

The Financial Crisis' Effect on the Financial Behavior: A Study on the Public Schools' Teachers in Beirut, Lebanon

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ABSTRACT

The study focuses on analyzing the effect of the financial crisis on the financial behavior of public-school teachers in Beirut, Lebanon. A comprehensive questionnaire-based study is conducted, utilizing statistical techniques like Descriptive Statistics, Reliability tests, Chi-square tests, Linear Regression Analyses, and Correlation Analysis. The findings show a significant influence of the financial crisis on teachers' financial behavior, with noticeable changes in their financial decision-making and financial behaviors driven by psychological factors related to crisis-induced stress and other biases. The statistical analyses establish a strong correlation between the financial crisis and shifts in teachers' financial choices.

Keywords: Beirut, Financial Behavior, Financial Crisis, Impact, Public School Teachers

I. Introduction

Lebanon has experienced a severe financial crisis in late 2019 which has had far-reaching consequences for Lebanon's economy and its citizens. The financial crisis has affected every aspect of life in Lebanon, including the financial behavior of teachers in public schools. The financial crisis has brought a wave of financial insecurity, with many individuals struggling to meet their basic needs and maintain their financial well-being. This had led to a shift in their financial behavior, with many forced to adopt new financial strategies to adapt with the financial crisis.

To comprehend the influence of the financial crisis on the financial behavior of the public schools' teachers is crucial for policymakers and researchers seeking to develop effective solutions to address the financial challenges facing Beirut¹.

¹ In this paper, the term "Beirut" refers to "Greater Beirut," encompassing the metropolitan area beyond the city limits.

As per Snaije (2022), the dramatic decline of the Lebanese pound (LBP) has persisted for nearly two years. Before the October 2019 uprisings, the official exchange rate was 1,507.5 LBP to \$1. By early 2022, it surged past 30,000 LBP to \$1 on the so-called black market, where the true dynamics of supply and demand are only imperfectly reflected. This depreciation has been accompanied by soaring inflation, with prices increasing by nearly 200% by the end of 2021, and the national currency losing over 95% of its pre-crisis value. Recent estimates reveal that food prices have surged by more than 500% for many products.

Following a loss of over 50% of its Gross Domestic Product - GDP in 2021 due to a severe financial and economic crisis, Lebanon's remittances accounted for 37.8% of its GDP in 2022, the highest remittances-to-GDP ratio in the Middle East and North Africa - MENA region. In terms of remittance value, Lebanon ranked as the third-largest recipient in the MENA region, behind only Morocco and Egypt. (World Bank, 2022)

However, over the last decade, a combination of issues such as political instability, corruption, and too much debt, has led to a decline in Lebanon's economic fundamentals. As per Jamali (2022), Lebanon declared a moratorium on the payment of a USD 1.2 billion Eurobond issue on March 7, 2020. This moratorium was subsequently extended to include all foreign-currency denominated debt on March 23, 2020, placing Lebanon in a state of sovereign default. Consequently, there is an urgent need for policymakers to pursue significant debt relief to address the country's overwhelming debt burden.

This study addresses the financial behavior of public schools' teachers in Beirut during the financial crisis, which causes significant financial stress and uncertainty. It also explores factors affecting their financial behavior, such as age, income, education, and employment status, and seeks to understand the role of financial literacy. Additionally, the study aims to provide recommendations for policymakers in Beirut, Lebanon for improving financial literacy and management practices among public schools' teachers and to develop effective policies to support them during financial uncertainty.

The ongoing financial crisis in Lebanon has had a profound impact on the daily lives of its citizens, and public-school teachers in Beirut are no exception. As the Lebanese pound has plummeted in value, teachers' salaries have become increasingly insufficient to meet their basic needs. This financial hardship has forced many educators to adopt new financial strategies to survive. This leads us to the central question of this study: How does the current financial crisis affect the financial behavior of public schools' teachers in Beirut?

II. Literature Review

Behavioral finance theory examines how psychological factors affect the behavior of investors and financial analysts, as well as the subsequent impact on financial markets. It highlights that investors are not always rational, have limitations in self-control, and are influenced by their own cognitive biases (Vipond, n.d.) Behavioral finance integrates psychology and economics, a concept first introduced by Kahneman and Tversky (1979) (Fakhoury, 2020). It attributes market inefficiencies to cognitive biases and errors in reasoning and information processing among individuals. This theory is relevant for understanding how cognitive biases and psychological factors influence the financial decisions of public-school teachers during the crisis. It can explain why teachers might make irrational financial choices under stress or why their financial responses might deviate from expected rational behavior.

Agency theory examines the relationship where one party (the principal) assigns tasks to another party (the agent) to perform. The core concept likens this relationship to a contractual arrangement. Agency theory addresses two primary issues: monitoring challenges and differing risk preferences. First, it seeks to resolve conflicts, mainly conflict of interest, that arise when the principal has difficulty overseeing the agent's actions or verifying their performance. Second, it offers solutions for scenarios where the principal and agent have differing risk preferences, leading to divergent behaviors and attitudes toward risk (Fiorini, 2018). Teachers' financial decisions during a crisis might differ based on their personal risk preferences compared to the risk management strategies employed by the educational authorities. The theory can help understand conflicts that arise between teachers and educational authorities regarding financial compensation, job security, and resource allocation during the crisis.

