BPI Foundation

DepED
DEPARTMENT OF EDUCATION

Personal Financial Management

TRAINER'S GUIDE

TABLE OF CONTENTS

NATIONAL TRAINING OF TRAINERS ON PERSONAL FINANCIAL MANAGEMENT

In partnership with Bangko Sentral ng Pilipinas and BPI Foundation

EXECUTIVE SUMMARY

Opening Session

This session will provide trainers with the venue to present the background and objectives of the Training of Trainers (TOT), the overview of the TOT methodology whether in a classroom or online setting (webinar), and the flow of the sessions.

Expectation Setting

Classroom or Online: Embedded in the Opening Session is the Expectation Setting. The facilitators will ask each participant to introduce themselves with an adjective that begins with the first letter of their name (ex. Awesome Anna, Brave Bob). Each participant will then briefly share at least one "expectation" from the training.

For classroom setting: Facilitators will list these expectations on a board or flipchart for reference during the closing session.

For online setting: Facilitators may create a poll question that can be answered live by participants. Depending on the technology platform used, results can be generated immediately and shared with participants onscreen in real time.

Pre-Test and Post-Test

A pre-test questionnaire will be administered whether in a classroom or online setting to check the baseline level of knowledge of TOT participants using a printed questionnaire or an online form (e.g. google form, or poll question embedded or linked in the technology platform). The questionnaire will contain questions based on key lessons from the TOT module. After the TOT, a post-test shall be administered with the same questionnaire as the pre-test. This is to determine and compare the baseline level of understanding of the participants versus their knowledge gained after the modules are presented.

Adult Learning Principles and Presentation Skills or Tips

This module aims to share basic principles of adult learning, and the facilitation tips, qualities, and skills necessary for trainers to acquire and use when facilitating activities with adults and young people. By the end of this module, participants should be able to:

- Understand the basic adult learning principles;
- Determine the tensions in facilitation; and
- Know the practical techniques and tips on facilitation and effective presentation.

Activity for classroom setting: "Express Yourself". This game aims to bring out each trainer's communication skills, resource management skills, creativity, and quick thinking, which can enable them to teach and facilitate learning effectively.

Activity for online setting: Facilitators may use alternative activities fit for online setting to emphasize

Module 1 – Financial Planning

This module is a comprehensive evaluation of an individual's (or household's) current and future financial state to predict and manage future cash flows, expenditures, and asset values. It provides participants with practical tips and tools on proper financial planning and the importance of having a financial plan. Activities include video presentations, cash flow exercises and sharing sessions.

Video: "Sunog ang Bulsa" This is a short-animated video emphasizing the importance of being financially-literate. It was developed by the Bangko Sentral ng Pilipinas (BSP) as part of its regular posts for PisoLit, the BSP-managed financial education page on Facebook, Instagram and Twitter.

Activity (Various Interrelated Steps):

Visioning. This is a 3 to 5-minute exercise where the participants will be asked to close their eyes and think about their savings goal in the next 2 to 3 years (short term) and/or 10 years (long term). They will then draw their visions on a sheet of blank bond paper.

Activity for online setting: Participants then draw their visions, with estimated corresponding amounts or monetary values, on a sheet of paper and project them on the screen.

Activity for classroom setting: Dream Board. The sheet of bond paper in the above item will be pinned/taped on a board containing the participant's name and estimated amount of savings goal.

Financial Planning Worksheets/Financial Planning Calculator. Participants will complete and fill-out the BSP designed Financial Planning Worksheet using a printed form (for classroom setting) or by manipulating the Excel-based Worksheet (for online setting) whichever is applicable.

Sharing. At most, two volunteers will be requested to share their financial plans to the group, including their savings goals and action plans to reach their savings goals.

Module 2 - Saving and Budgeting

This module discusses life cycle events, tips for successful saving, time value of money, importance of saving in a regulated and formal financial institution, and different bank products and other saving options. It also covers budgeting as a crucial component of financial planning and provides practical budgeting techniques and tips. Activities in this session include video presentations and needs versus wants exercises.

Video (Option 1): "Save by the Bell: Ang Kwento ni Mila (Part 1)". This video was produced primarily for the use of the Department of Education (DepEd), through a partnership with the BSP and BDO Foundation. It narrates the story of a teacher named Mila who showed her co-teacher and would-be husband the importance and techniques of saving. They fell in love and got married in the process. This video is appropriate for fresh graduates, professionals, or employed audiences.

Video (Option 2): "Ipon-Ipon Din Pag May Time". This is an animation video, developed under a grant from the Alliance for Financial Inclusion for the Consumer Protection and Education Committee of the Financial Sector Forum consist of the BSP, Insurance Commission (IC), Philippine Deposit Insurance Corporation (PDIC) and Securities and Exchange Commission (SEC). It relates the story of a teenage girl named Jenny as she shares with her friends the value of saving and teaching them by example. This can be used when the target audience is young and/ or are students.

Activity: "Needs Versus Wants". This is a game that allows participants to identify whether a particular item is a need or a want, depending on circumstances. This activity may be conducted in online setting using poll questions, or the chatbox function of the technology platform.

Module 3 – Borrowing or Debt Management

This module talks about responsible borrowing and debt management. It provides discussions on the duties of a creditor in accordance with the Truth in Lending Act and the rights as a borrower provided under applicable laws and BSP regulations. Activities include video presentations and good debt versus bad debt exercises.

Video: "Mangutang ay Di Biro". This video was developed primarily for DepEd under the partnership with BSP and BDO Foundation. It is a catchy jingle about debt management.

Activity: "Good Debt Versus Bad Debt". This exercise assesses participants' perceptions of whether a certain type of debt (or purpose of a debt) is a good or bad one, and explains why. This activity can be conducted in online setting using poll questions, or the chatbox function of the technology platform.

Video: "The Power of Compounding Interest". This video was developed by students of the Polytechnic University of the Philippines as their winning entry in the video making contest during the BSP Financial Education Congress for the Youth in 2015. It relates how compounding interest can be advantageous for savers and investors and disadvantageous for borrowers especially for those who are unable to wisely manage debt.

Module 4 - Investing

This module teaches the basics of investing, inflation, typical financial instruments available for investment, principles of risk return trade-off and risk appetite. It provides basic information on available investment products suited for varied risk appetites of individual investors. The topic also covers basic tips in investing money, and dos and don'ts in investments. It also provides an overview of insurance products.

Activity for classroom setting: "Careless Whisper". This activity demonstrates the reality of how messages get distorted or changed when passed through different channels. When related to investing and financial transactions, it establishes the importance of getting critical information directly from credible and reliable sources. It also emphasizes that, when investing, it is ok to be annoyingly inquisitive and repetitive, to fully understand what the investment is about, how it works, and how it earns.

Activity for online setting: Poll questions about investing may be utilized so that participants can still actively participate using functionalities of the technology platform.

Module 5 - Fraud and Scam Prevention

This module enlightens participants on how to identify and avoid typical fraud and scams. It enumerates the different kinds of fraudulent financial transactions and common modes of scams. It also outlines tips on how to guard against fraudulent schemes and what to do once you become a victim of these scams. Activities in this session include video presentations identifying common financial fraud and scams.

Video: "Scamatayan". This video was also produced primarily for use of the DepEd, through partnership with the BSP and BDO Foundation. It provides a scary, yet informative take on the common scams perpetrated by scammers, and emphasizes the importance of being vigilant against these scams.

Videos: "Chicken" and "Dark Man". These videos were developed by the SEC to increase public awareness on Ponzi schemes and other investment scams.

Module 6 - Financial Consumer Protection

This module is a brief discussion on the roles and responsibilities of financial consumers, the BSP Financial Consumer Protection Framework, and Consumer Assistance Mechanism, with emphasis that the first point of contact for a financial consumer when there are concerns about his/her account/transactions are their own financial institutions.

Video: "Ang Kwento ni Mila (Part 2). This video was also produced primarily for use of the DepEd, through partnership with the BSP and BDO Foundation. It is a follow-up to the story of Teacher Mila, now married and pregnant, and her husband Gino, as they prepare for the future of their child. It is a heartwarming story that incorporates all key messages discussed in all previous modules.

Group Work (Demo Presentations) and Workshop (Frequently Asked Questions)

These sessions provide venue for participants to apply and practice what they learned from the run through of the above modules.

For the Group Work and Demo Presentations, participants will be divided into groups, assigned specific topics to focus on, and given opportunity to deliver the topics or modules themselves, with the flexibility to innovate and/or re-design the delivery of the modules or sessions depending on specific target audiences, but still adhering to the key messages of the financial learning modules or sessions. Part of the Demo Presentations will be a facilitated critiquing exercise.

The Workshop on FAQs provides participants the opportunity to think about the potential questions that their future audiences may ask, based on how they "experienced" the modules first-hand. Participants will also think of ways to answer these questions, still using the main messages they learned from the modules. The FAQs (with answers) will be shared in a facilitated Plenary Discussion.

For online setting: The mechanics of the Group Work may be presented to participants in a virtual plenary session. Groups may then go into virtual breakout rooms to design their demo sessions. Another virtual plenary session can be convened for the Group Demo presentations. Pre-recorded demo presentations may also be allowed in an online setting.

Closing Session

For classroom setting:

The closing ceremonies will be the venue for revisiting TOT expectations to check if they were met, completing the Feedback Form, a ceremonial Oath of Commitment and awarding of Certificates of Participation for TOT participants, and other closing activities.

For online setting:

The closing ceremonies will be the venue for revisiting TOT expectations to check if they were met (e.g. through another poll question), completing the Feedback Form online, and a simple ceremonial Oath of Commitment online wherein all participants simultaneously recite the oath and awarding of Certificates of Participation for TOT participants, and other closing remarks by the resource speaker and organizing team.

SESSION GUIDE

SESSION TITLE: Personal Financial Management Seminar

PARTICIPANTS' PROFILE: DepEd Teaching and Non-Teaching Personnel

I. OBJECTIVES:

1. To support teachers and all DepEd personnel in their journey toward financial freedom. DepEd personnel are in a strategic position to shape and influence prudent financial values and behavior of every learner, their peers, and their communities. As educators, it is important that DepEd personnel are role models of financial well-being.
2. To support DepEd in its pursuit of holistic development of teaching and non-teaching personnel, not just in professional aspects but also in financial wellness so they can continue to uphold the dignity of the teaching profession.

II. **EXPECTED OUTPUT:** Monthly budget plan

III. KEY UNDERSTANDING

1. Financial Literacy definition and Key Concepts/Core Messages
2. Financial Realities of Life and Situations on the Current Financial Practices of the Filipinos
3. Financial Planning and its Importance
4. Cash Flow Management
5. Guide to Financial Freedom

IV. REFERENCES

Reproduce and Distribute the attached references:

- Financial Planning 101
- Basic Bank Savings Products
- Online Banking Account Protection
- Watch Out for Fraud and Scams

V. MATERIALS NEEDED (DURING THE ACTUAL SESSION)

For classroom setting:
1. Notebook fillers or the PFM Journal
2. Monthly Budget planner
3. 2-5 sheets of blank bond paper
4. References
5. Evaluation Sheets

For online setting:
1. Laptop/Desktop computer with camera
2. Headphones with mics
3. Internet connection
4. Notebook for taking notes

VI. GUIDELINES FOR PRESENTERS

Generic Guidelines:

- Two-option rule: When asking the audience questions to be answered in chorus, always give them just 2 choices.
- Monkey-see rule:
  - For questions answerable by Yes or No only: While saying the question, (a) keep nodding your head if you need the audience to answer Yes, or (b) shake your head if you need the audience to answer No.
  - When asking a raise-your-hand-if or who-here-x question, raise your hand while saying the question.
- Three-point rule: Stick to 3 main points/themes/items if you need to list, explain, or summarize anything
- Turn facts to questions – Instead of reading aloud points on the slide, ask them outright, "Would you do this/is this useful, yes or no?" instead of saying "Here's what you need to do/remember"
- Present definitions/list of effects as a possible reality – Look at everything that's listed. Is this what you want/what you want to be?
- Memorize the outline of the presentation in your head. Know what comes next so you can budget your time accordingly.
- When appropriate, end slides by giving a teaser on or transition to the content of the next slide.
- Get a timekeeper. For 2-3 hour speaking engagements, allot only 15-20 minutes per module.
- Have a gimmick for every module (either at the start or at the end) and use this to transition to the next.
- Keep your presentation interesting and engaging by switching between 2 kinds of audience participation techniques:

    - Crowd Reaction Q (asking a question/doing something – like asking the audience to raise their hand – to be answered/done in chorus)
    - Individual Q (asking a question that answerable by individuals, for prizes)
        - ❖ Keep them engaged with Crowd Reaction Qs and use Individual Qs sparingly – because convincing them to share and/or managing over sharers takes up time, and you run the risk of losing focus/control of the discussion flow.
- Do not completely read aloud what's on the slide – if you must, read only key words.
- Have 1 key personal experience and 2-3 sample experiences (from others, from TV, from something you read, etc.) per module.

Special Guidelines for Online Sessions:

- Find a quiet, private, and well-lit place where you will not be interrupted by other people, pets, or noises. Position the camera so that you are looking up slightly and centered on the screen. Make sure you have a neutral background.
- Ensure that your internet connection is stable and that your computer's audio is working.
- Ensure that you and your participants are familiar with the functionalities of the technology platform being used for the online session.
- Engage participants through interactive functionalities like poll questions or typing answers on the chatbox.
- Close any unnecessary web browser tabs and applications that could interrupt the conversation or would affect the speed of internet connection.
- Place your phone on silent mode.
- Dress professionally, avoid bright colors and patterns. Blues and grays would be good. If you wear glasses, adjust the lighting in the room to reduce glare from the lenses.
- Maintain eye contact. When answering a question, look directly at the camera and avoid looking directly at the screen. When listening, you can look back at the screen.
- Maintain good posture. Sit in your chair with your back straight and your shoulders open. Feet can be planted on the floor and arms can rest in your lap or on the desk.
- Use hand gestures when appropriate. Show good energy level and sense of confidence. Look relaxed. Avoid fidgeting or letting your gaze drift away from the device. When listening, nod and smile to show you are engaged.

ACTIVITY DESIGN

HALF-DAY VERSION

TIME	ACTIVITY	REMARKS
08:00 AM - 08:30AM	REGISTRATION	Show video loop (BSP Video, BPI Foundation Video, BDO Foundation FinEd videos) **NOTE:** at around 8:20am, the emcee may start the announcements (slide #2)
08:30 AM - 08:40 AM	PRELIMINARIES	[1]Philippine National Anthem. [2]Prayer. [3]Welcome Remarks
08:40 AM - 08:50 AM	COURSE INTRODUCTION	
08:50 AM - 09:20 AM	MODULE 1 – Financial Planning	
09:30 AM - 10:00 AM	MODULE 2A – Saving	
10:00 AM - 10:30 AM	MODULE 2B – Budgeting	
10:30 AM - 10:50 AM	MODULE 3 – Borrowing	
10:50 AM - 11:35 AM	MODULE 4 – Investing	
11:35 AM - 11:45 AM	MODIULE 5 – Fraud and Scams	
11:45 AM - 12:00 NN	MODULE 6 – Financial Consumer Protection	

WHOLE-DAY VERSION

TIME	ACTIVITY	REMARKS
8:00AM TO 8:30AM	REGISTRATION	Show video loop (BSP Video, BPI Foundation Video, BDO Foundation FinEd videos) **NOTE:** at around 8:20am, the emcee may start the announcements (slide #2)
8:30AM TO 8:40AM	PRELIMINARIES	[1]Philippine National Anthem. [2]Prayer. [3]Welcome Remarks
8:40AM TO 9:00AM	COURSE INTRODUCTION	
9:00AM TO 9:30AM	MODULE 1 - Financial Planning	
9:30AM TO 10:30AM	MODULE 2A AND 2B – Saving and Budgeting	
10:30 TO 11:00AM	MODULE 3 - Borrowing	
11:00AM TO 12NN	Q&A Segment	
12NN TO 1:00PM	LUNCH BREAK	
1:00PM TO 2:00PM	MODULE 4 – Investing	
2:00PM TO 3:30PM	MODULE 5 AND 6 - Fraud and Scams, & Financial Consumer Protection	
3:30PM TO 4:30PM	Q&A Segment	
4:30PM TO 5:00PM	EXTRO CLOSING	

BPI Foundation DepED DEPARTMENT OF EDUCATION BANGKO SENTRAL NG PILIPINAS

Personal Financial Management Webinar

Course Introduction

Total Running Time: 10 Minutes

PowerPoint Slide	Speaker Guides
	Title Slide
	Lupang Hinirang

	Opening Prayer
	Welcome Remarks

	**KEY MESSAGE** ● Participants must be able to understand that financial freedom is a process **SUGGESTED SCRIPT** Who wants to get rich quickly? Raise your hands. *Transition to next slide*
	**KEY MESSAGE** ● Participants must be able to understand that financial freedom is a process ● Success or becoming rich is not obtained overnight **SUGGESTED SCRIPT** If you answered, YES! Then this seminar is NOT for you. This seminar will not give you pointers on how to get rich quickly because I know only 3 steps to be rich (*Trainer may ask the participants to guess the steps of becoming rich quickly)* Number 1, be an heir (pamanahan ka ng magulang or kamag-anak) Number 2, win the lottery Number 3, do something profitable but illegal (e.g., rob a bank) This seminar will teach you the basic concept of managing your finances. We don't expect that after this seminar, all of us will already be debt free or financially well. Financial wellness is a life-long process.

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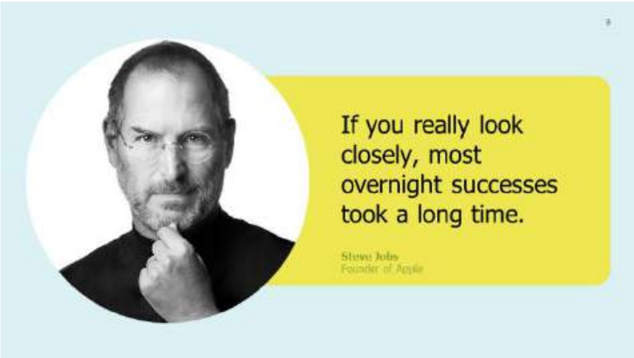
<td>
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<td>SUGGESTED SCRIPT
Take it from Steve Jobs, in his quote “If you really look closely, most overnight success took a long time”</td>
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<td>KEY MESSAGE
Rationale for Financial Literacy Seminar for DepEd personnel
Importance of employee well-being
Employee welfare encompasses the financial well-being of an individual
SUGGESTED SCRIPT
This program is designed and anchored on the 10-point agenda of the DepEd Secretary.

One of the agenda is the expansion of the scope of employee welfare.

To support the call of the Secretary, the Bureau of Human Resource and Organization Development – Employee Welfare Division designed a Wellness and Welfare Framework.</td>
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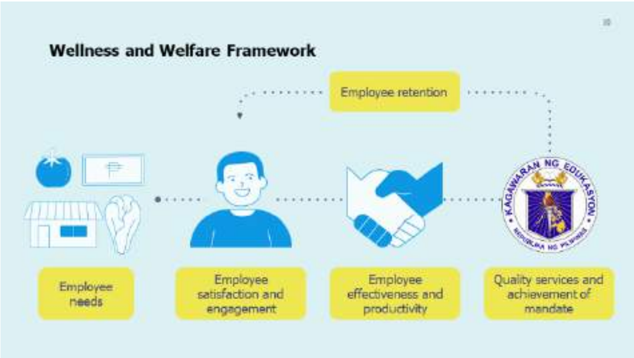
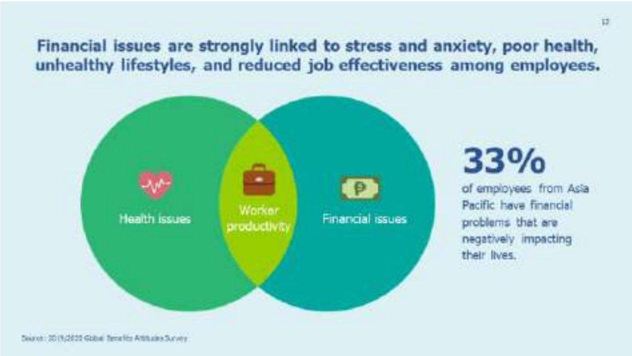
	**KEY MESSAGE** ● Holistic Wellness and Welfare framework, which includes financial well-being **SUGGESTED SCRIPT** The Wellness and Welfare Framework starts by acknowledging and identifying the holistic needs of our employees (continue to the next slide)
	**KEY MESSAGE** ● Domains of well-being ● Each employee has different needs at different levels following Maslow's hierarchy of needs ● The importance of acknowledging and responding to the felt and reasonable needs of employees **SUGGESTED SCRIPT** We grouped them as Physical, Social, Intellectual, Emotional, Spiritual and Financial needs. These needs must be addressed for an employee to be effective in performing his/her assigned functions.



