BPI Foundation

FinEd unboxed

Financial Wellness Journal

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Getting Started with Financial Wellness!

INTRODUCTION

We're pretty sure that everyone has their own strategy or *diskarte* when it comes to money. At BPI Foundation, however, **we believe that your strategy or *diskarte* becomes even better when paired with financial education!** We're here to help you make better decisions involving your money, helping you in your journey to becoming financially free.

That's why FinEd Unboxed is here.

FinEd Unboxed is here to help you achieve financial wellness by sharing useful information that will guide you in becoming a committed saver, a responsible borrower, and a wise investor!

With this Financial Wellness Journal, we want you to have a clear and concise guide that can help you through the principles of financial wellness. Each chapter will unpack a different aspect of financial wellness matched with valuable insights from real-life stories.

Take this guide and let's start our journey to financial wellness!

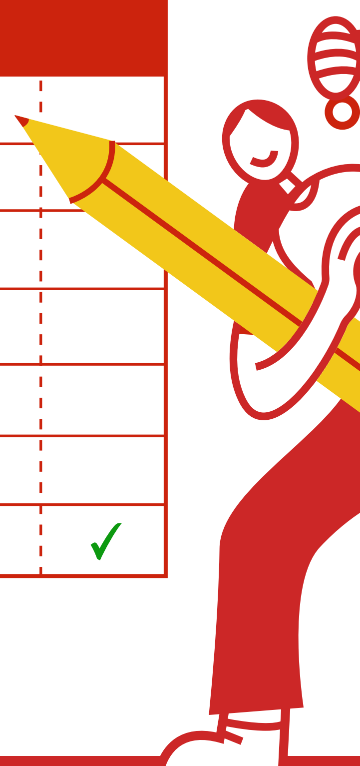
Let's Prepare!

There are many ways to become better with your money. Knowing where your money goes and the different programs and options available for you can be very helpful to save and grow your money!

PRE-ASSESSMENT

Answer the next page to reassess your personal knowledge and attitude towards money and financial terms.

Statement	Highly Agree	Agree	Disagree	Highly Disagree	I don't know
PERSONAL ATTITUDES TOWARDS MONEY					
I have a positive and healthy attitude towards money.		✓			
I believe that money can be used as a tool for good.			✓		
I know exactly how much money I have right now.			✓		
I know exactly how much money I spent last month.				✓	
I have a savings goal for the month.			✓		
I have a savings goal for the year.		✓			
I have a separate savings account in the bank.					✓



PRE-ASSESSMENT

For each statement below, put a checkmark on the box that corresponds to how much you agree with the statement. Check only one box for each question.

Statement	Highly Agree	Agree	Disagree	Highly Disgree	I don't know
PERSONAL ATTITUDES TOWARDS MONEY					
I have a positive and healthy attitude towards money.					
I believe that money can be used as a tool for good.					
I know exactly how much money I have right now.					
I know exactly how much money I spent last month.					
I have a savings goal for the month.					
I have a savings goal for the year.					
I have a separate savings account in the bank.					
I place money in my savings account immediately after I receive money (salary, etc.).					
I use or have used a spending tracker before.					
I have savings right now I can use in times of emergency.					
I see my savings grow every year.					
KNOWLEDGE OF FINANCIAL TERMS AND PROGRAMS					
I am knowledgeable about investments.					
I have tried investing before.					
I am knowledgeable about the benefits of insurance.					
I have joined an insurance program before.					
I am aware of the different professional loaning institutions					
I have taken out a loan before.					
I am aware of the requirements needed for taking out a loan.					
I am knowledgeable about the GSIS/SSS programs of the government.					
I can easily recognize financial scams.					
I know a variety of security measures to keep my money safe.					

CHAPTER 1

All About Financial Wellness

"Money is difficult to earn but easy to spend."

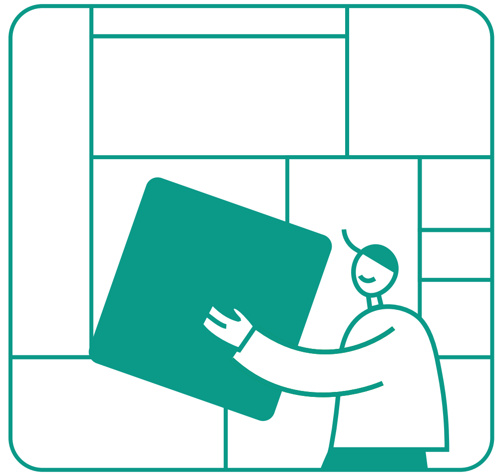
You've probably heard that saying before. You know it's very true.

When you go through the motions of your daily, weekly, and monthly expenses, it's difficult to always keep track of all the money you have. Sometimes, you get caught unaware that you have already overspent or dipped unnecessarily into your savings!

That's why people adopt different strategies or *diskarte* to manage their money. However, these strategies are only one part of the equation. There's more to money than just being thrifty or *matipid*.

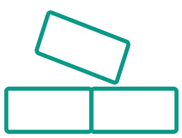
That's where the principles of financial wellness comes in!

HOW FINANCIAL EDUCATION HELP YOU ACHIEVE FINANCIAL WELLNESS

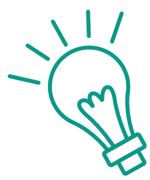


The goal of Financial Education (FinEd) is to provide you with information and knowledge that can help you make more confident decisions in using your money. Through FinEd, you can improve your current financial strategy to ensure that you are making the most of your financial situation.

FinEd can help you in the following ways:

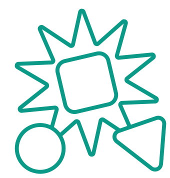


Broaden and deepen your personal understanding of the value of savings



Gain insight into the best practices involving personal money management

Familiarize yourself with strategies and tools that help improve your relationship with your money



Learn more about the different financial programs that are readily available for you

BUT WAIT!

Let’s be clear: Financial wellness is NOT about getting rich.

There are no surefire get-rich-quick schemes. If there were, then everyone would just be doing it!

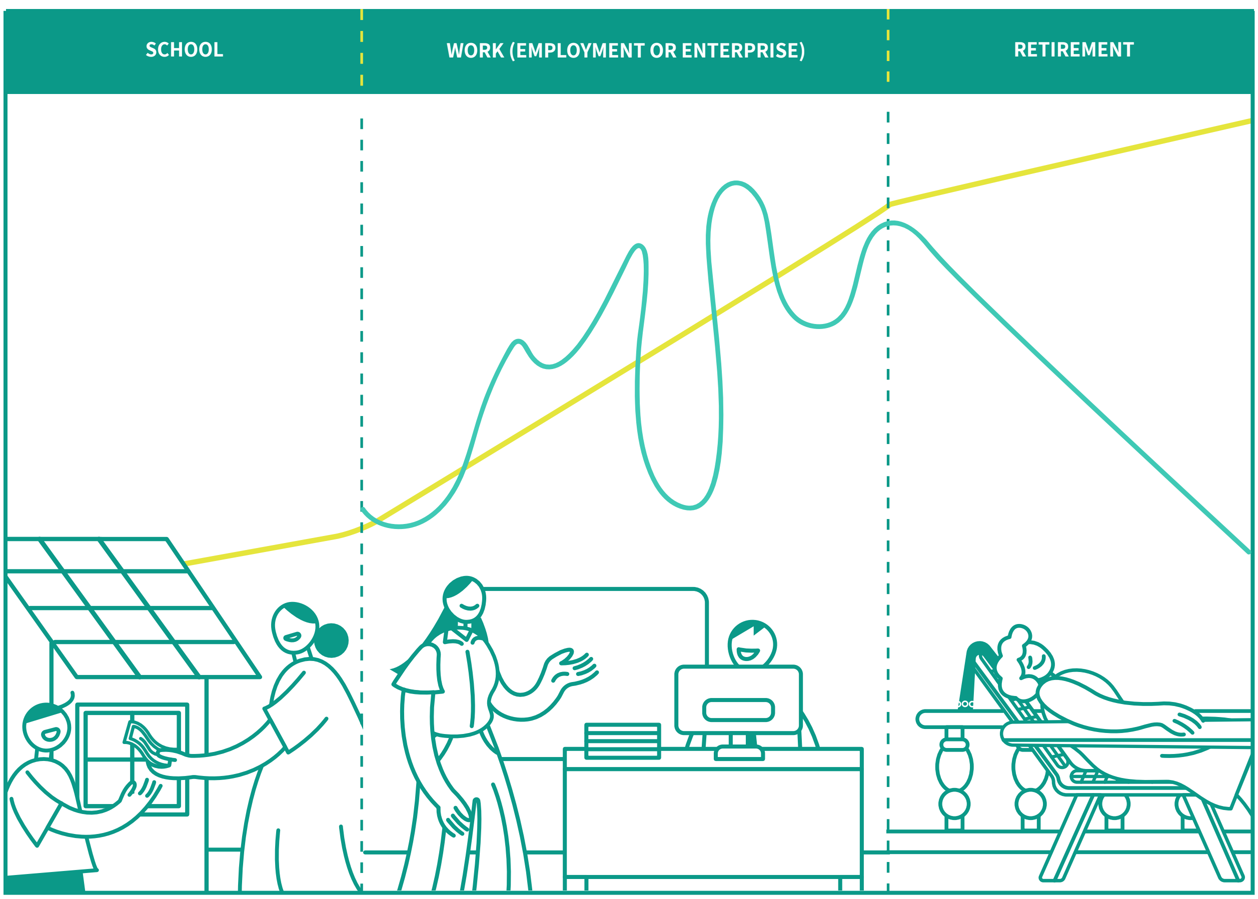
Remember: FinEd isn’t about winning the lotto nor leaving it up to chance. It’s about controlling the things you can control. It’s about making the best situation possible for you and your finances.

THE LIFE STAGES OF HAVING MONEY

A common financial goal that everyone has is to have more money.

It makes a lot of sense: it's better to have more money today than you did yesterday. But how realistic is that goal, really?

