

**ALLOCATION OF REMITTANCES OF OVERSEAS FILIPINO WORKERS'
(OFWS') HOUSEHOLDS IN CEBU, PHILIPPINES**

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University of San Carlos

Cebu City, Philippines

In Partial Fulfillment

of the Requirements for the degree

MASTER IN BUSINESS ADMINISTRATION

by

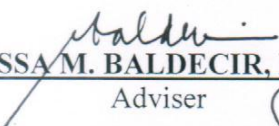
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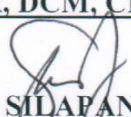
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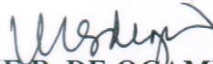
This thesis entitled "ALLOCATION OF REMITTANCES OF OVERSEAS FILIPINO WORKERS' (OFWS) HOUSEHOLDS IN CEBU, PHILIPPINES" submitted by KEVIN C. GALVEZ in partial fulfilment for the degree MASTER IN BUSINESS ADMINISTRATION has been examined and accepted for ORAL EXAMINATION.

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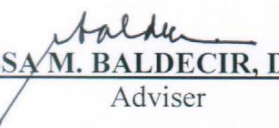

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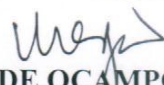

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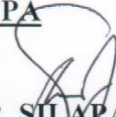

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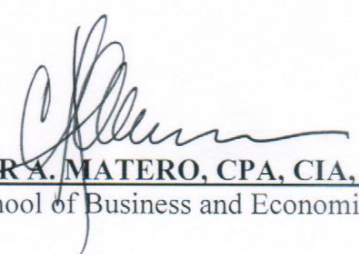

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ABSTRACT

The study evaluated how Overseas Filipino Workers and their households allocate remittances in Cebu, Philippines through determining their socio-economic profile, current household's remittance allocation actions, investment experiences of managing remittances received and factors that affect investment decisions on education.

Review of literature was made with the following topics; i) Overseas Filipino Workers (OFWs); ii) remittances management; iii) personal and household finance; and iv) topics about investments on education. The theoretical framework utilized for this study was the Personal and Family Financial Planning Framework (Kapoor et al., 1988).

The survey was conducted on May-June 2016 in Philippine Overseas Employment Administration (POEA) Regional Center located in Cebu City, Philippines. Moreover, interviews were also performed to document investment experiences of selected OFW households based on family situations identified by Kapoor et al. (1988), classified into either: Singles, Young Couples, Traditional, Moderns, Empty Nesters, or Retirees.

The study found out that most respondents were young, married professionals, earn PHP30,001 to 70,000, follow a monthly budget plan, save PHP 10,000 or less monthly, don't have any multiple loans nor credit cards, spend more on basic necessities, covered with insurance, own several properties, manage business and don't have any will. In addition, factors moderately influence the financial decision to invest for education.

The study concluded that remittances, OFWs' main income, are influenced by other factors, which are crucial factors to consider on investments for education. In addition, younger OFWs don't prioritize investing and most of the respondents don't understand the true importance of sharing. Furthermore, younger OFWs also tend to invest on personal development while older OFWs have more diversified investment portfolios.

The study recommends that the proposed strategies for investments on education should be discussed to OFWs and their household through Overseas Workers Welfare Administration (OWWA), the government's main organization tasked to ensure OFWs' welfare. These actions will improve agency's existing re-integration program.

Key words: Overseas Filipino Workers, Remittances, Personal and Family Financial Planning Framework, Personal Finance, Investments on Education

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Chapter 1

INTRODUCTION

Rationale of the Study

Through the years, Overseas Filipino Workers' remittances contributed to the economic growth and development of the Philippines. According to International Monetary Fund (2013), remittances have increased rapidly to become a significant source of national income, making the country, third, in Asia. On 2012, personal remittances continued to grow in U.S. dollar terms, reaching US\$23.8 billion. Philippines also topped as a remittances receiving country among ASEAN. In addition, 10 percent of the country's GDP is made up of the increasing incoming remittances (Bayangos & Jansen, 2009). This is due to the fact that majority of the remittances received were utilized for household consumption and it impacted the GDP growth rate, positively (Tchantchane et al., 2013).

Increase in remittances are due to increase of Filipinos who work overseas. Remittances, the funds that migrants send back to their families of origin, also, are one of the most consequential impacts of migration for migrant-sending communities (Lu & Treiman, 2006). In the past, most OFWs were men. However, as years progress, more Filipinas have become labor migrants, and currently more than one half of overseas workers from the Philippines are women (Go, 1998; Tyner, 2002; cited by Semyonov and Gorodzeisky, 2005). Because of improved communication, equipped with modern technology and strong international labor market connections, there is an evident increase of workers migration around the globe (Atienza and Webb, 2013). Filipino workers are

not an exception to this trend, what set them apart from other migrant workers are their advanced communication skills in English, education influenced by Western standards, good reputation of being hardworking, adaptable, and optimistic individuals. Filipinos' willingness to accept relatively low compensation and adherence to some Christian values were also added strengths of being an OFW (Macaraeg, 2005). According to Tullao and Cabuay (2012), the main motivation of Filipinos to work abroad is their yearning to increase their source of income. In working overseas, OFWs also seek out new opportunities not only in improving their earning capacity, but also in being exposed to different learning experiences that develops their socio-cultural depth as an individual. According to Custodio and Ang (2012), it's also a strategy for many household in developing nations to work abroad. The recipient family in the home country supports the decision of the migrant worker and anticipates to receive higher income to finance the family's needs. This inclination continue to be a relevant factor of the Philippine growth, especially among households with OFWs, the percentage is progressively rising (Orbeta, 2008).

Educational expenditures and investments are also directly and indirectly influenced by remittances. The value of education can be assessed through input or output method . The input method (accounting point of view) evaluates the resources utilized by families, students, and the state to education. On the other hand, output method (economic point of view) considers what is produced by education including a better standard of living enjoyed by the more educated relative to the less educated. The comparison between the education inputs and outputs leads to measures of efficiency in the use of resources. Moreover, expenditures on education (the input side) are treated as

investment in human capital. The value of such investment is measured by the returns it yields over the lifetime of a more educated person relative to a less educated one (output side), over and above the investment costs (Psacharopoulos, 2006). According to Lucas (1998), human capital formation is vital on the economic growth in long-run. From an economic perspective, a higher income gained from the higher skills will bring more to the graduated student. This response requires that the investment in one's education should truly be a capital investment, an investment that will generate revenue to the one that has the capital. Although this condition depends not only on the capital acquired through graduate education, but also on other factors, mainly those affecting the market situation. Moreover, investment in education is the result of choice, both at the levels of society, the state and the individual, a choice which is necessarily accompanied by giving up something else, that is a choice that has an opportunity cost (Voiculescu, 2009). Elaborated by Lashgari (2010), the return on investment of human capital would open more doors for discoveries, innovations, new products and well-educated professionals.

Most studies revealed that majority of remittances were mainly consumed and only small percentage were saved or invested productively (Chami et al., 2003). Chaaban and Mansour (2012) agreed and mentioned that migrants' household prioritized daily consumptions over savings and investments. Furthermore, in terms of spending patterns, it was evident that remittance-dependent families tend to allocate more on basic household needs like fuel, light, and water. However, the effect of remittances on other equally significant categories like education and medical care, needs more exploration (Tabuga, 2008).

Hence, the study will endeavor to examine how remittances were currently allocated by Overseas Filipino Workers and their recipient household using the Personal and Family Financial Planning Framework (Kapoor et al., 1988) in Cebu, Philippines to further investigate what relevant factors affect financial decisions to not only spend remittances on basic consumption but also prioritize other equally important investments including education.

THE PROBLEM

Statement of the Problem

The study examined the remittance allocation practices of Overseas Filipino Workers (OFWs) and their households and documented their respective investment experiences in order to propose investment strategies specifically for education.

Specifically, the study answered the following research questions:

1. What is the profile of the OFWs' households, in terms of:
 - 1.1 Number of dependents;
 - 1.2 Size;
 - 1.3 Income;
 - 1.4 Age of the OFWs; and
 - 1.5 Age of the household members?
2. Using the Personal and Family Financial Planning Framework (Kapoor et al., 1988), what are:
 - 2.1 current household's remittance allocation actions, through:

- 2.1.1 Obtaining;
- 2.1.2 Planning;
- 2.1.3 Saving;
- 2.1.4 Borrowing;
- 2.1.5 Spending;
- 2.1.6 Protecting;
- 2.1.7 Investing; and
- 2.1.8 Sharing

2.2 investment experiences of the households in managing remittances received;

2.3 factors that affect investments on education, in terms of:

- 2.2.1 Income;
- 2.2.2 Needs and values;
- 2.2.3 Family situation;
- 2.2.4 Career situation;
- 2.2.5 Economic conditions; and
- 2.2.6 Tax situation

3. Based on the findings, what investment strategies, specifically, for investments on education, can be proposed to OFWs and their respective household for them to manage and utilize remittances productively?

Significance of the Study

Given the fact that remittance is the most important source of finance for the Philippines (Tchantchane et al., 2013), this study would be beneficial to the following:

Businessmen and Entrepreneurs. Owners and managers of companies and firms that mainly cater to the needs and wants of the OFW market, that the information gathered on this study will provide them insights on how they can attract and retain their respective target market through looking on the current market's saving, spending and investing patterns.

Overseas Filipino Workers. The modern day heroes of the country, who worked hard to provide the needs of their families, that they understand the essence of investing their earnings wisely not only for private consumption but also for other relevant acquisitions like education.

OFWs' respective family members and loved ones. The direct recipients of the remittances, that they can effectively manage the hard-earned funds by not only putting it to savings but also by initiating other significant investments which includes education.

Philippine Overseas Employment Administration (POEA) and Overseas Workers Welfare Administration (OWWA). They continue to support and protect the welfare of the OFWs around the world and encourage OFWs' recipient families not only to invest in business initiatives but also to significant educational opportunities.

Students and Researchers. This study will be helpful as a reference for additional information in conducting research study on remittances and investment management.

Universities, Colleges and other educational institutions. They consistently keep on providing quality education that will empower the present generation and the generations to come, to compete globally.

DEFINITION OF TERMS

The following are the terms that are used in this study, defined operationally:

Allocation actions refer to financial decisions related to the distribution and management of remittances to gratify OFWs and their respective households' specific needs, wants, and goals. Based on the *Personal and Family Financial Planning Framework* (Kapoor et al., 1988), these actions are obtaining, planning, saving, borrowing, spending, protecting, investing, and sharing.

Borrowing is sustaining control over credit buying habits.

Career situation is the state of the person's financial situation and decisions depending on the availability of work and employment he have.

Dependents are persons who rely from the Overseas Filipino Worker's financial support and they may or may not reside under the same house.

Economic conditions are changing economic circumstances involving supply, demand, and prices that influence personal spending, saving, and investing patterns.

Family situation refers to the different life cycle stages and factors like age, marital status, and ages of children, that requires distinct and diverse financial priorities.

Household is an organization of one or more persons who share a dwelling and manage financial and other resources intended for each member's welfare.

The **household size** is the number of persons living together under the same house with the Overseas Filipino Workers in the Philippines.

Income are funds earned and obtained from employment or through investments.

Investing is allocating of resources to an endeavor with the expectation of acquiring additional income or profit.

Investment strategies are set of tactical financial rules, actions, or processes that give direction and guidance to individuals and households in financial decision-making, in order to achieve a desired state in the future, specifically designed to meet their specific objectives and goals.

Investments on education pertain to financial acts of allocating remittances to purchase and acquire assets or opportunities related to human capital development, with the goal of increasing appreciation and generating higher income in the future.

Needs and values are basic and distinct necessities, wants, principles and the like that shape and influence individual's way of living and financial decisions.

Obtaining is accessing of resources from income through employment or business profits.

Overseas Filipino Workers or **OFWs** are Filipinos who are presently and temporarily out of the Philippines to fulfill an international work contract for a specific length of time or who are presently at home on vacation but still has an existing contract to return and work again abroad.

The **Personal and Family Financial Planning Framework** is a financial framework developed by Kapoor, Dlabay and Hughes in 1988 that comprehensively discussed the importance of personal financial planning management for individuals and households through identifying their unique financial position to achieve their specific needs and goals.

Planning is budgeting of income for spending, saving, and investing.

Protecting is acquiring of adequate insurance coverage for the person, his family and his properties

Remittances are funds sent by Overseas Filipino Workers to their families through various kinds of channels including banks, other financial institutions, friends and relatives.

Saving refers to starting of regular savings plan for emergencies, unexpected bills, and the like, for long-term financial security.

Sharing refers to personal, timely financial decisions on transferring money or property to others.

The **six factors** refer to factors that affect personal financial efforts and decisions. Based on *the Personal and Family Financial Planning Framework* (Kapoor et al., 1988), these factors are income, needs and values, family situation, career situation, economic conditions and tax situation.

Spending pertains to detailed planning of allocation for daily expenditures and other financial obligations.

Tax situations are government interventions in terms of tax revenues and collections that influence personal financial decisions.

Chapter 2

THEORETICAL BACKGROUND

Review of Related Literature

This chapter presents review of literature related to Overseas Filipino Workers' remittances management both in the global and local contexts. It also reviews literature on OFWs, remittances, personal and household finance and investments on education.

Overseas Filipino Workers

Philippines, top labor exporting country in the ASEAN, continue to have an increasing number of educated Filipinos migrating overseas either to reside permanently or simply, to work due to limited domestic employment opportunities and better compensation packages and benefits (Rivera & Reyes, 2011). According to study made by International Monetary Fund (2013), there is approximately 10 million Filipinos abroad, equivalent to around 10 percent of the total population, 18 percent of the working age population, and 25 percent of the labor force. The population of Filipinos overseas grow from 7 million (1997) to 10.5 million (2011), fueled by relevant increase in migration. Moreover, more than 10 percent of households have at least one Overseas Filipino Worker family member. According to Lukas and Stark (1985), decisions linked to migrants' motivation to work overseas were between "altruism" against "self-interest": altruism pertains to migrant's motivation triggered by the welfare of household members while self-interest refers to migrant's motivation shaped by personal investment objectives, anticipating to yield a return in the future.

According to Sicat (2012), OFWs were generally classified to two types: land-based workers and sea-based workers. Land-based workers are OFWs on a temporary work visa and usually holds a contract of work that is consummated before leaving the country. Land-based workers were categorized to highly paid professionals and skilled workers. For highly paid professionals, they can bring their respective families with them for the duration of their contract since they have adequate provision for family living support abroad. Furthermore, skilled workers, on contrary, do not bring their families with them given the fact that their wage can hardly cover their families' living expense, so it's a practical decision to let their families stay in the Philippines. On the other hand, Sea-based workers are seamen and mariners who are working in passenger vessels, container vessels, tanker vessels, and bulk carriers for merchant trade, navigating in the oceans and seas around the world.

The existence of migrant workers within personal networks including families, relatives and friends trigger the likelihood of locals on working overseas through exposure to information and opportunities for employment abroad (Tabuga, 2008). A study conducted by UN-INSTRAW (2008) also confirmed that influence for migration and overseas employment is highly motivated by relatives and friends since Filipinos are known for close family ties.

Based on the 2015 Survey on Overseas Filipinos made by Philippine Statistics Authority, the largest number of OFWs came from Region IVA, commonly known as CALABARZON (Cavite, Laguna, Batangas, Rizal, and Quezon) comprising 17.9 percent of the total OFWs population. Followed by Region III, Central Luzon (15.1 percent) and National Capital Region (11 percent). On the other hand, the smallest number of OFWs

came from Caraga (1.7 percent) and the Autonomous Region in Muslim Mindanao (1.5 percent). In addition, male OFWs outnumbered their female counterparts, with male OFWs comprising 50.3 percent of the total OFWs population. Female OFWs were younger than male OFWs, with more than half (53.8 percent) of the female OFWs under the age range of 25 to 34 years. In comparison, male OFWs under this age range made up 42.1 percent. For leading destination of OFWs, Saudi Arabia (22.1 percent) was still the top choice among OFWs. Other preferred destinations were United Arab Emirates (15 percent); Singapore (7.3 percent); Qatar (5.8 percent); Hong Kong (5.1 percent) and other countries in Western Asia (5 percent). Among occupation groups, laborers and unskilled workers (30.8 percent) was the biggest group of OFWs. The other large occupation groups of OFWs were the service workers and shop and market sales workers (16.7 percent), trades and related workers (12.9 percent), plant and machine operators and assemblers (11.7 percent), and professionals (11.6 percent). More than half of the female OFWs were unskilled workers (51.4 percent) like household helpers, cleaners, launderers and related workers. Among the male OFWs, the largest groups were the trades and related workers (25.1 percent), and plant and machine operators and assemblers (21.5 percent).

Remittances

According to International Monetary Fund (2013), there is an evident increase of incoming remittances through the years, making it a significant contributing source of income of the Philippine economy. Almost 95 percent of households that include at least one OFW report receiving remittances. Remittances have doubled from its annual rates

since 2002. Moreover, remittances continued to rise and set a record breaking \$23.8 billion, in U.S. dollar terms, in 2012. The growing number of OFWs in the locality indicates that incoming remittances in the Philippines are contributed by the large number of employed migrants overseas: more migrant workers in a specific area connotes more recipient households have income through remittances (Tabuga, 2008). According to Tũaño-Amador et al. (2007), there were three main components why there is an evident increase of remittances from OFWs around the world over the years: (1) increase of number of employed workers and immigrants, as what the OFWs and migrants' stocks showed; (2) changes in skill sets and competencies of OFWs through increase in employment rate in service-related industries and white-collar jobs overseas, and (3) the establishment of remittances channels by Bangko Sentral ng Pilipinas and other commercial banks aiming to augment both transparency and competition in the remittance market, accessibility for recipient families, and promoting financial literacy including savings and investments initiatives for OFWs and their loved ones. The priority behind sending remittance is for supporting the household and investment comes as a secondary motivation (Atienza and Webb, 2013).