Financial behavior encompasses the actions and decisions individuals make in managing their finances, reflecting their ability to comprehend the consequences of these actions and make informed decisions about cash management and budget planning (Xiao, 2008; Chuah, 2020). Research highlights various factors influencing financial behavior, particularly during financial crises, as well as its broader implications for financial well-being and social outcomes. Several studies emphasize the critical role of financial literacy in shaping financial behavior. Klapper, Lusardi, and Panos (2013) found that individuals with higher financial literacy make more informed decisions, exhibit greater financial stability, and are less likely to rely on informal borrowing during economic downturns. Similarly, Frisnacho (2022) demonstrated that financial education significantly enhances financial knowledge and decision-making skills among high school students, both in the short and long term. These findings underscore the importance of education as a tool for fostering responsible financial behavior and improving financial resilience.

However, financial literacy alone does not guarantee positive financial behavior, especially during crises. For instance, DerMesrobian (2023) observed that while financial literacy improved

for some individuals during Lebanon's financial crisis, financial behaviors deteriorated. This suggests that external stressors and limited resources during crises may override the benefits of financial knowledge, highlighting the need for strategies that enhance both literacy and practical financial behavior.

The interplay of self-control, socialization, and technology also shapes financial behavior and well-being. Sabri et al. (2023) found that these factors significantly influence young adults in Malaysia, with financial behavior acting as a mediator that enhances financial well-being. This suggests that cultivating positive financial habits, alongside financial literacy, is crucial for fostering long-term financial stability and health. Crisis contexts bring unique challenges, as seen in Lebanon and Greece. Mawad et al. (2022) highlighted how financial literacy and self-control significantly influenced financial behavior during Lebanon's economic crisis, while demographic factors such as age and generation had minimal impact. In Greece, economic downturns profoundly affected financial and social dynamics. Boufounou and Avdi noted that Greece's financial crisis exacerbated workplace issues, such as organizational silence and strained employee relations, especially among less educated staff. Markovits et al. (2013) observed that the crisis decreased job satisfaction and organizational commitment, shifting employees' regulatory focus from promotion to prevention, reflecting a broader shift towards risk aversion during economic instability.

The psychological impact of financial crises is another recurrent theme. Christodoulou et al. (2013) explored the link between economic downturns and mental health, identifying increased rates of depression and suicide in Greece. Their findings shed light on the importance of distinguishing between normal and clinical depression during crises and implementing targeted mental health interventions to mitigate these effects. Similarly, Clench-Aas (2017) reported a sharp decline in life satisfaction following the 2008 financial crisis, with variations across countries and socioeconomic groups. Long-term effects of financial crises are also evident. The 2008 global financial crisis, as highlighted by the World Economic Forum (2018), led to prolonged economic downturns, affecting growth, income inequality, and social issues, with many countries still underperforming a decade later. Oliveira et al. (2017) further emphasized changes in savings behavior post-crisis, where education and risk tolerance became more influential, and the relevance of homeownership diminished. Together, these studies reveal the complex interplay of literacy, behavior, and contextual factors in financial decision-making. They emphasize the importance of holistic approaches that combine financial education, behavioral interventions, and support systems to navigate the challenges of economic crises and foster long-term financial and social well-being.

The following is a summary of the literature review mentioned above

Table 1. Summary of the Literature Review

Title	Author(s)	Year	Dependent Variable	Independent Variable
Examining the Impact of Financial Literacy, Financial Self-Control, and Demographic Determinants on Individual Financial Performance and Behavior: An Insight from the Lebanese Crisis Period	Mawad et al.	2022	Financial Behavior	financial literacy, financial self-control, and other social-personal determinants
Impact of financial behaviour on financial well-being: evidence among young adults in Malaysia	Sabri et al.	2023	Financial well-being	Financial literacy, Financial socialization, Self-control, Financial technology
Financial literacy and its consequences: Evidence from Russia during the financial crisis	Klaper et al.	2013	1. Use of Financial Services 2. Financial and Real Outcomes	1. Financial Literacy 2. Demographic and Socioeconomic Characteristics
Is school-based financial education effective? immediate and long-lasting impacts on high school students	Frisancho	2022	Financial literacy/Financial behavior/Credit behavior/Academic performance/Savings/Teacher training/Debt/Arrears	Treatment
Financial Crisis, Organizational Behavior and Organizational Silence in the Public Sector: A Case Study for Greece	Boufounoua et al.	2016	Organizational Silence	Impact of the Financial Crisis/Demographic Factors (Gender, Age, Education Level, Hierarchical Rank)/ Employee-Supervisor Relationships/Self-Esteem
Economic crisis and the employee: The effects of economic crisis on employee job satisfaction, commitment, and self-regulation	Markovits, Boer et al.	2013	Job satisfaction / Organizational commitment / Regulatory focus (promotion and prevention)	Economic crisis in Greece

