

REPUBLIC OF THE PHILIPPINES
House of Representatives
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. **2464**



Introduced by Representative Alfredo D. Vargas III

EXPLANATORY NOTE

Section 14, Article XII of the Philippine Constitution explicitly provides that sustained development of a reservoir of Filipino entrepreneurs and managers shall be promoted by the State.

The Philippines is an entrepreneurial country. Slowly, entrepreneurship is becoming the backbone of the country's economy. Small and medium-sized enterprises comprise around ninety nine (99) percent of the establishments in the country. However, one of the problems encountered by our entrepreneurs is the lack of adequate knowledge on business techniques and financial management at the onset.

Experts in both fields of financial management and entrepreneurship believe that ignorance is the utmost risk posed relative to these fields. Thus, the inculcation of these concepts in the early years of child formation and education shall foster and develop individual literacy and capacity on basic finance and entrepreneurship.

In the pursuit of a globally competitive labor force, many countries have already established financial education and entrepreneurial institutions. In fact, they have already included these fields in their basic education curricula. In our aim to achieve a more advanced stature in the world economy, it is necessary to also establish our formal training and education in these domains.

It is imperative that government paves the way towards arming the students with fundamental financial management and entrepreneurship know-hows. Through this, we are able to deliver highly relevant programs to our students, address this pressing need for financial literacy, and be at par with the global standards on basic financial education.

Through the passage of this measure, we have a greater opportunity for country productivity and global competitiveness.



ALFREDO D. VARGAS III

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AN ACT
REQUIRING INCLUSION OF BASIC FINANCIAL MANAGEMENT AND
ENTREPRENEURSHIP AS SEPARATE SUBJECTS IN THE ELEMENTARY AND HIGH
SCHOOL CURRICULA, RESPECTIVELY

Be it enacted by the Senate and the House of Representatives in Congress in assembled:

SECTION 1. ***Declaration of Policy.*** – It is the policy of the State to establish, maintain and support a complete, adequate and integrated system of education which is relevant to the needs of private and public school students.

SECTION 2. ***Basic Financial Management Subject in Elementary Level.***
There shall be a separate subject on basic financial management in the fifth and sixth grades of elementary education.

SECTION 3. ***Entrepreneurship Subject in the High School Level.*** – There shall be another separate subject on entrepreneurship in the senior year curriculum of both public and private secondary schools nationwide.

SECTION 4. ***Integration of Basic Financial Management and Entrepreneurship Concepts.*** – In order to achieve the desired set of values and optimum financial and entrepreneurial literacy, there shall be an integration of basic financial management and entrepreneurial concepts in the other existing subjects throughout the basic education curricula.

SECTION 5. ***Development of Subject Content.*** – The Department of Education (DepEd) Secretary shall constitute two (2) technical committees, one for each subject, and appoint a Head Subject Specialist for each committee from the Bureaus of Elementary Education and Secondary Education. Each Head Subject Specialist shall be the lead person in coordinating all activities necessary for the development, formulation and implementation of the subject in the elementary and

secondary levels. The members of the committee shall include representatives from the following: (a) accredited national private school administrators association, (b) accredited national public school administrators organization, (c) Bangko Sentral ng Pilipinas - Financial Consumer Affairs Group, (d) Financial Executives Institute of the Philippines, (e) Psychological Association of the Philippines, and (f) civil society organizations on financial management and entrepreneurship, among others.

The committee shall conduct a multi-sectoral consultation and dialogue with education stakeholders, i.e. public and private high schools, members of the national chambers of commerce and industry, leading entrepreneurs, and the public at large, for the purpose of defining the appropriate content, limitation and scope of the basic financial management and entrepreneurship subjects: *Provided*, that the elementary subject on basic financial management shall include the following topics: (1) history of money and finance, (2) earning money, (3) spending money, (3) financial management, (4) savings and investments, and (5) budgeting, among others. *Provided further*, that the high school subject shall include the following entrepreneurial subject matters: (1) how to start-up a business, (2) fund sourcing, (3) business management, (4) contemporary entrepreneurial practices, and (5) practical applications: *Provided, further*, that each subject shall include the skills-formation of the said subjects; and shall be in line with the current policy of industrial progress and global competitiveness.

SECTION 6. *Teacher Preparedness and Training.* - The same constituted committees shall prepare a manual/module for the teachers who will be handling both subjects. Also, the Department of Education shall be mandated to conduct trainings and preparedness courses throughout the country.

SECTION 7. *Budget.* - The funds necessary for the implementation of this Act shall be charged against the appropriations for the Department of Education of the current Fiscal Year. Thereafter, the amount necessary for the continued implementation shall be included in the annual General Appropriations Act.

SECTION 6. *Implementing Rules and Regulations.* - The Secretary of the Department of Education, in consultation with the constituted committees, shall formulate the necessary implementing rules and regulations for the effective execution of this Act.

SECTION 7. *Repealing Clause.* - All laws, decrees, orders, rules and regulations, or parts thereof inconsistent with this Act hereby repealed or modified accordingly.

SECTION 8. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,