
PERAAN

*10 Solutions for Upgrading your Financial
Status in Philippines*

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PERAAN – 10 Solutions for Upgrading your Financial Status in
Philippines

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LEARN TO FIGHT AGAINST FINANCIAL IGNORANCE

Preface

JUST LIKE MOST FILIPINOS, I don't consider my financial situation perfect. I do have some debt that I need to pay off and some goals I would want to achieve.

But overtime I have come to realize that there are actually methods that I can do that would help me when it comes to any situation related to personal finance.

With more thought put into these methods, I had yet another realization. These methods aren't only applicable to me. These methods can be used as well by other Filipinos.

They are fairly simple and easy. And that is what I would like to share to all of you, to learn to fight the lack of proper financial education and information.

I strongly believe that the only way to financial freedom is to be financially literate.

And in order for you to battle in full force against financial ignorance, you need a masterplan. You need a starting point.

Read the following tips because these are my starting points.

* * *

SET YOUR FINANCIAL GOALS

Chapter 1

E*VEN BASED ON RESEARCHES*, pinoys work best when they have a set goal in their mind. Think of what is it that you wish to achieve and figure out what matters to you.

Better yet, write it down and put it somewhere you will always see so that every time you do see it, you get reminded and encouraged of what you should do to reach these goals.

The more specific it can be, the better. This is to ensure that your financial plan reflects all your goals.

While listing them all, make sure they are SMART goals: Specific, Measurable, Achievable, Relevant and Timely.

Afterwhich, you can now prioritize and quantify your written goals. These can't be done all at once so accomplish more important things first.

You must start from the bottom to build a solid financial foundation so that whenever an earthquake comes, your financial house will not be easily destroyed.

PUT YOUR MONEY OUT OF REACH

Chapter 2

L *EARN TO SPEND MUCH LESS* than what you earn and save your money for things that of great importance. Delete the mindset of spending all available cash from your pocket especially when it's payday.

If you think that saving is like sacrificing your deepest desire, I suggest that you may decrease your expenses gradually so that you will not feel deprived.

Start by reducing the frequency of your spending, say, make it once a week instead of daily.

What's important is that you're improving your cash flow and eventually, you will notice you're having used to it.

It is better paying the cost of saving now than paying the cost of debt later.

If you look around your house, your belongings, etc. probably half of what you actually own are things you don't even use or need.

Meaning, in the past you may have spent money on buying things you wouldn't actually use. Every time you get tempted to spend, ask yourself “**Do I need these?**”

SPEND YOUR TIME TO VALUE ADDING ACTIVITIES

Chapter 3

S*TART READING FINANCIAL LITERACY BOOKS.* Take time to do research. You can also watch some video tutorials about anything that could add value to your self.

There are many free and paid resources available in the internet now that could improve your skills, especially in managing your finances.

Maximize your time after office hours since it

will determine your career in the future. Being idle also increases the tendency to make impulsive buying decisions.

When you're watching television every time you come home at night, there are various advertisements that could trigger you to spend especially when you're a fan of the endorser-artist.

Nothing worth it comes easy. And of course, the same applies to your financial life. You won't get rich just by sitting on the couch.

Constantly immerse yourself with information that can help you. May it be for how to grow your money, how to spend less, how to save, etc.

You just have to make sure that your time is spent on something useful.

GET RID OF YOUR BAD HABITS

Chapter 4

MONEY COULD HAVE BEEN USED for more important expenses. Sad to say, most of the people choose to satisfy their bad habits more than anything else.

It isn't just material things that people would make mistakes in buying. There are also bad spending habits we do on activities that aren't fruitful.

These unnecessary activities end up making you spend more than you think.

Some of these are eating out everyday, saving what's left, ignoring bills, using credit cards like free money, and the like.

Bottomline is that you should be very careful with your spending habits because it will either make or break your financial plan.

Try to recall your week; was there anything you did, wherein you spent money, that you think you could have gone on without?

If yes, then you know what not to do next time.

PAY YOUR BILLS ON TIME

Chapter 5

DON'T PRETEND YOUR BILLS don't exist. It can ruin your credit history. I don't mean you must pay your bills early. I recommend that they should be paid just in time.

The money you have today may have been invested to proper vehicles instead of using them as early payment.

The point here is that it is best paying on time to avoid possible charges.

Setting problems aside don't eradicate them. Most especially if we are talking about bills. More often than not, these expenses can't be eliminated.

It may be your rent, telephone, electricity and water bills. The more you set aside your bills, the less you realize that these bills are slowly piling up.

Next thing you know, you are now under a lot of debt for different reasons.

Properly allocate your money so that you get to pay in time and have peace of mind.

ELIMINATE YOUR BAD DEBTS

Chapter 6

THE STRESS YOU HAVE for making sure you get to pay on time is nothing compared to the stress you will get if you do have a debt.

Remember that you can't become financially stable if you keep having bad debts.

A goal you should have on mind is how to keep yourself from having any debts. I'm not talking about the good debt; besides, you can leave it to pay for itself.

When the projected investment return exceeds interest payments on debts, then it is a good debt.

It is important to classify your debts into good or bad in order for you to know what you need to pay first among others.

