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“If you *buy* what you don't need, you *steal* from yourself.”  
— SWEDISH PROVERB

“*Spending* is quick; earning is slow.”  
— RUSSIAN PROVERB

“Doing well with *money* has a little to do with how *smart* you are and a lot to do with how you behave.” — MORGEN HOUSEL

“We're not very *good* when we're spending other people's *money*.”  
— JASON JENNINGS

“Do not *save* what is left after spending but *spend* what is left after saving.”  
— WARREN BUFFET



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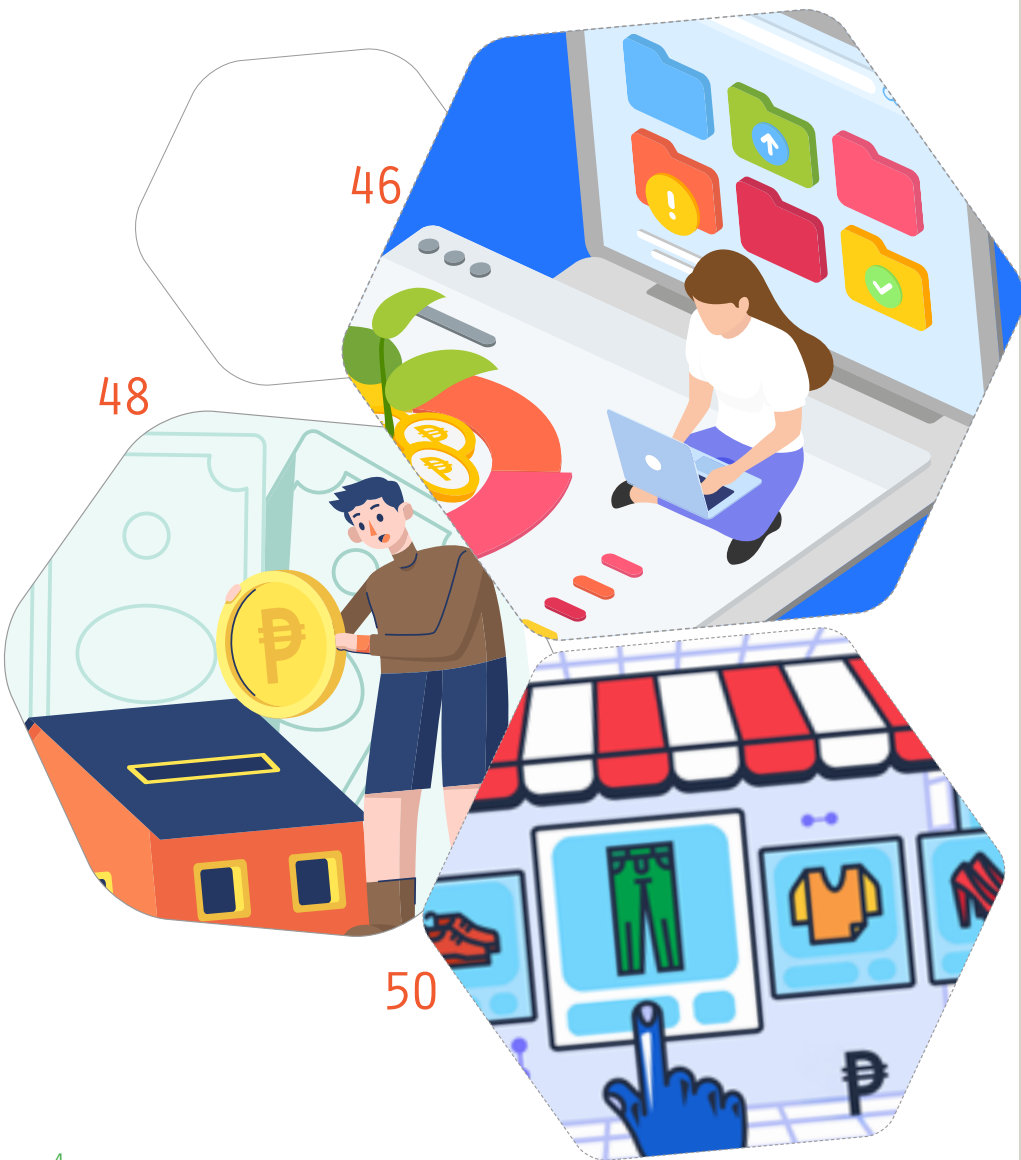
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ALEX TORRIJOS

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HEINZ BULOS

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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  
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# Navigating Rising Costs in Challenging Times

As inflation continues to impact Filipino households, with prices of basic goods and services steadily climbing, this special issue comes at a crucial moment. Our focus is both timely and necessary: how to protect our purchasing power and maintain financial stability in an environment where every peso seems to buy less than it did yesterday.

Recent data from the Bangko Sentral ng Pilipinas paints a challenging picture. With inflation affecting everything from groceries to transportation, from utilities to housing costs, Filipino families are feeling the squeeze on their budgets. This collection of articles isn't just about understanding money—it's about adapting and thriving in today's economic reality.

Here are practical strategies we explore throughout this issue:

#### Immediate Action Steps:

- Audit your spending patterns to identify where inflation hits hardest
- Focus on reducing utility costs through smart consumption
- Consider switching to cheaper alternatives for non-essential items
- Build an emergency fund that accounts for rising prices
- Look for additional income sources or "rackets" to supplement earnings

#### Long-term Protection Strategies:

- Understand how different investment vehicles can hedge against inflation
- Learn when property investment makes sense as an inflation hedge
- Master the strategic use of credit while avoiding debt traps
- Build and maintain a strong credit score for better financial options
- Develop multiple income streams for financial resilience

The articles in this Spending Issue address these challenges head-on. We examine utility cost management in an era of rising rates, smart property investment strategies when real estate prices are soaring, and how to make informed decisions about credit cards versus debit cards when every transaction matters more than ever.

Our coverage is deliberately practical and grounded in Philippine realities. Whether it's dealing with the unique challenges of our property market or navigating our banking system, each article provides context-specific guidance.

In times of high inflation, financial literacy becomes even more critical. It's not just about saving money—it's about making informed choices that protect our purchasing power. Should you invest in property now or wait? Is this the right time to take on debt, or should you focus on saving? How can you protect your investments from inflation's eroding effects? These are the questions we address.

We hope this issue serves as both a practical guide and a source of empowerment. Understanding how to navigate inflation is crucial for maintaining—and potentially improving—our financial well-being despite challenging economic conditions.

Remember that while inflation affects everyone, its impact isn't uniform. By making informed decisions and taking proactive steps, we can better protect our financial future. The strategies and insights shared in these pages are designed to help you make better choices in an environment where every financial decision carries more weight than ever.

Let's turn these challenging times into opportunities for better financial management and growth. After all, it's not just about surviving inflation—it's about learning to thrive despite it. <sup>MS</sup>

*Heinz Bulos*  
Editor-in-Chief  
hbulos@moneysense.com.ph



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# How to Cut Your Monthly Utility Bills

By CARLOS GONZALES

With rising utility costs in the Philippines affecting household budgets, finding ways to reduce monthly bills has become increasingly important. This comprehensive guide explores practical strategies to lower your electricity, water, and other utility expenses while maintaining a comfortable lifestyle in the Philippine climate.

**Understanding Your Utility Bills.** Before implementing cost-cutting measures, it's essential to understand how utilities are billed in the Philippines. Your monthly utilities typically include:

**Electricity** (Meralco or local provider):

- Generation charges
- Transmission charges
- Distribution charges
- Government taxes and fees
- Other charges (system loss, subsidies)

**Water** (Manila Water, Maynilad, or local provider):

- Basic charge
- Environmental charge
- Foreign currency differential adjustment
- Maintenance fees

## Electricity Saving Strategies

**Air Conditioning Management.** Air conditioning typically accounts for the largest portion of electricity bills in Philippine households. To reduce consumption while staying comfortable:

**Temperature Management:**

- Set temperature to 25-26°C instead of lower settings
- Use the timer function for overnight operation
- Enable energy-saving modes when available

**Maintenance and Usage:**

- Clean filters monthly
- Service units every 6 months
- Use during cooler hours (early morning or late evening)
- Consider inverter units for long-term savings

**Alternative Cooling Methods:**

- Use electric fans when possible
- Maximize natural ventilation
- Install proper insulation and window treatments
- Use ceiling fans to improve air circulation

**Lighting Solutions.** Proper lighting management can significantly reduce electricity consumption:

**Immediate Changes:**

- Replace traditional bulbs with LED alternatives
- Use natural light during daytime
- Turn off lights in unused rooms
- Clean bulbs and fixtures regularly

**Long-term Investments:**

- Install motion sensors in common areas
- Consider solar-powered outdoor lighting
- Use light-colored walls to maximize brightness
- Plan room layouts to maximize natural light

**Appliance Efficiency.** Smart appliance usage can lead to substantial savings:

**Refrigerator Management:**

- Set appropriate temperature levels
- Check door seals regularly
- Avoid placing hot food inside
- Keep the refrigerator away from heat sources
- Regular defrosting for manual defrost units

**Washing Machine Usage:**

- Run full loads only
- Use cold water when possible
- Choose energy-efficient spin speeds
- Schedule washing during off-peak hours

**Peak Hour Management.** Understanding and avoiding peak hours can reduce costs:

**Peak Hours** (typically 10am-9pm):

- Minimize use of high-consumption appliances
- Schedule energy-intensive activities for off-peak hours
- Use timers for necessary appliances

**Off-Peak Strategy:**

- Do laundry early morning or late evening
- Charge devices during off-peak hours
- Schedule water heating for early morning

**Water Conservation Techniques**

**Bathroom Efficiency.** The bathroom is often the highest water consumption area:

**Immediate Solutions:**

- Fix leaky faucets and pipes promptly
- Install water-saving shower heads
- Use tabo and timba method when possible
- Keep shower time under 5 minutes

**Long-term Investments:**

- Install dual-flush toilets
- Consider low-flow faucets
- Implement greywater systems
- Regular plumbing maintenance

**Kitchen Water Management.** Smart kitchen practices can significantly reduce water consumption:

**Washing Dishes:**

- Use a basin instead of running water
- Collect and reuse rinse water for plants
- Fix dripping faucets immediately
- Consider dishwashers for large families

**Food Preparation:**

- Wash vegetables in a basin
- Collect cooking water for plants
- Thaw food in the refrigerator instead of using running water

**Laundry Optimization.** Efficient laundry practices save both water and electricity:

**Smart Washing:**

- Combine loads when possible
- Use appropriate water levels
- Fix leaks in water connections
- Consider front-loading machines for long-term savings

**Water Reuse:**

- Collect final rinse water for cleaning
- Use greywater for garden irrigation
- Save rainwater for laundry use

**Smart Home Investments**

**Energy-Efficient Upgrades.** Consider these long-term investments:

**High-Impact Changes:**

- Inverter air conditioners
- Solar water heaters
- LED lighting systems
- Energy-efficient appliances

**Building Improvements:**

- Proper insulation
- Window tinting
- Cool roofing solutions
- Natural ventilation systems



