

WFH Tools

Balance Transfer Vs. Personal Loan

SME Loans

JULY-SEPTEMBER 2020

PhP150

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“Tough *times* never last, but tough *people* do.”

— ROBERT H. SCHULLER

“All our *dreams* can come true, if we have the *courage* to *pursue* them.”

— WALT DISNEY

“Dear *entrepreneurs*, you can start a thousand businesses, launch *100 projects*, and take *dozens of companies* public, but you only have one shot at being part of your kid's *childhood*. Your kid doesn't care about your platform, *they care* about your presence.” — JON ACUFF

“Your *time* is limited, so don't *waste* it *living* someone else's life.”

— STEVE JOBS

“In *carrying* out e-commerce, the most *important* thing is to keep doing what you are doing right now with *passion*, to *keep* it up.”

— JACK MA

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Publisher  
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Web Administrator  
ALEX TORRIJOS

Contributing Writers  
EXCEL DYQUIANGCO  
DAVID ISAAH ANGWAY, RFP®  
RIENZIE BIOLENA, RFP®  
RICHARD THADDEUS CARVAJAL, RFP®  
JOSEFINO GOMEZ, RFP®  
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### HOW TO REACH US

MONEYTREE PUBLISHING CORP.  
Unit 206 Great Wall Bldg. 136  
Yakal Street, San Antonio, 1203 Makati City  
Telephone : (02) 8844-2868  
E-mail : info@moneysense.com.ph  
Web : <https://www.moneysense.com.ph>  
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# Business Lessons from the Crisis

## “Turn a crisis into an opportunity.”

For entrepreneurs, a crisis is make-or-break. Fortunes have been made during a crisis. Similarly, fortunes have been lost. It's the ones who are able to spot opportunities and take the risk to forge ahead that succeed.

The likes of Apple, P&G, GM, Burger King, FedEx, Microsoft, CNN, and our very own SM were founded during some crisis, whether a recession or market panic. Now, as we are going through possibly the biggest crisis in our lifetime, we have the likes of Zoom, Netflix, Amazon, and Johnson & Johnson thriving during the pandemic.

On the flip side, some of the biggest corporations and many SMEs have been hit hard. So, what can startups and small business owners learn from this crisis?

### 1 GO DIGITAL OR GO BROKE

For companies that have ignored digital transformation or have taken their sweet time, this pandemic has been a wake-up call. There has been a surge in online purchases during the quarantine for good reason. Online learning has become the default. Remote work is now a mainstay. Businesses that still heavily rely on foot traffic or personal services are doomed. Companies that are stuck with traditional marketing will be left behind. Digital-only businesses and online retailers are the ones that will thrive in this environment.

### 2 PIVOT OR PERISH

One of the buzzwords these days is “pivot” and you might be getting sick of hearing or reading it as much as the “New Normal.” But this is reality. Companies have to pivot, if necessary, to survive. That can mean changing your business model or transitioning into the online space. If you own a fitness center, you may want to deliver classes on YouTube. If you run a restaurant, you might consider a delivery-only model or a meal subscription service.

### 3 BECOME CRISIS-PROOF

If you are an entrepreneur worried about the future of your business, this pandemic has already probably made you think if you are in the right business. The reality is the right business has to be a resilient, crisis-proof business – one that will continue to exist, even thrive – in the midst of a pandemic, earthquake, or economic recession. Think food, healthcare, groceries, technology, and essential services.

### 4 DIVERSIFY

Diversification should not just be about your investment portfolio. It should also apply to your income portfolio. If your business is dependent on one market or you only have kind of product or service, once a crisis hits and demand for your product drops or you are unable to deliver what you offer, you're in trouble. Your business must have multiple sources of income or you set up a totally different business that won't be affected by the same crisis. So, if you own a travel agency or a boutique, think about another business you can start, such a consulting business or a bookkeeping firm.

### 5 KEEP LOTS OF CASH

Just like with your personal finances, you need enough buffer for your business to survive not just lean times but—as we're now experiencing—a pandemic and a recession. That means keeping enough cash that can last you at least six months, ideally a year. It's hard to get a loan when your business income has dropped, or your business prospects have dimmed. The cash you do have will carry you through until you've successfully pivoted, diversified, or transitioned online. <sup>MS</sup>

*Heinz Bulos*

Editor-in-Chief  
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# How To Maximize Your Cash Flow

BY EDMUND LAO, RFP®

**T**he pandemic has wrecked businesses worldwide. Worst hit are people in the workforce, many of whom lost their jobs, had their salaries cut, or were furloughed. A lot were caught unprepared as the implemented ECQ put more financial strain to families who have lost their income. Many are in survival mode. If you are among those who are financially constrained, the only way to make it through is to maximize your cash flow. But even if you're okay, money-wise, it's always a good idea to have a healthy cash flow.

Cash flow is basically money in and money out. As blood flow is essential to life, cash flow is essential to help you be financially healthy. How we allocate our cash will determine whether we are successful or not. No matter how much we earn, if everything is spent monthly, then there will be nothing to save and cash flow will always be zero. There is no other way to survive this pandemic but to find ways to increase your cash flow.

**1 KEEP A FIRM GRIP ON YOUR CASH FLOW.** Financial gurus often preach to tuck away at least 20% of your income per month. This is the concept of paying yourself first. You have to be consistent in saving money that can be used to build an emergency fund and income for your future needs.

There is a need to understand where, why, and how much money is being spent monthly, as it is an important factor on your monthly cash flow. If everything is spent on discretionary expenses, then there's nothing left to be used towards future goals.

The best tool is to create a budget to determine where your money will go. That way, there is a guarantee that the cash flow will be net positive. Make sure debts are paid off so that there is no hindrance to savings. Later, cash flow can be increased by exploring other income-generating activities.

**2 REDUCE YOUR EXPENSES.** The most practical way to increase cash flow is to have a simple lifestyle to reduce

expenses. Through a budget or spending plan, you can cut down on your expenses and free up cash that can be used for other purposes. One perfect way to force yourself to spend at the minimum level is to automate savings and investments. That way, only what remains can be used for expenses.

**3 INCREASE YOUR INCOME.** The other side of the equation is improving your income. This may be harder than cutting down on expenses, but there are things that can be done. Even minor things like moving your money to a higher yielding account can help

you earn more.

Other income ideas can be broken down into a few categories:

**a. Earn more from your job.** Work hard and give your best so that your employer will recognize your performance and consider giving you a promotion and raise. Another way is to

“The best tool is to create a **budget** to **determine** where your money will go. That way, there is a **guarantee** that the cash flow will be net **positive**.”

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work overtime if the opportunity arises. Sometimes, there will be an opportunity to move to a new company that offers a higher pay. Always be on the lookout for opportunities to make more money.

**b. Earn more outside of your job.** Do side gigs after office hours. There are a lot of jobs available like joining MLM companies, freelancing online, etc. You can also start an online shop on Lazada or Shopee. I have seen high school students sell limited edition shoes online and earn P100k during the summer break. Nothing is impossible especially in this digital age.

**c. Make your money work harder.** One of the best ways to make money is to earn it without exerting any effort. We work to earn money and it is just right that we make our money work more for us by investing it. But be careful not to get involved with illegitimate investment schemes designed to separate you from your money. Examples of legitimate investment opportunities are the stock market and the forex market. Mutual funds and UITFs are passive investments where all you need to do is invest small amounts regularly and just wait for these funds to grow. Never fall prey to the promise of a guaranteed high return as this will be very short-lived. Instead of gaining, you will only lose your hard-earned money.

**4 REDUCE/MINIMIZE RISK.** Risk is always here. We cannot eliminate it, but you can avoid catastrophic loss

when it becomes real. Through insurance, you can minimize your expenses when accidents or sudden death happens. Insurance companies pay for the financial impact of such events. That way, you do not need to shell out money from your own pocket.

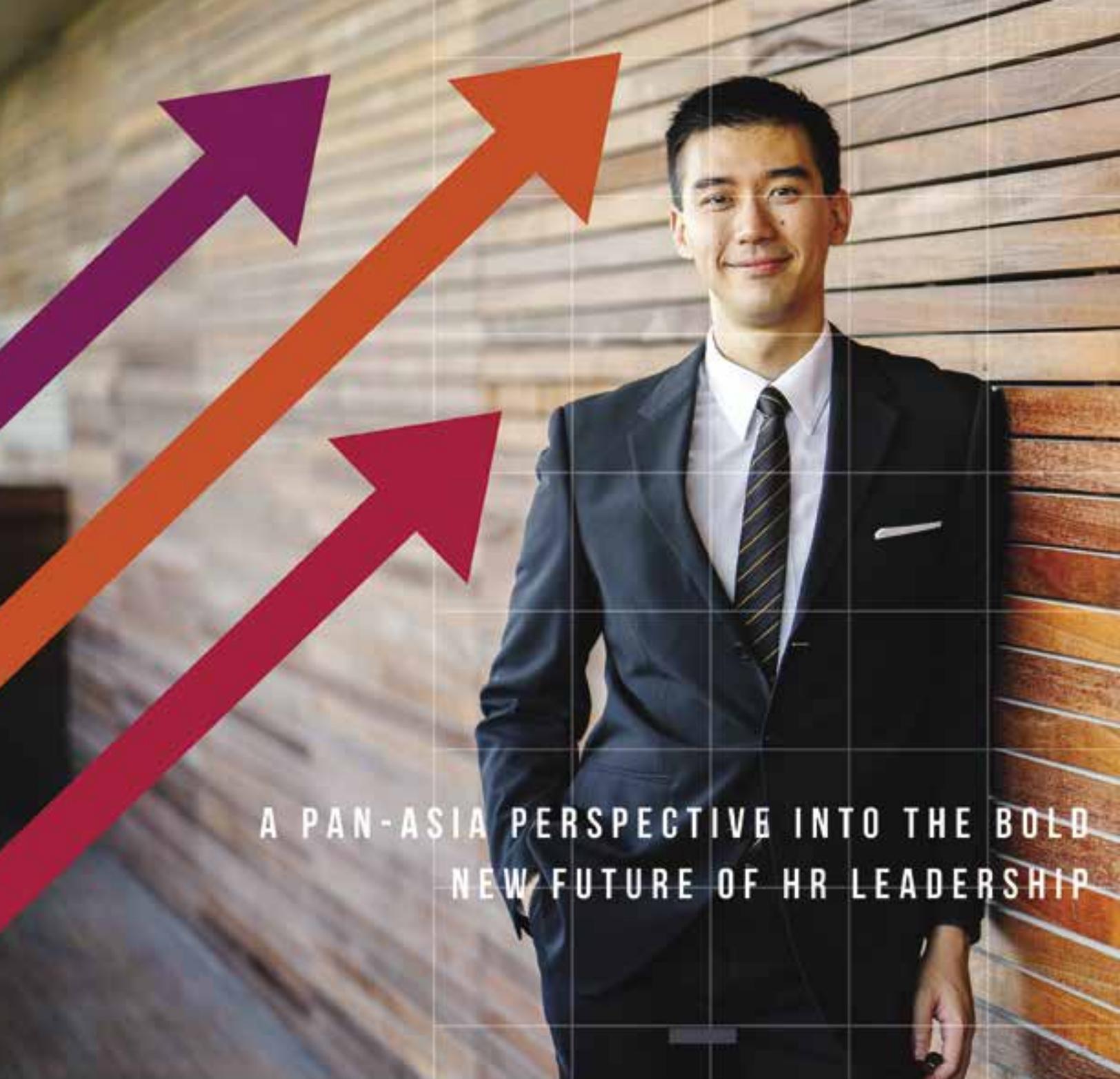
**5 START A BUSINESS.** Consider starting a business. Study what product to sell and what is your niche market. Also determine how much capital you need so that you can save up while keeping your job. When everything is right, you can decide to quit your job and start your own business. Note that having a business is not without risk. You need to make sure you have enough working capital to run the business for the first few months. A good idea is to start the business from home so that the operational expenses can be minimized. The advantage of having a business over being employed is that the business is taxed after expenses while an employee is taxed before expenses.

**6 GET ADVICE FROM EXPERTS.** No man is an island. It is best to network with people who are good in business and money management and get advice based on their personal experience. Another is to have a financial planner (with a good track record) as a partner so that your portfolio can be reviewed regularly and adjusted according to your financial goals.

If you do all these, you will be on your way to improving your cash flow.<sup>MS</sup>



“ It is best to **network** with people who are good in **business** and **money** management and get advice based on their personal experience. ”



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# Best WFH Tools

BY EXCEL V. DYQUIANGCO

**W**ith most working in the comforts of their own home these days, technology has provided a broad range of Work-From-Home (WFH) tools that can help managers and employers get through their work processes. Some rely on conference calls while others focus on organization sets.

