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DESCRIBING THE BUDGETING PRACTICES OF NEWLY HIRED INSTRUCTORS IN PRIVATE HIGHER EDUCATIONAL INSTITUTION

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ABSTRACT

Budgeting practices play a crucial role in the financial well-being of individuals, particularly for newly hired instructors in private higher educational institutions. The purpose of this study was to describe the budgeting practices of newly hired instructors in private higher educational institutions. The study was conducted in Pagadian City, Zamboanga del Sur. This study is a qualitative design that used purposive sampling to identify 9 newly hired instructors in private higher educational institutions as the research participants. Semi-structured interviews were conducted to ask for their insights, opinions, and experiences. The results highlighted the different budgeting practices of newly hired instructors, their income sources, income management strategies, and challenges faced. Most participants budget their income through structured budgeting strategies, focusing on essential expenses, savings, and discretionary spending. The majority of respondents rely solely on salary as their income source, with a minority engaging in additional business ventures. Many participants adopted the 50-30-20 budgeting method. Participants utilize various tools, including digital budgeting apps and traditional methods like notebooks and the envelope system. Overall, for future researchers, this study offers valuable insights into the budgeting practices of newly hired instructors in private higher educational institutions.

KEYWORDS: *Budgeting, Newly hired instructors, Private higher educational institution, Budget Methods*

1. INTRODUCTION

Financial literacy and effective budgeting are critical skills for managing personal finances, particularly for individuals entering the workforce for the first time. Newly hired teachers face unique financial challenges as they transition from academic life to professional careers. These challenges may include managing student loan repayments, adjusting to new salary structures, and planning for significant financial milestones like housing or retirement.

Private higher educational institutions often provide different compensation packages and financial structures compared to public institutions. Studies indicate that financial literacy among newly hired professionals is often insufficient, adding to their financial challenges. Many young professionals lack the knowledge needed to manage their finances efficiently, leading to inadequate budgeting and increased financial stress (Lusardi & Mitchell, 2017). Additionally, the widespread availability of e-commerce, mobile payments, and credit-based transactions has altered spending behaviors, leading some individuals to accumulate debt as a means of financial management (Gathergood, 2016).

Many private school teachers struggle with low salaries, heavy workloads, and limited opportunities for career advancement. The disparity in salaries between public and private school teachers remains a persistent issue, with over 60% of private school teachers earning less than their public school counterparts (Chi, 2023). Despite policy interventions such as the Salary Standardization Law (SSL) and the Tax Reform for Acceleration and Inclusion (TRAIN) Law, financial struggles continue to be a concern, pushing some teachers toward borrowing and accumulating debt to meet their financial needs (Mercene, 2018). These financial concerns are particularly evident in Pagadian City, Province of Zamboanga del Sur, where newly hired instructors in private higher educational institutions navigate the challenges of financial management amid local economic conditions and cost-of-living factors.

Given these financial realities, this study seeks to explore the daily budgeting practices of newly hired instructors in private higher educational institutions in Pagadian City, Province of Zamboanga del Sur. By examining their financial behaviors and challenges, this research aims to provide insights that can guide the development of financial education programs, support services, and targeted interventions to improve financial literacy. Addressing these financial challenges is crucial for enhancing financial well-being, job satisfaction, and retention rates among educators. Thus, this study aims to document the daily budgeting practices of newly hired instructors in private higher educational institutions within this specific locale.

2. STATEMENT OF THE PROBLEM

This study aimed to explore the daily experiences of newly hired instructors on their daily budgeting practices as it imposed a big effect on their salary and a challenge on their daily lives. It mainly focuses on the instructors who are newly hired in private educational institutions in Pagadian City. The study was conducted during the year 2023-2024.

Specifically, the study aimed to answer the central question, *"How do newly hired instructors in private higher educational institutions describe their budgeting practices?"* This central question encapsulates the main focus of the research. It seeks to answer the following questions:

1. What are the sources of income for newly hired instructors in private higher educational institutions?
2. How do they manage their income?
3. What are the budgeting strategies do newly hired instructors use to manage their income?
4. What are the major challenges faced by newly hired instructors in managing their daily budgets?
5. What strategies and tools do newly hired instructors use to overcome these challenges?

3. RESEARCH METHOD

3.1 Research Design

This study employs a qualitative research design, specifically a case study by Merriam. Qualitative research explores participants' experiences, perceptions, and behaviors, gathering and analyzing non-numerical data to gain deep insights into problems and generate new research ideas.

3.2 Research Participants

The primary participants of this study were newly hired instructors working in private higher educational institutions (PHEIs) within Pagadian City. The selection criteria for participants were carefully defined to ensure a specific focus on a distinct group of educators with at least 9 participants. Participants had to be fresh graduates, meaning they had recently completed their undergraduate studies and transitioned directly into teaching roles. They had been employed in PHEIs for no more than two years, ensuring that the study captured the experiences of those still in the early stages of their teaching careers. Additionally, participants did not hold a master's degree and were not pursuing further studies. To further refine the selection, instructors were required to be unmarried, ensuring that their personal circumstances aligned with the study's focus. Lastly, participants had no prior job experience, highlighting their fresh entry into the workforce and allowing the study to explore the challenges and experiences unique to this demographic.

