Financial Life Stages

Anong pinagkakakitaan niyo?

- Salary
- Part-time work
- Over-time work
- Commission
- Kita sa negosyo na kayo ang nagpapatakbo

- Rent
- Interest (pautang savings deposit)
- Dividend o profit sharing sa negosyo
- Capital gains
- Royalty
- Pension

Anong pinagkakakitaan niyo?

Active Income	Passive Income
• Salary • Part-time work • Over-time work • Commission • Kita sa negosyo na kayo ang nagpapatakbo	• Rent • Interest (pautang savings deposit) • Dividend o profit sharing sa negosyo • Capital gains • Royalty • Pension

Active Income vs Passive Income

Active Income	Passive Income
• Income derived from labor or work • Primary income – main source of income such as salaries	• Investment income you earn even when you do not work • Income earned from assets, investments or both

FINANCIAL LIFE STAGES VIDEO

INDIVIDUAL ACTIVITY

Accomplish Money In, Money Out online form

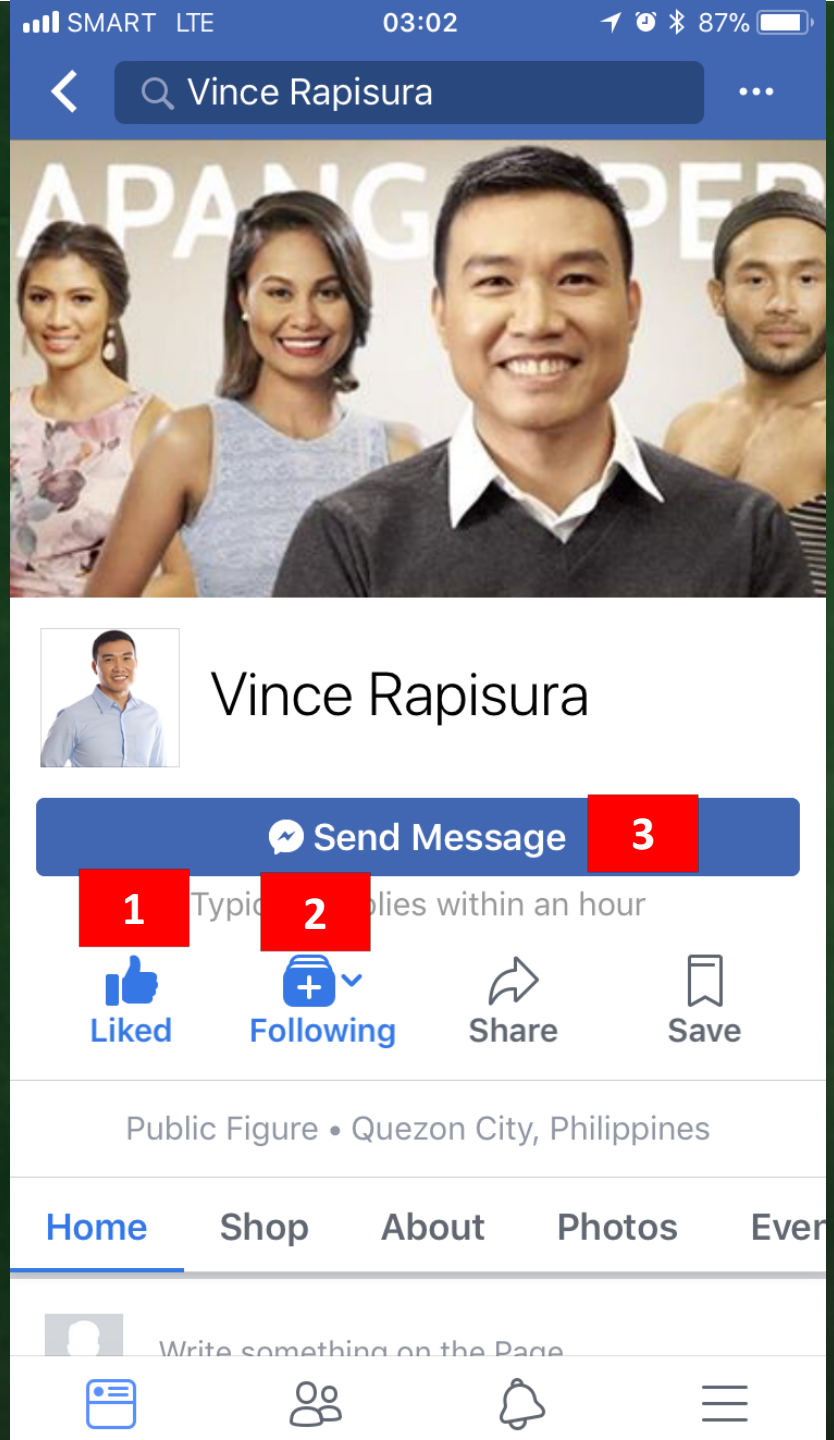
VINCE RAPISURA

- Vince Rapisura messenger app
- Automated messages
- Receive news and updates
- Monitor progress of participants and trainers