According to the survey on Overseas Filipinos conducted by Philippine Statistics Authority (2015), the total remittance sent by OFWs during the last quarter of 2015 was estimated at 163.2 billion pesos. These included cash sent home (118.7 billion pesos), cash brought home (35.3 billion pesos) and remittances in kind (9.1 billion pesos). Moreover, majority of OFWs sent their remittance through banks (67.4 percent) while the rest through agencies or local offices (3.1 percent), door-to-door delivery (2.3 percent), friends or co-workers (0.5 percent) or through other means (26.8 percent).

For volume of remittances sent, OFWs working in Asia had remitted the largest amount at 87.6 billion pesos, or an average of 56 thousand pesos per OFW. OFWs working in North and South America remitted an average of 86 thousand pesos per OFW and OFWs working in Europe remitted an average of 78 thousand pesos per OFW.

Of the total cash remittance sent by OFWs, the remittance sent by laborers and unskilled workers comprised the biggest share at 19.2 percent or 22.9 billion pesos, or an average remittance of 38 thousand pesos per OFW who is an unskilled worker. The total remittance of OFWs working in Asia, comprising 81.2 percent of all OFWs, accounted for 73.8 percent of the total cash remittances. From other countries, the percentage shares are as follows: North and South America, and Europe (9.9 percent), Australia (3.9 percent) and Africa (2.5 percent).

According to Bangko Sentral ng Pilipinas (2014), the total Overseas Filipinos' cash remittances, in U.S. dollar terms, \$24.3 billion, was mainly divided to two categories: land-based (77 percent) and sea-based (23 percent). In terms of geographic diversification of host countries, the share of cash remittances from Americas, where United States and Canada belong, consistently lead the highest contributor of cash remittances (45.9 percent), followed by Middle East (21.9 percent), Europe (15.4 percent), and Asia (14.6 percent). On the other hand, Oceania (2.1 percent) and Africa (0.1 percent) have the lowest contributions of cash remittances in 2014.

Household Finance

The household embodies a unique organizational structure that makes its occupants interrelated. According to Bryant (1995), a household is an organization of one or more people who share a dwelling and share financial and other resources intended for the well-being of its members. It requires more involvement and sharing to qualify as a household when there are multiple members. In addition, the household is the principal organization intended to handle the financial and other personal activities of one or more people and to foster the achievement of their goals (Samuelson, 1956; Becker, 1981). The household comes in many organizational forms, which, as with a business organization, influence its financial, legal, and tax situations. Financial efficiencies can result from multi-person household through reduction in income fluctuation, specialization of tasks, and economies of scale: if two people work they reduce the risk of a cut-off in income in the event of sickness or job layoffs. Specialization in household activities can be completed more quickly and with higher quality. Sharing of fixed costs for shelter and other goods offers greater economies of scale (Altfest, 2007).

Household finance is a composition of theories from economics. According to Altfest (2007), looking through a micro level perspective, several theories can be examined. The theory of consumer choice describes the method through which people select goods and services to satisfy their needs. Furthermore, a wider array of goods and services are presented to the consumers in modern times. However, the consumer don't have the capability and resources to avail them all, so he will decide which specific items will he buy based on certain preferences. Those preferences come from utility, used in economic theory to quantify satisfaction that a particular item presents. (Altfest 2007).

According to Modigliani (1980), the life cycle theory of savings can be derived from the theory of choice. The life cycle theory of savings shifts from the theory of choice's hard-to-measure utility to concrete money terms. The theory assumes that utility can be measured in money terms and presents a specific premise about how people make decisions. Moreover, it states that the spending decisions are based not on the amount of income currently earn but on the total amount expected to earn over the entire life cycle. The life cycle theory of savings also stated that once the consumers established their lifetime resources, they try to maintain a constant level of expenditures throughout their respective life cycle; they try to maintain the same standard of living over their lives. The life cycle approach has great significance for households since it states that households are not impulsive consumers who spend all the money they generate. Instead, households are planners whose actions extend beyond their current resources and pleasurable activities to their future needs and assets. The simple form of the theory assumes, like the theory of choice that risk and inflation are not present and that people act logically to pursue their goals. According to the life cycle theory of savings, borrowing generally takes place early in the household's life, when income is low. With that, household can raise their consumption expenses and then attempt to even it out over their lives. As the income rises, household pay off their debt and save for retirement. In retirement, when work-related revenues have stopped, savings are steadily liquidated to maintain their cost of living. At death, there are no assets remaining. In essence, the goal is to "die broke".

Muellbauer (1974) also emphasized the significance of household production theory. The theory states that the household acts as a manufacturer of commodities used internally (own consumption) and externally (others' utilization). In addition, the

household can be viewed as producers of goods and services any time of the day. Some add directly to revenues, others support revenues through, keeping the household healthy and ready during the time allocated to work. The rest of the time and money is devoted to pleasurable activities. This was described as the household enterprise, which is an entity that engages in certain tasks for an end result. The household enterprise attempts to run household as efficiently as possible in order to provide as much time and money as possible for activities that the household enjoy doing. Therefore, a household is a leisure-seeking enterprise (Altfest, 2007).

Markowitz (1952) discussed the importance of modern portfolio theory in personal financial planning: (1) investments should be viewed as part of a portfolio, not an individual entity; (2) in making a decision whether to purchase an investment, one should not analyze return alone but also analyze return on risk: the higher the risk, the higher the potential return; and (3) overall risk is influenced by the degree of diversification among assets in the portfolio: the more dissimilar the assets are or the lower the correlation among them, the lesser the risk for the portfolio. However, the modern portfolio theory is mainly restricted to marketable financial investments like as stocks and bonds. OFWs can be classified as investors. OFWs have gone overseas to build up life-time assets and looks for best opportunities to utilize the earnings. Given the knowledge and networks in the home country, the desire to eventually return and have some investment opportunities at home is high. This behaviour may lead to a procyclical pattern in remittances as investment opportunities at home are better when the economy is booming. The portfolio of the OFW is likely to contain financial and non-financial assets of the home and of the host country. If the boom in the home country is

accompanied by a recession in the host country, the investor will shift to home assets but, if the business cycles of home and host country are synchronized, no adjustments will be made in the portfolio (Bayangos & Jansen, 2009).

Total Portfolio Management (TPM) is the essential arm of financial planning theory. The household has various assets that can be utilized to earn more. These valuable assets are categorized separately including financial assets (stocks and bonds); earning power of employment; home ownership; and household equipments to save time, money, and provide pleasure. On the other hand, certain obligations are also vital to total portfolio management which includes financial liabilities like mortgages and credit cards, fixed-expenditure obligation like maintenance, bills, and the like. These assets and obligations form a household portfolio. The revenues less the overhead expenditures is the return or profits of the portfolio. TPM's focus is to provide the highest return possible for the household portfolio, given the resources and risk preferences (Altfest, 2007).

According to the studies conducted by UN-INSTRAW (2008) and International Monetary Fund (2013), more than half of the household respondents confirmed that they received remittances monthly. Remittances are utilized for household consumption including food, electricity, and the like, as well as, education and health care. Moreover, remittances cover salaries for local nannies and workers attending the needs of the OFWs' dependents like children and elderly family members. Migrant parents consider giving good education to their kids, a necessity. On the other hand, migrant children prioritize the health and medical needs of their aging parents. If basic needs are already obtained, investments for housing through acquisition or renovations are the next objectives of OFWs and their families. Furthermore, purchase of appliances and luxury products

permit OFWs and their respective families to differentiate their social status in the community. Remittances are also wisely allocated for investments on real estate, agricultural land, education, healthcare and pension plans based on the surveys initiated by UN-INSTRAW and International Monetary Fund. In addition, allocation of remittances are influenced by migrant's income, return intention, economic performance and exchange rate (Carling, 2008).

As stated in PSA's Overseas Filipino Survey (2015), a total of 1.9 million OFWs sent cash remittances to their families. Of this number, 40.7 percent were able to set aside savings from their cash remittances. In addition, about 42.2 percent OFWs who had remitted cash to their families had savings from cash remittances sent in 2012. Regardless of the amount of the cash remittances sent, for every ten OFWs, six (61.7%) were able to save less than 25 percent of the total amount received, two (21.6%) were able to save from 25 percent to 49 percent of it, and about two (16.7%) saved 50 percent or more. In addition, according to International Monetary Fund (2013), only 27 percent of households have access to formal banking, this propose a relevant role for remittances in providing a stable stream of disposable income to stabilize consumption, especially among relatively poorer remittance recipients in the Philippines.

Every person, family, or household has a unique financial position, and any financial activity must also be carefully planned to meet specific needs and goals. A well rounded financial plan can enhance the quality of life and lessen dissatisfaction. The benefits of personal financial planning include increased effectiveness in obtaining, using, and protecting financial resources throughout lifetime; increased control of financial affairs by avoiding excessive debt, bankruptcy, and dependence on others for

economic security; improved personal relationships resulting from well communicated financial decisions; and sense of freedom from financial worries by looking to the future, anticipating expenses and achieving personal economic goals (Kapoor et al., 2012).

Furthermore, Tabuga (2008) pointed out that studying the micro level effects of remittances on direct households perspective are seemed vital and essential to assess impact of remittances on the local economy's development. Furthermore, evaluating the savings and expenditure behaviors of the recipient families are indication if remittances are productively spent or not.

Investments on Education

According to Markowitz (1952), there are two major dimensions connected to the concept of investment: time and portfolio. The time dimension can be linked to the idea that investment models can be utilized on either an ex ante basis (initial investment decisions) or an ex post facto basis (decisions about maintaining or terminating existing investments). On the other hand, the portfolio dimension is related to the idea that investment models can be used to aid decisions involving single or many components. Investment models within this framework involving the two dimensions, must be effective to deal with costs and benefits considering time and conditions of risk or uncertainty (Cornachione, 2010). Moreover, in making investment decisions, including investments on education, the correlation between risk and return is essentially considered mainly in circumstances involving numerous alternatives with restrictions. Therefore, stronger investment models are not only relying on estimation of imbursements and spendings but also give consideration on the economic benefits and

opportunity costs involved (Fiegenbaum and Thomas, 1988, cited in Cornachione, 2010).

According to Swanson and Holton (2001), the human capital theory, which emphasized the value of education, defined human capital as the knowledge, expertise, and skill one accumulates through education and training. There were three evident key relationships and assumptions represented: the first relationship represents the concept of production functions as applied to education and training and the assumption is that investments in education and training result in increased learning; the second relationship represents the human capital relationship between learning and increased productivity and the assumption is increased learning leads to increased productivity; and the third relationship represents the human capital relationship between increased productivity and increased wages and business earnings and the assumption is greater productivity result in higher wages for individuals and earnings for business. In addition, citizenship processes are affected by education and enhanced social efficacy. The basic theory underpinning human capital is very simple: the formation of human capital entails the sacrifice of resources today for the sake of a stream of benefits in the future (Becker, 1964; Mincer, 1974, cited in Psacharopoulos 2006). Becker (1993) also stated that "firm-specific" human capital, which pertains to the expertise obtained through education and training in management information systems, accounting procedures, or other expertise specific to a particular firm from a "general-purpose" human capital, which refers to the knowledge gained through education and training in areas of value to a variety of firms such as generic skills in sales and marketing, or expertise in human resource management.

As quoted by Psacharopoulos (2006) on his study, the concept of investment in education is summarized in a famous passage in Adam Smith's (1776) *Wealth of Nations*: "A man educated at the expense of much labor and time . . . may be compared to one . . . expensive machine...The work which he learns to perform . . . over and above the usual wages of common labor, will replace the whole expense of his education." According to McMahon (1997), among the benefits of investing to education include employability, higher earnings, labor market flexibility, greater mobility, higher productivity, greater consumer efficiency, healthier family, lower crime rates, better social cohesion and voter participation (McMahon, 1997, cited in Psacharopoulos, 2006). In addition, human labor and intellectual endeavors have created income for individuals and their organizations. Income resulting from employment at public and private enterprises comprises the primary source of funds for many individuals. Human labor and knowledge has further created value added for business enterprises (Greenspan, 2007, cited in Lashgari, 2010).

According to Psacharopoulos (2006), there are two perspectives in studying the value of investment in education, either through an individual student or private investor's approach (the costs a person incurs while studying can be compared with the benefits one enjoys as a graduate and the costs are the forgone earnings, tuition, and other out-of-pocket expenses for the student and his or her family, and the benefits are the difference in post tax earnings between more and less educated workers of the same age) or through looking to the whole country or state's perspective (the state spend on education, and the benefits are realized in terms of the presumably higher productivity of the more educated workers and the cost is much higher than what individuals pay for their education because of the public subsidization of education). Relevant characteristics of an

investment portfolio including age, wealth, and education or human capital should be taken into consideration. These characteristics greatly affect the investment choices among varying age groups, wealth, and those endowed with human capital such as entrepreneurs (Elton et al., 2007 cited in Lashgari, 2010).

According to Lashgari (2010), the return on human capital investment would lead to discoveries, innovations, new products and well educated students. Furthermore, the evaluation of the role of human capital in enhancing the firm's performance is validated, assessing the behavior of domestic and international common stock prices, investment patterns of individual investors and entrepreneurs, as well as university endowment funds. Among the observations include (1) investors paying attention to human capital were more likely to earn superior return and (2) the stock of human capital and the phases of the life cycle would both appear to influence individuals' asset allocation. In addition, the level of schooling associated with the most externalities has already been considered in order to correct the hierarchy of the returns to education. According to Birdsall (1996), the returns to higher education probably are underestimated, given the assumed externalities university graduates bring to the economy. On the other hand, if externalities by level of schooling are considered, then primary education probably has the highest externalities (Psacharopoulos, 1996).

Education can enhance a person's quality of life and stated that improving individual's education is through pursuing higher education. Moreover, education is a capital expenditure that yields a return on human asset that requires educational planning: programming of direct financial and time resources that enables household members to

improve their capabilities, typical through enrolling at a college or university (Altfest, 2007).

According to Altfest (2007), educational planning can start through making an educational policy statement. Moreover, Educational policy statement is a financial plan that sets out the goals, costs, and best method for achieving the educational objectives desired. The process is expressed on series of steps that serve as building blocks for the totality of the theory. The first step is to establish educational goal, the second step is to calculate the cost of education, the third step is to project the potential for financial aid, the fourth step is to estimate the total cost for parents, the fifth step is to determine best savings structures, the sixth step is to establish investment policy and finally, the last step is to estimate the amount of annual funding needed. At this point, all the quantitative inputs that are required have been established.

Theoretical Framework

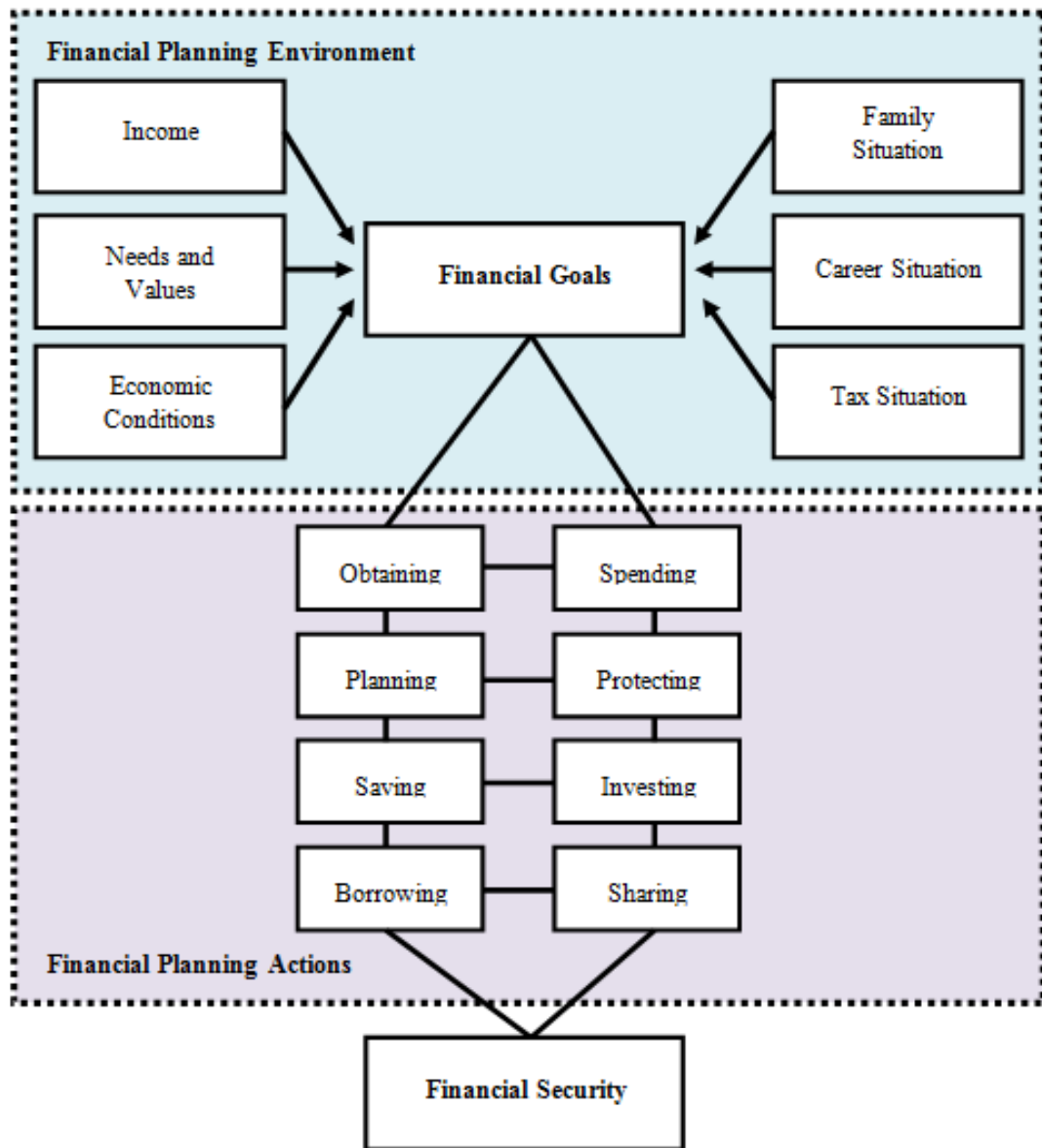


Figure 1. Personal and Family Financial Planning Framework (Kapoor et al., 1988)

Personal and Family Financial Planning

All through existence, individuals and families have necessities that can be gratified by strategic use of available financial resources. The theoretical framework utilized in the study is the Personal and Family Financial Planning Framework developed by Kapoor, Dlabay and Hughes (1988) that defined personal financial planning as the art and science of managing money to work for the individual or the family and live within their means. Furthermore, financial planning is the process by which the person or the family take control of their financial situation, through recognizing that they have unique financial position to meet their specific needs and goals (Kapoor et al., 1988). In addition, maximization and optimization refer to the mechanism through which individuals obtain the highest possible satisfaction from an activity. Exposed to range of preferences and limited resources, people make decisions designed to maximize utility and optimize current resources to get the most satisfaction (Altfest, 2007).