So, which are the best WFH tools that you can use while stuck at home?

## Communication

One of the challenges that teams face these days – especially with remote work—is the kind of platform that lets them have meetings or internal conferences. Fortunately, these avenues can help people not just talk with one another but allow them to boost their productivity and make sure that they get the job done.

**ZOOM.** In spite of its recent controversy, Zoom is still perhaps one of the most popular communication tools these days. The army knife of video conferencing, Zoom combines HD video with features such as content sharing, screen sharing and local recording. For starters, Zoom makes meetings more convenient and accessible. Just one person needs to download Zoom and everyone else can quickly jump in the bandwagon.

Zoom can also improve collaboration among users. Whether making use of touch screens with whiteboarding or shifting from one participant to the next, Zoom offers several ways for participants to exchange thoughts and ideas.

**SLACK.** A communication management app that's apt for remote work, Slack creates channels for every department and allows you to send messages directly. Imagine your various departments at work—but this time, Slack segregates your workflow into different categories, depending on your purpose.

With Slack, you can drag and drop files, pin documents, bookmark messages for quick reference. This app also cuts down on internal emails since it's more efficient, more user-friendly, and quicker and faster. For remote teams, Slack can also serve as a virtual water cooler, letting you and your team

bond or blow off steam. This is the place where you can gather remotely for both team-building and professional purposes.

**TASK MANAGEMENT.** When you need to stay on top of your priorities, there is nothing better than having your responsibilities organized. These task management platforms help you with your work assignments while allowing you to track your-and each other's-progress.

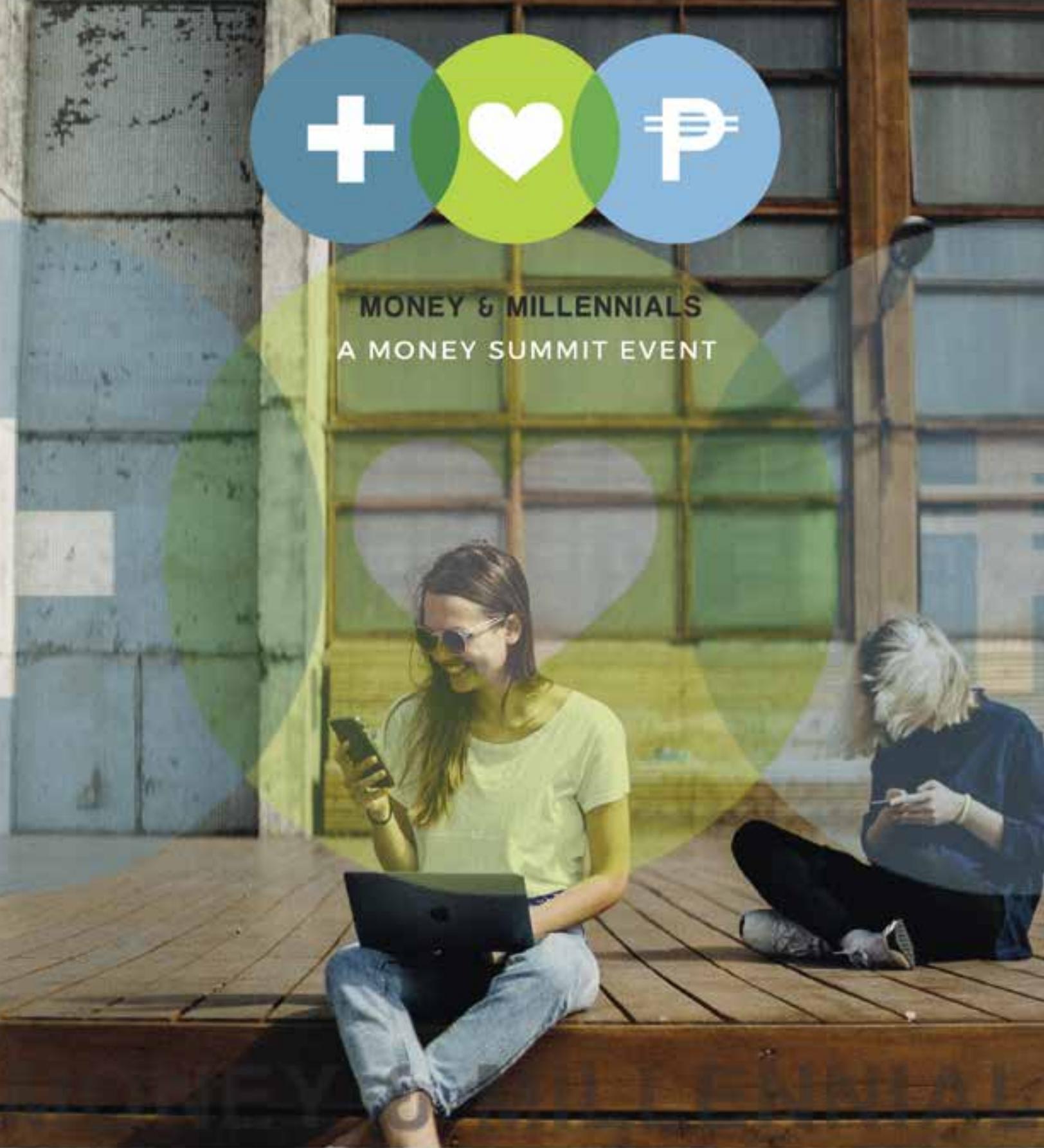
**TRELLO.** Unlike before where there is a whole set of emails to assign tasks to various team members, this time, there is a task management system that summarizes everything into one board. Trello allows you to design, create, and assign tasks in a straightforward virtual interface. You can design tasks and sort them according to department or team member. As one task is already finished, a team member can slide the relevant card into one category for review or into the next.

Because Trello is easy and convenient, you'd never miss a task, and it allows you to see its progress as well. You can stay well-informed and, in a way, is more engaging than memos or emails.

“When you need to **stay on top** of your priorities, there is nothing **better** than having your **responsibilities** organized.”



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**MONDAY.** Known as the Work Operating System, Monday is an innovative and powerful project management platform that helps teams track, execute different tasks and responsibilities, manage all initiatives, and many others.

So, the work system flows smoothly, Monday employs a slick and intuitive UI with automation capabilities that make it faster and easy to use. Monday also combines and integrates with many of your favorite business tools—which serve as an important system to get your work flowing and going.

#### Productivity and Reporting

Whether you want to boost your productivity or help keep track of your progress, these productivity and reporting tools can help manage you to have a clear indicator of success and performance. By using these tools, you can feel like a well-oiled machine.

**AVOMA.** An intelligent assistant that helps you and your team transcribe and analyze customer-facing calls to get actionable discussions and summarized notes from every conversation, Avoma offers searchable transcripts, auto-sync to your CRM and of course, AI-summarized notes. Other features include topic and speaker identification and talk insights that help you surface important information for managers.

Avoma also powers cross-functional interaction with

centralized notes and searchable recording, and playlist sharing and snippets. Its partnership with Aircall, a cloud phone system, enables your business to analyze conversations without doing manual labor so you can close more deals.

**KLAUS.** One of the challenges that customers have to face these days is about the performance of the team. Fortunately, with quality assurance tools such as Klaus, customer service managers can track down the performance level of each employee.

Klaus powers support managers to rate the transaction of their teams with clients across all borders and digitally audit them. When joined with Aircall, you can easily leave constructive feedback and review calls, and score agent performance from the comforts of your own homes.

#### Sharing Information

**FRONT.** Front combines help desk tickets with apps, customer services, and internal emails. For team members who leverage Front integration with Aircall, this involves the ability to receive and make calls, and enter into contextual information all found in one place. Front can also help you accelerate productivity in the process.

These digital platforms—and many more—have indeed changed the course of businesses worldwide. These are here to stay, with offices now taking their whole workload online. [MS](#)



The logo for DMA (Digital Marketing Asia) features the letters 'D', 'M', and 'A' in a stylized, 3D font. The 'D' is light blue with a red outline, the 'M' is light blue with a red outline, and the 'A' is light blue with a red outline. The background is a low-angle shot of a modern glass skyscraper.

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# Balance Transfer Personal Loan

BY RIENZIE BIOLENA, RFP®, CFC

**T**here are times when people can be caught off-guard with their finances, such as with this current crisis. Or it may be the case that they plan for some expenses that cannot be fully covered by their resources, so they decide to borrow money and spread their payments in the future. It could also be the case that there is already an existing credit and they look for ways to ease up the payment, whether through lower interest rates or a longer term to pay.

For this, there are facilities offered by financial institutions to help bridge the financing of these needs: balance transfers and personal loans.

**BALANCE TRANSFERS.** A balance transfer is a facility offered by banks and credit card companies for people to transfer their existing credit card balances to them. It is mainly offered to existing cardholders but can at times also be for eligible applicants.

Depending on the institution, you can transfer your credit card balance from as little as P5,000 to as much as P500,000. Of course, the higher balance transfer limit is available to those that have higher credit limits or those that are already valued clients. Banks can offer this as they already have their own data of the client's credit history—if they are a good payor and have the capacity or not—as well as their total assets with the bank.

Every so often, banks offer balance transfer promos for their clients at lower-than-normal rates. This is to generate more business that they earn through the interest paid by their customers. If you are a good payor and have a good credit standing with the bank, they can call you and offer you the said facility. As the competition becomes tighter, these

financial institutions get more aggressive offering balance transfers, most especially through telemarketing.

Monthly add-on rates can dive to as low as 0.60% most especially for promos, but they normally start at around 1%. With that, the resulting annual percentage rate begins at 23.5%. Some institutions, on the other hand, do charge higher – as much as 3.5% monthly add-on rate or 43.64% annual percentage rate. It is interesting to note, though, that some offer a lower interest rate at higher amounts, as little as 0.79% monthly add-on rate or 17.27%. This may be to entice them to shift their credit to them and thus, get more business in the process.

As for the terms, it can start at 3 months then at 6, 12, 18, 24 and as much as 60 months.

Balance transfers are designed to provide banks and credit card companies with a steady stream of income and business for the foreseeable future, thus, fees are involved. Some may charge as much as 6% of the total amount due, or a fixed amount of P700. Pre-terminating or cancelling the scheme also has charges ranging to as much as P550, plus 2% on the loan principal amount.

**PERSONAL LOANS.** A personal loan can be taken for virtually any purpose: purchase of appliances, tuition fee payment, vacation, and even emergencies. Loans can start at P10,000 and up to P2M, with terms from 3 months to 6, 12, 24, 36 and 60 months.

The monthly add-on rate can start at 0.65% to 1.95% with the annual percentage rate from 14.29% to as much as 41.71%.

But these are not the only expenses that you pay for personal loans. Most have processing fees that are deducted from the loan proceeds, ranging from P1,500 to P2,000. Aside from this, there is also the documentary stamp tax of P1.50 per P200 of loan, which is practically 0.75% of the loan amount, and some charge credit life insurance as well.

A nighttime photograph of a city skyline with a multi-lane highway in the foreground. The highway shows long-exposure light trails from cars, with white and yellow streaks curving through the frame. The city buildings in the background are illuminated with various lights, including blue and white. The overall scene is dark, emphasizing the artificial lights of the city and traffic.

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Late payments can cost 3%-6% of an overdue amount. Pre-paying a loan is generally free, but some do charge a pre-termination processing fee of P2,500.

A Manager's Check can be issued to the borrower's name while banks normally require their clients to open a savings account with them in which the proceeds are credited to.

With credit cards, banks are the usual financial institutions to offer them. But personal loans are not exclusive to banks. There are lending institutions, both online and at-site, that offer these. They typically have a more relaxed requirement process, requiring only a certificate of employment and pay slips, but they typically charge a higher interest rate as they deal with people whom they do not have a credit history with.

**WHICH ONE TO GO FOR?** If you still do not have an established relationship with a bank, and needs financing, then a personal loan would be easier to get, since there are other non-bank lending institutions that can offer it. This, though, may come at a higher interest rate.

But comparing it to credit cards' interest rate and the annual membership fee the latter entails, personal loans are virtually at par on the first year. Why? Their processing fee is almost equal to, if not less than, the annual fee charged by credit cards.

But on the second year, the credit card's annual fee kicks

in again, whereas the processing fee for a personal loan is only one-time. So, by this time, the cost of personal loans would be cumulatively cheaper.

Moreover, personal loans have a higher limit than that of credit cards, so it can be more flexible in accommodating your needs or even various purposes. The latter's limits are given only sparingly, and only at more established credit histories, so personal loans would be more accommodative in this regard.