Like page

- Open Facebook account
- Search for Vince Rapisura (page)

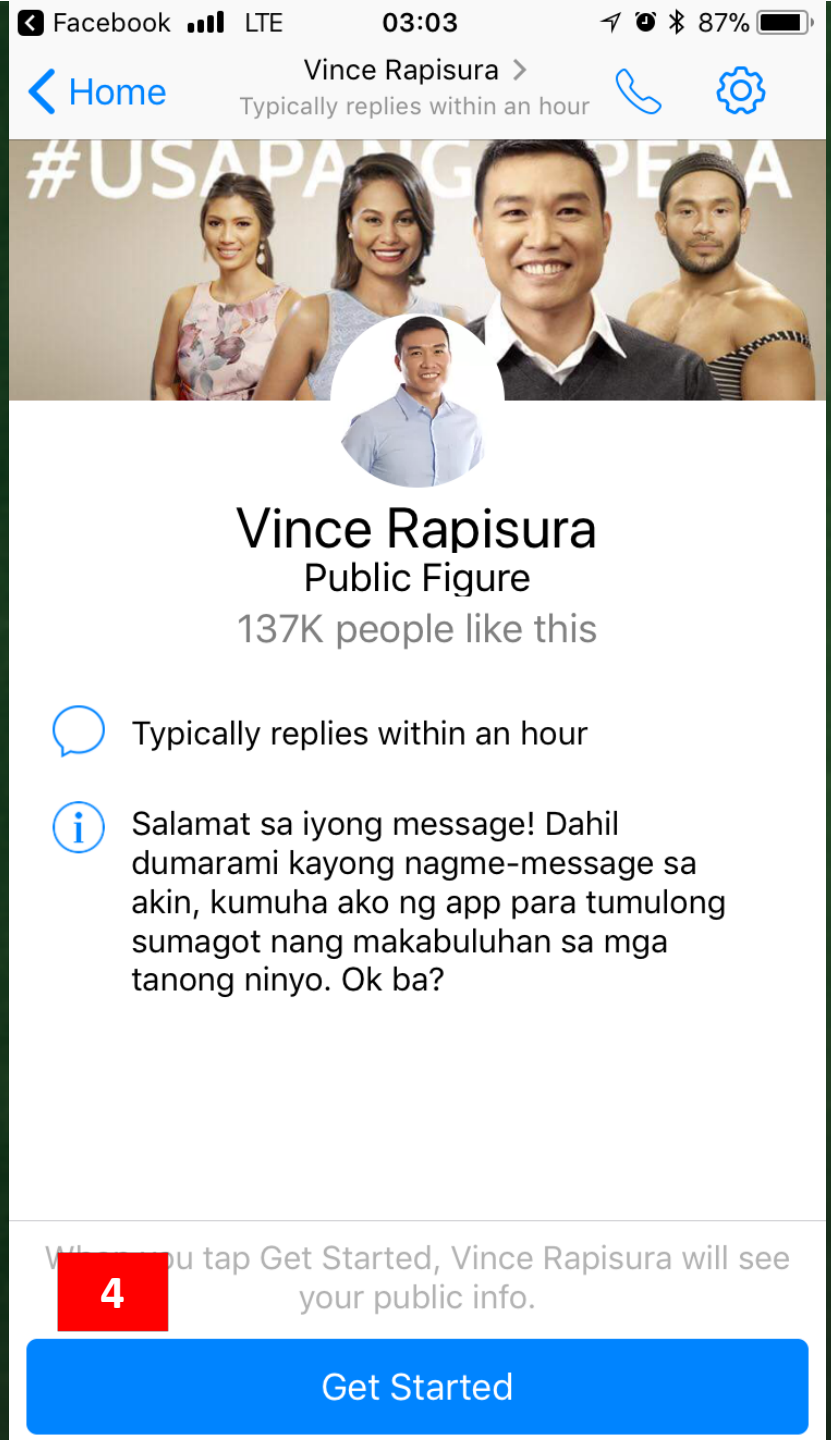
1. Click “like”
2. Click “Following” and then click “See first”
3. Click “Send message”