Take a look at this graph of how much money you usually have through the stages of life:



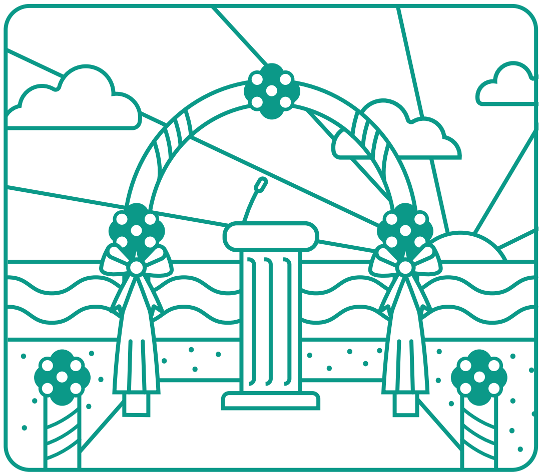
The lime green line is a simplified drawing of how we expect a person's money to grow during the three life stages.

However, the light teal line is a more realistic one. **Why?**

— Simplified

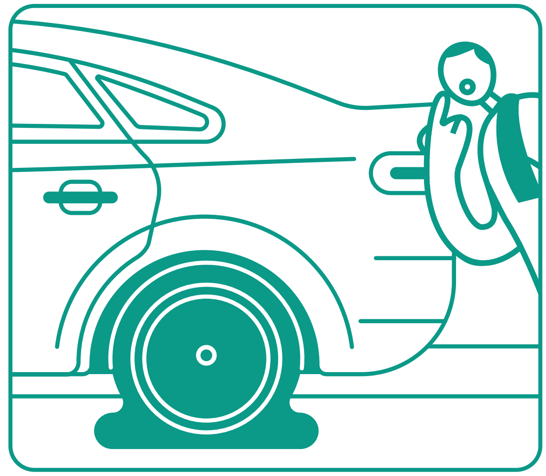
— Realistic

Because we will always have expenses. These expenses could either be:



Planned

e.g., when you get married, pay for tuition, take a vacation



Unplanned

e.g., when there is sickness, an emergency house repair, or an accident

When you take these big expenses into account, it's hard to have a consistent and stable financial situation. The unplanned expenses, especially, can really give you a difficult time.

Hospital bills and house repairs are not normally part of your budget, so when you have to pay for a big amount all of a sudden, this can really hurt your savings! But you know what?

Here's the truth: **THIS IS NORMAL FOR EVERYONE.** Everyone goes through difficulties in trying to manage their money!

FACING THESE DIFFICULTIES HEAD ON

If everyone goes through it, it means that you don't have to feel bad about having a hard time. You are experiencing something normal—these are the life stages of having money!

There is an advantage here. If you know that you will inevitably go through this, that means you can prepare.

A great way to prepare for these difficulties is to set clear goals. Clear goals provide us with clear directions and steps towards achieving our goals.

"Dreams without goals are just dreams and they ultimately fuel disappointment."

- Denzel Washington

S.M.A.R.T Goals

When building your goals, always remember that good goals are S.M.A.R.T goals: Specific, Measurable, Attainable, Relevant, and Time-Bound. Check the boxes that apply to your goals.

	✗	✓
SPECIFIC. What does your goal truly entail? Becoming rich is not a specific goal. However, having enough money to buy a new car is a specific goal. You can take this even further by specifying the type and make of the car you wish to buy.	"I want to buy a car"	"I want to buy my own Toyota Vios A/T to provide better mode of transportation for the family, and generate income from it by joining ride-hailing platforms"
MEASURABLE. How will you know when you've achieved your goal? A good goal must always be quantifiable. Using the example of being able to buy a car, consider how much your dream car actually costs. Knowing the amount you want to achieve will make your goal measurable.	"I want to buy a car"	(1) Save Php 50,000 for the down-payment for the Toyota Vios A/T. (2) Allot Php 15,000/month for the five-year car amortization
ATTAINABLE. Are you capable of achieving your goal? When building a goal, you must always take your current circumstances into consideration. If you are a student earning only from the *baon* your parents give you, perhaps saving up for a car is not attainable for you right now.	Still paying off debts	A professional with comfortable amount of savings to qualify for big ticket purchases
RELEVANT. Why are you setting this goal for yourself? Having a goal relevant to your needs and interests will help motivate you to achieve it. Consider why you are buying this car. If you cannot think of a good reason, perhaps the goal is not relevant to you.	There are more economical options that are better suited to sustain a lifestyle	The family travels very frequently. And there is high demand for ride-hailing or delivery services
TIME-BOUND. What is your timeframe for achieving this goal? Goals cannot be vague, they have to be as specific as possible. Consider when you would want to have achieved your goal. When should you have made enough money to buy the car you want? In a year? In two years? Having a timeframe to work in will help you ground your goal and can help motivate you even more.	"I want to buy a car"	Save Php 50,000 for the down-payment of the Toyota Vios in three months, and apply for the car loan by the end of the year

CAN'T WAIT TO START?

When you learn about how something works, you start understanding it on a deeper level. You start to see the tiny details and the bigger picture. That's the role of FinEd: to improve your financial management skills with every lesson, every new information.

However, it's not enough to just learn. You also have to apply it to your day-to-day lives!

By the end of this module, you may be inclined to try these new strategies. For example:

- You might start changing your spending habits.
- You might start keeping better track of your savings.
- You might begin an emergency fund.
- You might manage your debts better.
- You might start exploring investments.

However, all of this is still up to you.

If you want to be better at your finances, it's up to you to learn more and to start making financially healthier choices!

ACTIVITY: VISIONING EXERCISE

What do you want to achieve after 10 years? Visualize your goals and dreams and draw it on the space provided. Be specific in your drawings (e.g. Married with 2 kids, own a house and car). Make sure to apply the concept of S.M.A.R.T Goals with this exercise.

Interactivity Portion!
You may choose to draw on this page digitally or print a hardcopy.

CHAPTER 2

All About Saving

CASE STUDY: MANG RAFAEL’S SAVING PROBLEM

Mang Rafael’s dream is for his wife to come home to a good life—a life that mirrors her 22 long years of hard work as an overseas Filipino worker in Hong Kong. To make this happen, they need to have a home to call their own and retirement funds to live on. But with two kids and the typical challenges of life—sickness in the family, emergency expenses, among many others—Mang Rafael found it difficult to save money.

Determined to bring his wife home, he began cultivating vegetables to sell for additional income. By living simply and within their means, Mang Rafael has now been able to open a savings account. With Mang Rafael’s newly-founded business and his wife’s regular income, they were able to eventually purchase a house and land. He said that the key to saving efficiently are the values of “*tipid, sipag, at tiyaga*” and also being faithful to your partner and family.

A very important part of financial wellness is savings! It also seems to be the most difficult part. According to a 2017 survey[1], more than half of all Filipino respondents answered they were not able to have savings at all in that year.

Let's try to find more about savings.

COMMON MISCONCEPTIONS ABOUT SAVING

Sometimes, it's hard to start saving because you think certain things have to fall into place first. Or you think that it's going to be difficult. You can list so many reasons. But are you sure that all those reasons are 100% valid?

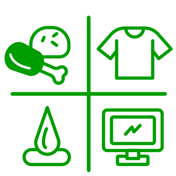
#1: You should not save in banks because they have low interest rates.

FALSE. You do not save to grow your money. Owning a savings account is meant to secure your money and have liquidity. This means that you have money that is accessible to you when you need it.

#2: You need to have a high salary before you start saving money.

FALSE. It's not about the income you're making right now, it's how much of it you allot for savings. Your savings should adjust properly and proportionally to your income. It's about finding the right balance!

#3: You have to deprive yourself if you want to save money.



FALSE. Saving money is not about stopping all expenses. It's not about choosing the thriftiest option at all times. Rather, it's about knowing your budget well and giving yourself the freedom to use that budget wisely!
Yes, you can spend—but wisely!

#4: You can only save a small amount, so it's not worth it.

FALSE. Every peso counts. Even if it's a small amount, you have to remind yourself: what will it look like in a year? How about in two years? Three? Saving money doesn't happen overnight. You have to persevere for that small amount to eventually become big.

[1] 2017 Financial Inclusion Survey: Moving Towards Digital Financial Inclusion. Bangko Sentral ng Pilipinas. (29 June 2017). http://www.bsp.gov.ph/downloads/Publications/2017/2017FISToplineReport.pdf

Interactivity Portion!
Links are clickable and will open to a new window.

WHAT ARE THE GOALS OF SAVING?

When you start saving, it's not because you just want the feeling of having more money. Of course, you plan to use that money in some way.

When you want to save, you are usually aiming for these two things:

#1 You want to reach a **milestone or goal** (i.e. retirement, vacation, home, education)

#2 You want to protect yourself and your family from **unforeseen circumstances or emergencies** (i.e. accident, typhoon, fire, death)

These two are important because they help you achieve fulfillment and peace of mind.

WHEN IS THE BEST TIME TO START SAVING?

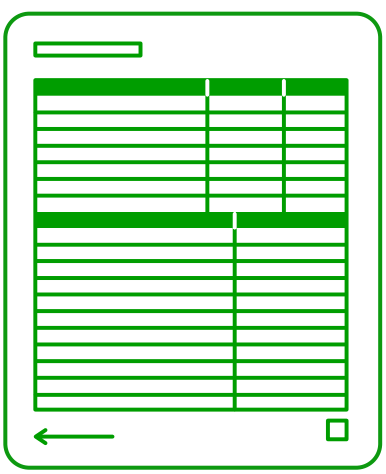
RIGHT NOW.

There is no "right timing" for you to start saving. You have to do it now, as soon as possible.

It doesn't matter if you start small. What matters is you start.

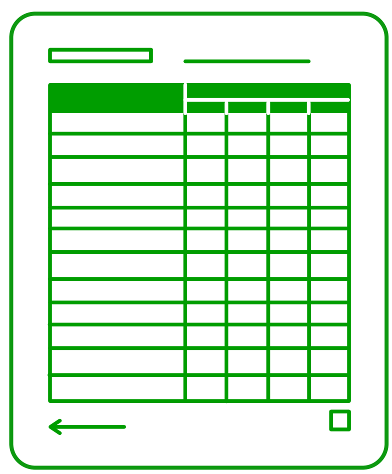
Imagine: if you started saving exactly one year ago, you would already have one year's worth of savings by now. If you're aiming for a small luxury purchase or looking to pay something off, you might even have that amount ready by now if you started saving last year!