KEY MESSAGE

- Holistic Wellness and Welfare framework

We know that employee productivity is negatively affected when employees experience personal financial troubles. This seminar thus aims to equip participants with basic knowledge and skills to wisely manage their finances.

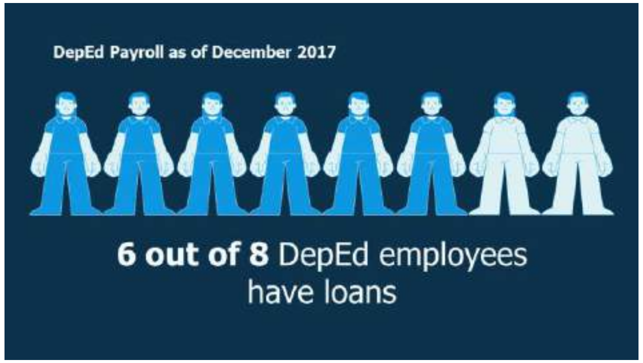
SUGGESTED SCRIPT

Over a third (36%) of employees globally report they are living paycheck to paycheck, using most of their monthly income for expenses with nothing left for savings. This results in financial insecurity which typically has a significant negative impact on other aspects of a person's life: Around 3 in 10 employees all over the world report they have money troubles that are negatively impacting their life. These financial issues are strongly linked to stress and anxiety, poor health, unhealthy lifestyles and reduced job effectiveness.

At the same time, this survey found that employers are becoming more aware and acknowledging how health and financial issues are interconnected and can impact worker productivity.

Workers with financial and health issues have increased absences and instances of presenteeism, (i.e., reporting for work but not fully functioning); lower job engagement; and higher levels of stress, anxiety and depression.

Source:
https://www.willistowerswatson.com/en-PH/Insights/2020/02/global-benefits-attitudes-survey-report



KEY MESSAGE:

- Data on DepEd employees' indebtedness
- Financial freedom and indebtedness are not based on how big your salary is but on how you manage your finances well

SUGGESTED SCRIPT

A study in 2017 on the payroll of DepEd employees shows that out of 800,000 employees, there are 600,000 employees with loans

NOTE:

This slide may be changed to reflect the data of the Region or Division

KEY MESSAGE:

- Data on DepEd employees' indebtedness
- Financial freedom and indebtedness are not based on how big your salary is but on how you manage your finances well

SUGGESTED SCRIPT

Data shows that there are almost 1.6 million types of loans…maybe from the private lending institutions (PLIs) or from government agencies like GSIS and Pag-ibig. If we do the quick math, of the 600,000 employees, each employee has at least 3 types of loans.

There are also more than 3.5 million number of loan deductions. Meaning, if we divide the number of loans, there are about 6 loan deductions per employee. And the worst part is, there are almost 500 thousand undeducted loans.

NOTE:

This slide may be changed to reflect the data of the Region or Division

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<td>KEY MESSAGE

Data on DepEd employees' indebtedness
Financial freedom and indebtedness are not based on how big your salary is but on how you manage your finances well

SUGGESTED SCRIPT
A total of 300 Billion pesos remain as outstanding loans. So how did it happen?

Most of us would say, "kasi maliit ang sweldo", "kailangan namin ng salary increase!"

Our Secretary is bothered by this data and her answer to this is that we don't just need a salary increase, "we need financial literacy".

Data shows that each employee has different salary levels. Example, Teacher 1 receives a salary of ₱20,000 while the Principal receives ₱40,000 but what is the common denominator? Both receive a net income of ₱5,000. Which means, no matter how high our salary is, if we don't know how to manage it well, wala ring mangyayari sa sweldo natin.

NOTE:
"Lifestyle inflation" may be discussed briefly. This refers to the tendency of individuals and families to increase their spending unnecessarily when their income goes up. For such individuals and families, saving for specific goals and getting out of debt will continue to be difficult.</td>
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<td>KEY MESSAGE:

Objectives of the seminar
Participants must understand that this seminar provides only the basic concept and principles of personal financial management (PFM) and that financial freedom is a life-long process
Participants must also have a perspective that the objective of PFM is to empower them to make better financial decisions.

SUGGESTED SCRIPT</td>
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<td>Among the key problems in today’s generation is the low level of financial literacy. One of the reasons why we designed this program is to address this knowledge gap.
Our objectives are:
1. Promote the importance of managing one’s personal finances
2. Build awareness and confidence in managing finances by teaching the basic principles in Financial Planning, Saving, Budgeting, Investments, Financial Fraud and Scam Prevention and Financial Consumer Protection</td>
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<td>KEY MESSAGE:
One of the problems in today’s generation and economy is lack of financial literacy. The data shows that Filipinos have low levels of financial literacy
Only 55% of Filipino adults know the effect of inflation on the purchasing power of households
Only 33% of Filipino adults correctly answered questions on interest rate
33% of Filipino adults have no idea about compounding interest
SUGGESTED SCRIPT:
Financial literacy of Filipinos (especially adults) is low, based on surveys. Based on the 2019 Financial Inclusion Survey conducted by the Bangko Sentral ng Pilipinas, Filipinos still have a poor grasp on how inflation affects their purchasing power, and on the effect of compounding interest rates on savings, loans and investments. If such concepts are not well-understood, Filipinos would be unable to harness the benefits of financial services to their advantage.</td>
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<td>KEY MESSAGE
Financial literacy is knowledge of financial concepts, financial capability is application of that knowledge in financial decision making, financial education is the systematic process or tool you use to acquire both.
Acquiring financial literacy through financial education is important. But the determinant of success in achieving financial health is when an individual practices and applies financial literacy in his/her daily life.
SUGGESTED SCRIPT</td>
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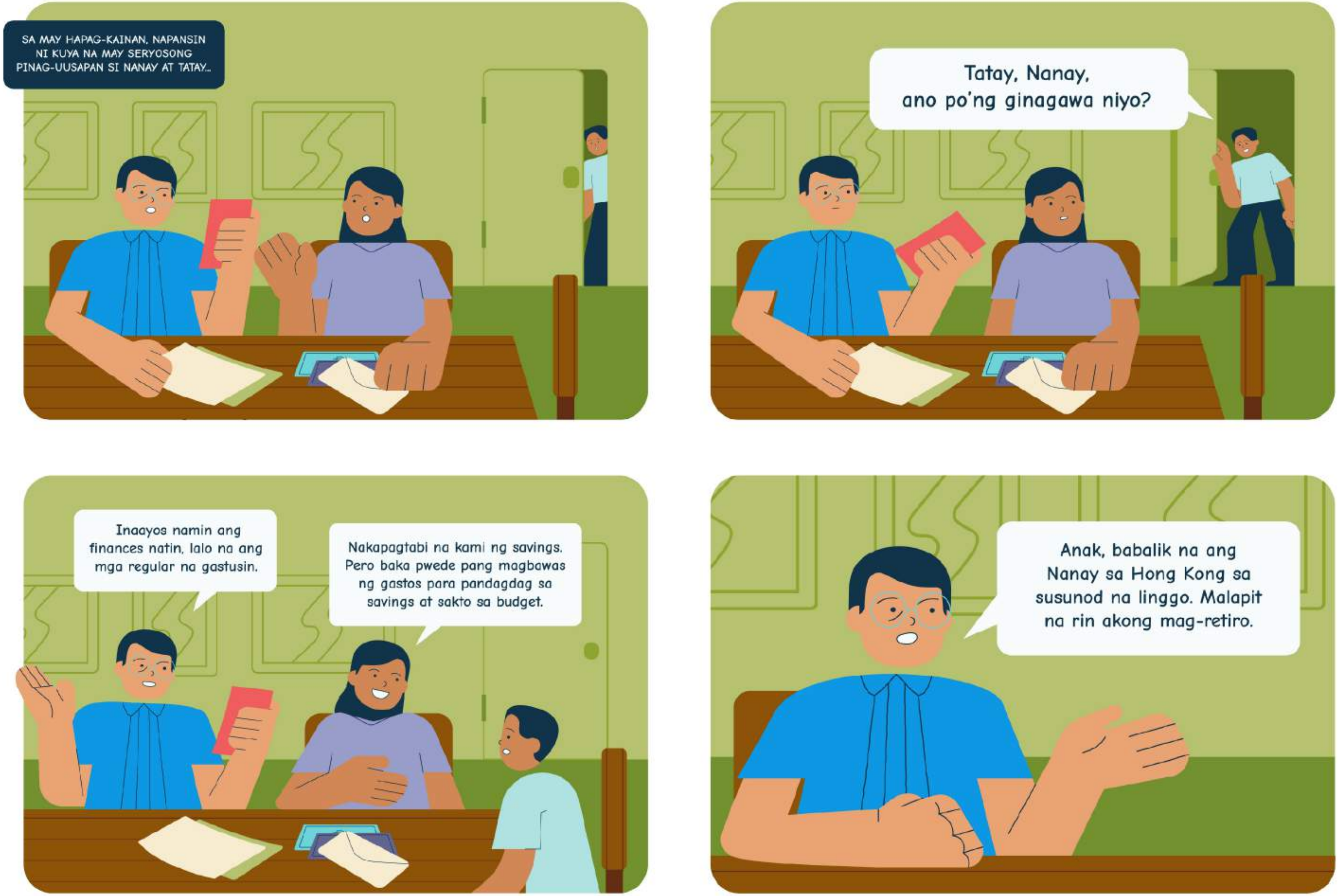
	Financial literacy or fin lit refers to the brain, or our knowledge of financial concepts. After we gain enough knowledge, we can then move on to our hands – financial capability means applying these concepts in our day-to-day money decisions. FinEd is the tool we use to develop both fin lit and fin capability. Why is financial education important? Small, personal financial choices impact economic and financial well-being. If you know how to use your money well, you become a better financial consumer and can better benefit from financial services. Examples: -Choosing to save in a bank will help drive the economy -Using credit well and acquiring assets -Knowing how to compare the advantages and disadvantages of a financial product or service and choosing the one that best fits your needs and capacities.
 	**KEY MESSAGE** ● Personal Financial Management Modules **SUGGESTED SCRIPT** This training is divided into 6 modules…

MODULE 1

Financial Planning


SA MAY HAPAG-KAINAN, NAPANSIN NI KUYA NA MAY SERYOSONG PINAG-UUSAPAN SI NANAY AT TATAY...
Tatay, Nanay, ano po'ng ginagawa niyo?
Inaayos namin ang finances natin, lalo na ang mga regular na gastusin.
Nakapagtabi na kami ng savings. Pero baka pwede pang magbawas ng gastos para pandagdag sa savings at sakto sa budget.
Anak, babalik na ang Nanay sa Hong Kong sa susunod na linggo. Malapit na rin akong mag-retiro.

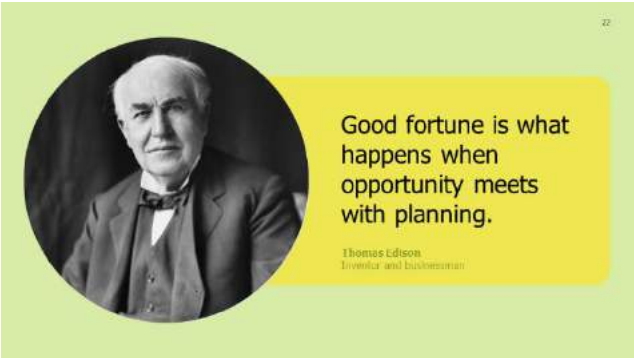

May dapat po bang ipangamba?
Wala naman anak. Kailangan lang sundan natin ang financial plan ng pamilya. Lalo na, magka-college ka na next year.
Kung kailangan ng dagdag sa pang-tuition, mag-summer job po kami ni bunso.
Hindi na kailangan anak. Napaghandaan naman natin ang pang-kolehiyo mo.
Ang hiling lang namin, mag-aral kayong mabuti ni bunso.
PAGKALIPAS NG APAT NA TAON...
Bunso, magbubukas ako ng savings account para paglayan ng 10% ng sweldo ko.
Excited na akong makapag-ipon ng pang masters degree! Ikaw, excited ka ba sa first day of college life mo?
Yes kuya!
Salamat sa mga plano at pagsisikap ni Tatay at Nanay, sa magandang paaralan ako naka-enrol.
Sweetheart...
Napakasaya ko. Nasa mabuting kalagayan ang ating mga anak. Hindi mo na kailangang magtrabaho pa sa abroad.
Ako din sweetheart.
Mabuti na lang at napalago natin ang sari-sari store. Steady na ang kita sa convenience store natin.


Lagi nating tandaan...
"He who fails to plan, plans to fail."
Mabuti na lang at naghanda ang aming pamilya! Ngayon, kami ay nagtagumpay.

Module 1: Financial Planning

Total Running Time: 30 Minutes

PowerPoint Slide	Speaker Guides
	Title Slide
	**SUGGESTED SCRIPT** Our session objectives are… *Read the slide*

	**SUGGESTED SCRIPT** Thomas Edison, one of the greatest American inventors, said that "Good fortune is what happens when opportunity meets with planning." Success happens when planning and opportunity meet. Your dreams can either be planned or be left to randomness. Who among you have had a medical check-up this year? (Transition to next slide)
	**KEY MESSAGE** ● Regular financial planning is essential to financial health ● He who fails to plan, plans to fail **SUGGESTED SCRIPT** We define financial planning as… (refer to slide). Just like our physical health, our financial health needs regular check-ups and interventions in the form of financial planning.

KEY MESSAGE

- We all have dreams in life, and to achieve them, we must plan and prepare for them
- The practice of visualizing our short term and long-term goals, and estimating their financial costs, enables us to plan and implement steps necessary for their achievement

SUGGESTED SCRIPT

Activity for classroom or online setting:

- In a piece of paper, draw an image that represents your dream or goal in the next 10 years. We will give you 5 minutes for this activity.

Ask at least 2 participants to share their output. Manage the time allocated for sharing by these participants.

Alternative activity for online setting:

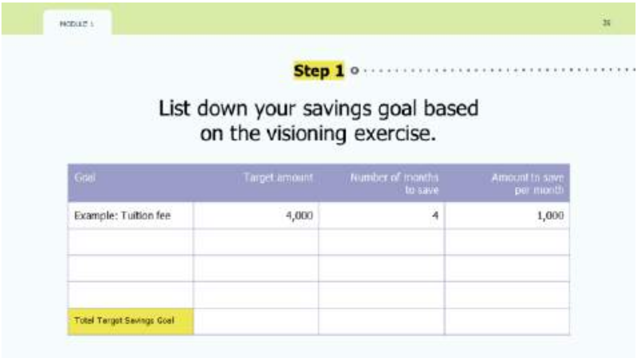
Conduct a poll or ask participants to type in the chat box what they want to achieve after 10 years.

We were all told to dream big. But we need to realize that all dreams have financial costs. Our dreams should be converted to goals (SMART). But remember, a goal without a plan is just a wish.

To be able to achieve your goals, you must plan for it, determine and undertake the necessary steps to achieve it, —whether that is starting your own family, buying your own house and lot, starting a business, graduating with a master's degree, etc.

KEY MESSAGE

- Financial Planning Exercise
- Steps in creating a monthly financial plan



KEY MESSAGE

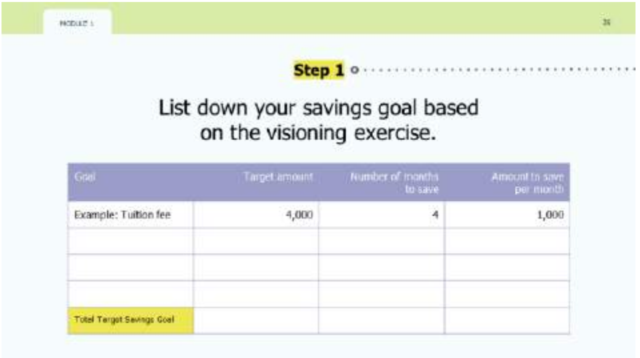
- Step 1: List down your savings goal based on the previous visioning exercise.
- Put a “price” on your goal. It is important to know how much the financial cost of your goal is, so you know how much to save over a definite period of time.

SUGGESTED SCRIPT

During our visioning exercise, we are reminded that our goals will entail costs. When setting goals, make sure they are SMART:
Specific (have exact amounts for your savings goals), Measurable (monitor the progress of your savings), Achievable and Realistic (set amounts that you think you can realistically achieve, based on your current situation and your sources of income) and Time-bound (set a definite time period when you want to achieve your savings goals).

It is important to know your current financial situation. Write down your expenses and incomes from all sources. There are three things that you might realize from this exercise:

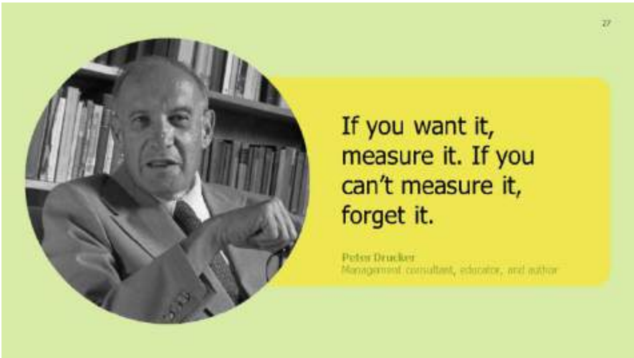
1. You have potential savings, but you usually spend it on small, possibly unimportant things
2. You have room to adjust your spending downward



3. You may also need to adjust your income by looking for other income sources, especially if you want to increase your capacity to save

This exercise will help you accurately assess your situation and plan for the achievement of your vision. The first thing you need to do is list down our savings goals. For example, if your vision contains a house and lot, compute for your target monthly savings to be able to afford to buy or build a house and lot within a realistic period.

For those who are deep in debt, make sure that your first vision is to get out of debt. In this case, determine how much you need to save every month so that you can use it to pay off your loans as soon as possible. It will be easier to save for your other goals when you are debt free.



SUGGESTED SCRIPT

Remember this quote from Peter Drucker. It reminds that if you want to reach a goal, it is important to measure it. "If you want it, measure it. If you cannot measure it, forget it.

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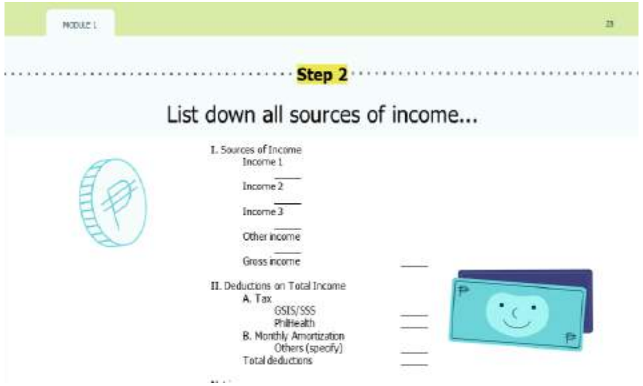

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KEY MESSAGE

- Step 2.a: List down all your (or your household's) sources of Include ALL income (other sources of income, if any, not just your regular salary). Remove the mandatory deductions from your gross income, if any.

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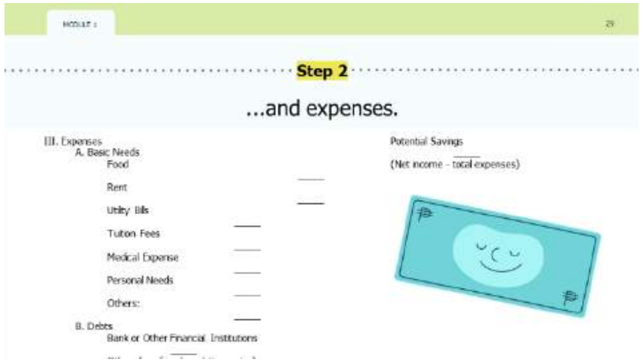

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KEY MESSAGE

- Step 2.b: List down all expenses. Include ALL expenses, even the small items like trinkets for your phone, vices (e.g., eating sweets every day, heavy smoking excessive spa or salon visits, etc.) ... Include all your monthly loan payments, if any (if these are not accounted for as mandatory deductions under Step 2.b). Consider these loan payments as part of your monthly expenses.