Messenger App Activation

4 Click “Get started”

- Select **ready-made** answers only
- Avoid typing your own answer
- Wait until the thread is finished to receive all instructions



Messenger App Activation

5 Type keyword:

LSE Milan

6

- Select ready-made answers
- Type questions or reactions after messag thread

Individual activity

- Accomplish Money In, Money Out
- Use estimates if exact figures are not available
- Answer honestly
- Convert to one currency
- For couples: combine income and expenses
- Income and expenses in PH and host country
- **Messenger keyword: MIMO**

$$\frac{\text{Monthly Passive Income}}{\text{Monthly Expenses}}$$

$$\frac{\text{Monthly Passive Income}}{\text{Monthly Expenses}} = \text{Financial Life Stage}$$

Passive Income % of Expenses

Age	PI/Exp	Age	PI/Exp	Age	PI/Exp	Age	PI/Exp	Age	PI/Exp
21	0.0%	31	22.0%	41	42.0%	51	65.0%	61	90.0%
22	0.0%	32	24.0%	42	44.0%	52	67.5%	62	92.5%
23	3.0%	33	26.0%	43	46.0%	53	70.0%	63	95.0%
24	6.0%	34	28.0%	44	48.0%	54	72.5%	64	97.5%
25	10.0%	35	30.0%	45	50.0%	55	75.0%	65	100.0%
26	12.0%	36	32.0%	46	52.5%	56	77.5%		
27	14.0%	37	34.0%	47	55.0%	57	80.0%		
28	16.0%	38	36.0%	48	57.5%	58	82.5%		
29	18.0%	39	38.0%	49	60.0%	59	85.0%		
30	20.0%	40	40.0%	50	62.5%	60	87.5%		

Financial Life Stages

Financial Life Stage	Passive Income / Expenses	Suggested Age
Start Up	0%	21-22
Independence	1% to 10%	23-25
Growth	11% to 25%	26-35
	26% to 50%	36-45
Stabilization	51% to 75%	46-55
	76% to 99%	56 - 65
Freedom	> 100%	>65

Features of Financial Life Stages

- Not about age
- You can regress
- Measured against ability to generate passive income to cover expenses

Use of income

Active Income	Passive Income
• Fund basic **needs**	• Fund periodic **wants** and further increase investments

Need or Want?

Can I afford a PhP30,000 iPhone?

Need	Want
• Communications • Business • How much? - **PhP5,000** from active income	• Brand • Status symbol • How much? - **PhP25,000** from passive income

Sikreto ng mayayaman

- Save to build investment portfolio
- Use investment earning – passive income – to fund wants

You found an investment that gives 5% return per year

$$\frac{\text{PhP } 25{,}000}{5\%} = \text{PhP}500{,}000$$

You earn PhP100,000 and save 15% of it every month

PhP100,000 x 15% = PhP15,000

When can you afford an iPhone?

$$\frac{\text{PhP } 500{,}000}{15{,}000} = 33.33 \text{ months to save}$$

PLUS

12 months to invest

3 years and 9 months to save and invest to afford an iPhone

IDEAL

ACTUAL

I got my phone through a plan!

- A phone plan is a loan
- Buying wants using loan is the worst form of spending
- It makes you appear rich but in reality you are poor

At 25 years old, anong dapat meron ka na financially?

- No bad debt
- Financial plan
- Nakabukod – or contributing to HH expenses
- PhilHealth + medical insurance
- Emergency savings
- SSS/GSIS at Pag-IBIG
- Pooled funds
- Study passive income

8 “must haves” by the time you reach 40 years old

- Passive income
- Positive cashflow from active income
- Net worth = 3 years of income
- Bucket list fund
- No consumer debt
- Emergency savings and insurance
- Bahay
- Retirement
  - 240 SSS contributions
  - PERA

10 Commandments of Retirement Planning

1. You shall retire when you want
2. You shall plan for retirement early
3. You shall have a house
4. You shall have a budget for basic needs (food, clothing, utilities, medicines etc.)
5. You shall have a pension or passive income

10 Commandments of Retirement Planning

6. You shall have appropriate insurance coverage
7. You shall get out of BAD debt
8. You shall be independent
9. You shall fix all inheritances before you die
10. You shall leave a legacy behind and have lots of fun!!!