And even if you already have an existing credit card balance and would want to refinance it at a lower rate or for a longer term, a personal loan would still be cheaper, even with documentary stamps tax and processing fees. The interest rate of credit cards is more than the documentary stamps, and the one-time processing fee is less than the cumulative annual membership fees of cards.

Notwithstanding, all of these would be meaningless if you would be inconvenienced in getting a personal loan, e.g., if you cannot easily pay the amount due, of which there is a substantial charge. If that is the case, then a balance transfer with your own bank would be enough, if it means paying on time with no incurring charges.

It is best, though, to consult a financial planner who is knowledgeable in debt management and who can give a tailor-fit solution that will help you have a more efficient way of managing your debt. **MS**



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# Q&A with a WFH Entrepreneur

## Kassy Pajarillo-Braganza, CEO of Peopable Worldwide

BY DAVID ISAIAH ANGWAY, RFP®

**W**e talked with Kassy Pajarillo-Braganza, CEO of Peopable Worldwide, about the challenges of working from home, particularly for entrepreneurs. Kassy was named Marketing in Asia's Top LinkedIn Influencer in 2018 and 2019 and Buzzsumo's Top 100 Global Digital Marketing Influencer in 2019. She's also a Women Leadership Awardee and Animo Labs Awardee.

**David:** WHAT ARE YOUR TIPS FOR THOSE ENTREPRENEURS WHO ARE STUCK AT THE COMFORT OF THEIR HOME?

**Kassy:** Work on your mindset. You need to know who you are, what's your purpose, and your big why. Who are the people you are surrounded with?

Next, get a business coach. It will help you in terms of cutting corners. Enough of those expensive experiences that you cannot earn back. Make sure that you follow your business mentor. Surround yourself with eight-figure business owners.

After that, get sales training. Sales is the blood and pulse of every business. If you have a business and it doesn't have any profit, it's just an expensive hobby.

Second, you need to have a strong foundation. When there is an earthquake, your whole business won't suffer at the end of the day. Lastly, have your own framework and processes. Make sure to have one because if not, you will be overwhelmed.

**David:** AS AN ENTREPRENEUR, YOU NEED TO HUSTLE AND HAVE WORK-LIFE INTEGRATION. HOW DO YOU MANAGE THESE CHANGES WHEN YOU START WORKING FROM HOME?



“Work on your **mindset**. You need to know who you are, what's your **purpose**, and your big why.”

“ I have been **working from home** for like a long time but the **biggest** change now that there is a **pandemic** is that I became more intentional. That's still a **work in progress** of course. ”

**Kassy:** I'm a firm believer in work-life integration. Here's the thing: hustle doesn't mean hamster wheel, hustle doesn't mean depleting your energy. So, that's my problem too before as I'm a workaholic.

You have to take charge of your energy. You have to take charge of your calendar. You can totally structure your days the way you want it.

**David:** A LOT OF EMPLOYEES TODAY ARE SHIFTING FROM THE OFFICE TO HOME-BASED WORK. ANY TIPS ON SETTING UP YOUR HOME OFFICE TO BE PRODUCTIVE?

**Kassy:** When I earned money from my first endeavor, I really specifically listed down how am I going to celebrate my wins. I got a chair that cost me P4,000, and it's for a good reason. It goes back to a scarcity mindset: if I just buy a cheap chair, will it last a long time? And will it be comfortable? Will it make me more productive?

So, I bought this expensive chair because it gave me more of what I want. It helps me with my productivity, it gives me more energy, and, yeah, it's so freaking comfortable.

I also got rollup blinds which now doubles as a photo background. I wanted nice stuff but of course it should serve a function. For these blinds, they obviously block the light. But we also asked how to make them work hard for us. Now, it has a double purpose because my husband is a photographer, so he uses it as a photo backdrop.

**David:** YOU GOT A NICE MICROPHONE THERE.

**Kassy:** Yeah, with audio, you need to sound more professional and clearer, so your message can get across to your audience.

Don't compromise on it. I had a cheap mic before, but it didn't serve me well, so I changed my mindset in investing on quality things. I asked questions like "Will it bring you more of what you want? How is it going to be hard working for you?"

Of course, just because it's expensive doesn't mean it's good. It's just that you have to weigh your priorities.

**David:** WHAT'S THE BIGGEST CHANGE THAT YOU'VE EXPERIENCED WHEN YOU STARTED WORKING FROM HOME?

**Kassy:** I have been working from home for like a long time but the biggest change now that there is a pandemic is that I became more intentional. That's still a work in progress of course. What really changed is when I got married. Now, I have to make decisions that will also serve my husband. When you're single, you're just thinking about yourself and you're just going to splurge whatever you want on with your money. When you have children, it's also going to be different.

For example, one time, we were debating if we going to buy a regular bed or a hotel-quality bed that I've been wanting. We had to analyze and be very intentional. We asked ourselves how many hours we'll spend lying down and sleeping on that bed. We decided that when we get a full rest, we get to be more productive. So it's not just about the cost, but it's about how it will affect your well-being.

So, the number one change for me was I became more intentional. And number two is I practice work life integration. I only work four hours in a day and sometimes I just work takes three times an entire week.<sup>MS</sup>

# SME Loans

BY EXCEL V. DYQUIANGCO

This coronavirus crisis has hurt many businesses in the world, particularly small and medium enterprises (SMEs). While some have permanently closed, there are others struggling to get back on their feet, grappling for options to move forward. Fortunately, banks these days offer SME loans to those who want to continue their business. And as Credit Review Officer Zyra Plata says, it is easier to avail of them.

“It is actually easier to avail of loans these days (at least I can say this for our bank),” she says. “As much as possible, we want to help our *kababayans* get back to their feet. The government also has been more lenient in provisioning. The



critical thing to bear in mind during this pandemic is the cost-benefit effect of the loan. Will the rate of return be higher than the rate imposed by the bank? Entrepreneurs must never avail a loan without a specific purpose in mind.”

She adds that pre-pandemic, the features of the loan are still the same, except for the business cash flow – which must differ.

“There are businesses that have lost market demand such as restaurants and hotels,” she says. “There is a significant decrease in their sales. Some businesses, on the other hand, are experiencing a boom. We still grant loans to both, assessing the purpose of the loan and the client’s capacity.”

So how do you avail of a loan during this pandemic? Zyra lists the steps.

**CONSIDER THEIR NEED FOR THE FUND.** Business owners must be certain as to where the loan proceeds will go. This is very crucial, and they must be transparent with this so that the loan officer may package the loan accordingly.

FIND A BANK THAT WILL ATTEND TO THEIR NEEDS. According to Zyra, this should be a bank that will offer a rate that will benefit the borrowers rather than give them a headache. "Relationship matters," she says. "Some of our clients would not mind that our rates are higher than the others as long as we discuss to them the essence of every requirement being asked for and offer them assistance. But again, as I stated earlier, the rate must benefit the client. Actually, we determine this during the process. We will compute if our loan will help the client or not. If it will not, even if we might earn big time from them, the committee would not approve the loan. We will suggest other ways (sometimes other banks) to the client. This is how we take our commitment to service excellence."

SECURE ALL THE NECESSARY REQUIREMENTS. Requirements vary from bank to bank. It also differs depending on the type of business the borrower is running and the type of loan he is availing. But the most common documents to secure include business documents, income documents, collateral documents, and list of trade references.

BE READY FOR AN INTERVIEW. This may be face-to-face or via a phone interview. Honesty is the best policy because aside from the bank employee doing the interview with the client, there is another one doing the interview with the client's circle (suppliers, banks, neighborhood and customers). Zyra says never try to influence or bribe the



interviewer such as giving monetary gifts. "This is a big no-no!" she says. "Your loan will be rejected immediately." In some cases, you also need to prepare for a visit from the loan officer for credit investigation or appraisal.

WAIT FOR THE RESULTS OR FOLLOW UP QUESTIONS. The loan application passes through a series of reviews before it is finally approved. Do not be anxious to negotiate with the terms and conditions. If the requirements are complete, sometimes the approval only takes days—but if not, weeks.

ONCE THE LOAN IS APPROVED, PAY RELIGIOUSLY. If there are any instances that you will not be able to pay on time, inform the loan officer at once. Most banks offer loan relief and restructuring, and for your convenience, banks allow auto-debit too.

"It is important to know your business, the cash flow, the business' direction and needs," she says. "Be diligent in the documentation, update business permits and registration, file and pay for your income tax on time. Most banks require collateral, it pays to have real estate in case one is required. Be forthcoming with the information asked of you, the evaluation will depend on your disclosure. Treat your bank as your business partner, they are not only your lifeline, they would very much want to grow with you. In addition, be loyal. Banks value relationships. They will give you leeway on the interest rate and other loan terms."<sup>MS</sup>



# From Actual Shoots to Virtual Shoots

BY **LOUIE ARCILLA** AS TOLD TO **EXCEL V. DYQUIANGCO**

**G**etting into photography started out as a happy accident in 2008. I was at a family gathering and my uncle was selling his old camera. He was “forcing” me to buy it in a joking manner, and for some reason, I agreed. When I finally got it from him, that first camera never left my side. I had it around the house, when we’d go out to eat or attend gigs, when we’d travel. Fast forward to 2012 and I decided to try wedding photography with friends. I went full time in 2014, doing weddings, family photos, and lifestyle portraits here and abroad.

At present, I manage two brands: Louie Arcilla Wedding Photography for weddings and lifestyle portraits and Hey, Bébé Studios for maternity, baby, and family photos. I’m a one-man team for the business and creative sides, except when I’m shooting weddings which require at least a three-man team to document.

Some of my most memorable experiences would probably be the weddings I’ve shot in Peterborough in Canada, Guam, Amsterdam, and Glasgow. They were memorable because aside from being set in beautiful locations, I shot full weddings by myself, from preparations to the after-party, and in most cases, I had no coordinators unlike here in the Philippines. There were also some differences in wedding customs and timings. The key is to communicate properly with the couples and other stakeholders so we can plan ahead and be quick to adjust when issues arise. Trying to stay focused and in a pleasant mood, the whole day is also important!

Inquiries and bookings were steady, and I flew out several times a year to do destination shoots—but then COVID struck.

**#KEEPCAPTURINGMOMENTS CAMPAIGN.** I was anxious about the whole situation, fearing for the health and safety of my senior parents, pregnant wife, and three-year old daughter. I did not enjoy the uncertainty, to say the least—what will happen, when will things get better, how will things turn out for the industry.

Everyone in my industry took a hit with bookings getting either cancelled or rescheduled to a later time. Inquiries slowed down a lot too, especially in the early days of the lockdown. There’s a little bit of clarity now (how to move forward, opportunities to pursue), but the usual business is looks bleak for the foreseeable future.





A few months after COVID, honestly, I can't say I've bounced back already, but I've taken steps to try to bridge the gap in the meantime. These steps included introducing virtual shoots through my #KeepCapturingMoments campaign, joining virtual bridal fairs, and spending some of that newfound spare time taking webinars and online classes. It was fighting through the anxiety and trying to gain some direction that was difficult, but once I got over that, it wasn't as difficult as I'd thought. For one, it was only a matter of signing up for the bridal fairs and classes. There were some challenges initially for the virtual shoots, but what helped was to keep myself focused and inspired so I can plan and execute properly.

**DOING VIRTUAL SHOTS AND MOVING FORWARD.** It's been fun doing the virtual shoots for close to three months now. It's been a long process of executing, learning, and adjusting,

but I think that's the same for any business anyway, especially at this time. What's rewarding to me is being able to introduce a new way of doing things while building my brands, getting better at it, gaining new clients, and being able to raise funds for COVID response.

Currently, I've been busy doing virtual shoots so that's good and getting inquiries from brands and small businesses to shoot for them too. Inquiries for weddings have also started coming in again. I'm also taking on some food and product photography projects.

I am staying focused and inspired right now to execute and try new things because it means being able to provide for my family as well as help the community.

In terms of saving and spending money, as a household, we've been spending a bit more on food, vitamins, and protective supplies to keep us healthy and safe. As a business, initially, I invested more funds in apps and online services to help improve my presence online, since clients will be online more.

I'm optimistic things will be better a few months from now. I hope to be back shooting in-person more but still maintaining my newer services (virtual shoots and product/food photography). Once a vaccine has been developed, I'll resume marketing internationally. I believe that our industry will also survive this crisis but with major changes as to how things are done.<sup>MS</sup>

## MY MONEY LESSONS

### Being Creative in the Crisis

The COVID crisis impacted much of the creatives industry. For businessman and photographer [Louie Arcilla](#), he shares some tips and pointers to survive this crisis.

**Be curious and willing to try new things.** Maybe you'd like to experiment. For example, since face masks are a thing nowadays, why don't you make one and sell it online? Or you don't know how to cook. Learn online and sell them online too.