After you have listed all income and expenses, compute your net income and your potential savings capacity per month. If you do not have any amount left for savings…

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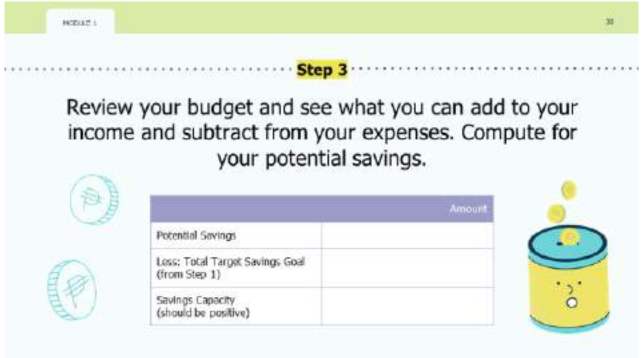
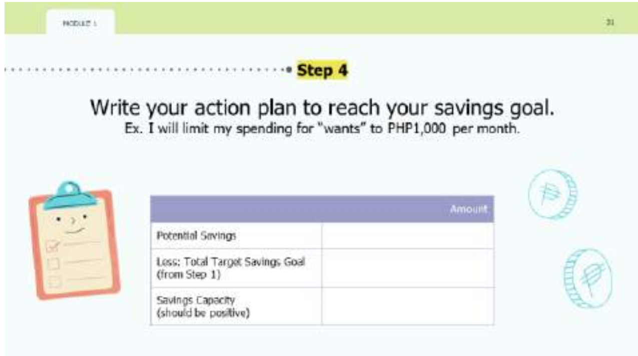


KEY MESSAGE

- Step 3: Review your financial plan and see how you can adjust your lifestyle.

SUGGESTED SCRIPT

Go back to your list of income sources and expenses and see if you can add to your income (e.g., working overtime for supplemental income). Revisit your expenses to see which ones can be reduced or foregone altogether. Once adjustments have been made, compute for your potential savings. Make sure that your potential savings matches your savings goals. By doing this, you will see whether your savings goals can be realized within the timeframe that you have identified. Adjust as needed.



KEY MESSAGE

- Step 4: Write down your action plan to reach your savings goal.

SUGGESTED SCRIPT

Lastly, write down your action plan or the concrete changes you will make to reach your savings goals... Action plan should be SMART.

Include even small things (e.g., reduce coffee consumption by ___; remove vices like _____; minimize shopping sprees; buy less make-up; others)

NOTE

Reinforce the visioning exercise. Remind the audience to relate their savings goals to their visions and dreams. Their financial plan should serve as their roadmap to achieve their dreams.

KEY MESSAGE

When making a financial plan, always remember the correct saving formula is INCOME less SAVINGS = EXPENSES

- Immediately set aside a portion of your income as savings. Then make a budget for your expenses using the amount left after setting aside your savings.
- Save regularly. It is important to develop the habit of saving.
- Live simply. Live below your means.

Emphasize that achieving dreams can be done thru a combination of three things:

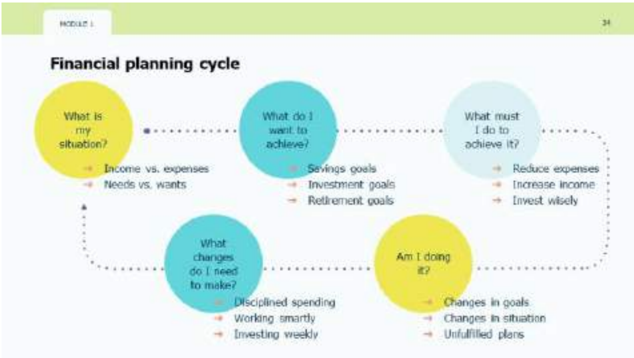
1. Prioritizing savings
2. Reducing expenses
3. Increasing income

All these things can be easier if we pay-off all debts first. (Debt management lessons to be further discussed in next module.)

NOTE

To manage the time allocation for the financial planning exercise, make a countdown: Announce how many minutes are left when the timer reaches the 7, 5- and 3-minute marks.

In case of classroom setting: Use the waiting time productively – don't wait till the timer ends to get volunteers. 1-2 minutes before the time's up, say, "Time's up! First 3 teachers to join me here in front gets a prize (show prizes, can be a variety to encourage participants)." Manage the sharing time of volunteers.



KEY MESSAGE

- Summary of the Financial Planning Cycle
    1. Know your current financial situation.
    2. Determine your savings goals.
    3. Plan how can you achieve your goals and implement your plan.
    4. Assess and review your financial plan. Are you doing it right? If not, review your plan and make the needed adjustments.

SUGGESTED SCRIPT

As you will see, these are the questions we have answered in our 2 exercises. Through the visioning exercise, we were able to answer, "what do I want to achieve?"

Sometimes, we already know what we want, but we do not know how to get there. Through our financial planning exercise, we were able to assess our situation, our savings capacity, and the changes we need to make to achieve our vision.

It is good to have a vision, but it's better to have a concrete action plan to make that vision a reality. Making a financial plan involves both reflection and action. *(Use a pointer to highlight cycles where appropriate).* You need to know where you are, where you want to be, how you can get there, what you are doing about it, and what else you need to change.

Financial planning is unique to every individual or household because each of us are in different situations (e.g. single, married, breadwinner) or prefer different lifestyles. It is also a cycle because when something changes in our situation (e.g. birth of a child, sickness in the family), our financial plans must be reviewed and adjusted to account for these changes.

KEY MESSAGE

The benefits of having a financial plan is for you to have peace of mind. By following a financial plan, you can spend on important things, save for your dreams, and prepare for your and your family's future.

SUGGESTED SCRIPT

Specific benefits of having a financial plan:

- Control over spending – A financial plan lets you know your financial situation and enables you to control your spending.
- Security from risk - A financial plan enables you to build up your emergency fund to cope with unforeseen expenses such as sickness or sudden job loss.
- Freedom from worry – You get a sense of certainty because you are financially preparing for your future.
- Sustainability of lifestyle – A financial plan allows you to prepare for retirement, so that you can live comfortably, even when you no longer earn income.
- Freedom from debt – A financial plan will enable you to pay off your loans and avoid unnecessary debt due to unnecessary wants.
- Realization of dreams

Brief Audience Activity (OPTION 1): Look at everything that is listed on the slide. Who here wants to enjoy all these 6 things? Please explain in your own words what they mean to you. *(Select 1-2 volunteers. Manage the time allocation.)*

Brief Audience Activity (OPTION 2): Look at everything that is listed on the slide. Who here wants to enjoy all these 6 things? Keep those hands raised! Everyone who raised their hands will achieve all that by making a financial plan and STICKING TO IT. If you are ready to enjoy all these 6 effects of financial planning, give both your seatmates a high-five.

	Open Forum

Activity 1: Visioning Exercise

Activity 2: Financial Planning 101

(This can be manually computed by participants in classroom setting. The Financial Planning Calculator, which is an automated excel file, may be used for online setting.)

STEP 1: List down your savings goal based on the visioning exercise.			
Goal	**Target amount**	**Number of months to save**	**Amount to save per month**
Example: Tuition Fee	4,000	4	1,000
Total Target Savings Goal			

STEP 2: List down all sources of income and expenses.	
I. SOURCES OF INCOME	
Income 1 – (Salary)	
Income 2 – (Remittance)	
Income 3 – (Small Business)	
Other Income – ___________________________	
Other Income – ___________________________	
GROSS INCOME	

STEP 2: List down all sources of income and expenses.	
II. DEDUCTIONS ON GROSS INCOME	
A. Tax	
B. GSIS/SSS	
C. Philhealth	
D. Monthly Amortization (e.g., loan payments auto deducted from salary)	
E. Others: ______________________________	
TOTAL DEDUCTIONS	
NET INCOME	
III. EXPENSES	
A. Basic Needs	
Food	
Rent	
Utility Bills	
Tuition Fees	
Medical Expense	
Personal Needs (e.g. soap, shampoo, etc.)	
Others: ______________________________	

B. Debts (e.g., those not included in Item II.D)	
Bank or Other Financial Institutions	
Informal Lending	
Others: ________________________________	
C. Other Expenses	
Entertainment & Leisure	
Others: ________________________________	
Others: ________________________________	
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. If negative, revisit your list, and see Step 4.)	

STEP 4: Write your action plan to reach your savings goal.
Example: I will limit my soft drink intake to 1 bottle per day instead of 2.

ADDITIONAL REFERENCES

1. For basic information on Financial Planning, Trainers may access the following learning tools from the Bangko Sentral ng Pilipinas (BSP):

- Financial Planning 101 (Primer): http://www.bsp.gov.ph/downloads/primers/Financial%20Planning%20101.pdf
- Financial Planning Calculator (Excel): https://www.bsp.gov.ph/Media_and_Research/Primers%20Faqs/Financial%20Planning%20101.pdf

Trainers may download, print, and distribute this primer to PFM participants.

Trainers may also download the excel-based Financial Planning Calculator as a financial planning tool.

Alternatively, Trainers may request for a copy of the above learning tools from the Employee Welfare Division, Bureau of Human Resources and Organizational Development, DepEd.

2. Trainers may also find the following videos useful for additional learning. While the context of the videos is the United States of America, the financial management principles discussed in them are universal and applicable in any context, including the Philippines.

a. Video by Bank of America on Steps for Money Management and Financial Planning
https://tinyurl.com/StepsforMoneyManagement

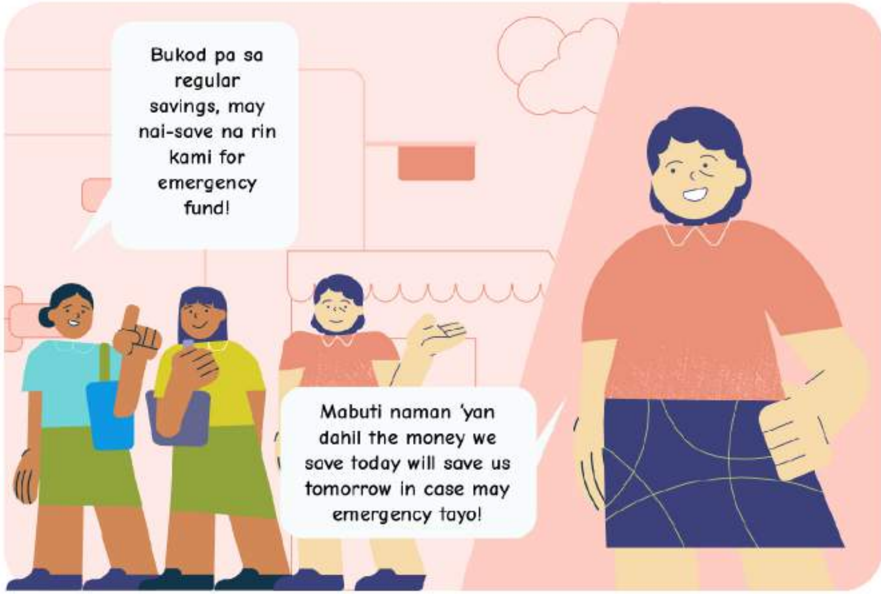
b. Video by Bank of America on How to Save Money on Everyday Expenses
https://tinyurl.com/HowToSaveMoneyEverydayExpenses

Notes:

MODULE 2A and 2B

Saving and Budgeting

BIYERNES, KAKATAPOS LANG NG MGA KLASE AT PAUWI NA RIN ANG MGA EMPLEYADO...
Mga mars, may sweldo na!!!
Sakto, sale ngayon sa mall! Tara na!
Wait muna, mga mars bago ang lahat, 'wag kalimutang mag-laan ng budget para sa inyong savings.
Tandaan...
Income minus savings equals expenses!
Korek kayo dyan mga mars! Kahit unti-unti ang naiipon, lalaki rin 'pag tumagal.


Bukod pa sa regular savings, may nai-save na rin kami for emergency fund!
Mabuti naman 'yan dahil the money we save today will save us tomorrow in case may emergency tayo!


Bukod sa savings at emergency fund, naitabi ko na rin ang budget para sa bawat pangangailangan tulad ng allowance, meals, kuryente...
at shopping!


Sa pagsha-shopping, prioritize ang needs over wants.
MALL ENTRANCE
Madali lang naman ang pagma-manage ng budget diba?


Importante ang disiplina sa pag-iipon at pagsunod sa inilaang budget.

Module 2: Saving and Budgeting

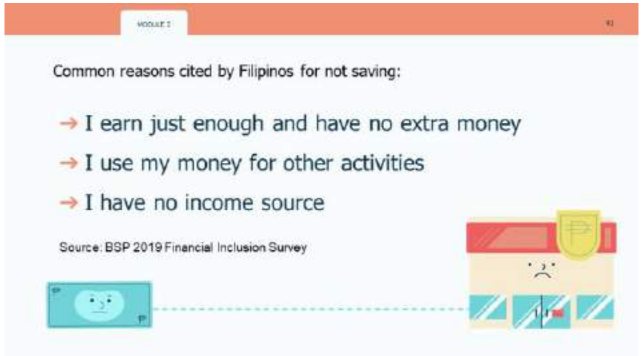
Total Running Time: 45 minutes

PowerPoint Slide	Speaker Guides
	Title Slide
	**SUGGESTED SCRIPT** Our session objectives are… *Read the slide*

Play Video: Who Wants to be a Millionaire (Teacher Edition)

NOTE

For Audience Participation: Trainer may opt to pause the video after each question to get answers from the audience. Then play the vide again to see the correct answer. Trainer may share one key lesson learned from the video.



KEY MESSAGE

- Surveys show that many Filipinos do not save because they have no extra money.
- The financial planning activity in previous session showed that anyone can save, as long as one has the motivation and the discipline to do so.

SUGGESTED SCRIPT

Who among you have savings? Who keep their savings at home? Who have savings in banks and other financial institutions?
(Comment on the number of hands that stayed raised, whether it's a lot or just a little).

Surveys show that many Filipinos do not save. Most common reason cited is that they have no extra money.

The financial planning exercise in the previous session emphasized that we all need to save for our goals, and we have the potential capacity to save Let us be inspired to religiously save for our life goals.

KEY MESSAGE

- Saving is the discipline of setting aside a part of your income for a specific purpose and future use (e.g., emergencies, tuition fees, purchases. Savings is the amount that you set aside.

NOTE

Trainer may ask participants what their definition is of saving and savings.

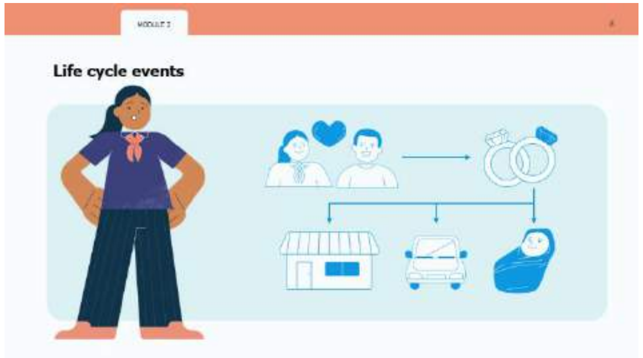
NOTE

Ask one to two participants "Why do we need to save?"

KEY MESSAGE

Everything we do requires a financial equivalent. The future is uncertain. We need to prepare financially for any eventuality.

(Lead to discussion of life cycle events)

	**KEY MESSAGE** ● We need to prepare for life events that bring us joy and fulfillment **SUGGESTED SCRIPT** We save because we don't want to waste our money when there are so many milestones in life to look forward to. The pictures on your screen represent life cycle events. Because we have the ability to plan how and when they will happen, we can prepare for them beforehand. Each of us have different life goals, and at are at different life stages. These factors help us determine how much we should save. For example, for a newly married individual, he/she would probably want to save for a new house, car, or starting his/her own family.
	**KEY MESSAGE** We should also save and prepare for tragic life events like sickness, job loss, calamity, or death to ensure financial security of our families. **SUGGESTED SCRIPT** We also experience negative life events like sickness, job loss, calamity, or death in the family. These events can strain and affect the economic stability of our families. We should also save and prepare for all these by building our emergency funds. One of the usual causes of over-indebtedness is that families do not have buffers for these risks. *(Transition to next slide)*

 	**KEY MESSAGE** ● Save for an emergency fund, separate from your other savings goals. ● The amount of your emergency fund will depend on your assessment of your own situation. **SUGGESTED SCRIPT** Where do you get the money for your emergencies? How will you prepare for your emergency fund? These are some options to guide us when building your emergency fund. Financial experts say that we must have an emergency fund equivalent to at least 3-6 months, 6-9 months (or more) of expenses. This will enable us to sustain our lifestyle, or address our financial needs when negative events come up. The amount of your emergency fund will depend on your own situation and projected needs.
 	**SUGGESTED SCRIPT** Let’s talk about smart tips on saving!

KEY MESSAGE

- Save regularly until saving becomes automatic behavior
- Developing good savings habits takes perseverance and practice but can become second nature over time

SUGGESTED SCRIPT

"No one is born a good teacher." Raise your hand if you agree. Most, if not all of you raised your hands.

Just like teaching, the ability to save is developed through practice and perseverance. Saving is like a muscle – the more you work out your saving muscle (a) with an end-goal, (b) with correct form and (c) with a consistent schedule, the better you get at doing it.

NOTE:

Trainer may provide examples, such as:

- Who among you knows Kobe Bryant? When Kobe was in High School, he used to practice every day from 5am to 7pm. Even after becoming a basketball superstar he still regularly practiced and during his practices, he counts his shots made and stops only when he makes his 400th shot!
- Al Pacino lived in blindfold for months to internalize his character as a blind man in the movie "Scent of a Woman"
- To play the Joker in Batman Movie, Heath Ledger rented a hotel room in London, locked himself away to experiment and practice with voices because he wanted to have an iconic voice and laugh for his role.

KEY MESSAGE

- Prioritize spending for your Needs over your Wants

SUGGESTED SCRIPT

Needs are things you cannot live without. But the “need” of one individual or family will differ, depending on their unique circumstances. A “need” for one individual may be a “want” for a another.

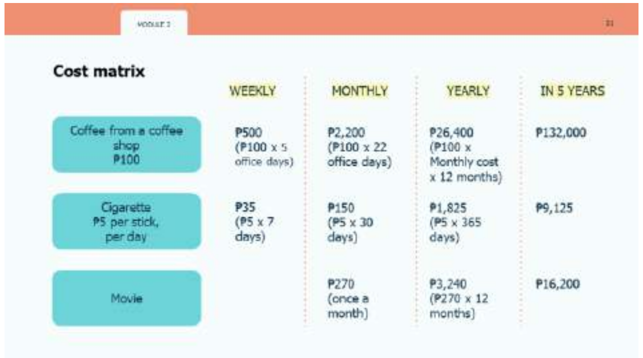
How would you determine if something is a “want”? Some tips:

Look at your list of expenses. What do you think are the things you can give up? *Possible wants include expenses on vices like cigarettes, lotto, expensive coffee, eating out, other luxuries)*.

Answer “THE GIFT QUESTION”. Pretend somebody wants to give you a gift like an expensive mobile phone which costs around Php70,000. That person asks if you would rather receive the actual item or in cash. What would you choose: phone or cash?

(Pause to get audience reaction)

Many of us would rather receive 70,000! That means this item is not worth buying or spending money on.



KEY MESSAGE

- There are things that you regularly purchase, thinking they are of small value but actually consume a large portion of your budget.

SUGGESTED SCRIPT

Check your financial plan. You may have overlooked some expenses that, over time, consume a large portion of your budget. These are usually the small things we neglect to list down. Some examples are on this slide.

(Expound items on the slide).

NOTE:

- Trainer may provide other examples similar to the items on the slide, such as soft drinks, chichirya, jueteng, examples that fit the context of the audience or seminar location.
- Trainer may cite common but imprudent mentality like "Keeping up the Joneses", "One day millionaire", spending or borrowing money for fiestas.

SUGGESTED SCRIPT

Let us learn from Warren Buffet (Pronounced as *ba-fet not bu-fay)*, Chairman and CEO of Berkshire Hathaway, one of the most successful American investors among the wealthiest people in the world. Let's read together.

KEY MESSAGE

- The correct saving formula is INCOME less SAVINGS = EXPENSES
- This means that you first set aside a portion of your income as savings, and you use what is left for your daily needs.
- This is the principle of "Paying yourself first".

SUGGESTED SCRIPT

Generally, when we receive our salary, we think of expenses, or what we will spend it on. Whatever amount is left, we consider as savings. This is the wrong formula (Income minus expenses equals savings). This means that savings is the lowest priority. If we do not prioritize saving, we end up with no savings! We might even end up with debt.

With the "income minus savings equals expenses" formula, we can make sure that our savings is set aside, and we are able to budget our expenses better. **** Stress the Pay yourself first principle.*

Experts say that you must set aside at least 10% of your income, use the 90% for your expenses. This percentage can vary, depending on individual preferences and situations. The more you save, the quicker you can achieve your financial goals.

*(Trainer may share some tips for saving successfully)***:**

- Auto deductions can be arranged between your payroll department and your accredited financial institution. Some banks offer services like auto-debit from a payroll account to a separate savings account, subject to agreement with the account holder. (NOTE: *Not all banks have this service. Advice the audience that they must check with their bank.)*
- It is recommended to have a separate savings account from a payroll. Use a passbook account for your savings, for more controlled transactions. There is more temptation to withdraw and spend when in using an ATM account.
- Remember another quote from Warren Buffet, "Do not save what is left after spending, but spend what is left after saving."