WHAT ARE THE TOOLS WE CAN USE TO START SAVING?



SPENDING TRACKER

BUDGET PLANNER



COST MATRIX

Interactivity Portion!
Each button will lead you to the page of the designated resource.

MONTHLY SPENDING TRACKER

STEP 1: List down your savings goals based on your visioning exercise.			
Goal	**Target amount**	**How many months to save?**	**How much to save per month?**

STEP 2: List down all sources of income and expenses.	
1. Sources of income	
Income #1	
Income #2	
Income #3	
GROSS INCOME	
2. Deductions on gross income	
A. Tax	
B. GSIS/SSS	
C. Philhealth	
TOTAL DEDUCTIONS	
NET INCOME	
3. Expenses	
A. Basic needs	
Food	
Rent	
Utility	

MONTHLY SPENDING TRACKER

Tuition fees	
Medical expenses	
Personal needs (e.g soap, shampoo, etc)	
B. Debts	
Bank or other financial institutions	
C. Other expenses:	
Entertainment and leisure (e.g. movies)	
TOTAL EXPENSES	
POTENTIAL SAVINGS (NET INCOME - TOTAL EXPENSES)	

**STEP 3: Review your budget and see what you can add to your income and subtract from your expenses.
Compute for your potential savings.**

	AMOUNT
Potential savings	
Less: Total target savings goal (from Step 1)	
SAVINGS CAPACITY (should be positive)	

**STEP 4: Write your action plan to reach your savings goal.
Example: "I will limit my expenses for wants to Php 1,000 a month."**

Back to Tools

BUDGET PLANNER

Track your expenses more closely. Create your budget for the month so you can analyze your needs and wants better. When you budget, always follow the correct saving formula, also called the “prosperity” formula:

Income – Savings = Expenses

Immediately set aside your savings. Treat it as an “expense” for yourself and your family. The secret to financial health is to set aside your savings first, before spending the rest of your money on budgeted expenses.

Month		
Net Income (From Step 2 of Spending Tracker)		
Savings to set aside (Savings capacity From Step 3 of Spending Tracker)		
EXPENSE ITEMS	**BUDGET**	**ACTUAL AMOUNT SPENT**
Rent		
Food (e.g. wet market)		
Food (e.g. groceries)		
Toiletries		
Electricity		
Water		
Landline phone		
Mobile phone		
Cable TV		
Internet		
Transportation allowance		
Children’s allowance		
Loan amortization		

Back to Tools

COST MATRIX

What are the things you can give up?

ITEMS	UNIT COST / FREQUENCY	HOW MUCH WILL YOU SAVE?		
		WEEKLY	MONTHLY	YEARLY
Example: Softdrinks	*Php 15/day (Instead of Php 30/day)*	*Php 105*	*Php 450*	*Php 5,475*

← Back to Tools

WHERE DO WE SAVE?

OPTION #1:

Banks

Placing your money in a bank is one of the most practical and secure ways when beginning to save. It relieves you from worrying about the status and whereabouts of your money. It also helps you track accurately the amount of money you have. Knowing how much you have will help you stay in budget!

What if you don't have a lot of money now? That's perfectly alright! Banks know that there are a lot of Filipinos like you who want to open a savings account but may not have a lot of money to put into a first or initial deposit.

Now, you can open a savings account for as low as Php 50.

BPI Direct BanKo, a subsidiary of the Bank of the Philippine Islands (BPI), for example, offers its PondoKo Savings account that requires only a minimal initial deposit.

In short, banks have easy and straightforward processes for opening accounts. ATMs are also available everywhere; you can conveniently withdraw your money anytime, anywhere. Plus, you don't need a lot of money to open an account.

Interactivity Portion!
Opens a link and goes to **PondoKo**

OPTION #2:

Savings and credit cooperatives

Credit cooperatives offer basic financial services to all their regular members. The money pooled together by all the members throughout their membership can be used for savings, low-interest loans, and other similar services.

Some savings and credit cooperatives also help members to improve their financial habits, as well as offer bonuses like rebate and other benefits.

OPTION #3:

Self-help groups

These are smaller groups where you can practice saving money. Each member of the group commits to paying an amount per month, and then at the end of the period, members will get back all the money they have "saved" since they began.

Since the money is being kept by someone else, you "save" by not being able to spend that money immediately. The most famous example here is the ***paluwagan.***

WHERE SHOULD YOUR SAVINGS GO?

The end goal of having savings is not about reaching a certain amount and then doing nothing with the money. It's about preparing to spend for the following:

Emergency savings

Emergencies and unplanned expenses **DO HAPPEN**. When they do, don't hesitate to use your savings to cover the cost! This is one of the main reasons why you saved in the first place: so that you won't have to worry too much when it happens. These emergency savings can help take on the big expense, helping you get back on your feet quicker.

For example, the Pag-ibig MP2[2]. The MP2 Savings is a special savings facility with a five-year maturity, designed for Pag-IBIG Fund members who wish to save more and earn even higher dividends, in addition to their Pag-IBIG Regular Savings.

The program is also open to pensioners and retirees who were former Pag-IBIG Fund members.

The minimum MP2 savings is Php 500 per remittance.

Short-term goals

Contrary to popular belief, savings can be used for short-term goals and small purchases. Remember: savings are not just for emergencies, they can also give you fulfillment!

[2]MP2 (Modified Pag-IBIG 2) Savings. Pag-IBIG Fund.
https://www.pagibigfund.gov.ph/Membership_ModifiedPagIBIG2.html

Retirement savings

It's never too early to think far ahead into the future. When you are finally of retiring age, you want to enjoy your retirement by not having to constantly worry about money. Invest in peace of mind for your old age as early as now.

GSIS and SSS are examples of retirement plans that are available to you!

GSIS Retirement under R.A. 8291

Under Philippine law[3], a GSIS member has the option to receive a five-year lump sum or cash payment with instant pension. To qualify for retirement benefits, the GSIS member must comply with the following requirements:

1. Must have rendered at least 15 years of service and must be at least 60 years of age upon retirement.

2. Must not be a permanent total disability pensioner.

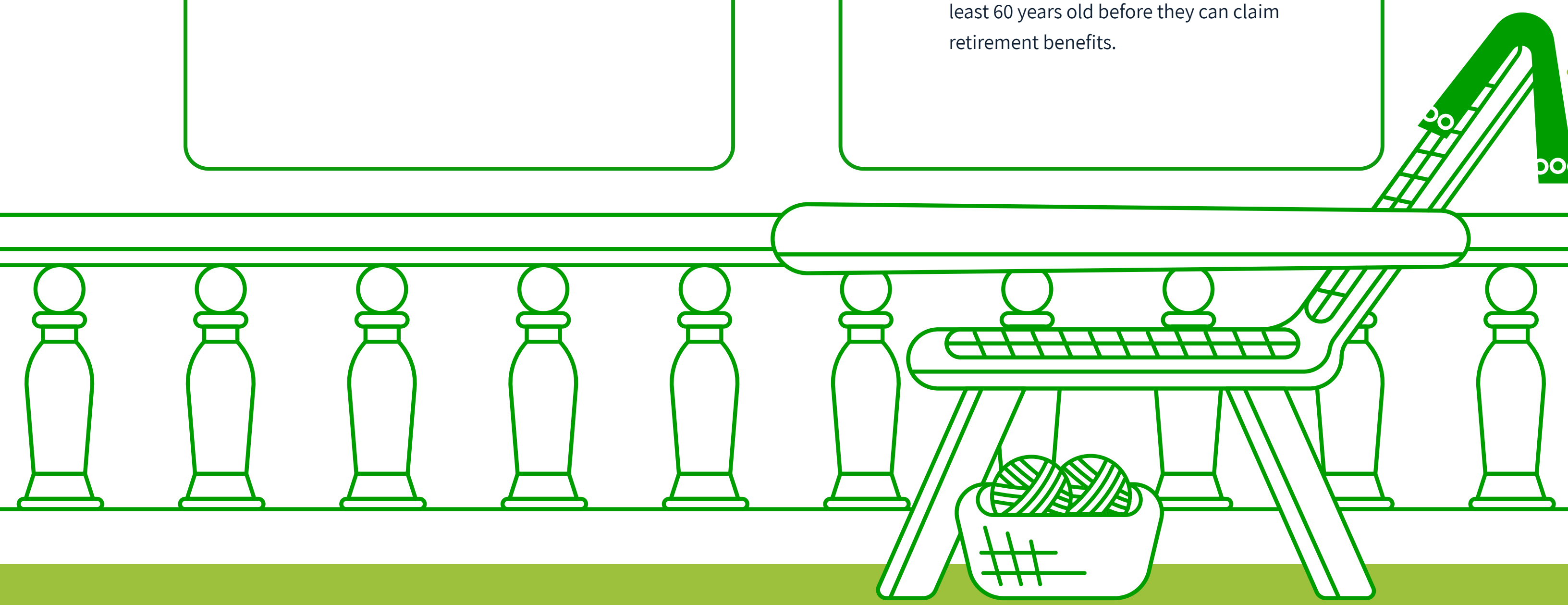
SSS Retirement under R.A. 11199

SSS Retirement Benefits[4] may be availed of through a monthly pension or a lump sum. The following are the SSS members qualified for Retirement Benefits:

1. Must be 60 years old and separated from their employment or ceased to be self-employed.

2. Must be 65 years old, whether or not they are employed.

3. Must be 55 years old if they have worked as an underground miner for at least five years prior to the semester of their retirement. If an unemployed miner, they must be at least 60 years old before they can claim retirement benefits.



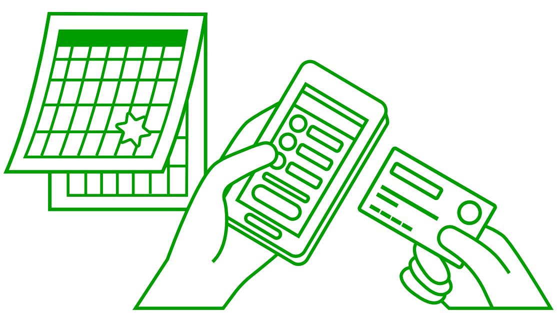
[3]Retirement. Government Service Insurance System.
https://www.gsis.gov.ph/active-members/benefits/retirement/
[4]Pension Details. Social Security System.
https://www.sss.gov.ph/sss/appmanager/pages.jsp?page=retirementpension

WHAT ARE THE METHODS OF BUDGETING?