**Water-Saving Investments.** Long-term solutions for water conservation:

- Infrastructure:**
- Rainwater harvesting systems
  - Greywater recycling
  - Water-efficient fixtures
  - Leak detection systems

- Garden and Outdoor:**
- Drought-resistant plants
  - Drip irrigation systems
  - Mulching for water retention
  - Permeable paving

**Behavioral Changes and Habits**

**Creating Energy-Saving Habits.** Develop these daily practices:

- Personal Habits:**
- Turn off unused lights and appliances
  - Unplug electronics when not in use
  - Use natural ventilation when possible
  - Regular maintenance of appliances

- Family Involvement:**
- Educate family members about conservation
- Create energy-saving challenges
  - Reward conservation efforts
  - Share utility savings with family

**Water Conservation Culture.** Implement these water-saving practices:

- Daily Routines:**
- Check for leaks regularly
  - Report problems immediately
  - Monitor water meter for unusual changes
  - Keep track of water bills

- Community Involvement:**
- Share conservation tips with neighbors
  - Report community water issues promptly
  - Participate in water conservation programs
  - Support local environmental initiatives

**Monitoring and Maintenance**

**Regular Checks.** Establish a maintenance routine:

- Monthly Tasks:**
- Review utility bills for unusual changes
  - Check for leaks and repairs needed
  - Clean air conditioning filters
  - Inspect appliance efficiency

- Seasonal Tasks:**
- Service air conditioning units
  - Clean water tanks
  - Check roof and gutters
  - Maintain garden irrigation systems

**Technology Solutions.** Use technology to monitor consumption:

- Smart Devices:**
- Energy monitoring systems
  - Smart plugs for appliances
  - Water consumption meters
  - Automated systems for lighting

- Apps and Tools:**
- Utility company apps
  - Energy consumption trackers
  - Water usage calculators
  - Budget monitoring tools

Reducing utility bills requires a combination of smart investments, behavioral changes, and regular maintenance. Remember:

- Start with no-cost behavioral changes
- Invest in energy-efficient solutions
- Maintain equipment regularly
- Monitor consumption patterns
- Involve the whole family

By implementing these strategies systematically, Filipino households can significantly reduce their utility bills while maintaining comfort and convenience. Start with simple changes and gradually implement more comprehensive solutions as your budget allows.

Remember that every peso saved on utilities can be invested in other important aspects of family life or saved for future needs. Make utility conservation a family priority and celebrate the achievements as you see your bills decrease month after month. **MS**



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“Reducing utility bills requires a combination of smart investments, behavioral changes, and regular maintenance.”



# Credit Cards vs. Debit Cards

By ANDY CRUZ

Choosing between credit and debit cards is an important financial decision. Each payment method offers distinct advantages and challenges, particularly within the Philippine banking system. Understanding these differences can significantly impact your financial management and security.

## Understanding the Basics

**Credit Cards.** Credit cards function as a lending arrangement between you and a financial institution. When using a credit card, you're essentially borrowing money that you'll need to repay later. In the Philippines, major banks like BDO, BPI, Metrobank, and Security Bank dominate the credit card market, each offering unique features and rewards programs.

### Key Features of Credit Cards:

- Credit limits typically starting at Php15,000
- Interest rates ranging from 2% to 3.5% monthly
- Annual fees between Php1,500 to Php5,000+
- Rewards programs including air miles and cashback
- Installment payment options

**Debit Cards.** Unlike credit cards, debit cards provide direct access to your bank account funds. They've become increasingly popular among Filipinos who prefer spending within their means and avoiding debt. Most Philippine banks automatically issue debit cards with savings accounts, making them widely accessible to the general population.

### Common Debit Card Features:

- Direct link to savings or checking accounts
- Daily withdrawal and purchase limits
- Point-of-sale and online shopping capability
- Lower fees compared to credit cards

## Advantages and Disadvantages

**Credit Card Benefits.** Credit cards offer significant advantages for Filipino consumers, particularly in terms of financial flexibility and security. The ability to make large purchases and pay them off over time can be especially valuable for managing household expenses or emergencies.

### Notable Benefits:

- Purchase protection and insurance
- Interest-free periods (typically up to 55 days)
- Rewards programs
- Emergency credit line
- Fraud protection

Beyond these basic benefits, many credit cards offer local perks tailored to consumer lifestyles, such as:

- Movie ticket discounts
- Restaurant privileges
- Fuel rebates at major stations
- Shopping discounts at popular malls
- Travel insurance coverage

**Credit Card Drawbacks.** While credit cards offer numerous benefits, they come with significant risks that require careful consideration. The high interest rates in the Philippines can quickly lead to debt accumulation if not managed properly.

### Primary Concerns:

- High interest rates on unpaid balances
- Various fees and charges
- Risk of overspending
- Impact on credit score if mismanaged

**Debit Card Benefits.** Debit cards provide a straightforward way to manage money while avoiding debt. They're particularly popular among Filipinos who prefer direct control over their spending and want to avoid the temptation of credit.

The primary advantage lies in their simplicity:

- No risk of debt accumulation
- Direct access to your funds
- Lower fees than credit cards
- Widespread acceptance across the Philippines

**Debit Card Drawbacks.** While debit cards offer simplicity, they lack many of the protections and benefits that credit cards provide. The immediate withdrawal of funds from your account can also create challenges in certain situations.

### Key Limitations:

- Less fraud protection
- No credit building opportunity
- Limited rewards programs
- Restrictions on certain transactions

**Smart Usage Strategies.** Understanding when to use each type of card can help maximize benefits while minimizing risks. Here's a practical approach to using both cards effectively in the Philippine context:

**Credit Card Best Uses.** Credit cards are ideal for:

**Large Purchases:** Many Philippine retailers offer 0% installment plans for big-ticket items like appliances and electronics. This can be particularly valuable when managing household expenses.

**Travel and Online Shopping:** The fraud protection and travel insurance benefits make credit cards especially useful for:

- Airline tickets
- Hotel bookings
- International purchases
- Online shopping

**Debit Card Best Uses.** Debit cards are most appropriate for:

**Daily Expenses:** Regular transactions where immediate fund access makes sense:

- Grocery shopping
- Local transportation
- Restaurant meals
- Utility payments

**Security Considerations.** Security is a crucial concern in the Philippines, where card fraud and scams are increasingly common. Both credit and debit cards require different security approaches.

### Credit Card Security:

- Report suspicious transactions immediately
- Enable OTP for online purchases
- Keep credit limits manageable
- Monitor statements regularly

For debit cards, the security stakes are higher since they provide direct access to your bank account. Essential precautions include:

- Using only bank ATMs when possible
- Covering the PIN pad when entering codes
- Enabling transaction alerts
- Regular account monitoring

**Making the Right Choice.** The decision between credit and debit cards should be based on your personal financial situation and lifestyle needs. Consider these factors:

### Personal Financial Assessment:

- Monthly income stability
- Spending patterns
- Debt management capability
- Emergency fund availability

Many Filipinos find that a combination of both cards works best:

- Use credit cards for major purchases and online transactions
- Keep debit cards for daily expenses and ATM access
- Maintain separate accounts for different purposes
  - Monitor all transactions regularly

Both credit and debit cards serve valuable purposes in personal finance management for Filipino consumers. The key is understanding how to use each tool effectively while avoiding their potential pitfalls.

### Remember these essential points:

- Choose cards that match your financial habits
- Understand all fees and charges
- Monitor accounts regularly
- Maintain good security practices
- Build positive financial habits

Whether you opt for credit cards, debit cards, or both, the most important factor is using them responsibly within your financial means. Stay informed about your cards' features and keep security a top priority to make the most of these financial tools.<sup>MS</sup>





# Understanding Credit Scores & Credit Reports

By CARLOS GONZALES

In the Philippines, the concept of credit scoring is relatively new but growing in importance. With the establishment of the Credit Information Corporation (CIC) and various credit bureaus, Filipinos are becoming increasingly aware of how their credit behavior affects their financial opportunities.

**The Philippine Credit Information System.** The Credit Information Corporation (CIC), established under Republic Act No. 9510, serves as the Philippines' central credit registry. This government-owned corporation works with various financial institutions to create a comprehensive credit information system. The system includes data from banks, credit card companies, financial institutions, government lenders, insurance companies, and cooperatives, creating a holistic view of an individual's credit behavior.

The creation of this centralized system marks a significant step forward in the Philippines' financial infrastructure. Previously, financial institutions operated in relative isolation, making it difficult to assess a borrower's creditworthiness accurately. Now, with the CIC's consolidated database, lenders can make more informed decisions about extending credit, while borrowers benefit from having their positive credit behaviors recognized across institutions.

**Understanding Credit Scores.** Unlike the standardized FICO scoring system used in other countries, the Philippines has multiple credit scoring models. Major banks and financial institutions often use their own proprietary scoring systems, while the CIC provides standardized credit reports. This diversity in scoring models means that Filipinos need to focus on maintaining good credit behaviors overall rather than targeting a specific score.

Payment behavior forms the cornerstone of credit assessment in the Philippines. Financial institutions particularly examine the timeliness of credit card payments,

loan payment history, and consistency in paying utility bills. The Philippine banking system places significant emphasis on existing banking relationships, current account management, and overall financial behavior patterns.

**Credit Reports in the Philippines.** The CIC consolidated credit report provides a comprehensive view of an individual's credit history. This report has become increasingly important in the Philippine financial landscape, serving as a crucial tool for both lenders and borrowers. It contains detailed personal information, including complete name, date of birth, present and previous addresses, Tax Identification Number (TIN), and employment history.

More importantly, the report details various credit relationships, including credit card accounts, bank loans, government loans from institutions like SSS and Pag-IBIG, cooperative loans, and utility payment history. This comprehensive view helps financial institutions assess creditworthiness more accurately than ever before.

**Building Good Credit in the Philippines.** Establishing good credit in the Philippine context requires understanding local financial practices and requirements. Many Filipinos begin their credit journey through traditional banking relationships, often starting with a savings account at a major bank. From there, they might progress to secured credit cards, which provide an excellent opportunity to demonstrate responsible credit management.

Banks often look favorably on:

- Regular savings account activity
- Time deposit accounts
- Investment products
- Insurance policies

**Common Credit Products in the Philippines.** Understanding various credit products can help build a strong credit history:

**Credit Cards.** Credit cards remain one of the most popular credit-building tools, with major banks offering different tiers ranging from secured cards for beginners to premium rewards cards for established customers. Personal loans also play a significant role, whether through banks, government

institutions like SSS and Pag-IBIG, cooperatives, or salary loan programs.

**Personal Loans.** Personal loans also play a significant role, whether through banks, government institutions like SSS and Pag-IBIG, cooperatives, or salary loan programs.

Each credit product serves different purposes and comes with its own requirements and benefits. Understanding these differences helps individuals choose the most appropriate products for their needs while building a strong credit profile.

**Monitoring Your Credit.** Credit monitoring in the Philippines continues to evolve with technology. Individuals can now access their credit reports through CIC's accredited credit bureaus, their banking institutions, or through special requests to credit providers. Regular monitoring has become essential for maintaining good credit health and detecting any unauthorized accounts or inaccuracies in reported information.