Financial planning is a dynamic process that requires constant reassessment of financial decisions. Kapoor et al. (1988) emphasized that personal financial planning efforts are shaped by both personal, social and economic factors:

1. *Income*. Income level influences financial planning by not directly basing the amount of income available but on how current resources can be utilized, this will help individuals recognize means for increasing income through additional education or new careers.
2. *Needs and Values*. Basic needs and wants for daily living affect the spending and saving decisions depending on resources available; some people spend their entire income on consumption items like food, clothing, and furniture while other

save and invest portion of their income or purchase insurance to achieve a degree of financial security. These habits reflect the specific values and goals of the individual and family.

3. *Family Situation.* Life-cycle stages, as what is shown on Table 1, greatly affect one's financial planning. Age, marital status, and ages of children influence financial choices. An unmarried individual will have different financial priorities from the married couples. In addition, Table 2 illustrated the financial activities related to diverse family groups.

Table 1.

Major Financial Tasks in the Adult Life Cycle

Age	Financial Tasks
18-24	<ul style="list-style-type: none"> • Train for career • Establish household and attain financial independence • Develop savings and investment plan • Purchase insurance • Create effective financial record-keeping and planning system • Make will
25-34	<ul style="list-style-type: none"> • Provide for expanding housing needs and living costs • Expand career goals • Manage increased need for credit • Purchase additional insurance coverage
35-44	<ul style="list-style-type: none"> • Upgrade career training • Maximize protection for major income earners • Establish and work toward retirement goals • Provide greater income for expanding needs
45-54	<ul style="list-style-type: none"> • Maximize investments • Evaluate and update retirement plans • Analyze and adjust estate plan as needed • Evaluate future financial needs of parents or other dependents
55-64	<ul style="list-style-type: none"> • Consolidate financial assets • Plan for part-time or volunteer work during retirement • Investigate housing location and expense for retirement
Over 65	<ul style="list-style-type: none"> • Adjust living conditions and spending based on health and income • Obtain assistance with managing financial affairs • Finalize estate plan

Table 2.

Family Situation and Financial Activities

Group	Financial Profile
Singles (one in household, average age: 35)	Least active group for investing; group reporting most disorganized financial records
Young Couples (two in household, both working, average age: 39)	Least conservative investment strategy; seek advice from financial advisers and publications
Traditionals (married, one income, two children; average age: 39)	Most likely group to use budget; quite conservative investments, such as savings bond
Moderns (married, two incomes, two children, average age: 39)	High expenses for transportation due to two workers and transporting children; least likely group to own stock; concerned about their high level of debt
Empty Nesters (two in household, one working; average age: 56)	High level of satisfaction with finances, high level of accumulated wealth; spend the most per person on food
Retirees (two in household, at least one retired, average age: over 65)	Most satisfied with finances; high level of investments, low level of debt; low amounts spent for clothing, transportation, and housing

4. *Career Situation.* The person's financial situation and personal economic decisions will be depending on the availability of work and the salaries and wages they obtained.

5. *Tax Situation.* Just as the individual depend on wages or other income to pay living expenses, the government plays a vital role in terms of tax revenues and collections. Tax payments are essential element in financial plan influencing financial decisions.

6. *Economic Conditions.* Personal financial planning is also formed by changing economic circumstances involving supply, demand, and prices. Moreover,

spending and saving patterns may vary depending on inflation, employment, interest rates, and taxes.

According to Kapoor et al. (1988), eight main components of personal financial planning must be coordinated to achieve successful financial existence. Financial planning efforts in managing personal resources will involve these important components:

1. *Obtaining* refers to the accessible resources mainly from income through employment or business profits. The capacity to boost income will result from increased education, career advancement, or higher profits. In addition, obtaining financial resources is the main basis of one's financial plan since resources will directly affect other financial actions.
2. *Planning* refers to budgeting of income for spending, saving, and investing. Strategic allocation of existing resources to expenses while setting aside portion for saving and investing for financial security is vital key in planning. Efforts made to anticipate expenditure and other financial decisions can help lessen uncertainties.
3. *Saving* refers to starting a regular savings plan for emergencies, unexpected bills, replacement of household items or purchase of special goods and services for long-term financial security. Once the essential savings component has been established, extra funds saved can be utilized for relevant investments that present better returns.

4. *Borrowing* refers to sustaining control over credit buying habits. Management of individual credit to avoid excessive credit payments is critical in achieving financial goals. Moreover, overuse and misuse of credit lead to personal economic challenges.

5. *Spending* refers to detailed planning of allocation for daily expenditures and other financial obligations. Rational financial decisions in prioritizing needs from wants are important aspects of financial planning. Management of one's spending is a must to gather resources for future financial security.

6. *Protecting* refers to acquiring of adequate insurance coverage for the person, the person's family and their properties. Oftentimes, this financial necessity is an overlooked factor of most financial plans.

7. *Investing* refers to allocating of resources to an endeavor with the expectation of acquiring additional income or profit. Various types of investments are available including stocks, real estate, education, and rare coins, depending on the person's needs and goals.

8. *Sharing* refers to personal, timely financial decisions on transferring money or property to others. Maximizing benefits for family members while minimizing taxes is a primary goal to estate planning. In addition, analysis of property transfer methods can aid an individual to choose course of action for funding current and living costs, educational expenses and retirement needs.

Thus, financial planning is not only individual and family centered, but also future oriented. A comprehensive financial plan can enhance the quality of life by reducing

uncertainty about future needs and resources. Furthermore, this blueprint for financial security helps foster sense of well-being and fulfilment in completing the preferred way of living (Kapoor et al., 1988). In addition, knowing the motivation and allocation decisions of remittances will give a better understanding of migrant's decision-making process which lead to programs and trainings to aid migrants make better financial decisions (Atienza and Webb, 2013).

Conceptual Framework

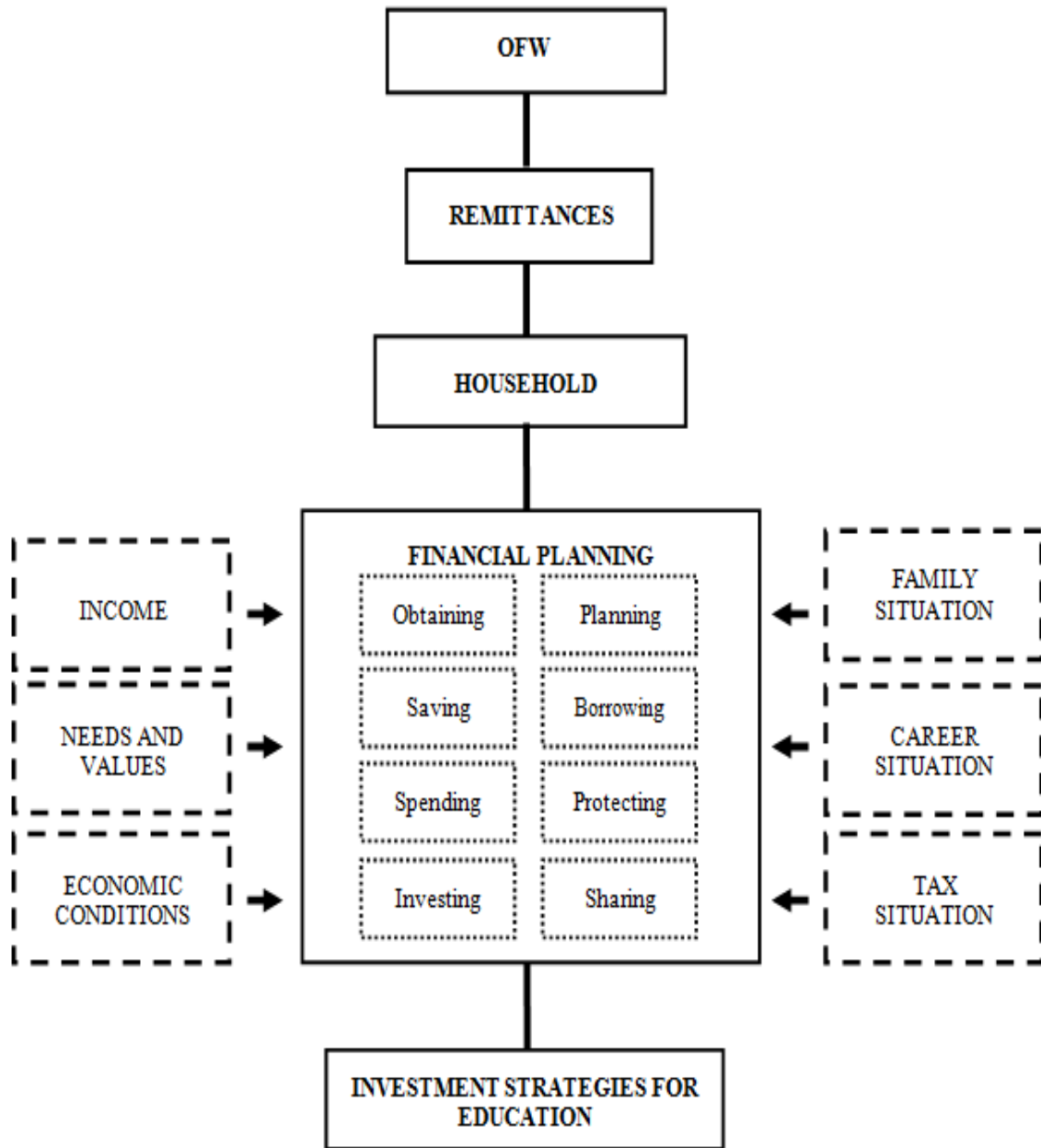


Figure 2. Conceptual Framework of the Study

The conceptual framework of the study employed the Personal and Family Financial Planning Framework developed by Kapoor, Dlabay and Hughes (1988). OFWs and households' socioeconomic profile refers to their number of dependents, household size, income and age of both OFWs and members of the household. According to Alfest (2007), the household is the organizational structure that incorporates all financial activities: it signifies logical financial actions and draws personal financial planning objectives together. As remittances were accepted and managed by the households, some financial actions were made: obtaining, planning, saving, borrowing, spending, protecting, investing and sharing. These major financial actions are influenced by dynamic personal, social, and economic factors that affect financial decision for investments on education.

Depending on the profile of a specific household, it is assumed that some households value education and allocate remittances to investments on education since it is an asset purchased with the hope that it will generate higher income or appreciate in the future (Swanson and Holton, 2001). Moreover, the six factors: income, needs and values, economic conditions, family situation, career situation and tax situation, that affect financial planning decisions, were evaluated and analyzed.

Based on the findings, the researcher proposed investment strategies to OFWs and their respective families, enabling them to utilize remittances productively not only for final consumptions but also for essential investments like education.

Tabuga (2008) emphasized that evaluating closely the micro level impacts of remittances on direct household's perspective is relevant to assess effects in the growth and development of nation's economy and examination of expenditure, savings and

investment behaviors will indicate if remittances are wisely utilized or not. Emphasizing the social and economic importance of human capital theory, Becker (1993) mentioned the economist, Alfred Marshall's dictum that "the most valuable of all capital is that invested in human beings". Regardless of the application, education and training are the most important investments in human capital (Becker, 1993, cited in Swanson and Holton, 2001). According to Atienza and Webb (2013), although studies on remittances in the Philippines continue to increase through the years, majority of the researches concentrated on macro quantitative analysis involving Philippines' productivity and economic growth as a nation while very few give greater emphasis to the allocation of remittances of OFWs between short term household support and longer term investments. In addition, allocation of remittances for education in the Philippines need further research and analysis (Tabuga, 2008).

Chapter 3

RESEARCH METHODOLOGY

The study used a descriptive research design which includes elements of both quantitative and qualitative research methodologies. The term descriptive research refers to the type of research question, design, and data analysis that were applied to evaluate how Overseas Filipino Workers and their household allocate remittances using the Personal and Family Financial Planning Framework (Kapoor et al., 1988), in order to propose investment strategies, specifically, for investments on education.

Research Environment

The pre-testing of initial survey questionnaire was self-administered by the researcher on April 2016 during the Entrepreneurship and Business Planning Seminar hosted by Overseas Workers Welfare Association (OWWA) at their Visayas Office, 2nd Floor, DOLE 7 Building, Gorordo Avenue corner General Maxillom Avenue, Cebu City, to a total of 30 respondents, who are vacationing and previous OFWs coming from different provinces in Visayas. Reliability and validity of the items in the questionnaire were carried out for the study.

The actual survey was conducted on May-June 2016 in Cebu City, Philippines, particularly in Philippine Overseas Employment Administration (POEA) Regional Center for Visayas, situated at the ground floor of the DOLE Building (old Insular Building), corner General Maxilom Avenue and Gorordo Avenue Cebu City. POEA provides

assistance to Filipino migrant workers through industry regulation, employment facilitation, OFW's welfare, general administration and support services. Furthermore, POEA Regional Center for Visayas also accommodates the needs of OFWs from neighboring provinces including Bohol, Leyte, Siquijor, and Negros.

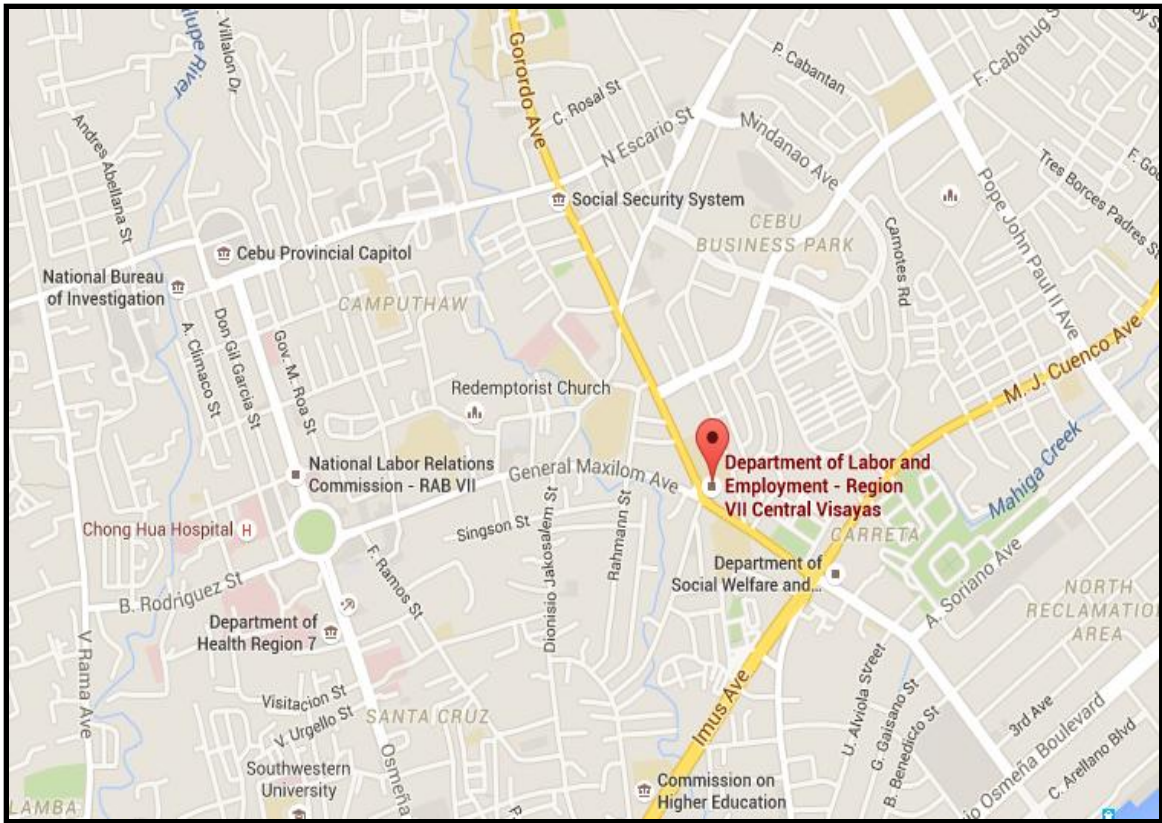


Figure 3. Map of POEA Regional Center for Visayas

Research Respondents

Since the research focuses on evaluation of allocation remittances on investments using Personal and Family Financial Planning Framework (Kapoor et al., 1988), the respondents of the study were the walk in Overseas Filipino Workers who are processing their Overseas Employment Certificate through the Balik Manggagawa Processing

System within the office premises of the Philippine Overseas Employment Administration (POEA) Regional Center for Visayas-Cebu. The convenience sampling design was employed through conveniently identifying the respondents available on the area during the time of data gathering.

