USAPANG PERA

Match life goals with source of income

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4. Match financial goals with source of income

- Possible sources of income – employment, entrepreneurship and investments
- Active income versus passive income
- Characteristics of investment products
- Match financial goals with source of income
- Adjusting timeframe of financial goal

Step 4: Match financial goals with source of income

Life goal	Budget	Source of income
Matiwasay na retirement	Mag karoon ng Php50,000 monthly pension	Php15,000 SSS pension upon reaching 60 yeasr old
		Build a rental property that will generate php35,000 monthly income when I reach 60 years old
Sariling bahay	Worth Php1.5 million	Invest 10% of salary every month in PAG-IBIG MP2
Mapag tapos ang mga anak	Php1.2million	Invest 10% of salary every month in PAG-IBIG MP2
Family vacation	Php100,000 every two years	OVERTIME PY TRGET OF PHP5,000 every month
		Sideline target of php3,000 every month

Sources of Income

Active Income

- Salary
- Part-time work
- Over-time work
- Commission
- Business income

Passive Income

- Rent
- Interest
- Dividend
- Capital gains
- Royalty
- Pension

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Sources of Income

Active Income

- Income derived from labor or work
- Primary income – main source of income such as salaries

Passive Income

- Investment income you earn even when you do not work
- Income earned from assets, investments or both

KaSosyo

Sources of Income

Active Income

- Should only be used to fund **basic needs**

Passive Income

- Use passive income only to fund **periodic wants** and further increase investments

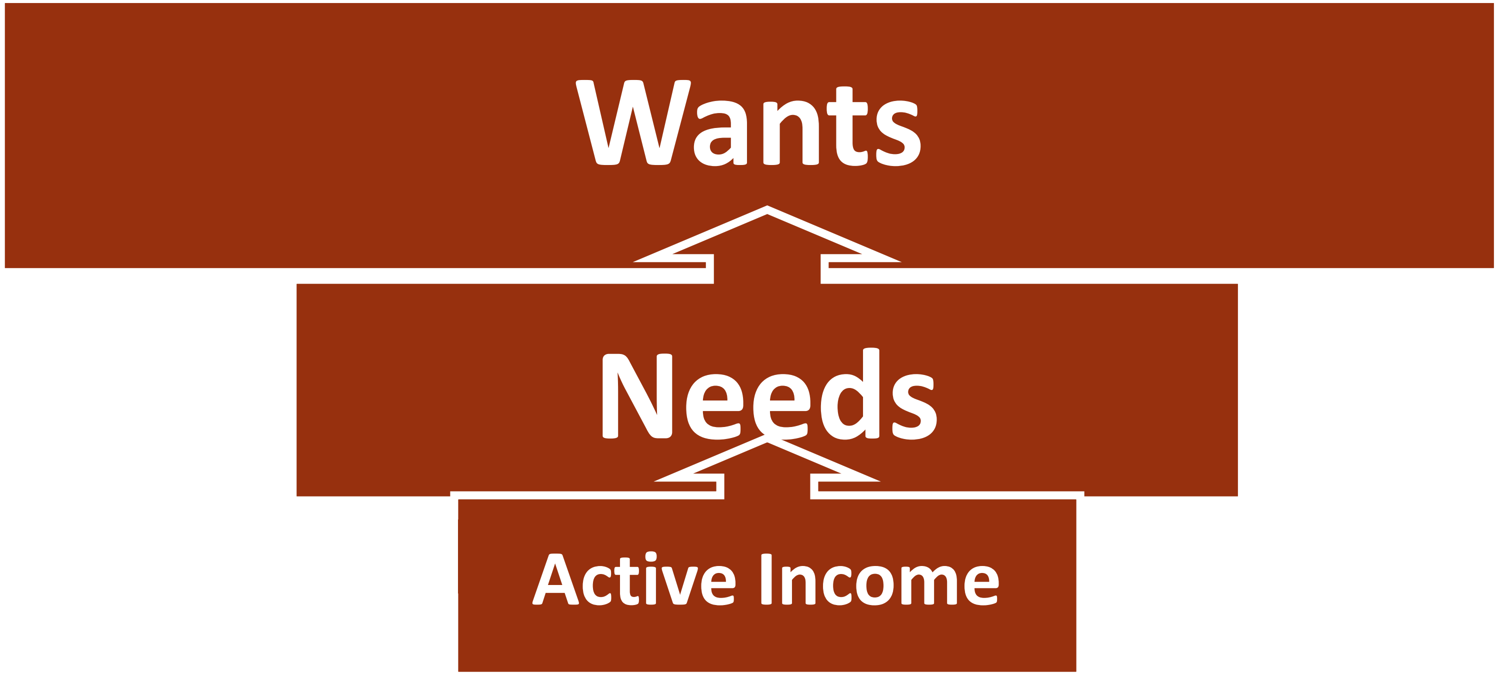
IDEAL

Wants

Passive Income

Investment Portfolio

ACTUAL



Stretch your income,

spend wisely

UTANG

GASTOS

Mali: Uutang para may panggastos

ACTIVE INCOME

GASTOS

Active income enough to cover expenses

- Not ideal but 90% of Filipinos are in this situation
- Find ways to increase income and/or decrease expenses
- Universal Basic Income can assist

AKBAYAN

CITIZENS' ACTION PARTY

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ACTIVE INCOME

↓

SAVINGS

↓

GASTOS

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Ability to save from active income

- Inflation will eat up low-earning savings accounts in commercial banks
- After emergency savings goal, start investing

ACTIVE INCOME

SAVINGS

NEEDS

INVEST-MENT

PASSIVE INCOME

WANTS

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ACTIVE INCOME

NEEDS

PASSIVE INCOME

WANTS

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Choosing the right investments

SEXY

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Choosing the right investments

Secure

Encashable (Liquid)

X-factor (social/environmental)

Yield or returns

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SEX$_{Y}$

USAPANG PERA

Choosing the right investments

SEXY

KaSosyo

Choosing the right investments

Secure

Encashable (Liquid)

X-factor (social/environmental)

Yield or returns

Investment guide for life goals

Investment guide for life goals

	Emergency	Retirement	Education	Housing
ATM digital	1			
RB Bank TD	2	5	3	3
Pag-IBIG MP2	3	2	1	1
Gov't bonds	4	6	4	4
Coop TD	5	4	2	2
SSS + WISP		1		
Coop share	6	7	5	

Investment guide for life goals

	Emergency	Retirement	Education	Housing
Rental property		3	8	
Money market		8	6	5
Bond fund		9	7	6
SSS PESO/Flexi		10		
PERA		11	9	
REIT		12		

ANG PAGYAMAN, NAPAG-AARALAN AT NAPAPAGTUTULUNGAN