The process of checking one's credit report has become more streamlined, though it still requires more effort than in countries with more mature credit reporting systems. However, the value of regular monitoring far outweighs the effort required, as it helps maintain accurate credit records and identify areas for improvement.

**Improving Your Credit Score.** For Filipinos looking to improve their credit standing, several strategies work well within the local banking system. Consistent payment management stands as the foundation of good credit. This includes setting up auto-debit arrangements for regular payments, maintaining sufficient account buffers to avoid overdrafts, and keeping detailed records of all financial transactions.

Relationship building with financial institutions plays a particularly important role in the Philippine context. Banks value long-term relationships and often provide better terms and more financial opportunities to customers who demonstrate loyalty and responsible financial management over time.

**Dealing with Credit Issues.** In the Philippine context, managing credit problems requires understanding local options and practices.

If facing difficulties:

- Communicate with creditors early
- Explore bank restructuring programs
- Consider debt consolidation
- Seek financial counseling

Banks, the Bangko Sentral ng Pilipinas' Financial Consumer Protection department, and various credit counseling services provide resources for individuals needing assistance with credit issues.<sup>MS</sup>





# Pag-IBIG Benefits for Filipinos

By CARLA CONCEPCION

The Pag-IBIG Fund, also known as the Home Development Mutual Fund (HDMF), is one of the most valuable social benefit programs available to Filipinos. Established to help its members with affordable housing and financial assistance, Pag-IBIG is a government-backed savings and loan facility to support its members' financial stability and welfare.

In this primer, we'll break down the key benefits Pag-IBIG offers and how you can take full advantage of them.

**1 Affordable Housing Loans.** One of the most well-known benefits of the Pag-IBIG Fund is its housing loan program, which allows members to finance the purchase of their dream home at affordable rates. Whether you're buying a house, a condominium unit, or a lot, Pag-IBIG's housing loan offers more favorable terms than most commercial loans.

#### Key Features:

- Loan amounts of up to ₱6 million.
- Competitive interest rates starting at 5.75% per annum, depending on the loan amount and repayment period.
- Flexible repayment terms ranging from 5 to 30 years.
- The ability to use the loan for various purposes, such as purchasing a residential lot, a fully developed property, or even house construction and renovation.

#### Eligibility Requirements:

- Must be a Pag-IBIG member for at least 24 months.
- Regular monthly savings contributions.
- Must not be more than 65 years old at the date of loan application and not more than 70 years old at loan maturity.
- The Pag-IBIG Housing Loan is an excellent option for first-time homebuyers or those seeking to upgrade their current living situation. Compared to traditional loans from banks, Pag-IBIG offers lower interest rates and more flexible terms, making homeownership more accessible to many Filipinos.

**2 Multi-Purpose Loan (MPL).** Need financial assistance for personal needs? Pag-IBIG also offers a Multi-Purpose Loan (MPL), allowing members to borrow money for various purposes, such as home repairs, medical emergencies, tuition fees, or debt consolidation.

#### Key Features:

- Loan amount is up to 80% of your total Pag-IBIG savings.
- Interest rate of 10.5% per annum.
- Repayment terms of up to 36 months.
- Quick processing times, with loans being released within 2 to 3 days from approval.

#### Eligibility Requirements:

- Must have contributed at least 24 months to the Pag-IBIG Fund.
- Must have made at least one monthly savings contributions prior to the loan application.
- The MPL provides a quick and accessible way for members to access short-term funds for urgent needs. Because the loan amount is based on the member's total Pag-IBIG savings, it also ensures that borrowing limits are kept reasonable.

**3 Calamity Loan.** In natural disasters, Pag-IBIG members can avail themselves of the Calamity Loan, which provides much-needed financial assistance to rebuild after typhoons, earthquakes, floods, or other calamities. The loan is offered with favorable terms to ensure affected members can quickly recover from disasters.

#### Key Features:

- Loanable amount is up to 80% of the member's total savings.
- Low interest rate of 5.95% per annum.
- Repayment terms of up to 36 months, with a 3-month grace period.
- Fast processing, ensuring that the funds are available when needed most.

#### Eligibility Requirements:

- Must be an active Pag-IBIG member with at least 24 months of contributions.
- Must reside in an area declared under a state of calamity by the national government.
- The Pag-IBIG Calamity Loan is a vital financial lifeline for members affected by natural disasters, helping them recover more quickly and providing much-needed support in times of crisis.

**4 Pag-IBIG Loyalty Card Plus.** Aside from loans and savings programs, Pag-IBIG offers the Pag-IBIG Loyalty Card Plus, which serves as an ID card and gives members access to exclusive discounts and perks.

#### Key Features:

- Discounts on products and services from partner merchants, including healthcare services, fuel, education, and travel.

- Functions as an ATM card, allowing members to receive Pag-IBIG loans, dividends, and other financial transactions.
- A minimal fee for card issuance, providing practical savings benefits without a significant cost.

#### How to Apply:

- Visit a Pag-IBIG branch or its partner banks.
- Present valid IDs and fill out the application form.
- While it may not seem like much at first glance, the Pag-IBIG Loyalty Card Plus can provide long-term savings through discounts, making it a simple but effective tool for enhancing your financial wellness.

**5 Pag-IBIG Savings Program.** The Pag-IBIG Regular Savings Program is the core of the Pag-IBIG membership. It's a savings program where members contribute a minimum of ₱200 per month (employers contribute another ₱200 per month). These contributions accumulate over time and earn annual dividends, which are tax-free.

#### Key Features:

- Tax-free dividends, which are credited to members' savings accounts.
- Contributions can be withdrawn upon membership maturity, usually after 20 years of continuous contributions or upon retirement at 60 years old.
- Voluntary members can contribute more than the minimum required, leading to higher dividends and larger retirement funds.
- For members looking to build a stable, long-term savings fund, Pag-IBIG's Regular Savings Program offers a reliable way to accumulate wealth over time, with the added benefit of government-backed security.

**6 Modified Pag-IBIG II (MP2) Savings.** The Modified Pag-IBIG II (MP2) Savings is an optional savings scheme offering higher dividend rates than the Regular Savings Program. This

program is available to existing Pag-IBIG members and retirees, providing a more lucrative investment option for those looking to grow their savings.

#### Key Features:

- Higher dividend rates, usually 6% to 7%, depending on Pag-IBIG's annual performance.
- Savings can be withdrawn after 5 years, with the option to renew.
- Voluntary contributions starting from as low as ₱500 per month.
- Dividends are tax-free and compounded annually.

#### Who Should Consider MP2?

- Pag-IBIG members who want to supplement their Regular Savings Program.
- Retirees who want to invest in a safe, government-guaranteed savings scheme.
- The MP2 program is ideal for those looking to maximize the growth of their savings over a shorter period while enjoying competitive interest rates that outpace regular bank savings accounts.

**Get the Most of Your Pag-IBIG Benefits.** Pag-IBIG is more than just a housing fund. It's a comprehensive financial service designed to improve the quality of life for Filipinos through affordable loans, flexible savings programs, and financial support in times of need. Whether you're planning to purchase a home, looking for emergency funds, or saving for the future, the Pag-IBIG Fund offers various programs tailored to meet your financial goals.

To get the most out of Pag-IBIG's benefits, it's important to be an active member, keep your contributions current, and explore the programs that best fit your needs. From home loans to savings programs, Pag-IBIG provides essential financial tools that every Filipino should use.<sup>MS</sup>





Skincare, StorySelling™, and Saving Castles:

# The Remarkable Entrepreneurial Journey of Sixteen Ramos

By EXCEL V. DYQUIANGCO

mid a break from family holiday festivities in the serene Arizona desert, Sixteen Ramos dreams up her next adventure. The entrepreneur, who built a network marketing empire of 100,000 distributors before pivoting to preserving French castles, exemplifies the power of following one's unique path. Her journey from diplomatic aspirant to digital storyteller to château preservationist might seem unlikely, but for Sixteen, it's all part of a narrative that began in Manila.

**From Diplomacy to Entrepreneurship.** Growing up in Manila, Sixteen was raised by parents who valued education and world exposure. Their emphasis on travel and literature planted the seeds for what would become a life dedicated to bridging cultures and preserving heritage.

Sixteen pursued a bachelor's degree in Consular and Diplomatic Affairs at De La Salle-College of Benilde, initially setting her sights on a career in law. However, her true passion lay in cultural affairs and international relations. "I was fascinated by how different nations survive and thrive and interact with each other," she recalls her early career aspirations.

For her to be able to travel regularly and explore different cultures, she knew she needed to achieve a certain level of independence, not only financially but also in terms of time and location. "You need to have some independence to be able to travel all the time and do that more than once every five years," she points out. Being an entrepreneur is the best path for her to take to achieve this.







The pivot to entrepreneurship came naturally, though unexpectedly. “I became a business owner because I love that you can make a living doing something you love without having to answer to someone else,” she explains. This desire for independence would become a recurring theme in her career, driving her to take increasingly bold steps outside her comfort zone.

### The Network Marketing Years.

In 2011, Sixteen ventured into network marketing with a global company, a decision that would shape the next eight years of her life. Like many successful entrepreneurs, Sixteen’s path wasn’t straightforward. “I had zero entrepreneurship background,” she admits. “My family is not a family of entrepreneurs. We weren’t big business owners, so I was self-taught, and I learned from the people who were successful at the very thing that I wanted to be successful in.”

Her entry into network marketing came with plenty of challenges, particularly around the concept of selling. For a self-described introvert who struggled with small talk, selling didn’t come naturally for Sixteen. “I subscribed to that belief that you shouldn’t be selling at first,” she recalls. “I followed their strategy where they say don’t post certain things on social media, but then I realized that didn’t give me any sales. You can only make money when you close a sale, but how do you close a sale when you don’t like to sell? It’s really a catch-22.”

She adds, “I have to sell. I just need to do it properly. I just need to do it in a way that doesn’t turn people off.”

**Building an Empire Through Social Media.** Sixteen’s breakthrough came in 2015 when she discovered the power

of social media marketing. “That was around the time when many people were selling on Facebook, and Facebook didn’t have a lot of rules around that,” she shares. The platform became her primary tool for building what would become a network of over 100,000 distributors, generating seven-figure annual revenues selling skincare and anti-aging products.

However, instead of pushing products, Sixteen posted content that appealed to people with similar interests as she did – “people who were interested in being independent, people who were interested in looking good.”

“Social media changed everything for me,” Sixteen reflects. “It allowed me to connect with people who shared my values without the pressure of face-to-face interaction. I could tell my story authentically, and the right people just got it.”

Her approach was revolutionary in its simplicity: find people with similar interests and values, particularly those who valued independence and personal growth. “If you’re in front of a person with similar interests to yours, you really don’t need to say much. You say in a nutshell what you want to do. You explain how they can flourish in this business model, and you want to partner up, and they get it,” Sixteen explains.

This insight would later become foundational to her story-selling methodology.

**Success Five Years in the Making.** It took Sixteen almost half a decade to achieve business success. “Social media marketing was the only thing I haven’t tried yet in that business. That was my ‘Hail Mary.’ If this strategy doesn’t work, then I know that this industry sucks, and it’s just not for me.”



