



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 4651



Introduced by Representative Lordan G. Suan

EXPLANATORY NOTE

This bill seeks to integrate financial literacy in the senior high school curriculum and appropriate funds therefor.

Section 13 of Article II and Paragraph 2, Section 3 of Article XIV of the 1987 Constitution provides:

“The State recognizes the vital role of the youth in nation-building and shall promote and protect their physical, moral, spiritual, intellectual, and social well-being. It shall inculcate in the youth patriotism and nationalism, and encourage their involvement in public and civic affairs.”

“They shall inculcate patriotism and nationalism, foster love of humanity, respect for human rights, appreciation of the role of national heroes in the historical development of the country, teach the rights and duties of citizenship, strengthen ethical and spiritual values, develop moral character and personal discipline, encourage critical and creative thinking, broaden scientific and technological knowledge, and promote vocational efficiency.”

Financial literacy is the knowledge and understanding of available products and services and the ability to use them to manage one’s financial resources. In a nutshell, financial literacy is the ability to manage one’s money wisely. Basic concepts of financial literacy include saving, budgeting, borrowing and investing. However, many students, even adults, do not know or have less exposure to financial literacy.

Based on the Bangko Sentral ng Pilipinas (BSP) 2021 Financial Inclusion (FI) survey, only 2% of Filipinos answered all six basic financial literacy questions correctly. In 2021, almost 70% of adults correctly answered at least half of the questions. Most showcased basic division skills and an understanding of investment risk-return tradeoffs and diversification. However, in 2021, less than half (42%) correctly comprehended the impact of inflation on their purchasing power, a decrease from 55% in 2019. The simple and compound interest question received the fewest correct responses, with only 30%. A tiny proportion, 7%, had participated in a seminar or webinar to boost financial literacy.

The survey result is worrisome since only some adult respondents have little to no idea of computing annual interest rates, and most respondents have a poor grasp on how interest works on savings and the effect of compounding interest. Moreover, only half of the adults expressed interest in attending financial literacy training sessions conducted by the BSP.

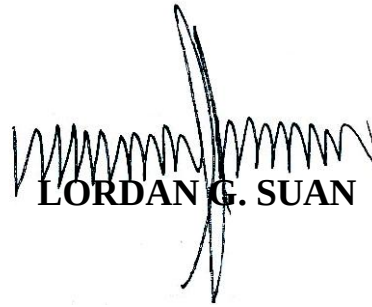
This bill responds to the recognized need to enhance financial literacy in the country to improve the economic well-being of every citizen and society. By integrating financial literacy into the education system, the proposed measure aims to equip students with the knowledge, skills, and attitudes necessary for informed financial decision-making, managing personal finances, and contributing to the nation's economic development.

The bill mandates the Department of Education (DepEd), in consultation with the Department of Finance (DOF) and Bangko Sentral ng Pilipinas (BSP), to develop a financial literacy curriculum. The curriculum will cover critical aspects of personal finance, including budgeting, saving, investing, understanding credit and debt, insurance, taxes, and practical real-world applications.

With coordination from DOF, BSP, and other financial institutions, the DepEd will also provide educational materials for teaching financial literacy and conduct training programs for teachers who will deliver this instruction. The bill encourages collaboration with relevant financial institutions, educational organizations, and experts in financial literacy for curriculum development and enhancement.

By teaching financial literacy in basic education, we can equip young individuals with the knowledge and skills necessary to navigate the economic landscape and make informed decisions, promoting their financial well-being and contributing to a healthier economy.

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



LORDAN G. SUAN



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AN ACT
INTEGRATING FINANCIAL LITERACY IN THE SENIOR HIGH
SCHOOL CURRICULUM AND APPROPRIATING FUNDS THEREFOR

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “*Financial*
2 *Literacy Education Act.*”
3

4 **SEC. 2. Declaration of Policy.** – It is the policy of the State to promote
5 the right of every Filipino to quality education and lay the foundation for
6 lifelong learning. The State also recognizes the need to promote financial
7 literacy in the country as a tool for improving the economic well-being of every
8 citizen and society’s standard of living. Towards these ends, the State shall
9 instill financial literacy in the youth by integrating financial literacy education
10 into the basic education system to equip students with the knowledge, skills, and
11 attitude necessary to make informed decisions, manage personal finances, and
12 contribute to the nation's economic development.
13

14 **SEC. 3. Financial Literacy Education.** – Financial literacy education is
15 hereby integrated into the senior high school curriculum. The Department of
16 Education (DepEd) shall, in consultation with the Department of Finance (DOF)
17 and Bangko Sentral ng Pilipinas (BSP), formulate the financial literacy
18 education curriculum. The curriculum shall include a basic understanding of
19 personal finance management, budgeting, saving, investing, credit and debt,
20 insurance and taxes, and practical activities and real-world scenarios to help
21 students apply financial literacy.

1 **SEC. 4. *Teaching Materials.*** – The DepEd shall, in coordination with the
2 DOF, BSP and other financial institutions, provide educational materials that
3 are age-appropriate and designed to equip students with the skills and
4 competencies to make sound financial decisions.

5
6 **SEC. 5. *Teacher Training.*** – The DepEd shall, in coordination with the
7 DOF BSP and other financial institutions, conduct training programs for
8 teachers of financial literacy to ensure that they are equipped with adequate
9 knowledge and skills in teaching financial literacy.

10
11 **SEC. 6. *Collaboration with Financial Institutions.*** – The DepEd shall
12 collaborate with relevant financial institutions, educational organizations, and
13 experts in the field of financial literacy to develop and enhance the financial
14 literacy curriculum. Financial institutions and experts may provide resources,
15 training, and educational materials to support the financial literacy education.

16
17 **SEC. 7. *Monitoring and Evaluation.*** – The DepEd shall, in coordination
18 with the National Economic and Development Authority, establish a system of
19 monitoring and evaluation to measure the program's effectiveness, including
20 regular assessments of students' financial literacy and skills

21
22 **SEC. 8. *Appropriation.*** – The amount necessary for the initial
23 Implementation of this Act shall be charged against the current appropriation of
24 the DepEd. Thereafter, such sums as may be necessary for the continued
25 implementation of this Act shall be included in the annual General
26 Appropriations Act.

27
28 **SEC. 9. *Implementing Rules and Regulations.*** – Within ninety (90) days
29 from the effectivity of this Act, the Secretary of Education shall, in coordination
30 with the Secretaries of Finance and National Economic and Development
31 Authority and the Governor of the BSP, issue the necessary rules and
32 regulations for the effective implementation of this Act.

33
34 **SEC. 10. *Repealing Clause.*** – All laws, executive orders, issuances,
35 rules, and regulations, or parts thereof, inconsistent with the provisions of this
36 Act are repealed or modified accordingly.

37
38 **SEC. 11. *Effectivity.*** – This Act shall take effect fifteen (15) days from
39 the date of its publication in the Official Gazette or two (2) newspapers of
40 general circulation.

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42 Approved,