

Republic of the Philippines
HOUSE OF REPRESENTATIVES

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3835



Introduced by Honorable Rex Gatchalian

AN ACT REQUIRING THE COMPLETION OF AN ECONOMICS AND PERSONAL FINANCE ("EPF") LITERACY COURSE AS AN ELEMENTARY, SECONDARY, TERTIARY, AND TECHNICAL-VOCATIONAL GRADUATION REQUIREMENT IN PUBLIC AND PRIVATE SCHOOLS, LOCAL UNIVERSITIES AND COLLEGES, STATE AND PRIVATE COLLEGES AND UNIVERSITIES, AND TECHNICAL-VOCATIONAL SCHOOLS AND CENTERS, MANDATING PROFESSIONAL DEVELOPMENT FOR EPF TEACHERS, TEACHING FINANCIAL LITERACY TO EPF PARTNERS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Bangko Sentral ng Pilipinas, Department of Finance, Securities and Exchange Commission, National Credit Council, and Department of Education have launched coordinated and independent programs to raise financial literacy in the Philippines. Nonetheless, these financial literacy programs may not be sustainable if not institutionalized in the education system. College graduates learn the skills necessary to secure a job relevant to their respective fields and earn income. However, they do not undergo financial literacy courses in any stages of their education that will help them prepare for and successfully navigate the financial realities of life.

Self-imposed financial education at home is no better. 89% of Filipino youth rely on their parents' financial knowledge.¹ The Global Financial Literacy survey conducted by Standard and Poor's shows that only 25% of Filipino adults are financially literate. This means that 75% of Filipino adults – including the parents and the teachers who will be the source of financial knowledge for the younger

¹ <https://gdfi.com.ph/2019/01/10/bsp-deped-incorporate-financial-literacy-k12/>, citing a study conducted by Visa Philippines

generations – are not financially literate. The younger generation thus enters the real world financially unprepared, with very little knowledge or without ever learning about money in school or at home.

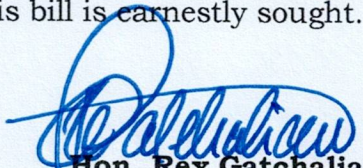
This bill seeks to include an Economics and Personal Financial (EPF) literacy course as part of the curriculum and a requisite for graduation in the elementary, secondary, tertiary, and technical-vocational levels. The educational system curriculum must be designed to consistently instill in the youth money management to form spending, saving, and investing habits that can have lasting monetary and personal benefits.

It is likewise essential that parents or guardians are actively involved in helping children learn about their finances, especially children ages 8 to 14, which are critical in developing a child's financial behavior. Thus, the financial knowledge of EPF teachers and partners, such as parents and guardians, must be enhanced since they teach financial literacy to the younger generation.

Teaching good money management to the younger generation must also be taught to these teachers and partners. Accordingly, this proposed measure also endeavors to provide EPF professional development to teachers and EPF training courses to government and private sector employees who are parents or guardians to guide the younger generation in making sound financial decisions.

Providing financial education to the younger generation is essential to ensure their security and well-being in the future. A financially-literate Filipino youth will be able to make well-informed financial decisions that will positively impact personal financial circumstances, empowering them to take better advantage of economic opportunities and consequently contribute to inclusive and sustained economic development.

In view of the foregoing, approval of this bill is earnestly sought.


Hon. Rex Gatchalian
Representative
1st District of Valenzuela

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AN ACT REQUIRING THE COMPLETION OF AN ECONOMICS AND PERSONAL FINANCE (“EPF”) LITERACY COURSE AS AN ELEMENTARY, SECONDARY, TERTIARY, AND TECHNICAL-VOCATIONAL GRADUATION REQUIREMENT IN PUBLIC AND PRIVATE SCHOOLS, LOCAL UNIVERSITIES AND COLLEGES, STATE AND PRIVATE COLLEGES AND UNIVERSITIES, AND TECHNICAL-VOCATIONAL SCHOOLS AND CENTERS, MANDATING PROFESSIONAL DEVELOPMENT FOR EPF TEACHERS, TEACHING FINANCIAL LITERACY TO EPF PARTNERS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

1 **SECTION 1.** *Title.* – This Act shall be known as the “Economics and
2 Financial Literacy Curriculum and Training Act”.