Financial Literacy, Financial Behaviors, and Financial Crises: The Case of Lebanon	DerMesrobian	2023	Financial literacy and financial behaviors	Financial crisis in Lebanon
Financial Crises: Impact on Mental Health and Suggested Responses	Christodoulou et al.	2013	Mental Health Outcomes	Economic Factors/Socioeconomic Factors/Welfare Support
Impacto de crise sobre o comportamento de poupança de famílias americanas	Oliveira et al.	2017	Savings Behavior	Number of children/age/education/Income/Wealth/Income expectation/Uncertainty/Risk Tolerance/Investment Horizon/Marital Status/Race/Health/Home Ownership
The financial crisis in Europe: Impact on satisfaction with life	Clench-Aas et al.	2017	Life Satisfaction	Household Income/Education/Occupation Severity of the Financial Crisis/Delay Time/Current Unemployment Gender/Age/Region

The studies cited in the literature review share several key similarities with our proposed study on the financial behavior of public-school teachers in Beirut. First, they all focus on the impact of financial crises on individual and organizational behavior, which is directly relevant to our research question. Second, many of the studies examine the role of financial literacy and self-control in shaping financial decisions, providing a theoretical framework for our analysis. Third, several studies explore the psychological and emotional effects of economic and financial crises, which can influence financial behavior. Finally, the studies on the Greek and Lebanese crises offer valuable insights into the specific challenges faced by individuals and organizations in the context of financial turmoil, providing a comparative perspective for our study.

III. Research Methodology

The financial crisis in Lebanon, which worsened in October 2019, is considered one of the most severe globally since the mid-19th century. The situation worsened due to the COVID-19 pandemic and the Beirut Port explosion in August 2020. Consequently, Lebanon’s nominal GDP plummeted from nearly \$52 billion in 2019 to an estimated \$23.1 billion in 2021. This dramatic

decline has resulted in substantial income reductions and widespread poverty, with more than half of the population now living below the poverty line. (World Bank, 2022)

This study adopts a positivist philosophy due to its emphasis on objective measurement and empirical evidence. Positivism is appropriate as it relies on quantitative data and statistical analyses to uncover observable truths and minimize researcher bias (Bryman, 2016). This approach ensures that findings are based on measurable and standardized data, which is crucial for assessing the impact of the financial crisis on financial behavior. By focusing on empirical evidence, the study aims to produce results that are both reliable and generalizable, providing a clear, objective understanding of how financial crises affect public school teachers.

The use of a deductive approach complements this positivist framework by allowing for the systematic testing of established theories through empirical data. Deductive reasoning starts with general theories or hypotheses and examines specific cases to validate or refine them (Johnson & Christensen, 2014). This method is well-suited for the study as it enables the examination of how theoretical insights into financial behavior and crisis impact apply to the context of Beirut's public-school teachers. By testing hypotheses derived from existing theories, the study ensures a logical progression from theoretical concepts to empirical validation, thereby enhancing the scientific rigor and coherence of the study (Saunders, Lewis, & Thornhill, 2016).

The study employs a quantitative research approach to gather and analyze numerical data through a structured survey, utilizing the "research onion" model for methodological guidance.

The population in our study is Public-School Teachers in Beirut. The survey gathered data from a sample of 201 teachers, using structured, closed-ended questions on a 5-point Likert scale.

The data gathered from the Beirut Educational Region through the Ministry of Education states that there are a total of 734 teachers who teach in 37 public schools in Greater Beirut. Table 2 shows the number of teachers in public schools in Greater Beirut.

Table 2. Number of teachers 2023-2024 in schools in Greater Beirut

School Name	Number of teachers
Uruguay	17
Salma Al-Sayegh	20
Achrafieh Third	6
King Saud	12
Tariq Al-Jadideh Fourth	11
Achrafieh Intermediate	5
Beirut Al Aleya	10

Al-Mustaqbal	24
Zoqaq Al-Blat	22
Burj Abi Haidar Kindergarten	9
Al-Irshad	21
Amin Beihm	20
Tariq Al-Jadideh First	21
Jaber Al-Sabah	30
Al-Basta Second	9
Tariq Al-Jadideh 2	35
Girls' Second	23
Ras Al-Nabaa 2 Girls	13
Ibtihaj Qaddoura	18
Ras Al-Nabaa 1 Intermediate	11
Tariq Al-Jadideh 3	18
Al-Basta First	17
Rafqa Kindergarten	7
Dr. Allama Sobhi	25
Ramlet Al-Zarif	26
Omar Hamad	29
Al-Jnah	14
Ras Al-Nabaa Second Intermediate	12
Omar Al-Zaani	25
Emilie Sursock	23
Prince Shakib	57
Omar Al-Ansari Kindergarten	18
Mohammad Shamel	30
Martyr Halabawi	26
Al-Basta Third	18
Wata Al-Msaitbeh	20
Omar Fakhoury	32
Total	734