“There’s a lot  
you can *tell*  
about a person by  
*understanding*  
where they  
*came* from.”



Thankfully, it did. The success, when it came, was almost overwhelming. “I was in disbelief at first,” Sixteen remembers, “because I had been struggling for such a long time. I didn’t know if what I was doing was for me. I was already wondering what would happen if I went back to becoming an employee. But then I also didn’t like that prospect.”

She doubled down on her social media strategy. The work was intense – she regularly put in 12- to 18-hour days glued to her computer—but it came from a place of passion rather than obligation. “It wasn’t because I was forced to do it; it was because I was really happy,” she says. It’s almost like I didn’t have time for a social life when my social media life was so busy. But I was excited, thrilled, and relieved that it finally happened. They say you need work-life balance, but I felt balanced.”

Initially, Sixteen did everything herself, but eventually, she hired a team to help her with marketing, administration, and logistics. “It’s just a lot of people – distributors I had to coach, train, and mentor. That, in itself, is a full-time job, and I can’t do that and then also do promotional content without pulling my hair out,” she shares.

**A Change of Pace.** By 2019, despite her success, Sixteen felt the need for change. The relentless pace of network marketing had taken its toll, and she yearned for something more aligned with her values. It was also the year she got married to Monte Schumacher, an American serial entrepreneur, and moved to Portland in the US. This life change prompted a change in her business identity as well.

“When I was younger, I subscribed to the hustle culture,” she explains. “As I grew older, I now appreciate a little bit of a slower living

kind of pace, and I want my entrepreneurial chapter to reflect that—solid growth but a more realistic pace.”

Sixteen finally decided to retire from network marketing. “To this day, I don’t feel like I have said goodbye because I didn’t announce it, really. This is the first time I’m saying it out loud and having it published,” she confides.

**Personal Brand.** The decision to pivot reflects a more profound shift in her entrepreneurial philosophy. “It’s difficult always to be associated with a company that wasn’t mine,” she reflects. “I had to have my own identity because everybody else was selling the same product.”

“If I have my brand identity as just me,” she points out, “then it’ll be my own stories and my journey. I can have a blog, a podcast, and all sorts of other things that will allow me to be recognized as Sixteen versus the company I was working with as a network marketer.”

Soon, she launched her personal brand at [SixteenRamos.com](https://SixteenRamos.com).

The shift wasn’t just personal—she aimed to bring her entire team along on this new journey. “Not everybody was on board with that because it’s hard to do something other than what you’re already used to,” she acknowledges. “But for the ones who did follow me on that path to personal branding, we had a lot of fun.”

Sixteen provided guidance and resources for her team to reflect on their own entrepreneurial journeys, recognizing that the network marketing business model of 2015 wasn’t sustainable in the new digital landscape.







**Finding Her Voice.** During this transition, there was a reconnection with Sixteen's true passion: writing and storytelling. Though she had always shown an aptitude for writing—loving her college thesis when most dreaded it and launching a blog before they were common—her entrepreneurial path had led her toward speaking engagements and social media presence instead.

After a decade of creating content across various media—podcasts, videos, live events—she realized her heart lay in written storytelling. “I can’t say there was a pivotal moment—it was more of a slow burn,” she says. “I didn’t realize how much I loved storytelling until about three years ago.”

Shortly after launching that personal brand, Sixteen created her StorySelling™ Masterclass. In this six-month program, she taught hundreds of business owners how to generate revenue through emotional storytelling combined with sales psychology. “People say all the time ‘don’t sell, share,’ but you only make money if you can do both things right,” she stresses.

### **The Birth of StorySelling™.**

“Every day you’re selling, but you don’t know that you are because all you did was tell a story with feelings,” Sixteen explains. This revelation came from observing how people naturally recommend movies or restaurants without feeling like they’re selling anything. “I thought, as an entrepreneur, what if I could help every brand tap into that and find meaning in their craft and help people see them as an entity with a purpose?”

The goal of her program is to create content primarily for social media that’s persuasive, memorable, and high impact, no matter what your business is. Her framework rests on four pillars: Clarify, Attract, Engage, and Convert.

“These are the four areas many businesses are weak at,” she notes.

The StorySelling™ framework rests on four key pillars. First is Clarify—helping businesses define their identity and target audience to ensure clear, consistent messaging. The second pillar, Attract, uses compelling stories to establish authority in saturated markets, helping businesses articulate their value effectively. Engage, the third pillar, transforms one-time buyers into loyal customers through meaningful content and community building. Finally, Convert focuses on creating frictionless systems that make it easy for customers to buy while supporting sustainable growth. These pillars help businesses tell their stories effectively while building lasting customer relationships.

**Discovering Roots.** As Sixteen developed her personal brand, she was drawn increasingly to questions of heritage and identity. While still in the Philippines, she had spent considerable time researching her family tree. “I’m 100% Filipino, as if I didn’t already know that,” she says with a laugh. “But it’s still good to know for sure.”

Documenting her heritage revealed something deeper: “There’s a lot you can tell about a person by understanding where they came from,” she says. “I think it helps you understand why you have your motivations, ambitions, and passions because they are in your blood. Sometimes, you get the feeling that something is calling at you, and you don’t know why you’re drawn to something.”

This exploration of heritage and culture would prove prophetic. Her husband Monte, who has a passion for historic preservation, profoundly influenced her journey and led to a brand new venture.





## Sixteen's Six Tips for Entrepreneurs

**1 On overcoming burnout.** For content creators facing burnout, Sixteen advocates documenting rather than creating from scratch. "Put your camera in front of you on time-lapse and record yourself working," she suggests, noting that what seems mundane to you can be fascinating to others. She emphasizes the importance of energy management, doing her best creative work at night, and keeping a running list of ideas that come to her—often in the shower—for times when inspiration runs low.

**2 On hustle culture.** One of Sixteen's most valuable lessons has been embracing a slower path to sustainable growth. Moving away from the "hustle, hustle, hustle" mindset of her early career, she's learned that meaningful achievements—whether building communities, forging relationships, or mastering new skills like French—require patience. "Now that I'm older, I understand that some of the things that you need to grow are best done very slowly," she reflects.

**3 On managing energy.** For Sixteen, energy management—not just time management—has been crucial to handling multiple projects, from Saving Castles to her work with PR agencies. She emphasizes that understanding and maximizing your peak productive hours can help you accomplish what might take others a week in one day. She's improved by setting clear boundaries around communication, social activities, and the people she surrounds herself with.

**4 On making money.** Her drive to help others stems from her experience of being misunderstood as an ambitious

young person in the Philippines, where entrepreneurship wasn't traditionally encouraged. She faced criticism for having strong opinions and openly discussing money—a topic often considered taboo. This experience fuels her passion for empowering others who share her desire for independence and impact. "People need not just to be educated about money," she emphasizes, "but also respect money's power in our lives and be intelligent about how to make money work so that you're secure in your life and your next generation is secure."

**5 On getting support.** Sixteen has enjoyed unwavering family support throughout her entrepreneurial journey—something she acknowledges isn't typical for all entrepreneurs. "Their support has been flawless," she says. Her family members are consistently the first to engage with her content, inquire about her progress, and support new initiatives. From her earliest ventures to her current work with Saving Castles, they remain enthusiastic about her success, following her shadow interviews and castle tours.

**6 On being authentic.** Sixteen emphasizes the importance of staying true to one's unique path. "Be comfortable in your own lane, even if that means you get misunderstood sometimes," she advises. "Today, society forces you to compare because of social media, family, friends, peer pressure, but try not to fall into that trap of doing what's comfortable or what's 'appropriate' because it 'makes sense.'" She adds, "Your goals don't have to be big. They just have to be yours. So, there are no big or small goals – just goals that are yours."



Having been together for 10 years, Monte has been instrumental in pushing her to grow. “He has been there throughout my entrepreneurial journey,” she shares. “He has been the driving force for many of my decisions to grow, a lot of the risks I take, and a lot of the strategic moves like pivoting to a personal brand.”

Sixteen adds, “And he’s not afraid to make mistakes. He’s not afraid to go all in on something, which I admire because I’m not a risk-taker. I admire that courage. So, I hope to acquire that fearlessness over the years.”

Monte also took them in a new business direction when he made an unexpected discovery through a DNA test—that he had French ancestry. What began as casual research into retirement options in France took an unexpected turn when they stumbled upon a video of an American couple renovating a French château. “We wondered why not find a château and live in it, if possible because it’s such a fairy tale, isn’t it?” Sixteen recalls. But as they delved deeper into the possibility, they realized it was “bigger than just buying a home for ourselves—it’s a whole movement.”

**Saving Castles.** For Sixteen and her husband, this became more than just a personal dream; it became a movement to preserve these architectural treasures. “These castles are bridges to the past,” Sixteen explains, emphasizing the importance of keeping such monuments alive for future generations.

“This has become even more urgent now because there’s much pain in people now about erasing and canceling their history,” she explains. Learning that France has approximately 40,000 castles, many of which are “left to rot because it’s expensive to maintain and people don’t want

them anymore,” struck a chord with the couple. What began as a whimsical “what if” soon evolved into a mission to preserve French cultural heritage.

Drawing on her marketing expertise and Monte’s track record in non-profits and start-ups, they launched Saving Castles. This venture provides three key services: awareness through articles, community building through social media, and practical marketing assistance for château owners.

The business model emerged organically after meeting castle owners who had converted their properties into Airbnb units, bed and breakfasts, and event venues but lacked the marketing expertise to attract visitors. Saving Castles handles their social media presence and helps build sustainable visitor streams. They offer marketing packages tailored to the needs and budgets of these owners.

The couple also assists in crowdfunding efforts, setting up campaigns to help fund restoration projects. “It’s like GoFundMe for castles,” Sixteen explains, emphasizing the strategic planning required to make these efforts successful.

Most crucially, the couple offers to build and nurture the supporting community—a time-intensive process that château owners, already overwhelmed with restoration work and property management, don’t have the bandwidth to manage. “If you’re already restoring your castle, you’re going not to have the mental space for that,” Sixteen explains.

**A Castle-Sized Challenge.** The need for such services became apparent when they discovered how many château owners struggle to maintain their historic properties. “If you own a castle, it’s really expensive,” Sixteen







“These *castles* are *bridges* to the past.”



explains. “Just during the winter, can you imagine the heating bill? And then, there’s no AC during the summer – you cannot put air conditioning inside a castle. You need to figure out a lot of electricity and water issues, and then it crumbles because it’s so old, so there’s always something to fix.”

Preserving castles, however, is no easy feat. The French government has strict regulations regarding the modernization of historic structures. “The French government is strict with what you can do with castles,” Sixteen notes. “You can’t just modernize a castle. You can’t just punch a hole and put in AC or install solar panels on the walls.”

Everything requires government approval, and work proceeds on what she calls “the French timeline” – it’s done when it’s done. “You have to adapt to the French way of doing things,” Sixteen notes, explaining how timelines are often fluid and projects are completed without rigid schedules. Despite these challenges, the couple remains undeterred, seeing each obstacle as part of the learning process.

This French approach to time taught Sixteen valuable pacing and growth lessons. “I wish someone had told me to be okay with going slow to grow fast,” she reflects on her earlier years of hustling. “If you’re going to do anything worthwhile, that takes time.”

