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# YAMAN Coach

EMPOWERING YOU

## When Education Overlaps with Retirement

by Coach John Hero A. Salvador, RFP®

When it comes to having a family, we see a trend that the age of settling down and having the first child has been delayed. This means having a newborn when a couple is in their late 30's or early 40's and eventually still funding education when the couple is nearing or has begun retirement.

Such a situation can be addressed in the following options assuming not enough was saved and invested: 1) postponing retirement by a few more years; 2) redefining retirement lifestyle; and/or 3) looking for ways to earn more money.

Postponing retirement allows the household to have a continued income source. Extending employment also extends coverage under company-sponsored HMO plans, which coverage can now reach up to the age of 65.

Redefining retirement lifestyle on the other hand provides opportunity to recalibrate retirement planning. What would need to be reforecast are annual spends for subsistence, medical expenses, and leisure expenses. A practical activity for redefining lifestyle is gardening. Gardening enhances overall

wellness of retirees and is a possible source of cost savings (growing own food) and an income source (selling surplus food).

The important thing to remember is that retirement planning should be done in conjunction with education planning. While more challenging, looking for more ways to earn extra money to fund both retirement and education of children is more effective than just cutting costs as a household can only cut cost to a certain extent. Having an extra income will allow a financial plan to be more flexible.

When it comes to funding education, it is more important to have investments placed in a generally more conservative allocation. While college usually starts at the age of 18, by that time, parents would have reached the age when they become more risk-averse. Setting aside education funds in high risk, high return asset class such as equities would already be a thing of the past.

The last thing that should happen is for the parents to get a significant amount of money from their retirement fund just because the investment for the child's education tanked.

As such, it is recommended to have the money invested in moderately aggressive funds such as balanced funds. In doing so, capital appreciation is still the aim while having protection against market downturns.

A final reminder for households in this kind of life situation is the importance of having adequate insurance coverage. Such cannot be further emphasized especially for this case wherein the risk is higher for major health issues, which will negatively impact both retirement and education funds.

The foregoing ideas provide just a general overview on how to manage such life situation. Households are highly encouraged to consult financial planners to provide a more in-depth look at their respective situations and have a well-prepared financial plan to ensure not only their children's education but also a comfortable retirement.



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As useful as sticks and stones are in the caveman days, appliances are such a part of our daily lives today that one cannot imagine what life would be without them. Indeed humanity has come a long way from the most primitive form of tools to the most complex of household appliances.

But useful as they are, appliances can cause quite a drain in your budget. The following tips will help you save money when buying appliances.

- 1) **Buy only what you need** – As often said, a lot of people buy stuff they do not need with money that they do not have to impress people that they don't even like. The money used to purchase appliances that depreciate and which you don't need could be put to better use such as putting it in an investment vehicle that would make your money grow.
- 2) **Make sure you can afford it** – Buying at “zero” interest installment is definitely out of the question as there is no such thing as “zero” interest. It is always best to buy in cash as the price is definitely much more lower. So delay gratification and save for an appliance rather than paying installment.
- 3) **Search for cheaper alternatives** – Do you really need the latest curved screen 4K Ultra HD Smart TV? Wouldn't buying a cheaper flat TV give you the same satisfaction in watching a movie? Another alternative is to look at older models. Appliance stores constantly rotate models. The older models are usually at the back of the store, so start there. If you are lucky you might be able to find a new model with a slight damage selling at a much lower price. Another alternative is to find a second-hand appliance online. Just be sure to test the appliance first.
- 4) **Compare prices** - It is best to look around first and compare prices before you decide to purchase an appliance. You can search for prices on the Internet. Avoid buying on impulse. Always do your research first before making the decision to buy.
- 5) **Skip extra features** – Oftentimes two models

## Nine Ways to Save Money on Appliances

by Coach Atty. Zigfred M. Diaz, CSS, ReB, ReA, AEPP RFP®

have the same base feature. But the “upgraded” model has an advanced feature, which the higher price may not justify. You might not even need the new feature. So, it is time to go back to asking yourself the basic question, “What am I buying this appliance for?”

- 6) **Consider after purchase cost** – Appliances have after purchase cost that need to be considered. For example when buying air-conditioner, make sure you buy a unit with a higher Energy Efficiency Rating (EER) as the higher the EER is, the lower the electricity cost needed to operate it. Another example is when buying an air-conditioning unit, unless you have issues with space, it is best to buy a manual, window type air-condition unit rather than a split type air-condition as the latter cost more in terms of installation and maintenance.
- 7) **Properly maintenance and use** – The proper use and maintenance of appliances saves money. For example, making sure that you do not overload your washing machine would ensure that it would last much longer. Keeping your refrigerator coils clean and regularly having a regular scheduled cleaning of your air-conditioning units can extend the life of these appliances.
- 8) **Time your purchase** – Last year's model of air-conditioning units and refrigerators are often cheaper by June as it is the end of summer. For other appliances, last year's model are usually cheaper by September - October as retailers are clearing out their inventory in order to make space for new items to be sold by Christmas.
- 9) **Review the “Reviews”** – Reading consumer reviews helps you find out other people's experience and opinions are with regard to certain appliances.



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## Editor's Note

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Editor-in-Chief

### The Guarantee

Life is full of uncertainty whether it be in relationships, work, health and, yes, even with investments. And for the mind that has grown weary, coming across a promise, even a seeming one, makes it want to hold on to that promise for dear life.

Always remember that the guarantee is only as good as the guarantor.

And when it comes to investments, take it from us, there is no investment in the world that is fully guaranteed against risks. Not even the government securities of the richest country in the world is without risk. At the very least, there is price and inflation risk. And for the not so well of governments, there is also the risk of default.

However, there is a out of this world investment that is fully guaranteed. It is found in Luke 6:38 and it reads as follows: “Give and gifts will be given to you; a good measure, packed together, shaken down, and overflowing, will be poured into your lap. For the measure with which you measure will in return be measured out to you.”

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