OPTION #1:

Auto-debit mechanism

If you have a bank account and they have the auto-debit mechanism, they can be authorized to pay your bills directly using money from your account. Not only is this convenient, it also ensures that you know exactly how much money you're paying. It is also secure and saves you from late payment charges!

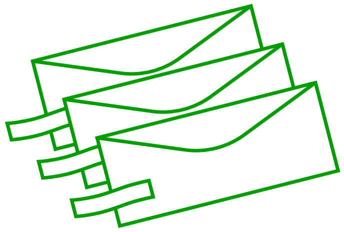


OPTION #2:

Envelope system

Label your envelopes according to the categories of your expenses, like groceries, medicine, commute, etc. Compute how much money you will need to spend for each category for the month. Once you receive your cash income, place the EXACT amount of money in their respective envelope.

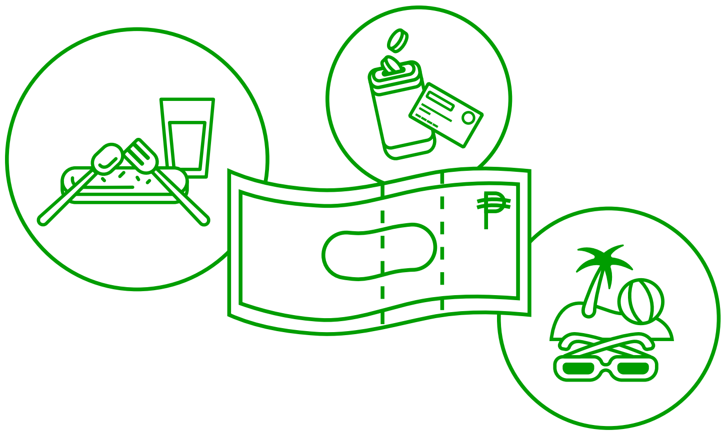
This helps you become more accurate with your money and prevents you from overspending!



OPTION #3:

50/20/30 rule

Follow the 50-20-30 rule. According to this rule, whenever you receive your income, divide it right away. 50% of it should go to your daily and monthly needs. 20% of it should immediately be deposited to your savings. You are then free to use the remaining 30% for the things that you want!



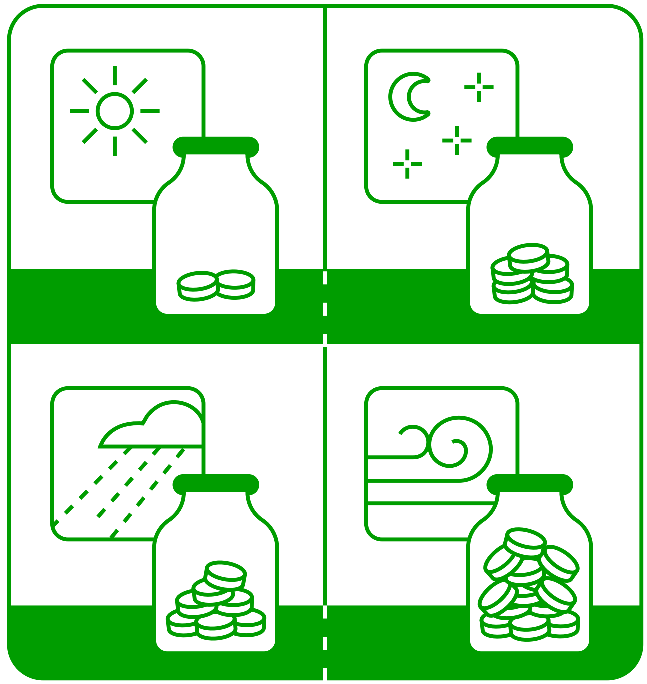
CHAPTER WRAP-UP!

Growing your savings is like taking a trip. There are different ways to start and grow your savings, each with their own unique advantages and perks.
Like any trip, you will need to plan on how to grow your savings. Once you've settled on a plan, you will have to commit to it. It may seem like a lot, but trust us, with a little discipline and mindfulness of your own spending habits, you'll be well on your way to financial freedom.

To help you along, here are some tips to get you started on saving.

TIP #1:

Develop healthy spending and saving habits

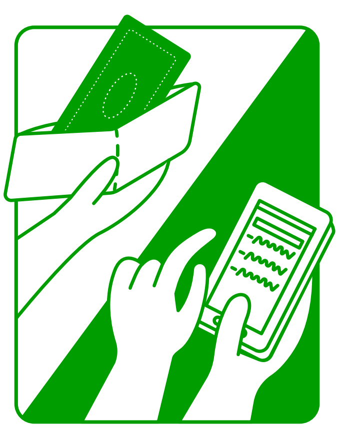


It's difficult to change your spending and saving habits overnight. Set small and achievable goals for yourself at the start. More importantly, don't be hard on yourself if you go beyond budget or overspend once in a while. Remember: this is a process.

Another great small goal to set is to place Php 20 into a jar or bowl every time you come home from school or work. Place this jar near the door or in a safe place where you can easily see it so that you will never forget about it. If you do this, you'll have at least Php 100 in savings by the end of the week!

TIP #2:

Prioritize needs over wants



When you have to choose between something you absolutely need and something you really want, choose the thing that you need. You're going to end up spending for it anyway, even if it takes an extra day or two. If you go for the thing that you want, you'll still be buying the thing you need, and that will double your expense!

A great way to practice this is to start by just keeping track of everything you spend. Every time you open your wallet to pay for something, write down what you paid for and how much you spent on it.

You can use your phone or keep a piece of paper and a small pencil in your wallet. At the end of the week, review your expenses. Are you spending more on needs? Or is most of your spending going to wants you can live without?

TIP #3:

Make use of the new savings formula

Usually, once you receive your income, you will use it for expenses, and whatever's left, that will be savings. The **old formula** looks like this:

INCOME - EXPENSE = SAVINGS

The problem with the old formula is that if you overspend, you might end up with little or no savings at all!

USE THIS NEW FORMULA INSTEAD!

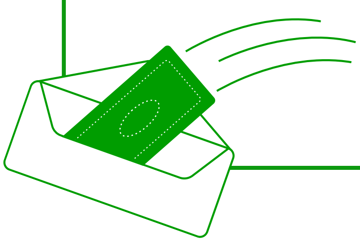
INCOME
– SAVINGS

EXPENSE

A great way to start using this formula is to try this exercise:

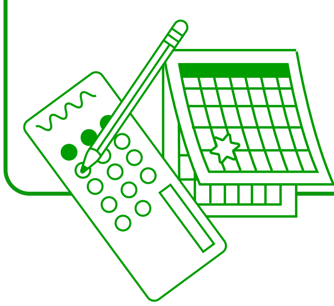
STEP 1

Whether you earn income every week or month, think of a small amount you would have liked to save until your next payday. This is your savings goal! The next time you earn, place cash equal to your savings goal in an envelope, seal the envelope with tape, and keep it in a secure place.



STEP 2

On the envelope, draw seven or fourteen circles, depending on whether your plan is for a week or two weeks. For every day that you do not spend that amount, mark one of the circles with a check. You can only touch the cash in the envelope once all the circles are marked or in case of a dire emergency.



STEP 3

At the end of one or two weeks you would have achieved your savings goal! Feel free to spend this amount as you wish or to continue saving. Bonus points if you put your new savings into a savings account.

CHAPTER 3

All About Insurance

CASE STUDY: ALING YOLANDA INSURES HER DAUGHTER'S FUTURE

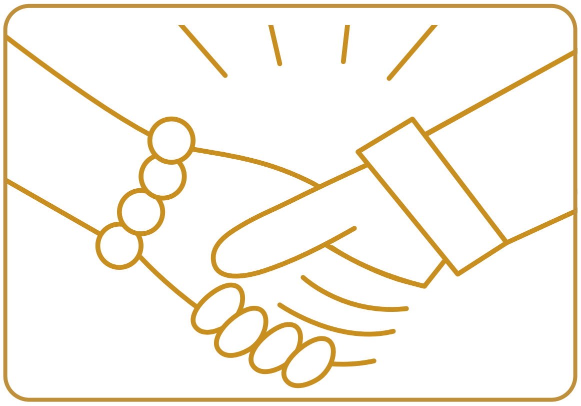
Aling Yolanda always worries about the future. Hoping to provide for her family and support her child, she decided to work in Singapore in pursuit of higher income.

Through her friends and family, Aling Yolanda learned about insurance plans and how they could be a way to pay for future expenses. Worried about what will happen to her family if she passes away, she bought a requisite life plan and an accident insurance plan that will pay for her funeral bills and leave money to her loved ones if something happens to her. Aside from this, she also plans to get a Medical Insurance policy in order to help with medical expenses in case she gets sick.

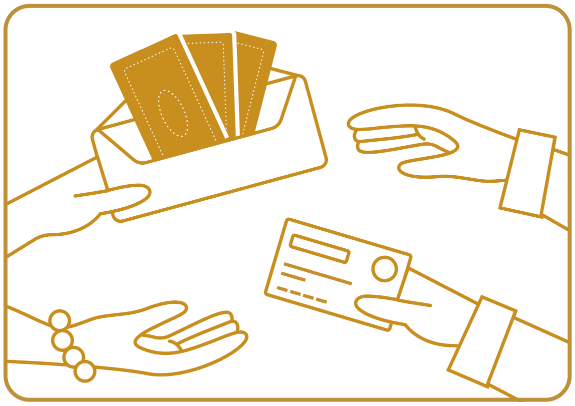
For Aling Yolanda, it is important to be ready. She advises others to get insurance as well because ***"ito ang magiging proteksyon natin laban sa mga pangyayaring wala tayong control."***

WHAT IS INSURANCE?