**Looking to the Future.** While focused on France, Sixteen and Monte have broader ambitions for their preservation work. “Right now, because there’s so much to see in France, in the next year, we’re focusing on France,” she explains. “But France borders Belgium, Germany, Switzerland, Italy – there are castles there too. So I see that in the next three

years, we’ll most likely venture out into those countries as well as Ireland, Scotland, and the UK.”

The scope of their mission is immense. “I don’t think honestly that we’ll be able to see all of them in our lifetime,” Sixteen admits. “Not even if we have like two lifetimes. But seeing some of them and venturing into these other countries for castles is within the horizon for saving castles within the next three to five years.”

Soon, Sixteen and Monte will experience château life firsthand, spending several months at a property where they’ll help with guest services and care for farm animals, viewing it as valuable preparation for eventually running their own château. They hope to gain firsthand knowledge of château life while documenting their adventures for their growing online community. “We’re so excited about this next chapter,” Sixteen shares. “It’s a real preview of what it might be like to manage our own château someday.”

“A lot of people look at that and go, ‘well, how realistic is that really? How realistic is it that you’re going to restore your own castle and live in it?’” she shares. “But we’re doing it. It might be an unusual project, something far-fetched for others, but if it isn’t far-fetched to you, that’s all that matters.”

Through her work with Saving Castles and StorySelling™ program, Sixteen isn’t just preserving historical buildings or teaching marketing techniques; she’s helping people connect with their own authentic stories and find the courage to share them with the world. In doing so, she’s building a legacy that bridges past and present, connecting cultural preservation with personal empowerment in ways that continue to inspire and transform.<sup>MS</sup>

“I wish *someone* had told me to be *okay* with going slow to *grow* fast.”





# Know Your Consumer Rights: A Filipino Consumer's Guide

By CARLA CONCEPCION

Understanding your rights as a consumer is important for your safety and satisfaction. After all, your hard-earned money should get you what you paid for. Recent data from the Department of Trade and Industry (DTI) shows that consumer complaints in the Philippines have increased significantly, with online shopping-related issues leading the statistics.

This comprehensive guide will help you navigate your rights and protections under Philippine consumer law, particularly the Consumer Act of the Philippines (Republic Act 7394).

**Understanding Your Basic Rights.** Below are your rights as a consumer under the law:

**Right to Basic Needs.** Every Filipino consumer has the fundamental right to access basic necessities at fair prices. The government, through the DTI, actively monitors and implements price controls on basic necessities and prime commodities to ensure that essential items remain accessible to all Filipinos, regardless of their economic status.

Under Philippine law, the scope of basic necessities is comprehensive, encompassing daily food items such as:

- Rice, corn, and other cereals
- Fresh, dried, and canned fish and other marine products
- Fresh pork, beef, and poultry meat
- Fresh eggs
- Fresh and processed milk
- Fresh vegetables
- Root crops
- Coffee
- Sugar
- Cooking oil
- Salt
- Laundry soap
- Detergents
- Firewood
- Charcoal
- Medicine

The DTI carefully monitors these commodities, publishing regular suggested retail prices (SRP) to guide both consumers and retailers. During times of crisis or natural calamities, these price controls become even more stringent to prevent price gouging and ensure continued access to essential goods.

**Right to Safety.** Product safety stands as a fundamental pillar of consumer protection in the Philippines. The law mandates that all products available in the market must meet established safety standards and pose no unreasonable risks to consumers. This protection extends across all product categories, from food and medicines to electronic devices and construction materials.

This includes:

- Proper packaging and handling of food products
- Safety certifications for electronic devices
- Quality standards for construction materials
- Safety features in vehicles and transportation equipment
- Proper labeling of chemicals and potentially harmful substances

The Food and Drug Administration (FDA) works in tandem with the DTI to enforce these safety standards. Their oversight includes rigorous testing of food products, verification of medicine safety and efficacy, and monitoring of cosmetics and medical devices. Manufacturers must obtain proper certifications before their products can reach the market, and regular inspections help ensure continued compliance with safety standards.

Consumers have the right to report unsafe products and request investigation of potentially dangerous items in the market.

**Right to Information.** Transparency is crucial for informed consumer decisions. Philippine law mandates that businesses provide accurate and complete information about their products and services. This includes:

- Clear and accurate price tags on all products

- Product labels in English or Filipino
- Complete list of ingredients for food items
- Usage instructions and warnings
- Manufacturing and expiration dates
- Company information and contact details

False, deceptive, or misleading advertisements are prohibited. Businesses must be able to substantiate all claims made in their marketing materials. Consumers have the right to report misleading advertisements to the DTI's Consumer Protection Group.

**Right to Choose.** Consumer choice is a cornerstone of a healthy marketplace, and Philippine law provides strong protections against practices that limit this freedom. The right to choose extends beyond simply having options – it encompasses protection from:

- Monopolistic practices
- Price manipulation
- Hoarding of products
- Exclusive dealership arrangements that limit consumer choice
- Tied selling (forcing consumers to buy additional products)

**Specific Consumer Protections.** Certain sectors have additional consumer protections you should know about:

**Retail Shopping Rights.** Modern retail shopping involves complex transactions that require specific protections.

When shopping in physical stores, consumers are protected by several key regulations that ensure fair treatment and transparent transactions.

**Price Tag Law.** The Price Tag Law serves as a fundamental protection, requiring all products to display clear, accurate prices that must be honored at checkout. No additional charges can be imposed unless they were clearly disclosed before the purchase.

**Receipt Requirements.** This transparency extends to the requirement for official receipts (product or service invoices), which must provide a detailed record of the transaction, including the date, items purchased, and total amount, along with proper VAT information.

**Return and Exchange Policies.** Return and exchange policies represent another crucial area of consumer protection. While stores can set their own policies, they must honor them consistently and communicate them clearly to customers. The common “No Return, No Exchange” policy is only valid under specific conditions: the product must not be defective, the policy must be clearly displayed, and the customer must be informed before purchase.

**Online Shopping Protections.** The rise of e-commerce has transformed how Filipinos shop, bringing both convenience and new challenges. The E-Commerce Act and updated DTI guidelines provide specific protections for online shoppers, adapting traditional consumer rights to the digital marketplace.





**Right to Clear Information.** Clear information becomes even more crucial in the online shopping environment. Sellers must provide complete business information, accurate product descriptions, and transparent pricing that includes all charges, including shipping fees. The total cost must be disclosed before purchase completion, preventing hidden charges that might surprise consumers later.

**Right to Data Privacy.** Data privacy protection plays a vital role in online transactions. E-commerce platforms must implement secure payment systems and protect consumers’ personal and financial information. Consumers have the right to know how their data will be used and stored, with clear privacy policies required from all online sellers.

**Service-Related Rights.** The service sector represents a significant portion of consumer transactions in the Philippines, ranging from utilities and telecommunications to professional services and repairs. Understanding your rights in this sector is crucial, as service-related issues can be more complex than product purchases.

**Quality Standards.** Quality standards form the foundation of service-related consumer rights. Whether you’re dealing with a plumber, an internet service provider, or a healthcare professional, you have the right to expect services that meet established industry standards. Professional services must be provided by qualified individuals who possess the necessary licenses and certifications. Service agreements should clearly outline what consumers can expect, including timelines, deliverables, and quality guarantees.

**Billing Transparency.** Billing transparency has become increasingly important as service charges grow more complex. Your utility bills, for instance, should provide a detailed breakdown of charges, making it clear exactly what

you’re paying for. Service providers must give advance notice of any rate changes, allowing consumers to make informed decisions about continued service use. Hidden charges or sudden price increases without proper notification violate consumer protection laws.

**Warranty Protections.** Warranty protection extends beyond physical products to services as well. When a service provider offers a warranty, it must be honored according to its written terms. These warranties should clearly state their coverage and duration, helping consumers understand exactly what recourse they have if problems arise. For example, if a repair service guarantees their work for 90 days, they must address any related issues that arise during that period at no additional cost.

**Filing Consumer Complaints.** The process of filing and pursuing consumer complaints deserves careful attention, as it represents your primary means of enforcing your rights. Understanding how to navigate this process effectively can make the difference between a resolved issue and a frustrating experience.

**Taking Initial Steps.** Before escalating to government agencies, your first step should be direct communication with the business involved. Document your issue thoroughly, including photographs where relevant, and gather all supporting documentation such as receipts, warranties, and previous correspondence. When approaching the business, maintain a professional tone and clearly state both the problem and your desired resolution.

Written communication often proves more effective than verbal complaints, as it creates a clear record of your attempt to resolve the issue. Send a formal complaint letter that outlines the problem, references relevant documents, and proposes a reasonable solution. Keep copies of all correspondence and note the dates and names of people you speak with.

**Working with Government Agencies.** If direct resolution proves unsuccessful, several government agencies stand ready to help, each with specific areas of jurisdiction. The Department of Trade and Industry (DTI) serves as the primary agency for consumer protection, handling a wide range of complaints about products and services. Their mediation services have helped countless consumers reach satisfactory resolutions with businesses.

The Food and Drug Administration (FDA) takes charge of complaints involving food safety, medicines, cosmetics, and medical devices. Their investigative powers allow them to quickly address potential safety issues and protect public health. For financial services, the Bangko Sentral ng Pilipinas (BSP) provides specialized consumer protection, particularly important in an era of increasing digital financial services.

**Smart Consumer Practices Before Making a Purchase**

- ① Research Thoroughly
  - Compare prices across different sellers
  - Read product reviews and ratings
- ② Check seller credentials
  - Verify warranty coverage
  - Understand Terms and Conditions
  - Read the fine print
  - Ask questions about unclear terms
  - Get important promises in writing
  - Keep copies of advertisements and promotions
- ③ Check Product Authentication
  - Look for safety certifications
  - Verify authorized dealers
  - Check manufacturing dates
  - Inspect packaging for tampering

**During the Transaction**

- ① Documentation
  - Keep all receipts
  - Take photos of expensive items
  - Record serial numbers
  - Save warranty cards
- ② Payment Security
  - Use secure payment methods
  - Keep payment records
  - Avoid suspicious payment requests
  - Get official receipts

**After Purchase**

- ① Product Registration
  - Register warranties promptly
  - Keep proof of registration
  - Save instruction manuals
  - Document any immediate issues
- ② Proper Usage and Maintenance
  - Follow care instructions
  - Keep maintenance records
  - Report defects promptly
  - Document any repairs

**Protecting Yourself from Consumer Scams.** The digital age has brought new convenience to shopping but also new risks. Scammers constantly evolve their tactics, making consumer education an ongoing necessity. Understanding common scam patterns helps you spot and avoid them before falling victim.

**Digital Marketplace Dangers.** Online shopping scams have become increasingly sophisticated. Fraudsters create convincing fake websites that mimic legitimate retailers, complete with professional designs and stolen product photos. They often advertise prices that seem too good to be true – because they are. Protection starts with skepticism: if a deal seems unrealistic, it probably is.

Be particularly wary of sellers who pressure you to pay through non-secure channels or direct bank transfers. Legitimate online retailers typically offer secure payment options and don’t require direct bank deposits. When shopping online, stick to well-known platforms with buyer protection policies and use secure payment methods that offer dispute resolution.