The number of participants was determined using Sample Size to Estimate the Average, that is,

$$n = \frac{z^2 \delta^2}{E^2}$$

Where n is the number of respondents, z is the standard score equivalent to confidence level, δ is an estimate of the population standard deviation, and E is the margin of error. Using a 90% confidence level ($z = 1.645$), $\delta = 0.50$, and $E = \pm 5\%$,

$$n = \frac{1.645^2 0.50^2}{0.05^2} = 271$$

Thus, the required sample size for this study is 271 OFWs.

Research Instruments

The research instruments that were used in the study are survey questionnaire and interview guide. The eight-page survey questionnaire was self-administered by the researcher. It was divided into four sections.

The first section sought to know the social-demographic background of the respondents including the number of dependents, household size, income, age of the OFWs, and age of the household members.

The second section was series of questions on a five-point Likert-type scale concerning the eight financial planning allocation actions. Respondents indicated whether each response was “strongly agree”, “agree”, “neither agree nor disagree”, “disagree”, or “strongly disagree” on their financial decisions in terms *Obtaining, Planning, Saving, Borrowing, Spending, Protecting, Investing* and *Sharing*.

The third section was series of questions on a three-point Likert-type scale involving factors based on Kapoor's Framework: *Income, Needs and Values, Family Situation, Career Situation, Economic Conditions, and Tax Situation*, influencing the eight financial allocation actions. Respondents indicated whether each response was “great influence”, “moderate influence”, or “not an influence” for each factors.

The fourth section was series of questions on a three-point Likert-type scale involving the same factors influencing investments on education. Respondents indicated whether each response was “great influence”, “moderate influence”, or “not an influence” for each factors affecting investments on education.

On the other hand, an interview guide was used by the researcher to document investment experiences of selected households in managing remittances received. These selected households was chosen based on the family situations and profiles stated on the theoretical framework of the study. According to Kapoor et al. (1988), family situations are classified into either *Singles, Young Couples, Traditional, Moderns, Empty Nesters, or Retirees*.

Research Procedures

Gathering of Data. Survey questionnaire was formulated to acquire the needed information relevant in answering the statement of the problem. The researcher briefed the respondents of the nature of the study and solicited their participation. Returned and accomplished survey questionnaires were collated. Separate interviews were also made to few selected OFWs to document investment experiences. Literature review was also carried out in the study through academic journals, books and online sources to provide supporting information in the study.

Treatment of Data. Data collected from the survey were treated with confidentiality. Furthermore, data were evaluated comprehensively based on the conceptual framework of the study and were sorted, tallied and tabulated for statistical presentation, analysis and interpretation.

When all completed questionnaires were retrieved, these were encoded in Microsoft Excel where responses of the participants were coded using numeric variables. These were imported to SPSS or Statistical Packages for the Social Sciences for statistical analyses.

To determine the profile of the OFWs' households based on number of dependents, size, income, age of OFWs and age of the household members, descriptive statistics was employed using percentage distribution.

To examine current household's remittance allocation actions, descriptive statistics was also employed using means and standard deviations, and interpreted by using a standard guide developed by NIH Scoring System

(http://grants.nih.gov/grants/peer/guidelines_general/scoring_system_and_procedure.pdf)

but in the reverse scoring procedure. The following ranges were adopted:

Range of Score	Descriptor	Interpretation
4.51 – 5.00	Strongly Agree	Very Important
3.51 – 4.50	Agree	Important
2.51 – 3.50	Neutral	Fairly Important
1.51 – 2.50	Disagree	Slightly Important
1.00 – 1.50	Strongly Disagree	Not Important

To assess the specific factors including income, needs and values, family situation, career situation, economic conditions and tax situation, that affect financial decisions to investments on education, means and standard deviations were employed. These were then interpreted using the following ranges adopted on the reverse scoring procedure from the standard guide developed by NIH Scoring System:

Range of Score	Descriptor	Interpretation
2.51 – 3.00	Great Influence	High Impact on Financial Decisions
1.51 – 2.50	Moderate Influence	Moderate Impact on Financial Decisions
1.00 – 1.50	Not an Influence	Low Impact on Financial Decisions

All statistical analyses were generated using SPSS and statistical significance was evaluated at the 0.05 level. Ultimately, the analyzed and interpreted data gathered from survey and interviews are the basis of the proposed investment strategies for education to OFWs and their household to manage remittances productively.

Chapter 4

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

This chapter presents the findings of the study with descriptive interpretations and implications. Furthermore, this chapter discusses the results based on the research questions of the study.

The Profile of the Overseas Filipino Workers and their Households

Table 3.

Gender of Respondents

	Frequency	Percent
Male	166	61.3
Female	105	38.6
Total	271	100

It is evident that majority of the Overseas Filipino Workers who participated for the study were male, who comprises 61% of the total respondents while 39% who took the survey were females. Moreover, these coincides with recent findings of Philippine Statistics Authority (2015) that there are more male OFWs than their counterpart in Visayas, specifically in Region VII, Central Visayas.

Table 4.

Age Group of Respondents

	Frequency	Percent
Less than 25 years old	28	10.33
25 - 34	116	42.80
35 - 44	77	28.41
45 - 54	37	13.65
55 years & above	13	4.80
Total	271	100

Table 4 illustrates that majority of the OFWs who took the survey are between 25 to 34 years old, which makes up 43% of the total respondents. In addition, 28% are OFWs between 35 to 44 years old, 14% are OFWs aged between 45 to 54 years, 10% are OFWs who are younger than 25 years old and 5% are OFWs who are 55 years old or older. Furthermore, the findings of the study agree with recent Overseas Filipino Worker survey results of Philippine Statistics Authority (2015) that the said age bracket has the highest population in the Visayas region.

Table 5.

Civil Status of Respondents

	Frequency	Percent
Single	114	42.1
Married	138	50.9
Domestic Partnership	4	1.5
Widowed	5	1.8
Divorced/Separated	10	3.7
Total	271	100

As can be seen in Table 5, more than half of the total respondents are married OFWs, followed by single OFWs at 42%, and the remaining number of respondents are

composed of OFWs who are either divorced, separated, widowed or in a domestic partnership. Having more married OFWs imply that financial decision making will not only involved around personal needs and wants but will also be impacted with relevant factors concerning their dependents' welfare that will affect the allocation of remittances earned.

Table 6.

Educational Attainment

	Frequency	Percent
High School Graduate	35	12.9
College	175	64.6
Vocational/Technical	56	20.7
Graduate School	5	1.9
Total	271	100

Illustrated in Table 6, approximately 65% of the respondents are college graduates with degree in fields of business and management, engineering, education, information technology and medical related courses, 21% were able to finish vocational and technical courses, 13% are high school graduate and the remaining 2% acquired post graduate degrees. According to Custodio and Ang (2012), majority of these OFWs who are college graduate are reasonably young, flexible and undoubtedly capable of doing more. Most of these graduates are employed under administrative, managerial, professional, and technical fields. Although highly educated, there is also an alarming fact that there is an increase in number of college graduates who are currently working in domestic and services category that entails mismatch of acquired training and jobs needed abroad.

Table 7.

Number of Dependents

	Frequency	Percent
1-3 persons	161	59.4
4-6 persons	90	33.2
7-9 persons	17	6.4
10 or more persons	3	1.1
Total	271	100

As specified in the study, dependents are persons who rely from the Overseas Filipino Worker's financial support and they may or may not reside under the same house. As shown in Table 7, more than half of the respondents supports one to three persons as their dependents for the remittances they send, 33% provided their earnings to four to six persons and the remaining number of respondents offer their financial assistance to seven or more dependents. In addition, these dependents are persons not only within the family circle but also are relatives and friends that the OFWs are currently helping.

Table 8.

Household Size

	Frequency	Percent
1-3 persons	72	26.6
4-6 persons	155	57.2
7-9 persons	33	12.2
10 or more persons	11	4.1
Total	271	100

The household size, defined in this study, as the number of persons living together under the same house in the Philippines who directly receive the OFW remittances show that 57% of the respondent's household are four to six persons big, 27% consists of one

to three persons, 12% are made up of seven to nine persons, and the remaining 4% have ten or more persons residing under the same roof. The typical four to six persons household size is a composition of the spouse, one or more children, at least one relative like the parents and siblings of the OFWs or his spouse, or non relative like a helper or a nanny.

Table 9.

Age, Residence and Current Education Status of Dependents

	Age Range	Mean	Frequency	%	Living in Same House	%	Currently Studying	%
Father	47-86	62.68	98	36.16	87	88.78	0	0
Mother	45-87	61.57	136	50.18	123	90.44	0	0
Brother	14-55	25.09	67	24.72	59	88.06	26	38.81
Sister	11-43	23.24	63	23.25	60	95.24	32	50.79
Spouse (Wife/Husband)	23-59	39.35	131	48.34	129	98.47	0	0
Son	1 month-39	12.95	133	49.06	132	99.25	103	77.44
Daughter	6 mos-35	12.14	105	38.75	102	97.14	83	79.04
Grandson	2 mos-12	4.82	10	3.70	9	90	4	40
Granddaughter	1-13	4.71	7	2.59	7	100	3	42.86
Father-in-law	60-82	68.88	8	2.95	6	75	0	0
Mother-in-law	49-79	64.13	15	5.54	14	93.33	0	0
Son-in-law	23-29	26	2	0.74	2	100	1	50
Daughter-in-law	18-34	24.4	10	3.70	9	90	3	30
Other Relative/s	6-80	20.63	34	12.55	26	76.47	21	61.76
Non-Relatives	17-31	25.45	19	7	19	100	2	10.53

Majority provided their fathers, mothers, spouses, and their children as their dependents. In addition, some respondents considered their siblings, in-laws, grandchildren, relatives including niece, nephews, cousins and non relatives including

helpers, nannies, and close friends, as their additional dependents. According to Root (2005), the Filipino household are highly collective, hierarchical and family oriented. These culture instilled with the Overseas Filipino Workers made them extend their help and support not only within their respective families but also to their relatives and friends.

In terms of household size, the dependents residing together under the same OFW's house, are mainly composed of their parents, siblings, spouses and children. This indicates that most dependents are living under the same household directly affects the decision making in allocation of the remittances received.

Regarding the current educational status, most of the OFWs' dependents that are studying were either their siblings or children. Some respondents also support the schooling of their other relatives. This reveals that most respondents prioritize their children's educational needs and gives high importance to education for their younger dependents. Moreover, most of the dependents who are not the direct children of the respondents who are currently studying are either in High School or College level, so educational expenses are relatively higher.

Household's Remittances Allocation Actions

According to Kapoor, Dlabay, and Hughes (1988) who developed the Personal and Family Financial Planning Framework, there are eight financial planning actions: *Obtaining, Planning, Saving, Borrowing, Spending, Protecting, Investing, and Sharing.*

The ranges for the mean were based on the standard guide developed by NIH Scoring System:

Range of Score	Descriptor	Interpretation
4.51 – 5.00	Strongly Agree	Very Important
3.51 – 4.50	Agree	Important
2.51 – 3.50	Neutral	Fairly Important
1.51 – 2.50	Disagree	Slightly Important
1.00 – 1.50	Strongly Disagree	Not Important

Obtaining

Table 10.

Gross Monthly Income

	Frequency	Percent
below-10,000	4	1.5
10,001-30,000	97	35.8
30,001-70,000	104	38.4
70,001-140,000	44	16.3
140,001-250,000	21	7.8
250,001-500,000	1	0.4
Total	271	100

Approximately 38.2% of the respondents earn a gross monthly income between PHP 30,001 to 70,000 pesos while 35.8% of the respondents earns PHP 10,001 to 30,000 pesos and 16.3% receives PHP 70,001 to 140,000 pesos, as shown in Table 10. Moreover, most of the respondents earning PHP 30,001 to 70,000 and PHP 10,001 to 30,000 income brackets are working in Middle East, while respondents who receive PHP 70,001 to 140,000 every month are the OFWs who are employed in sea-based jobs, as what is shown in Table 11. These findings agree with the recent data of the survey

conducted by Philippine Statistics Authority (2015) that there are more cash remittances coming from OFWs working in countries in Middle East.

Table 11.

Gross Monthly Income and Employment Destination Cross Tabulation

Gross Monthly Income	Employment Destination							Total
	Sea-based	Africas	Americas	Asia	Europe	Middle East	Oceania	
below-10,000	2	0	0	1	0	1	0	4
10,001-30,000	11	2	1	24	1	58	0	97
30,001-70,000	26	2	4	10	7	55	0	104
70,001-140,000	16	0	4	3	4	15	2	44
140,001-250,000	11	0	4	0	2	3	1	21
250,001-500,000	1	0	0	0	0	0	0	1
Total	67	4	13	38	14	132	3	271

Table 12.

Employment Destination

	Frequency	Percent
Sea-based	67	24.7
Africas	4	1.5
Americas	13	4.8
Asia	38	14
Europe	14	5.2
Middle East	132	48.7
Oceania	3	1.1
Total	271	100

Table 13.

Years of being an OFW

	Frequency	Percent
0-2 years	55	20.3
3-5 years	91	33.6
6-8 years	53	19.6
9-11 years	39	14.4
12 years and above	33	12.2
Total	271	100

As what is presented in Table 12, 49% of the respondents are working in Middle East into industrial sector, service, healthcare and commercial industries, 25% are sea-based, into maritime and hospitality related type of work, 14% are in Asia, currently employed in teaching, service, and corporate fields and both 5% are in Americas and Europe under service and health care related jobs. According to Heydarian (2016), Middle East is the top destination for deployment of Overseas Filipino Workers due to the region's booming demand of foreign labor for jobs related to field of medicine, real estate and construction, and domestic work.

In reference to tenureship, shown in Table 13, 34% of the respondents are working overseas for 3 to 5 years, 20% are employed both for 2 years or less and 6 to 8 years and 14% for have been deployed abroad for 9 to 11 years. Furthermore, most of the respondents revealed that they are still working under the same companies, which means that they are satisfied and contented as employee.

Table 14.

Household's Current Allocation Action: Obtaining

	Mean	Std. Deviation	Interpretation
I am satisfied with my present job overseas.	3.790	1.1941	Important
I am willing to be trained and learn new skills and knowledge for career advancement or promotion.	4.45	.786	Important
I have plans in the future, to increase my income through sourcing from other investments aside from my current employment.	4.38	.860	Important
Obtaining	4.20	0.95	Important

Most of the respondents rated 'agree' (4.20) for their overall view regarding allocation action for obtaining in terms of job satisfaction, willingness to learn new skills or knowledge for career mobility and expansion of sources for income. These denote that most of the Overseas Filipino Workers today value their work and gave importance to their main source of living. The findings also reveal that OFWs are open to new investment opportunities for extra source of income.

Planning

Table 15.

Budget Plan Usage

	Frequency	Percent
Yes	220	81.2
No	51	18.8
Total	271	100

Table 16.

Budget Plan Coverage

	Frequency	Percent
Weekly	21	7.7
Biweekly	4	1.5
Monthly	186	68.6
Bimonthly	9	3.3
No Budget Plan	51	18.8
Total	271	100

Table 15 validates that 81% of the respondents follow a budget plan. In addition, 69% have a monthly budget plan, 8% have a weekly budget plan and 3% have a bimonthly budget plan, as what is illustrated in Table 16. The findings reveal that most OFWs and their household at the present time have control over the remittances they received through strategically allocating their income mainly for their families' financial priorities every month.

Table 17.

Household's Current Allocation Action: Planning

	Mean	Std. Deviation	Interpretation
My family follow a monthly budget plan for my earnings.	4.06	1.099	Important
I ensure that portion of my monthly budget is allocated to savings or investments, aside from daily expenditures	4.13	.862	Important
I keep my financial records organized including receipts, statements or tax forms.	3.99	1.002	Important
Planning	4.06	0.99	Important

Planning, one of the financial planning actions, refers mainly to budgeting of income effectively and efficiently. Most respondents rated 'agree' (4.06) to their current allocation action of planning which involves following a monthly budget plan, allocating some of the remittances they earned to their savings or investments, and keeping their financial records organized. These behaviours imply that most Overseas Filipino Workers and their households are knowledgeable enough to plan where to allocate the remittances depending on their priorities, impacting their financial decisions.

Saving

Table 18.

Monthly Savings Allocation

PHP	Frequency	Percent
below-10,000	151	55.7
10,001-30,000	94	34.7
30,001-70,000	23	8.5
70,001-140,000	3	1.1
140,001-250,000	0	0
250,001-500,000	0	0
500,001--above	0	0
Total	271	100

As what is shown on Table 18, more than half of the respondents allocate PHP 10,000 or less to their savings every month. Also, approximately 35% save PHP 10,001 to 30,000 every month, 8% set aside PHP 30,001 to 70,000, and the remaining 1% deposit PHP 70,001 to 140,000. This confirms that there is a large and growing number of Overseas Filipino Workers in the Visayas Region that are actively allocating their remittances to their respective savings accounts nowadays. In addition, the findings

coincide with the most recent survey results of Philippine Statistics Authority (2015) that there was an increase of number, from 35.9% to 40.2%, of Overseas Filipino Workers in Visayas that allocate funds to savings from the remittances that they earned.

Table 19.