3
4 **SEC. 2.** *Declaration of Policy and Objectives.* – Recognizing financial literacy
5 as an essential life skill and the complementary role of financial education in
6 promoting the outcome of financial literacy, it is hereby declared a policy of the State
7 to establish the foundations of financial literacy at an early stage of life by focusing
8 on the financial education of the youth and utilizing school and learning programs
9 to create more skilled, knowledgeable and well-informed future generations of
10 Filipinos. Thus, the critical role of teachers, parents, guardians, schools, colleges
11 and universities in advancing financial literacy among all demographic groups and
12 across social classes, reducing financial literacy gaps and inequalities across
13 generations, and preparing the young people for their adult life shall be emphasized.

14
15 In pursuit of this policy, this Act aims to attain the following objectives:
16

1 (a) To provide adequate attention to the learning needs on financial education
2 of the youth in different stages of their lives;

3 (b) To afford professional development on economics and personal financial
4 literacy to teachers and employees of the government and private sectors who will
5 provide guidance to the youth as they make personal financial decisions;

6 (c) To lay down the framework for the provision of financial education to the
7 youth and professional development for their teachers; and

8 (d) To improve access on financial education and raise the level of financial
9 literacy to contribute to an individual and his family's sustainable future.

10
11 **SEC. 3.** *Inclusion of Financial Literacy in the Elementary, Secondary, Tertiary,*
12 *and Technical-Vocational Education Curricula.* – All public and private schools, local
13 universities and colleges, state and private colleges and universities, and
14 technical-vocational schools and centers are required to develop and include as
15 part of their respective curriculum the teaching of a course focused solely on
16 Economics and Personal Finance (EPF) in elementary, secondary, tertiary, and
17 technical-vocational education.

18
19 The Department of Education (DepEd), the Committee on Higher Education
20 (CHED), and the Technical Education and Skills Development Authority (TESDA)
21 shall collaborate with the Bangko Sentral ng Pilipinas (BSP), the Department of
22 Finance (DOF), and the Securities and Exchange Commission (SEC) in developing
23 the academic standards, curricula and materials for the EPF course and jointly
24 issuing the proper guidelines or rules and regulations for this purpose. The content
25 of the EPF course shall be aligned with the standards set by the aforementioned
26 government entities. A passing grade shall be required for graduation or completion
27 of the course of study.

28
29 The DepEd, the CHED, and the TESDA shall review the standard course of
30 study to determine the grade or year level during which the EPF course may be
31 completed and reorganize other courses as they may deem appropriate.

32
33 **SEC. 4.** *Content of the EPF Curriculum.* – (a) The EPF course for the elementary
34 level shall provide instruction on basic economic principles and personal financial
35 literacy that shall include, but not limited to, the following:

- (1) Understanding the forms, uses and purposes of money in daily life and its relation to work and earnings;
- (2) Making spending decisions, and planning and managing personal finances;
- (3) Individual and family financial goal setting;
- (4) Evaluating expenses and preparing a budget;
- (5) Managing savings, credit, investments, and risks; and
- (6) Other relevant and financial literacy issues.

(b) The EPF course for the secondary, tertiary, and technical-vocational education levels shall provide instructions on basic economic principles and personal financial literacy that shall include, but not limited to, the following:

- (1) Understanding the concept of income and preparing a savings plan;
- (2) Understanding the financial landscape and participating in various savings and investment schemes;
- (3) Choosing and managing a credit card or an investment;
- (4) Borrowing money for personal consumption, such as automobiles, house and lot, further education, etc.;
- (5) The true cost of credit, savings, and investment;
- (6) Home, car and other mortgages;
- (7) Credit scoring and credit reports;
- (8) Planning, saving, and investing for retirement;
- (9) Teaching financial education to younger generation; and
- (10) Other relevant and financial literacy issues.

SEC. 5. *Financial Literacy Training for EPF Teachers.* – The DepEd, in coordination with the BSP’s Center for Learning and Inclusion Advocacy (CLIA), shall immediately develop and offer a professional development course for EPF teachers approved and continuously reviewed by the DepEd, the CHED, or the TESDA, as may be applicable, the BSP, the DOF, and the SEC.

The DepEd, the CHED, and the TESDA shall require that all EPF teachers continuously receive the professional development necessary to ensure that the intent and goals as embodied in the provisions of this Act are carried out. Attendance to the EPF professional development course shall be considered as compliance to a

1 portion of the training hours requirement of the Civil Service Commission (CSC) for
2 purposes of promotion, as may be applicable.