**Keep your focus as you execute.** Keep your eyes on your goals. Never elsewhere but right up ahead.

**Be resourceful and take advantage of free/cheap services that will help improve your business or sharpen your skills.** Look beyond what you can do now. Attend online classes and webinars to learn more – most of them are free, some discounted!

# On a Mission to Help Farming

BY NEIL ARCHIE BELTRAN AS TOLD TO EXCEL V. DYQUIANGCO



**A**s a Corporate Communications Officer and Chief Internal and External Affairs Officer of Farmon Agri-Community Corp., a crowdfunding company where people can help farmers, entrepreneurs, institutions, marginalized communities, and generally anyone in need with their financial problems, I have been witness to the sad plight of farmers.

In one of my farm visits, the feeling was nostalgic. The farmers in the area are farming using old tools and machines. From land preparation to harvesting, they only have two outdated machines—the hand tractor and the old mechanical *palay* thresher. Considering those big tractors, combined harvesters, drone sprayers, transplanters and post-harvest facilities are already available in other parts of the country, I would say that area is very much behind in terms of farming technology.

There was also an instance when I entered a room and I was taken aback. I was supposed to attend a farmers meeting and that room was filled with old folks. It appeared to be more of a senior citizens' meeting rather than a farmers' meeting.

**CHALLENGES OF FARMERS.** The biggest challenge that we are facing right now is the farmers' lack of participation. Most are afraid of upgrading the farming technology and methodology that they have. The sad observation is that they have become reluctant because they feel that opportunists are using them for their own ends. What we did was we established a relationship with them to prove that we are on a mission to help them. We also do

demo farms to show them the advantage of using scientific/smart farming.

Even before the COVID-19 crisis, rice farmers were already affected by the Rice Tariffication Law (RTL). Many farmers are looking for other opportunities. Farms everywhere are either up for sale or for lease. Many farmers are hesitant in planting rice, but they don't have a choice. Despite the difficulty, however, we still manage to survive and earn because we are using scientific/smart farming.

COVID-19 affected me and the organization so much in all aspects. First, the pandemic is something new and it is something that we are not prepared for. There are a lot of uncertainties. If you can't assess the situation, planning is very difficult, if not impossible. Basically, during the pandemic, we make decisions based on projections, which sometimes are even baseless. We make our projections as scientific, logical, and as reasonable as possible but since we are not using facts to start with, we can only do so much.

Worse, after careful planning, you don't even know if you can execute that plan because restrictions have been changing since day one. On top of that, the implementation of the policy is not universal. Each LGU has its own version of rules pertaining to checkpoints, allowable activities, among others. It is the "chaos" and uncertainty that is physically, mentally, and emotionally draining.

**NEW BUSINESS MODEL FOR THE NEW NORMAL.** For us to bounce back, we actually redid the entire business model. We accepted the fact that our business model was designed for "normal business environment" and since we now have a "new normal", we have to embrace it and design everything in that context. Easy as it may seem, but it is very difficult to plan and implement.

To get started, from about 400 employees, farm workers, laborers, and contractors, we were reduced to just about 50. Our worker to farm ratio was already



two farmers for every hectare and we have to reduce that under the new quarantine rules. We almost operated at a rate of two farmers for every 10 hectares and with the current technology and machines that we have, it is unthinkable.

In order to do that, what we did was to empower the locals and train them to become scientific farmers as well. We also maximized the use of modern technology. Instead of manually measuring farm area using a measuring tape, for instance, we used drones and apps. Instead of visiting all the farms, we used a multispectral drone. We also used apps in scheduling farm activities and in updating everyone about each completed activity.

We also introduced cooperative farming where we reach out to farmer's associations and cooperatives. Instead of us farming, we started to partner with associations and cooperatives. We became farmer enablers instead of being farmers ourselves. We did that because we believe that it is only through helping each other that farmers can bounce back. Shared technology, shared services, shared equipment, shared resources—those are what we started to work on.

The plan appears to be very elementary but implementing it is very challenging. Here in the Philippines, anything that has something to do with network and power is challenging. Electricity, cellphone signal, and the Internet are not reliable. So, whenever you implement anything that will make use of them, be prepared for a backup plan to be readily available.

The next challenge is the farmers' ability to adapt to changes. Whenever we talk to farmers, convincing them to listen is just the first giant leap. Convincing them to become part of the program or to embrace a new concept or technology is an even greater challenge. Another factor is that most farmers are tied financially to the old ways and so moving forward is very cumbersome for them.

The experience of being able to bounce back is exhilarating, though. In one of the activities that we have organized, we have put together NIA, DA, Philrice, IRRI, Irrigator's Association/Farmer's Cooperative towards one common goal and that is to help the

## How to Recover From Setbacks

Like many industries, farming has taken a direct hit. **Neil Archie Beltran** who has worked with farmers details what he has learned in his line of work during this time of quarantine.

**Be resilient.** If you make a goal and plan your way up, accept the fact that challenges will come your way. You have to be strong enough to face them. There are challenges, however, that are bigger than you and it might put you to a stop. This is where resilience comes in. Accept the fact, blend in, retool yourself, and plan another route towards your goal.

**Be focused.** Focusing on your goal is easy if there are no great challenges. But for something as great as this pandemic, things become difficult. Staying focused does not always mean facing all adversities head on. Sometimes, it means accepting defeat and standing up again.

**Be of help.** Sometimes, doing something is very difficult because you do it on your own. Life is like an uphill climb. If you are strong enough, you have the tendency to go ahead and leave the crowd. But how sure are you that you don't need others along the way? Succeeding alone is not a problem but you have to accept the fact that you can do more if you work with someone. As the old folks say, you can't rub your own back.

farmers. While we have just started with the program, it looks promising. After the successful initial partnerships that we did, we are trying our best to expand to regions 1 and 3.

**FINDING HOPE DURING THE CRISIS.** Resilience, presence of mind, and being goal-oriented – those are very important during these challenging times. Emotions will play us. It is okay to panic and be afraid at the onset, but we should not let it stay in our system. Hope is the key and for me, hope is not just hope – it means Heaps Of Possibilities Exist.

For us at Farmon, it's not a personality or trait that is pushing us to bounce back but our mission. If you are glued to your mission, challenges or difficulties are not stumbling blocks, they become stepping stones.

In a few months, we are very much positive that we have completed the recovery period. With the recovery program that we have and with the initial success that we are seeing right now, we are confident that we can bounce back bigger and better. Having said that, our future plan is to even expand beyond our previous operation during pre-COVID days.<sup>MS</sup>



# Profits From *Palengkes*

BY SHRED SANTIAGO AS TOLD TO EXCEL V. DYQUIANGCO

In 2009, one of my mom’s friends offered to lease us a small commercial property in Novaliches Bayan. He said that it could be a great place for a “*talipapa*.” Luckily, we had friends that are “*laking palengke*” who encouraged us to move forward. They offered to help find tenants for the space. I put up money for the deposit and initial capitalization, and my mom offered to operate it. It was difficult at first as tenants came and went during the first two years. I was juggling a high paying corporate job, this venture, and, of course, Metro Manila’s traffic situation. My mom also had to adjust to the long and early *palengke* hours, pulling in an average of 14-hour workdays.

At the start, we were signing three- to five-year leases from the property owners. At that time, it seemed like a huge win for us. But when the lease ended, we were not allowed to renew it. It wasn’t because we didn’t pay rent, or that we did something wrong. It was just that the property owners saw that the business was already thriving and that they could just have someone collect the rent from the stall owners and leave us out. The tenants were earning well so they wouldn’t leave anymore!



This happened five times in 11 years, zero renewals. In spite of this, the business was booming pre-COVID. We started from almost nothing, and yet we were still able to expand. Of course, this meant we had to take on debt. But those debts were quickly paid because of the steady revenue. We had an average of 98% occupancy. We had a line of tenants waiting for good slots to open. We were also exploring other revenue streams within the market, such as supplying our vendors with wholesale meat and vegetables.

**PALENGKE PLEASE!** When COVID-19 struck, I, along with most businesses, were caught flat-footed. Suddenly only 15% of the tenants were showing up. Around 60% of all businesses in my markets were from restaurants and canteens, and that suddenly wiped out. Seventy per cent of my employees weren’t able to go to work. Everyone, including myself, were very scared of the pandemic.

I thought about shutting down all five Star Market branches, but City Hall contacted me and asked me to stay open. The community needed us as an integral part of the food supply chain. We are, after all, a basic goods company.



I saw an opportunity in this and went back to problem-solving mode. I arranged a service to fetch the employees who couldn't commute to work. God knows they could use the salary. I provided masks, gloves, and alcohol for everyone to use. Everyone was educated on how to avoid catching it. There are risks, but the job is necessary because we can't close down.

While 85% of my stalls were closed, the open vendors were making really good money. We contacted those that closed and encouraged them to go back. Some did, and business was thriving for those people.

I negotiated the rent during the lockdown with the property owners. The savings I got, I passed on to my tenants.

I relaunched a wet market delivery business called "Palengke Please". We operated through Facebook normally catering to bulk orders for restaurants. But this time, I targeted households. I figured it was a great way to help my tenants' sales, keep staff working, and prevent families from going outside and catching the virus. Doing business during the lockdown was one of the hardest things I've ever had to execute. Between the overwhelming volume of orders, supply, logistical, and manpower problems, I was never busier or more stressed. But it was worth it. The income from that venture more than made up for the deficit in our regular income. And now "Palengke Please" still has the most affordable goods with the easiest user interface out there.

Overall, I really can't complain. I have friends who are severely affected by this thing. A lot of businesses are facing an existential crisis, with their owners having to make very hard decisions. I consider myself lucky and the pandemic has affirmed what I always knew all along. If you know what you're doing, the *palengke* business is relatively crisis-proof.



**DIAGNOSING PROBLEMS IN REAL-TIME.** Work is great. We were supposed to construct our Pasig branch this March, but obviously, we didn't hit that target. We're trying to move that forward now, but it feels like a different world. But inch by inch, we're getting there. Even with a global pandemic, we're still just shy of achieving our yearly targets. So again, I'm not complaining. Life is good.

These days, I spend more time outside my office and in the market. I want to get a direct feel of what's going on. I can diagnose each problem in real-time and act accordingly. By all accounts, the vendors' sales are going up steadily. It's just a matter of time.

I'm adjusting our expansion plans. I've deployed a strategy to look for more available properties to buy. Rising unemployment means opportunities to do business. I want to be in front of that.

While restaurants are hurting, people still need to eat. So, pushing for deliveries is still ongoing. And when the restaurants finally do open, we'll always have the best prices for them. We're there to bring their costs down and soften the blow of this crisis.

I still want to open a new branch every year. Nothing has changed for me, in fact, it has emboldened me to continue with our mission.<sup>MS</sup>

## MY MONEY LESSONS

### Upping Your Game

**Shred Santiago** has never lost hope even in the midst of this pandemic. In fact, his business is thriving. He shares tips and pointers for those who want to stay on top of their game during this time.

**Start looking for locations out there.** Prices are falling, and more owners are looking to liquidate. Take advantage.

Don't be cheap when it comes to masks, disinfection, safety training, etc. At this point, there is enough literature out there for you to keep your team safe. It's an excellent opportunity to give the message that you care for them. Also, it's going to be far more expensive if an employee gets sick.

**Be graceful under pressure.** Easier said than done but pressure turns coal into diamonds. Don't let the noise and fear distract you from what you're supposed to do. Be calm and make moves. It's your game 7. The ball is your resources. Let it fly.

# The WOMAN Out to Help Save Agriculture

How AGREA founder Cherrie Atilano empowers farmers, promotes food security, and makes agriculture sexy

BY EXCEL V. DYQUIANGCO





Three days into the nationwide lockdown, Cherrie D. Atilano quickly mobilized her team at AGREA to help move and sell 15,000 pineapples, which otherwise would have been wasted, resulting in heavy losses for the farmers. She called it #MoveFoodInitiative.

Cherrie is the Founding Farmer, CEO, and President of AGREA, an innovative inclusive social enterprise founded on fair-trade, sustainable agriculture and a replicable model of an agri-based economy. From the start, AGREA has already been working around the clock, helping partner farmers bring their harvest to the market.

“Move Food Initiative started when I received a call for help from a group of agrarian reform farmers from Rizal,” recalls Cherrie. With the transportation restrictions and logistical challenges imposed by the Enhanced Community Quarantine, these pineapple farmers would not be able to move and sell their produce. “And worse, all of it will be thrown away and wasted,” she points out.

Soon, other upland and lowland vegetable farmers in Luzon sought AGREA’s help to move and sell their bulk produce to consumers. Cherrie adds, “At the same time, consumers were also challenged in ensuring food supply for their families. Food shelves in supermarkets and stalls in *palengkes* were scarce to empty, as people were buying more than enough to ensure food on their tables.”