**Traditional Scam Prevention.** Physical retail scams haven’t disappeared with the rise of online shopping. The classic bait-and-switch tactic remains common, where stores advertise products at attractive prices but claim they’re out of stock, steering customers toward more expensive alternatives. Watch for artificial price inflation before sales, where items are marked up so that “discounts” appear more attractive.

Investment scams target consumers’ desires for financial growth. Pyramid schemes, particularly those disguised as multilevel marketing opportunities, continue to trap unwary consumers. Legitimate investments come with clear documentation and are offered by licensed professionals. Be extremely wary of guaranteed high returns or pressure to recruit others – these are classic signs of fraudulent schemes.

**Final Tips.** Consumer rights in the Philippines provide robust protection, but their effectiveness relies on informed and vigilant consumers. Understanding these rights empowers you to make better purchasing decisions and seek proper redress when problems arise. Remember that consumer protection serves not just individual interests but contributes to a healthier, more competitive marketplace that benefits all Filipinos.

- Keep these key points in mind:
- Always document your transactions
  - Know where to seek help when needed
  - Stay informed about your rights
  - Report violations promptly
  - Share knowledge with others

Remember that consumer protection is a shared responsibility between the government, businesses, and consumers. By staying vigilant and informed, you not only protect yourself but also contribute to a fairer marketplace for all Filipinos.

- For assistance with consumer issues, contact:
- DTI Direct: 1-384 (1-DTI)
  - DTI Consumer Care: [consumercare@dti.gov.ph](mailto:consumercare@dti.gov.ph)
  - FDA: [info@fda.gov.ph](mailto:info@fda.gov.ph)
  - Your local Consumer Protection Office

Your rights as a consumer are only as strong as your willingness to understand and exercise them. Stay vigilant, stay informed, and help build a fairer marketplace for all.<sup>MS</sup>





# The Psychology of Spending: Understanding Your Financial Behavior

By CARLOS GONZALES

**M**oney may be a mathematical concept, but our relationship with it is deeply emotional and psychological. Understanding the psychology behind our spending habits can be the key to making better financial decisions and achieving long-term financial wellness. This exploration of financial psychology reveals how our minds work when it comes to money and how we can harness this knowledge for better financial health.

**The Emotional Foundation of Spending.** Our relationship with money often begins in childhood, shaped by our parents' attitudes and behaviors around finances. Whether we witnessed careful budgeting or impulsive spending, these early experiences form the foundation of our own financial behavior. Research in financial psychology shows that money scripts – the unconscious beliefs about money that we develop early in life – can influence our financial decisions well into adulthood.

Consider how different family backgrounds might shape contrasting money attitudes. Children from households that experienced financial hardship might develop either extreme frugality or a tendency to overspend when resources become available. Meanwhile, those raised in financially secure environments might either learn responsible money management or develop a casual attitude toward spending, taking financial stability for granted.

**The Science Behind Spending Decisions.** Our brains process spending decisions through multiple psychological mechanisms. Understanding these can help us recognize and potentially redirect our financial behaviors.

**The Pain of Paying.** Neuroscientific research has revealed that spending money activates the same pain centers in our brain as physical discomfort. This “pain of paying” varies among individuals and can be influenced by payment methods. Credit cards, for instance, tend to dull this pain compared to cash transactions, explaining why people often spend more when using plastic instead of paper money.

This phenomenon has important implications in our increasingly cashless society. Digital payments, online shopping, and contactless transactions have further reduced the psychological friction of spending, making it easier to overlook the real impact of our purchases on our financial health.

**The Power of Immediate Gratification.** The human brain is wired to prefer immediate rewards over future benefits, a tendency psychologists call “temporal discounting.” This explains why many people struggle to save for retirement despite understanding its importance. The immediate pleasure of a purchase often outweighs the abstract benefit of future financial security.

This bias toward the present moment manifests in various spending behaviors. For example, people often choose to buy something on credit rather than waiting to save up for it, even though this decision ultimately costs more due to interest charges. The immediate possession of the desired item proves more compelling than the financial advantage of delayed gratification.

**Common Psychological Spending Traps.** Understanding common psychological spending traps can help us avoid them or develop strategies to overcome them.

**The Anchoring Effect.** Retailers understand and exploit the anchoring effect – our tendency to rely heavily on the first piece of information we receive when making decisions. When we see a Php1,000 shirt marked down to Php600, we

anchor our perception of value to the original price, making the sale price seem more attractive, regardless of the item's actual worth.

This psychological mechanism explains the effectiveness of sales tactics like “suggested retail prices” and “limited time offers.” By consciously recognizing this tendency, we can better evaluate purchases based on their actual value to us rather than their perceived discount.

**Social Comparison and Lifestyle Inflation.** Humans are inherently social creatures, and our spending habits often reflect our desire to maintain or improve our social status. This manifests in what economists call “relative income hypothesis” – the idea that our satisfaction with our income depends not on its absolute level but on how it compares to others'.

Social media has amplified this effect, creating constant exposure to others' consumption patterns and lifestyle choices. This continuous comparison can drive “lifestyle inflation,” where spending increases with income, preventing wealth accumulation despite rising earnings.

**The Sunk Cost Fallacy.** One of the most powerful psychological traps in financial behavior is the sunk cost fallacy – our tendency to continue investing in something because of past investments, even when it's no longer

rational to do so. This might manifest in continuing to pour money into a failing investment or keeping subscriptions we rarely use because we've already spent money on them.

Recognition of this fallacy is crucial for making better financial decisions. Understanding that past expenses cannot be recovered helps us make clearer decisions based on future costs and benefits rather than previous spending.

**Emotional Spending and Coping Mechanisms.** Emotional spending – using purchases to regulate mood or cope with stress – represents a significant challenge in financial psychology. Understanding the triggers and patterns of emotional spending is crucial for developing healthier financial habits.

**Understanding Emotional Triggers.** Various emotional states can trigger spending impulses. Stress, anxiety, and depression might lead to “retail therapy,” while celebration or success might result in “reward spending.” These emotional triggers often bypass our rational decision-making processes, leading to purchases we later regret.

The key to managing emotional spending lies in recognizing our personal triggers and developing alternative coping mechanisms. This might involve finding non-financial ways to celebrate achievements or manage stress, such as exercise, meditation, or social activities.

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# Approaches to Debt Reduction: A Philippine Guide

By ANDY CRUZ

In the Philippines, where credit is increasingly accessible and household debt continues to rise, understanding effective debt reduction strategies has become crucial for financial wellness. From credit card bills to personal loans, housing loans, and even informal lending arrangements, many Filipinos face the challenge of managing multiple debt obligations. This guide explores practical approaches to debt reduction.

**Understanding the Philippine Debt Landscape.** Before diving into reduction strategies, it's important to understand the unique characteristics of debt in the Philippine setting. Unlike in many Western countries, Filipino debt often combines formal financial obligations with informal lending arrangements like “5-6” loans and family borrowings. This complexity requires a nuanced approach to debt management.

The Bangko Sentral ng Pilipinas (BSP) reports that credit card debt and personal loans have seen significant growth in recent years, particularly among urban professionals. Meanwhile, informal lending continues to thrive in both rural and urban areas, often carrying extremely high interest rates that can trap borrowers in cycles of debt.

**Common Types of Philippine Debt.** Credit card debt represents a significant challenge for many urban Filipinos, with interest rates typically ranging from 2% to 3.5% monthly (24% to 42% annually). Personal loans from banks and lending institutions usually carry lower interest rates but require more documentation and longer processing times.

Housing loans, while carrying lower interest rates, often represent the largest debt obligation for middle-class families.

Government institutions like Pag-IBIG Fund offer competitive rates, but many still opt for bank mortgages due to higher loan amounts and faster processing.

Informal loans, including “5-6” arrangements (where Php5 borrowed becomes Php6 payable), remain prevalent despite their high costs. These loans often appeal to those who need immediate cash or lack access to formal financial institutions.

## Assessing Your Debt Situation

**Creating a Debt Inventory.** The first step in debt reduction is gaining a clear picture of your obligations. Create a comprehensive list including:

- Creditor names
- Outstanding balances
- Interest rates
- Monthly payments
- Due dates
- Loan terms and conditions

For informal loans, be particularly careful to document all payments made, as these arrangements often lack proper documentation and can lead to disputes.

**Understanding Interest Rates and Priorities.** In the Philippines, interest rates vary dramatically across different types of debt:

- Credit cards: 24-42% annually
- Personal loans: 12-30% annually
- Housing loans: 5-8% annually
- Informal loans: Can exceed 240% annually (5-6 scheme)

Understanding these rates helps prioritize which debts to tackle first and identifies opportunities for debt consolidation or refinancing.

## Strategic Approaches to Debt Reduction

**The Debt Avalanche Method.** The debt avalanche method involves paying minimum amounts on all debts while directing extra funds to the highest-interest debt. In the Philippine context, this often means tackling informal loans and credit card debt first.

For example, if you have:

- Php50,000 in 5-6 loans (240% annual interest)
- Php100,000 in credit card debt (36% annual interest)
- Php500,000 housing loan (6% annual interest)

Focus extra payments on the 5-6 loans first, then move to the credit card debt, while maintaining minimum payments on the housing loan.

**The Debt Snowball Method.** The snowball method focuses on paying off smaller debts first, regardless of interest rates. This approach can be particularly effective in the Philippine setting where multiple small informal loans are common. The psychological boost from clearing smaller debts can provide motivation to tackle larger obligations.

**Debt Consolidation.** Several Philippine banks offer debt consolidation loans at lower interest rates than credit cards. The BSP has encouraged banks to provide these products to help consumers manage high-interest debt. When considering consolidation:

- Compare interest rates carefully
- Read the terms and conditions thoroughly
- Consider the total cost over the loan period
- Verify if early payment penalties exist
- Check for hidden fees and charges

**Government Programs and Resources.** Several government initiatives can help with debt management:

- 1 **Pag-IBIG Multi-Purpose Loan**
  - Can be used for debt consolidation
  - Offers lower interest rates than commercial loans
  - Available to qualifying members
- 2 **SSS Salary Loan**
  - Provides low-interest borrowing options
  - Can help refinance high-interest debt
  - Payments deducted directly from salary

## Practical Steps for Debt Reduction

**Creating a Realistic Budget.** In the Philippine context, budgeting must account for both regular expenses and cultural obligations like family support and celebrations. A practical budget should:

- Track all income sources, including side jobs and bonuses
- Account for regular bills and loan payments
- Include an emergency fund allocation
- Consider family obligations
- Allow for some discretionary spending

**Negotiating with Creditors.** Filipino banks and credit card companies often have programs for distressed borrowers. Don't hesitate to:

- Request for lower interest rates





- Ask about debt restructuring options
- Inquire about payment holidays during emergencies
- Seek assistance during calamities (many institutions offer special programs)

**Increasing Income Sources.** The “raket” or side hustle culture in the Philippines offers numerous opportunities to increase income:

- Online freelancing
- Small online businesses
- Teaching or tutoring
- Service-based side jobs
- Selling pre-loved items

**Building Emergency Funds.** While focusing on debt reduction, it’s crucial to build an emergency fund to avoid new debt. Consider:

- Starting with a small weekly savings goal
- Using digital banks that offer higher interest rates
- Automating savings transfers
- Participating in office savings programs

#### Avoiding Common Pitfalls

**Cultural Considerations.** Several cultural factors can impact debt reduction efforts in the Philippines:

- Family Financial Obligations
- Set clear boundaries while maintaining relationships
- Communicate financial priorities clearly
- Help family members develop their own financial literacy
- Social Pressure
- Resist unnecessary spending on celebrations
- Find affordable ways to participate in social events
- Focus on long-term financial health over short-term appearances

“Success comes from choosing appropriate *strategies*, staying committed to the plan, and building better *financial* habits for the future.”

