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Teacher indebtedness in the digital era: A mixed-methods study of lending institutions and teacher performance in the Philippines

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ABSTRACT

The aim of this study was to examine teacher indebtedness, referred to as the "credutrap," and its effects on the job performance of public-school teachers in Nueva Ecija, Philippines. Using a convergent parallel mixed-methods approach, the study analyzed survey data from 150 teachers and complemented the results with focus group discussions and key informant interviews. The findings showed that most teachers depend mainly on government-backed lending institutions, followed by private banks and informal lenders, which often results in long-term debt cycles. Correlation analysis identified significant relationships between indebtedness and job performance, particularly increased stress, absenteeism, tardiness, and reduced preparation for teaching. Qualitative results further revealed the ongoing psychological pressure caused by debt, negative effects on instructional quality, risky financial practices, and the normalization of borrowing within the teaching profession, despite strong professional dedication. The study concludes that teacher indebtedness is not only a financial problem but also an ethical and systemic issue that requires comprehensive solutions. The proposed framework highlights the need for financial literacy education, school-based financial wellness programs, stronger regulation of lending practices, livelihood support, and professional development that raises awareness of the link between debt and professional responsibility. These measures are necessary to protect teacher well-being, improve educational equity, and support sustainable development in the education sector.

1. Introduction

Public school teachers are crucial to the development of future generations, yet they often face significant financial challenges that hinder their well-being and professional performance. As numerous studies indicate, many teachers experience enduring financial strain, exacerbated by their relatively low salaries compared to the rising cost of living and the escalating demands of their roles (Tuliao et al., 2025; Motti-Stefanidi et al., 2022).

A vital factor contributing to the financial burdens faced by teachers is the systemic reduction in financial resources and support from educational institutions. For instance, budget cuts often lead to smaller salaries and less administrative support—conditions many school districts have faced in recent years (Motti-Stefanidi et al., 2022). These financial constraints affect teachers' economic stability and diminish the quality of education due to increased class sizes and the hiring of less qualified teaching staff when turnover occurs. This results in a cycle where financial instability leads to diminished instructional quality, ultimately impacting student outcomes.

Moreover, integrating financial literacy into teacher training and ongoing professional development has been suggested as a strategy to mitigate the financial distress some educators face. The lack of financial literacy is often cited as a contributing factor to teachers' reliance on loans and credit systems, which can foster a cycle of debt (Zaimovic et al., 2023). Educators who possess well-developed financial management skills are more likely to navigate economic challenges effectively, enhancing their professional performance and personal well-being. Additionally, the COVID-19 pandemic has further intensified these challenges.

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Teachers reported heightened mental health issues and increased stress due to the economic impact of the pandemic and the abrupt shift to online learning, which demanded rapid adaptation to new teaching methodologies (Geraci et al., 2023). As educators struggled to balance their professional roles with the pressures of maintaining their financial health, the overall climate of educational institutions became increasingly strained (Tuliao et al., 2025).

The issue of teacher indebtedness is emerging as a critical concern in many educational systems worldwide, with profound implications for teachers' financial stability and professional effectiveness in the classroom. Financial stress is directly correlated with increased teacher attrition and decreased focus on instructional responsibilities, which can adversely affect student outcomes (Lin et al., 2025). As educators allocate substantial portions of their salaries to loan repayments, they often find themselves grappling with insufficient disposable income to meet daily living expenses, compounding their stress and hindering their teaching performance.

In contemporary contexts, teachers are subjected to mounting financial pressures due not only to inadequate salaries but also to rising costs associated with living and professional expenses. Various studies have illustrated how financial instability contributes to teachers' job dissatisfaction and stress. Factors such as workload, high student-to-teacher ratios, and job insecurity are known contributors to elevated stress levels among educators, which, in turn, can diminish their motivation and effectiveness. A recurring theme in the literature is the detrimental impact of financial stress on teacher well-being, exacerbating issues of burnout and leading to higher turnover rates within the profession (Booth et al., 2021).

The existing landscape of both formal lending institutions and informal credit systems plays a significant role in teacher indebtedness. Many teachers may turn to these sources for immediate financial relief, only to find themselves trapped in cycles of debt with challenging repayment conditions that further complicate their financial situations. Research indicates that while teachers often possess a higher level of financial literacy compared to other professions, their financial behaviors may be influenced by the stressors related to their work environment, leading to decisions that may not align with their long-term financial well-being.