Cherrie launched the Move Food Initiative with the AGREA team based in Metro Manila: Operations Manager Sonia Gonzales, Director of Agribusiness and Farm Management Benjamin Jorge Cadag, Administrative and Finance Head Mary Ann Reyes, and Associate Director of AGREA Foundation Christine Jodloman. She also tapped her network to help ship and deliver fruits and vegetables to consumers.

AGREA started with a simple online fresh food ordering platform. Now, they have a physical store in Kapwa Studio, Makati offering healthy and nutrient-filled food.

As of August 15, 2020, AGREA has already moved 177,330 kilos of fruits and vegetables delivered to 70,527 families, helping 20,182 Filipino smallholder farmers in the process. In addition, it has donated 4,594 kilos of food to 10 kitchens feeding frontliners.

“I discovered the silver lining of *bayanihan* in these trying times,” Cherrie shares. “Human movement can be limited, but the *bayanihan* we can do can be endless. The impact numbers I have shared are just figures, but the real deal are the countless heroes and kind souls behind these, who have been and are part of our Move Food Initiative. AGREA owes its milestone to the countless heroes who support us – our hard working partner-farmers, hard working movers in different communities, logistics providers, buyers, and clients who have trusted us from the start and people who share our work online or offline.”

Cherrie notes that since the pandemic, the agriculture sector has been affected, but it continues to be strong and resilient. “If there is one thing that this health crisis has taught us,” she says, “is that most people nowadays are growing their own food, trying new farm-to-table recipes, or engaging in agriculture through entrepreneurship.”

### A farmer at a young age

Cherrie’s passion, strength, and conviction started at an early age. She grew up at a sugarcane farm in Negros Occidental. Her father passed away when she was just three years old, so she was raised by the strongest woman she knows – her mother. “I learned life the hard way since I was young,” she says.

She became interested in agriculture after reading for the poor, 100 percent of their income goes to food – 70 percent on rice and the rest on viands. “But when you plant vegetables around your house, you will save 30 percent of your

money, which you can use for other things, like education for your children. That inspired me because I know this can help many families in our community to have access to food, save money, and send their children to school.”

At one agricultural conference, Cherrie remembers asking the oldest person there to take her as his *apo* or grandchild, so she can learn more about agriculture. And when she was 12, she started teaching farmers about intensive gardening. “These childhood experiences have morphed me into being an enabler in the agriculture sector for 21 years,” she says.

To be able to reach and teach as many farmers about sustainable backyard gardening, Cherrie asked her mother for a bicycle for her birthday. “That was my first business pitch,” she shares. “My mother had one condition though. She wanted me to be top of my class, so that I can get a scholarship to study medicine in college.”

With that bicycle, Cherrie went around the community teaching farmers about sustainable ways of backyard gardening every weekend for four years. “Instead of being intoxicated by drinking *Vino Kulafo* and *Ginebra Kwarto Cantos*, or having *chismisan* for breakfast, I taught my neighborhood to grow their own food. The back of used calendars served as my blackboard, and nearby sari-sari stores as my classroom. For four years, they learned, grew their own food, and sent their children to school.”

### The turning point

But of course, Cherrie didn’t forget her promise to her mother, having graduated at the top of her class. Her life was set then – she would study biology and medicine in La Salle with a scholarship and go to New York to be a doctor.

However, the turning point of her life happened while giving her valedictory address in her high school graduation. In the middle of her speech, a truck full of farmers came. With a

banner made of sugarcane sacks sewn together, the farmers wrote: “Congratulations Ma’am Cherrie, our teacher.” She was moved to tears, and the course of her life unfolded, and veered her towards her true direction and purpose. She told her mother that she would not study medicine anymore. Instead, she would study agriculture, and help more farmers in the Philippines.

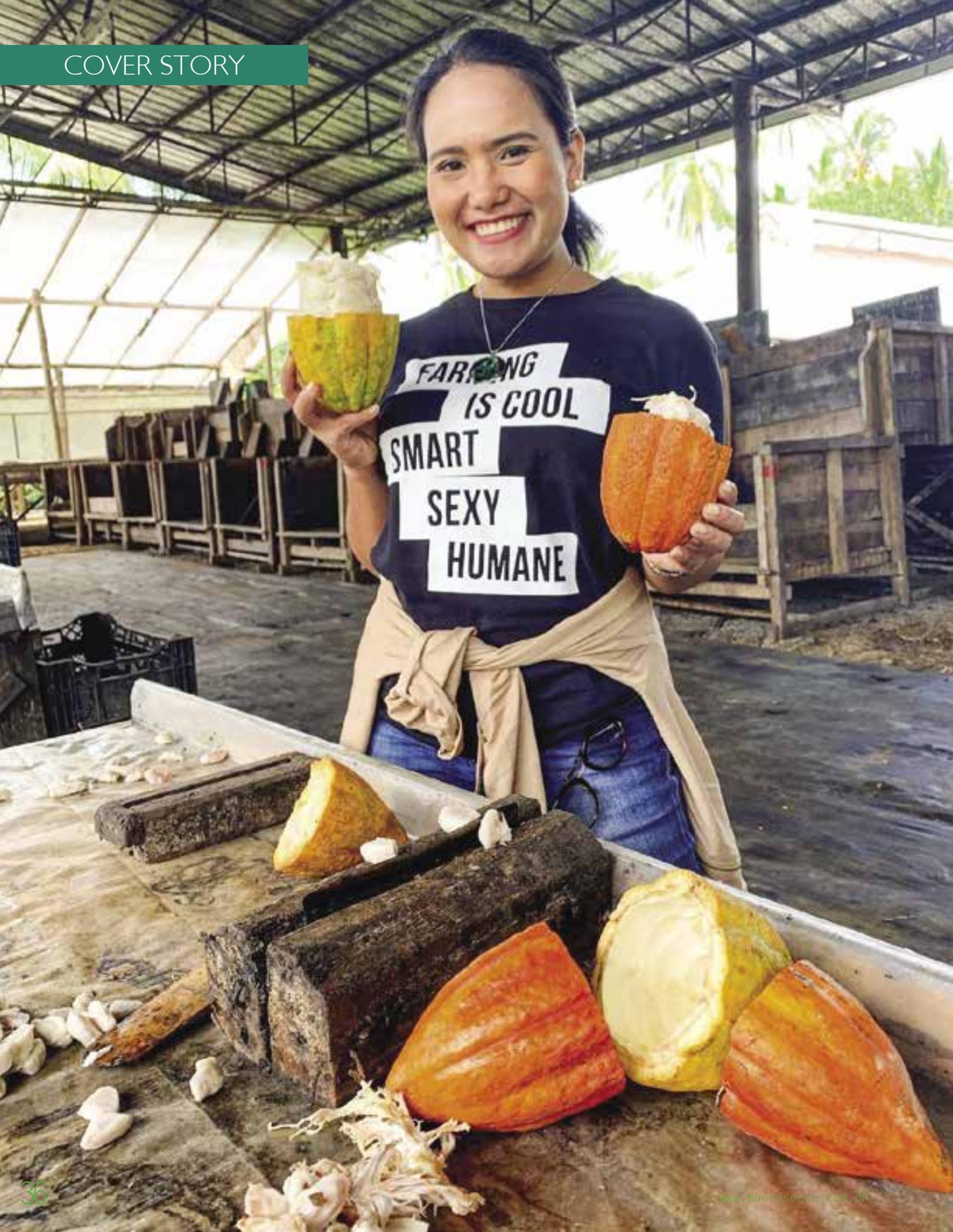
At 16, Cherrie went to Leyte, and sent herself to school at Visayas State University, taking up a degree in Agriculture, Major in Horticulture Specializing in Tissue Culture. She was a Negros PAGKAON scholar, and she worked her way as a working student. For four years, she learned the values of determination, grit, gratitude, humility, and perseverance. Again, she graduated at the top of her class, became an exchange student at Zhejiang Gongshang University in China (Excellence Awardee), and was recognized as an Outstanding Student of the Philippines.

At the start of her career, she started as a landscape horticulturist supervisor, and head of land development projects that included Bonifacio High Street, Bonifacio Global City, Serendra Residences, UP Ayala Technohub, Greenbelt and Ayala Malls, and Nuvali. She was already a millionaire at a young age as she earned her commissions from her landscape designs.

“But I know that was not my mission,” she says. “I resigned and set my way to where my heart and mind really was and will be – into helping Filipino farmers.

Soon she met Tony Meloto, the founder of Gawad Kalinga. “I discussed with him that I didn’t believe that his housing project would solve poverty. It was similar to giving people fish instead of teaching them how to fish. A roof on one’s head would be useless with an empty stomach. Agriculture is still more encompassing and value-adding to solve poverty in the Philippines,” Cherrie says. She ended up being invited to work in Gawad Kalinga to lead its food sufficiency program.





Cherrie quickly made her mark. One memorable incident was during a trip to Engcanto, Bulacan where, as rumor had it, many murderers and criminals (who got paid for a measly P5,000 to kill just to have food on their tables) lived. Although these burly men had scary-looking tattoos, Cherrie took a leap of faith by introducing them to sustainable agriculture, the wonders of farming as a business, and how to grow their own food.

From a one-hectare land, the project expanded into 36 hectares, which thrived as self-sufficient farms, benefiting 36 families. This place was soon to be the now famous Gawad Kalinga Enchanted Farm, the first farm village university in the world.

While working at Gawad Kalinga, she was awarded a Fulbright scholarship at Cornell University in New York City. She was torn and asked the kids in her community about their dreams and aspirations in life. She recalls that one kid said she wanted to be a *japayuki*, so that she could earn a lot of money, while another kid said he wanted to be a driver in Makati, because Makati was a beautiful place.

“Talking with all of these kids, I turned down the Fulbright scholarship,” Cherrie shares. “Some people would trade anything to get that scholarship. But I just can’t close my eyes and leave behind communities in need. Choosing to stay was more than earning my Master’s degree or PhD. I have learned, and I am learning more about life from people who did not even go to school.”

Apart from Gawad Kalinga, she also became a consultant of the Department of Agriculture and Department of Agrarian Reform. Here, she led in establishing sustainable farms around the Philippines through Bayan Anihan, benefiting 60,000 families. She was also a volunteer

teacher in Bilibid prison—the worst prison in the Philippines where she taught 1,000 inmates about growing herbs and values formation every weekend. They used the herbs to cure their skin allergies, a very rampant case inside the prison.

## The birth and growth of AGREA

In 2014, Cherrie established her own social enterprise based in Marinduque called AGREA, which combines AGRICULTURE + GAEA (environment). Like with all her past accomplishments, the vision of AGREA is both ambitious and expansive.

“The Philippines has 7,641 islands already and yet, not one of these islands is sustainable, in terms of food and economy,” notes Cherrie. “At AGREA, we are aiming to create the first living model of a replicable one-island economy that is zero hunger, zero waste, and zero insufficiency. We are focused on Ecology of Dignity—dignifying our farmers and fishermen. I find it scandalous that our food producers in the value chain are the poorest and hungriest. At AGREA, we are trying to change this narrative and reality through sustainable livelihood opportunities, sustainable agriculture, agripreneurship, and farm tourism. We want to train and enable a new breed of farmers—those who are farmer-leaders, farmer-entrepreneurs, and farmer-scientists.”

Ambitious and expansive indeed. It has been difficult from the start and “different factors continue to challenge us,” Cherrie explains. “Some people laughed at us, pulled us down, and pushed us to give up.”

Not one to back away from adversity, Cherrie ignored the naysayers. She shares, “We learned a lot from these challenges. We learned to focus on people and institutions that support and believe in our vision and mission as an organization. Most importantly, we found a home and family as the AGREA Team.”

Soon, they built AGREA's Model Farm, a 2,500sqm hub of growth and learning in Barangay Cawit, Boac, Marinduque. It serves as an R&D facility that tests farming technologies and techniques, a TESDA-accredited farm school (the first in Marinduque), and a proof-of-concept for the farm-to-table movement as it also sells its produce to consumers.

"Now other islands want to replicate what we do in Marinduque to their communities, because they see that our work works," Cherrie says. She adds, "I consider replicating AGREA's one-island economy model our biggest achievement. We work in island economies and pilot it in the beautiful island of Marinduque. It is amazing how other islands in the Philippines want to replicate our model in their islands. Now we are replicating our model in Siargao Island, and soon we will be in the Bicol Region too."

