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YAMAN Coach

EMPOWERING YOU

The Real Score with Emergency Funds

by Coach Jendee S. de Guzman, RFP®

In times when there is scarcity of masks, you will think of the days when you did not even think of buying a mask. Because how would you know if you will ever need one?

In the midst of COVID -19, I am thinking about our fellow Filipinos who know it is important to save up for emergencies but haven't gotten around to doing it. Some, perhaps as part of a mechanism to cope with the stress, resort to joking by saying that all they can do is panic because they cannot afford to any buying for lack of funds.

A rule of thumb for emergencies is to have at least 3 to 6 months' worth of equivalent expenses kept in a bank savings account. But now, some experts are saying that the ill effects of CoVid-19 may take as long as a vaccine is developed, which is a least one year away. For extreme emergencies like the current pandemic, it may even be advisable to have the equivalent of 1 year's expenses saved in liquid instruments like time deposits

and treasury bills. This will give enough time for the world to find a drug to cure CoVid-19 and a vaccine to shield us from the SARS

coronavirus 2, is looking out for a cure on the disease, and maybe in a few months employers recoup their losses, for a laid off employee to find a new job and for a small businessowner to recoup his losses.

As of this writing, a number of friends locally and abroad have expressed fear that contingency plans are now being put in place in their companies such as reallocation of manpower, relocation of office assignment to distant locations.

Another area of financial planning that we should protect is our credit score. Buying online and just having the purchases delivered will minimize being in close proximity with other people. And do follow certain advice on what to do with delivered items likes groceries when receiving them and bringing them into your home.

Then use your emergency funds to fully pay your credit card purchases when they fall due.

Finally, it is always best to check if the breadwinner/s are adequately employing one of the better risk management tools in personal finance, that of life insurance. Do not just look at the coverage for untimely death but also the health benefits like ICU and hospitalization, critical illness coverage, disability and death coverage that might be useful medical emergencies.

This pandemic is a wakeup call to really understand the real score should we face emergencies. And while no one can ever fully prepare for something that is really unknown, like this novel coronavirus, we can at least start by the rules of thumb and adjust as we go along.

So, what is your real score?



Coach Jendee is a Registered Financial Planner, author, Life & Personal Coach. She may be reached at jendee@personalfinance.ph.

I believe that having a competent and reliable adviser is fundamental to achieving financial security and that getting the suitable financial product naturally follows from choosing the right financial adviser. In this regard, how do you choose the right financial adviser?

If there is one word to describe the right financial adviser, it would be the word *fiduciary*. In a nutshell, a fiduciary exercises prudence when it comes to handling financial matters of another person. An individual with a fiduciary responsibility is ethically bound to act in the best interest of the other party.

Trustworthiness, expertise in financial planning and transparency are three of the traits of the right adviser that can be checked in order to assess if the said adviser will act on clients' best interest.

There may be a challenge in assessing the trustworthiness of an adviser as advisers always put their best foot forward, which they should. Also, trust is established through deep relationships that only grow through time. In this case, soliciting names of trustworthy advisers from friends and relatives is a best place to start.

Ask from your inner circle whether their advisers are proactive in managing clients' needs particularly in being prompt in addressing client concerns and inquiries. The right adviser is within easy reach and even provides coaching after the provision of the preliminary advice.

The importance of an adviser's capability in financial planning cannot be overemphasized. The right adviser does not make general statements. Instead, the right adviser provides a detailed plan given the situation of his client and prescribes actionable and sensible approaches on how financial products will help to achieve his client's

The Mark of the Right Financial Adviser

by Coach John Hero A. Salvador, RFP®

goals.

The right adviser needs to have undergone training aimed to raise competence in financial planning. That training may be formal (with certification from an independent body espousing global best practices) or through experience. In this regard, the search for the right adviser can also begin with the list of graduates of financial planning training programs that are available on the Internet.

The right adviser will have a holistic approach even when his client is just asking about a specific situation. This is because the four pillars of personal finance, namely cash, debt, risk and wealth management are inextricably woven.

On the other hand, the right adviser declares conflicts of interest, if any when making recommendations. In addition to this, the right adviser takes time to explain to his clients the fine print of financial products and stands ready to answer future clarifications.

The right adviser is an invaluable partner to his clients' journey to reach their financial goals. It behooves the adviser to continually increase his competence while nurturing deep and lasting relationships with his clients.



Coach Hero is a Registered Financial Planner with a BS Chemistry degree cum laude from UP Diliman. He may be reached at hero@personalfinance.ph.

Editor's Note

Efren LI. Cruz, RFP®
Editor-in-Chief



Some believe that an asset is one that puts money in your hand. We believe that an asset is one that provides benefits to the owner whether they are monetary or not.

In particular, while a house may not add to the earnings of a household, it brings untold benefits to the household members. Having a roof over one's head to shelter against the heat of the day, the cold of the night and powerful wind and rain of typhoons is of paramount importance.

The value of a house is more pronounced during this time of enhanced community quarantine. An investment will not help you shelter in place right now. So, don't forget to count your blessings because some don't even have a home to shelter in.

A house is an asset, especially if it is your home.

PFA EVENT - APRIL 3, 2020

STANDOUT
Looking beyond the pandemic

YAMAN Coach
FREE Webinar Series

Topic: Wealth Management
Date: April 3, 2020
Time: 1 - 2 pm (UAE time)
Venue: Zoom Conference Room
(limited slots only)

Lead YAMAN Coach: Efren LI. Cruz, RFP®
Moderator YAMAN Coach: Lab Casas, RFP®

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Contact Us:



yaman@personalfinance.ph

+63917 505-0709 • +632 7218-0141

www.personalfinance.ph