KEY MESSAGE
Types of financial institutions where can we save our money:

- Banks (Open to any client; Regulated by the Bangko Sentral ng Pilipinas)
- Savings and Credit Cooperatives (Open to coop members only; Regulated by the Cooperative Development Authority)
- Savings and Loan Association (Open to members only; Some are regulated by the BSP, but not all. Examples of those regulated by BSP are AFPSLAI, PNPSLAI)
- Self-help groups (These are informal groups, also called "paluwagan")

NOTE:
Non-financial assets, such as real estate, jewelry, paintings, or livestock can also be options for savings; provided that they appreciate in value over time.

Take note that savings in banks are not a form of investment. A savings account is intended for short term, specific goals.

KEY MESSAGE
Why should we save in banks?

1. **Liquidity** – your savings are easily accessible and available, either through ATM or over-the-counter withdrawal.
2. **Safety** – your savings are safeguarded in vaults equipped with security features, guarded by security personnel. Your money and bank records, whether digital or on paper, are kept safe from crime (theft, robbery) and from acts of nature (termites, fire, flood, earthquake, etc.)
3. **Security** – your savings are insured up to ₱500,000 (per depositor, per bank) by the Philippine Deposit Insurance Corporation (PDIC).
4. **Interest** – savings can earn interest over time. Better to earn some interest in your savings account in the bank, than earn nothing if savings is kept at home.

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KEY MESSAGE
Typical bank accounts
SUGGESTED SCRIPT

These are the typical bank accounts where we can keep our savings. Each type has a specific purpose. You can visit your chosen bank and inquire about deposit products. that they offer.

You should “know your bank” well, especially if you will entrust your money with the bank. Understand and know the bank management, its financial condition and interest rates offered. All legitimate banks are members of the PDIC (for purposes of deposit insurance) and supervised by BSP (to ensure safe and sound operations).
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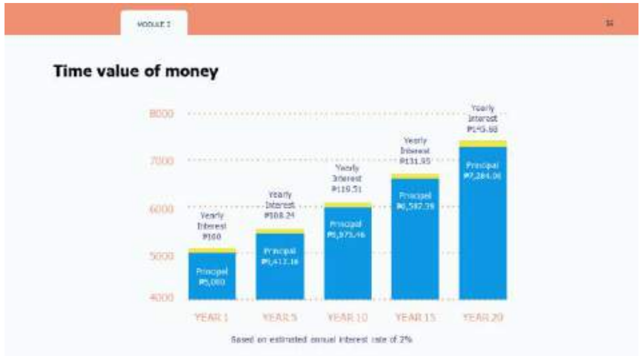

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KEY MESSAGE
Money kept in a bank earns interest, and that interest will also earn interest over time. As a saver, compounding interest is your friend.
The value of the money you deposit today will be greater than the value of the same amount of money that you deposit later. This is the “time value of money” concept, simplified.
SUGGESTED SCRIPT
For interest-bearing accounts, the value of the money you deposit today will be greater than the value of the same amount of money that you deposit later. This is because interest earns interest – compounding interest. The earlier you save, and the longer you keep your savings in the bank, the more you can earn interest. As a saver, compounding interest is your friend.
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	**KEY MESSAGE** 1. Save now – it is never too late to start saving, young or old. 2. Focus – it may be hard at the start, but if you focus on your financial goals, then you can motivate yourself. 3. Persevere – keep saving until your attitude and behavior become routine.
	Title Slide for Budgeting

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<td>KEY MESSAGE
● Budgeting is an important skill that help you save successfully.
● Put your budget plan in writing. Keeping a "mental" budget backfires – you forget priorities, you overspend, you lose control.

SUGGESTED SCRIPT
For you, what is budgeting? Who among you here usually goes to the market? What do you usually bring with you when you buy the items? What happens if you do not have a list of things to buy? You usually overspend, or buy some things that are not a priority. Put your budget in writing, and follow it religiously.

It is not the amount of your salary which will make you rich, but your spending habits. Develop and adopt a realistic budget plan.</td>
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<td>KEY MESSAGE

● Budgeting organizes your spending, tracks your income and savings. It gives you a clear picture of your financial status.
● It facilitates decision making. When you have a clear picture of your financial status and capacity. With budget, it is easier for you to decide what to prioritize, where to adjust.
● It keeps you focused on your financial goals. When you see your savings becomes bigger, it keeps you motivated to save more.
● It gives you an early warning. You can see overspending patterns, expense items you cannot afford, vices you need to remove, and debt traps you need to avoid.

SUGGESTED SCRIPT
Look at the four main reasons why we budget. Different people have different reasons and purposes for budgeting.

Budgeting allows you to create a spending plan for your money. Budgeting takes a lot of effort but it is worth it. What are the benefits we can get out of doing it?
(Enumerate the key messages).</td>
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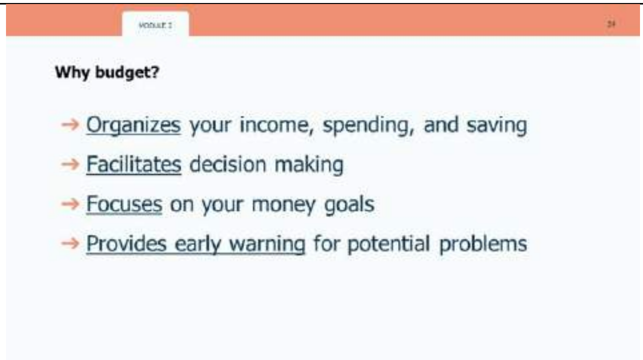


Budgeting is a reality check. It ORGANIZES your income, spending and savings. It gives you the real picture of your financial status – where and how much your actual income is, and where you are spending it on. When we see your financial plan in writing, you realize your financial capacity and unique situations (e.g. too much debt, too many expenses on “wants” or “vices”.)

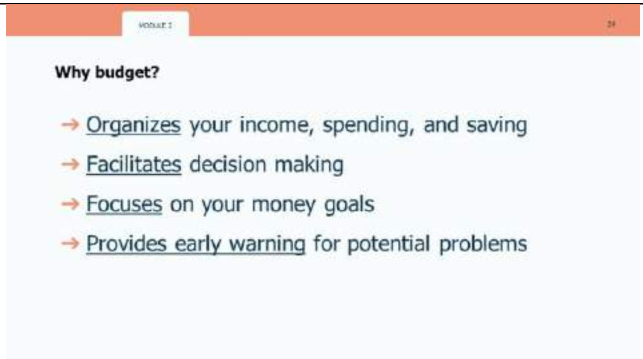
When you have a clear view of how much you spend on a certain item, it is easier for you to decide what to adjust or cut back in order for you to reach your savings goal.

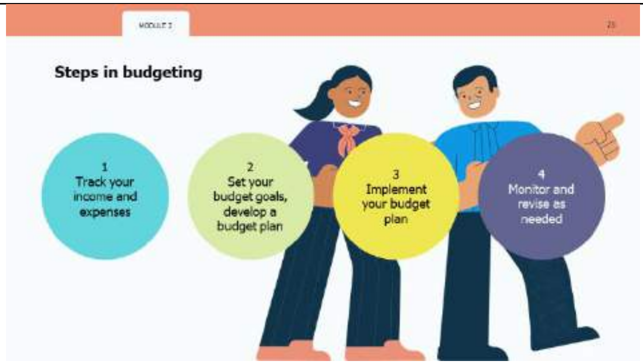
Budgeting FACILITATES decision making. For example, when going to market to buy a list of all the ingredients for a dish, with the amount you allocated for each, you will know what to buy when confronted with different choices at different price points. If an ingredient is unavailable, you can look for another brand with a similar price point because you are guided by your budget. You can even buy a more expensive brand if you know that your budget can still cover it. Carry just enough amount of money as budgeted, to avoid overspending.

Budgeting involves tracking so it keeps you FOCUSED on your savings goals. A budget lets you know how near or far you are from your goals. When you see your savings getting bigger, you will stay motivated in sticking to your budget plan and controlling your spending.

Budgeting is an early warning tool. You can see overspending patterns, expense items you cannot afford, vices you need to remove, and debt traps you need to avoid. When you want to get a loan, check your budget plan if you can actually afford to pay the loan payments or monthly amortizations. It is better to realize EARLY that getting that loan will put you in a dangerous financial situation.

Following a budget will keep you out of debt, or help you work your way out of debt, if you are currently in debt.

 	
	KEY MESSAGE Steps in Budgeting: ● Track your income and expenses – list all your expenses and income. ● Set your savings goal, at the same time set your budget goal for each expense item – be SMART (Specific, Measurable, Attainable, Realistic, Timebound). ● Implement your budget plan – spend only within your means. ● Monitor and revise as needed – adjust spending downward on unnecessary items or upward on priority items. **SUGGESTED SCRIPT** The first step to budgeting is **tracking your expenses vis-à-vis your income level** (e.g. take-home pay). List all expense items, and **set your budget goal** for each. Your goals should be:



S – pecific, M – easurable, A – ttainable, R – ealistic, T - ime Bound

Your budget goal should help you attain your savings goal. For example, if you want to save for your child's tuition fees worth P12,000, your goal for each month will be to save P1,000.

This means you need to **develop a budget plan** that allows you to save P1,000 for each month. A budget plan is not a one-size-fits-all thing. We have different needs, lifestyles and personalities. Develop a plan that best suits you and your situation.

As you execute your budget plan, setbacks may happen, problems may arise. Adjust your plan accordingly, keep **monitoring and revising** as needed, in line with your goals. Do not be too hard on yourself. Budgeting is a skill that is developed overtime, it does not happen overnight!

Note that budgeting, and setting savings goals and are key steps in the financial planning exercise earlier.

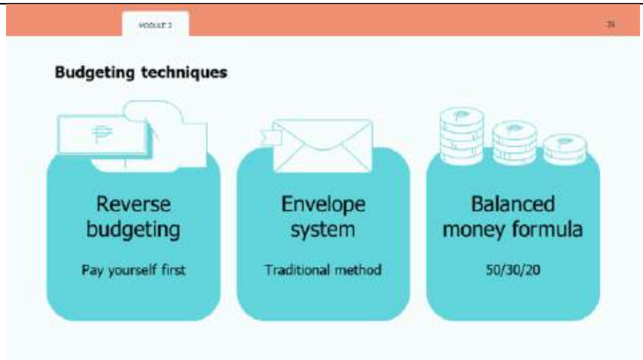
KEY MESSAGE

There are different budgeting techniques, choose what works for you:

- Reverse Budgeting – Set aside the money needed to achieve your savings goal then work around what is left for your expenses.
- Envelope System – Traditional way of budgeting where you put the allocated money for different expense items in separate envelopes.
- Balanced Money Formula – Allocate 50% of your income to necessities, 30% to your wants and 20% to your savings account. Percentages can be changed depending on your needs or preferences.

SUGGESTED SCRIPT

(Share the key messages).



These three approaches are just examples of how you can do budgeting. Feel free to develop your own – could be just one of these, a mix of all three, or a mix of these plus other techniques you encounter from other financial advisors or sources. The key is to find a system that works for you based on your lifestyle and your goal.

NOTE

- **Reverse Budgeting** – Minimalist approach to budgeting, allows flexibility in spending your money but requires strict compliance in the amount you need to save, suitable for people with erratic expenses or irregular income levels.
- E**nvelope system** – Traditional budgeting using cash, requires discipline to use the money only for its intended purpose and not to dip into other envelopes, also requires safe keeping of cash. For sophisticated audiences, separate bank accounts, checking accounts or e-money wallets can be used to allocate money per expense category.
- **Balanced Money Formula** – Allows flexibility to change percentage allocations, can be revised to fit your financial condition and goals (e.g. 30% savings, 20% wants) depending on your preferences.

	**KEY MESSAGE** Remember to: • **AVOID** worries by making and following your budget plan. Having a budget, lessens the risk of financial problems because we have a clear view of how much money we have, and we can carefully plan how we spend it. It gives us early warning on possible debt troubles. Having a plan is already winning half the battle. • **BALANCE** is key in budgeting. We allocate a budget to pay for our bills and needs, but we can also allocate for items that give us joy (e.g. nice meals) at the same time prepare for our future by spending wisely to meet our savings goals. • **COMMIT** to your budget plan, stay focused and motivated to reach your budget goal, so that you realize your ultimate financial goal • **DISCIPLINE** is the key to successful budget plan execution. Spending your money wisely is just as important as saving your money.
	Play the video: Save by the Bells: Ang Kwento ni Mila (Part 1)

	Open forum

Activity 3: Cost Matrix

Items	Unit Cost x Frequency of Purchasing	If you forego this item, how much will you save?		
		Weekly	Monthly	Yearly

ADDITIONAL REFERENCES

1. This module talks about three tips of successful saving – prioritizing needs over wants, practicing the correct saving formula (save first, then spend the rest of your income for expenses), and developing the saving habit by saving regularly. In the discussions, Trainers may also introduce the concept of "delayed gratification".

   This video from **Business Insider** presents a useful overview of the concept of delayed gratification:
   https://tinyurl.com/DelayedGratificationKeySuccess

2. During the discussion on **types of bank accounts**, Trainers may refer to **ANNEX A** for more information about the features of these accounts.

3. Trainers may also wish to check the following items for deeper understanding of BSP regulations on deposits.

   a. BSP Circular No. 922 on Basic Deposit Accounts
   https://www.bsp.gov.ph/Regulations/Issuances/2018/c992.pdf

   b. BSP Circular No. 928 on Fees on Retail Bank Products and Dormant Deposit Accounts
   https://www.bsp.gov.ph/Regulations/Issuances/2016/c928.pdf

4. This module introduces the concept of **deposit insurance**. For more information, Trainers may refer to the Philippine Deposit Insurance Corporation primer on deposit insurance at:
   http://www.pdic.gov.ph/files/Deposit%20InsuranceBrochure_Final.pdf

5. The module presents **time value of money** as a key concept to remember. Trainers may view the following videos as useful references when explaining this concept.

   a. **Video by TedEd on Time Value of Money**
   https://tinyurl.com/TimeValueOfMoneyTedEd

   b. **Video Lecture by Khan Academy Video on Time Value of Money**
   https://tinyurl.com/TimeValueKhanAcademy

6. The module presents different types of budgeting techniques. Trainers may also wish to check this video by Bank of America on How to Set Up a Budget:
   https://tinyurl.com/HowToSetUpABudget

ANNEX A. TYPES OF BANK ACCOUNTS
(Simplified Explanation)

Ito ang halimbawa ng mga typical deposit accounts sa mga bangko:

1. **Basic Deposit Account (BDA):**
   - May mga bangko na nag-ooffer ng BDA para sa bagong kliyente na nag-uumpisang mag-ipon ng maliit na halaga.
   - Sa BDA, ₱100 lang, o mas mababa pa, ang initial deposit.
   - Hindi kailangan ng ID, dahil pwede ang barangay certificate para magbukas ng account.
   - Walang dormancy charges at walang minimum account balance requirement.
   - Pero may maximum account balance na ₱50,000. Kapag lumampas sa halagang ito ang laman ng BDA, kailangan nang i-convert sa Regular Savings Account.

2. **Regular Savings Account:**
   - Ito yung account medyo mataas ang initial deposit, depende sa bangko.
   - Isa o dalawang ID ang kailangan para makapag-bukas.
   - Pwede itong "dollar account" or "peso account" (at iba pang major currencies).
   - Kapag ito ang gusto ninyong account, alamin ang "terms and conditions" ng account, lalo na ang mga fees and charges na maaring mapataw.
   - Halimbawa ay dormancy charges kapag matagal na walang activity sa account.
   - Baka may charge din kapag ang pera sa account ay bumaba sa required na "minimum maintaining balance".
   - May mga bangko na may required "average daily balance" bago kumita ng interes ang iyong account.

3. **Checking Account (o Current Account)**:
   - Katulad ito ng Savings Account, pero sa halip na Passbook o ATM Card ang hawak mo, checkbook o tseke.
   - Madalas ginagamit ang checking account para sa pagbabayad ng financial obligations.
   - Halimbawa, sa renta ng bahay o amortization ng real estate loans, o kaya ay business transactions.
   - Kung kukuha ng ganitong account, alamin ang terms and conditions para maiwasan ang fees.

- Kailangan may pondo sa account bago mag-issue ng tseke para hindi tumalbog.

4. **Time Deposit (TD):**
    - Ito ay savings account na pangmatagalan. Mawi-withdraw o madadagdan mo lang ito sa “maturity date”.
    - Halimbawa, ang ₱50,000 na naka time deposit for six months ay mawi-withdraw lamang kasama ang interest sa takdang araw sa ika-anim na buwan.
    - Makikita ang “maturity date” na ito sa Certificate of Time Deposit o Passbook (depende sa bangko).
    - Kung mas maaga ang pag-withdraw (pre-terminate), may penalties (pre-termination fees).
    - Pwede din i-renew o dagdagan ang halaga ng time deposit sa maturity date nito.
    - Mas mataas ang interest rate kapag mas mahabang panahon ang time deposit. Ito ay dahil sa konseptong “time value of money”.

Notes:

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MODULE 3

Debt Management


ISANG ARAW, HABANG NAGDIDILIG NG MGA HALAMAN SI SIR LINO...
PAYMENT DUE
Ha???
Paanong lumobo ng ganito ang mga utang ko?
Anyare sa'yo, pare? May problema ba?
Pare,
...ang laki ng patong na interes sa utang ko. Nagbabayad naman ako ng minimum amount due.
Pare, credit card yan. Kailangan mong bayaran ang buong outstanding amount kada due date.
Kung hindi, magpapatong-patong ang interest niyan kaya lolobo talaga ang utang mo.
Tawag diyan, Compounding Interest.


Naku! May iba pa akong utang sa bangko at sa lending institution! Ano ang pwede kong gawin?"
Marami namang paraan ng pagbabayad ng utang...tulad ng
DEBT SNOWBALL,
DEBT STACKING,
LOAN RESTRUCTURING.

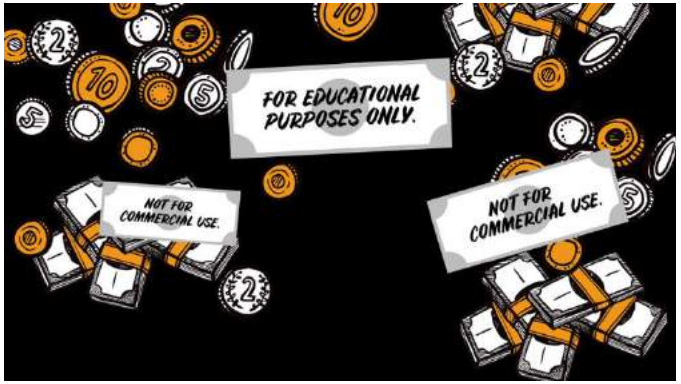

Debt Snowball
Unang bayaran ang utang na may pinakamaliit na balance.
Debt Stacking
Ilista ang lahat ng utang at ang kaakibat na interest. Unang bayaran ang utang na may pinakamalaking interest.
Loan Restructuring
Ipaalam sa bangko ang iyong sitwasyon at mag-request ng loan repayment terms na mas abot-kaya para sa iyo.


Ah ganun pala yun...
Teka...
...naintindihan mo ba ang terms and conditions bago ka pumirma ng loan contracts?


Ang isang responsible borrower ay marunong kumilatis ng terms and conditions, interest rates at iba pang fees.
Sa bawat pag-utang, siguraduhing kayang hulugan ang buong halaga sa takdang panahon. Iwasan ang patong-patong na utang para hindi mahirapan sa pagbabayad.

Module 3: Borrowing

Total Running Time: 25 minutes

PowerPoint Slide	Speaker Guides
	Play Video: Umutang ay Di Biro
	Title Slide

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SUGGESTED SCRIPT
In this session, we will…

(Read the bullets in the slide)
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SUGGESTED SCRIPT

What is borrowing? (Read the definition)
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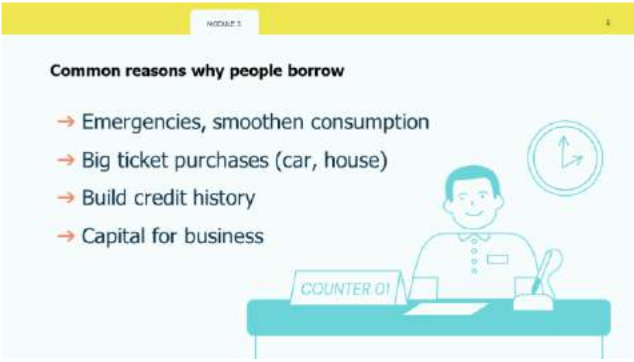
KEY MESSAGE
If we are unable to manage our debts, it is like dying: we are unable to function well.