Reference: Beirut Educational Region

The Cochran formula is employed to determine the necessary sample size needed to achieve a specific level of precision, confidence, and estimated proportion of an attribute in a population. It

is particularly effective for large populations. Cochran (1963) developed this formula to calculate the sample size required for accurately estimating population proportions in extensive groups.

$$n_0 = \frac{Z^2 \cdot p \cdot q}{e^2}$$

The formula is valid where n_0 represents the sample size, Z^2 denotes the area under the acceptance region in a normal distribution $(1 - \alpha)$, e is the desired level of precision, p is the estimated proportion of the attribute present in the population, and q is $(1-p)$ (Nanjundeswaraswamy, 2021)

For the calculation of the sample size, a margin of error of 6% (0.06) is chosen instead of the commonly used 5% (0.05). This decision is made to account for the inherent challenges in data collection and the limitations encountered during the research process. A 6% margin of error allows for a more realistic sample size given the practical constraints of reaching participants and gathering responses. This slightly larger margin of error ensures that the sample remains sufficiently representative while acknowledging the difficulties in obtaining a larger, more precise sample due to limited access to schools, as well as the unavailability of certain demographic data, such as gender and age distributions. By opting for a 6% margin of error, the study maintains a balance between accuracy and feasibility, while still providing meaningful insights into the population of teachers in Beirut.

To determine the appropriate sample size for the study, Cochran's sample size formula is applied. Given the population size of 734 teachers, the formula is used to estimate the number of respondents needed to achieve reliable results.

$$n_0 = \frac{(1.96)^2 \cdot 0.5 \cdot (1 - 0.5)}{(0.06)^2}$$
$$n_0 = \frac{3.8416 \cdot 0.25}{0.0036} = \frac{0.9604}{0.0036} = 267.89$$

Thus, the initial sample size is approximately 268. Given the finite population of 734 teachers, the formula is adjusted using the finite population correction (FPC):

$$n = \frac{n_0 \cdot N}{n_0 + N - 1}$$

Where n is the adjusted sample size, n_0 is the initial sample size (268), and N is the population size (734).

$$n = \frac{268 \cdot 734}{268 + 734 - 1} = \frac{196472}{1001} \approx 196.47$$

The adjusted sample size is approximately 196, but due to practical constraints, the study opted for a sample size of 201. The sample size of 201 is selected for the study. Although Cochran's formula suggested a sample size of **196** after applying the finite population correction, 201 is chosen as the final sample size to ensure robustness in the results and provide a slight buffer given the limitations faced during data collection. This sample size is appropriate for the population of 734 teachers in Beirut, allowing for reasonable accuracy within the selected margin of error of 6%. It is important to note that the Ministry of Education provided through the Beirut Educational Region, the total number of teachers in Beirut, but they were unable to supply demographic data such as gender or age breakdowns. Following the mentioned information, schools were phoned and some refused to give the actual demographics data. This lack of detailed demographic information further complicated the sampling process, making it difficult to create a more precise sample. Additionally, logistical issues such as limited cooperation from schools and challenges in disseminating the questionnaire online contributed to a lower response rate, reinforcing the decision to accept a 6% margin of error instead of the typical 5%. This decision is made to strike a balance between statistical rigor and the practical limitations of the study.

Research Design and Data Collection

The study employs a survey strategy, distributing a questionnaire via Google Forms to ensure broad and efficient data collection. The questionnaire is divided into three sections: two addressing the straight impact of the financial crisis on financial behavior and the other exploring psychological effects. Data analysis involves descriptive and inferential statistics using SPSS, with reliability assessed through Cronbach's Alpha.

Sampling and Analysis

A probability sampling technique, specifically simple random sampling, is used to select participants. This method ensures that each teacher in the population of 734 teachers has an equal chance of selection, thereby enhancing the representativeness and generalizability of the findings. The study is cross-sectional, providing a snapshot of the financial behavior of public schools' teachers during the crisis.

Expected Outcomes

The study aims to reveal insights into the financial behavior changes due to the crisis and to contribute to existing literature on the topic. By understanding these impacts, the study seeks to offer valuable knowledge for both policy-makers and academics.

The Hypotheses

The hypotheses are developed as an essential component to carry out our investigation and obtain the required results based on the study's objectives.

The following hypotheses outline the anticipated relationship between the variables.

-H1₀: The financial crisis does not affect the financial behavior of public schools' teachers in Beirut, Lebanon negatively.

-H1₁: The financial crisis affects the financial behavior of public schools' teachers in Beirut, Lebanon negatively.

-H2₀: The depreciation of the Lebanese Pound against the US Dollar does not make it very hard for public schools' teachers in Beirut, Lebanon to be financially stable in light of their wages being paid in Lebanese Pound.

-H2₁: The depreciation of the Lebanese Pound against the US Dollar makes it very hard for public schools' teachers in Beirut, Lebanon to be financially stable in light of their wages being paid in Lebanese Pound.

-H3₀: The idea of working and getting paid in Lebanese Pound what is less than \$100 did not make some public schools' teachers in Beirut, Lebanon give up on their past future-set goals and did not affect them psychologically.

-H3₁: The idea of working and getting paid in Lebanese Pound what is less than \$100 made some public schools' teachers in Beirut, Lebanon give up on their past future-set goals and affected them psychologically.