However, Cherrie emphasizes that they are not trying to be messianic when they engage with their farming communities, "like we say to them that we can solve all their problems with our programs." Instead, AGREA works together with the farmers to develop their programs, provide values and leadership training, balancing soft skills with technical skills training. "This is received by our farming communities very positively, that they were the one recommending our programs to other farmers," Cherrie explains. "They say, 'I-AGREA' *ninyo na ang farms ninyo*' (make your farms AGREA). Imagine, farmers use AGREA as an action word. I think that's beautiful!"

## A UN Ambassador

For all her achievements, Cherrie has reaped international recognition from prestigious organizations. She was named a Global Shaper by the World Economic Forum, awarded as a Young Global Laureate by the International Youth Organization – Youth Action Net, recognized as an ASEAN Young Business Leader by the New Zealand Foundation, chosen as among 10 Asia New Generation Emerging Leaders by Channel

News Asia, and received the Global Responsible Business Award for Agriculture Excellence by the Asia Pacific CSR Council and UN Global Compact.

Just recently, Cherrie was appointed by the United Nations Secretary General Antonio Guterres to be a high-level ambassador of the Scaling Up Nutrition Movement (SUN), a movement where "everyone has the right to food and nutrition". SUN is a renewed effort to eliminate malnutrition in all its forms and ensure a world free from malnutrition by 2030. The movement addresses the problem of 149 million children who are suffering from malnutrition—which has devastating consequences for health, learning, future earning potential, economic development, resilience, and security. Here in the Philippines, a third of Filipino children are stunted.

"Nutrition is a maker and marker of sustainable development," Cherrie explains. "Ending malnutrition in all its forms is essential to unlocking the full potential of current and future generations, and for the achievement of the 2030 Agenda for Sustainable Development." Her role in the SUN movement, Cherrie says, is to support the 60 member countries, as they pursue their goals to scale up nutrition. She will also provide strategic oversight of the Movement, encouraging coherence and collective accountability for results.

Her plan is to champion and anchor on AGREA's core programs and best practices—AGREA's programs such as The Garden Classroom, Farm School, Women in Agriculture, and Family Farming. Cherrie says, "These programs are value-adding holistic approaches in enabling the replicable one-island economy of AGREA. What's exciting is this can be evidenced-based models that may be scalable in SUN Movement's 60 participating countries."

While her work also led her to being named as a UN Nutrition Ambassador, Cherrie says that she shares this prestige with the Philippine



agricultural sector. “I make my commitment to secure nutrition by securing food sufficiency and security,” she says. “Always make farming sexy by mentoring a lot of young people to venture in agriculture, empower women in agriculture to make sure proper nutrition starts from home, work on multi-stakeholder partnerships in making sure nutrition will be a serious business to lower stunted growth and boost our human capital productivity, and invest in impactful agri-foods.”

In the near future, she envisions AGREA to be a quality player in the agriculture sector, a quality player that is human-centered and fair.

### The future of agriculture

“I believe that it is my life’s mission and purpose to dignify the Philippine agriculture sector,” Cherrie says. “The vision to make our Filipino farmers world-class just pulls me to work and make it a reality. I believe our farmers are true-blooded Filipinos – they are so connected to the

land. My parents were my main inspiration to do this. I have learned a lot while growing up in a sugarcane farm, teaching farmers at the age of 12, teaching sustainable agriculture to ex-convicts, and working with farmers every day for the past 21 years.

When it comes to the biggest problems that farmers face these days, Cherrie says that she can only speak in the context of Marinduque farmers. “Marinduque is an island in the Philippines known for its natural beauty and fertile land,” she says. “Ironically, many of its farmers live in poverty due to exploitation and lack of support. Traders often exploit the farmers, buying their crops infrequently and at abysmal prices. To compensate, those trying to make a living off their land focus on short-term practices that lead to low yields and environmental ruin.”

She adds, “Unfortunately, the island’s economy has staggered in the absence of other livelihoods. Marinduque’s farmers are aging, children of





farmers are leaving the island, and those who remain are becoming increasingly dependent on food imports. To address this, AGREA is pioneering Marinduque as the first island farm-tourism economy led by women, with an emphasis on zero hunger, zero waste, and zero insufficiency.”

With farmers having a difficult time dealing with technology such that they resort to the old-school ways of farming and agriculture, Cherrie says that learning takes time. “I recently read an article entitled *‘Agriculture can save the Philippines from COVID-19 havoc’* and I strongly believe in this one,” she points out.

“Working in the agriculture sector for the past 21 years, I can affirm how the sector saves Filipinos every day. I have high hopes and confidence that the sector can help us rise from this health crisis. Resilience is good, but our actions will make the difference. Our individual action of growing our own food in our homes, to interventions including more investment in

agriculture and fishery, supporting smallholder farmers by buying their products, to providing more agri-inputs to our farmers and fisherfolk will surely enable all of us to have food on our tables, and rise as a nation.”

“As a social entrepreneur and a leader, I want to contribute to rising from this health crisis through agriculture, and health and nutrition,” Cherrie expounds. “Healthy and nutrient-filled food is of utmost importance during a health crisis. Every citizen should have access to good food. That is why I am very grateful to be leading the Move Food Initiative, where we offer healthy and nutrient-filled good food straight from Filipino farmers.”

To all the younger generation, Cherrie has this to say: “To aspiring Filipino entrepreneurs, surround yourself with people who inspire courage, and empower you to be your best. Save, spend, and invest wisely. Choose what matters most to you, especially in these challenging times.”<sup>MS</sup>

# AGREA'S Programs

**WITH** a strong belief in Ecology of Dignity, AGREA Social Programs is set to cultivate human beings to be agents of change. AGREA Social Programs are designed to provide a human-centered approach to technical and life skills programs

## **AGREA Farm School: Always Learning, Always Discovering**

Located in a 2-hectare farm property in Barangay Cawit, Boac in Marinduque, the AGREA Farm School is an accredited private extension service provider for the Technical Education and Skills Development Authority (TESDA Marinduque). The farm school inspires farmers, farming enthusiasts, garden hobbyists, professionals, teachers, students, and everyone else in between, to use the same agriculture competencies to lead a healthy and sustainable future.

“In the AGREA Team, we have a dream of scaling and replicating the AGREA Farm School wherever AGREA is present,” says Cherrie. “I believe that education can be a sustainable development multiplier. The AGREA Team maximizes our holistic farm school approaches to train and enable farmer-leaders, farmer-scientists, and farmer-agripreneurs. We empower and enable food producers who offer good and nutritious food for the people.”

## **The Garden Classroom (TGC): Learning from the Ground Up**

From idle lands, to ideal living classrooms of learning, the mission of The Garden Classroom (TGC) program is to enhance the quality of life for elementary students, by turning barren and forgotten school gardens in elementary schools into blooming centers for learning. The program also provides a high-quality learning environment, through collaboration with local leaders, community partners, and parents teachers associations. These groups share the same goals in mind: scholastic achievement, health and wellness, and real-life connections for students. TGC is currently being implemented in 31 public elementary schools in Marinduque, and 15 public elementary schools in Siargao, reaching 9,000 students.

## **Women In Agriculture**

As part of her journey in empowering women to be involved in farming

and agriculture, Cherrie gives empowering talks, seminars, and conferences. “I am a staunch advocate of empowering women in agriculture,” she says. “I believe that good nutrition starts at home, and women play a key role in achieving this. Globally, women produce over 50 percent of the world’s food and comprise about 43 percent of the agricultural labor force. Additionally, women invest as much as 10 times more of their earnings than men do in their family’s well-being in areas including child health, education, and nutrition. Thus, empowering women in agriculture will create a good impact on children’s health and nutrition, and education.”

## **Focusing on Family Farmers**

Farming is a family activity that provides decent work and economic growth. AGREA works closely with smallholder family farmers. Not only do they have a 60- hectare coconut-turmeric intercrop farm in Marinduque (the biggest in the Philippines), but they also enable these farmers to be climate-smart, and diversify their economic base through agripreneurship and farm tourism approaches.

“I believe that when you enable and empower family farmers, you will create a ripple effect,” Cherrie says. “They will produce good food that will nourish not just their families, but the whole community.” <sup>MS</sup>





# How to Pivot and Reinvent Your Career

BY FITZ GERARD VILLAFUERTE, RFP®

**W**henever I meet successful people, I often ask about their life stories because I find it as a great source of inspiration. I'm sure you've read or heard those kinds of stories as well, ones which are full of admirable courage in the face of obstacles.

Interestingly, I've observed that most of these successful people also didn't really plan to be where they are now right from the start. In fact, their college degrees and first jobs are often unrelated to what they're doing today.

In his book, *Outliers*, Malcolm Gladwell wrote about the 10,000-Hour Rule. This principle alludes to the length of time, which he considers to be the key to success in any field. Simply, by practicing a specific task for 20 hours a week for 10 years, you'll attain mastery of it.

Thus, if indeed it takes a decade to be successful in any field, then between the time we start working in our 20's up until our 60's, we would have had multiple opportunities to attain mastery and success in different fields.

Every now and then, I get to talk to people who are considering a change in careers. They have various reasons, but they all have that brewing desire to get out of their comfort zone, try something new, and perhaps pursue a passion they've long had. With this current crisis, it could be because they have been let go or they want to future-proof their career.

I am an engineer by education and worked as one for several years before shifting towards the financial industry. As someone who experienced that type of catharsis, I always say that reinventing myself and my career was one of the best decisions I've made in my life.

So how do you pivot your business or career? How did I do it? Here are some of the most valuable lessons I've learned from my career shift.

**KNOW THE HONEST REASON WHY YOU'RE MAKING THE SHIFT.** Changing careers is often a life-altering decision. It will affect not just you, but also the people around you. So, it's essential to know the honest reason why you're doing it. And most importantly, to realize if it is what you truly want.

Furthermore, your family and friends will certainly ask you about your decision. How would you answer them? If you can come up with a sincere and convincing reply, then that's a good sign that you're well on your way towards a successful second act.

**ASSESS YOURSELF AND TAKE INVENTORY OF YOUR RESOURCES.** It's impossible to go to a destination, if you don't know where you're starting. For this reason, it's essential to become self-aware and do a critical assessment of your knowledge, skills, and talents. Know which of these would help you on your new path and check which ones you'll need to improve on or acquire to succeed.

Moreover, take an inventory of your available resources, particularly with your finances. Changing careers will often entail taking a significant pay cut, so make sure that you can survive at least a year on a smaller salary. Or at the very least, have other sources of income that can augment your cash flow.

**MAKE A PLAN AND CREATE YOUR IDEAL PATH TO SUCCESS.** Now that you know where you're starting, it's time to lay down the blueprint that will take you to your destination. What is your ultimate goal? In an ideal world, how would you achieve it?

Mapping out your best-case scenario will help you pinpoint the minimum required steps you'll need to do, as well as the most essential skills and resources you'll need, to succeed. Of course, this is just the first draft of your plan.

Your next step is to ask what could go wrong along the way, and what your provisions would be if they happen. You can never predict the future with certainty, but it's always helpful to prepare for what could happen.

Lastly, it will immensely help if you can create a timeline for your plan. Set up personal milestones to help measure and assess your progress once you start your journey.

**GET FEEDBACK FROM TRUSTED AND KNOWLEDGEABLE PEOPLE.** This is an important step that many don't realize. Asking for the thoughts of other people will shed light on your blind areas and help you further develop your plan. Keep in mind that you're not asking permission from them, but rather, you're trying to see if there's a point or perspective that you missed or are not seeing.

Talk to people who can give you an honest opinion – be it a positive reinforcement or a constructive criticism of your plans. If you think it's necessary to find a coach or a mentor, then do that to increase your chances of success.

Start building your network and make connections.

Your network is your net worth. Run through your list and note the people whom you can ask for help if needed. Take advantage of social media and ask to be introduced. Remember that opportunities are always attached to people. So, it's good to establish professional relationships whenever you can.

However, as you expand your social circle, it's important to always be giving. Because networking does not start with asking people to help you, but rather in sharing your value and asking what you can offer that will benefit them.

**TAKE THAT LEAP AND FOLLOW YOUR PLAN.** Most people reach as far as this stage, but then they hold back and return to their status quo. It can be out of fear, doubts about their plan, lack of self-belief, or sometimes, they simply lose their momentum.

Realize that there's never going to be the right moment and you'll never be perfectly ready to take that leap. So, jump off the cliff and trust that you've done enough to prepare. At this point, there's really only one thing you need to do—and that's to start.

Remember that you will fail and make mistakes along the way, it's guaranteed. But don't readily quit when that happens because it's all a normal part of the second act, and your story continues. March forward and focus on your progress, because success also includes the journey, and not just about reaching a destination.<sup>MS</sup>



# Multiple Streams of Income: Ways to Diversify and Augment Your Income

BY GENESIS KELLY S. LONTOC, RFP®

**F**inancial freedom means being able to have the kind of future based on your own terms. You set goals and lay out plans to achieve them.