Household's Current Allocation Action: Saving

	Mean	Std. Deviation	Interpretation
My family have more than one savings account.	3.70	1.116	Important
I am confident that I have sufficient savings, in case of emergency.	3.69	1.128	Important
I am willing to invest some of my savings to high risk, high return type of investments.	2.85	1.389	Fairly Important
My family save reasonable amount of our earnings to the bank to secure my dependents' future educational needs.	3.74	1.239	Important
Saving	3.50	1.22	Fairly Important

Although majority of the respondents have an existing savings account, an alarming 'neutral' (3.50) response was provided, in terms of their overall perception about their current allocation action for Saving. This may indicate that some Overseas Filipino Workers currently do not prioritize saving the remittances they earned due to some factors like their age group, civil status or gross monthly income that may affect their financial decision.

Borrowing

Table 20.

Existence of Loan

	Frequency	Percent
Yes	106	39.1
No	165	60.9
Total	271	100

Table 21.

Type of Loan

	Frequency	Percent
Personal Loan	69	25.5
Car Loan	13	4.8
Housing Loan	18	6.6
Business Loan	4	1.5
Others	2	0.8
No Loan	165	60.9
Total	271	100

Table 22.

Monthly Loan Payment Allocation

PHP	Frequency	Percent
below-5,000	19	7.0
5,001-10,000	47	17.3
10,001-15,000	22	8.1
15,001-20,000	9	3.3
20,001-25,000	1	.4
25,001-30,000	2	.7
30,001--above	6	2.2
No Loan	165	60.9
Total	271	100

As what can be seen in Table 20, approximately 61% of the respondents don't have any existing loans. On the contrary, 25% have personal loans, 7% have housing

loans, 5% have auto loans, and the remaining 2% have either business or other type of loans. Also, 17% of the respondents allocate PHP 5,001 to 10,000 to their existing loan, 8% pay PHP 10,001 to 15,000 and 7% set aside PHP 5,000 or less for loan payments every month. According to Hapal (2016), majority of OFWs work overseas to compensate for their existing loans or they also borrow money so that they have something to spend for their transfer expenses abroad. In addition, with these debts burdening them, a sad reality is that they fail to save. Mandap (2016) also added that unexpected family emergencies and high placement fees that some agencies demand, force OFWs to loan or borrow funds.

Table 23.

Existence of Credit Card

	Frequency	Percent
Yes	109	40.2
No	162	59.8
Total	271	100

Table 24.

Monthly Credit Card Payment Allocation

PHP	Frequency	Percent
below-5,000	45	16.6
5,001-10,000	24	8.9
10,001-15,000	17	6.3
15,001-20,000	9	3.3
20,001-25,000	4	1.5
25,001-30,000	1	.4
30,001-above	9	3.3
No Credit Card	162	59.8
Total	271	100

Table 23 confirms that approximately 60% of the respondents don't have existing credit card account. On the other hand, 17% allocate PHP 5,000 or less to their monthly credit card dues, 9% pays PHP 5,001 to 10,000 and 6% set aside PHP 10,001 to 15,000. This shows that most of the respondents don't prioritize having credit cards due to some factors like family situation and income that affect their financial decision.

Table 25.

Household's Current Allocation Action: Borrowing

	Mean	Std. Deviation	Interpretation
I see to it that when I borrow funds, it's appropriate to my income.	4.13	1.039	Important
I go for loans with the lowest interest rates.	3.96	1.090	Important
My family have one or more credit cards.	2.51	1.549	Fairly Important
Borrowing	3.53	1.23	Important

Even if the respondents rated 'agree' (3.53) in terms of their general perception of borrowing including assessment of income and interest rates for loans, they responded 'neutral' (2.51) towards having one or more credit cards which means that possessing one or more credit cards may or may not affect their financial decisions. The findings reveal that there are increasing number of financially literate OFWs today in terms of loan management. However, there is an opportunity to educate more OFWs with reference to credit card management. According to Rapisura (2016), before borrowing, OFWs should

consider if they are using the funds for productive purposes, the income from the project is the greater than the interest, the installment should not exceed 20% of the OFW's regular income, the funds will be used for a necessity rather than a want and the loans are coming from legitimate financial sources.

Spending

Table 26.

Household's Monthly Spending Allocation

	Frequency	Percent	Rank
Food and Beverages	267	98.52	1
Utilities	242	89.30	2
Household Operations	217	80.07	3
Communication	211	77.86	4
Clothing and Personal Care	209	77.12	5
Transportation	180	66.42	6
Medical Care	178	65.68	7
Educational Needs	159	58.67	8
Rent	46	16.97	9
Others	39	14.39	10

The household's monthly spending refers to how the OFWs' families allocate the remittances they received for their expenditures and other financial obligations. Also, the spending allocation were classified to: Food and Beverages, Utilities, Household Operations, Communication, Clothing and Personal Care, Transportation, Medical Care, Educational Needs, Rent and Other Expenses (Entertainment, Travel, Salaries of helper, etc). Table 16 indicates that most of OFWs' household allocate the remittances they received to food and beverages, which is realistic and understandable since it's a basic

necessity for survival. Utilities, household operations, communication, clothing and personal care come in second, third, fourth, and fifth ranking for spending which are also relevant requirements for living nowadays. Utilities and household operations refer to bills for light, water, gas, fuel and alike, payment for repair and maintenance of appliances, and household maintenance and repairs (bulbs, laundry soaps, etc.). Communication expenses are costs for phone bills, internet subscription or monthly plans. Clothing and personal care pertains to expenditures for garments, apparels and toiletries. According to Tabuga (2009) remittance-dependent household tend to allocate more on basic necessities which validates the top priorities of the respondents for consumption.

On the other hand, it was quite alarming that educational needs which refers to tuition fees, study allowance, books, school supplies, and other educational supplies only ranked 8th overall in allocation, considering that some of the respondents have dependents who are currently studying. Rent and other expenses (entertainment, travel, salaries of helper, etc.) came in 9th and 10th respectively since not all respondents are renting their place, have their own helper or do additional random activities that might incur expenses.

Table 27.

Household's Current Allocation Action: Spending

	Mean	Std. Deviation	Interpretation
My family is willing to pay for a higher price as long as we get the best quality or service.	3.35	1.282	Fairly Important
My family go shopping/dining out/travel more than once per month.	2.91	1.428	Fairly Important
My family only prioritizes daily consumption necessities than things that are not really needed at the moment.	4.38	.788	Important
Spending	3.54	1.17	Important

Spending is one of the financial planning actions that involves allocation of resources to expenditures and financial obligations. As presented in Table 27, most of the respondents rated 'agree' (3.54) to their current allocation of remittances for Spending. In addition, they also responded 'agree' (4.38) that they prioritize what is currently needed of their respective families. On the other hand, most of these respondents, answered 'neutral' in spending for higher prices in getting quality products or services and allocating funds in entertainment and leisure more than once per month. These indicate that these households can also spend the remittances they receive not only to what they need but also to what they want.

Protecting

Table 28.

Existence of Insurance

	Frequency	Percent
Yes	182	67.2
No	89	32.8
Total	271	100

Table 29.

Type of Insurance

	Frequency	Percent
Life Insurance	70	25.8
Property Insurance	3	1.1
Auto Insurance	7	2.6
Health Insurance	100	36.9
Others	2	0.8
No Insurance Coverage	89	32.8
Total	271	100

Table 30.

Monthly Insurance Allocation

PHP	Frequency	Percent
below-5,000	52	19.2
5,001-10,000	47	17.3
10,001-15,000	42	15.5
15,001-20,000	25	9.2
20,001-25,000	7	2.6
25,001-30,000	2	.8
30,001-above	7	2.6
No Insurance	89	32.8
Total	271	100

As can be seen in Table 28, approximately 67% of the respondents have one or more insurance coverage while 33% didn't have any coverage. Presented in Table 29, out of the respondents who confirmed, 37% have health insurance, 26% have life insurance and the remaining respondents have either insurance coverage for property, auto or other type of insurance. In addition, Table 29 also verified that 19% of the respondents allocate PHP 5,000 or less of their monthly earnings to their insurance, 17% pay PHP 5,001 to PHP 10,000, and 16% set aside PHP 10,001 to PHP 15,000. This is a clear indicator that more Overseas Filipino Workers nowadays are conscious and aware of the importance of insurance that makes them feel safer and more secure for themselves, their loved ones, and their properties, especially that they are working far away from their families.

Table 31.

Household's Current Allocation Action: Protecting

	Mean	Std. Deviation	Interpretation
I have adequate insurance for my home and possessions.	3.25	1.207	Fairly Important
My family and I are covered for life and health risks.	3.52	1.180	Important
Protecting	3.39	1.19	Fairly Important

Although more than half of the respondents have existing insurance coverage, they responded 'neutral' (3.39) for their overall perception about their current allocation action for Protecting. This implies that Overseas Filipino Workers may or may not prioritize financial decisions on being covered despite being aware of the relevance of

this allocation action. However, they collectively answered 'agree' (3.52) that they feel secure about themselves and their families covered for life and health risks.

Investing

Table 32.

Existence of Investment

	Frequency	Percent
Yes	134	49.4
No	137	50.6
Total	271	100

Table 33.

Type of Investment

	Frequency	Percent
Business	58	21.4
Real Estate	62	22.9
Mutual Funds, Stocks, Bonds, etc.	6	2.2
Education	5	1.8
Others	3	1.2
No Investment	137	50.6
Total	271	100

Table 34.

Monthly Investment Allocation

PHP	Frequency	Percent
below-5,000	26	9.6
5,001-10,000	38	14
10,001-15,000	32	11.8
15,001-20,000	14	5.2
20,001-25,000	11	4.1
25,001-30,000	5	1.7
30,001-above	8	3.0
No Investment	137	50.6
Total	271	100

As depicted in Table 32, 51% of the respondents don't have any investments. On the other hand, 23% have existing investments in real estate, 21% have business, and the remaining have either investments in education, mutual funds, stocks, bonds or other types of investments. Furthermore, 14% of the respondents allocate PHP 5,001 to 10,000 to their respective investments, 12% set aside PHP 10,001 to 15,000, and 10% use PHP 5,000 or less. The findings reveal that most of the Overseas Filipino Workers currently don't prioritize investing as part of their financial decisions but there is a good number of OFWs who mostly invest their earnings to real estate, agricultural lands and small to medium scale businesses.

Table 35.

Household's Current Allocation Action: Investing

	Mean	Std. Deviation	Interpretation
I am planning to allocate funds for additional investments like business, real estate, stocks or bonds in the future.	4.06	.923	Important
My family give high importance to investments on education.	4.09	1.052	Important
My family allocate reasonable amount of our earnings to the dependents' current educational needs.	3.87	1.215	Important
My family invest reasonable amount of earnings to educational plans to secure dependents' future educational needs.	3.74	1.262	Important
Investing	3.94	1.11	Important

As illustrated in Table 35, majority of the respondents rated 'agree' (3.94) on their view regarding allocation action for investing even more than half of them don't have any existing investments. This means that there is an opportunity for more initiatives through education and awareness on the importance of investing, knowing that majority of the respondents were young adults, highly educated, earning more than enough, and gives importance to investing, based on the findings.

Sharing

Table 36.

Existence of Will for an orderly transfer

	Frequency	Percent
Yes	63	23.2
No	208	76.8
Total	271	100

Table 37.

Household's Current Allocation Action: Sharing

	Mean	Std. Deviation	Interpretation
I already prepared a will and its updated.	2.38	1.327	Slightly Important
I already prepared for the orderly transfer of my property to my dependents, in case anything will happen.	2.46	1.379	Slightly Important
Sharing	2.42	1.35	Slightly Important

Table 36 confirms that approximately 77% of the respondents don't have any existing or updated will, for the orderly transfer of their properties to their dependents, in case anything will happen to them. In addition, shown in Table 37, the respondents collectively answered 'disagree' (2.42) in reference to their current allocation action for Sharing which proves that they gave less importance to this relevant financial action. The findings also reveal that majority of the respondents are currently not into the idea of making last will and testament since in Filipino culture, it's usually associated with "death" or "loss" of a loved one. However, it's important to have an updated will and testament to ensure that one's assets are distributed systematically according to the testator's preference through the said financial instrument. Without this legally binding document, courts will have the authority to decide the beneficiaries and distribution of the assets. (Reiter, 1984, cited in Elmer, 2001).

Investment Experiences of Overseas Filipino Workers and their Households

Financial decisions in allocating remittances for specific investments including investments for education vary from one person to another since they come from different family profiles with different financial priorities. According to Kapoor et al. (1988), family situations are classified into either Singles, Young Couples, Traditional, Moderns, Empty Nesters, or Retirees. Based on these family situations, selected Overseas Filipino Workers were interviewed to document their respective investment experiences to know how they manage remittances they earned.

Story 1. Gusper Miralles (*Singles*)



Figure 4. Researcher with Mr. Miralles during the interview

Graduate of Bachelor of Science in Electronics and Communication Engineering in a known IT university, 27 year old Gusper Miralles, started working as a budget officer in a leading broadcasting company in the country. After working for almost three

years on his first employer, he decided to take a big leap by working overseas. After several online applications, he was finally hired as a satellite engineer by a broadcasting and media company in Riyadh, Saudi Arabia. As a satellite engineer, his work responsibilities include setting up production for live coverage for news, sports and other events and ensuring that there is a system for real time delivery for their regular television channel clients. The second to the youngest of the Miralles family, it was a challenging experience for Gusper since this is his first time to be working far from his family for a long period of time. Being close to his father and other seven siblings, his first year was indeed a struggle. He mentioned that there was a big difference in culture including food and the daily way of living.

Gusper is satisfied with his current salary and he send remittances to his father and siblings on a monthly basis within Php 30,000-40,000 range depending on the current exchange rate. Furthermore, he allocates 20% of his monthly earnings to his personal savings account. His main expenses are mostly allocated for food, travel, leisure and entertainment since his board and lodging are shouldered by his employer. He also loves travelling and exploring neighboring Asian countries during his available time. He only keep one credit card account and he has no existing loans. Moreover, his insurance coverage was provided by the company.

In terms of investments, Gusper mentioned that he bought a small piece of agricultural land in the Philippines and he is also enrolled to short online courses for certificates needed for his profession and career growth. According to Gusper, once he has enough savings, he will definitely go back here in the Philippines to start a business, related either to food or tourism industry.

Story 2. Victor Jonee Mabaquiao and Chiara Nituda-Mabaquiao

(Young Couples)



Figure 5. Researcher with Mr. and Mrs. Mabaquiao during the interview

Happy couple Victor and Chiara just tied the knot last year. Chiara is working as a marketing officer in a leading commercial bank in the Philippines for five years while Victor is an IT analyst for a multinational Japanese engineering company and he was assigned in Jeddah, Saudi Arabia for nine years. The newly married couple admitted that it was a bit challenging to have a long distance relationship but they make sure that they communicate with each other as much as possible.

Coming from big families consisting of five children, both of them are middle child. 28 year old Chiara was a graduate of a degree in Business Administration while 34 year old Vic took Mechanical Engineering as a course in college. They met through a

common friend and in an instant, their personalities go along with each other. After two years of relationship, Victor proposed to Chiara.

According to Vic, their combined gross monthly income ranges from Php 100,000-150,000 which is budgeted on a monthly basis. Moreover, thirty percent of their monthly income is allocated to their savings. They also set aside monthly payment for their loan for their new car. Since they don't have any kids yet, their monthly expenses were allocated to food, clothing, utilities, travel and entertainment. They don't pay any rent since they are currently living on the second house of their parents. Chiara also mentioned that their health insurance coverage were both covered by their respective employers but Vic voluntarily allocate some of his earnings to his personal life insurance policy.

Since Chiara is in the finance and banking industry, the couple's current investments are related to stocks and time deposits. *"I tried to analyze the current financial trends in the banking industry and see what new products and services can we go into"*, Chiara said. They started investing to stocks on 2014 while they begin their time deposit accounts this year. The primary factors that influence their financial decisions to their current investments are the needs and values (at an early age they were taught the value of saving and managing money) and career situation (they are satisfied with their current employment). Furthermore, Chiara elaborated that they are also planning to get a condominium on the next three to five years and open a small business if their schedules permit.

Story 3. Maria Lourdes and Santiago Soriao (*Traditionals*)



Figure 6. Researcher with Mr. Soriao during the interview

Since 1996, Santiago has been working as a Senior Mechanical Technician in the industrial city of Jubail, located in the eastern part of Saudi Arabia. As a supervisor, he is responsible in overseeing and performing maintenance, troubleshooting, and repair of all mechanical and hydraulic- and diesel-powered equipment. He also trains interns and newly hired employees.

50 year old Santiago, graduate of Marine Engineering married 47 year old Maria Lourdes who has a degree in Management on 1998. They have two children, 23 year old Jennifer, already graduated with a degree in Mass Communication and 20 year old Carlos, still studying college with course in Civil Engineering. Maria Lourdes is a housewife and she manages their variety store in their humble home in Carcar.

Santiago mentioned that his gross monthly income is within Php 100,000-130,000. He allocates 20% of this to his savings and he also sets aside 50% of his earnings for remittances to his family in the Philippines while the remaining portion is allocated for his personal expenses, board and lodging in Saudi. Soriao family follows a monthly budget plan consisting of food, clothing, utilities, educational needs (for Carlos' school expenses), household operations, their sari-sari store's operational needs and their current car loan, which they pay Php13,000-15,000 per month. Moreover, Santiago's health insurance was covered by the company and he added his wife and his children as dependents.

Working overseas for twenty years, Santiago was able to acquire several agricultural lands in the southern part of Cebu including rice fields and coconut plantations. In 2010, they opened a small sari-sari store with only few basic items and eventually, it grew to a medium variety store, selling not only basic items but also milled rice and cooked food. Santiago also considered his children's educational achievements an investment for his hard work and sacrifices working abroad. "*As long as my children finish their college and find a good job, I am happy and contented*", said Santiago during the interview. Upon asking if Santiago has any plans for new investments in the future, he said that he wants to open a new business, preferably an eatery or a *Tapsilogan*. Furthermore, he will try to see what businesses are not yet existing in Carcar to check more business opportunities. He also mentioned that he might retire in the next two or three years.