Furthermore, institutional responses to teacher financial stress are crucial. There is evidence suggesting that programs aimed at enhancing financial literacy and debt management can positively influence teachers' financial behaviors. By incorporating financial education into professional development frameworks, educational institutions could equip teachers with the necessary tools to better manage their financial circumstances, thereby improving their job satisfaction and overall performance.

The concept of the "credutrap" effectively encapsulates the complex intersection of financial difficulties and moral obligations faced by educators. This phenomenon illustrates how teachers struggle to balance their professional duties with the burdens of debt, creating a dual tension that adversely affects both their mental health and educational outcomes in the classroom. Research has shown that financial instability significantly correlates with diminished morale and productivity among teachers, which subsequently undermines their capacity to foster positive learning environments.

The "credutrap" emerges from a systemic context where teachers often find themselves overwhelmed by financial obligations. Many educators resort to various lending options to manage their day-to-day expenses, leading to a heavy debt load. This financial strain not only consumes a substantial portion of their incomes through loan repayments but also generates chronic stress. Such psychological distress has been documented to extend into their professional roles, inhibiting their ability to concentrate and prepare effectively for classes. This relationship between financial pressures and psychological well-being illustrates the emotional toll of indebtedness, further fostering a culture of burnout in educational settings.

Moreover, the commitment teachers feel toward their students and education adds a layer of moral obligation that exacerbates the "credutrap." Even when facing financial difficulties, many educators prioritize their students' needs over their own financial stability. Teachers often experience feelings of guilt when unable to provide high-quality education due to their financial situations, leading to a cycle of psychological and professional challenges.

Addressing these issues requires a multifaceted approach. Interventions aimed at improving financial literacy among teachers can empower them to make more informed financial decisions, potentially alleviating some of the burdens associated with debt. Furthermore, supportive measures, such as increased salaries and improved working conditions, are essential in breaking the cycle of debt that many educators face (Umeji, 2024). By prioritizing financial and moral support for teachers, educational authorities can promote a healthier, more sustainable teaching environment that fosters not only personal well-being but also better educational outcomes for students.

The evolving financial landscape in the digital era has introduced new dynamics that significantly impact teachers' financial well-being and professional lives. The rise of automated payroll deductions, online lending platforms, and financial applications has made credit more accessible, which—while ostensibly convenient—has contributed to a culture of indebtedness among educators. This normalization of borrowing can place teachers at a heightened risk of financial distress, particularly as they may be perceived as reliable borrowers due to their stable incomes.

The convenience provided by digital financial services can potentially lead to impulsive borrowing, as easy access to credit encourages behaviors that favor short-term solutions over long-term financial stability. Research indicates that factors such as easy credit and impulsive spending contribute significantly to teachers' indebtedness, complicating their ability to meet financial obligations. Many educators may find themselves caught in a cycle of debt that detracts from their teaching responsibilities and overall mental well-being. Inadequate financial literacy exacerbates this situation, hindering their ability to make informed decisions regarding their finances.

Moreover, the impact of digital financial tools extends beyond mere convenience; it can also embed a reliance on debt as a routine aspect of professional life for many teachers. As highlighted by Pereira et al. (2021) the stress of managing both professional duties and financial obligations can lead to burnout and diminished self-efficacy among educators, making it difficult for them to maintain instructional quality (Pereira et al., 2021). This interplay between financial pressures and educators' professional responsibilities creates a complex dynamic where the emotional and psychological burdens of financial stress can negatively affect the educational environment, ultimately impacting student outcomes (Kwiatkowska-Ciotucha et al., 2021).

To address these issues, it is vital for educational institutions to prioritize financial literacy training for their teaching staff. Providing teachers with the knowledge and skills necessary to manage their finances effectively can help them navigate the complexities of accessible credit and minimize the risk of falling into harmful debt cycles. Furthermore, schools can implement institutional safeguards to protect teachers from predatory lending practices and assist them in achieving greater financial stability.

The interplay between teacher indebtedness and job performance is a critical challenge that educational leaders and policymakers must address. Teacher debt is not merely a matter of personal financial management; it embodies broader institutional and systemic issues that jeopardize the sustainability of the teaching workforce. Financial burdens directly affect educators' professional commitment, instructional quality, and overall well-being. Research indicates that when teachers grapple with financial instability, the repercussions extend far beyond individual circumstances, impacting educational equity and national development at large (Platt et al., 2021).