3.3 Research Instruments

The primary instruments were the researchers, guided by interview questionnaires, observations supplemented by field notes and documents, and artifacts obtained through data mining. The interview guide was semi-structured and crafted to explore the daily budgeting practices of newly hired instructors in private higher educational institutions. Specifically, the questions delved into various aspects, including budgeting behaviors, financial challenges, strategies for financial management, and perceptions of institutional support concerning financial matters.

3.4 Data Gathering Procedure

The researchers formally requested permission to conduct the study from the appropriate authorities and presented a letter from the adviser to the dean for proper validation and approval. The interview guide, validated by the panelists, was attached to the letter. Upon receiving permission, the researchers collected data from the newly hired instructors in PHEIs. The selection criteria served as a guide for selecting the number of participants for the study. Before participating in the study, informed consent was provided to the participants. This process included providing an explanation of the study's purpose, procedures, potential risks and benefits, confidentiality measures, and informing participants of their right to withdraw at any time without facing any consequences. The interviews were conducted primarily in English. However, to ensure clarity and understanding among participants, the

interview guide was translated into the local vernacular if needed. Translation into the vernacular was done carefully to maintain the integrity and accuracy of the questions and responses. The interview process was recorded with the participants' consent, and the video and audio recordings were transcribed to convert the spoken data into written form.

3.5 Data Analysis

Utilizing Merriam's constant comparative method, the researchers analyzed the data by coding and categorizing it to identify patterns and develop themes. Triangulation was employed to cross-verify findings, enhancing credibility. The findings were presented in a detailed narrative report, enriched with quotes to clearly convey the participants' experiences. The themes derived from data analysis using Merriam's constant comparative method were systematically organized and presented. Each theme was supported with relevant quotes to clearly illustrate participants' experiences, ensuring a comprehensive narrative. Themes and insights derived from the data were carefully discussed in relation to existing literature and the theoretical framework, highlighting the study's contributions to the field. Using Merriam's qualitative methodology, this case study provided a thorough and credible exploration of the research problem, ensuring strong and meaningful conclusions.

4. SAMPLING DESIGN

The researchers used purposive sampling as a sampling technique in the study. Purposive sampling is a non-probability sampling method employed in research to choose individuals who meet particular criteria, such as newly hired instructors in PHEIs. This sampling was used in this research to avoid biases and increase the trustworthiness and reliability of the findings.

5. GEOGRAPHICAL AREA

The research environment for this study focused around PHEIs in Pagadian City, located in the Zamboanga Peninsula, Philippines. Pagadian City serves as a significant urban hub in the region, known for its diverse economic activities and relatively high cost of living. The city has a thriving educational sector, with a notable presence of PHEIs that cater to a wide range of students. With a number of 10 private institutions within the city, it provides a substantial sample size for the research.

6. RESULTS

In this study, most of the participants answered that their sources of income are derived mainly from their salary as instructors. Aside from their salary as instructors, few answered that they have business income and online earnings as their other source of income. The study revealed that respondents manage their income by allocating income to savings, expenses, and for wants. They prioritize to cover essential expenses like bills and daily necessities, allocate funds to savings for future needs or emergencies, and set aside a portion of their income for personal purchases. The majority of the instructors adhere to the 50-30-20 budgeting approach, allocating 50% of their income for necessary expenses, 30% for discretionary spending, and 20% for savings. Based on the results, the respondents use several budgeting strategies to manage their income effectively. Many of them rely on digital budgeting tools like Excel spreadsheets and mobile applications such as Notes and Sticky Notes App, which make it easy to track expenses in real-time. Others prefer manual methods, like writing down their budgets in notebooks, using the envelope system, or making a DIY book, which allows them to physically see where their money is going. The study has concluded three significant challenges in managing their income. These challenges are; budget shortfalls, failure to commit to the set budget, difficulty in meeting financial obligations, and economic strains such as rising living costs. Many struggle with unexpected expenses that lead to insufficient funds, making it hard to cover basic necessities. Their salaries often do not meet their financial responsibilities, forcing them to make tough choices and take on additional jobs to make ends meet. On the other hand, other participants may have set budget allocations, but are struggling to commit to it. The findings revealed that newly hired instructors employ two main strategies to overcome financial challenges: more effective budgeting and being resourceful. They focus on efficient budget allocation, setting priorities, and minimizing debts. On top of that, they need to be resourceful to cover their financial needs which often resort to borrowing money and seeking extra income sources.

7. SUGGESTIONS

In light of the findings, it is evident that newly hired instructors face financial challenges that impact their overall well-being and professional performance. Therefore, targeted recommendations are necessary to address these issues and support the financial stability of these educators. (1) To higher educational institutions, consider organizing seminars and workshops on different budgeting methods. The training can include essential topics like budgeting techniques, savings strategies, debt management, and the importance of emergency funds to better

manage their finances and the improvement of their commitment towards budgeting, given their limited work experience and the financial challenges they face. (2) To newly hired instructors, explore ways to diversify their income, such as taking on part-time work, freelancing, or monetizing hobbies and skills. They can consider flexible side hustles or online opportunities that complement their teaching schedules. This additional income can help alleviate financial pressure and provide a cushion for unexpected expenses. (3) To future researchers, dig deeper and explore the long-term financial behaviors of newly hired instructors as they gain more teaching experience or pursue further education, such as a master's degree.

8. CONCLUSION

This study concludes that while newly hired instructors demonstrate different budgeting practices, many still struggle with financial stability and find it challenging to consistently stick to their budgets.

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