A common goal is to become wealthy. And one measure of wealth is purchasing power.

If money growth outpaces growth in prices, purchasing power increases and wealth improves. However, if the growth in prices outpaces growth in money, the opposite happens. Growing money means improving the difference between cash inflows and outflows.

Optimizing cash outflows means taking control of the levels of money outflows and where the money will go. Every Peso saved is a Peso earned. You obviously have to spend but you also need to save. Being able to distinguish between needs and wants can help you prioritize expenses. You can find ways of cutting back a bit on your spending on needs while minimizing or drastically taking out your spending on wants. You can use a budget as a good tool in allocating money based on your identified priorities.

Lowering your expenses is the easier and faster way of improving your cash flow. But you can only do so much. The COVID-19 pandemic and the subsequent New Normal have made it even more obvious that optimizing cash outflows is not enough to survive and thrive. The challenge of making ends meet has become more daunting. Change is a constant thing in life. But this crisis means drastic change. Conditions continue to evolve so you have to be responsive and flexible in addressing the opportunities and threats that are associated with change.

**RISKS OF CASH INFLOWS.** While good management of cash outflows is important, there are certain risks that can disrupt cash inflows.

**1 Risk of unemployment.** One economic risk is the risk of unemployment. Whenever a country experiences a decline in its GDP, it means sectors and companies will find it more difficult to sell their goods or services. In order to preserve their profits or even just keep their businesses afloat, many companies cut costs and streamline their operations by determining their new optimal manpower count. That means laying off employees, asking for pay cuts, or furloughing them. These days, there is no such thing as job security. And if this happens to you, it's going to be a huge problem financially.

**2 Risk of inflation.** Another economic risk is the risk of inflation. This refers to the general rise in prices of goods and services in an economy. As an economy grows, so does the income of people. When people are able to earn more, many of them will be inclined to spend more. If demand therefore comes to a point where it exceeds the level of supply in an economy, there would be a shortage and this would put an upward pressure on prices. Goods and services become more expensive. Hence, even if you are earning money, there is still the risk of having lower wealth if your income and savings do not outpace inflation.

**3 Social risks.** There are other social risks that can disrupt cash inflows. People generally have unlimited needs and wants. Nothing is ever enough. More will be preferred to less. As your lifestyle becomes more sophisticated over time, you'll have new aspirations, and these have to be funded. Social conditions change over time. For example, managing money for a single person may be different from managing money for a married person.

## IMPORTANCE OF GENERATING INCOME

Generating income is therefore important apart from managing expenses. It is income that funds our expenses. During good times, your income will be able to fund your needs, wants, savings, and investments. However, the economy goes through cycles and when times are bad, the strain on your income can make life hard. It is therefore

important to explore how to make income sustainable. This can be done by not putting all the eggs in one basket. Being able to diversify income sources is therefore a must.

In generating income, you need to answer three questions. The first question is: “What is my purpose?” Begin with the end in mind. Life should be lived based on purpose. The second question is: “What is my talent?” Each of us is unique in the sense that we have our own set of distinct skills and competencies. The third question is: “What are my available tools and resources?” Being able to answer these questions will guide you to determine the type of career or trade you should embark on in life.

There are two types of income you should pursue: active and passive. These are some of the ways you can diversify through multiple sources of income.

**1 Active Income.** One way to generate income is through active income. This type of income is one that earns money when effort, time, and material contributions are put into a venture. Earnings can come in the form of salaries, commissions, and tips. And you can earn active income through full-time employment, part-time employment, or business ownership.

**Full-time employment.** Being a full-time employee for a company means you earn compensation. Every company would have its own compensation mix. The amount of compensation given to employees depends to a great extent on key business metrics like sales and profitability. The roles and levels provide sources of active income differentiation within companies. One major form of compensation would be a fixed salary. For many roles, the commissions, tips, and bonuses are given depending on the achievement of business targets.

**Part-time employment.** Another way to generate active income is to pursue part-time work. People have many talents and skills. You can explore the possibility of augmenting your active income from full-time work by doing a part-time job, maybe at night or on weekends. There are many examples of available part-time work, such as consulting and teaching gigs. You can do online freelancing on a part-time basis. Commission-based selling is another example of part-time work you can do.

**Business ownership.** Another way to generate active income is to start a new business. Building a business from the ground means that you should have a good grasp of the nature of the industry, target market, and unique selling proposition of your planned business. You can start small from home. And you can start and run your business on the side while being employed full-time, at your own time and on your own dime of course. Many successful Filipino businesses started from humble beginnings.

Whether you are doing full-time work, part-time work, actively running a business, or any combination of the three, it is important to have an innate development evolution mindset. There is always something new you can learn. Continuous learning will enable you to learn new skills and competencies that can allow you to generate more human capital value. Having more human capital value can be potentially rewarding in the form of job security, higher salaries, higher commissions, career growth, and sustained high active income.

However, while simultaneously pursuing different sources of active income, it is very important to remember the value of health and wellness. While it is good to want to be the best employee or the best active entrepreneur, you have to put your physical and mental health first and be psychologically present for your family. Success in generating income and having a happy family life are not conflicting wishes. Both are possible. The key is to strive to get work-life balance through effective time management.

**2 Passive Income.** One way to generate income is through passive income. This is the type of income that is earned even if there is minimal or no effort done in the process of generation. Common examples of passive income are interest income, capital gains, dividends, rent and profit. And you can earn passive income through paper assets, hard assets, private equity, and intellectual property.

**Paper assets.** You can earn passive income such as capital gains, dividends, and interest income through paper assets in the money market and stock market.

Investing money in the money market helps you earn interest income when you purchase instruments like treasury bills or treasury bonds. When you invest in these instruments, you earn interest income that is fixed. These are government-backed securities and are risk-free. Since risk is low, the interest income earned may likewise be low as compared to other forms of passive income sources. In many cases, the return may just match or even be lower than the inflation rate.

Investing directly in the stock market helps you earn two types of passive income. If the stock you bought increases to a price higher than when you purchased it, and you sell shares of that stock, then you earn capital gains. You can also earn dividend income if a company you own shares of decides to share their financial gains with stockholders by declaring dividends. What is key in stock market investing is to know that returns are volatile since risks are relatively higher. Diversifying stock investments helps address risk.

Investing money in pooled funds helps you earn capital gains over time. Common examples of pooled funds are mutual funds and unit investment trust funds. The minimum

investment needed is relatively low. People are busy so pooled funds, which are ran by professional fund managers, offer great convenience in investing. There are funds that are invested in the money market, stock market, or in a combination of both.

**Hard assets.** Investing money in real estate can come in many forms. Common examples are land, houses, offices, and condominiums. You can earn two types of passive income through real estate. If the value of the property appreciates over time, you earn capital gains. When you decide to lease out property for residential or commercial purposes, you generate cash flow in the form of rental income. When an economy grows, it creates an attractive investment climate that favors the real estate sector.

Another example of hard assets are precious metals such as gold or silver. You can also invest in art, jewelry, and collectibles. Like real estate, they are physical and tangible in nature. And you earn passive income when they increase in value over time.

**Private equity.** You can earn from a business without actively running that business. This is called private equity. You and other investors chip in capital to a new or existing business which is managed by the founder. Private equity is usually in the form of a partnership or a fund and is usually limited to high net-worth individuals.

But directly investing in a business can also mean just putting in some money into a business venture of your cousin or colleague, say a restaurant or a franchise. Or you can buy a franchise or an existing business outright and have a professional manager run it. And this can also be an example of earning passive income. As long as that business earns profits, without your active, day-to-day involvement, you can consider that as passive income.

**Intellectual property.** You can also earn passive income through intellectual property in the form of royalties and license fees. Book authors and songwriters can earn royalty income from the sale or use of their creations. If you have a thriving business and decide to franchise it, you earn royalties from your franchisees.

If you have a successful training program and you offer your materials to other companies or trainers for a fee, that's another form of intellectual property income called license fees. Other examples are software licenses for software developers and character licenses for media owners.

Inventors also earn from the patents related to their inventions. So, in other words, whatever you can create and own copyright for, you can earn passive income for your intellectual property.

The key to generating passive income is to do due diligence. Risk is an important factor. Different forms of passive income entail different levels of risk. People are risk-averse, risk-neutral, or risk-loving. Risk determines what the required returns are. Knowing your risk profile can lead you which type of passive income to choose. For investments that are risk-free or have low risk, the required returns are usually lower. For those investments that are volatile and have high risk, the required returns are higher.

Due diligence also means being able to know the costs involved. One type of costs are the fees and commissions in the case of pooled funds and direct stock market investments. Other costs are taxes and the initial outlay, such as the down payment for a property or the initial capital for a business. There are also operating costs in the case of running a business or managing a rental property.

As you can see, it's best not to put all your eggs in one basket. Multiple streams of income help ensure that your cash inflows are sustained over time. Pursuing active income helps raise human capital value and personal monetary value. Pursuing passive income potentially generates money growth that can beat inflation growth. Both can help you achieve financial freedom...<sup>MS</sup>





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# How to Recover from Your Investment Losses & Turn a Crisis into an Opportunity

BY JOSEFINO GOMEZ, RFP®

If you have invested in stocks for a long time, you already know that losses are inevitable. But with the right mindset and action, you should be able to not only recover but even bounce back from it stronger.

In 2008, my personal local portfolio went down by over 40%. The subprime financial crisis in the United States has spilled over the world, including the Philippines. As Dickens said, "It was the worst of times. It was the best of times." After following the steps below, I had recouped some losses and gained some more.

**1 TAKE RESPONSIBILITY FOR YOUR LOSSES.** Unless you take responsibility and own up to your losses, you will feel helpless. Accepting responsibility means you agree that you are part of the reason in your current predicament and therefore you can also change it for the better.

As an example, in the current pandemic, you could say that it was not your fault that the market went down. The virus caused it. But then, could you have done anything, say reduce your position in travel-related stocks or even your investments in general at the earliest news of an outbreak in China? Have you routinely taken into consideration potential risks in the market and its implications in your portfolio? If you have not, then accept that it could be one reason that your portfolio has bigger than expected losses and resolve that it will not happen again next time.

**2 TAKE A BREATHER.** If you were among those who were taken aback from their investment losses, it's good to take a rest. Take some time to unwind. Taking a break helps you recuperate mentally and psychologically to be able to think clearly and objectively on your next move. Furthermore, it avoids making more mistakes, such as selling in a panic or investing emotionally.

Figure out what you did wrong and right and what you can do to fix it. Learn from your losses. The bigger the losses, the more memorable the lessons. Aside from your current and past experiences, you can also learn from resources that are available and the mentors that have been in your situation before. It's time to shape up and sharpen the saw.

There are two things that can happen in your portfolio: you earn or you learn. If you can take a good look at your mistakes and admit it, then the next step is to do something about it.

**3 REVISIT YOUR GOALS.** What's your goal in the long term? Are your investments still relevant to your goals? Review your portfolio. Reevaluate each position. What are the reasons you bought the stock? Are the reasons still valid? Does it still hold true? Situations change and so do company and investment valuations. If after revaluing your investments you realize that the previous position is now overvalued, then you have to reduce or even sell out completely. Don't let losses define you. If your reasons for buying are still intact, then you might want to hold it and even add to your position.

**4 MAKE A STRATEGY AND AN ACTION PLAN.** Having more than one plan and playing out different scenarios in your head can definitely help you in executing your plans. Your strategy focuses on the big picture while your action plan can focus on the specific actions you will take.

As an example, based on your analysis, you figured a stock is worth keeping and adding more. You have decided to put in 10% of your total portfolio on this stock. You can set a buy below price level, and scale or add in every time it goes down by 10%. You can put in a third of the total amount allocated for the stock each time. This allows you to buy it below the fair value and prevent you from overpaying. At the same time, it gives you enough investment power to buy at lower prices.



For some positions where you need to take losses, you can cut your losses slowly by selling at certain price levels. I know it sounds simple but it's not easy. But cutting losses also means you are not clinging to a mistake just because you spent a lot of time making it or holding it. You are able to not let your ego get the best of you. You are admitting and owning your mistake. More importantly, you can right the wrong, raise some cash, and find a better investment, turning the crisis into an opportunity.

**5 EXECUTE YOUR ACTION PLAN.** This is one of the simplest and the hardest things to do. It's simple as you need only to call your broker or put in the orders yourself. It's the hardest as some would have a hard time accepting and taking losses and going for new risks. Status quo bias or a tendency to not rebalance our portfolio usually happens as we leave the portfolio as is. On the other hand, some would sell everything and vow never to invest again. As you know by now, neither of it is the right action.