Story 4. Ara and Neri Ligtas (*Moderns*)



Figure 7. Researcher with Ligtas Family during the interview

Married couple Ara and Neri are both working as teachers in an international school in Tromsø, Norway. They are working overseas for 8 years and they have a lively 8 year old daughter, Rania.

Coming from big families, both eldest, 36 year old Ara finished a degree in Secondary Education and completed Masters in Education while 39 year old Neri completed a degree in Physical Therapy and eventually finished Masters in Education before working abroad. "*Applying as teacher in Norway requires specific number of units to be a qualified and enrolling to post graduate education combined with our job experience and good academic credentials secured our chances of being employed.*", Ara mentioned. She is currently handling middle school with subjects including Science, English, and Math while Neri is teaching majority of subjects in primary school. The

couple were able to acquire working family visa and they were able to bring Rania in Norway.

According to Ara, their combined gross monthly income in Norwegian Krone once converted in Philippine Peso is more than Php 500,000. Furthermore, they allocate 30% to 40% of their earnings to their savings consisting of their primary bank accounts in a leading bank in Norway and their secondary bank accounts in the Philippines. They also send remittances to their respective families monthly.

The Ligtas family follow a monthly budget plan allocated for food, clothing, transportation , household operations, travel and leisure. They don't spend in education and housing since this are all provided free by their company. They have an existing car loan in Norway and housing loan in Cebu, Philippines. They allocate 10%-15% of their monthly earnings to these loans. In terms of insurance coverage, Ara is voluntarily paying her life insurance in Philippines while they have property and auto insurance in Norway. The family's health insurance is covered by their employer.

The couple's current investments in the Philippines include a titled two-storey house and lot in Mandaue and several agricultural lands in the northern part of Cebu. Ara elaborated that their income plays a relevant role in making financial decisions for investments. In the mean time, they are focusing to save more from their earnings because they are planning to open a primary school for children here in the Philippines once they return.

Story 5. Lani and Regino Mesina (*Empty Nesters/Retirees*)



Figure 8. Researcher with Mr. and Mrs. Mesina during the interview

Regino Mesina, 64 years old, initially worked on a textile company in Manila for 10 years. Unfortunately, his employer filed bankruptcy and the company eventually shut down in 1997. A father of three students at that time, Regino, don't know what to do since their main source of income was gone and he have a hard time finding a stable job since he didn't finish college. Regino was in his third year taking up Mechanical Engineering when he decided to marry Lani, his high school sweetheart and build a family. They were blessed with three beautiful children: Marie, Jun, and Gino.

A good friend refer him to work overseas. On 1999, He got hired as a forklift operator on a warehouse based in Doha, Qatar. His duties and responsibilities include transferring goods, supplies and materials from one place to another including shelves, trucks, and pallets, adhering to safety standards, documenting orders and maintaining inventory levels. His gross monthly income ranges from Php50,000-80,000. He was able

to allocate some for his savings and most of his earnings were sent to his family every month.

With his job in Qatar, Regino was able to let his children finish their studies: Marie was able to get a degree in Secondary Education and is currently teaching high school, Jun finished a degree in Marine Engineering and is a seaman and Gino took up Public Administration and is currently working as a government employee. Regino's children have already their own respective families and they already have five grandchildren. Aside from fulfilling his children's dream, he was able to secure house and lot and some agricultural lands.

Regino decided to retire last 2014. He said that it was a little bit different since he and Lani were the persons in the house and somehow, he missed his little children's laughing and loudness. "It's like we just got married again!" Regino chuckled. Receiving a monthly pension, both the couple are satisfied with their finances and they have a small sari-sari store to combat boredom. They still follow a weekly budget plan for food, utilities, and medical care. They visit their children once in a while either during their birthdays or holidays.

Table 38.

Summary of Investment Stories

Interviewee	Family Situation	Investment Experiences
<p>Mr. Gusper Miralles</p> <p>Gusper is a Broadcast Engineer in Riyadh, KSA.</p>	<i>Singles</i>	<p>-Bought a small piece of agricultural land</p> <p>-Enrolled to short online courses for certificates needed for career growth</p>
<p>Mr. and Mrs. Victor Mabaquiao</p> <p>Victor is an IT Analyst in Jeddah, KSA while Chiara is a banker. The couple just got married in 2015.</p>	<i>Young Couples</i>	-Stocks and Time Deposits
<p>Mr. and Mrs. Santiago Soriao</p> <p>Santiago is a Senior Mechanical Technician in Jubail, KSA while Lourdes is a housewife taking care of their two children and variety store.</p>	<i>Traditionals</i>	<p>-Acquired agricultural lands including rice fields and coconut plantations</p> <p>-Medium-scaled variety store, selling not only basic items but also milled rice and cooked food</p>
<p>Mr. and Mrs. Neri Ligtas</p> <p>Both are working as teachers in Tromsø, Norway. They have one daughter.</p>	<i>Moderns</i>	<p>-Post Graduate Studies</p> <p>-Titled two-storey house and lot</p> <p>-Several agricultural lands</p>
<p>Mr. and Mrs. Regino Mesina</p> <p>Regino was a former forklift operator in Doha, Qatar. His three children was able to finish their studies and now have their respective families. He is now enjoying his retirement with his wife while managing a small variety store.</p>	<i>Empty Nesters/ Retirees</i>	<p>-Education for his children</p> <p>-House and lot</p> <p>-Agricultural land</p> <p>-Small-scaled sari-sari store</p>

As presented in Table 38, findings revealed that investment preferences varied from one Overseas Filipino Worker to another depending on their socio economic profile including age, civil status, and income. In addition, older OFWs have more diversified portfolios compared to the younger ones. It also evident that older OFWs tend to invest more on real estate, agricultural lands or small-medium enterprises. According to Calzado (2007), in terms of investment decisions, majority of the Overseas Filipino Workers chose to allocate their remittances on property ownership and business opportunities. Furthermore, increasing number of OFWs also find new avenue for learning new skills and knowledge through education and training. On the other hand, younger OFWs have the tendency to invest more on opportunities for personal development and career growth. It is also noticeable that OFWs and households that are more financially literate are more open to allocate remittances to riskier type of investments.

Factors Affecting the Allocation Actions

Based on the Personal and Family Financial Planning Framework (1988) developed by Kapoor, Dlabay, and Hughes, there are six relevant factors affecting the eight financial planning actions of the remittances received: *Income, Needs and Values, Family Situation, Career Situation, Economic Condition, and Tax Situation*. The ranges for the mean were adopted from the standard guide developed by NIH Scoring System:

Range of Score	Descriptor	Interpretation
2.51 – 3.00	<i>Great Influence</i>	High Impact on Financial Decisions
1.51 – 2.50	<i>Moderate Influence</i>	Moderate Impact on Financial Decisions
1.00 – 1.50	<i>Not an Influence</i>	Low Impact on Financial Decisions

Table 39.

Perceptions on the degree to which Income affects the Allocation Actions

	Mean	Std. Deviation	Interpretation
Income affects how I/my family get our earnings.	2.502	.5435	Moderate Impact
Income affects how I/my family budget our earnings.	2.465	.5285	Moderate Impact
Income affects how I/my family save money.	2.498	.5366	Moderate Impact
Income affects how I/my family borrow funds (loans, credits.)	2.173	.6908	Moderate Impact
Income affects how I/my family spend funds for consumption.	2.376	.6074	Moderate Impact
Income affects how I/my family allocate funds for insurance coverage.	2.122	.6411	Moderate Impact
Income affects how I/my family allocate funds for investments.	2.173	.6112	Moderate Impact
Income affects how I will decide to distribute my properties to my dependents.	2.070	.6602	Moderate Impact
Income	2.2975	.43713	Moderate Impact on Financial Decisions

As shown in Table 39, the general perception of respondents on income has "moderate influence" (2.2975) to the eight financial planning actions. The same perception is valid to each, specific actions. The results suggest that remittances, OFWs and their households' main income, has moderate impact on their financial decisions which mean that financial planning can be directly influenced by the remittances that they manage every month, affecting how they utilize their current resources. Moreover, these reveal that there is an opportunity to evaluate whether they are handling their

income wisely or they need to increase income through investments, additional education or career shift to ensure financial sustainability.

Table 40.

Perceptions on the degree to which Needs and Values affect the Allocation Actions

	Mean	Std. Deviation	Interpretation
Needs and values affect how I/my family get our earnings.	2.114	.6651	Moderate Impact
Needs and values affect how I/my family budget our earnings.	2.321	.6414	Moderate Impact
Needs and values affect how I/my family save money.	2.365	.6111	Moderate Impact
Needs and values affect how I/my family borrow funds (loans, credits.)	2.055	.7154	Moderate Impact
Needs and values affect how I/my family spend funds for consumption.	2.280	.6167	Moderate Impact
Needs and values affect how I/my family allocate funds for insurance coverage.	2.070	.6488	Moderate Impact
Needs and values affect how I/my family allocate funds for investments.	2.070	.6373	Moderate Impact
Needs and values affect how I will decide to distribute my properties to my dependents.	1.985	.6665	Moderate Impact
Needs and Values	2.1577	.49770	Moderate Impact on Financial Decisions

In general, rated by the respondents, needs and values 'moderately influence' (2.1577) all eight allocation actions, including the individual evaluation of each actions. These indicate that the household's need and values have moderate impact on the respective family's financial decisions in terms of managing the remittances that they

received. In addition, the respective families' innate habits and customs play an important role in allocation of remittances either through obtaining, planning, saving, borrowing, spending, protecting, investing or distributing.

Table 41.

Perceptions on the degree to which Family Situation affects the Allocation Actions

	Mean	Std. Deviation	Interpretation
The age/marital status/number of family members affect how we get our earnings.	2.424	.5780	Moderate Impact
The age/ marital status/number of family members affect how we budget our earnings.	2.517	.5698	High Impact
The age/ marital status/number of my family members affect how we save money.	2.424	.5715	Moderate Impact
The age/ marital status/number of my family members affect how we borrow funds (loans, credits.)	2.066	.6853	Moderate Impact
The age/ marital status/number of my family members affect how we spend funds for consumption.	2.351	.6257	Moderate Impact
The age/ marital status/number of my family members affect how we allocate funds for insurance coverage.	2.192	.6441	Moderate Impact
The age/ marital status/number of my family members affect how we allocate funds for investments.	2.074	.6569	Moderate Impact
The age/ marital status/number of my family members affect how we will decide to distribute my properties to my dependents.	2.137	.6721	Moderate Impact
Family Situation	2.2731	.44167	Moderate Impact on Financial Decisions

Family situation is a factor that involves the age, marital status, and family members. The respondents rated that it 'moderately influence' (2.2731) the allocation actions. Upon further evaluation, the respondents answered that family situation 'greatly influence' (2.517) planning over other allocation actions. This implies that households budget their income based on their age, their marital status, their family member's age, and the number of family members to either spend, save, or invest the remittances that they received. Thus, the findings confirm that the factor has an impact and financial decisions and priorities may vary from one respondent to another since they come from different family profiles.

Table 42.

Perceptions on the degree to which Career Situation affects the Allocation Actions

	Mean	Std. Deviation	Interpretation
Employment affects how I/my family get our earnings.	2.550	.5273	High Impact
Employment affects how I/my family budget our earnings.	2.428	.5387	Moderate Impact
Employment affects how I/my family save money.	2.458	.5418	Moderate Impact
Employment affects how I/my family borrow funds (loans, credits.)	2.162	.6350	Moderate Impact
Employment affects how I/my family spend funds for consumption.	2.339	.5924	Moderate Impact
Employment affects how I/my family allocate funds for insurance coverage.	2.170	.5780	Moderate Impact
Employment affects how I/my family allocate funds for investments.	2.114	.6250	Moderate Impact
Employment affects how I will decide to distribute my properties to my dependents.	2.048	.6451	Moderate Impact
Career Situation	2.2837	.43484	Moderate Impact on Financial Decisions

As presented in Table 42, as perceived by the respondents, career situation 'moderately influence' (2.2837) all allocation actions. In terms of specific rating to each financial planning actions, all is of 'moderate influence' except for the impact of career situation in obtaining, which they rated as 'great influence' (2.550). This confirms that the OFWs and their respective households rely heavily on their employment as their main source of income and it has an impact on their respective financial decisions.

Table 43.

Perceptions on the degree to which Economic Condition affects the Allocation Actions

	Mean	Std. Deviation	Interpretation
Changing supply, demand, and prices affect how we get our earnings.	2.170	.6560	Moderate Impact
Changing supply, demand, and prices affect how we budget our earnings.	2.092	.6518	Moderate Impact
Changing supply, demand, and prices affect how we save money.	2.077	.6814	Moderate Impact
Changing supply, demand, and prices affect how we borrow funds (loans, credits.)	1.886	.6539	Moderate Impact
Changing supply, demand, and prices affect how we spend funds for consumption.	2.030	.6770	Moderate Impact
Changing supply, demand, and prices affect how we allocate funds for insurance coverage.	1.841	.6890	Moderate Impact
Changing supply, demand, and prices affect how we allocate funds for investments.	1.941	.6413	Moderate Impact
Changing supply, demand, and prices affect how we will decide to distribute my properties to my dependents.	1.823	.6597	Moderate Impact
Economic Condition	1.9825	.54031	Moderate Impact on Financial Decisions

Evaluated and rated by the respondents, economic conditions 'moderately influence' (1.9825) all eight financial allocation actions. Moreover, the rating of 'moderate influence' is applicable for individual evaluation of each actions. This proves that changing economic circumstances here in the Philippines and their respective destination of employment involving supply, demand, exchange rates, interest rates or prices have moderate impact on how Overseas Filipino Workers and their household manage remittances.

Table 44.

Perceptions on the degree to which Tax Situation affects the Allocation Actions

	Mean	Std. Deviation	Interpretation
Tax revenues and collections by the Govt affect how we get our earnings.	2.074	.7059	Moderate Impact
Tax revenues and collections by the Govt affect how we budget our earnings.	1.989	.6965	Moderate Impact
Tax revenues and collections by the Govt affect how we save money.	1.978	.7094	Moderate Impact
Tax revenues and collections by the Govt affect how we borrow funds (loans, credits.)	1.948	.6973	Moderate Impact
Tax revenues and collections by the Govt affect how we spend funds for consumption.	1.952	.6895	Moderate Impact
Tax revenues and collections by the Govt affect how we allocate funds for insurance coverage.	1.834	.6926	Moderate Impact
Tax revenues and collections by the Govt affect how we allocate funds for investments.	1.889	.6904	Moderate Impact
Tax revenues and collections by the Govt affect how we will decide to distribute my properties to my dependents.	1.815	.6906	Moderate Impact
Tax Situation	1.935	.60599	Moderate Impact on Financial Decisions

Generally, tax situation, as rated by the respondents, 'moderately influence' (1.9350) all allocation actions and the said rating is also the answer for each actions. According BIR's Revenue Memorandum No. 1-2011, through the virtue of tax reciprocity, the Overseas Filipino Worker's income from overseas employment is exempt from income tax. Majority of the respondents are aware of this but they felt the Government's reputation and image contributes a lot in the current tax situation of the country that impact their financial decisions.

Factors Affecting Investments on Education

The six factors: *Income, Needs and Values, Family Situation, Career Situation, Economic Condition, and Tax Situation* under the Personal and Family Financial Planning Framework (Kapoor et al., 1988) affect the financial decisions of an individual for his allocation actions, including investing on education.

Table 45.

Perceptions on the degree to which the Six Factors affect Investments in Education

	Mean	Std. Deviation	Interpretation
Income affects how I/my family allocate funds for investments on education.	2.365	.6522	Moderate Impact
Needs and values affect how I/my family allocate funds for investments on education.	2.13	.721	Moderate Impact
The age and number of my family members affect how I/my family allocate funds for investments on education.	2.32	.674	Moderate Impact
Employment affects how I/my family allocate funds for investments on education.	2.24	.671	Moderate Impact
Changing supply, demand, and prices affect how I/my family allocate funds for investments on education.	2.03	.701	Moderate Impact
Tax revenues and collections by the Government affect how I/my family allocate funds for investments on education.	1.96	.744	Moderate Impact
Factors Influencing Investments on Education	2.1734	.55930	Moderate Impact on Financial Decisions

Income

As rated by the respondents, income has a moderate impact to the financial decisions in allocating funds for investments on education. Considering that remittances is their main source of living, it plays a significant role in investing: the greater the remittances earned, the more propensity to invest. This premise may also be applicable to investments for education considering some contributing components: time and portfolio. According to Markowitz (1952), the aspect of time dimension entails initial investment decisions while portfolio dimension involves decisions about maintaining or terminating existing investments. If the OFW's income is low, it is a hindering factor but if the income is high, it is a triggering factor for the household to invest for education. As the amount of acquired remittances increase, more likelihood that the household will invest for education for the betterment of the family.

Needs and Values

In the aspect of needs and values, the respondents answered that this factor moderately impacts their allocation of remittances to investment for education. Peer influence from family, friends, and colleagues is the pressure of conforming to some social norms shaping one's financial behavior (Atienza and Webb, 2013). In addition, the same opinions from peers impact remittance management including allocation decisions to invest (Clark and Drinkwater, 2007, cited in Atienza and Webb, 2013). Thus, needs and values influence Overseas Filipino Workers and their household to invest. They have a higher intention of investing if the people surrounding them are on same perspective:

giving high importance to education, expecting good returns in the future, especially for their loved ones.