“Debt reduction requires a *balanced* approach that considers both *financial* and *cultural* factors.”

#### Breaking the Debt Cycle

To avoid falling back into debt:

- Stop using credit cards while paying them off
- Avoid new loans, especially informal ones
- Learn to distinguish between needs and wants
- Build financial literacy through seminars and resources

#### Looking Forward

- Building Long-term Financial Health
- Once debt reduction is underway, focus on:
- Building savings
- Starting investment programs
- Learning about personal finance
- Sharing knowledge with family members

#### Maintaining Momentum

- Keep motivation high by:
- Celebrating small victories
- Tracking progress regularly
- Joining support groups
- Sharing success stories

Debt reduction requires a balanced approach that considers both financial and cultural factors. Success comes from choosing appropriate strategies, staying committed to the plan, and building better financial habits for the future.

Remember that debt reduction is a journey, not a race. Small, consistent steps toward your goal will eventually lead to financial freedom. Take advantage of available resources, seek support when needed, and stay focused on your long-term financial well-being.

The path to becoming debt-free may seem challenging, but with determination, the right strategy, and proper support, it’s an achievable goal for every Filipino. Start your journey today by taking that first step toward financial freedom. [MS](#)

## The Psychology of Spending...

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**The Role of Dopamine.** Shopping activates the brain’s reward center, releasing dopamine – the same neurotransmitter involved in other pleasurable activities. This chemical response can create a temporary mood lift, potentially leading to a cycle of spending to maintain positive feelings.

Understanding this biological mechanism helps explain why shopping can become addictive for some people. It also highlights the importance of finding alternative sources of pleasure and satisfaction that don’t impact our financial health.

**Building Better Financial Habits.** Understanding the psychology of spending is only the first step. The real challenge lies in using this knowledge to develop healthier financial behaviors.

**Creating Conscious Spending Patterns.** Developing consciousness around spending decisions involves creating space between the impulse to buy and the actual purchase. Simple strategies like implementing a 24-hour rule for non-essential purchases or maintaining a wishlist can help break the automatic nature of spending decisions.

Technology can be both a help and a hindrance in this process. While digital payments can make spending easier, apps that track expenses and enforce waiting periods can help create more mindful spending habits.

**The Power of Automation.** Our psychological limitations can be overcome through automation. Setting up automatic savings transfers and bill payments removes the need for constant decision-making, reducing the impact of psychological biases on our financial health.

Automation works because it bypasses many of our psychological spending triggers. Once established, automatic financial behaviors become the default, requiring active decision-making to override them rather than to maintain them.

**Reframing Financial Goals.** The way we frame our financial goals can significantly impact our success in achieving them. Instead of focusing on deprivation (“I can’t spend”), effective goal-setting emphasizes positive outcomes (“I’m saving for financial freedom”).

This reframing helps engage our brain’s reward systems in saving rather than spending. When we view financial responsibility as a path to greater freedom rather than a form of restriction, we’re more likely to maintain positive financial behaviors.

**Cultural and Generational Influences.** Our spending psychology doesn’t exist in a vacuum – it’s shaped by broader cultural and generational factors that influence our relationship with money.

**Cultural Money Messages.** Different cultures carry distinct messages about money, wealth, and spending. Some emphasize saving and financial conservation, while others place greater value on visible consumption and generosity. Understanding these cultural influences helps us recognize which of our financial behaviors are learned rather than innate.

**Generational Perspectives.** Each generation’s unique economic experiences shape their financial psychology. Baby Boomers might emphasize traditional savings after experiencing economic stability, while Millennials might prioritize experiences over possessions, influenced by economic uncertainty and changing social values.

**Looking Forward: Financial Wellness in the Digital Age.** As our financial landscape continues to evolve, understanding the psychology of spending becomes increasingly important. Digital currencies, investment apps, and online shopping are changing how we interact with money, creating new psychological challenges and opportunities.

**The Future of Financial Psychology.** Emerging technologies in financial services offer new tools for managing our psychological relationship with money. From apps that encourage saving through gamification to AI-powered financial advisors that help avoid emotional decision-making, technology can help us work with, rather than against, our psychological tendencies.

Understanding the psychology of spending is crucial for developing a healthy relationship with money. By recognizing our psychological triggers, biases, and patterns, we can make more conscious financial decisions aligned with our long-term goals and values.

The journey to financial wellness isn’t just about numbers—it’s about understanding and managing our psychological relationship with money. By combining this understanding with practical strategies and tools, we can build better financial habits and achieve greater financial well-being.

Remember that changing financial behavior is a gradual process. Start by observing your own patterns and triggers, then gradually implement strategies to align your spending with your values and goals. With time and practice, better financial habits can become your new normal, leading to greater financial and emotional well-being. [MS](#)



# Portfolio Rebalancing Techniques

By CARLOS GONZALES

Portfolio rebalancing, a critical yet often overlooked aspect of investment management, serves as the cornerstone of maintaining a well-structured investment strategy. This systematic approach to readjusting asset allocations helps investors maintain their desired risk levels while potentially enhancing long-term returns. Understanding and implementing effective rebalancing techniques can make the difference between achieving your investment goals and falling short of your financial objectives.

### Understanding Portfolio Rebalancing

**The Foundation of Rebalancing.** At its core, portfolio rebalancing is the process of realigning the weightings of assets in an investment portfolio to maintain the original or desired level of asset allocation. Over time, market movements cause portfolios to drift from their initial allocations, potentially exposing investors to unintended risks or missed opportunities.

Consider an investor who initially sets up a portfolio with 60% stocks and 40% bonds. After a strong bull market in stocks, that allocation might shift to 75% stocks and 25% bonds. This drift exposes the investor to more risk than originally intended, making rebalancing necessary to restore the intended risk profile.

**Why Rebalancing Matters.** Portfolio rebalancing serves multiple purposes beyond risk management:

**1 Risk Control** The primary function of rebalancing is maintaining your desired risk level. As different assets perform differently over time, your portfolio's risk profile can shift dramatically without regular adjustments.

- 2 Disciplined Investing** Rebalancing enforces a disciplined “buy low, sell high” approach by requiring you to sell assets that have become overweighted and buy those that have become underweighted.
- 3 Emotional Management** A systematic rebalancing strategy helps remove emotional decision-making from the investment process, preventing common behavioral mistakes like chasing performance or panic selling.

### Common Rebalancing Strategies

**Calendar Rebalancing.** The most straightforward approach involves reviewing and adjusting your portfolio at predetermined intervals. This might be quarterly, semi-annually, or annually, depending on your preferences and circumstances.

#### Advantages:

- Simple to implement
- Regular schedule maintains discipline
- Lower transaction costs compared to more frequent rebalancing

#### Disadvantages:

- May miss significant market movements between scheduled dates
- Might not respond quickly enough to major market events
- Could result in unnecessary trades during periods of low market volatility

**Percentage-of-Portfolio Rebalancing.** This method triggers rebalancing when asset allocations drift beyond predetermined thresholds, typically 5% or 10% from their target weights.

For example, in a 60/40 portfolio:

- Stocks allowed range: 55-65% (using 5% bands)
- Bonds allowed range: 35-45%
- Rebalancing occurs when either asset class moves outside its band

#### Advantages:

- More responsive to market movements
- Reduces unnecessary trading

- Better alignment with portfolio objectives

#### Disadvantages:

- Requires more frequent monitoring
- May result in higher transaction costs during volatile periods
- Can be complex to implement across multiple asset classes

**Hybrid Rebalancing.** This approach combines aspects of both calendar and percentage-of-portfolio methods, reviewing the portfolio on a regular schedule but only rebalancing when allocations have drifted beyond specified thresholds.

#### Advantages:

- Balances responsiveness with cost control
- Provides regular oversight while avoiding unnecessary trades
- Combines benefits of both major approaches

#### Disadvantages:

- More complex to implement
- Requires clear decision-making framework

- May still miss opportunities between review dates

Effective portfolio rebalancing requires a thoughtful combination of strategy and execution. The key to success lies in:

- Choosing appropriate rebalancing methods
- Setting realistic parameters
- Considering all implementation factors
- Maintaining consistent oversight
- Adapting to changing conditions

Regular review and adjustment of your rebalancing strategy ensures it continues to serve your investment objectives while managing costs and risks effectively. Remember that the best rebalancing strategy is one that you can consistently implement and maintain over time.

By understanding and applying these various rebalancing techniques, investors can better maintain their desired risk levels while potentially improving long-term investment outcomes. The key is to select and implement approaches that align with your investment goals, resources, and constraints.<sup>MS</sup>





# Flipping vs. Buy and Hold

By CARLA CONCEPCION

The Philippine real estate market presents diverse opportunities for investors, with property flipping and buy-and-hold strategies emerging as dominant approaches. Understanding these strategies is crucial for making informed investment decisions, especially as urban development and provincial growth create varied opportunities across the country.

**Understanding the Real Estate Market.** The Philippine real estate market has shown remarkable resilience and growth over the years, driven by several key factors:

- Steady OFW remittances fueling property purchases
- Expanding BPO sector creating demand for office and residential spaces
- Ongoing infrastructure development under “Build, Build, Build”
- Rising middle class with increasing purchasing power
- Rapid urbanization in key cities

These market dynamics create different opportunities across various regions of the Philippines. Metro Manila, with its prime locations and high property values, offers different investment prospects compared to emerging regional centers like Cebu, Davao, and Clark. Meanwhile, provincial areas present their own unique opportunities with lower entry costs but potentially slower appreciation rates.

**Property Flipping.** Property flipping involves purchasing properties at below-market prices, improving them, and selling for a profit within a relatively short timeframe. This strategy requires careful consideration of local market conditions and regulatory requirements.

**Advantages of Flipping.** The quick-turn nature of flipping can offer several benefits:

- Faster capital turnover
- Higher potential short-term profits
- Less exposure to long-term market risks
- Opportunity to capitalize on market inefficiencies

However, success in flipping requires deep market

knowledge and strong professional networks. Investors must understand:

- Local market values and trends
- Construction costs and timelines
- Renovation requirements and permits
- Target buyer preferences
- Legal and regulatory requirements

**Challenges in Flipping.** The Philippine legal system’s complexity and lengthy administrative processes can significantly impact project timelines. Key challenges include:

**Document Processing and Legal Issues:**

- Complex property titles and verification processes
- Multiple permits required for renovation
- Length of transfer processes
- Local government regulations

**Financial Considerations:**

- 6% capital gains tax
- Transfer taxes and fees
- High renovation costs
- Carrying costs during improvement period

**Buy and Hold Strategy.** The buy-and-hold strategy involves purchasing properties for long-term appreciation and rental income. This approach aligns well with the Filipino cultural preference for tangible, long-term assets and can provide both stability and growth potential.