Debt has to be managed. Otherwise, it will manage us. Basically, debt management is the third priority when building your financial house.

Better, have an elimination plan. You can prioritize payments for bad debts having high interest rates including credit card debts.

You can resolve to always pay above the minimum. You can also consolidate all your existing debts into a single loan with the least interest rate and longest payment term.

SAVE YOUR MONEY FOR UNKNOWN REASONS

Chapter 7

Y*OU DON'T NEED A REASON* to save money. You best be prepared in case of emergencies and unexpected expenses. You had to create your emergency fund equivalent to three to six months of your monthly expenses.

This fund must be placed in an instrument that can be easily withdrawn like savings account, time deposits and mutual funds.

By simply doing these, you will no longer have to borrow money.

Please bear in mind that medical emergencies do not fall under this fund.

That's the reason why you should also have short-term and long-term healthcare and life insurance that can mitigate risks of whatever happens.

Other than your goals and your dreams, you must also realize that there are other things you must also save on.

Life is unexpected, emergencies happen here and there. In a single click, you may lose your job or you may die too soon – God forbid.

And if you haven't invested on things that can help you be prepared for it, you may end up having more money problems than you expect.

INCREASE YOUR CASH FLOW

Chapter 8

IMPROVE YOUR INCOME AND CUT DOWN your expenses. This is how you increase your cash flow. This may be the most crucial step you may take but it's more than possible with proper guidance from financial coaches and educators.

It is not really how much income you earn, but how much you keep. I suggest you to follow Bro. Bo's Abundance Formula.

Determine how much of your income is from

active and passive sources and then limit your expenses up to 70% of that amount.

Living a simple lifestyle doesn't mean to degrade your social status. It's just a matter of safeguarding your financial security.

Passive income is truly the best thing because there is a continuous flow of income even when you're not working actively.

It's making your money work hard for you. Don't just rely on your daily job as a source of money.

There is no such thing as job security nowadays. There are tons of different ways you can do to make your bank account and yourself happier.

The best time is now so don't miss a chance to invest.

START YOUR OWN
PROFITABLE
BUSINESS

Chapter 9

I*T SEEMS LIKE HAVING A BUSINESS* would cost more effort and expenses than it would be worth, financially speaking. But it actually isn't as complicated as most people deem it to be.

Because of the existence of the internet, you can now build your own business with minimal capital as compared to traditional businesses.

And it will be easier for you to manage since all

you need is a good laptop/phone and a good connection.

In online entrepreneurship, potential income is unlimited because you can offer your digital products and services to the whole world while working at home.

Also, your investment can be easily recovered in months or even weeks. There is time freedom so you can work on it anytime and anywhere.

You just have to create and manage the automated system that will do the work for you 24/7 even when you're asleep.

Too good to be true?

Indeed, internet business is now an increasing trend nowadays so I highly recommend this for you to start.

KEEP YOUR DESIRE BURNING

Chapter 10

MOST OF THE FILIPINOS WILL start saving today but will end up spending tomorrow. Why? Because of lack of financial education.

Everyone planning to save for their future should have an enduring dedication to their financial goals.

Your burning desire is the starting point and the main triggering factor of all your achievement.

Your goal without proper action will remain a wish forever. Stay focused and motivated. Be consistent on applying your financial plan.

You must learn to manage your emotions for the sake of your financial future.

There are times that you will get frustrated & tired of your situation but just always remember to apply Step 1.

Continue to encourage yourself by reminding yourself what is it that I want to achieve. Keep prompting yourself on what are the things you must do.

DO NOT
PROCRASTINATE

Epilogue

REMEMBER THAT YOU MUST NEVER postpone saving. It is best to start early, start today and continue saving and budgeting until it becomes a habit.

Always think thrice before you make a purchase. By remembering to save, learning to manage how you spend, improving your cash flow, and staying focused on your goal, you can definitely look forward to a brighter financial future.

The famous John L. Beckley said “**Most people don’t plan to fail; they fail to plan.**”

Apply the steps above in creating your financial plan and by doing so; you have taken the first step to success.

USEFUL VERSES FROM THE HOLY BIBLE

"A man's heart deviseth his way: but the LORD directeth his steps."

Proverbs 16:9 (KJV)

"Happy is the man that findeth wisdom, and the man that getteth understanding."

Proverbs 3:13 (KJV)

"Be careful for nothing; but in every thing by prayer and supplication with thanksgiving let your requests be made known unto God."

Philippians 4:6 (KJV)

P E R A A N

“But seek ye first the kingdom of God, and his righteousness; and all these things shall be added unto you.”

Matthew 6:33 (KJV)

“Charge them that are rich in this world, that they be not highminded, nor trust in uncertain riches, but in the living God, who giveth us richly all things to enjoy; that they do good, that they be rich in good works, ready to distribute, willing to communicate; laying up in store for themselves a good foundation against the time to come, that they may lay hold on eternal life.”

1 Timothy 6:17-19 (KJV)

THE PINOY ENGINEER

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"The difference between where you are today and where you'll be five years from now will be found in the quality of the books you will read."

- Jin Rohn

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