SUGGESTED SCRIPT
Let's all read the word that is flashed on the screen. (Make the participants repeat the word for 3 times)

(Ask the audience) What does it sound like? Correct. DEATH. If we don't refrain from borrowing, we will die (if debt is not managed well). Unmanaged debt can lead to stress, depression, and other health issues. In serious cases, it can even lead to suicide.

NOTE: *Emphasize concept of debt trap or over-indebtedness, and the importance of being able to assess one's ability to pay and manage debt*



KEY MESSAGE
- Common reasons for borrowing:
- Emergencies
- Big ticket purchases like buying a house, car

SUGGESTED SCRIPT
Credit is useful when you need to spend in times of emergencies. Credit also allows you to make essential purchases, such as a car or a house, which are big-ticket items that you can pay over a period.

Emergency purchases such as a new refrigerator for the house worth 24,000 , since your old one suddenly stopped working, may be done using credit, but only because you do not have that amount on hand, AND you do have an extra 2,000 a month to spare for installment payments at zero percent interest (ex. 12 months to pay, 0% interest).

IMPORTANT: When using credit cards, make sure that you are a "transactor" – someone who ALWAYS pays the outstanding balance in full amount and on time. DO NOT be a "revolver" – someone who only pays the minimum amount due every month. Being a revolver in credit cards is a sure way to be over-indebted because of compounding interest, finance charges, late

payment fees and other fees. When transacting using credit cards, or any other loan facility, make sure you read and fully understand the terms and conditions of the credit card/loan contract.

KEY MESSAGE

- Common reasons of borrowing:
- Build Credit History – good credit history is essential if you want to take on bigger loans. Make sure you are a good borrower and pay on time if you want to build a good credit history
- Capital for Business

SUGGESTED SCRIPT

Credit is also important to **build your credit history.** This is essential if you want to take on bigger loans from formal financial institutions. They will always check your credit history to make sure you are a good borrower and you will pay them on time

NOTE: *Emphasize that building of credit history is important for one's future ability to borrow from banks and other formal financial institutions. But a good credit history will be the natural result when a borrower always pays on time, and in full.*

We may also take out loans to add **capital for an existing or upcoming business**. It is important to remember that using credit to fund a business has risks – that of the business not succeeding, and you being left with a loan that you need to pay using money from other sources. It is necessary to know how to manage a business well before taking calculated risks by getting loans. Remember that not all individuals have the skills for entrepreneurship. Using savings as a source of start-up business capital is often less risky. Even if the business fails, there will be no debt payment to think about.

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<td>KEY MESSAGE
How will you pay your debt?
Can you pay your debt?
Can you maintain your lifestyle with your debt?
SUGGESTED SCRIPT
Before getting a loan, ask yourselves these five questions, and give honest answers. Note that you can only give realistic answers to questions like “Can I afford the loan amortization” if you already set in place your budget and financial plan. Getting a loan simply because it is easy to apply, or it is already being offered, should not be your main consideration. Ensure that your loan is utilized for a meaningful and essential purpose.

NOTE: Emphasize that debts are transmissible to heirs that’s why one must think thrice before borrowing. If he/she can manage it and pay it on time and in full</td>
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<td>KEY MESSAGE
Differentiate good debts vs. bad debts
A good debt is used for your advantage to improve your financial condition while bad debt is when you borrow money for wrong intentions
SUGGESTED SCRIPT
NOTE: Ask the audience why did they avail of a loan?
Who among you here have loans? Why did you acquire the loan? Where did you use the loan? Is that a good or bad debt?
Good debt is used for your advantage to improve your financial condition.
Bad debt is when we borrow money for the wrong reasons, and it does not improve your financial condition.
NOTE: Borrow money that you are sure you can afford to pay back. Borrow money for productive purposes. Ideally, expenses used for emergencies should be covered by savings (i.e. emergency funds) and purchases of goods for consumption should be planned in line with one’s savings goals</td>
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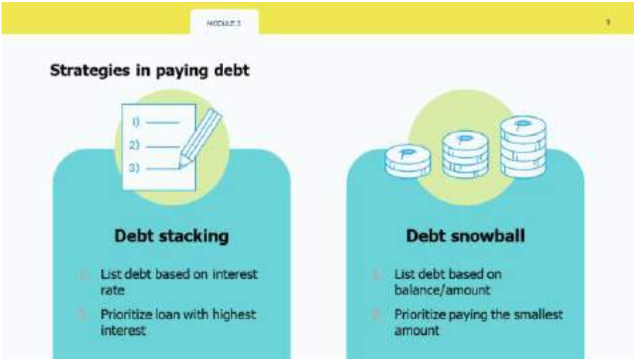

KEY MESSAGE

Strategies in paying debts:

- Debt Stacking – list all your debts with amounts and interest rates. The highest interest rate should be prioritized first
- Debt Snowball – pay off the smallest balance first

NOTE: *If you think you are already in too much debt, you should prioritize paying them off first. This will entail limiting expenses, and debt payment strategies.*

SUGGESTED SCRIPT

These are the Strategies in paying debts:

1. **Debt Stacking**

Make a list of all your debt with amounts and the interest rate. The highest interest rate should be at the top as this is what you'll pay off first. Paying off your high interest debt is the key to the Stack Method and paying off debt as fast as possible.

- *Pros:* This method saves you the most money in interest payments.
- *Cons:* It might take a long time to get a high-balance debt crossed off your list.

2. **Debt Snowball**

The debt-snowball method is a debt reduction strategy, whereby you pay off the smallest balances first, while paying the minimum payment on larger debts. Once the smallest debt is paid off, one proceeds to the next slightly larger small debt above that, so on and so forth, gradually proceeding to the larger ones later.

- *Pros:* This method gives you a more immediate feeling of victory.
- *Cons:* It costs more. You'll pay more in interest, as compared to the debt stacking method.

KEY MESSAGE

- Tips on how to get out of debt:
- Stop borrowing - not to stop all borrowing per se, but rather to stop borrowing (a) for spending and (b) for others.
- Develop an affordable payment strategy – already discussed in Strategies in Paying Debts, choose which is best for you
- Talk to your creditor and request loan restructuring

SUGGESTED SCRIPT

1. **Stop borrowing** – not to stop all borrowing per se, but rather to stop borrowing (a) for spending and (b) for others. Avoid getting a new loan to pay off an existing loan! When in bad debt, stop borrowing to save you on interest rates, penalties, and getting into further debt.
2. **Develop an affordable payment strategy** – We have already shared with you 2 debt payment strategies. Choose which one is better for you, make a plan/strategy, and stick with it!
3. **Talk to your creditor and request loan restructuring** – One less-publicized tool for debt management is communicating with your creditors and negotiating payment terms that is feasible for you and acceptable to the creditor. Creditors are not the enemy – debt evasion is. The longer you delay paying, the more you must pay because of compounding interest. Contrary to what we might think, legitimate creditors will want to help you to pay them, no matter how long it takes. After all, it is in their best interest (a) if you do not default, and (b) even if you do default, that you pay your debt in full even in small increments or over a longer payment schedule. Write a letter or email or schedule a call with your creditor's representative. Explain to them your situation and your reasons for defaulting (e.g. family emergency/accident/illness that drained your savings, sudden unemployment, etc.). Either the creditor or you can propose a payment term that you can afford. In some cases, creditors can even waive or reduce interest fees just to make it easier for you to pay the principal debt. There are setbacks and excuses along the way, but with discipline, focus, and the cooperation of everyone in your household, paying off debt becomes not just possible, but manageable.

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KEY MESSAGE

Tips on how to get out of debt:
Adjust your spending or increase your income
Create or look for other income streams

SUGGESTED SCRIPT
After adjusting the terms of your debt, there are 2 things you and your family must do to get out of debt: Either adjust your spending or increase your income. Doing both – coupled with other debt management strategies – can help keep you out of debt quicker and longer.
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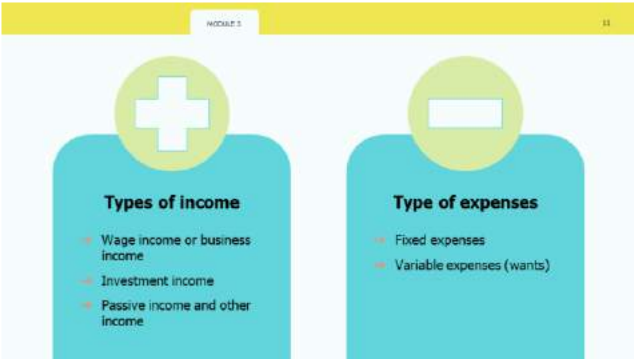

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KEY MESSAGE

Differentiate Passive Income vs. Active Income
Passive Income is investments in the past which earn in the present time.
Active Income – income we receive regularly
Active income is for your basic/regular/immediate needs
Passive income is for your “wants”

SUGGESTED SCRIPT:
There are two kinds of income – Active Income and Passive Income.

Active income is income we receive on a regular basis (we work for the money). For example, the salary we receive from our full-time job.
Passive income are investments in the past whether in financial products or non-financial products which earns in the present time until the future time (money works for us). For example, Rent from apartments.

Align expenses to the income. Active income is generally used for your immediate needs. Passive income may be used for your wants, or longer-term goals.
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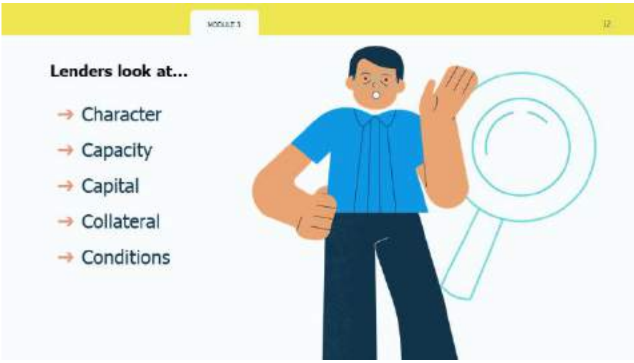


KEY MESSAGE

Factors that Lenders look at when borrowing:

- Character – borrower's trustworthiness
- Capacity – the potential of the borrower or the ability to pay
- Capital – the individual's net worth
- Collateral – borrower's asset that can be used as pledge in the event of non-payment
- Condition - this may refer to the business climate or economic circumstance at the time of the loan transaction

SUGGESTED SCRIPT

When assessing borrowers, financial institutions consider the following factors:

- **Character** – Lenders evaluate the character of a potential borrower. They assess the personality and background of an individual as a potential client. A future borrower's trustworthiness, experience and track record plays a part in the lender's assessment.
- **Capacity** – This refers to the potential borrower's ability to pay. Creditors will consider an individual's debt-to-income ratio, or how much you earn compared to how much you owe. The higher your income, or capacity to pay, the more banks will consider lending to you.
- **Capital** – Refers to an individual's net worth, real and personal property, assets minus liabilities. Basically, what you own minus what you owe.
- **Collateral** – This the borrower's asset that can be utilized as a pledge in the event of non-payment. The creditor will have the right to take ownership of the collateral if the debtor is unable to pay. Usually, the collateral is 40% higher than the loan amount, but this is not standard practice, and there are also other types of loans that assess a borrower's cashflows instead of requiring asset collateral.
- **Conditions** – This may refer to the business climate or economic circumstance at the time of the loan transaction. This plays a factor in lending. If you are applying for a loan for your business and the outlook isn't bright given the current climate, the lender may not consider extending credit to you.

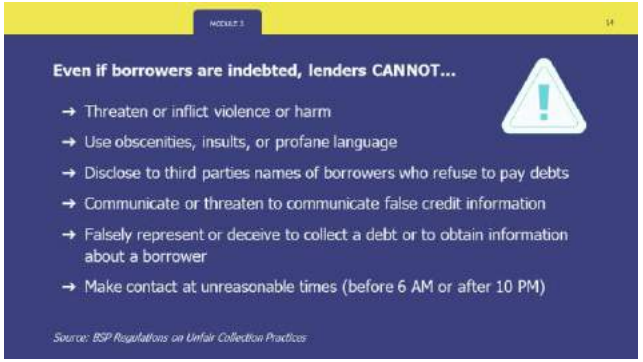
NOTE: *May discuss the existence of a government office (Credit Information Corporation) that keeps credit record for credit standing/assessment purposes*

Note: *Let the audience know briefly and will emphasize again in consumer protection module*

SUGGESTED SCRIPT

Based on BSP regulations (Truth and Transparency in Lending), these are the five things that lenders under their supervision must disclose to their borrowers. If you're borrowing from banks, for example, make sure you get copies of these information, and that you understand all loan terms and conditions.

NOTE: *A key feature of the above BSP regulation is the computation of interest rates using the "declining balance" method.* Banks may only charge interest based on the outstanding balance of a loan at the beginning of an interest period. For a loan where principal is payable in installments, interest per installment period shall be calculated based on the outstanding balance of the loan at the beginning of each installment period. All loan-related documents should show repayment schedules in a manner consistent with this computation. Marketing materials and presentations should likewise be consistent with this provision."



KEY MESSAGE

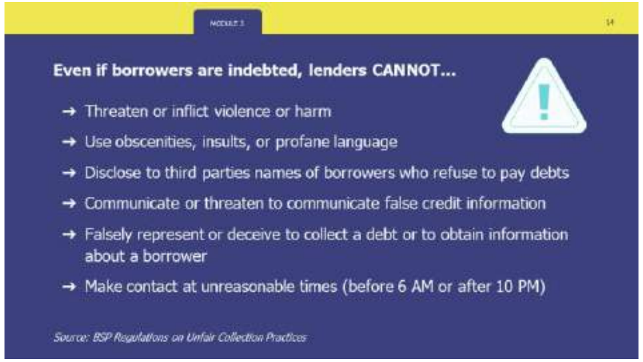
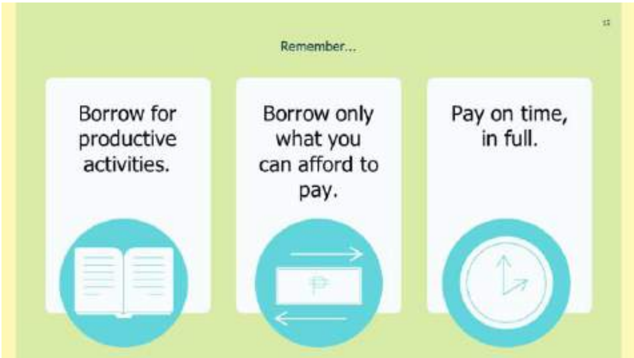
List of things lenders **CANNOT** do:

- Threaten or inflict violence or harm
- Use obscenities, insults, or profane language
- Disclose to third parties' names of borrowers who refuse to pay debts
- Threaten to take action that cannot be legally enforced
- Communicating or threatening to communicate false credit information
- False representation or deception to collect a debt to obtain information about the borrower
- Making contact at unreasonable times (before 6am or after 10pm)

SUGGESTED SCRIPT

There are lenders who may blackmail you or use force for you to pay them back but note that these are all illegal. In this slide, you will see the list of things lenders CANNOT do. (Read briefly what's on the list)

The above list is embedded in the BSP regulations against unfair collection practices and are applicable to BSP-supervised institutions (e.g. banks, pawnshops, credit card issuers). These are

	also embedded in the Credit Card Law. Should any of these happen to you, you may report the incidence to the BSP Financial Consumer Protection Department of the BSP (email consumeraffairs@bsp.gov.ph or call 632-708-7087 or see handout on Consumer Assistance Mechanism). **NOTE:** *Most lending companies are not under BSP-supervision, but under SEC.*
	**SUGGESTED SCRIPT** If you are the lender, this is what you must know: • Do not lend money if it is budgeted for your specific purposes. Do not lend your emergency fund. If you want to lend money, ask yourself: Would you have the will to ask repayment for the borrowed money? • If in debt, stop borrowing. Pay off your debts. • If you need to borrow, borrow only what you can afford to pay. And pay on time and in full.

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<td>SUGGESTED SCRIPT
Before we end this session, here’s a video that will teach us on what compounding interest is.

Compounding interest can be beneficial if you are a saver (and investor). It can be dangerous if you are a borrower, especially if you are unable to manage your debt well.</td>
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<td>Open forum</td>
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ADDITIONAL REFERENCES

1. Trainers may wish to use **credit cards** as an example of a credit product. To learn more about credit cards, Trainers may refer to the website of the Credit Card Association of the Philippines:
   https://www.ccap.net.ph/credit-card-basics/

   Trainers may also wish to consult the Implementing Rules of the Credit Card Industry Regulation Act issued by the BSP, in order to deepen understanding of the applicable regulations covering the provision of credit cards by credit card issuers:
   https://www.bsp.gov.ph/Regulations/Issuances/2018/c1003.pdf

2. This module talks about getting a good **credit score** as one of the reasons why people borrow. For additional information on credit scores, and the role of the Credit Information Corporation in generating credit reports, Trainers may refer to the following:

   a. About the Credit Card Information Corporation (CIC):
   http://www.creditinfo.gov.ph/

   b. About credit reports generated by CIC:
   https://www.creditinfo.gov.ph/faqs

   b. Simplified explanation of a credit score:

   Ang Credit Score ay binibigay ng mga Credit Bureaus/Credit Rating Agencies base sa isang grading system. Ito ay nagsisilbing indicator upang malaman ang "creditworthiness" o kung gaano kasinop magbayad ng utang ang isang borrower. Kapag maganda ang iyong Credit Score, mas mataas ang tsansang ma-approve ang loan application sa bangko o financial institution, at makaka-negotiate pa ng mas mababang interest rate. Ang pagbibigay ng Credit Score ay unti-unting nauuso sa Pilipinas dahil mayroon nang. Ang mga bangko, creditors at utility companies granting insitutions are required ng batas (Credit Information System Act) na mag-report sa CIC ng data tungkol sa kanilang mga borrowers o clients.

3. This module discusses two ways of managing debt: **debt stacking** and **debt snowball** (also called avalanche method). For more information about these methods, Trainers may refer to the following resources:

   a. Video by Next Level Life on Debt Stacking (avalanche method) and Debt Snowball:
   https://tinyurl.com/DebtSnowballVsDebtAvalanche

b. To further illustrate, Trainers may list the following debt and identify the what each method* means:

A. ₽30,000 Credit Card Debt, with 3% intest rate per month, compounded
B. ₽5,000 Debt From a Bank or Lending Institution or Cooperative, with 2% interest rate per month, compounded
C. ₽ 5,000 Debt from a Friend, with 1% interest rate per month, not compounded

*Debt Stacking – Prioritize paying Debt A
*Debt Snowball – Prioritize paying Debt B

c. Trainers may use a simplified explanation below. It already includes **loan structuring** as a third method for managing debt, expecially in cases where a borrower is already overindebted.

Isang paraan ang debt stacking:
- I-lista lahat ang utang ayon sa interest rates nila.
- I-prioritize bayarn yung may pinakamataas na interest rate.
- (Pros) Makakatipid sa interest payments.
- (Cons) Baka matagalan ang pagbabayad, lalo na kung malaking halaga ang may mataas na interest rate.

Isa pang paraan ang debt snowball:
- I-lista ang lahat ng utang ayon sa halaga o laki ng outstanding balance.
- I-prioritize bayaran yung may pinaka-malilit na outstanding balance.
- (Pros) May immediate feeling of victory dahil bayad agad ang maliliit na utang.
- (Cons) Mas mahal interest payments dahil mas matagal mababayaran ang malalaking utang.

I-try din ang **loan restructuring**, lalo na kung sa bangko kayo may utang:
- Sulatan, puntahan at kausapin ang bangko o creditor, at ipaliwanag ang inyong sitwasyon.
- Mag-propose ng mas abot-kayang halaga at schedule ng pagbabayad.
- Tanungin kung posibleng ma-waive o bawasan ang interest payments, para mapadali ang pagbabayad.
- Intindihin at tumupad sa Loan Restructuring Agreement para hinid ma-kasuhan o ma-remata ang inyong ari-arian na ginamit pang-collateral sa loan.

- Tandaan, huwag mangungutang ng pambayad sa iba pang utang! Kapag baon na sa utang, huwag nang mangutang! Huwag din mawalan ng pag-asa. Kailangan disiplina sa pagbabayad, at tiyaga sa pagtitipid at paghahanapbuhay.

