

TEACHER'S SALARY AND LOANS: VIABILITY TOWARDS SATISFACTORY LIFESTYLE

by:

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The number of teachers in the Philippines is a critical factor in determining the quality of education and the overall educational landscape of the country. With a rapidly growing population and a strong emphasis on providing quality education to its citizens, the demand for qualified teachers has always been vital. The Philippines has a large and diverse educational system that caters to millions of students across the nation. The responsibility of imparting knowledge and shaping young minds falls upon the shoulders of the teaching profession. Teachers play a fundamental role in providing education, guidance, and support to students, preparing them for the challenges of the future.

The Official Website of DepED Division of Bataan

Despite the untiring responsibilities that teachers weigh on their shoulders, teachers are also individuals that, at the end of the day, try to make ends meet. They were mere employees whose personal finances are affected by the salary-based source of income. Even at this point, teachers have struggled to fight for a reasonable salary range. The issue of teachers' salaries in the Philippines is a matter of great concern and has garnered significant attention in recent years. In press release of Philippine Information Agency (OSWG, 2022), mentioned that half of Filipinos think public school teachers are underpaid to which Sen. Gatchalian to push teacher salary hike. Based on the results of a Pulse Asia survey administered on June 24-27, 2023, it was stated in the article that "50% of respondents think that public school teachers are underpaid, 37% think that they have enough salary, while only 3% say that they are overpaid. Ten percent of respondents cannot say whether teachers are underpaid, overpaid, or have enough salary". Gatchalian

commissioned the survey and had 1,200 respondents. People perceive that teachers, as salary-based employees, are financially unstable as well. The disparity between their salaries and the critical role they fulfill has been a longstanding challenge.

The current salary structure for teachers in the Philippines is based on a standardized salary scale known as the Salary Standardization Law (SSL) or RA 11466 (Issuances: DBM, 2023) which started January 2020, in four tranches and just ended January 1, 2023.

The exact number of teachers in the Philippines is a dynamic figure that changes over time due to factors such as population growth, educational policies, and the demand for teachers in different regions. As of the most recent data available, the Department of Education (DepEd) estimates that there are over 800,000 teachers in the country (DepEd Planning Service, 2022) with salary grades from SG11 - SG13 (P27,000-P31,000 approx.) for Teachers I - III while SG18 - SG21 (P47,000-P64,000 approx.) for Master Teacher I - IV (Issuances: DBM, 2023). Out of the five Senate bills currently filed, the highest proposed increase for teachers' salary is the Senate Bill (SB No. 324) by Senators Sonny Angara, and Chiz Escudero; to upgrade SG level of teachers from SG 11 to 19, said Rappler (Rappler, 2023).

“GSIS offers better loan terms for teachers” (Agcaoili, 2023)

“City Savings Bank simplifies loan application for DepEd teachers” (Business: SunStar, 2023)

“Aboitiz thrift unit banks on loan-hungry teachers” (Dumlao-Abadilla, 2022)

Teachers are laid with opportunities to get loan applications here and there. For some articles, teachers were tagged as loan hungry, suffice to mirror a sound business

opportunity for some financial institution. This calls for stereotyping the money management among public school teachers.

Ferrer mentioned in his study about how teachers are caught in a “debt-trap” (Ferrer, 2017). Discussing how dependent can a teacher be on loan-getting and the experienced colleagues that can influence a teachers’ mindset about taking loans.

Financial Literacy simply refers to the person’s ability to manage money (Remund D. L., 2010). Salary, in most cases, is the main source of income of an individual. For many, the assurance of a steady paycheck acts as the primary conduit to achieve personal dreams, support families, and secure futures. It is paramount to understand its multifaceted impact on all salary-based individuals, including teachers. However, life circumstances vary from one employee to another. Let alone public-school teachers, whose work and facilities rely on tight government budget grants making them buy classroom materials (Luci-Atienza, 2021), promotions which requires post graduate studies or license renewal with CPD units (CNN Philippines, 2022), and plans for better living and the likes. These milestones sometimes take a cut on personal budget. When financial needs strike deeper, they may resort to loan application. In the contrary, can it entail a curious question that salaries of teachers may not be competitive or that working in the government may not actually as stable as it was perceived? In a year, GSIS records P221 billion in loans to 1.38 million members from January 2021-May 15, 2022 (Philippine News Agency, 2022).

The Salary Standardization Law (SSL) provides a framework for determining the salary levels of government employees, including teachers. However, the base pay for teachers remains comparatively low, particularly for those in the lower ranks and those working in rural areas. Teachers in the Philippines face numerous challenges related to their salaries. These challenges include the rising cost of living, inflation, and the increasing demands of the profession. Achieving life milestones does not exempt teachers. They, also, have been wanting to buy their own house, lot, car or even a good

set of jewelries, for investment purposes, only if their source of income capacitates them. However, many educators struggle to make ends meet and often resort to taking on multiple jobs or engaging in other income-generating activities to supplement their earnings and in most cases, resorting to loans. How bad can teachers go for loans?

Senator Win Gatchalian promised to pursue measures that will sustain the welfare of teachers and raise their salaries. In a press release, Gatchalian's topmost priority measure under the 19th Congress is the Teacher Salary Increase Act (Senate Bill No. 149), which find a way to increase the salary grades of Teacher I from SG 11 with a salary of P25,439 to SG 13 with a salary of P29,798, Teacher II from SG 12 with a salary of P27,608 to SG 14 (P32,321), and Teacher III from SG 13 (P29,798) to SG 15 (P35,097) (Press Release: Senate of the Philippines 19th Congress, 2022).

Due to the continued struggles of teachers with issues of competitive salary, there are numerous teacher loans available from different financial institutions, including government social services such as GSIS for public school teachers. Wide array of loans for teachers definitely help them sustain their financial needs and goals, but in relation to their capacity to pay and all that's left after may create an unending loop for satisfactory lifestyle.

Article by:

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