Insurance is a way to prepare and protect yourself and your loved ones financially. Here's how it works:

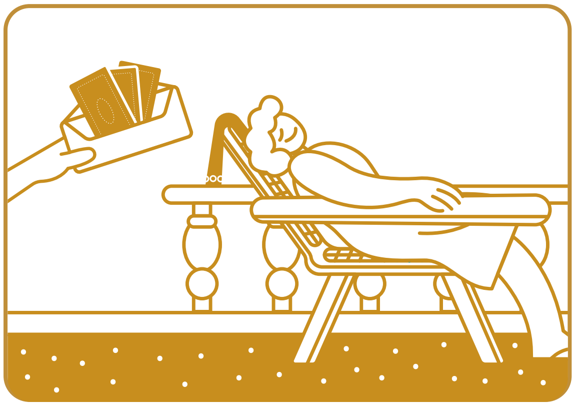


#1 You pay regularly to your insurance provider, which is called the premium.



#2 In return for paying your premium, the insurance provider is obliged to provide financial assistance to you based on your contract.

#3 If something unplanned or unfortunate happens, they will provide financial coverage so that you don't have to worry about where to get the money.



#4 If you reach a milestone like your retirement, they will disburse your premium so that you will still have income even in old age.

You are paying the insurance provider to allot and hold on to your money for you so that you will be prepared for the future and they will be there to help you manage your money.

WHY DO WE NEED TO INSURE OURSELVES AND OUR FAMILY?

Life can be unpredictable. Even if you are careful and calculated, unexpected things can still happen that you are not prepared for.

You don't want to be caught off-guard.

Much like savings, the value of insurance is that you get to have peace of mind. It is an additional cost that you pay just so you are financially ready for whatever happens in the future.

More importantly, being able to lean on insurance helps lessen the burden on your family and your loved ones.

If an accident happens to you, for example, they would not have to raise funds and worry about where to get the money if you have health insurance. There will be less stress and financial strain on the family.

WHAT ARE THE DIFFERENT KINDS OF INSURANCE?

TYPE #1:

LIFE INSURANCE

In case of accidents or death, life insurance assures that your family and the ones you leave behind will receive financial assistance. This helps them not only financially but also emotionally, so they will not have the added pressure of having to worry about the money aspect.

An example of this is the BPI-PhilamLife Protect Insurance[5] which provides life insurance equal to 100% of your plan's face value. This is a simple and affordable way to protect your family's future with plans starting at Php 320 per month for life insurance coverage of Php 1 million.

Life Protect is a flexible product that comes in three options depending on your budget and length of time you wish to be covered by the policy: one year, five years, or ten years.

[5]BPI-PhilamLife Protect Insurance. BPI-Philam Life Assurance Corp.
https://www.bpi-philam.com/content/dam/bplac/en/docs/brochures/Life%20Protect.pdf

TYPE #2:

NON-LIFE INSURANCE

Non-life insurance helps you cover for possible loss of or damage to property. Shelling out huge sums of money for car repair, for example, can set you back financially, especially if you are reliant on your car!

Non-life insurance softens the blow of these losses or damages, helping you get back on your feet faster.

Fire insurance[6] is an example of a common non-life insurance policy. If, for example, your home catches fire, the proceeds from a fire insurance policy covering your home can help cover the cost of repairs or can even help you buy a new home.

And don't let the name mislead you! Fire insurance policies can also cover your home against other causes of loss or damage such as robberies, earthquakes, typhoons, floods, or riots.

Fire insurance policies can also cover commercial or industrial buildings, the contents of your home, any machinery or equipment inside your building, or even stocks that you own[6].

TYPE #3:

PRE-NEED PLANS

Sometimes, it helps to prepare early for expenses that you know you will eventually have to face. Commonly, education plans and memorial plans are part of this category. **Pre-need plans are like advance payments.**

By getting a head start on this future expense, you are saving your future self from financial worry and stress!

Memorial plans are a common kind of pre-need plan. In this set-up you will typically pay a death care company in advance for your funeral or memorial expenses. Once you pass away, the death care company will take care of arranging for your funeral or memorial according to the details of your plan. This has the added benefit of freeing your family from the expense and stress that comes with planning a funeral or memorial service.

TYPE #4:

VARIABLE LIFE INSURANCE

Some insurance options also have investment components. Money invested can grow, especially if all the factors are conducive. **Variable life insurance is like hitting two birds with one stone, you get reassurance and also potential investment success!**

A great example of a variable life insurance policy is the BPLAC Invest Peso Max[7].

Here, you pay a one-time fee in exchange for a combined investment and life insurance plan.

This allows you to simultaneously grow your money while securing your family's financial future. This can also be used as a way to boost your retirement funds, ensuring your own long-term financial freedom.

[6]Fire Insurance. BPI/MS Insurance Corporation.
https://www.bpims.com/products/fire-insurance?fbclid=IwAR354hP5NFIPbEwg-FmzgRWHUptTrKhr444fi1MvTGGKJzs7S0tz45WW8Wa8

[7]Invest Peso Max. BPI-Philam Life Assurance Corporation.
https://www.bpi-philam.com/en/our-products/investment/invest-peso-max.html

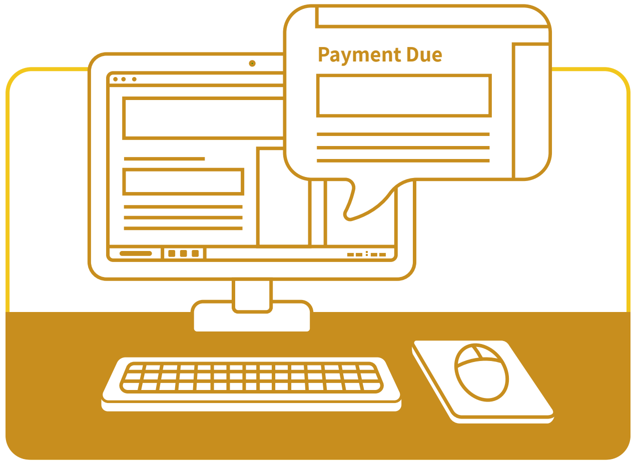
CHAPTER WRAP-UP!

Getting insurance is a sure-fire way of securing your family's and your financial freedom. However, once you have an insurance plan, it is important to prioritize and regularly pay your insurance premiums in order to get the full benefits of your policy.

Here are some tips to make sure that you regularly pay your insurance premiums:

TIP #1:

Know your policy details



Familiarizing yourself with your billing statement and payment dues will allow you to make necessary adjustments to your budget. If you have any questions, you can always direct them to the representatives of the insurance company.

TIP #2:

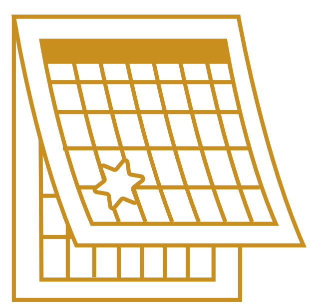
Treat your insurance premium like any other bill

Be sure to set aside money to pay your premiums every month, much like you would for your water or electricity bill. If you have a savings account, you can set up an automatic payment system for your policy with your bank.

TIP #3:

Schedule your payments

Take note of any deadlines for the payment of your insurance premiums. Remember that in some cases, failure to pay premiums on time can lead to the payment of penalties or even the lapse of your policy.



CHAPTER 4

All About Credit

CASE STUDY: TEACHER MARY IS FINALLY DEBT-FREE

Teacher Mary is one of the many hardworking teachers in the country who continue to give their best to educate the younger generation. Even with a regular income, she still had to borrow money to cover her parents' hospital bills. And like many other Filipinos, Teacher Mary soon found herself in a debt trap as she struggled to pay back her loans.

Through a recent financial wellness training she attended, she was able to understand the importance of budgeting and paying her amortizations on time. Hoping to free herself from debt, Teacher Mary took the initial step—changing her mindset. She advised others to do the same by living within your means, planning before taking out a loan, and prioritizing your needs over your wants.

With her continuous hard work and perseverance, Teacher Mary finally paid off her debts despite the challenging situation.

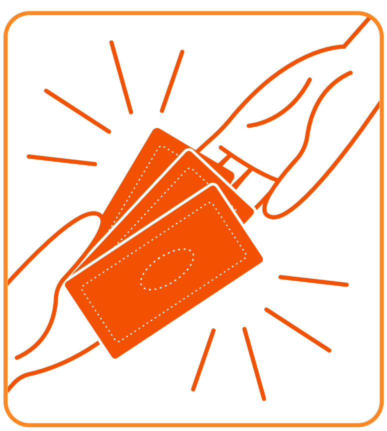
From 5-6 to credit cards, credit or *utang* is a familiar part of Filipino culture. Credit can help you get through financial emergencies like sudden hospital bills. It can also help you finance those necessary expenses that are too expensive to pay for without a little help, like a car or a house.

In the last chapter, we talked about how insurance was a way of protecting yourself and your family financially.

Think of credit as a different kind of protection. When done for the right reasons, loans can actually help improve your financial situation and bring you closer to living the life you've always dreamed of.

For example, let's say you've always dreamed of buying a house. You do your best to save whatever money you can towards a fund to pay for the modest house of your dreams. One day, you receive a well-paying job offer very close to the neighborhood you've always envisioned your dream house to be. You go around the neighborhood and find a house available for sale.

It's perfect for your needs: enough space for you and your family and it's within walking distance from your new, well-paying job. You look at your savings fund and see that it isn't enough to buy this house, despite your best efforts. What do you do? This could be an instance when getting credit or taking out a loan would be beneficial for you.



WHAT IS CREDIT?

If you've ever taken out a loan or *utang*, you know what credit is. It is when a borrower receives something of value now, usually cash, and agrees to repay the lender back on a later date. Usually, the borrower also has to pay interest, or a percentage of the value they borrowed, in addition to paying what they originally owe.

BORROWING MONEY AND TAKING ON DEBTS

Is borrowing money good or bad? Well, it depends.

There are situations where going into debt can be a step towards your own financial freedom. Examples of this can be when you take out a loan to buy a home, a car, or to start a business. In these cases, borrowing money could be good because you use the money to your advantage. The new home or car you buy can make a better-paying job easily accessible, putting you in a better financial situation than you were in before. The business you borrowed money for can grow and earn you money. This is what is known as a good debt.

But be careful! Just as there are good debts, there can also be bad debts. Taking out a loan to pay for the cost of large, unnecessary spending is a terrible reason to go into debt. When you borrow money that you know you cannot pay back, you have acquired a debt that does not improve your financial condition. You may also have fallen into a debt trap. As much as possible, avoid these kinds of bad debts.