4. During discussions, Trainers may wish to share the typical **sources of credit**, with simplified description of their advantages and disadvantages, as below:

a. Kamag-anak o Kaibigan:
- Madaling makautang
- Madalas wala o mababa ang interest, at negotiable ang takdang panahon ng pagbabayad
- Maaring maging dahilan ng sigalot o away ng pamilya at kaibigan

b. Loan Shark (5/6):
- Mabilis at madaling makautang kahit walang kasulatan
- Mataas ang interest rates at halos araw-araw o lingo-linggo ang paniningil
- Hindi regulated o supervised ng kahit anong government institution
- Maaring maging "abusive" ang loan shark sa paniningil

c. Savings and Credit Cooperatives
- Madaling makautang kapag naging miyembro at nagbayad ng share capital
- Kapag miyembro, maaring mag-avail ng iba pang serbisyo ng cooperative
- Ang interest rates ay depende sa patakaran ng cooperative
- Maaring bumagsak o mawala ang cooperative kapag hindi maganda ang governance at management nito

d. Pawnshop
- Kailangan ng ari-arian na pwedeng isanla (maliban sa lupain)
- Mabilis ang transaksyon
- Madaming pawshop sa iba't ibang lugar
- Mas mababa ang value o kapalit na pera ng naisanla
- Bayaran sa takdang oras para iwas remata

e. Bangko

- Mas mababa ang interest rate dahil "diminishing balance" ang computation
- Nakalahad sa loan terms and conditions ang amortization amount/schedule, fees/charges at iba pang patakaran tungkol sa loan
- Regulated at supervised ng BSP ang lahat ng bangko
- May mga dokumentong kailangan i-submit bago maka-utang. Minsan, malayo o walang bangko sa lugar.

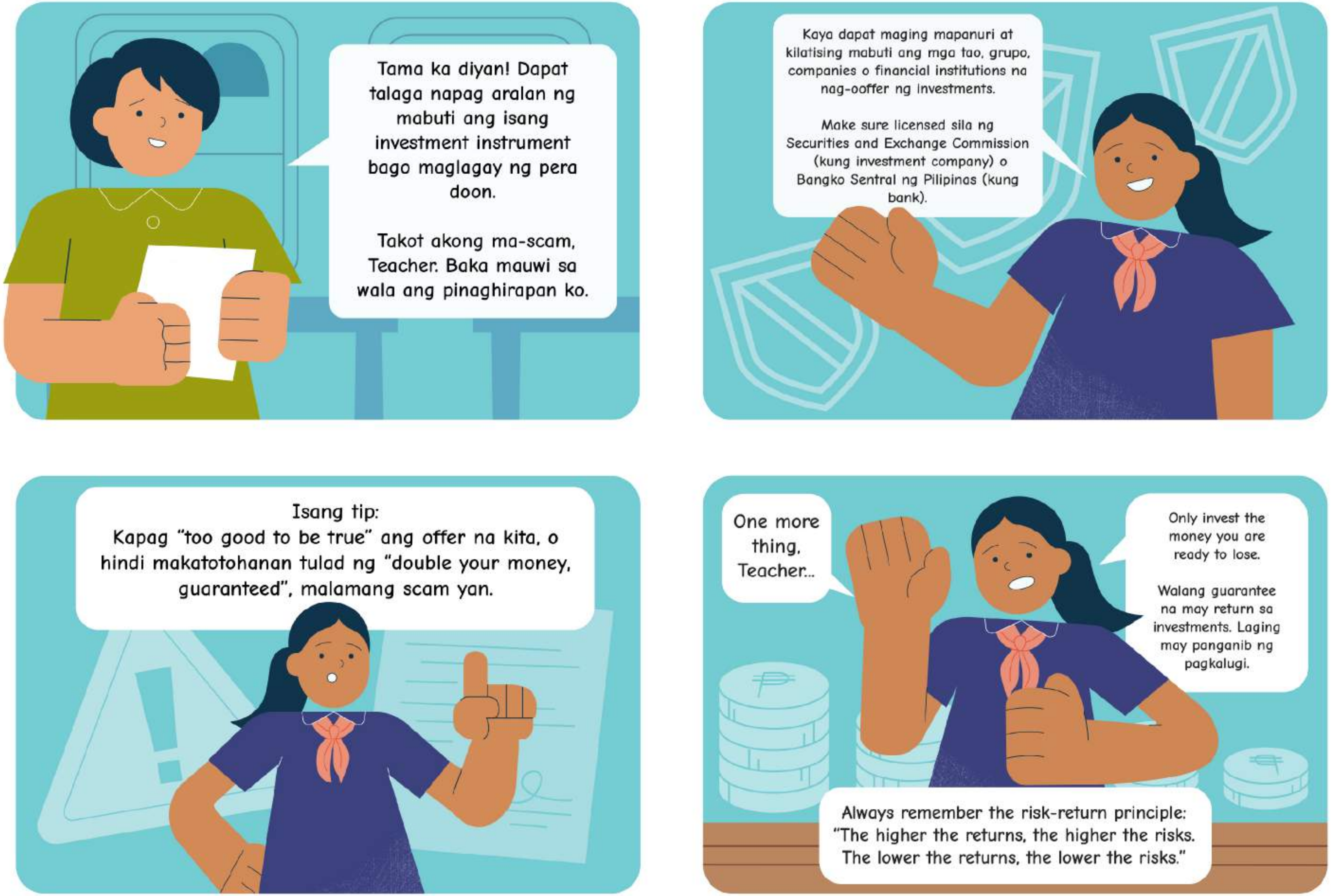
5. To emphasize the above, Trainers may say: Bago mangutang, alamin ang bentahe (benefits) at kahinaan (disadvantages) ng bawat nagpapa-utang. Lamang pa rin ang mga formal financial institutions tulad ng bangko at kooperatiba.

Notes:

MODULE 4

Investment


PAGKATAPOS NG ISANG INVESTMENT WORKSHOP, NAG USAP USAP ANG DALAWANG GURO...
Teacher Nancy, malaki na ang emergency fund ko. May ipon din ako sa isa pang savings account. Well-managed na ang household expenses ko.
Yung extra money ko, I think pwede ko na gamitin to invest.
Agree ako diyan Teacher Cha. Maraming investment instruments na pwedeng pagpilian, tulad ng...
...stocks,
bonds,
and mutual funds,
o unit investment trust funds.
Basta ang importante, Pag-aralan mong mabuti ang investment na papasukin mo.
Alamin ang risk profile nila. Kapag di mo naiintidihan kung paano kumikita ang investment at ang mga panganib ng pagkalugi; o may duda ka sa credibility ng nag-ooffer na kumpanya o ahente, huwag na muna mag-invest.


Tama ka diyan! Dapat talaga napag aralan ng mabuti ang isang investment instrument bago maglagay ng pera doon.
Takot akong ma-scam, Teacher. Baka mauwi sa wala ang pinaghirapan ko.
Kaya dapat maging mapanuri at kilatising mabuti ang mga tao, grupo, companies o financial institutions na nag-ooffer ng investments.
Make sure licensed sila ng Securities and Exchange Commission (kung investment company) o Bangko Sentral ng Pilipinas (kung bank).
Isang tip:
Kapag "too good to be true" ang offer na kita, o hindi makatotohanan tulad ng "double your money, guaranteed", malamang scam yan.
One more thing, Teacher...
Only invest the money you are ready to lose.
Walang guarantee na may return sa investments. Laging may panganib ng pagkalugi.
Always remember the risk-return principle: "The higher the returns, the higher the risks. The lower the returns, the lower the risks."


Thank you sa reminder,
Teacher Nancy!
Will keep that in mind.

Module 4: Investing

Total Running Time: 45 minutes

<table>
<tr><th>PowerPoint Slide</th><th>Speaker Guides</th></tr>
<tr><td>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KEY MESSAGE
Investing is ideal for those who already have regular savings and emergency funds, and a clear and realistic financial plan.

SUGGESTED SCRIPT
We have learned the importance of having a financial plan, the value of saving, budgeting, and responsible borrowing. These are the most basic things we must practice to achieve financial wellness.

When we have already established enough savings (that includes an emergency fund) and have the ability to manage our debts and financial obligations, then it is time for us to considering investing in order to grow our money.
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KEY MESSAGE
This module presents basic principles and tips about investing. Information about specific investment products and providers should be distilled by interested investors on their own, with appropriate application of the principles in this module.

SUGGESTED SCRIPT
This module will help us understand the concept of investing and the important factors to consider before investing. We will also learn the types of investment instruments that are available in the Philippines. And Information about specific investment products and providers should be distilled by interested investors on their own, with appropriate application of the principles in this module, such as Risk Return Trade-Off and Risk Appetite.
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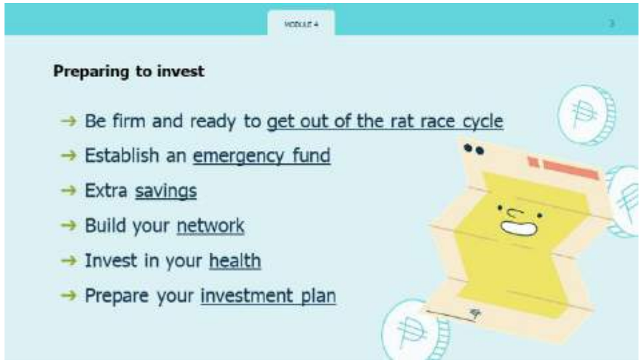

KEY MESSAGE

Before undertaking an investment, make sure that your financial life is in order, and you have extra savings to use as investment money.

SUGGESTED SCRIPT

Before undertaking an investment, make sure that your financial life is in order. These are the important things that you need to do prior to investing. This is also a quick review of what we have discussed in previous modules:

1. **Get out of the rat race cycle**
   Get out of the pressures of "isang kahig, isang tuka" lifestyle. Set your budget in order, control your expenditures, get out of the debt trap, and have some bandwidth for a comfortable lifestyle. It will take sacrifice from your end, but the reward of financial wellness is worth it.
2. **Establish an emergency fund**
   Make sure that your specific savings goals are being met. Set up a separate emergency fund to cover unexpected expenses.
3. **Have extra savings**
   Allocate extra savings as an investment fund. Use it to explore and start investing in your preferred investment products.
4. **Build your network.**
   Build and maintain your relationships or network of friends who are financially savvy and can mentor or coach you to achieve your financial goals.
5. **Invest in your physical health**
   Keeping physically healthy is one of the best investments you can make. Health is wealth.
6. **Prepare an investment plan.**
   Before you invest, "investigate". Ask yourself why you are investing, the amount you are willing and able to invest; how long you can invest; what/where to invest in; and most importantly, the risks attendant to the investments of your choice.

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<td>KEY MESSAGE
Investing is making your money grow. You can do this by setting up you own business, or investing in financial investment instruments. Different types of investments have their own advantages, disadvantages, and risks.

SUGGESTED SCRIPT
Investing is not gambling. In investing, you rely on research about an investment product, its past performance, projected outcomes. Then you make intelligent, calculated investment decisions based on these data. In gambling, you rely on luck and chances, without research or well-informed decision making.

AUDIENCE PARTICIPATION
Who among you have investments? (If there are raised hands, pick one to read the next slide that differentiates saving versus investing.</td>
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<td>KEY MESSAGE
The purposes and characteristics of “saving” is very different from “investing”.

SUGGESTED SCRIPT
Remember that saving is different from investing.

Illustrative case: In banks, all their savings products are insured by the PDIC. Banks’ investment products are not insured. Bank savings accounts are considered very liquid since you can withdraw cash immediately anytime, any day, especially thru ATM terminals. In contrast, banks’ investment products have specific maturity periods and restrictions on “withdrawability”.

The money you use to invest should be separate from your savings, emergency fund, or other funds that you have earmarked for specific, short-term goals (e.g. child’s tuition or retirement money). Before you venture into investing, it is ideal to have an emergency fund (worth 6 months or more of your family expenses) to be your safety net in case your investments yield little or no returns. Since there is no “guarantee” of returns on an investment, an investor should be prepared to absorb potential losses.</td>
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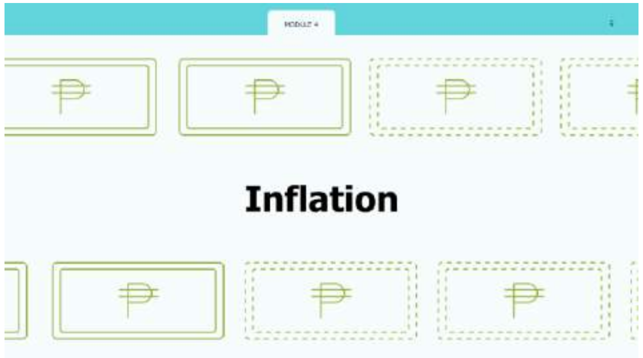
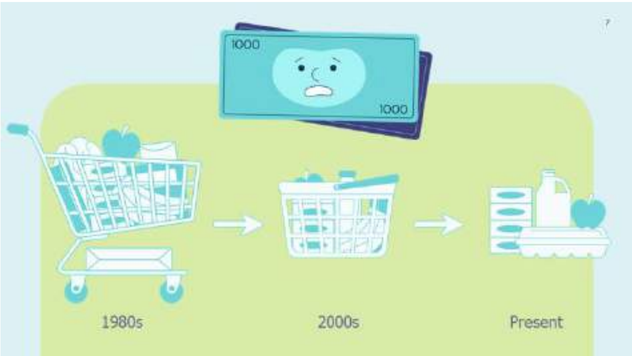
	**KEY MESSAGE** Investing is one way of coping with the effect of inflation on the purchasing power of households. **SUGGESTED SCRIPT** (Ask audience) Have you heard this word? What is Inflation?
	**KEY MESSAGE** Wise investors put their money in instruments that earn rates which are on par, or more than, the inflation rate. **SUGGESTED SCRIPT** 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. Inflation happens around the world, prices of goods and services inevitably increase, but a steady rate of increase is ideal Central banks, through various tools, attempt to manage *inflation* — and avoid deflation — to keep the economy running smoothly. Inflation erodes the value of our money over time. What you can buy today for P1,000 is less that what you could have bought in the 1900s and 200s (refer to slide). Your purchasing power today with P1,000 will not be equal to your purchasing power in the future. OPTION 2 (Filipino): Ang inflation Ito po ay ang bilis ng pagtaas ng pangkalahatang presyo ng mga bilihin. Ito po ang dahilan kung bakit ang pera natin ngayon (halimbawa P1,000) ay di na makakabibili ng kasing tumbas na mga produkto sa hinaharap (refer to slide). Wise investors thus put their money in instruments that earn at rates on par, or more than the inflation rate.

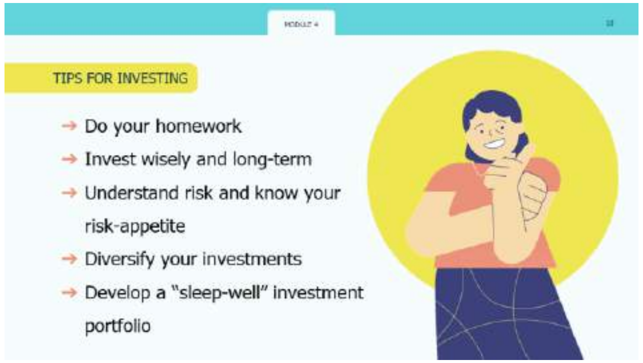
KEY MESSAGE
Know the key features of an investment instrument that affect its earnings.

SUGGESTED SCRIPT
These the factors to consider before investing:

- **LIQUIDITY** – The convertibility of an investment instrument into cash (or liquid assets). Some investment instruments can be redeemed or sold more quickly than others (e.g. treasury bills versus treasury bonds). Investments are not as liquid as savings instruments, which are withdrawable anytime.
- **TERM** – The minimum length of time necessary to keep or hold on to an investment for it to earn returns. Terms vary for different investment instruments and will affect the level of risks that you get exposed to. In general, longer term investments earn more over time (e.g. treasury bonds held for 10 years generally have higher yields than treasury bonds held for two years).
  Long-term investments are instruments that you intend to hold for, or have maturity dates of, more than one year. These types of investments can be held over several years. Short-term investments are those held for, or mature in, one year or less.
- **SECURITY** – Some investment instruments (e.g. government securities) are secure, in the sense that they bear lower risks than other types of investments and returns are guaranteed.

SUGGESTED SCRIPT

- **RISKS** – This pertains to the possibility of incurring losses. All investment instruments have risks – low, medium or high. Know your risk appetite. Avoid high-risk investment products if you do not fully understand them and are not willing to take them on. Try low-risk investments first and move to higher risk ones when you are ready to bear higher potential losses...
- **RETURNS** – Returns are the yield or profit you earn from your investments (e.g. interest earnings from fixed-income securities; dividends from shares of stocks; or the difference between the price you pay for a stock and the price you sell it for)



KEY MESSAGE

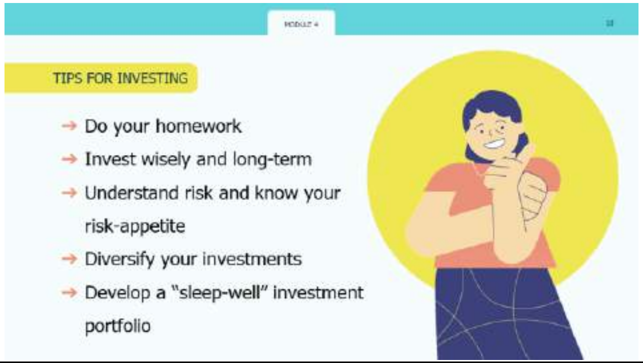
Know the basic things you need to do when investing (refer to slide).

SUGGESTED SCRIPT

These are the basic things you need to do when investing (refer to slide).

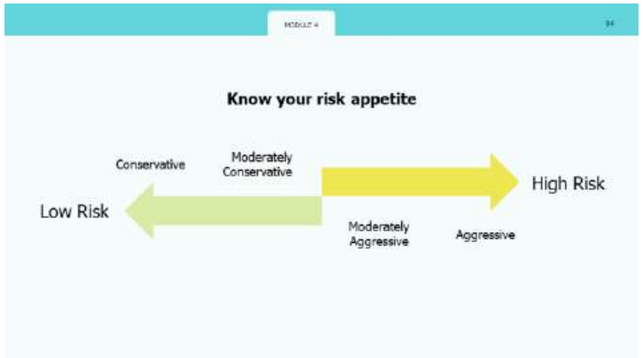
The qualities of a good investor include being – or growing to be – a lifelong learner, comfortable with risks, patient and self-aware. We have five tips:

1. **Do your homework** - Study the investment instruments you are interested to invest in. Study how it works, the returns, and the attendant risks.
2. **Invest wisely and long-term** – If you're investing over the short term, it is wiser to invest in instruments with low to moderate risk. In general, longer term investments (e.g. at least five years) are more ideal. If you cannot park your extra cash in an investment instrument over the long-term, it may be better to leave your money in a savings or time deposit account.
3. **Understand risk and know your risk-appetite** – Your risk appetite is your willingness to absorb risk of loss. There is potential for high financial returns in some investment instruments, but there is also potential for high losses. Determine whether you are a



conservative (low risk taker), moderate (moderate risk taker) or aggressive (high risk taker) investor, and choose instruments that match your risk appetite.

4. **Diversify your investments** – This is one of the golde rules in investing: Do not put all your eggs in one basket. Diversify as much as you can to lower your risk exposure, i.e., invest in different instruments,companies, industries, and regions with varied risk profiles,.
5. **Develop a "sleep-well" investment portfolio** – Invest in a portfolio of instruments that allow you to have peace of mind, and you do not worry too much about an investment because all your other needs and financial goals are already being met. You should decide for yourself how much risk to take on while remaining comfortable with your investments.



KEY MESSAGE

Know your risk appetite and the kind of investor that you are. There are generally three types of investors/risk appetites: Conservative, Moderate, and Aggressive. The greater return you want, the more risk you need to accept, the more aggressive you can become as an investor.

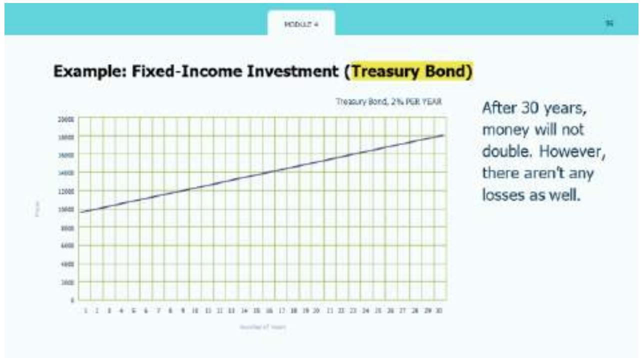
SUGGESTED SCRIPT

What is your risk appetite? Only you can decide that. Know your risk appetite and the kind of investor that you are. There are generally three types of investors/risk appetites: Aggressive, Moderate and Conservative. The greater return you want, the more risk you need to accept, the more aggressive you can become as an investor. In general, "the higher the risk of an investment is, the higher the return".

Another common rule of thumb in investing is determining your "investment horizon".

In general, the younger an investor is, the more he/she can afford to have an aggressive risk appetite, while older investors usually opt to be more conservative. This is because younger investors still have a longer time horizon to recoup investment losses and have greater ability to work or generate income through employment.