Job insecurity and financial anxiety undermine teachers' mental health and job performance (Basyouni and Keshky, 2021), with debt-related stress often leading to burnout and reduced capacity to teach effectively, ultimately impacting student outcomes. High stress and weak coping mechanisms also foster toxic work environments, straining communication and collaboration (Platt et al., 2021). Strengthening financial literacy is critical, as without adequate education and support, teachers risk cycles of debt that perpetuate financial strain. Institutions must support teachers through professional development, fair salaries, and access to mental health resources, while also fostering financial skills that build long-term stability. Such systemic reforms not only relieve financial pressures but also empower educators, strengthen the profession, and promote educational equity and sustainability.

This study seeks to investigate this complex issue through the lens of the dyadic nexus framework. By examining how lending institutions, financial pressures, and professional duties interact, the research aims to shed light on the lived experiences of public-school teachers and the implications of their financial struggles on job performance. The goal is to generate evidence-based insights that can inform practical solutions such as financial literacy programs, institutional interventions, and policy reforms. In doing so, the study underscores the urgent need to address teacher indebtedness as both a financial and professional concern, ensuring that educators are empowered to thrive in their roles while maintaining stability in their personal lives.

2. Literature review

Existing literature highlights the widespread financial challenges educators face globally, with strong evidence pointing to how economic insecurity undermines teacher well-being and instructional quality (Booth et al., 2021; Lin et al., 2025). A recurring theme is the linkage between debt and professional burnout, where financial strain contributes to absenteeism, reduced morale, and lower teaching effectiveness (Lizana and Lera, 2022).

In the Global South, and particularly in the Philippines, teachers are exposed to unique socio-economic conditions, such as stagnant wages, weak financial protections, and predatory lending ecosystems, that deepen their vulnerability (Binaluyo et al., 2024). Studies also show that even when teachers possess basic financial literacy, systemic and institutional barriers often prevent them from achieving financial stability.

However, while many studies have explored financial stress in teaching populations, few have integrated both quantitative and qualitative data to unpack the interplay between institutional lending practices and teacher performance in developing contexts. Furthermore, the concept of the "credutrap" -a psychological and moral entrapment in debt—has been largely untheorized in relation to teacher professional identity.

This study addresses this research gap by examining teacher indebtedness within a provincial Philippine context, using a mixed-methods approach to explore how formal and informal lending institutions intersect with job performance and well-being. It contributes a contextualized framework that captures both structural and psychological dimensions of debt among teachers in a Global South setting.

3. Methodology

This study employed a convergent parallel mixed methods design to examine the relationship between indebtedness and job performance of public-school teachers. The quantitative component utilized a descriptive-correlational approach to measure the extent of debt, the types of lending institutions accessed, and the relationship of indebtedness to performance indicators such as absenteeism, tardiness, instructional preparation, and stress levels. The qualitative component, on the other hand, used focus group discussions and key informant interviews to explore the lived experiences of teachers and administrators. The combination of these approaches provided a holistic understanding of the dyadic nexus of debt and duty.

The research was conducted in selected municipalities and cities within the province of Nueva Ecija, Philippines. Nueva Ecija is known as the "Rice Granary of the Philippines," but beyond its agricultural identity, it is also home to a large population of public-school teachers across elementary and secondary schools. The province's mix of rural and semi-urban communities makes it a representative site for exploring teacher indebtedness, as educators here encounter both formal lending systems from government institutions and informal credit practices that are widespread in local communities.

A total of 150 public school teachers participated in the survey, representing various teaching levels and school categories. Stratified random sampling was used to ensure representation across different demographics, such as years of service, school type, and teaching load. In addition, five teachers were invited to join focus group discussions to share their personal experiences, while two school administrators were interviewed as key informants to provide leadership perspectives on how indebtedness influences work performance and institutional operations. This participant mix ensured both quantitative representation and qualitative depth.