-H4₀: The future is clear to public schools' teachers in Beirut, Lebanon from a financial point of view as their financial statuses are worsening in a continuous way.

-H4₁: The future is not very clear to public schools' teachers in Beirut, Lebanon from a financial point of view as their financial statuses are worsening in a continuous way.

-H5₀: There is a positive relationship between the financial crisis and the financial behavior of the teachers in the public schools in Beirut, Lebanon.

-H5₁: There is a negative relationship between the financial crisis and the financial behavior of the teachers in the public schools in Beirut, Lebanon.

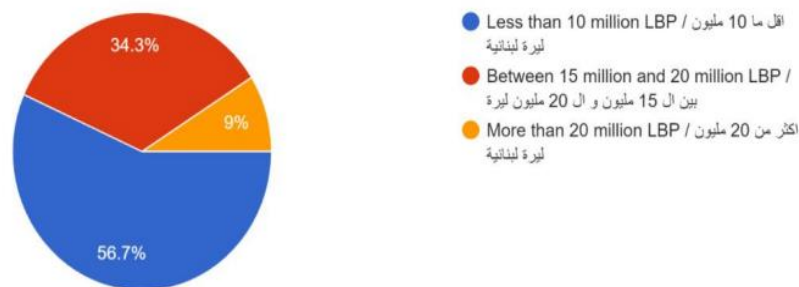
To test the study's hypotheses, the data is analyzed using SPSS software with a series of statistical methods. Autocorrelation and multicollinearity tests are conducted to ensure the validity of the data. Descriptive statistics is employed to create pie and bar charts for visualizing respondents' demographic information. The reliability of the data is assessed using Cronbach's Alpha, where a value exceeding 0.7 indicates strong consistency. A Chi-Square test determines significant associations between categorical variables, such as gender and the impact of the financial crisis. Additionally, simple and multiple linear regression analyses explore the relationships between the financial crisis (IV - Independent Variable) and financial behavior (DV - Dependent Variable), enabling predictions based on the data. Correlation analysis measures the strength and direction of relationships between variables, using correlation coefficients to understand how changes in one variable corresponded to changes in another.

IV. Results and Discussion

The quantitative data collected from the 201 respondents is entered into the SPSS statistics software for data analysis. Therefore, this section provides the analysis and findings of our study, which includes descriptive statistics, reliability test, Chi-Square Test, t-test, Linear Regression Analysis, Correlation Analysis as well as evaluations of each imposed hypothesis to explain the proposed relationships.

Descriptive Statistics

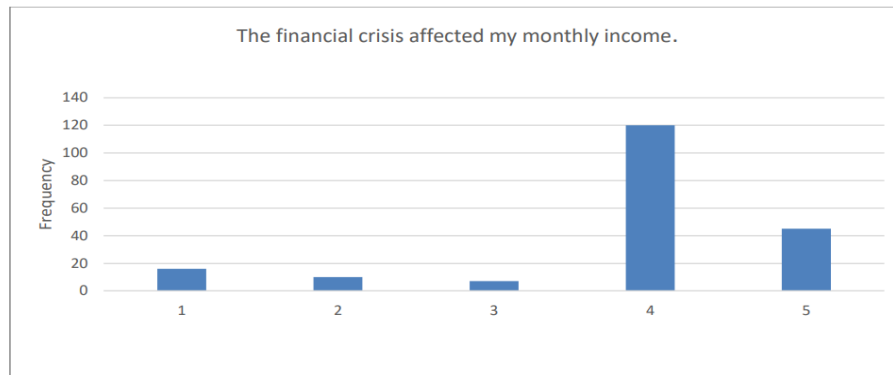
Figure 1. Salary



Reference: SPSS

Figure 1 shows that 56.7% of the respondents get paid less than 10 million LBP per month, 34.3% get paid between 15 million and 20 million LBP per month and 9% get paid more than 20 million LBP per month.

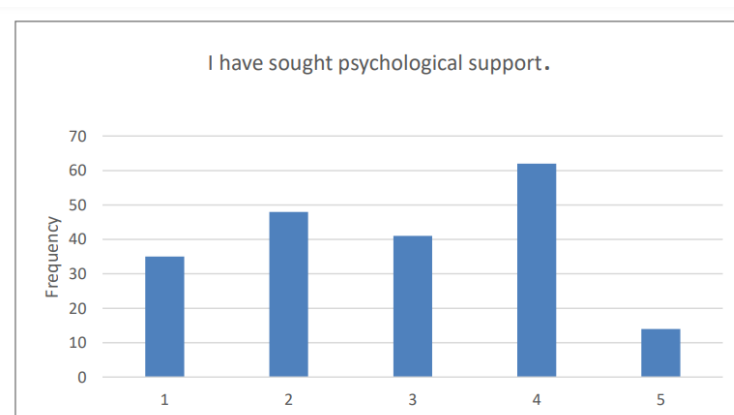
Figure 2. Bar Chart of Effects on Monthly Income



Reference: SPSS

The Likert scale question's Bar Chart on the impact of the financial crisis on monthly income reveals diverse perceptions among teachers. The majority of respondents—120 agreed and 44 strongly agreed—felt that the financial crisis negatively affected their income. A small group of 7 remained neutral, while 12 disagreed, and 18 strongly disagreed, indicating that they perceived little to no impact. The results suggest that most participants experienced financial difficulties during the crisis, though a minority did not perceive significant effects, highlighting the varied impact on individuals' incomes.

