Standard Deviations, used for analyzing both the financial literacy and the work engagement, indicating average perception/performance levels and variability, respectively; and Pearson's Correlation Coefficient, utilized to examine the relationship between the financial literacy and the work engagement, indicating the strength and direction of the correlation between the variables.

### Ethical Considerations

To ensure compliance with research ethics, the researcher obtained permission from the school principal prior to data collection. Furthermore, this study strongly emphasized the ethical treatment of the teacher-respondents by obtaining their informed consent through a clear and comprehensible written consent form. To protect the participants' confidentiality and anonymity, data coding techniques were employed, and the collected data was securely stored. Participation in the study was entirely voluntary.

## Results and Discussion

### Level of Financial Literacy of Public School Teachers

As shown in Table 1, the respondents exhibited a high level of financial knowledge ( $M = 4.03$ ,  $SD = 0.68$ ), indicating a strong understanding of financial concepts such as budgeting, saving, investing, and financial products. This aligns with Remis (2023), who found that teachers generally possess high financial knowledge, enabling them to manage cash flow, consumption, credit, savings, and

investments effectively. However, knowledge alone does not always translate into behavior, highlighting the need for programs that bridge this gap.

Similarly, the respondents demonstrated a high level of financial behavior ( $M = 3.92$ ,  $SD = 0.83$ ), suggesting that they engage in responsible financial practices such as budgeting and saving. However, this score is slightly lower than financial knowledge, indicating that while teachers are aware of financial best practices, their application may not always be consistent. This finding supports Moko et al. (2022), who noted that financial knowledge alone does not necessarily lead to sound financial behavior, as other factors like habits, motivation, and external influences come into play.

On the other hand, the respondents' financial attitude was at a moderate level ( $M = 3.11$ ,  $SD = 0.65$ ), suggesting that while they generally have a positive outlook on financial matters, there is still room for improvement. Financial attitude plays a crucial role in shaping financial decisions, as those with a more proactive financial mindset tend to plan better and prioritize savings (Hidayat et al., 2023). Studies by Wutun et al. (2023) and Ratnawati et al. (2023) also confirm that a positive financial attitude is associated with better financial behaviors.

Given these findings, school administrators may consider financial wellness programs that not only provide financial knowledge but also emphasize practical application and attitude development. Integrating financial literacy sessions in teacher training or professional development programs could help strengthen financial attitudes and bridge the knowledge-behavior gap, ultimately improving teachers' financial well-being.

Table 1. *Level of financial literacy of public secondary school teachers in terms of financial knowledge, financial behavior, and financial attitude*

<i>Indicators</i>	<i>Mean</i>	<i>SD</i>	<i>Interpretation</i>
Financial Knowledge	4.03	0.68	High
Financial Behavior	3.92	0.83	High
Financial Attitude	3.11	0.65	Moderate
Overall	3.69	0.72	High

Scale: 1.00 - 1.80 = Very Low; 1.81 - 2.60 = Low; 2.61 - 3.40 = Moderate; 3.41 - 4.20 = High; and 4.21 - 5.00 = Very High

### Level of Work Engagement of Public Secondary School Teachers

Table 2 reveals that the respondents exhibited a high level of work engagement in terms of vigor ( $M = 3.41$ ,  $SD = 0.60$ ), meaning they approach their tasks with energy and persistence. Teachers with high vigor are likely to exert extra effort, persevere through challenges, and remain enthusiastic about their work. This finding aligns with Hanaysha et al. (2023), who found that teacher vigor positively correlates with student academic achievement, as engaged teachers foster a more motivating and dynamic learning environment.

The respondents also reported a high level of absorption ( $M = 3.58$ ,  $SD = 0.84$ ), indicating that they are deeply immersed in their teaching responsibilities, often losing track of time while working. This suggests that they experience a sense of flow, which is linked to higher job satisfaction and creativity in lesson delivery. Minghui et al. (2018) similarly found that teachers with high absorption in their work are more likely to develop innovative teaching strategies and exhibit greater job satisfaction.

Furthermore, the respondents demonstrated a high level of dedication ( $M = 3.51$ ,  $SD = 0.84$ ), suggesting a strong commitment to their students and the teaching profession. Teachers with high dedication are more likely to build positive relationships with students, foster a supportive classroom environment, and continuously seek professional growth (Cardwell, 2017).

These findings highlight the importance of maintaining and enhancing teacher engagement, as it directly influences both teacher effectiveness and student outcomes. Schools may consider teacher support programs, workload management initiatives, and professional development opportunities to sustain and improve teacher engagement levels.

Table 2. *Level of work engagement of public secondary school teachers in terms of vigor, absorption, and dedication*

<i>Indicators</i>	<i>Mean</i>	<i>SD</i>	<i>Interpretation</i>
Vigor	3.41	0.60	High
Absorption	3.58	0.84	High
Dedication	3.51	0.84	High
Overall	3.50	0.76	High

Scale: 1.00 - 1.80 = Very Low; 1.81 - 2.60 = Low; 2.61 - 3.40 = Moderate; 3.41 - 4.20 = High; and 4.21 - 5.00 = Very High

### Relationship between Financial Literacy and Work Engagement of Public Secondary School Teachers

Results from Table 3 indicate a strong positive correlation ( $r = 0.94$ ) between financial literacy and work engagement, with a highly significant relationship ( $p < .001$ ). This means that teachers with higher financial literacy tend to have higher levels of work engagement.

This finding aligns with Lusardi and Mitchell (2014), who found that financial literacy enhances job satisfaction and work motivation by reducing financial stress. Similarly, Ozyuksel (2022) found that financial insecurity negatively affects employee engagement, as financial concerns can distract workers from their responsibilities. Financially literate teachers are likely to experience less financial

stress, enabling them to focus more on their teaching duties and maintain high engagement levels.

Table 3. *Test of significant relationship between financial literacy and work engagement of public secondary school teachers*

Variables	r value	Level of Correlation	p-value	Remark
Financial Literacy and Work Engagement	0.94	Strong Positive	< .001	Highly Significant

Given this strong correlation, schools and policymakers should consider integrating financial literacy training into teacher professional development programs. This initiative could improve not only teachers' financial well-being but also their overall job engagement and performance, benefiting both educators and students.

## Conclusions

This study investigated the relationship between financial literacy and work engagement among public secondary school teachers, revealing valuable insights with implications for both educational policies and teacher support initiatives. The findings indicate that teachers exhibit a strong foundation in financial knowledge and financial behavior, although financial attitudes remain at a moderate level, suggesting opportunities for improvement. Notably, a strong positive correlation was found between financial literacy and work engagement, highlighting the potential role of financial well-being in fostering motivation and commitment among educators. Given these results, policymakers and school administrators should consider integrating financial literacy programs into professional development initiatives. Such programs could bridge the gap between financial knowledge and application, helping teachers develop more positive financial attitudes and behaviors that contribute to reduced financial stress and increased work engagement. Strengthening financial security among educators may lead to improved job satisfaction, teaching effectiveness, and overall well-being, ultimately benefiting students and the educational system as a whole. Future research could further explore the causal mechanisms linking financial literacy to work engagement, such as the role of financial stress, job satisfaction, or long-term financial planning. Additionally, longitudinal studies could assess the effectiveness of targeted financial literacy interventions in enhancing teacher engagement over time. Investigating variations across different school settings, socioeconomic backgrounds, or levels of teaching experience may also provide deeper insights into how financial literacy influences teacher performance and retention.

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