As we can see, debts are not just “good” or “bad.” But how will you know the difference? Knowing the difference between a good debt and a bad debt is very simple. All you have to do is be aware of your reasons for borrowing money and your ability to pay it back in the future.

WHAT IS A DEBT TRAP AND HOW TO AVOID IT?

A debt trap is a situation where we find it impossible to pay back the money we've borrowed. *Nabaon na sa utang*, in other words.

This is the scenario we want to avoid the most when borrowing money.

Debt traps are bad for our financial wellness and once we are in one, it can be very hard to get out of.

But how do you avoid falling into a debt trap in the first place?

Consider these helpful tips:

#1: Be more responsible with how you handle credit.

Keep only one or two credit cards at a time and keep track of purchases with these cards. This way, you'll know exactly what you've used your credit card for and the chances of you over-spending will be lessened.

#2: Treat your credit card like cash.

Use it only if you have the corresponding amount in your wallet or savings account. Set that amount aside once you've used it on a purchase to ensure that you always have the means to pay back your credit card bills.

#3: Always pay your credit card bills and loan installments on time.

If you can, pay more than the minimum amount required on your loans. This will help lessen interest rates and avoid additional charges that make it more difficult to pay back your loan.

WHAT ARE YOUR OPTIONS?

TYPES OF LOANS	INTEREST	PROS	CONS	ADVICE
Friend or family member	Depends on who you borrow from	Depends on the term: can be quick and inexpensive	Becomes a source of tension among friends/ family	Value trust; pay the agreed amount of interest promptly
Credit cooperative	0–10% per month	Can be paid in monthly installments; have rebates	Interest depends on the amount loaned, the kind of loan, and on the coop itself	Make sure to pay installments on time, even if paying your loan takes a long time, since you are most likely to interact with other members of the coop on a daily basis
Self-help groups or savings groups	No interest	You can take home a large amount compared to the small deposit you make each month	The person who takes home the month's capital will have less if not everyone pays up	Only join self-help or savings groups where the monthly deposit is not too high
Bank loan	9%—27% Annual Percentage Rate (APR)	Can be paid in monthly installments	Needs collateral	Endeavor to pay on time to avoid having to pay a larger sum in interest
5-6	20% per week	You will immediately get the money you need	Interest is too large compared to other loan types	**Avoid this type of loan!**

NSTP Financial Literacy Training Program Participant's Workbook, Ateneo de Manila University, 2014

When selecting a credit option to avail of, it is important to know the pros and cons of each. Advantages should always matter.

However, it is equally important that we know our responsibilities and possible liabilities so as to safeguard our future selves.

PROCEED WITH CAUTION!

As you can see, there are a lot of options when it comes to borrowing. Remember that there is no right or wrong way to borrow. Where you borrow from will depend on your personal situation and financial needs.

However, no matter what type of loan you choose to avail of, you must always be aware of illegal collection practices and protect yourself against dishonest money lenders.

Remember that certain collection practices are prohibited under the Phillippine law[8]. It would be wise to keep a lookout for these illegal practices in order to protect yourself against unscrupulous lenders:

Using or threatening to use violence or criminal means to harm you, your reputation, your property or your loved ones

Using threats to take illegal action

Using profane language, obscenities or insults against you or any other borrower

Communicating or threatening to communicate false credit information to you or to any other person

Using deception or lies to collect a debt or to obtain information about you or any other borrower

Requiring you or any other borrower to contact them at unreasonable times outside of business hours (before 6:00 a.m. or after 10:00 p.m.)

Disclosing the names and other personal information of borrowers who cannot or refuse to pay their debts without the borrower's permission or with people who have no business knowing the borrower's personal information

[8] Prohibition on Unfair Debt Collection Practices of Financing Companies and Lending Companies. Securities and Exchange Commission. (2019) http://www.sec.gov.ph/wp-content/uploads/2019/05/2019NoticeMemorandumCircularonUnfairDebtCollection.pdf

SOME PRACTICAL TIPS BEFORE BORROWING

Now that you know the ins and outs of borrowing, here are some questions to guide you before you actually take out a loan.

- **Do I need to borrow money?** Consider what you are borrowing money for. Will borrowing money put you in a better financial situation or a worse one?
- **Do I need the money now?** Consider the urgency of your need. If it's something that can wait, perhaps you don't need to borrow money just yet.
- **How much do I need?** Knowing exactly how much you need can save you a lot of future headaches.
- **Can I afford the loan amortization?** Being able to pay the monthly installment on your loan, or the amortization, is key to avoiding debt traps. Go over your expenses and figure out how you will pay for the loan on a month-to-month basis if you do decide to get it.

LOAN CALCULATOR

Here are a few links!

To help you answer these questions, BPI has several loan calculators that can show you exactly how much you'll need to pay per month for the loan you need. Any of these can even help you fit monthly amortizations right into your budget. Moreover, using a loan calculator will help you figure out if you can afford to take out a loan.

https://www.bpipersonalloans.com/loancalculator

https://www.bpicards.com/Calculators/

https://cal.bpiautoloans.com/loan-calculator/bpi

Interactivity Portion!
Each link will bring you to the online resource.

CHAPTER WRAP-UP!

In the end, credit is just one of the tools we can use to achieve financial freedom. But like any tool, we have to know how to use it well. If we are unwise with how we handle our credit, we can end up in a worse financial situation than we started in.

Every time you consider taking out a loan or *utang*, always remember to ask these questions:

If your answer is “yes” to all these questions, congratulations, you’re ready to take out a loan!

CHAPTER 5

All About Investing

CASE STUDY: CORPORAL STAR GETS SCAMMED

Corporal Star has always been interested in investing. She likes the idea of growing her money instantly. As a police officer with a busy schedule, she wanted to find an easy way to earn extra money to support herself and her loved ones without taking too much of her time.

One day, while browsing through social media, Corporal Star found an intriguing investment advertisement that promised a sure way to immediately double her money. Tempted by the bold promise, she invested her extra savings right away. However, just a few weeks later, she noticed that her investment was not earning, and that her balance with the company was almost negative. She tried contacting the company representative she had spoken to, but to no avail. It was then that she realized that it was all an investment scam.

To avoid the same fate, Corporal Star advises everyone to be vigilant and to research meticulously before investing.

Now that you've learned how to grow your savings, how to secure yourself and your family against emergencies, and how to borrow wisely, **it's now time to learn how to make your money work for you!**

When people think about investment, they usually think about rich investors who are experts in the ins and outs of a stock exchange floor. But you don't have to be a rich investor to find financial success through investing.

In fact, investment products nowadays are designed with the average Filipino in mind. Many banks and businesses offer easy and affordable investment products that allow you to begin investing. There are even legitimate mobile applications that allow you to invest through your cell phone. The possibilities with investing are almost endless. All you need is a little know-how to begin your journey.

WHAT IS AN INVESTMENT?

When people think of investment, they usually think of the stock exchange. But the stock exchange is only a small part of the wider topic of investment. **Simply put, an investment is an asset or item acquired with the goal of generating income or appreciation.**

In other words, when you invest, you perform an action (usually paying money or capital) in the hopes of raising revenue in the future.

WHAT IS THE DIFFERENCE BETWEEN SAVING VS. INSURANCE VS. INVESTMENT?

In a previous chapter, we discussed savings which is the portion of your income you choose to set aside for many reasons, including emergencies or large expenses. Savings are usually (but not always) placed in a savings account and may be withdrawn at any time. **Savings are, essentially, money you already have that you are keeping for a rainy day.**

We've also discussed insurance. An insurance carries with it certain benefits that an investment does not. Insurance policies are usually exempt from estate taxes, specific to medical coverage, and contain a clear procedure for inheritance in case of unforeseen circumstances. This is because **insurance policies are meant to be a means to secure yourself or your family against emergencies or unforeseeable calamities.**

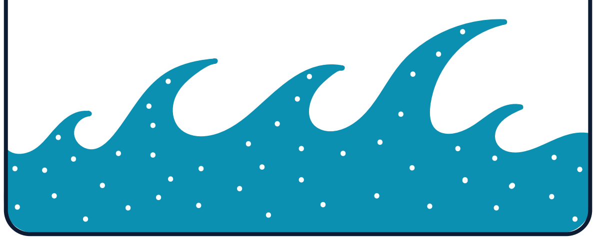
On the other hand, investments are more of a means to grow your money. Investments are, at heart, profit-making activities where you, the investor, part with your money in the hope that it will multiply. Think of it like entering into a business. You enter into a business in order to make your initial investment (or capital) earn you more money (profits). The same goes for investments. The initial money you put into the investment product is your capital. Any money you earn from it are your profits.

WHAT ARE THE KINDS OF INVESTMENTS?

In general, there are two main types of investments: **fixed income and variable income**. Fixed income grows at a steady, predictable rate over time. Variable income can gain and lose you money over time.

Fixed income investments are investments where the money you receive will not change from one period to the next. Your money grows at a steady rate over time. These are more safe and predictable investments. However, they usually earn you less money than variable income investments.

Variable income investments are investments where the growth of your capital can change from one period to the next. These are usually riskier investments. However, they have the potential to earn you more money than fixed income investments.



There is no “better investment” between fixed or variable income. Which to invest in all depends on your goals and risk profile.

Given these definitions, which kind of investment would you prefer? Why?