Family Situation

The respondents provided that family situation has a moderate impact on their decision for remittance allocation to investments for education. This denotes that there will be different financial reasons or priorities depending on age, civil status, or number of dependents. Regardless of the reason, it will still boil down to one's family's viewpoint on importance of education. For example, a single OFW might be interested to enroll for new courses to add new skills for competence and career mobility while a married OFW with kids might prioritize sending their children to school to ensure that they will have a good future. McMahon (1997) also added that highly literate families are healthier, more productive, and more efficient in the community. Based on respondents' profiles in the findings, family situation affects investment decisions for education.

Career Situation

In terms of career situation, the respondents also collectively replied that the factor has a moderate impact on their personal choices in investing for education. Majority of the respondents are highly educated and they rely heavily to relatively higher salaries and wages overseas they earned as their main source of income. McMahon (1997) mentioned that being highly educated entails employability, higher earnings, labor market flexibility, greater mobility, and higher productivity. Given these benefits of

investments for education to one's career, employment and competence, it has a relevant effect on investment decisions of Overseas Filipino Workers and their household.

Economic Condition

According to the respondents' answers, economic condition has a moderate impact their preference of allocating their remittances to investment for education. According to Yang (2006) Overseas Filipino Workers tend to adjust their financial decisions considering the current economic conditions of the country. When migrants sense that the Philippine economy is booming, they set aside larger amount of their remittances, intended for investment purposes. Moreover, the quantity and allocation preference for specific investments like education will also be affected by economic performance and exchange rate (Carling, 2008, cited in Atienza and Webb, 2013). Thus, economic condition influences the respondents' financial decision on investments for education.

Tax Situation

Tax situation has a moderate impact on decisions on allocating remittances on investment to education, based on the rating of the respondents. Tax situation involves how the Government manages applicable tax revenues and collection to the Overseas Filipino Workers and their household. According to Abrea (2015), the Philippine Government, specifically Bureau of Internal Revenue, should look for effective ways to simplify the process and to reach out to more taxpayers who are willing to allocate fair contributions. Section 23 of the tax code also mentioned that the OFW's income sourced from his overseas employment is exempt from income tax. Even though OFWs are not

required to file for Income Tax Return as long as they are registered to Philippine Overseas Employment Administration, they are still required to process tax return if they have registered business and other sources of income in the Philippines. In addition, other type of taxes may be applicable for financial activities of OFWs and their respective household within the country. Considering these given facts, tax situation influences investment decisions for education.

Proposed Investment Strategies for Investments on Education

Table 46.

Overseas Filipino Workers' Households Current Financial Evaluation

OFW/Household Situation	Financial/ Investment Objectives	Current Financial Profile Assessment
SINGLES	<ul style="list-style-type: none"> ✓ personal development ✓ career growth 	<ul style="list-style-type: none"> ▪ intermittent spending habits ▪ don't prioritize investing ▪ starting savings account
YOUNG COUPLES	<ul style="list-style-type: none"> ✓ financial stability for future expansions of possible growing housing needs and living costs 	<ul style="list-style-type: none"> ▪ considering investment options based from online, peers, and other sources of financial information ▪ strengthening savings account
TRADITIONALS	<ul style="list-style-type: none"> ✓ manage increased need for credit ✓ look for other sources of income 	<ul style="list-style-type: none"> ▪ budget-oriented ▪ prioritize necessities of the household
MODERNS	<ul style="list-style-type: none"> ✓ proper management of one or more existing investments ✓ loan and debt management 	<ul style="list-style-type: none"> ▪ dynamic spending habits than <i>Traditionals</i> ▪ may have one or more debt/loan, and one or more investments
EMPTY NESTERS/ RETIREES	<ul style="list-style-type: none"> ✓ consolidation and utilization of acquired assets ✓ preparation of will 	<ul style="list-style-type: none"> ▪ multiple, diverse investments ▪ sufficient savings

Investment strategies for investments on education are set of tactical financial rules and policies that will guide Overseas Filipino Workers and their households in financial decision-making for investments on assets or opportunities related to human capital development, with the goal of increasing appreciation and generating higher income in the future.

As presented in Table 46, they should first set their investment objectives, which should be specific and measurable. In addition, OFWs and their households should also consider how much remittances they need to allocate, how long will it take before they can obtain the return, the economic condition of the Philippines and the country of deployment, and their financial stability within the course of their endeavor.

Once the specific financial objectives were realized, OFWs and households should assess their existing financial status. Moreover, to ensure that they are financially ready and capable of investing, families should examine their current remittance allocation actions including saving, borrowing and spending habits. In terms of investments on education, household should also examine other considerations including human capital and time. These steps will guide them in initiating a personalized investment program. A substantial and effective personalized investment program is equipped by investment strategies. Shown in Table 47, are the proposed investment strategies for Overseas Filipino Workers and their respective households that will aid them in making investment decisions to manage and utilize remittances productively.

Table 47.

Proposed Investment Strategies

Proposed Investment Strategies	
<p>SINGLES</p> <p>Likelihood of Investing to Education: High ↑ Education for self-improvement</p>	<ol style="list-style-type: none"> 1. Consider investing to further education and learning through taking up relevant courses, seminars, and trainings related to existing field of expertise that will impact competency not only for career growth but also for personal development. 2. Check feasible investment options from legitimate financial sources and start investing early in preparation for retirement. With the right choice, the longer the investment remain, the more likelihood it will compound and grow.
<p>YOUNG COUPLES</p> <p>Likelihood of Investing to Education: Moderate ↔ Education for dependents (non obligatory)</p>	<ol style="list-style-type: none"> 1. Share and discuss comprehensively to spouse, short and long term financial goals. Furthermore, review individual and combined financial history, including bank accounts, credit reports or loan payments. Doing this, couples will have a mutual basis on what investment option they can consider knowing their financial status and this will also help them re-evaluate their financial capacity if they want to expand and grow the family.
<p>TRADITIONALS</p> <p>Likelihood of Investing to Education: High ↑ Education for dependents, specifically children (obligatory)</p>	<ol style="list-style-type: none"> 1. Discuss to working spouse financial goals and consider new investments like business venture or real estate as another source of income for the family 2. Secure education of dependents by maintaining an exclusive savings plan for the beneficiary. Moreover, income, economic condition and tax situation should also be considered before establishing personalized savings plan.
<p>MODERNS</p> <p>Likelihood of Investing to Education: High ↑ Education for dependents, specifically children (obligatory)</p>	<ol style="list-style-type: none"> 1 Regularly reassess existing portfolio to boost returns by maintaining the most productive investment and by terminating the least productive. 2. Regularly reevaluate financial history, including bank accounts, credit reports or loan payments to ensure financial stability on investments for the education of dependents.
<p>EMPTY NESTERS/ RETIREES</p> <p>Likelihood of Investing to Education: Low ↓ Discretion to invest on Education for relatives, scholars, etc.</p>	<ol style="list-style-type: none"> 1. Reassess existing portfolio through financial checkup to see status of current investments and consider tactical options for investment management: to either maintain (sustainability) or terminate (harvest returns). 2. Finalize estate planning, will and testament, to have an orderly distribution of properties and disposal of estate at death.

As illustrated in Table 47, *Singles*, *Traditionals*, and *Moderns* have high likelihood of investing to education due to the fact that this is a recognized priority under their respective financial situation, for self and family development. On the other hand, *Young Couples* have the tendency to consider and try out various investment options depending on their financial objectives and capacity since they are still expanding while *Empty Nesters* and *Retirees* should concentrate more on finalizing estate planning to ensure systematic sharing of wealth.

In the long run, circumstances may impact financial activities of OFWs and their household, influencing their financial goals and decisions. These changes will also affect the implemented investment program that they made. The families can either adapt or neglect this conditions. Therefore, reevaluation is a significant step to ensure alignment and sustainability of existing investments.

As a golden rule in investment, one should not put all the eggs under one basket, hence, one should distribute the eggs to different types of basket. Aside from concentrating to only one investment, Overseas Filipino Workers should explore different investment opportunities to allocate the remittances that they earned considering income, risk, safety, growth, and liquidity. They can also acquire helpful and legitimate investment information through online business periodicals, economic websites, corporate and stock reports or even financial advisors.

Chapter 5

SUMMARY, FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

SUMMARY

The study evaluated how Overseas Filipino Workers and their households allocate remittances in Cebu, Philippines through determining their socio-economic profile, current household's remittance allocation actions, investment experiences of managing remittances received and factors that affect investment decisions on education.

Review of literature was made with the following topics; i) Overseas Filipino Workers (OFWs); ii) remittances management; iii) personal and household finance; and iv) topics about investments on education. The theoretical framework utilized for this study was the Personal and Family Financial Planning Framework (Kapoor et al., 1988).

The survey was conducted on May-June 2016 in Philippine Overseas Employment Administration (POEA) Regional Center located in Cebu City, Philippines. Moreover, interviews were also performed to document investment experiences of selected OFW households based on family situations identified by Kapoor et al. (1988), classified into either: Singles, Young Couples, Traditional, Moderns, Empty Nesters, or Retirees.

The study found out that most respondents were young, married professionals, earn PHP30,001 to 70,000, follow a monthly budget plan, save PHP 10,000 or less monthly, don't have any multiple loans nor credit cards, spend more on basic necessities, covered with insurance, own several properties, manage business and don't have any will. In addition, factors moderately influence the financial decision to invest for education.

The study concluded that remittances, OFWs' main income, are influenced by other factors, which are crucial factors to consider on investments for education. In addition, younger OFWs don't prioritize investing and most of the respondents don't understand the true importance of sharing. Furthermore, younger OFWs also tend to invest on personal development while older OFWs have more diversified investment portfolios.

The study recommends that the proposed strategies for investments on education should be discussed to OFWs and their household through Overseas Workers Welfare Administration (OWWA), the government's main organization tasked to ensure OFWs' welfare. These actions will improve agency's existing re-integration program..

FINDINGS

Overseas Filipino Workers and their Households' Profile

Most OFWs were young adults who were married and currently earning an income range within PHP 30,001 to 70,000. The household size, the number of persons living together under the same house in the Philippines, consists of four to six persons. The data for dependents were analyzed separately since it covered all persons who are relying from the OFW's financial support, whether they are residing or not under the same house. Majority of the respondents provided their direct relatives and immediate families as their dependents. These includes their fathers, mothers, spouses, brother, sisters, sons, daughters, grandsons and granddaughters.

Household's Remittances Allocation Actions

According to Kapoor, Dlabay, and Hughes (1988) who developed the Personal and Family Financial Planning Framework, there are eight financial planning actions: Obtaining, Planning, Saving, Borrowing, Spending, Protecting, Investing, and Sharing. In the aspect of current household's remittance allocation decisions, for Obtaining, majority of the respondents were college graduates, working three to five years overseas and were earning the income range within PHP 30,001 to 70,000 from their employment in countries in Middle East. For Planning, most of the respondents follow a monthly budget plan for managing the remittances they received. For Saving, most of them save PHP 10,000 or less of their earnings per month. For Borrowing, more than half don't have any existing loans nor credit card accounts. On the other hand, the remaining respondents have existing personal loans and credit card and they pay PHP 10,000 or less every month. For Spending, most of the households allocate their monthly income to basic necessities like food and beverages, utilities and household operations. For Protecting, majority have health and life insurances and every month they pay PHP 5,000 or less for their coverage. For Investing, half of the respondents don't have any existing investments while the other half own real estate properties or have businesses and they set aside PHP 5,001 to 10,000 per month for their respective investments. Finally, for Sharing, majority of the OFWs don't have any existing or updated will, for the orderly transfer of their properties to their dependents, in case anything will happen.

Investment Experiences

Investment preferences varied from one Overseas Filipino Worker to another depending on their socio-economic profile including age, civil status, and income. Older OFWs have more diversified portfolios compared to the younger ones: older OFWs tend to invest more on real estate, agricultural lands or small-medium enterprises while younger OFWs have the tendency to invest more on opportunities for personal development and career growth.

Factors Affecting Investments on Education

All six factors: Income, Needs and Values, Family Situation, Career Situation, Economic Condition, and Tax Situation under the Personal and Family Financial Planning Framework (Kapoor et al., 1988) have moderate impact on the financial decisions of OFWs and their households to invest for education.

CONCLUSIONS

Remittances, the Overseas Filipino Workers and households' main income, is influenced by the other five factors (needs and values, family situation, career situation, economic condition, and tax situation). This is a crucial and relevant factor to consider for financial decisions on investments, including investments for education: if the OFW's income is low or enough, it's a hindering factor but if the income is high, it's a triggering factor. When the amount of acquired remittances increase, there is also a big probability that the household will invest for education with the anticipation of improving one's self or the entire family.

Although they know the importance of planning and saving for financial security, younger generation of Overseas Filipino Workers don't prioritize investing compared to other allocation actions. Furthermore, most OFWs across all age ranges don't understand the true essence of sharing, to prepare them for an organized transfer of assets to the dependents, in case anything might happen, considering the fact that they are working far away from their loved ones.

In terms of investment preferences, younger OFWs tend to invest more on opportunities for personal development and career growth while older OFWs have more diversified portfolios, consisting mainly of properties and businesses.

RECOMMENDATIONS

After a comprehensive analysis of the findings and conclusions of this study, the researcher came up with the following recommendations:

1. The suggested investment strategies for investments on education should be discussed to Overseas Filipino Workers and their household through financial, investment or business planning seminars arranged by Overseas Workers Welfare Administration (OWWA) monthly to reorient the importance of investing and encourage participants to invest more, with the goal of productively managing the remittances to ensure financial security. OWWA is the lead government organization tasked to ensure the welfare of the OFWs and their dependents. In addition, the agency's services include Social Benefits Training Benefits, Welfare Assistance Program, Repatriation Program and Reintegration Program.

2. Based on the profile of the OFWs and their household, OWWA, should consistently educate OFWs and their families the value of investing, sharing and other financial planning action through increasing their online presence by having an interactive website and active social media profile through adding video blogs, infographics, and regular web conferences to teach them on how they can manage the remittances productively. OWWA should also consider introducing different avenues for investing aside from the conventional ones. Through enhanced online experience, OWWA can also initiate pre-registration to profile OFWs based on age groups and family situation to ensure that suitable investment options will be discussed during the seminar for specific group of participants. These should improve the existing reintegration program of the agency which involves the preparation for the return of OFWs into the country through interventions on values formation, financial literacy, entrepreneurship, investments planning, techno-skills and capacity building.

3. Finally, for future researchers who want to utilize this study as reference, the researcher highly recommend to concentrate on allocation actions of specific financial situation (*Singles, Young Couples, Traditionals, Moderns, Empty Nesters* or *Retirees*) of OFWs as main respondents to come up with interesting and specific conclusions in reference to their respective investment decisions and preferences.

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APPENDIX A

TRANSMITTAL LETTER (REQUEST FOR OFW POPULATION IN CEBU)

UNIVERSITY OF SAN CARLOS
Graduate School of Business and Economics
P. del Rosario Street, Cebu City

September , 2015

Ms. Evelia M. Durato
Officer-in-Charge
POEA Regional Center for Visayas
Cebu City

Dear Ma'am Durato:

Greetings!

I am KEVIN C. GALVEZ, pursuing my masteral degree in Business Administration from University of San Carlos and currently crafting thesis entitled, "**Allocation of Remittances of Overseas Filipino Workers' (OFWs') Households in Cebu, Philippines Using The Personal and Family Financial Planning Framework**". My thesis will evaluate how OFWs and their respective families in Cebu, currently allocate remittances on educational investments.

I would like to request from your office assistance in my data gathering. I need to know the following information:

1. Current population figure of OFWs in Cebu Province
2. Possible master list of OFWs names and addresses here in Cebu

Data gathered will be treated with utmost confidentiality. Should you need to contact me, please feel free to call me at my mobile phone number 0933-644-5794 or email me at kevin_galvez@rocketmail.com

Your cooperation will be truly appreciated.

Yours sincerely,

KEVIN C. GALVEZ

APPENDIX B

TRANSMITTAL LETTER (REQUEST TO CONDUCT SURVEY)

March , 2016

Ms. Evelia M. Durato
Officer-in-Charge
POEA Regional Center for Visayas
Cebu City

Dear Ma'am Durato:

Greetings!

I am KEVIN C. GALVEZ, pursuing my masteral degree in Business Administration from University of San Carlos and currently crafting thesis entitled, "**Allocation of Remittances of Overseas Filipino Workers' (OFWs) Households in Cebu, Philippines Using The Personal and Family Financial Planning Framework**", aiming to evaluate how OFWs and their respective household allocate remittances to investments for education.

In connection with this, I would like to seek for your assistance in gathering the necessary data essential for my study through conducting an OFW survey within your office premises. I would need ___ respondents, if possible, to answer the survey questionnaire. Attached is a copy of the research instrument for your reference.

Data gathered will be treated with utmost confidentiality. Should you need to contact me, please feel free to contact me at my mobile number 0933-644-5794 or email me at kevin_galvez@rocketmail.com. Thank you very much.

Sincerely yours,

KEVIN C. GALVEZ
Researcher

Noted by:

MARISSA M. BALDECIR, CPA
Adviser

APPENDIX C

TRANSMITTAL LETTER (REQUEST TO CONDUCT SURVEY)

March , 2016

Ms. Wilfreda L. Misterio
Director
Overseas Workers Welfare Administration
Cebu City

Dear Ma'am Misterio:

Greetings!

I am KEVIN C. GALVEZ, pursuing my masteral degree in Business Administration from University of San Carlos and currently crafting thesis entitled, "**Allocation of Remittances of Overseas Filipino Workers' (OFWs) Households in Cebu, Philippines Using The Personal and Family Financial Planning Framework**", aiming to evaluate how OFWs and their respective household allocate remittances to investments for education.

In connection with this, I would like to seek for your assistance in gathering the necessary data essential for my study through conducting an OFW survey within your office premises. I would need ___ respondents, if possible, to answer the survey questionnaire. Attached is a copy of the research instrument for your reference.

