

NINETEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

23 FEB 13 P5:26

SENATE
S.B. No. 1872

RECEIVED BY: _____

Introduced by: **Senator Raffy T. Tulfo**

"AN ACT REQUIRING THE COMPLETION OF AN ECONOMICS AND PERSONAL FINANCE ("EPF") LITERACY COURSE AS AN ELEMENTARY, SECONDARY, TERTIARY GRADUATION REQUIREMENT IN PUBLIC AND PRIVATE SCHOOLS, LOCAL UNIVERSITIES AND COLLEGES, STATE AND PRIVATE COLLEGES AND UNIVERSITIES"

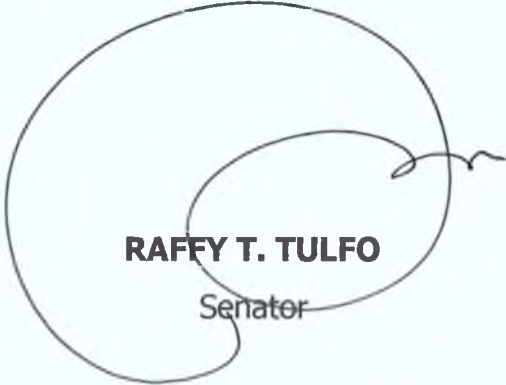
Explanatory Note

Financial literacy refers to the capability of a person to effectively budget, invest, and manage their personal financial resources. For developing countries, Financial Literacy co-functions with Economic Development since the effective management of savings and investments can have a positive impact on the overall economic growth. However, it has been reported that only 54% of adults in developing countries own bank accounts and in the Philippines only 25% of adults are financially literate. The importance of financial literacy among the earning class cannot be undermined since the latter contributes to the pace of the economic growth of a country. Needless to say, literacy of this nature serves as a benchmark to the working class so they can effectively manage their earnings to achieve financial stability. It is to the best interest of the working class to maximize their financial resources on the basis of a long term plan.

Financial literacy cannot be learned overnight. It has to be deeply ingrained in the subconscious of a person so its application becomes second nature to him. The efforts of various government agencies in campaigning for the awareness of this type of literacy will not be in futility if it has been institutionalized in our educational system.

This bill therefore seeks to include an Economics and Personal Financial (EPF) literacy course as part of the school curriculum so it will be pre- requisite for graduation in the elementary, secondary, and tertiary levels. EPF course will cover basic economic principles such as, but not limited to, individual and family financial goal setting, evaluating expenses and budget preparation.

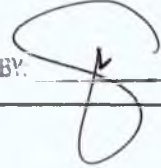
The passage of this measure is thus earnestly sought.



RAFFY T. TULFO
Senator

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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 Personal
2 Finance Education Act of 2023".

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

13 In pursuit of this policy, this Act aims to attain the following objectives:

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

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

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

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

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

15 The Department of Education ("DepEd"), the Committee on Higher Education
16 ("CHED"), and the Technical Education and Skills Development Authority ("TESDA")
17 shall collaborate with the Bangko Sentral ng Pilipinas ("BSP"), the Department of
18 Finance ("DOF"), and the Securities and Exchange Commission ("SEC") in developing
19 the academic standards, curricula and materials for the EPF course and jointly issuing
20 the proper guidelines or rules and regulations for this purpose. The content of the EPF
21 course shall be aligned with the standards set by the aforementioned government
22 entities. A passing grade shall be required for graduation or completion of the course
23 of study. The DepEd, the CHED, and the TESDA shall review the standard course of
24 study to determine the grade or year level during which the EPF course may be
25 completed and reorganize other courses as they may deem appropriate.

26 *Sec. 4. Content of the EPF Curriculum.* –

1 (a) The EPF course for the elementary level shall provide instruction on basic economic
2 principles and personal financial literacy that shall include, but not limited to, the
3 following:

4 (1) Understanding the forms, uses and purposes of money in daily life and its relation
5 to work and earnings;

6 (2) Making spending decisions, and planning and managing personal finances;

7 (3) Individual and family financial goal setting;

8 (4) Evaluating expenses and preparing a budget;

9 (5) Managing savings, credit, investments, and risks; and

10 (6) Other relevant and financial literacy issues.

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

14 (1) Understanding the concept of income and preparing a savings plan;

15 (2) Understanding the financial landscape and participating in various savings and
16 investment schemes;

17 (3) Choosing and managing a credit card or an investment;

18 (4) Borrowing money for personal consumption, such as automobiles house and lot,
19 further education, etc.;

20 (5) The true cost of credit, savings, and investment;

21 (6) Home, car and other mortgages;

22 (7) Credit scoring and credit reports;

- 1 (8) Planning, saving, and investing for retirement;
- 2 (9) Teaching financial education to younger generation; and
- 3 (10) Other relevant and financial literacy issues.

4 *Sec.5. Financial Literacy Training for EPF Partners.* - The Local Government
5 Academy ("LGA") and the Development Academy of the Philippines ("DAP"), in
6 coordination with the CLIA and the DepEd, shall likewise develop a basic EPF literacy
7 course for the employees of the government and the private sector who shall serve
8 as partners in the financial education of the youth. The content of the course should
9 include basic principles on personal financial literacy and how they can teach and guide
10 the youth on financial matters. The course for EPF partners developed by the GA and
11 the DAP shall be approved and continuously reviewed by the DepEd the CHED, or the
12 TESDA, as may be applicable, the BSP, the DOF, and the SEC Government employees
13 shall be required to attend at least two (2) sessions of the EPF literacy course and
14 such attendance shall be considered as compliance with a portion of the training hours
15 requirement of the CSC.

16 *Sec. 6. Implementing Rules and Regulations.* – The DepEd, the CHED, and the
17 TESDA, in consultation with the BSP, the DOF, and the SEC, shall promulgate jointly
18 the implementing rules and regulations to implement the provisions of this Act within
19 sixty (60) days from its effectivity.

20 *Sec. 7. Separability Clause.* - If any provision or part thereof is held invalid or
21 unconstitutional, the remainder of the law or the provision not otherwise affected shall
22 remain valid and subsisting.

23 *Sec. 8. Repealing Clause.* – All laws, presidential decrees, executive orders,
24 administrative orders, rules and regulations, issuances, or parts thereof contrary to or
25 inconsistent with the provisions of this Act are hereby repealed or amended
26 accordingly.

1 Sec. 9. Effectivity. – Notwithstanding the non-issuance of the IRR, this Act shall
2 take effect fifteen (15) days after its publication in the Official Gazette or in a
3 newspaper of general circulation.

Approved,