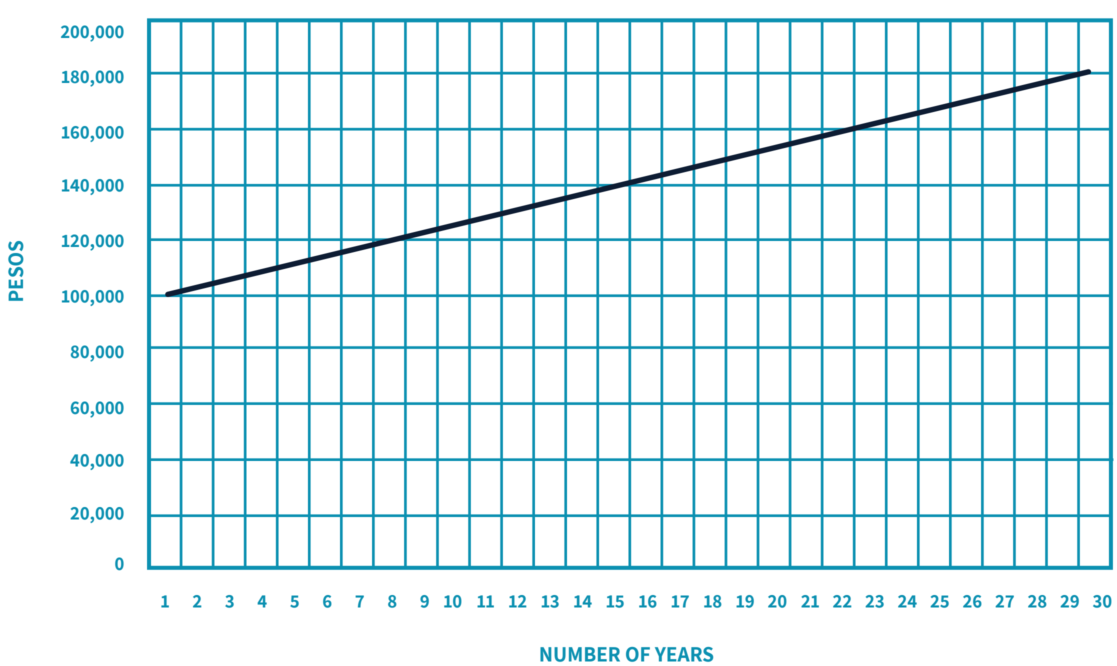
Ask a friend or the person seated beside you which type of investment they prefer and why. Do you have the same answer or a different answer?

Chances are, your answer will be unique to you. Between fixed income and variable income investments, there is no “better” investment. Which investment to take depends on your risk appetite or profile. Some people would rather take the risk of a variable income if it means getting a higher payout at the end of the day. They are known as aggressive investors. Others prefer the safety of a fixed income investment even if it means getting a lower payout compared to a variable income investment. These are conservative investors. **Again, it all depends on what you prefer.**

Let’s use an example. The simplest kind of fixed income investment is the time deposit. The graph below will show you that in this kind of investment, the money you initially put in might not even have doubled after 30 years!

Fixed Income - Time Deposit

Time Deposit, 2% per year

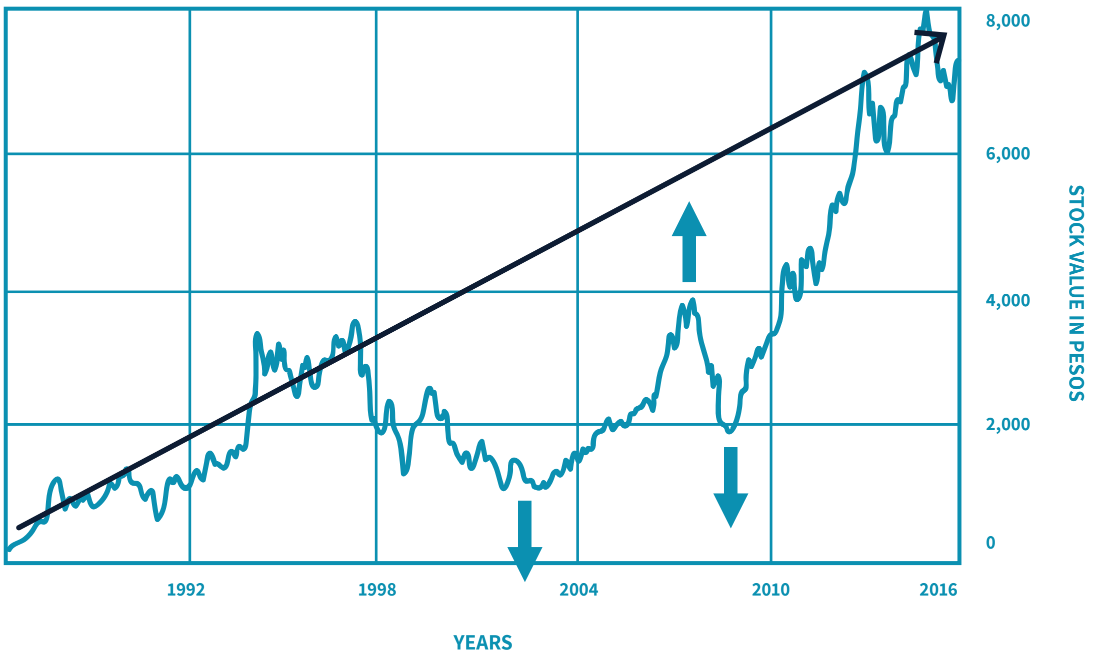


After 30 years, your money doesn’t even double. However, you won’t experience any losses either.

On the other hand, the graph below shows the growth of your investment if you put it in a variable income investment like stocks. If you started investing in 2006 in a pool of stocks that include stocks from PLDT, Globe, and Ayala Land for example, your investment would have more than tripled in those 30 years. However, that growth isn't consistent. There will be times when the value of your stocks will dip below the value of the amount you originally invested. In this example, your stocks lost value in 2008–2009.

Variable Income - Stocks

PHILIPPINE STOCK MARKET (PSEI)



Investing in stocks is a waiting game. You may experience gains and losses over time but if you invest long enough, your money still increases.

That is the nature of risk in investment—while there can be an opportunity to gain more, a chance also exists that you can lose more. There are many factors that affect a stock's value. Change of company ownership, public opinion of the company, government regulation, and the overall trade market are just some of the factors that can affect whether or not a stock does well in the market. Again, it's all risk. And it's entirely up to you whether that risk is worth it or not.

WHAT ARE THE OTHER FACTORS THAT AFFECT INVESTMENT?

INFLATION

Inflation is another common reason for investments to fluctuate in value. Inflation is the rate at which the general level of prices for goods and services is rising and, consequently, the purchasing power of currency is falling. In other words, it is a general increase in prices combined with a fall in the purchasing value of your money.

Central banks, such as our Bangko Sentral, attempt to limit inflation—and avoid deflation—in order to keep the economy running smoothly. However, inflation is a natural consequence of our financial systems and will inevitably happen from time to time.

Without us knowing it, regular inflation is slowly decreasing the value of our savings and our money. This means that today, the value of our money, and its purchasing power, is no longer the same as it was five to ten years ago. Without doing anything, we are slowly losing money.

But don't panic! This is why it is important for us to start investing. Investments can help make sure that our money grows and possibly earn more than the inflation rate. This is also among the reasons why we, as wise investors, need to prudently invest and put our extra savings into different investment instruments.

INVESTMENT HORIZON

The following table shows us the investment story of three college friends: Anna, Benjie, and Charlie. Anna began investing at 20 years old, right out of college. Benjie started investing at 30, right when his career was really beginning to take off. Charlie started investing at 40, right when his children entered college. All three friends are of the same age and invested in the same investment plan. The only difference is when they invested.

	ANNA	BENJIE	CHARLIE
Principal Protected Investments per month	Php 5,000.00	Php 5,000.00	Php 5,000.00
Return on Investment	2%	2%	2%
Current Age	20 y/o	30 y/o	40 y/o
Retirement Age	60 y/o	60 y/o	60 y/o
Time Horizon	40 years	30 years	20 years
Investment Earnings	Php 3,624,119.00	Php 2,434,085.00	Php 1,457,842.00
Risk Profile	**Aggressive**	**Moderate**	**Conservative**

This table shows us the earning potential of 3 different persons—aged 20, 30 and 40—who invest the same amount of money in a financial product bearing a steady interest rate of 2% (perhaps a time deposit account), and who leave the money untouched until they turn 60 years old.

As you can see, Anna, who invested the earliest, earned the most among the three friends. Benjie, earned less than Anna but still earned more than Charlie, who invested the latest. Charlie, though he invested late, still got a good return for his investment, though not as much as his other friends.

This just shows that **the earlier you invest, the more interest your investment will earn over time and the higher your investment will be.** The longer your time horizon to invest—40 years for the 20-year-old, 30 years for the 30-year-old and 20 years for the 40-year-old—the more you can earn through the sheer power of compounding interest.

RISK APPETITE AND INVESTMENT PERSONALITY

When you invest is entirely up to you. Go back to the previous table and take note of the last row. Each person is given a different risk profile: aggressive, moderate, or conservative.

Knowing your risk profile is an important consideration before you can begin investing. Factors affecting your risk appetite can include: your age, steady income sources, number of dependents, desired lifestyle, knowledge on investment products, financial literacy, etc. If you are young and only earning to support yourself, you might have a more aggressive profile. If you are earning to support others, you might have a more conservative profile.

What factors will affect your profile and the way you invest? Do you have children? Does your job pay regularly? Are you comfortable with the idea of losing a little money? What are your goals in investing?

It is important for us to know our risk appetite so that we know what type of investment we can put our money in. Nowadays, knowing your risk profile is simply a matter of answering questions on an online test.

For now, let's do a short activity to give you an idea of what type of investment fits your personality.

Excercise 5.1: Risk Appetite (Risk vs. Return)

Choose between the following and click on what you want out of an investment.

LOW RISK LOW INCOME	LOW RISK HIGH INCOME
HIGH RISK LOW INCOME	HIGH RISK HIGH INCOME

Interactivity Portion!
Buttons will reveal your answer on the next page!

RISK APPETITE AND INVESTMENT PERSONALITY

Excercise 5.1: Risk Appetite (Risk vs. Return)

LOW RISK
LOW INCOME
FIXED INCOME INVESTMENTS

LOW RISK
HIGH INCOME
BEWARE! STUDY VERY CAFEFULLY

HIGH RISK
LOW INCOME
WHY INVEST IN THESE?

HIGH RISK
HIGH INCOME
VARIABLE INCOME INVESTMENTS

Which did you pick? It is natural for us to aim for a high income with no risk. But beware! There is no such thing as a risk-free investment. People who claim their investment carries no risk are most likely scamming you.

To know what type of investment personality you have, choose which statement you agree with the most:

I want peace of mind, I prioritize safety, I am fine with low returns

You are the CONSERVATIVE TYPE.

You may consider investing in money market funds.

I want a higher income but I decide slowly but surely

You are the MODERATELY CONSERVATIVE TYPE.