Figure 3. Bar Chart of Seeking Psychological Support



Reference: SPSS

The Bar Chart on seeking psychological support due to the financial crisis shows varied responses. While 62 respondents agree and 13 strongly agree, indicating recognition of its benefits, 48 disagree and 36 strongly disagree, showing resistance or alternative coping strategies. Additionally, 42 respondents remain neutral, reflecting mixed perspectives or uncertainty on the matter.

Auto-correlation and Multicollinearity

Auto-correlation and multicollinearity tests are conducted on the dependent and independent variables. Detailed results and analyses are available in Appendix 3 of the main thesis.

Following these tests, we exclude two independent variables (education level and subjects taught) and two dependent variables (family/friends support and valuable sales) from our analysis due to statistical issues that could compromise the robustness of our findings.

For brevity, only key results are presented here, with additional details provided in the original thesis. Table 3 shows the 23 variables before omitting the 4 mentioned variables. The number of variables after excluding the ones mentioned are 5 Independent Variables and 14 Dependent Variables, thus 19 variables in total.

Table 3. Variables

Independent Variables	Dependent Variables
<ol style="list-style-type: none"> 1. Gender 2. Age 3. Salary Range 4. Educational Level 5. Subjects Taught 6. Experience 7. Having Another Job 	<ol style="list-style-type: none"> 1. Monthly Income Impact 2. Financial Priorities Change 3. Expense Reduction 4. Basic Needs Struggle 5. Family/Friends Support 6. Salary Delays 7. Additional Work 8. Saving Ability 9. Government Support 10. Well-being Impact 11. Prior Bribery 12. Psychological Support 13. OCD Development 14. Suicidal Thoughts 15. Valuable Sales 16. Job Quit Consideration

Reference: Author

Cronbach's Alpha

Cronbach's Alpha is calculated four times: once for each of the three questionnaire sections and once for the entire questionnaire.

Table 4. Cronbach's Alpha Part 1

Reliability Statistics	
Cronbach's Alpha	N of Items
.534	5

Reference: SPSS

Table 5. Cronbach's Alpha Part 2

Reliability Statistics	
Cronbach's Alpha	N of Items
.832	10

Reference: SPSS

Table 6. Cronbach's Alpha Part 3

Reliability Statistics	
Cronbach's Alpha	N of Items
.653	4

Reference: SPSS

A Cronbach's alpha of 0.534 indicates low internal consistency, 0.653 suggests moderate consistency, and 0.832 reflects strong internal consistency among the measured variables.

The questionnaire, with 23 questions, achieved a Cronbach’s alpha of 0.787, indicating good internal consistency. This suggests that the responses are reliable and consistently measure a single underlying construct, which is considered strong in social science research.

Table 7. Reliability Test of the Questions

Reliability Statistics	
Cronbach's	
Alpha	N of Items
.787	19

Reference: SPSS

Chi-Squared Test

A chi-squared test, is used to analyze categorical data by comparing observed and expected frequencies to determine if there’s a significant difference. In this study, the chi-squared test assesses the potential impact of the financial crisis on respondents’ well-being and quality of life.

Table 8. Quality of Life

Salary / Well Being Impact - Crosstabulation

Count

		The financial crisis has affected my overall well-being and quality of life					Total
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
What is your salary range?	Between 15 million and 20 million LBP	7	9	16	23	14	69
	Less than 10 million LBP	10	14	15	39	36	114
	More than 20 million LBP	2	7	5	1	3	18
Total		19	30	36	63	53	201

Reference: SPSS

Table 9. Chi-Squared Test – Quality of Life

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	18.244 ^a	8	.019
Likelihood Ratio	18.157	8	.020
N of Valid Cases	201		

a. 4 cells (26.7%) have expected count less than 5. The minimum expected count is 1.70.

Out of 201 respondents, those earning less than 10 million LBP were more likely to report a negative impact on their well-being compared to those with higher salaries. The test shows a statistically significant association ($p = 0.019$), indicating that salary range influences how the financial crisis affects overall well-being and quality of life.

Simple Linear Regression Analyses

Linear regression is a data analysis technique that predicts the value of unknown data by using another related and known data value. It mathematically models the unknown or dependent variable and the known or independent variable as a linear equation (Amazon Web Services). Here, Simple Linear Regression is used to examine the relationship between Experience and Saving Ability.