The primary instrument used in this study was a structured survey questionnaire developed by the researcher. The questionnaire consisted of three sections: (1) demographic and financial profile, (2) level and sources of indebtedness, and (3) job performance indicators such as attendance, punctuality, lesson preparation, and stress levels. A four-point Likert scale was used to measure the frequency and degree of financial stress and its perceived effects on work performance. For the qualitative component, an interview and FGD guide was prepared to capture the personal narratives of teachers and administrators. Questions focused on experiences with lending institutions, coping strategies, and the perceived impact of financial obligations on professional responsibilities. To ensure content validity, the survey questionnaire was reviewed by three experts in educational research and financial behavior. A pilot test was conducted with 20 public school teachers from a non-sampled district in Nueva Ecija to refine the instrument based on clarity, relevance, and response time. Feedback was incorporated to improve question wording and layout. The internal consistency of the instrument was evaluated using Cronbach's alpha, yielding a coefficient of 0.88 for the job performance scale and 0.85 for the financial stress scale, indicating high reliability.

Formal permission was obtained from school heads prior to the conduct of the study. The researcher personally administered the questionnaires, explained the purpose of the research, and assured confidentiality of responses. Surveys were distributed both physically and electronically, depending on accessibility. Focus group discussions were conducted in a neutral and supportive environment to encourage open sharing, while key informant interviews were arranged with administrators at convenient schedules. Data collection spanned two months to allow sufficient time for distribution, retrieval, and completion of the survey instruments.

The quantitative data were analyzed using descriptive statistics, including frequency counts, percentages, and weighted means, to determine the level of indebtedness and its proportion to income. Pearson's correlation coefficient was applied to measure the relationship between debt levels and job performance indicators. The qualitative data were processed through thematic analysis, beginning with open coding of transcripts followed by categorization into major themes. The results from both strands were then triangulated to ensure validity and generate comprehensive insights.

4. Results

4.1. Types of lending institutions accessed by teachers

The results revealed that most teachers rely heavily on government-backed lending institutions such as the Government Service Insurance System (GSIS) and Pag-IBIG Fund, accounting for 60% of total borrowing sources. This preference is largely attributed to the structured repayment schemes and automatic payroll deductions, which make borrowing more accessible. However, while convenient, such arrangements often lock teachers into long-term debt cycles, making repayment feel endless and discouraging financial recovery. Private banks were the second most accessed lending institutions, with 30% of teachers reporting loans from these sources. The relatively higher interest rates compared to government programs suggest that teachers are willing to take on more expensive loans, possibly due to faster approval processes and larger loanable amounts. Meanwhile, informal lenders, often referred to as "5-6" or other small-scale credit providers, still make up 10% of borrowing sources. While a minority, the presence of informal lenders highlights the vulnerability of teachers to predatory lending practices when formal avenues are either inaccessible or insufficient to meet urgent financial needs.

The widespread reliance on lending institutions among teachers highlights how indebtedness has become normalized, driven by low salaries, budget cuts, and limited financial alternatives, a situation worsened by the COVID-19 pandemic (Parthasarathy et al., 2022). This dependency not only traps educators in cycles of debt but also undermines their ability to focus on teaching, with financial stress directly affecting performance and educational quality (Quach et al., 2024). The resulting psychological distress reflects deeper systemic inequities, as financial insecurity often leads to burnout and reduced job commitment (Swigonski et al., 2021), particularly among early childhood educators who report significant physical, mental, and financial strain (Kenny et al., 2022). These conditions underscore the urgent need for systemic reforms that prioritize fair compensation, institutional support, and financial resilience (Vatou et al., 2024). Strengthening financial literacy and implementing supportive policies could help break this cycle, fostering greater stability for teachers and, in turn, a stronger and more equitable educational system (Santos, 2024; Lacey et al., 2024).

4.2. Extent of indebtedness relative to income

Analysis of monthly loan payments as a percentage of teachers' income presents a stark picture of financial overextension. As shown in the data, 40% of respondents spend more than 40% of their monthly income servicing loans. This indicates that nearly half of the teaching workforce is in a state of severe financial strain, leaving minimal disposable income for essential needs. Another 25% of respondents spend between 20–30% of their income on loans, while 20% fall in the 30–40% category. Alarmingly, only 15% of teachers reported allocating less than 20% of their salaries to loan repayments. These figures suggest that debt repayment is not only a consistent financial obligation but, for many teachers, the dominant factor shaping their economic realities.

