

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 424



Introduced by HON. MIGUEL LUIS R. VILLAFUERTE

EXPLANATORY NOTE

A 2022 study by the Bangko Sentral ng Pilipinas (BSP) revealed that only 25% of adult Filipinos possess basic financial literacy, as reflected in their knowledge of budgeting, saving, and responsible credit use.¹ An article published by the UN Joint SDG Fund observes that the low level of financial literacy among adults can be traced back to the lack of financial education during their formative years.²

Research further highlights that access to financial education in the Philippines remains limited. Many Filipinos tend to spend before saving, resulting in little to no savings after meeting daily expenses. Additionally, the increasing number of older adults who depend financially on their children, largely due to prevailing cultural expectations and inadequate financial knowledge, creates a recurring cycle of financial strain across generations.³ These realities underscore the urgent need to equip youth with strong financial literacy knowledge and skills.

To institutionalize financial literacy as a national priority, the Philippine government enacted Republic Act No. 10922, or the Economic and Financial Literacy Act in 2016, which designates the second week of November as Economic and Financial Literacy Week. However, this law primarily supports advocacy and awareness activities, without mandating the integration of financial literacy as a fundamental component of the formal education system.

Hence, this bill proposes to institutionalize financial literacy across all levels of education, from elementary to tertiary and technical-vocational programs. It seeks to empower Filipino learners with practical and age-appropriate financial competencies that will help them make informed economic choices, avoid predatory schemes and scams, and plan effectively for their futures. Beyond individual benefit, financially literate citizens contribute to inclusive growth and economic resilience.

By integrating financial literacy into the core curriculum of public and private educational institutions, we invest in a generation that is not only academically equipped but also economically capable. In an age of digital finance, fast-evolving financial technologies, and rising household debt, this proposed measure is both timely and necessary.

In view of the foregoing, the swift passage of this measure is earnestly sought.

MIGUEL LUIS R. VILLAFUERTE

¹ Bangko Sentral ng Pilipinas. (2022). *BSP Financial Inclusion Survey 2021 Report*. <https://www.bsp.gov.ph>

² UN Joint SDG Fund. (2021, November 8). *The compounding problem of financial illiteracy in youth*. <https://jointsdgfund.org/article/compounding-problem-financial-illiteracy-youth>

³ Bolt, U. (2024, March 5). *The financial life of Filipinos: Insights into wealth distribution and financial literacy in the Philippines*. MoreThanDigital. <https://morethandigital.info/en/financial-life-of-filipinos-insights-wealth-distribution-financial-literacy-philippines/>

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**AN ACT INSTITUTIONALIZING FINANCIAL LITERACY EDUCATION IN ALL PUBLIC
AND PRIVATE EDUCATIONAL INSTITUTIONS AND APPROPRIATING FUNDS
THEREFOR**

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

SECTION 1. *Short Title.* This Act shall be known as the "Financial Literacy Education Act."

SECTION 2. *Declaration of Policy.* It is the policy of the State to promote the economic well-being of its citizens through education. Towards this end, the State shall develop and institutionalize a national framework for financial literacy and ensure its integration in the academic curriculum at all levels to cultivate financially responsible, independent, and empowered citizens.

SECTION 3. *Objectives.* The objectives of this Act are as follows:

- (a) To ensure that learners across all educational levels receive age-appropriate and developmentally relevant financial education that meets their evolving needs at different life stages and is responsive to the changing economic conditions;
- (b) To provide sustained training and professional development in financial education for teachers and education personnel in both the government and private sectors who will play a key role in mentoring the youth and promoting sound financial decision-making;
- (c) To establish a national framework that supports the structured and consistent delivery of financial education and the professional development of educators; and
- (d) To expand public access to quality financial education and improve the overall level of financial literacy among Filipinos, thereby contributing to personal financial well-being, long-term family sustainability, and national economic resilience.