Table 10. Model Summary

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.002 ^a	.000	-.005	1.36440	1.706

a. Predictors: (Constant), experience

b. Dependent Variable: Saving Ability

Reference: SPSS

Table 11. Coefficients

		Coefficients ^a					Collinearity Statistics	
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	3.789	.253		14.992	.000		
	experience	.002	.086	.002	.024	.981	1.000	1.000

a. Dependent Variable: Saving Ability

Reference: SPSS

The regression analysis results indicate that “experience” has a negligible and statistically insignificant impact on “Saving Ability.” The coefficient for “experience” is very close to zero, and the high p-value (0.981) suggests it is not a meaningful predictor. The model explains little variation in “Saving Ability,” and there are no issues with multicollinearity, as indicated by the tolerance and VIF values. This suggests that other factors may influence “Saving Ability” that are not considered in this analysis.

Another simple linear regression analysis has been done to determine the relationship between Having Another JOB (IV) and the Impact on Well Being (DV)

Table 12. Model Summary for Another Job/Impact on Well Being

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.216 ^a	.047	.042	1.25790

a. Predictors: (Constant), Another Job

Reference: SPSS

The regression analysis shows a weak positive correlation (R-value of 0.216) between having “Another Job” and “Well Being,” suggesting that additional employment may slightly improve well-being. However, the R-squared value of 0.047 shows that only 4.7% of the variation in well-being is explained by having another job, with other factors likely playing a larger role. The modest adjusted R-squared value (0.042) further supported that additional factors contribute significantly to well-being.

Table 13. ANOVA (Another Job/ Impact on Well Being)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.368	1	15.368	9.712	.002 ^b
	Residual	314.881	199	1.582		
	Total	330.249	200			

Reference: SPSS

The ANOVA table indicates that the regression model including “Another Job” as a predictor is statistically significant, with an F-statistic of 9.712 and a p-value of 0.002. This suggests that “Another Job” significantly impacts “Impact on Well Being.” The model explains a notable portion of the variability in well-being, with a clear distinction between explained variance (15.368) and residual variance (314.881).

Table 14. Coefficients (Another Job/Impact on Well Being)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.685	.277		9.689	.000
	Another Job	.554	.178	.216	3.116	.002

a. Dependent Variable: Impact on Well Being

Reference: SPSS

The “Coefficients” table reveals that in Model 1, the intercept is 2.685, indicating the predicted “Impact on Well Being” when “Another Job” is absent. The coefficient for “Another Job” is 0.554, showing a positive association where each unit increase in “Another Job” raises the “Impact on Well Being” by 0.554. The standardized coefficient (Beta) of 0.216 reflects a moderate effect, and the t-statistic of 3.116 with a p-value of 0.002 confirms the statistical significance of “Another Job” as a predictor of well-being. This indicated that “Another Job” has a meaningful and significant positive impact on individuals’ well-being.

Multiple Linear Regression

Table 15. Model Summary – MLR

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.199 ^a	.040	.025	1.13550

a. Predictors: (Constant), experience, salary, age

Reference: SPSS

Table 16. Coefficients – MLR

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.436	.279		15.874	.000
	age	.140	.129	.112	1.084	.280
	salary	-.215	.129	-.123	-1.670	.096
	experience	-.220	.102	-.216	-2.152	.033

a. Dependent Variable: 4. Basic Needs Struggle

Reference: SPSS

In the Multiple Linear Regression analysis examining how “Age,” “Salary,” and “Experience” impact “Basic Needs Struggle,” the results show that only “Experience” significantly affects the dependent variable. The constant (intercept) of 4.436 indicates the predicted level of “Basic Needs Struggle” when all independent variables are zero. The coefficient for “Age” is 0.140, suggesting a minor increase in “Basic Needs Struggle” with age, but this effect is not statistically significant ($p = 0.280$). Similarly, “Salary” has a coefficient of -0.215, implying a decrease in “Basic Needs Struggle” with higher salary, though this result is also not statistically significant ($p = 0.096$). In contrast, “Experience” has a coefficient of -0.220 and is statistically significant ($p = 0.033$), indicating a meaningful negative relationship with “Basic Needs Struggle.” Thus, “Experience” is the only variable with a significant impact, while “Age” and “Salary” do not significantly predict “Basic Needs Struggle.”

Correlation Analysis

Table 17. Correlation Analysis (Basic Needs Struggle/Suicidal Thoughts)

		Basic Needs Struggle	Suicidal Thoughts
4.Basic Needs Struggle	Pearson Correlation	1	.191**
	Sig. (2-tailed)		.007
	N	200	200
14.Suicidal Thoughts	Pearson Correlation	.191**	1
	Sig. (2-tailed)	.007	
	N	200	201

** . Correlation is significant at the 0.01 level (2-tailed).

Reference: SPSS

Correlation analysis is implemented to test the relationship between “Basic Needs Struggle” and “Suicidal Thoughts” using Pearson’s correlation coefficient. The analysis shows a positive correlation coefficient of 0.191, indicating a weak positive linear relationship between the two variables. This suggests that as “Basic Needs Struggle” increases, there is a slight tendency for “Suicidal Thoughts” to increase as well. Despite the positive correlation, its weakness implied that other factors also influence the occurrence of suicidal thoughts. The statistical significance of the correlation ($p = 0.007$) indicates that this association is unlikely to be due to random chance, supporting a meaningful connection between the variables. However, this correlation does not imply causation, and additional variables are likely involved in influencing suicidal thoughts.