Many teachers spend a large share of their salaries on debt, reflecting reliance on credit as a coping mechanism and highlighting the lack of sustainable financial alternatives that perpetuate cycles of instability and affect both quality of life and professional effectiveness (Binaluyo et al., 2024). This pressure limits savings, fuels long-term distress, and reduces job satisfaction, which is closely tied to financial health, creating a feedback loop where financial anxiety undermines performance and student outcomes. The COVID-19 pandemic further intensified these issues, increasing job demands and financial burdens, leading to instability and reduced opportunities for growth (Kumar et al., 2022). To break this cycle, institutions must strengthen financial literacy and provide meaningful support systems that address the root causes of strain, fostering stability, enhancing job satisfaction, and ensuring a sustainable and committed teaching workforce that benefits the broader educational system.

4.3. Correlation between indebtedness and job performance

The correlation analysis between indebtedness and job performance indicators demonstrated significant and meaningful relationships. Absenteeism showed a moderate positive correlation with indebtedness ($r = 0.52$), suggesting that financial stress increases the likelihood of teachers missing work. Tardiness also displayed a moderate positive correlation ($r = 0.46$), pointing to similar effects of financial strain on punctuality. Instructional preparation, however, revealed a moderate negative correlation ($r = -0.43$). This indicates that teachers burdened with higher debt levels are less likely to devote adequate time and effort to lesson planning and classroom readiness. Stress levels, on the other hand, yielded the strongest correlation ($r = 0.65$), highlighting the significant psychological toll of debt on teachers.

While exact p-values were not reported in this study, all correlation coefficients presented exceeded the commonly accepted threshold for practical significance in behavioral research ($r \geq 0.30$), suggesting moderate to strong relationships (Cohen, 1988). Given the exploratory nature of the study and the use of a convergent mixed-methods design, the correlations serve as indicators of meaningful associations between debt levels and job performance indicators, rather than inferential claims. Future research may incorporate regression or structural equation modeling to further validate causal inferences.

Debt impacts teachers not only as a financial strain but also as a barrier to their professional focus and effectiveness, with the "debt at the desk" phenomenon showing how repayment obligations compromise lesson preparation, student engagement, and ultimately educational equity. The psychological toll is equally significant, as financial stress heightens anxiety and depression, undermining job performance and engagement (Lizana and Lera, 2022), while stable financial conditions are linked to higher satisfaction and stronger instructional commitment (Venida, 2022). This cycle of financial pressure and reduced performance destabilizes the workforce, contributing to costly turnover and absenteeism. Addressing these challenges requires systemic reforms—improved salary structures, financial education, and institutional support—to alleviate burdens and allow educators to concentrate on delivering quality education without debt dictating their professional lives (Ozamiz-Etxebarria et al., 2021).

4.4. Thematic insights from teachers' lived experiences

Beyond the quantitative data, qualitative accounts from focus group discussions and interviews highlighted the multidimensional nature of the "credutrap." Teachers' narratives provided a deeper context to the statistics, showing how indebtedness is not just an economic condition but a lived experience that shapes their identities, priorities, and professional practices. Five major themes emerged:

Teachers consistently described their indebtedness as an ever-present psychological weight. Many recounted sleepless nights, heightened anxiety, and feelings of helplessness whenever loan deductions left them with little to no take-home pay. For some, debt had become so normalized that it was viewed as a permanent feature of their professional life. This persistent burden not only eroded their mental health but also diminished their confidence in achieving financial stability, further entrenching the cycle of borrowing.

The toll of debt extended to teachers' instructional performance. Respondents admitted to recycling old lesson plans, minimizing classroom innovations, or even skipping preparation entirely due to exhaustion from juggling side jobs or constant stress about repayment deadlines. While these practices helped them survive financially, they inadvertently compromised the richness of student learning. Several teachers admitted that although they remained physically present in class, their focus and creativity were overshadowed by financial worries, highlighting a hidden cost borne by students in debt-ridden systems.

In their attempts to cope, teachers developed adaptive yet precarious financial strategies. Some resorted to informal lenders offering high-interest "5-6" loans, while others took on multiple concurrent loans from different institutions, believing that one loan could cover another. Pawning valuables and borrowing from peers were also common practices. While these behaviors reflect resilience and resourcefulness, they also illustrate the vulnerability of teachers to financial entrapment. Instead of breaking free from debt, these adaptive strategies often deepened their financial fragility, locking them further into high-risk cycles of borrowing.