Factors affecting your risk appetite and investment horizon include: Your age, steady income sources, number of dependents, desired lifestyle, knowledge of investment products and financial markets, and financial literacy and capability

	**KEY MESSAGE** There are two categories of investments, based on the types of income they generate: fixed and variable. **SUGGESTED SCRIPT** We can categorize investment instruments into 2 categories – Fixed-Income Investments (which have predictable returns or income streams) and Variable-Income Investment (which have unpredictable returns or income streams). When you invest your money in Fixed-Income Investments, you know when and how much you will earn. When you invest in Variable-income investments, there is no guarantee as to how much you will earn, since levels fluctuate daily or unpredictably.
	**KEY MESSAGE** An example of a fixed-income investment is a treasury bond, which has steady but minimal growth over a long period of time. **SUGGESTED SCRIPT** An example of a fixed-income investment is a treasury bond, which has steady but minimal growth over a long period of time. Look at the graph. After 30 years, the investment will not even double, but the risk of loss is very low. Returns may not be doubled but at least its value never decreased. Fixed-income investments are generally “low risk, low return”.

KEY MESSAGE

An example of a variable-income investment is stocks, which can double or triple in value when market conditions are right ("bull" market) but can also significantly plummet in value under negative conditions ("bear" market).

SUGGESTED SCRIPT

Stocks are an example of a variable-income investment. Look at the graph. If you started investing in 2006 in a pool of stocks that make up the Philippine Stock Exchange Index (PSEI), which includes "blue chip" companies like PLDT, Globe, Ayala Land (or other strong companies listed in the Exchange), and you kept your investment until 2016, the value of your stocks would have tripled. But if you sold your stocks during the Global Financial Crisis, you would have incurred a loss. Investing in the stock market is a long-term endeavor.

(Intro to next slide)

In the next slides, we will provide basic information about the typical investment products available in Philippines. (Deeper discussions on investments may be provided in future sessions of the Personal Financial Management Seminars.)

KEY MESSAGE

Government securities – Treasury Bills and Treasury Bonds – are low-risk investments, backed by the Government of the Philippines.

SUGGESTED SCRIPT

Government Securities

Government securities (GS) are instruments of indebtedness by the government from GS buyers. These are issued by the Bureau of the Treasury, through Government Securities Eligible Dealer (GSEDs), which are usually banks.

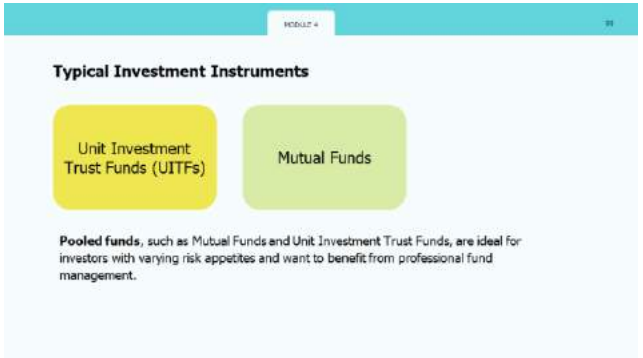
They are generally low risk, as they are backed by the taxing power of the government. They but may be subject to “market risks” when the rates of return are pegged or benchmarked at prevailing market interest rates.

GS are liquid since you may redeem them any time with GSEDs (subject to fees).

Types of Government Securities:

1. **Treasury bills (T-bills):** Mature in less than one year, i.e. tenors of 91, 182, or 364 days. T-bills have no interest, but they are sold at lower price than face value on the coupons but can be redeemed at face value. You (investor) earn “interest” through the difference of the discount price and the face value paid to you at maturity date. For example: You can buy a T-bill with face value of P5,000 at P4,500 and claim the full P5,000 upon maturity or on the 364th day)
2. **Treasury bonds (T-bonds):** At present there are five maturities of bonds 2, 5, 7, 10 and 20-year. These are sold at its face value on origination. The yield is represented by coupons, expressed as a percentage of the face value on a per annum basis, payable quarterly or semi-annually. For example, you buy a 2-year T-bond worth P50,000 with coupon rate of 5% per year. You can claim the quarterly interest payments based on this rate.
3. **Retail treasury bonds (RTBs):** Issued are 3- and 5-years maturity; with quarterly interest coupons; The lowest capital is P5,000 as compared to the P500,000 minimum capital requirement of primary or wholesale markets.

(Trainers are encouraged to simplify the above explanations. Additional research from reliable sources and websites is also encouraged).



KEY MESSAGE

Pooled funds, such as Mutual Funds and Unit Investment Trust Funds, are ideal for investors with varying risk appetites and want to benefit from professional fund management.

SUGGESTED SCRIPT

Pooled Funds or Collective Investment Funds

Pooled funds or collective investment funds are funds from small investors which are pooled together and invested in diversified portfolio which otherwise will be too expensive for one investor to undertake. Many are affordable, with initial investment for as low as Php5,000)

Pooled funds benefit from asset diversification and professional fund management. They are less liquid relative to government securities, investments can be withdrawn when the need arises, subject to fees in some cases.

Pooled funds are investments and are not covered by PDIC deposit insurance since they are not bank deposit products.

Generally, pooled funds have medium risk and returns but these varies depending on where the fund is invested. For example:

- **Equity or stock funds** – 75-90% publicly-listed companies; higher risk but high returns; for aggressive investors and long-term growth (>5 years)
- **Balanced funds** – mixture of equity and fixed-income instruments (50-50); moderate risk and return; for balanced investors and long to medium-term growth (3-5 years)
- **Bond funds or fixed-income funds** – 100% fixed-income securities; lower risk and return; for conservative investors and long-term capital preservation
- **Money market funds** – 100% short-term instruments, largely T-bills; lowest risk but lowest returns; for very conservative investors and for short-term capital preservation (1-2 years)

Types of Pooled Funds

1. **Mutual Funds (MFs)**

An investment company that pools your money along with the money of different investors and invests these in various financial instruments.

The mutual fund company issues shares representing your holdings in the fund. You will be issued a certain number of shares by the mutual fund based on the amount of your investment. The price of each share is called the net asset value per share (NAVPs). All shares in a mutual fund are traded using the NAVPS, which changes every business day. When you buy or sell your shares in the mutual fund, the price will be based on the NAVPs. If the NAVPS of the mutual fund increases or appreciates, you can sell your mutual fund shares for a profit. In the same way, if the NAVPS of the mutual fund you are invested in decreases or depreciates, you may realize a loss if you redeem it.

Investment companies that offer mutual funds are supervised by the Securities and Exchange Commission.

2. **Unit Investment Trust Fund (UITFs)**

Are being sold by banks. You buy units of participation in the fund, whose value is called the Net Asset Value per Unit (NAVPU). This reflects the current market prices of the instruments that make up the UITF. The NAVPU rises or falls depending on the movement of market prices. The UITFs are then invested in a variety of instruments such as corporate and government bonds, money markets, equities, etc., to meet different risk profiles and investment objectives.

Banks and/or investment companies that offer UITFs have to get special licenses from, and are supervised by the Bangko Sentral ng Pilipinas.

(Trainers are encouraged to simplify the above explanations. Additional research from reliable sources and websites is also encouraged).

KEY MESSAGE

Other types of investment instruments in the market are corporate bonds and stocks. They are ideal for long-term investing by seasoned investors.

SUGGESTED SCRIPT

Corporate Bonds

- Borrowings of banks/companies so the investor is the creditor
- Issuers are private corporations; may invest through underwriters, usually big commercial banks.
- Returns are fixed and regular (coupon payments usually semi-annual); possibility of appreciation/depreciation in value possible if not held to maturity
- Risk varies depending on the issuer, possibility of default on coupon payment not impossible; price risk also (dependent on expected interest rate); affected by financial position of corporation which issues the bonds
- Relatively not liquid as it may be held to maturity, or traded in secondary market (Fixed-Income Exchange)
- Also called "long-term commercial papers" in the Philippines

Shares of Stocks

Stocks are equity capital and represents ownership in the company; When you buy stocks of a publicly listed company, you become a shareholder or part-owner of that company. As a part-owner, you participate in the company's growth and future profits. Conversely, you may also lose if the company suffers a loss or performs below market expectations. The number of stocks you acquire will determine how big or small your ownership is. As you acquire more stocks, your ownership stake in the company becomes greater.

- Risks – profits may not be as expected since dividends may not be declared; capital not guaranteed as price is affected by abrupt market swings, interest rates and unrelated factors
- Returns – opportunity for higher earnings or windfalls; roller coaster ride – fast and sharp turns

- Value of investment – may increase or decrease depending on 1) price per share of stock; and 2) number of stocks you own, as stock dividends may be declared.

Types of stocks, anchored on your "rights" as stockholder:

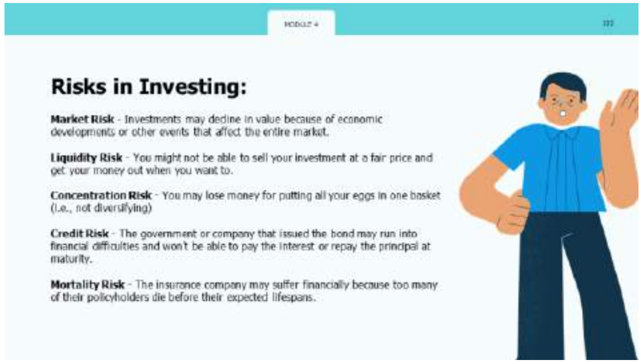
1. **Common stock or shares**– It is a security usually purchased for Stockholder has full participation in the profits and has control of ownership and influence over management of the company. A common stockholder exercises control through voting rights during annual or special stockholders' meetings but can only claim rights to the company's assets and earnings when preferred shareholders are already paid in full. Most of the issues traded in the local stock market are common stocks. Common stocks are also known as "ordinary shares."

2. **Preferred stock or shares** – It is a security whereby the Stockholder has no voting rights but has a higher claim on the assets and earnings of the company.

In terms of dividend payment and liquidation, preferred shareholders have priority over common shareholders. Though preferred shareholders do not have voting rights, they are entitled to receive dividends before any dividends are paid to the common shareholders. Preferred stocks usually have a specified limited rate of return or dividend and a specified limited redemption and liquidation price. Preferred stocks are also known as "preference shares."

You can buy shares of stocks from licensed stockbrokers and/or thru their authorized digital platforms. Stocks are traded in the Philippine Stock Exchange. You earn when the company you partly own distributes dividends, when the value of your stock appreciates and/or when you sell your stocks at a higher price than your initial purchase price.

(Trainers are encouraged to simplify the above explanations. Additional research from reliable sources and websites is also encouraged).



KEY MESSAGE

All investments have risks, but these vary depending on the type of investment instrument. In general, the risk categories are (refer to slide). Do your research to understand the risks attendant to a specific investment.

SUGGESTED SCRIPT

All investments have risks, but these vary depending on the type of investment instrument. In general, the risk categories are:

Market Risk - Investments may decline in value because of economic developments or other events that affect the entire market.

Liquidity Risk - You might not be able to sell your investment at a fair price and get your money out when you want to.

Concentration Risk - You may lose money for putting all your eggs in one basket (i.e., not diversifying)

Credit Risk - The government or company that issued the bond may run into financial difficulties and won't be able to pay the interest or repay the principal at maturity.

Mortality Risk - The insurance company may suffer financially because too many of their policyholders die before their expected lifespans.

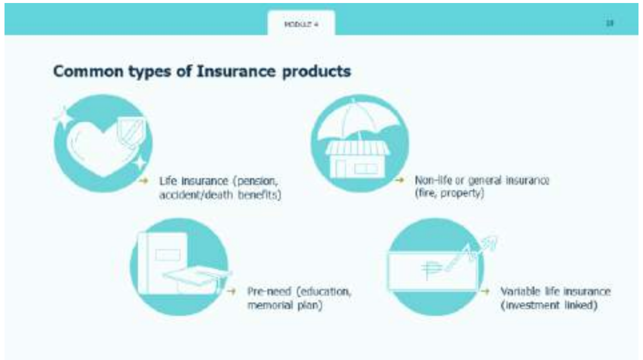
Do your research to understand the risks attendant to a specific investment instrument before making an investment decision.

(Trainers are encouraged to simplify the above explanations. Additional research from reliable sources and websites is also encouraged).

KEY MESSAGE
Beware of investments that promise high income with low or no risks, they are usually scams.

SUGGESTED SCRIPT
It is important for us to know our risk appetite so that we know the type of investment that is best suited for us.

- Let's do a short activity. (Ask audience): Who among you want low risk, low income investments? Raise your hands. Fixed-income investments like deposit government securities may be good for you.
- Who among you want high risk, low income investments? Raise your hand…and I hope there's none…because it does not make sense to invest in such instruments.
- Who among you want high risk, high income investments? Variable-income investments such as stocks may fit you.
- Who among you want low risk, high income investments? (Wait for raised hands.) Beware! The investment schemes that promise high return with minimal risks are usually scams!

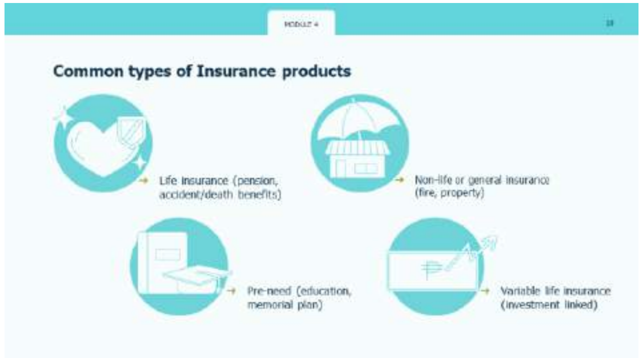


KEY MESSAGE
Some insurance companies offer investment-linked insurance products. Know and fully understand the product (both the investment portion and the insurance portion) before getting one.

SUGGESTED SCRIPT
Some insurance companies offer investment-linked insurance products (Variable Universal Life or VUL). Know and fully understand the product (both the investment portion and the insurance portion) before getting one.

Note that insurance products (including those bundled with an investment portion) are regulated by the Insurance Commission (IC). Insurance products protect you, your beneficiaries, and/or your property from financial losses arising from contingent events like accident, death, fire etc.

Key Features of Risk Protection Products:



- Risk varies (depends on the liquidity position and fund management of the insurance company)
- Regular premiums or contributions are required
- Insurance benefits are paid out periodically, at predefined events, or at end of the insurance policy or contract.
- Return of principal or premiums paid is not guaranteed

Types of Risk Protection Products

1. Insurance

Products designed to protect against contingent events (death, disability, natural disasters); insured/buyer assumes a guaranteed and known payment to the insurer (premium) in exchange for the insurer's promise to compensate the insured in the case of a financial (personal) loss; the insured receives policy or contract which details the terms. There are two types: life insurance and non-life insurance:

Life Insurance are designed to protect beneficiaries against contingent events (death, disability, natural disasters). Life insurance protects against risks to life of the insured. There are different forms: a. Term life – pure life; coverage for specific period; if you die before the policy maturity, benefits will accrue; if not, no return of premium

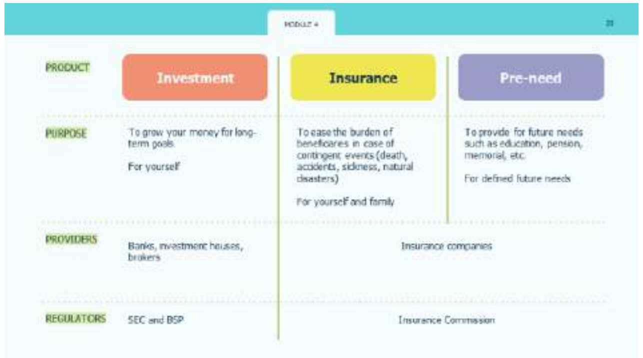
b. Whole life – coverage for whole life or until 100; combines protection and savings as fixed premium pays for cost of insurance plus buildup of cash values (savings); death benefits (face amount) plus living benefits (accumulated cash values and dividends)

c. Endowment life - same as whole life except coverage is for a limited period (e.g., 20 years); ceases upon endowment (maturity) or death.

d. Variable universal life (VUL) – insurance product with an investment component, with benefits directly linked to performance of unit of investment funds or mutual funds (bond, equity, balanced); there is no guarantee of cash values and dividends

e. Pension products – a plan, fund, or scheme which provides retirement income, often bundled with life insurance.

Non-Life or General Insurance are insurance policies that protect properties or assets from damage or loss. These encompass various types like fire insurance, car insurance, homeowners' policies, travel insurance, inventory insurance, etc.

	Pre-need Plans (regulated by IC beginning Dec 2009) are contracts, agreements, deeds or plans for the benefit of a plan holder which promise future services, payment or delivery of other benefits at the time of need or maturity period, in exchange for premium payments. Examples Include education plans, and memorial plans. Maturity depends on age or upon payment of the plan. Benefits may be received in full or on installment. If plan holder dies before maturity, beneficiaries will still be paid on maturity. Looks and feels like an insurance product but it is not. *(Trainers are encouraged to simplify the above explanations. Additional research from reliable sources and websites is also encouraged).* .
	**KEY MESSAGE** Investments, insurance policies and pre-need plans have different purposes and benefits. Investments can grow your money, insurance and pre-need protect you and your beneficiaries from financial risks of contingent events. **SUGGESTED SCRIPT** Investments, insurance policies and pre-need plans have different purposes and benefits. Investments can grow your money, insurance and pre-need protect you and your beneficiaries from financial risks of contingent events. Avail of these products based on your needs and preferences. Let's see how they differ (refer to slide). *(Trainers are encouraged to simplify the above explanations. Additional research from reliable sources and websites is also encouraged).*

	**KEY MESSAGE** Invest only in amounts you are prepared to lose. Investment returns are not guaranteed. **SUGGESTED SCRIPT** Investments have their purposes and benefits, but they also come with risks and responsibilities. To keep our financial future secure, we should invest only (a) after we study the various products, understand their risks and returns, and our own lifestyle goals, (b) after we have established an emergency fund and other steady sources of income and (c) after we have made peace with the fact – not just the possibility – that anything we invest could be lost, due to factors within and outside our control.
	Open forum

ADDITIONAL REFERENCES

1. Trainers should emphasize the difference between saving and investing. A saver should not expect much yield from simple deposit accounts. If it is profit that he/she wants, he/she should invest.

2. **Sa Investing:**
   - Ang layunin sa pagi-invest ay para madagdagan ang kita, mapalago ang capital o dumami ang mga ari-arian.
   - Subalit sa investing, hindi tiyak ang kita, at hindi rin tiyan na maibabalik ang puhunan.
   - Kaya i-invest lamang ang extrang pera na handa kang mawala o malugi!

3. This module talks about various financial investment instruments including government securities, Unit Investment Trust Funds, Pooled Funds and Bonds. Trainers may refer to the following:

   a. **For Treasury Bills and Bonds, a list of Government Security Eligible Dealers**
   http://www.treasury.gov.ph/?page_id=141

   b. **For prevailing interest rates of government securities**
   http://www.treasury.gov.ph/?page_id=12658

   c. **For UITF Philippines and their Association**
   http://www.toap.org.ph

   d. **For Mutual Funds, including NAVPS at Philippine Investment Fund Association**
   https://www.pifa.com.ph/

4. This module also talks about variable-income investments such as Stocks. Trainers may refer to the following;

   a. **What are Stocks**
   https://www.pseacademy.com.ph/LM/investors~details/id-1316267745169/What_are_STOCKS.html

   b. **Types of Stocks**
   https://www.pseacademy.com.ph/LM/investors~details/id-1316266249549/Types_of_STOCKS.html

c. **How to invest in Stocks**
https://www.pseacademy.com.ph/LM/investors~details/id-1310562298291/How_to_invest_in_STOCKS.html

d. **How do you make your money grow in Stocks**
https://www.pseacademy.com.ph/LM/investors~details/id-1317979539268/How_Do_You_Make_Your_Money_Grow_in_Stocks.html

e. **Ways to post an order**
https://www.pseacademy.com.ph/LM/investors~details/id-1316268039352/Ways_to_Post_an_Order.html

f. **Mutual Funds and UITFs**
https://www.pseacademy.com.ph/LM/investors~details/id-1316488470519/Mutual_Funds_and_UITFs.html

g. **Investment instruments**
https://www.pseacademy.com.ph/LM/investors~details/id-1317955796327/Investment_Instruments.html

Notes:

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MODULE 5

Fraud and Scam


SA MAY FACULTY ROOM, SI TEACHER EMS AY MAY INAALALA...
Hi Teacher Ems. O, bakit parang problemado ka?
Teacher Nancy!
Ang daming charges sa credit card ko na hindi naman sa akin! May withdrawals din sa deposit account ko na hindi ako ang gumawa.
Bakit??? Anong nangyari?
Last week, may notification sa email ko na may system upgrade daw ang bank tapos clinick ko lang yung link na prinovide.