PARTICIPATE IN FINANCIAL LITERACY ADVOCACY

How you can help…

Vince Rapisura

@vincerapisura

vincerapisura

- Like Vince Rapisura page
- Like, comment and share social media posts
- Click ads in **vincerapisura.com**

KEYWORD: MUST HAVES

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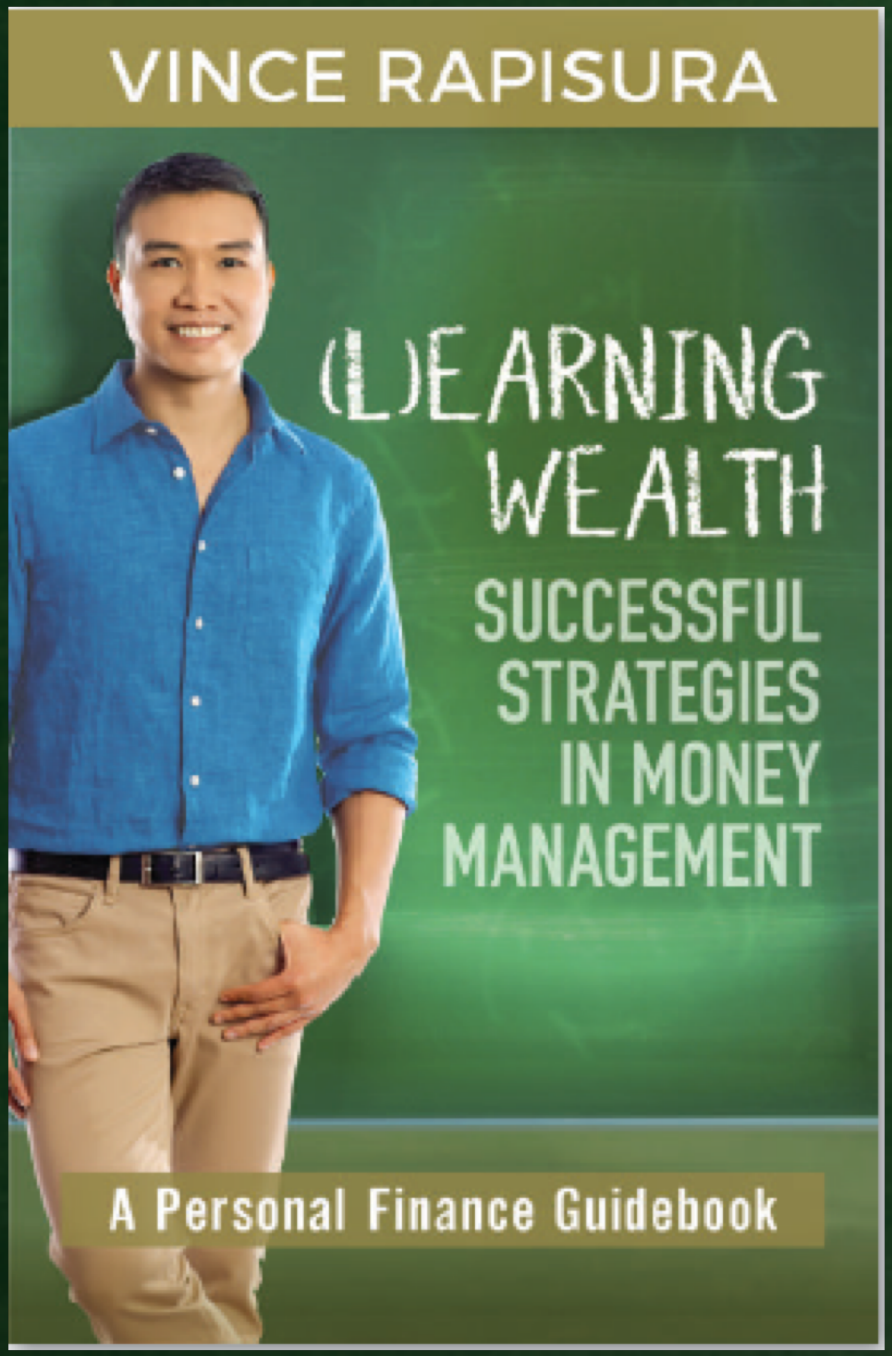
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