Despite their financial struggles, teachers displayed a profound sense of commitment to their students. Many expressed that their sense of vocation pushed them to endure financial stress quietly, often prioritizing classroom needs or student welfare over personal well-being. Accounts of teachers funding classroom supplies, student activities, or even small student allowances out of their already depleted salaries demonstrate this paradox: while debt constrains their personal lives, professional duty compels them to persist. This theme reflects the duality of the teacher's role as both an educator and a silent financial martyr within the system.

A recurring pattern across discussions was the allure of credit that seemed too accessible to resist. Teachers spoke of how payroll-deduction systems, peer recommendations, and persuasive loan agents made borrowing appear seamless and routine. The convenience of loans, combined with pressing personal and family needs, cultivated a culture where indebtedness was normalized—even expected—within the profession. What began as an immediate solution to financial shortfalls often evolved into long-term dependence, perpetuating the "credutrap" cycle.

Teacher indebtedness is deeply tied to their professional responsibilities, shaping both psychological well-being and identity, as financial strain forces educators to balance personal survival with professional obligations, often at the expense of their autonomy. Many works in "hostile environments" that hinder identity formation, fuel burnout, and demand conformity to standards without adequate rewards, compounding financial and professional pressures (Salton et al., 2022). Beyond being an economic issue, indebtedness is an ethical one that requires structural reforms prioritizing teacher welfare, reducing financial dependency, and preventing exploitation of their dedication (Preis and Jara, 2023). Ultimately, addressing this systemic interplay demands a paradigm shift in institutional and policy approaches to ensure teachers are supported, valued, and empowered to sustain both their well-being and the quality of education.

4.5. Proposed intervention framework

The findings of this study underscore that teacher indebtedness is not merely a matter of personal finance but a systemic issue that undermines professional performance, institutional stability, and community well-being. In response, this section proposes an intervention framework designed to address both the immediate financial burdens of teachers and the structural conditions that perpetuate the "credutrap." These interventions are grounded in evidence from both quantitative data and qualitative narratives, ensuring that they are responsive to the lived realities of teachers while also feasible at the institutional and policy levels.

Teachers' attraction to easily accessible credit and engagement with risky financial behaviors highlight the urgent need for comprehensive financial education. Schools, in partnership with government agencies and financial institutions, should implement regular financial literacy workshops focused on debt management, budgeting, savings, and responsible borrowing. These initiatives should not only equip teachers with practical skills but also reshape the cultural normalization of debt by promoting long-term financial resilience.

Institutions can play a more active role in supporting teachers' financial well-being by introducing school-based financial wellness offices or committees. These may include peer-led support groups, counseling services, and facilitated access to safe lending options. Such programs can also introduce voluntary savings schemes and debt restructuring mechanisms to help teachers break free from high-interest loan cycles. By embedding these services within schools, financial assistance becomes more accessible and less stigmatized.

The continued reliance on both government and private lenders necessitates stronger policy interventions. The Department of Education, in coordination with the Bangko Sentral ng Pilipinas (BSP), should advocate for stricter regulation of lending institutions that target teachers, particularly informal lenders and overly aggressive loan agents. Policies should require transparent loan terms, caps on interest rates, and mechanisms to prevent predatory practices. Advocating for debt forgiveness or restructuring schemes for over-indebted teachers may also provide relief and restore financial stability. Given that debt often arises from the gap between teachers' salaries and their living expenses, providing alternative sources of income can mitigate dependence on credit. Schools and local government units can facilitate livelihood training, cooperative enterprises, or part-time opportunities that do not interfere with classroom responsibilities. For example, teacher cooperatives that manage collective savings and lending can serve as safer alternatives to informal credit while fostering solidarity within the profession.

Finally, professional development programs should explicitly address the dyadic nexus of debt and duty. By raising awareness about how financial stress influences instructional quality and job performance, teacher training can encourage educators to recognize and address their vulnerabilities. Embedding modules on personal finance and work-life balance into teacher induction and continuing education programs can reinforce a culture of self-care alongside professional duty.

These proposed interventions directly respond to the identified themes of persistent psychological burden, compromised instructional quality, risky financial behaviors, and the attraction to easy credit. They recognize that while teachers demonstrate extraordinary commitment amidst hardship, relying on their resilience alone is unsustainable. Instead, systemic and community-based responses are required to dismantle the conditions of the credutrap. By combining financial literacy, institutional support, regulatory reforms, and livelihood opportunities, the proposed framework moves beyond short-term solutions and toward structural change. Ultimately, empowering teachers to achieve financial stability is not only a matter of individual welfare but also a prerequisite for sustaining quality education, professional dignity, and community development.