AT NUNG ISANG ARAW...
UPDATE!!!
Ay opo, si Emma San Juan po ito...
...ANO PO?! nasimot lahat ng laman....
...account number at password?
Naku!
Teacher Ems, mukhang nabiktima ka ng PHISHING at VISHING!
PHISHING
Padadalhan ka ng email o text na may link. Pag-click mo, dadalhin ka sa fake website, hihingin ang account details mo, personal information at password.
?????
U:
P:
VISHING
May tatawag sa iyo, taga bangko daw siya at may problema sa account mo. Manghihingi ng account information at personal details mo.
Wag basta magbigay ng impormasyon sa random callers at emails.
Hindi hihingiin ng bangko ang personal information, account details, PIN, OTP o password mo. Nasa kanila na dapat ang records mo noong nagbubukas ka ng account.


Mag-ingat din tayo sa CARD CLOINING at ATM SKIMMING.
Ito yung illegal na pagkopya sa mga credit, debit at ATM cards.


Hala! Nakakatakot naman yan. Ano kaya ang pwede kong gawin?
Kailangan maging maingat tayo sa lahat ng transakyon.
Protektahan ang account at personal information. Vigilance and due diligence are keys to scam prevention!


Kung may concern o reklamo sa iyong financial transactions, makipag-ugnayan agad sa iyong bangko, credit card issuer o financial institution. Kung hindi sila umaksyon, i-report sa Bangko Sentral ng Pilipinas
BANGKO SENTRAL NG PILIPINAS


WHAT TO DO
Kung may nakitang potential investment scam, i-report sa Securities and Exchange Commission. Kung tungkol naman sa insurance ang issue, contact Insurance Commission. In case kooperatiba ang irereklamo, makipag-ugnayan sa Cooperative Development Authority


WHAT TO DO
Kung biktima ng cyber fraud o online crime, i-report sa National Bureau of Investigation


Tandaan:
Maging mapanuri at alerto upang maproteksyunan ang ating perang pinaghirapan.

Module 5: Fraud and Scams

Total Running Time: 15 minutes

PowerPoint Slide	Speaker Guides
	**SUGGESTED SCRIPT** Open-minded ka ba? Raise your hand! Well, if you're open-minded, some people are evil-minded enough to take advantage of that. To find out how you can identify and avoid fraud and scam, this module is for you.
	**SUGGESTED SCRIPT** We will identify the common types of financial fraud and scam and know the safety measures to avoid being victims of these fraudulent practices. We must be vigilant to protect ourselves and our hard-earned money. Especially nowadays that most of us are engaging in e-commerce and online banking.

Play Video: Scamatayan

KEY MESSAGE
Be aware of the telltale signs of financial fraud and scams

SUGGESTED SCRIPT
What did you notice about the woman in the video?
She knows the telltale signs of financial fraud and scams so she is able to avoid being victimized. We should all be like Teacher Amy.

KEY MESSAGE
Financial crimes are often rooted in identity theft. Criminals steal your personal identity and account information, and use these to steal your money.

SUGGESTED SCRIPT
Financial crimes are often rooted in identity theft. Criminals steal your personal identity and account information, and use these to steal your money.

Identity theft refers to all types of crime in which someone illegally obtains and uses another person's personal data and uses it to perpetrate fraud or deception, typically for financial gain. Personal data include your:

- name and address
- credit card details
- bank account information
- social security number
- medical insurance account numbers
- other personally identifiable information

KEY MESSAGE
We usually fall victim to fraud or scam when criminals use our personal date to hack or access our accounts and make unauthorized transactions.

KEY MESSAGE
Know the common modes of identity theft. Exercise due diligence when sharing data and making financial transactions, whether online or face-to-face.

SUGGESTED SCRIPT
Know the common modes of identity theft. Exercise due diligence when sharing data and making financial transactions, whether online or face-to-face.

The common types of scams are usually those that:

- Illegally copy your account and card information, usually through skimming and ATM, debit or credit card cloning

  Skimming happens when scammers install unauthorized paraphernalia (e.g., keypad, camera) in ATMs or POS devices to copy your card information and PIN. Scammers then make and use clones of your cards to access your account or purchase goods and services.

- Trick you to share personal information through
  - Phishing emails

- SMShing text messages
- Vishing voice calls
- Spoofed or fake websites or
- SIM card upgrade by unauthorized telco agents

In most cases, the scammer pretends to be from a financial institution, a popular company or telco, and asks for your account details, passwords and other personal information. The scammer then uses these data to access your account for fraudulent transactions.

- Trick you to send money to accounts that seem valid for transactions that appear legitimate:
  - Online Impostor Scams – An impostor pretends to be a relative or friend (e.g. travel troubles scam), financial institution representative, potential employer, charity organization (e.g. donation scam) or romantic partner to obtain your account details and personal information or request for monetary support.
  - Bogus Online Sellers – A scammer pretends to sell products and services that are not delivered after you have made the e-payment or money transfer.

    Bogus Raffle or Lottery – A scammer informs that you are a raffle or lottery winner, and requests that you pay shipping or other fees to receive your prize.

KEY MESSAGE

Know what to do in case you fall victim to financial fraud or scam.

SUGGESTED SCRIPT

What to do if you get scammed? Keep calm and follow these steps:

- Document what happened. Save messages, take screenshots, keep transaction histories.
- Call your financial institution's hotline immediately. Provide complete information and share evidences of the incident.
- E-mail all documentation relevant to the incident to financial institution or its authorized representative.

	● Document all communication with the financial institution. Get clarity on its proposed actions and timelines to address your concern. ● Be patient when waiting for the financial institution's actions. Many cyber scams require full investigation protocols to determine accountable parties and execute solutions. ● Contact the BSP Online Buddy (BOB) if your financial institution does not act on your report, or you are unsatisfied with its action. The BSP can only assist consumers who have gone through their financial institution's complaints handling processes.
	**KEY MESSAGE** You have the ultimate responsibility to safeguard your accounts and financial transactions. Protect yourself from financial fraud and scam. **SUGGESTED SCRIPT** You have the ultimate responsibility to safeguard your accounts and financial transactions. Protect yourself and your hard-earned money from financial fraud and scam. Here are some tips: ● Know and be wary of warning signs of the different kinds of scams. ● Engage only with legitimate people or companies. Assess reviews from their past customers. ● Never share your account and personal details with anyone. Do not post this information on social media. ● Verify the legitimacy and security of websites, apps or social media pages before making transactions. ● Use strong passwords and change them regularly. Use different passwords for different accounts. ● Activate multi-factor authentication in all your accounts. These include security questions, MPIN (mobile PIN), OTP (one-time password), email and security alerts. ● Follow your financial institution's security guidelines and safety reminders when making online transactions.

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- Remember that your first recourse about a cyber scam or suspicious transaction is to inform your financial institution immediately.

NOTE: Remember that a legitimate financial institution will never call or email to request for your account and personal information. They already have your details when you opened your account. They only request for verification when you initiate the call to their hotline. If they need updated information, they usually request you to visit their branch in person.

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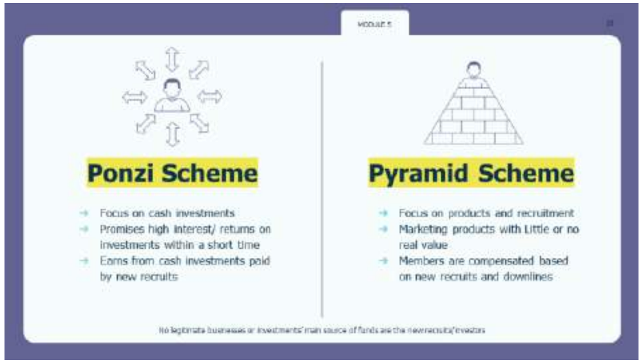

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KEY MESSAGE
Know the common investment scams to prevent being victimized.

SUGGESTED SCRIPT
There are two common types of investment scams: Pyramid or Ponzi.

(Read slide for key differences/ similarities).

NOTE: There are legitimate networking or multi-level marketing businesses. What makes such a business a a scam? If it is:

- Operating without appropriate government licenses, and its agents are not authorized to offer investment products
- Promising high returns in a short period of time, with little or no risk of loss
- Paying its investors using money or fees taken from new or other investors

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KEY MESSAGE

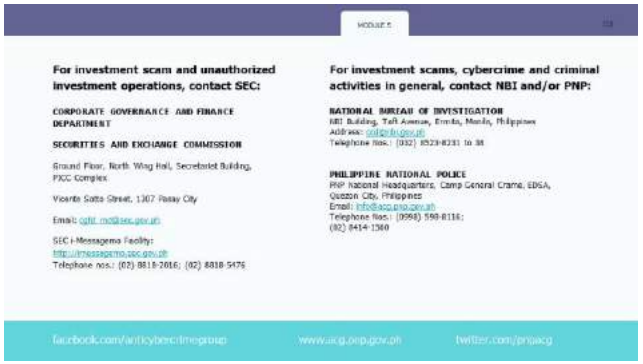
Protect yourself from investment scams.

SUGGESTED SCRIPT

Let us protect ourselves from investment scams.

Remember:

- Do not believe offers that are too good to be true. All legitimate investments have potential risk of loss.
- Check if a company is registered and licensed by the Securities and Exchange Commission.
- Verify if the investment product is also licensed by the SEC. Know that registered companies need a "secondary license" from the SEC to sell investment products.
- Ensure that an agent or broker is duly licensed and authorized representative of the investment company.
- Report suspicious companies, agents and investment offers to SEC.



KEY MESSAGE

Know the appropriate regulatory agencies or authorities to contact in case you encounter financial fraud and investment scams.

SUGGESTED SCRIPT

Know the appropriate regulatory agencies or authorities to contact in case you encounter financial fraud and investment scams.

For fraud and scam perpetuated using services of BSP supervised financial institutions, contact the BSP Online Buddy (BOB) through:

- Webchat on the BSP website (https://www.bsp.gov.ph),
- Messenger on BSP Facebook page, (https://www.facebook.com/BangkoSentralngPilipinas/) or
- Text to 21582277 (for Globe subscribers).

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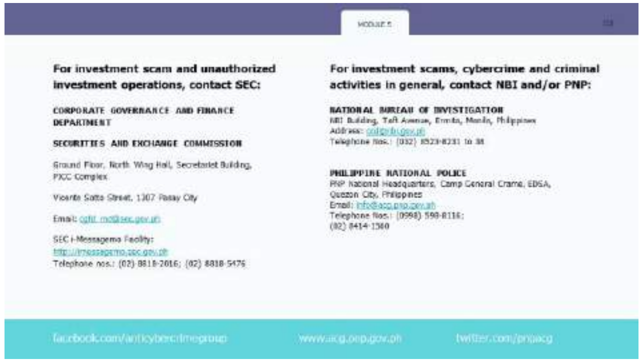

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For investment scam and unauthorized investment operations, contact SEC:

Corporate Governance and Finance Department
SECURITIES AND EXCHANGE COMMISSION
Ground Floor, North Wing Hall, Secretariat Building, PICC Complex
Vicente Sotto Street, 1307 Pasay City
Email: cgfd_md@sec.gov.ph
SEC i-Messagemo Facility: http://imessagemo.sec.gov.ph
Telephone nos.: (02) 8818-2016; (02) 8818-5476

For investment scams, cybercrime and criminal activities in general, contact NBI and/or PNP:

NATIONAL BUREAU OF INVESTIGATION
NBI Building, Taft Avenue, Ermita, Manila, Philippines
Address: ccd@nbi.gov.ph
Telephone Nos.: (032) 8523-8231 to 38

PHILIPPINE NATIONAL POLICE
PNP National Headquarters, Camp General Crame, EDSA, Quezon City, Philippines
Email: info@acg.pnp.gov.ph
Telephone Nos.: (0998) 598-8116;
(02) 8414-1560
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	**KEY MESSAGE** Stay alert and vigilant. Protect yourself from financial fraud and investment scams. **SUGGESTED SCRIPT** To avoid being scammed (Read the slide). Bottom line: • Keep your account and personal information private and secure. • If an investment offer is too good to be true, it is likely a scam.
	Open forum

ADDITIONAL REFERENCES

1. On common types of scams, refer to the BSP Fraud and Scam primer available at the BSP website
   https://www.bsp.gov.ph/Media_and_Research/Primers%20Faqs/Fraud.pdf

2. For more information on how to access the BSP Online Buddy, visit the BSP website: https://www.bsp.gov.ph

3. For more tips on do's and don'ts for investors to avoid being scammed, Trainers should visit the SEC Website
   http://www.sec.gov.ph

4. For tips on how to assess whether a multi-level marketing business is a potential scam (8 Point Test), Trainers should visit the website of Direct Selling Association of the Philippines.
   https://www.dsap.ph

5. For additional information, Trainers may refer to the following BSP advisories**.**

   a. **Phishing and Spoofing;**
      https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=4506

   b. **Skimming;**
      https://tinyurl.com/BSPonATMSkimming

   c. **On responsible use of credit card**
      https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=4431

   d. **On undispensed ATM withdrawals**
      https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=4430

6. Trainers should regularly check SEC advisories on companies found to be illegally operating and offering unlicensed investment products. These can be cited as examples during discussions.

Notes:

MODULE 6

Financial Consumer Protection

Module 6: Financial Consumer Protection

Total Running Time: 10 minutes

PowerPoint Slide	Speaker Guides
	Title slide
	

KEY MESSAGE

The Bangko Sentral ng Pilipinas (BSP) has set in place regulations that protect the rights of consumers who avail of services offered by BSP supervised financial institutions (BSFIs).

SUGGESTED SCRIPT

For our last module, we'll briefly discuss the principles of financial consumer protection, as embedded in BSP rules and regulations (BSP Financial Consumer Protection Framework defined under Circular No. 857 Series of 2014, as amended by Circular No. 1048 series 2019).

The regulations require all BSFIs to be responsive to the needs of their customers, and observe the following consumer protection standards:

Disclosure and Transparency:

- BSFIs must provide transparent information and adequate disclosuresabout the nature, structure, features, fees, terms and conditions, as well as fundamental benefits and risks of the financial products and services they offer.
- As consumers, we should exercise our right to acquire the above information, and ensure that we have a reasonable, holistic understanding of the products and services that we are availing.

Protection of Client Information:

- BSFIs must have systems and procedures in place to ensure that their customers' account and personal information are kept secure and confidential Such information should not be shared with third parties without informed consent of the concerned customers. .
- As consumers, we should fully understand why our personal information is required by BSFIs (e.g., to establish our true identity), and the purposes for which it will be used (e.g., only to facilitate account handling and financial transactions). We should be careful when giving consent for a BSFI to share our information to other parties.

Fair Treatment:

- BSFIs must ensure that customers are treated fairly, honestly, and professionally at all times. BSFIs must adopt mechanisms safeguard the best interest of their customers, such as ethical staff behavior, acceptable marketing practices, equitable terms and conditions,

	and provision of products and services appropriate to the capacity and risk appetite of their customers. As consumers, we should hold our financial institutions accountable for treating us fairly and respectfully at all stages of our banking or financial relationship. **Effective Recourse:** • BSFIs should provide customers with accessible, affordable, independent, fair, accountable, timely and efficient means for resolving customer concerns or complaints about their products, services or financial transactions. • As consumers, we should know by when and where to seek resolution and redress for concerns and complaints. We should keep on record and for our ready reference, the customer service or complaints assistance hotline, email or desk of our BSFIs.
	**SUGGESTED SCRIPT** If you have concerns about a BSFI, your first point of contact should be that institution. Call or personally talk to the appropriate BSFI staff (Manager, head, or complaints personnel). Make sure to put your concerns or complaints in writing with your name, signature, and date. Secure appropriate documentation that your complaint has been officially submitted to the BSFI representative.

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<td>KEY MESSAGE
If your BSFI does act on your concern, or you are not satisfied with the result, only then can you elevate to the BSP.

SUGGESTED SCRIPT
If your BSFI does act on your concern, or you are not satisfied with the result, only then can you elevate to the BSP. For real time responses to your concern, talk to the BSP Online Buddy (BOB). Here's how…(refer to slide).

Aside from BOB, the alternative ways to contact the BSP are through:
• Email at consumeraffairs@bsp.gov.ph
• Call 8708-7087 or 8708-7701 local 2584
• Send facsimile to 8708-7088</td>
</tr>
<tr>
<td>
</td>
<td>KEY MESSAGE
Remember that BSP acts a second level recourse for concerns or complaints that you already elevated to your BSFI. Concerns about non-BSFIs are referred to other regulators.

SUGGESTED SCRIPT
Remember that BSP acts a second level recourse for concerns or complaints that you already elevated to your BSFI.

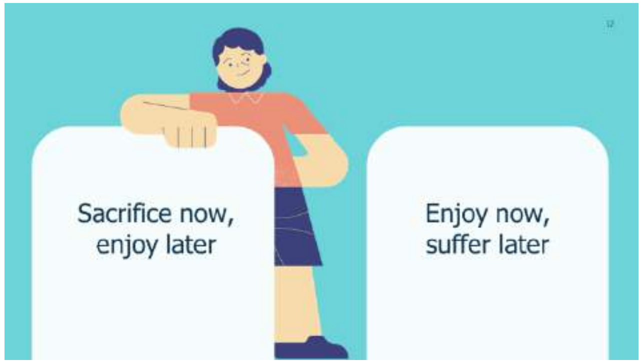
Note that BSP cannot assist you on the following concerns:
• disputes over bank policies and procedures, such as administrative policies, which do not violate banking laws or BSP regulations.
• cases which are currently pending with any court or quasi-judicial body.
• and matters involving institutions not supervised by the BSP.

Complaints not within BSP jurisdiction are referred to the appropriate government agency, such as (read slide).</td>
</tr>
</table>

	**KEY MESSAGE** Financial consumer protection is a shared responsibility. As consumers, we play an important role in protecting our money and financial well-being. **SUGGESTED SCRIPT** While consumer rights are protected by laws, rules and regulations, we also need to exercise our responsibilities. These are…Read slide. Consumer protection is a shared responsibility among regulators like the BSP, the financial institutions, and clients like ourselves. We play an important role in protecting our own money and financial well-being.
	**KEY MESSAGE** Follow the seven steps to financial freedom! **SUGGESTED SCRIPT** This slide brings together all key lessons from the modules. The achievement of your financial goals, and ultimately your financial well-being, does not happen overnight. It takes time, perseverance and discipline. To ensure the best possible outcome, follow these 7 steps to financial freedom. Always remember this slide It embodiesfinancial freedom in a nutshell.

 	**KEY MESSAGE** Your financial freedom depends on the financial decisions you make, as an individual, and as a family. **SUGGESTED SCRIPT** We hope you learned new information and techniques that can you help improve your financial well-being. Remember that your financial freedom depends on the daily financial decisions you make, as an individual, and as a family. To conclude our seminar, here’s a short video to inspire us all to be continue striving for financial empowerment and financial freedom. (Play video: Ang Kwento ni Mila Part 2)
 	Open forum

 	
 	**SUGGESTED SCRIPT** With all the topics that the speakers shared with us, we hope that one day we become so Financially secure that we forget it's payday!

	**SUGGESTED SCRIPT** We want to leave this challenge with you. We have two options in life. One, sacrifice now, enjoy later and second, enjoy now, suffer later. What will you choose? Just like what our folks said: Habang maiksi ang kumot, matutong mamaluktot.
	(Read the slide with the participants)

	**SUGGESTED SCRIPT** With that, thank you all for coming. The slides presented may be downloaded thru this link. This will also be posted at the DepEd website soon. Thank you.

MODULE 6 – FINANCIAL CONSUMER PROTECTION

Trainers may refer to the following reference materials for additional knowledge and resources

a. BSP Financial Consumer Protection Framework
https://www.bsp.gov.ph/Regulations/Issuances/2019/c1048.pdf

b. Directory of BSP Supervised Financial Institutions
https://www.bsp.gov.ph/SitePages/financialstability/Directories.aspx

Notes:

Financial Wellness Pledge

I **___________________________** from the **Department of Education**, completed the **Financial Education Training of Trainers** conducted by the **Bangko Sentral ng Pilipinas, Department of Education BHROD – EWD, and BPI Foundation** on **____________________________** do hereby solemnly pledge that, I shall cascade, to the best of my ability, the knowledge and skills that I gained from the Training, to my students, my colleagues, and participants of Financial Education Sessions to be organized by my institution in the future.

I shall likewise endeavor to apply the lessons learned from the Training to improve my own financial literacy and financial capability and share these lessons with my family and friends.

I will uphold this commitment and undertake to keep myself financially healthy as an individual and duly competent as a trainer.

SO, HELP ME GOD.