**Benefits of Buy and Hold.** Long-term property ownership in the Philippines offers multiple advantages:

**Financial Benefits:**

- Steady capital appreciation in growing areas
- Regular rental income
- Potential tax advantages
- Natural hedge against inflation

**Cultural and Practical Benefits:**

- Creation of family heritage assets
- Portfolio diversification
- Property improvement opportunities over time
- Leverage for future investments

The success of a buy-and-hold strategy largely depends on location selection. Prime considerations should include:

- Proximity to business districts or growth areas
- Infrastructure development plans
- Quality of nearby schools and hospitals
- Transportation accessibility
- Community development potential

**Managing Buy-and-Hold Properties.** Effective property management is crucial for long-term success. This involves:

**Tenant Relations:** Property owners must develop systematic approaches to:

- Tenant screening and selection
- Lease agreement management
- Rent collection and monitoring
- Maintenance request handling
- Conflict resolution

**Property Maintenance:** Regular upkeep is essential and should include:

- Scheduled maintenance checks
- Prompt repairs when needed
- Periodic upgrades to maintain competitiveness
- Building relationship with reliable contractors

**Comparing the Strategies.** When deciding between flipping and buying-and-holding in the Philippine market, consider these key factors:

**Capital Requirements**

Flipping:

- Lower initial property investment
- Higher renovation and carrying costs
- Shorter financial commitment

Buy and Hold:

- Higher initial property investment
- Ongoing maintenance costs
- Long-term financing considerations

**Time Commitment**

Flipping requires:

- Intensive short-term involvement
- Active project management
- Constant market monitoring

- Regular contractor supervision
- Buy and Hold needs:
- Regular but less intensive management
  - Periodic market review
  - Ongoing tenant relations
  - Scheduled maintenance oversight

**Making Your Choice.** The decision between flipping and buying-and-holding should be based on several personal factors:

- Available capital and financing options
- Time availability for property management
- Risk tolerance level
- Market knowledge and experience
- Personal investment goals
- Local market conditions

**Success Factors for Either Strategy:**

1 Market Research

- Understanding local property values
- Monitoring development plans
- Tracking market trends
- Analyzing competitor activities

2 Professional Network

- Real estate agents
- Legal advisors
- Contractors and suppliers
- Property managers
- Financial advisors

3 Financial Planning

- Detailed budgeting
- Risk assessment
- Contingency planning
- Exit strategy development

Both flipping and buy-and-hold strategies can be profitable in the real estate market when executed properly. The key is matching the strategy to your capabilities, resources, and objectives. Many successful investors eventually combine both approaches, creating a diversified portfolio that benefits from both short-term gains and long-term appreciation.

Remember that the real estate market’s unique characteristics require:

- Thorough due diligence
- Strong local market knowledge
- Patient capital for documentation processes
- Building reliable professional networks
- Understanding of cultural factors

Whether you choose to flip properties or hold them for the long term, success comes from careful planning, proper execution, and adaptability to changing market conditions. Start with the strategy that best matches your current situation and gradually expand your approach as you gain experience.<sup>MS</sup>





# Shopping for a New Wardrobe for the New Year

By CARLA CONCEPCION

As the new year begins, many Filipinos look to refresh their wardrobes. Whether it's for career advancement, personal transformation, or simply updating your style, building a new wardrobe requires strategic planning and smart shopping. Here's how to approach this task efficiently and economically.

**Start with a Wardrobe Audit.** Before hitting the stores or browsing online shops, conduct a thorough assessment of your existing wardrobe. Remove everything from your closet and create three piles: keep, donate/sell, and dispose. This process helps you identify what you actually need rather than buying redundant pieces. In our humid climate, pay special attention to items that may have been affected by moisture or need special care.

During your audit, examine each piece critically. Consider how often you've worn it in the past year, its current condition, and whether it still fits your lifestyle and body comfortably. Look for signs of wear, particularly in areas like collars, cuffs, and seams. This careful evaluation will help you understand your wearing patterns and make better purchasing decisions.

**Planning Your New Wardrobe.** After understanding what you have and what you need, create a strategic shopping plan. Focus on building a versatile wardrobe that works for your lifestyle. For most Filipinos, this means considering our tropical climate, workplace dress codes, and social occasions. The goal is to create a wardrobe that can transition seamlessly from professional settings to casual weekend activities.

Essential pieces should include breathable materials suitable for our weather. Consider lightweight cotton, linen blends, and modern moisture-wicking fabrics for office wear. Include pieces that can be layered for air-conditioned

environments while remaining comfortable in outdoor heat.

**Setting a Realistic Budget.** Determining a realistic budget is crucial for your wardrobe refresh. Rather than making impulsive purchases, allocate your budget across different categories based on your lifestyle needs. If you're a professional, invest more in work attire. If you're more casual, allocate funds accordingly.

High-investment items should include pieces you'll wear frequently. For instance, a well-made pair of leather shoes might seem expensive initially but could last years with proper care. Similarly, a quality business bag or a classic blazer can serve you well for multiple seasons.

**Smart Shopping Strategies.** Timing your purchases can lead to significant savings. The Philippine retail calendar offers numerous opportunities for discounted shopping. Post-Christmas sales often provide the best deals on formal wear, while mid-year sales are excellent for casual pieces. Online shopping festivals like 11.11 and 12.12 can offer substantial discounts on international brands.

Consider exploring different shopping venues. Department stores offer convenience and variety, while boutiques might provide unique pieces with better quality. Don't overlook ukay-ukay shops, which can yield surprising finds, especially for vintage or unique pieces. Online marketplaces have expanded the options available to Filipino shoppers, often at competitive prices.

**Building a Versatile Wardrobe.** A well-planned wardrobe should allow you to create multiple outfits from a relatively small number of pieces. Start with a foundation of neutral colors that can be mixed and matched easily. For women, this might include a few well-fitted dresses that can be styled differently for various occasions. For men, invest in quality shirts that work both for the office and casual settings.

Consider creating capsule collections within your wardrobe for different aspects of your life: work, casual, formal occasions, and exercise. Each capsule should contain pieces that can work together and occasionally cross over to other categories.

**Climate-Appropriate Choices.** Our tropical climate demands specific consideration when choosing fabrics and styles. Look for:

- Natural fibers that allow skin to breathe
- Light-colored clothing that reflects heat
- Appropriate cuts that allow air circulation
- Wrinkle-resistant fabrics for professional wear
- Quick-drying materials for rainy season

**Maintenance and Care.** The high humidity in the Philippines requires particular attention to clothing care. Invest in proper storage solutions like moisture-absorbing products and adequate hangers. Consider installing a small dehumidifier in your closet to protect your clothes. Develop a regular maintenance routine that includes checking for any signs of moisture damage or mold.

Learn proper cleaning techniques for different fabrics. Some delicate items might require professional dry cleaning, while others can be safely washed at home. Always follow care labels and consider the cost of maintenance when purchasing new items.

**Digital Shopping Tips.** Online shopping has become increasingly popular in the Philippines. When shopping online, take advantage of detailed product descriptions and customer reviews. Save items to your wishlist and wait for sales. Compare prices across different platforms, and don't forget to factor in shipping costs.

Be particularly careful with sizing when shopping online.

Each brand may have different size charts, so take your measurements and check them against the provided size guides. Look for sellers who offer clear return policies and responsive customer service.

**Sustainable Practices.** Consider the environmental impact of your shopping habits. Fast fashion's environmental cost has become a growing concern. Consider investing in higher-quality pieces that last longer, even if they cost more initially. Look for brands that use sustainable materials and ethical production practices.

Support local designers and artisans who create unique pieces while contributing to the local economy. Consider clothing swap events with friends or explore secondhand options for unique pieces at lower prices.

Creating a new wardrobe for the new year is about making thoughtful choices that align with your lifestyle, budget, and personal style. Take time to plan and shop strategically, focusing on versatility and quality rather than quantity. Remember that building a wardrobe is a gradual process – it's better to add pieces slowly and deliberately than to rush into purchases you might regret.

With careful planning and smart shopping strategies, you can create a wardrobe that not only looks good but also serves your needs effectively throughout the year. Focus on building a collection that makes you feel confident and comfortable while being appropriate for your daily activities and the Philippine climate.<sup>MS</sup>





## Veterans Bank Partners with Palawan Group for POS Cash Withdrawal Service

**A**iming to expand its footprint nationwide and thereby reach a wider market with its banking services Philippine Veterans Bank has partnered with the Palawan Group of Companies to enable ATM cardholders to do cash withdrawals from Palawan Pawnshop and Palawan Express Pera Padala branches with the use of Point-of-Sale (POS) terminals.

Veterans Bank has already deployed POS machines to 300 branches of the Palawan Group nationwide that allows Veterans Bank ATM cardholders to conveniently withdraw funds from the nearest Palawan branch. This has made it very beneficial and safer for PVB clients in areas where there is no nearby Veterans Bank branch to access their accounts and get much-needed cash. Even non-Veterans Bank ATM cardholders can avail of the POS withdrawal service as long as they have a BancNet-linked ATM card.

The Veterans Bank and Palawan Group partnership was forged last year through a Memorandum of Agreement signed by officials from both companies. Signing for PVB

were President and CEO Renato Claravall signed the MOA along with FVP Charina Balanquit, Chief Digital Marketing Officer; VP Geraldine Romano, Head of Branch Banking Sales; and AVP Julius Marquez, Area Head of South Luzon Area. On the other hand, the Palawan Group of Companies were represented by Ms. Lisa Lou Castro-Sabado, Vice President for New Products and Services; Ms. Missy Baldemor, B2B Department Head; and Ms. Rona Juan, Key Account Manager.

According to President Claravall:

“This service, in partnership with the Palawan Group of Companies, will allow Veterans Bank to expand its network and customer touchpoints through the use of technology-based innovations. It will also enable the Bank to serve our clients in areas where we do not have branches, especially our veterans and their families.”

Additionally, President Claravall expressed his optimism for the success of the project and hopes for the eventual deployment of the service to even more Palawan Pawnshop – Palawan Express Pera Padala branches nationwide.

To know which Palawan Pawnshop or Palawan Express Pera Padala Branches offer the POS ATM withdrawal service, interested individuals may visit the Veterans Bank website at [www.veteransbank.com.ph](http://www.veteransbank.com.ph). <sup>MS</sup>

### PVB and Palawan Sealing the Partnership:

(From left) PVB South Luzon Area Head Julius Marquez, PVB Chief Digital Marketing Officer Head Charina Balanquit, PVB Branch Banking Sales Head Geraldine Romano, PVB President and Acting CEO Renato Claravall, Palawan Group Vice-President for New Products and Services Lisa Lou Castro-Sabado, Palawan Group B2B Department Head Missy Baldemor, and Palawan Group Key Account Manager Rona Juan.



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