SECTION 4. *Coverage.* This Act shall apply to all public and private educational institutions across the country, including:

- (a) Elementary, secondary, and senior high schools under the supervision of the Department of Education (DepEd);
- (b) Local universities and colleges (LUCs), state universities and colleges (SUCs), and private higher education institutions (HEIs) under the Commission on Higher Education (CHED); and
- (c) Public and private Technical-Vocational Institutions (TVIs) regulated by the Technical Education and Skills Development Authority (TESDA).

SECTION 5. *Curriculum Integration.* Financial literacy education (FLE) shall be integrated into the core curriculum at all levels of the education system, whether as a dedicated subject

or as a component of existing subjects, depending on the developmental stage, academic capacity, and educational track of the learners.

The financial literacy curriculum shall be designed to equip students with essential knowledge and practical skills for managing personal and household finances. The content and teaching methodology shall be age-appropriate, culturally relevant, and adaptable to the evolving needs of Filipino learners in a modern financial environment.

It shall cover, but not be limited to, the following topics:

- (a) The forms, functions, and uses of money in daily life, and its relation to work, income, and productivity;
- (b) Planning and managing personal and family finances, including making informed spending decisions and setting financial goals;
- (c) Preparing and evaluating personal budgets and monitoring expenses;
- (d) Saving strategies, the responsible use of credit, and debt management;
- (e) Introduction to banking and financial services, including digital and online financial tools;
- (f) Understanding investment options, assessing financial risks, and the basics of financial planning;
- (g) Consumer rights, obligations, and responsible economic participation;
- (h) Entrepreneurship and the development of personal financial initiatives;
- (i) Identification and prevention of financial scams, fraud, and predatory practices; and
- (j) Other relevant and emerging financial literacy topics based on national and global financial trends.

SECTION 6. *Inter-Agency Coordination.* The DepEd, CHED, and TESDA shall collaborate with the Bangko Sentral ng Pilipinas (BSP), Department of Finance (DOF), and Securities and Exchange Commission (SEC), and other relevant agencies in developing the academic standards, curriculum content, and learning materials for financial literacy education. These agencies shall jointly issue the necessary guidelines to ensure that the course content is consistent with national financial education goals and aligned with the financial education standards and regulatory benchmarks set by the aforementioned institutions.

SECTION 7. *Teacher Training and Capacity Building.* The concerned agencies shall design and implement training programs for teachers and instructors to ensure the effective delivery of financial literacy concepts. Incentives and Continuing Professional Development (CPD) credits may be granted to those who complete such training.

To the extent that funds are available, Local School Boards shall support the delivery of professional development programs for financial literacy educators in public elementary and secondary schools. These programs, developed or endorsed by the Department of Education, shall be made accessible at the most feasible and convenient locations for participating teachers.

Higher education institutions and technical-vocational schools are likewise encouraged to coordinate with CHED and TESDA, respectively, for the implementation of similar professional training programs aligned with the national financial literacy framework.

SECTION 8. *Public Awareness and Community Outreach.* Schools shall be encouraged to conduct financial literacy seminars and community-based learning activities during Economic and Financial Literacy Week pursuant to Republic Act No. 10922, and other suitable occasions, involving parents and local government units (LGUs), and community stakeholders.

SECTION 9. *Appropriations.* The amount necessary for the initial implementation of this Act shall be charged against the current appropriations of DepEd, CHED, and TESDA. Thereafter, such sums as may be necessary shall be included in the annual General Appropriations Act (GAA).

SECTION 10. *Implementing Rules and Regulations.* Within ninety (90) days from the effectivity of this Act, the DepEd, CHED, and TESDA, in consultation with the BSP, DOF, SEC, and other stakeholders, shall promulgate the necessary rules and regulations to carry out the provisions of this Act.

SECTION 11. *Separability Clause.* In the event that any of the provisions of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall remain in full force and effect.

SECTION 12. *Repealing Clause.* All other laws, presidential decrees, executive orders, rules and regulations inconsistent with or contrary to the provisions of this Act are hereby repealed or modified accordingly.

SECTION 13. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,