3
4 To the extent funds are made available for this purpose, the Local School
5 Boards shall require their local public school, college or university to make available
6 to EPF teachers and prospective EPF teachers the EPF professional development
7 course provided by the DepEd. To the extent possible, the EPF professional
8 development course shall be conducted at the DepEd-approved location most
9 conveniently located to the local public school, college or university.

10
11 **SEC. 6.** *Financial Literacy Training for EPF Partners.* – The Local Government
12 Academy (LGA) and the Development Academy of the Philippines (DAP), in
13 coordination with the CLIA and the DepEd, shall likewise develop a basic EPF literacy
14 course for the employees of the government and the private sector who shall serve
15 as partners in the financial education of the youth. The content of the course should
16 include basic principles on personal financial literacy and how they can teach and
17 guide the youth on financial matters. The course for EPF partners developed by the
18 LGA and the DAP shall be approved and continuously reviewed by the DepEd, the
19 CHED, or the TESDA, as may be applicable, the BSP, the DOF, and the SEC.

20
21 Government employees shall be required to attend at least two (2) sessions of
22 the EPF literacy course and such attendance shall be considered as compliance with
23 a portion of the training hours requirement of the CSC.

24
25 **SEC. 7.** *Pre- and Post- Test Evaluation on EPF Literacy of Teachers and*
26 *Partners.* – A pre- and post- test evaluation on EPF literacy shall be conducted by the
27 DAP on participants of the EPF professional development course prior to the
28 distribution of the certificates of completion. The DAP shall keep and regularly
29 update a database of the results of the pre- and post- tests conducted to EPF teachers
30 and partners, and shall report to concerned government entities its assessment and
31 analysis of the results. The concerned government entities shall use DAP's
32 assessment and analysis in the review and improvement of the EPF curricula and
33 standards.

34
35 In addition, the BSP, the DOF and the SEC, in partnership with the private
36 sector, the DepEd, the LGA, and the DAP, shall regularly conduct basic training and

workshop on updates to personal financial literacy to EPF teachers and partners located in various regions of the country; Provided, That in the course of the training and workshop, including the preparation of materials, no financial products or services of the private sector partner shall be offered, advertised, or promoted for sale or distribution.

SEC. 8. Appropriations. – For the fiscal years 2022-2023, there is hereby appropriated to the DepEd, the CHED, and the TESDA the sum of One Hundred Million pesos (Php100,000,000.00) each as grant-in aid to provide for the completion of the professional development course required under Section 5 of this Act for EPF teachers of the elementary, secondary, tertiary, and technical-vocational courses.

For the same fiscal years, there is hereby appropriated to the LGA and the DAP the sum of Fifty Million pesos (Php50,000,000.00) each as grant-in aid to provide for the provision of the basic EPF literacy course required under Section 6 of this Act for EPF partners.

The funds appropriated under this section shall be used to provide (i) the EPF professional development course, including the administration of a pre- and post-testing on EPF literacy, and the provision of a certificate of completion to qualified teachers; and (ii) the basic EPF literacy course for partners, including the administration of a pre- and post- testing on EPF literacy, and the provision of a certificate of completion to qualified partners.

Thereafter, the necessary budget for the development and the continued and effective implementation of the professional development course on EPF Literacy for teachers and partners shall be included in the annual General Appropriations Act of the concerned government agencies.

SEC. 9. Implementing Rules and Regulations. – The DepEd, the CHED, and the TESDA, in consultation with the BSP, the DOF, and the SEC, shall promulgate jointly the implementing rules and regulations to implement the provisions of this Act within sixty (60) days from its effectivity.

SEC. 10. Separability Clause. – If any provision or part thereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

1 **SEC. 11. *Repealing Clause.*** – All laws, presidential decrees, executive orders,
2 administrative orders, rules and regulations, issuances, or parts thereof contrary to
3 or inconsistent with the provisions of this Act are hereby repealed or amended
4 accordingly.

5
6 **SEC. 12. *Effectivity.*** – Notwithstanding the non-issuance of the IRR, this Act
7 shall take effect fifteen (15) days after its publication in the Official Gazette or in a
8 newspaper of general circulation.

Approved,