You may consider investing in bond funds.

I am fine with a little volatility, I am not afraid of loss in the short term

You are the MODERATELY AGGRESSIVE TYPE.

You may consider investing in balanced funds.

I see volatility and market decline as opportunities

You are the AGGRESSIVE TYPE.

You may consider investing in equity funds.

HOW TO START INVESTING?

STEP 1

Make sure you have enough savings!

STEP 2

Know your investment personality.

STEP 3

Research legitimate investment products.

STEP 4

Go to your trusted bank or investment company to inquire.

STEP 5

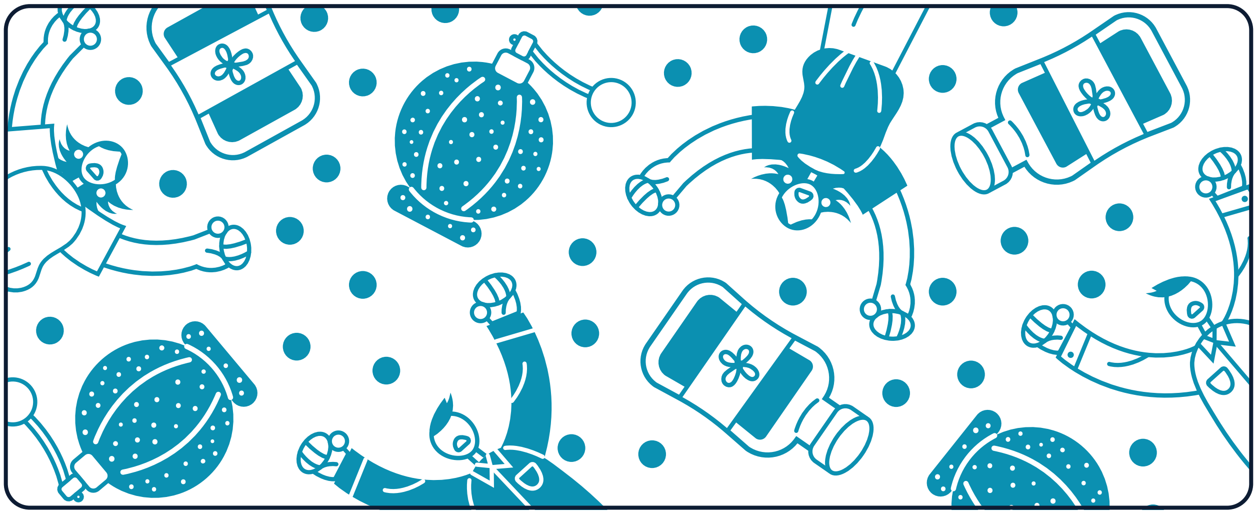
Open an account and pay the required minimum maintaining balance.

STEP 6

Closely coordinate with your investment counselor or fund manager for updates on your investment.

IDENTIFYING AND AVOIDING FINANCIAL FRAUD AND SCAMS

There are many kinds of investment frauds and scams. The two most common are **the Ponzi scheme and the pyramid scheme.**



Ponzi and pyramid schemes use money you pay as a new investor to pay earlier investors their "returns." Models like this only benefit initial investors (who may also be involved in the scam) and will always collapse, leaving you without any profit on your initial investment.

A Ponzi scheme is a scam that relies on the investments made by new investors to pay earlier investors, making these payments look like returns or profits from product sales. Ponzi scammers promise high rates of return with very little risk. Don't be fooled! Those returns only come from payments made by newer investors like you. **This means that you will only see a sizable return for your investment if the scheme is able to recruit more people after you.** This is a very unstable system and is likely to collapse before you ever see the earnings promised to you.

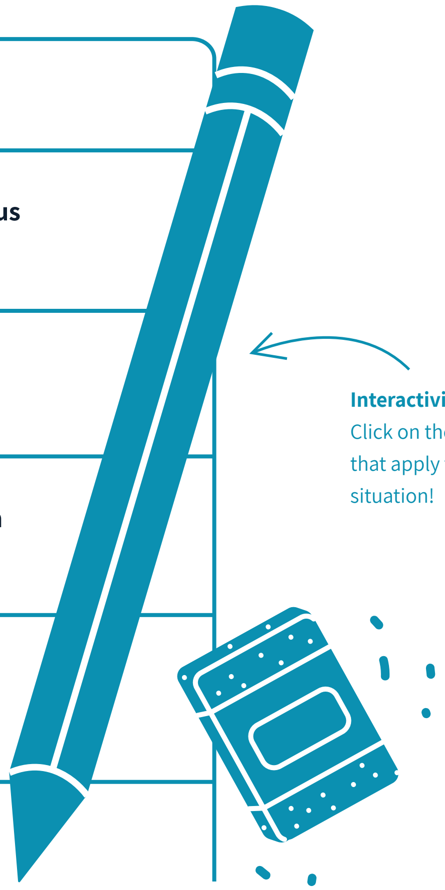
Similar to the Ponzi scheme, **a pyramid scheme** relies on payments made by newer "recruits" to pay older investors. This fact is usually hidden behind a "product" that members must sell.

But beware: **This product is usually worthless or difficult to sell**.

In a pyramid scheme, your returns depend largely on how many people you are able to recruit into the scheme and how many people your recruits are, in turn, able to recruit. Like the Ponzi scheme, this business is very unstable and is likely to fail before you ever see returns on your investment.

To avoid Ponzi or pyramid schemes, consider the following questions before investing:

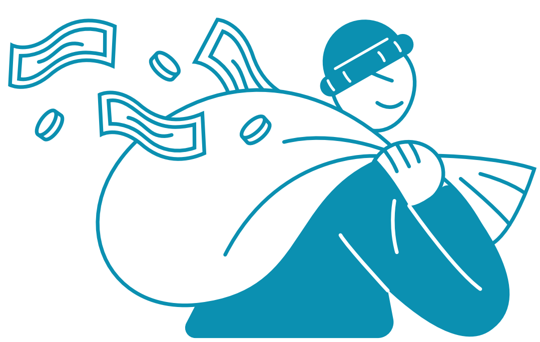
- [ ] **Does the business you are investing in focus on recruitments or cash investments?**
- [ ] **Does it market products with little or no real value?**
- [ ] **Does it promise high interest or returns on investment within a short period of time?**
- [ ] **Are members compensated based on new recruits and downlines?**



Interactivity Portion!
Click on the checkboxes that apply to your situation!

If the answer to any of these questions is YES, you might be entering a pyramid scheme.

Remember that no legitimate businesses or investments have new recruits/investors as their main source of funds. If you find yourself in a situation where you are being made to invest in such a business, don't pursue it. You are most likely getting scammed.



Here are some tips to avoid financial scams and frauds:

#1: Consider how the business you are investing into makes money.

Does the business focus on recruitments or cash investments? Does it market products with little or no real value? If so, the investment is probably a scam. A business that focuses on recruitment fees, cash investments, or a useless product is more likely to rely on your initial investment to keep their company going. Companies like this never last long and are bound to collapse, taking your hard-earned money with them.

#2: Examine the promise they are making.

Do they promise high returns within a short period of time? If they are, this is also most likely a scam. Remember that if something seems too good to be true, it probably is. Scammers use flashy and tempting promises in order to lure people who don't know any better. Do not be fooled. Verify the company's registration in Securities and Exchange Commission (SEC) and ask for its investment license.

#3: Do a quick Google search.

Searching the company's name with the word "scam"may help you determine if the company is known for scamming their investors. Remember the saying "if there's smoke, there's fire." If you find a lot of search results saying that the company you are about to invest in are scammers, it may be best to take your money elsewhere. Report suspicious investment companies to SEC.

Because of ease and convenience, a lot of bank transactions nowadays happen online. But the online space comes with its own unique set of dangers—dangers that you must be familiar with in order to protect your hard-earned money. Common forms of online scamming involve scammers pretending to be your bank in order to obtain private information from you (like your password or answers to your security tests). This can be done over the phone or through email. It is important that you familiarize yourself with your bank's security protocols and learn how to spot scammers posing as your bank.

CHAPTER WRAP-UP!

When investing or thinking about investing, always remember three things: ask, be curious, and be wise.

ASK!
Investing can be exciting. This is where you can actually make your money work for you and reap large benefits later. However, be sure to only invest in products and with businesses you fully understand. Do your research. Ask any and all questions you can think of, even if you feel dumb asking them. Remember that you are possibly risking your hard-earned cash. Legitimate investment businesses understand that people have to be cautious about their money and will gladly answer your questions.

BE CURIOUS!
It will also be wise to do your own investigation. Check out (legitimate!) internet sources on the type of investment you are interested in. Ask a friend or family member you trust who is knowledgeable about the topic. Familiarize yourself with investment terms and lingo so that you won't be overwhelmed or confused once you're deep into considering where and with whom to invest. Ask banks and reputable investment companies for brochures on their investment products.

BE WISE!
Lastly, invest only the money you are prepared to lose. At the end of the day, there is no guarantee that you will see the returns on your investment. That is the reality that all investors deal with. Don't let the promise of large earnings distract you from this fact. If this is money you will need in the foreseeable future, put it in a savings account. Also, be cautious of scammers who want to take your hard-earned money.

Let's start unboxing our financial wellness journey now!

You've successfully completed the financial wellness workshop. **Congratulations!** You now have all of the tools you need to build a better financial future for yourself and your loved ones.

If you'd like, you can go back to the **Pre-assessment questionnaire** you filled up before the beginning of this workshop and review your answers. Are they still true? Are you still worried about the same things?

Now would also be a good time to reflect on the new things that you've learned and what you are most excited to start applying to your life. Is it the new formula for saving? Perhaps you're thinking about getting a pre-need insurance plan? Maybe you're strategizing how you can finally get yourself out of your debt trap or are now realizing how many investment scams you come across online.

Whatever has changed, you've grown a lot while learning about your own financial wellness. We hope you continue applying the lessons you've learned in this workshop. The future is yours! Take it and use your new learnings for yourself and for the people you love. Today is the best time to prepare for tomorrow. **By developing these financial management skills and instilling a mindset for financial responsibility, we can all contribute to a better Philippines.**

Interactivity Portion!
Clickable and returns you to the Pre-assessment questionaire.

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