Testing of Hypotheses

The findings of this study indicate a significant relationship between the financial crisis and the financial behavior of public schools’ teachers in Beirut. The results support hypothesis H1₁, which states that the financial crisis negatively affects the financial behavior of public schools’ teachers in Beirut, Lebanon.

The study reveals that the financial crisis has a detrimental impact on the financial stability of public schools’ teachers in Beirut. Hypothesis H2₁ is supported, suggesting that the depreciation of the Lebanese Pound against the US Dollar made it exceedingly difficult public schools’

teachers in Beirut to maintain financial stability, especially considering their wages paid in Lebanese Pound.

Furthermore, the study found that the idea of working and receiving a salary in Lebanese Pound, which is less than \$100, led public-school teachers, to abandon their past future-set goals due to psychological outcomes. Results have shown that 75 (62+13 who agree and strongly agree) respondents sought psychological support (Bar Chart), and as the level of basic needs struggle increases, there is a tendency for the frequency of suicidal thoughts to also increase (Correlation Analysis Results). Thus, hypothesis H3₁ is supported.

Regarding future financial prospects, the study highlights that the financial statuses of public schools' teachers, have been continuously deteriorating. Hypothesis H4₁ is confirmed, suggesting that the public-school teachers' future is not very clear from a financial perspective, as their financial situations progressively worsen. According to the Chi-Squared test, out of 201 respondents, those earning less than 10 million LBP were more likely to report a negative impact on their well-being compared to those with higher salaries. The Chi-Squared test indicated that salary range influences how the financial crisis affects overall well-being and quality of life, thus leading to an uncertainty of the teachers' future from a financial point of view.

Finally, the study examines the relationship between the financial crisis and the financial behavior of teachers specifically in public schools in Beirut. The findings reveal a negative relationship between the financial crisis and the financial behavior of teachers. Thus, hypothesis H5₁ is supported, indicating that the financial crisis has a detrimental effect on the financial behavior of teachers in public schools in Beirut, Lebanon.

V. Conclusion

The analyses of bar charts, test results, and response distributions clearly demonstrates the profound impact of the financial crisis on the financial behavior of public-school teachers in Beirut. Teachers face substantial challenges, including sharp reductions in monthly income, difficulties in meeting basic needs, and delays in salary payments, forcing them to adjust financial priorities, cut back on non-essential expenses, and being affected psychologically. Many are compelled to take on additional work, further straining their time and energy, while their ability to save for the future is severely diminished. The widespread dissatisfaction with the government's support highlights the inadequacy of current measures to address their financial hardships effectively. These findings underscore the urgent need for targeted interventions to stabilize teachers' income, support their financial management, and improve their overall financial well-being.

This study not only highlights the immediate effects of the financial crisis but also offers a critical understanding of its long-term implications on teachers' financial stability. The deep financial strain they experience poses a threat to their professional sustainability and their role in shaping future generations. By delving into the nuanced financial experiences of this key public sector group, the study provides an invaluable sector-specific analyses that contribute significantly to the existing body of research on financial crises. Its methodological rigor and empirical findings pave the way for further research into long-term effects and tailored coping strategies within the education sector.

Moreover, these findings serve as a foundation for developing broader policies that prioritize educator support during economic downturns. By addressing the diverse and interconnected challenges highlighted in this study, Lebanon can better protect its educators, ensuring the sustainability of its education system and strengthening the resilience of its public workforce against future crises.

VI. Recommendations

To address the significant challenges faced by public schools' teachers in Beirut due to the financial crisis, several actionable recommendations are proposed, each linked to the study findings and specifying implementation methods and responsible parties. Firstly, to address the financial instability caused by currency depreciation, the government should increase teacher salaries and align them with inflation through policy adjustments facilitated by the Ministry of Finance and Education. This would improve teachers' ability to maintain financial stability and enhance their overall well-being. Secondly, mental health support programs should be introduced to mitigate the psychological toll highlighted in the study. The Ministry of Health, in collaboration with NGOs and mental health professionals, should offer free or subsidized counseling, stress management workshops, and therapy sessions to affected teachers. Thirdly, to improve well-being through additional employment opportunities, as suggested by regression analyses findings, the Ministry of Labor and Education could create platforms for teachers to access part-time or freelance work, with priority in sectors that align with their skills. Financial literacy workshops are also necessary to enhance saving abilities, as highlighted by regression analysis. These can be organized by NGOs, financial institutions, or community centers, equipping teachers with budgeting and debt management skills. Social safety nets, such as subsidies for essential needs like housing, food, and transportation, are crucial to addressing basic needs struggles identified in the MLR analysis. These could be facilitated by municipal governments and supported through public-private partnerships. Finally, systemic economic reforms to stabilize the Lebanese Pound and combat the broader financial crisis must be spearheaded by the central government, including the Ministry of Economy and Central Bank of

Lebanon, with international assistance. These measures collectively aim to enhance both the financial and psychological well-being of teachers in Beirut.

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