5. Discussion

The findings reveal that indebtedness among teachers is widespread, with over 40% of respondents allocating more than 40% of their income to loan repayments. This aligns with prior studies, which link financial strain to diminished job satisfaction and professional efficacy. The high correlation between indebtedness and stress ($r = 0.65$) supports previous assertions that financial anxiety directly impacts teacher performance (Lizana and Lera, 2022).

The "credutrap" phenomenon that emerged from qualitative narratives highlights a deeper moral and psychological dimension to debt, where teachers maintain strong professional dedication despite overwhelming financial burdens. This echoes findings from Preis and Jara (2023), emphasizing the ethical tension between educators' sense of duty and their personal struggles.

Furthermore, the normalization of borrowing - exacerbated by payroll deduction systems and digital lending platforms—demonstrates how systemic mechanisms foster long-term dependency rather than financial empowerment. As highlighted in Global South contexts, these dynamics are shaped by institutional gaps, salary stagnation, and limited access to safe financial education.

The study contributes to the existing literature by contextualizing these findings within the lived experiences of Filipino teachers, offering both empirical data and narrative depth. The proposed intervention framework responds directly to the identified challenges by integrating financial education, policy regulation, and structural supports.

While the phenomenon of teacher indebtedness is globally observed, especially in underfunded public education systems, its manifestations in the Philippine context reveal distinct patterns shaped by local lending practices, payroll deduction mechanisms, and cultural expectations of teachers' moral commitment. The concept of the "credutrap," as developed in this study, illustrates how systemic financial stress intersects with vocational duty in a way that may be more pronounced in the Global South, where financial institutions often target salaried government workers.

Nonetheless, the findings may not be fully generalizable to all regions or countries, particularly those with stronger social safety nets, higher teacher pay, or stricter financial regulations. Caution must be exercised in applying the proposed framework to other contexts without considering localized financial ecosystems and institutional norms. Future research in comparative settings could help further delineate these distinctions and enhance the transferability of interventions.

6. Conclusions

This study concludes that teacher indebtedness is a systemic challenge that extends beyond personal financial management, significantly affecting educators' well-being, professional performance, and the overall quality of education. The reliance on both formal and informal lending institutions has normalized debt among teachers, creating cycles of financial strain that correlate with stress, absenteeism, diminished instructional preparation, and reduced job satisfaction. Qualitative insights further revealed the "credutrap" as a lived reality, where financial burdens manifest as psychological distress, risky financial behaviors, and compromised instructional quality, despite teachers' unwavering commitment to their students.

Addressing this issue requires comprehensive reforms that go beyond individual coping strategies. Strengthening financial literacy, providing institutional support through school-based wellness programs, regulating lending practices, and offering alternative livelihood opportunities are essential steps toward breaking the cycle of indebtedness. Equally important is the recognition that teacher debt is not only an economic concern but also an ethical one, as it exploits educators' dedication while undermining educational equity.

Ultimately, empowering teachers with financial stability and institutional support is vital for sustaining professional dignity, reducing burnout and turnover, and ensuring high-quality education. By prioritizing teacher welfare through systemic reforms, policymakers and educational leaders can foster a more resilient, equitable, and effective educational system that benefits both educators and the generations they serve.

This study was limited to selected municipalities and cities in Nueva Ecija, which may affect the generalizability of findings to other regions with different socio-economic and institutional contexts. The sample size, though representative, may not fully capture the diversity of financial behaviors and experiences of all public-school teachers in the Philippines. Self-reported data from surveys and interviews also carry the risk of response bias, as participants may underreport or overstate their indebtedness and stress levels. Additionally, while the mixed-methods design provided comprehensive insights, longitudinal data would be needed to examine how indebtedness and its effects on performance evolve over time.

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Compliance with ethical standards

Ethical considerations

The study adhered to ethical research practices in accordance with the standards of responsible conduct. Informed consent was obtained from all participants prior to data collection, and they were assured of the confidentiality and anonymity of their responses. All data were used solely for academic purposes, with strict compliance to the provisions of the Data Privacy Act of 2012 in the Philippines to ensure that no personally identifiable information was disclosed. Participation was voluntary, and respondents were free to withdraw at any stage without penalty.

Conflict of interest

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

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