The past crises and losses gave me lessons that enabled me to be more prepared for future crises. After some review, research, and analysis, I have decided to rebalance my portfolio, selling speculative companies that I erroneously bought. I have also added more cash investing in good quality companies that I understand.

In 2008, most emerging country companies were sold down due to the liquidity crunch and it triggered forced selling on most local stocks. This allowed a huge gap between value and price of even high-quality companies. I had expected to double the investment in five years or less, which I would have been happy to make as savings interest rates were next to nothing. It was, after all, as one fund manager puts it, "an opportunity of a lifetime." But I was lucky. Even before the end of 2009, the portfolio was up over 100%. **MS**



# Survival Strategies for Landlords and Tenants

BY RICHARD THADDEUS CARVAJAL, RFP®

**W**ith the coronavirus pandemic sweeping across the globe at a tremendous scale and businesses suffering a heavy blow from the domino effect of the crisis, it comes as little surprise that the rental market is also reeling from the financial impact of this worldwide problem.

The current financial tsunami has resulted in an increasing number of tenants who are falling behind with their monthly payments. And while some landlords are trying to be as considerate as they could be, there's no denying the financial burden and consequences that they're now forced to shoulder because of the sudden economic downturn.

If you are a tenant struggling to pay your rent because of the current situation, is there anything that you can do to alleviate the financial burden without getting evicted? Or if you are a landlord and your tenants are having a hard time making ends meet, much less pay the monthly rent, how can you deal with the situation without going bankrupt yourself?

**SURVIVING THE PANDEMIC AS A LANDLORD.** Since the current economic situation will most likely persist for quite some time before it gets better, landlords need to come up with a game plan for survival. There's no point in denying the financial problem that the rental market is facing, and blind optimism is not going to help generate revenues at this time. Until things change for the better, landlords need to do what they can to maximize rental opportunities and safeguard their investment. Otherwise, landlords would end up putting their property investments at risk.

So here are five things that you can do as a landlord: 1) offer incentives; 2) improve presentation; 3) be creative with your marketing; 4) be open to negotiation; and 5) treat your tenants with respect.



First, offer incentives. Pandemic or not, incentives are a sure way to either attract potential tenants to check your property out or to convince existing tenants to renew their lease contract. So, if your property is currently vacant because of the pandemic, why not offer incentives? For example, try offering a week's worth of rent for free to potential tenants.

Second, improve your property presentation. Competition for tenants is tight right now, so the best way to gain an edge over other landlords in the same position as you is by working on ways to improve the appearance and upgrade some features of your rental property. Well-designed and well-maintained properties are sure to catch the attention of

prospective tenants, so don't miss out on any opportunity to make improvements to your property. The more attractive your property is, the better chance you have at getting your place rented out despite the pandemic.

Third, be creative with the way you market your property. No matter how aesthetically appealing your property may be, if you don't market it where your target buyers can see what you have to offer, you're not going to get any success renting it out. So be creative with your marketing strategies and try to reach out to as many potential tenants as possible. Also, in some locations, it may be difficult to show your property to potential tenants in person. So, take advantage of modern technology and conduct a virtual tour of the property instead. Some landlords simply send recorded videos of the house tour to interested tenants, while others do a live video tour of their property.

Fourth, be open to negotiations. Your tenants are going through the same economic downturn so try to adjust your lease requirements. Otherwise, you'll run the risk of having a vacant property for a long time and incurring considerable financial loss as a result. If your tenants ask for rent relief, you can either offer a rent reduction, or you can offer to defer the rent until a specific date. Another option would be to grant rent abatement, wherein you agree to write off any missed payments for as long as the tenant promises not to miss the next set of payments. Or you could offer a loan conversion, where instead of writing off the missed payments, you could convert the rent due into a loan that your tenant can pay over a specific time frame.

Lastly, make sure to continue treating your tenants with

respect. Your effort to go the extra mile in showing your tenants consideration and respect will go a long way to win your tenant's loyalty, even after the pandemic is over.

**WHAT YOU CAN DO IF YOU'RE STRUGGLING AS A TENANT.** If you're the one struggling to pay off the rent because of the current situation, here are three things that you can do: 1) understand your landlord's situation; 2) try to propose a solution; 3) be willing to compromise.

Understanding your landlord's situation can help you determine how to best approach the issue without risking eviction. For example, if the property you are renting is owned by an investor, chances are you can negotiate for rent deferrals since they will most likely be concerned about the overall income they are earning from the property over a time period rather than the timeliness of the payments.

Second, propose a solution rather than asking your landlord for permission to stop making payments altogether.

And that brings us to the last thing you can do—be willing to compromise. Propose a win-win solution. For example, if you are a business, you can offer your landlord a percentage of your revenue as an incentive for deferring your rental payments.

In the end, whether you're a landlord or a tenant, the best game plan you can have to survive the financial impact of the present pandemic boils down to this: good communication. And really, what better way to deal with the current situation than to talk things out and resolve matters before the problems get worse?<sup>MS</sup>



# Getting Started in Backyard Farming

BY EXCEL V. DYQUIANGCO

**P**rofessional photographer Rudy Liwanag started backyard farming when he visited a community of farmers in Tagaloan, Misamis Oriental on assignment. There, he was amazed at the organic farming program of the women in the community and their healthy patch of produce.

“Their pechay plants were so green and verdant,” he says. “I started asking how they came up with such beautiful crops and it inspired me to try and replicate it in my own home in Cavite.”

When he got back to Manila, Rudy wanted to start planting right away. He not only researched on the Internet on what to plant and what he needed to do to convert his second-floor terrace area into a garden, but he also found online groups where he can exchange conversations about urban farming. At other times, he also attended seminars at Quezon City Memorial Circle.

“I have to say that it was a very expensive start for me,” Rudy says. “In my enthusiasm, I started buying so many supplies like the plastic planter boxes that cost me thousands of pesos. It was only later that I realized I can use recycled materials for my planters, such as old water containers, which I was even able to ask my friends to donate. I also realized that I spent too much on preparing my soil mixture. I began a research on organic items that I can use as mulch and fertilizer to keep my cost down. One of the things I discovered was how to make my own fertilizer using the grass cuttings in my subdivision. It was so funny for my neighbors to see me sweep up the freshly cut grass into my car. I also found out that I can get coffee grounds from Starbucks that I can use to enrich my soil. Now, my costs are down and my yield is up.”

Backyard farming, simply put, is growing vegetables in your very own backyard. This is important nowadays





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especially because of the pandemic where people are afraid to step out of their houses – even to buy food.

According to Justin Filip Menes, COO of Rooftop Vertical Farming under PTP Catering and Events Coordination Corporation, backyard farming personally feels like having the convenience of picking fresh vegetables literally 30 seconds away from your table. He says that it is also about enjoying all their nutrients without the health hazards of some commercial pesticides and the chance of contracting the coronavirus, which is simply what makes the idea of having your own backyard garden so relevant and practical.

“Simply put, everything you have to know is already freely within your reach online,” he says. “One can simply search for hydroponic farming and hundreds of videos or tutorials will come up online. Plus, if you grow your own food, then you don’t have to spend. Studies show that people spend about 30-60% of their monthly salary on food. If you don’t spend on food, that in itself is already profit maximized.”

Justin offers tips and pointers to those who want to go into backyard farming.

Envision your garden. How do you want it to look like? Sketch your ideas and write it down. Knowing how you want it to look from the start will save you a lot of money in the long run.

Read up on the system that you choose to use. Make sure that this method is the correct one for you.

Know the crops that you want to grow. Of course, it is tempting to have a lot of different crops growing at the same time, but this diminishes your chances of getting better yield.

Research on the different types of Hydrosol or nutrient solutions in the market. Not all are good or equally the same. Most are just pure garbage and won’t give you great yield.

Enjoy. Gardening should be fun. it shouldn’t be rushed.

As for backyard farming being cost-effective, Justin says that hydroponics itself isn’t cheap. That’s why in other countries, most farmers are hesitant to convert into a full-scale indoor farming setup.

“But if you want it to be cheap, there is always a way,” he says. “Try recycling – if it can hold water, then I’m sure it can grow plants. Zero waste is the best way to go for backyard gardening.”

For Rudy, those who want to start backyard farming should start now, especially during this lockdown period. He says that there are so many good reasons why you should start now.



“Having your own urban garden minimizes your need to go out to the market to buy vegetables or fruits,” he says. “Your ingredients are already in your backyard and they are free from artificial fertilizers and pesticides. Your food cost will go down because you can just pick your ingredients from your garden. In fact, you can even earn from it, like I am planning to sell cooked food in my neighborhood. My *pinakbet* has always been popular at gatherings and now I can prepare it using ingredients from my own backyard and offer it for orders. Aside from these, gardening keeps you busy, so you will have less time to worry about the present situation. Urban gardening will also introduce you to new friends who have the same hobby, so it can be a big help for those who are feeling isolated during the lockdown.”

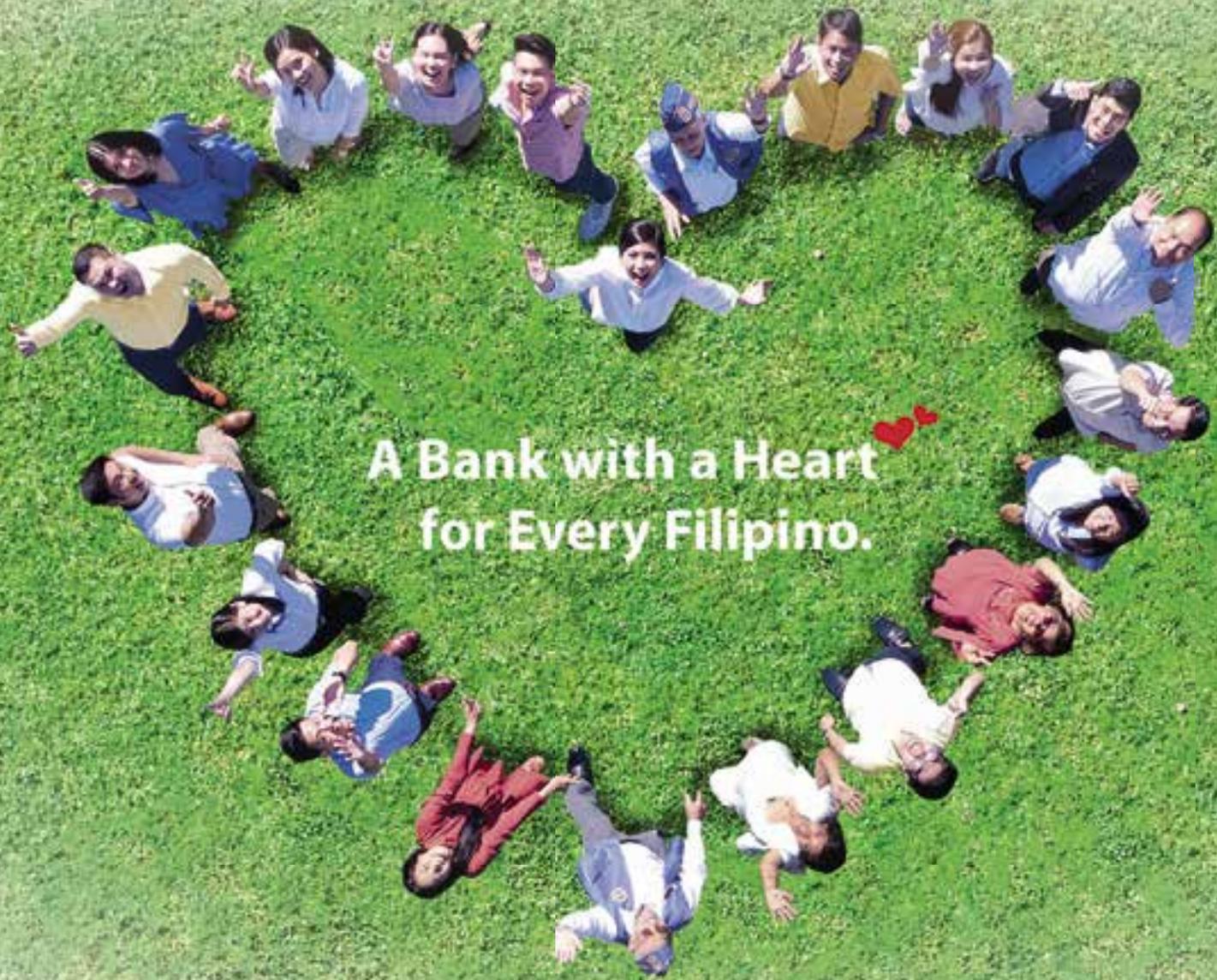
Justin adds, “Grow what you eat, then you will learn to love whatever you choose to grow.” **MS**

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