Data gathered will be treated with utmost confidentiality. Should you need to contact me, please feel free to contact me at my mobile number 0933-644-5794 or email me at kevin_galvez@rocketmail.com. Thank you very much.

Sincerely yours,

KEVIN C. GALVEZ
Researcher

Noted by:

MARISSA M. BALDECIR, CPA
Adviser

APPENDIX D

SURVEY QUESTIONNAIRE

Dear Respondent:

This is a study entitled: "**ALLOCATION OF REMITTANCES OF OVERSEAS FILIPINO WORKERS' (OFWS') HOUSEHOLDS IN CEBU, PHILIPPINES USING THE PERSONAL AND FAMILY FINANCIAL PLANNING FRAMEWORK**", undertaken to determine how households of Overseas Filipino Workers (OFWs) in Cebu, Philippines allocate their remittances and document their investment experiences in order to propose investment strategies specifically for education

Your kind cooperation in accomplishing this questionnaire will be an important factor in the success of the study. Rest assured, the information gathered will be treated with utmost confidentiality. Thank you very much.

KEVIN C. GALVEZ
Researcher

RESPONDENT NUMBER: ____

Instructions: Please provide answers to ALL questions and by putting a check (✓) on the box of your answer. Do not leave any question unanswered.

1. Social-demographic Background

1.1 Age: ____

1.2 Gender: Male Female

1.3 Civil Status:

Single Married
 Domestic Partnership Widowed
 Divorced/Separated

1.4 Educational Attainment:

High School Graduate Vocational/Technical
 College Graduate Graduate School (Master's, Doctoral)

1.5 Job Title and Country of Deployment:

Land-based (Specify occupation & country.) _____
 Sea-based (Specify occupation & country.) _____

1.6 How long have you been an Overseas Filipino Worker?

0-2 years 3-5 years 6-8 years 9-11 years 12 years and above

1.7 Gross Monthly Income (PHP)

- below-10,000 140,001-250,000
 10,001-30,000 250,001-500,000
 30,001-70,000 500,001-above
 70,001-140,000

1.8 How many person/s are living in your house in the Philippines?

- 1-3 persons 4-6 persons 7-9 persons 10 or more persons

1.9 Dependents (Someone who relies on your financial support.)

	Number of Dependent's	Age of Dependent/s	Living in your house?	Currently studying?
Father			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Mother			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Brother			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Sister			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Spouse (Wife/Husband)			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Son			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Daughter			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Grandson			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Granddaughter			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Father-in-law			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Mother-in-law			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Son-in-law			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Daughter-in-law			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other Relatives/s			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Non-Relative/s			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

1.10 Do you make and follow a BUDGET PLAN for expenses and financial obligations? Yes No

If YES, proceed to 1.10A

If NO, proceed to 1.11

1.10A If Yes, what is your budget plan coverage?

- Weekly Monthly Others, please specify. _____
 Biweekly Bimonthly

1.11 How much of your monthly earnings (PHP) are allocated for SAVINGS?

- below-10,000 140,001-250,000
 10,001-30,000 250,001-500,000
 30,001-70,000 500,001-above
 70,001-140,000

1.12 Do you have any loan/s? Yes No

If **YES**, proceed to 1.12A and 1.12B

If **NO**, proceed to 1.13

1.12A If **Yes**, what type of loan/s? (You can select more than one.)

- Personal Loan Housing Loan Others, please specify. _____
 Car Loan Business Loan

1.12B If **Yes**, how much of your monthly earnings (PHP) are allocated to your loan payment?

- below-5,000 20,001-25,000
 5,001-10,000 25,001-30,000
 10,001-15,000 30,001-above
 15,001-20,000

1.13 Do you have any credit card/s? Yes No

If **YES**, proceed to 1.13A

If **NO**, proceed to 1.14

1.13A If **Yes**, how much of your monthly earnings (PHP) are allocated to your credit card payment?

- below-5,000 20,001-25,000
 5,001-10,000 25,001-30,000
 10,001-15,000 30,001-above
 15,001-20,000

1.14 SPENDING PATTERNS: To the best of your knowledge, how much of your monthly income (PHP) is allocated to:

	PHP
Food and Beverages	
Clothing and Personal Care	
Utilities (Electricity, Water, Gas)	
Transportation (Fare, Vehicle Maintenance & Fixtures, etc.)	
Communication (Phone, Internet, etc.)	
Medical Care	
Educational Needs (Books, Tuition fee, Supplies, etc.)	
Household Operations (Bulbs, Laundry Soap, etc.)	
Rent (Apartment, Condo, etc.)	
Others, please specify: _____	

1.15 Do you have any insurance coverage/s? Yes No

If **YES**, proceed to 1.15A and 1.15B

If **NO**, proceed to 1.16

1.15A If **Yes**, what type of insurance coverage/s? (You can select more than one.)

Life Insurance Auto Insurance Others, please specify. _____
 Property Insurance Health Insurance

1.15B If **Yes**, how much of your monthly earnings (PHP) are allocated to your insurance?

below-5,000 20,001-25,000
 5,001-10,000 25,001-30,000
 10,001-15,000 30,001-above
 15,001-20,000

1.16 Do you have any investment/s? Yes No

If **YES**, proceed to 1.16A and 1.16B

If **NO**, proceed to 1.17

1.16A If **Yes**, what type of investment/s? (You can select more than one.)

Business Mutual Funds, Stocks, Bonds
 Real Estate Education Others, please specify. _____

1.16B If **Yes**, how much of your monthly earnings (PHP) are allocated to your investment/s?

below-5,000 20,001-25,000
 5,001-10,000 25,001-30,000
 10,001-15,000 30,001-above
 15,001-20,000

1.17 Do you have any WILL for the orderly transfer of your property to your dependents, in case, anything will happen? Yes No

2. Financial Planning Allocation Actions. Instructions: Please indicate your agreement with the following statements by putting a circle (O) on the number of your answer. Use the following legend:

1 - Strongly Disagree

2 - Disagree

3 - Neutral

4 - Agree

5 - Strongly Agree

OBTAINING					
1. I am satisfied with my present job overseas.	1	2	3	4	5
2. I am willing to be train and learn new skills and knowledge for career advancement or promotion.	1	2	3	4	5
3. I have plans in the future, to increase my income through sourcing from other investments aside from my current employment.	1	2	3	4	5
PLANNING					
4. My family follow a monthly budget plan for my earnings.	1	2	3	4	5
5. I ensure that portion of my monthly budget is allocated to savings or investments, aside from daily expenditures	1	2	3	4	5
6. I keep my financial records organized including receipts, statements or tax forms.	1	2	3	4	5
SAVING					
7. My family have more than one savings account.	1	2	3	4	5
8. I am confident that I have sufficient savings, in case of emergency.	1	2	3	4	5
9. I am willing to invest some of my savings to high risk, high return type of investments.	1	2	3	4	5
10. My family save reasonable amount of our earnings to the bank to secure my dependents' future educational needs.	1	2	3	4	5
BORROWING					
11. I see to it that when I borrow funds, it's appropriate to my income.	1	2	3	4	5
12. I go for loans with the lowest interest rates.	1	2	3	4	5
13. My family have one or more credit cards.	1	2	3	4	5
SPENDING					
14. My family is willing to pay for a higher price as long as we get the best quality or service.	1	2	3	4	5
15. My family go shopping/dining out/travel more than once per month.	1	2	3	4	5
16. My family only prioritizes daily consumption necessities than things that are not really needed at the moment.	1	2	3	4	5
PROTECTING					
17. I have adequate insurance for my home and	1	2	3	4	5

possessions.					
18. My family and I are covered for life and health risks.	1	2	3	4	5
INVESTING					
19. I am planning to allocate funds for additional investments like business, real estate, stocks or bonds in the future.	1	2	3	4	5
20. My family give high importance to investments on education.	1	2	3	4	5
21. My family allocate reasonable amount of our earnings to the dependents' current educational needs.	1	2	3	4	5
22. My family invest reasonable amount of earnings to educational plans to secure dependents' future educational needs.	1	2	3	4	5
SHARING					
23. I already prepared a will and its updated.	1	2	3	4	5
24. I already prepared for the orderly transfer of my property to my dependents, in case anything will happen.	1	2	3	4	5

3. Factors Influencing Financial Allocation Actions. Instructions: Please indicate your agreement with the following statements by putting a circle (O) on the number of your answer. Use the following legend:

1 - Not an Influence

2 - Moderate Influence

3 - Great Influence

INCOME					
1. Income affects how I/my family get our earnings.	1	2	3		
2. Income affects how I/my family budget our earnings.	1	2	3		
3. Income affects how I/my family save money.	1	2	3		
4. Income affects how I/my family borrow funds (loans, credits.)	1	2	3		
5. Income affects how I/my family spend funds for consumption.	1	2	3		
6. Income affects how I/my family allocate funds for insurance coverage.	1	2	3		
7. Income affects how I/my family allocate funds for investments.	1	2	3		
8. Income affects how I will decide to distribute my properties to my dependents.	1	2	3		
NEEDS AND VALUES					
9. Needs and values affect how I/my family get our earnings.	1	2	3		
10. Needs and values affect how I/my family budget our earnings.	1	2	3		
11. Needs and values affect how I/my family save money. (Saving)	1	2	3		
12. Needs and values affect how I/my family borrow funds (loans, credits.)	1	2	3		
13. Needs and values affect how I/my family spend funds for consumption.	1	2	3		
14. Needs and values affect how I/my family allocate funds for insurance coverage.	1	2	3		
15. Needs and values affect how I/my family allocate funds for	1	2	3		

investments.			
16. Needs and values affect how I will decide to distribute my properties to my dependents.	1	2	3
FAMILY SITUATION			
17. The age and number of my family members affect how I/my family get our earnings.	1	2	3
18. The age and number of my family members affect how I/my family budget our earnings.	1	2	3
19. The age and number of my family members affect how I/my family save money.	1	2	3
20. The age and number of my family members affect how I/my family borrow funds (loans, credits.)	1	2	3
21. The age and number of my family members affect how I/my family spend funds for consumption.	1	2	3
22. The age and number of my family members affect how I/my family allocate funds for insurance coverage.	1	2	3
23. The age and number of my family members affect how I/my family allocate funds for investments.	1	2	3
24. The age and number of my family members affect how I will decide to distribute my properties to my dependents.	1	2	3
CAREER SITUATION			
25. Employment affects how I/my family get our earnings.	1	2	3
26. Employment affects how I/my family budget our earnings.	1	2	3
27. Employment affects how I/my family save money.	1	2	3
28. Employment affects how I/my family borrow funds (loans, credits.)	1	2	3
29. Employment affects how I/my family spend funds for consumption.	1	2	3
30. Employment affects how I/my family allocate funds for insurance coverage.	1	2	3
31. Employment affects how I/my family allocate funds for investments.	1	2	3
32. Employment affects how I will decide to distribute my properties to my dependents.	1	2	3
ECONOMIC CONDITION			
33. Changing supply, demand, and prices affect how I/my family get our earnings.	1	2	3
34. Changing supply, demand, and prices affect how I/my family budget our earnings.	1	2	3
35. Changing supply, demand, and prices affect how I/my family save money.	1	2	3
36. Changing supply, demand, and prices affect how I/my family borrow funds (loans, credits.)	1	2	3
37. Changing supply, demand, and prices affect how I/my family spend funds for consumption.	1	2	3
38. Changing supply, demand, and prices affect how I/my family allocate funds for insurance coverage.	1	2	3
39. Changing supply, demand, and prices affect how I/my family allocate funds for investments.	1	2	3

40. Changing supply, demand, and prices affect how I will decide to distribute my properties to my dependents.	1	2	3
TAX SITUATION			
41. Tax revenues and collections by the Government affect how I/my family get our earnings.	1	2	3
42. Tax revenues and collections by the Government affect how I/my family budget our earnings.	1	2	3
43. Tax revenues and collections by the Government affect how I/my family save money.	1	2	3
44. Tax revenues and collections by the Government affect how I/my family borrow funds (loans, credits.)	1	2	3
45. Tax revenues and collections by the Government affect how I/my family spend funds for consumption.	1	2	3
46. Tax revenues and collections by the Government affect how I/my family allocate funds for insurance coverage.	1	2	3
47. Tax revenues and collections by the Government affect how I/my family allocate funds for investments.	1	2	3
48. Tax revenues and collections by the Government affect how I will decide to distribute my properties to my dependents.	1	2	3

4. Factors Influencing Investments on Education. Instructions: Please indicate your agreement with the following statements by putting a circle (O) on the number of your answer. Use the following legend:

1 - Not an Influence

2 - Moderate Influence

3 - Great Influence

INCOME			
1. Income affects how I/my family allocate funds for investments on education.	1	2	3
NEEDS AND VALUES			
2. Needs and values affect how I/my family allocate funds for investments on education.	1	2	3
FAMILY SITUATION			
3. The age and number of my family members affect how I/my family allocate funds for investments on education.	1	2	3
CAREER SITUATION			
4. Employment affects how I/my family allocate funds for investments on education.	1	2	3
ECONOMIC CONDITION			
5. Changing supply, demand, and prices affect how I/my family allocate funds for investments on education.	1	2	3
TAX SITUATION			
6. Tax revenues and collections by the Government affect how I/my family allocate funds for investments on education.	1	2	3

APPENDIX E

INTERVIEW GUIDE

OVERSEAS FILIPINO WORKERS AND HOUSEHOLDS INTERVIEW GUIDE

This guide is designed to gather information from selected Overseas Filipino Workers and households on their investment experiences in managing remittances received.

Date of Interview: _____

RESPONDENT'S INFORMATION

Name: _____ **Age:** ____ **Gender:** Male Female

Civil Status: Single Married Domestic Partnership
 Widowed Divorced/Separated

Educational Attainment:

High School Graduate Vocational/Technical
 College Graduate Graduate School (Master's, Doctoral)

INTERVIEW QUESTIONS	ANSWERS	NOTES/COMMENTS
1. How long have you been an Overseas Filipino Worker?	<input type="checkbox"/> 0-2 years <input type="checkbox"/> 3-5 years <input type="checkbox"/> 6-8 years <input type="checkbox"/> 9-11 years <input type="checkbox"/> 12 years and above	
2. What is your occupation and country of deployment?	<input type="checkbox"/> Land-based _____ <input type="checkbox"/> Sea-based _____	
3. How much is your gross monthly income?	<input type="checkbox"/> below-10,000 <input type="checkbox"/> 10,001-30,000 <input type="checkbox"/> 30,001-70,000 <input type="checkbox"/> 70,001-140,000 <input type="checkbox"/> 140,001-250,000 <input type="checkbox"/> 250,001-500,000 <input type="checkbox"/> 500,001-above	
4. How many person/s are living in your house in the Philippines?	<input type="checkbox"/> 1-3 persons <input type="checkbox"/> 4-6 persons <input type="checkbox"/> 7-9 persons <input type="checkbox"/> 10 or more persons	
5. How many are your dependents? (include living and not living in the house;	<input type="checkbox"/> 1-3 persons <input type="checkbox"/> 4-6 persons <input type="checkbox"/> 7-9 persons <input type="checkbox"/> 10 or more persons	

relative/non-relative as long as they rely for financial support)		
6. Do you make and follow a budget plan for your expenses and financial obligations?	<input type="checkbox"/> If Yes, proceed to no.7 <input type="checkbox"/> If NO, proceed to no.8	
7. What is your budget plan coverage?	<input type="checkbox"/> Weekly <input type="checkbox"/> Biweekly <input type="checkbox"/> Monthly <input type="checkbox"/> Bimonthly <input type="checkbox"/> Others: _____	
8. How much of your monthly earnings (PHP) are allocated for your savings?	<input type="checkbox"/> below-10,000 <input type="checkbox"/> 10,001-30,000 <input type="checkbox"/> 30,001-70,000 <input type="checkbox"/> 70,001-140,000 <input type="checkbox"/> 140,001-250,000 <input type="checkbox"/> 250,001-500,000 <input type="checkbox"/> 500,001-above	
9. Do you have any loan/s?	<input type="checkbox"/> If Yes, proceed to nos.10 and 11 <input type="checkbox"/> If NO, proceed to no.12	
10. What type of loan/s? (You can select more than one.)	<input type="checkbox"/> Personal Loan <input type="checkbox"/> Car Loan <input type="checkbox"/> Housing Loan <input type="checkbox"/> Business Loan <input type="checkbox"/> Others: _____	
11. how much of your monthly earnings (PHP) are allocated to your loan payment?	<input type="checkbox"/> below-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-15,000 <input type="checkbox"/> 15,001-20,000 <input type="checkbox"/> 20,001-25,000 <input type="checkbox"/> 25,001-30,000 <input type="checkbox"/> 30,001-above	
12. To the best of your knowledge, how much of your monthly income (PHP) is allocated to:	1. Food and Beverages 2. Clothing and Personal Care 3. Utilities (Electricity, Water, Gas) 4. Transportation (Fare, Vehicle Maintenance & Fixtures, etc.) 5. Communication (Phone, Internet, etc.) 6. Medical Care 7. Educational Needs (Books, Tuition fee, Supplies, etc.)	

	8. Household Operations (Bulbs, Laundry Soap, etc.) 9. Rent (Apartment, Condo, etc.) 10. Others: _____	
13. Do you have any insurance coverage/s?	<input type="checkbox"/> If Yes, proceed to nos.14 and 15 <input type="checkbox"/> If NO, proceed to no.16	
14. What type of insurance coverage/s? (You can select more than one.)	<input type="checkbox"/> Life Insurance <input type="checkbox"/> Property Insurance <input type="checkbox"/> Auto Insurance <input type="checkbox"/> Health Insurance <input type="checkbox"/> Others: _____	
15. How much of your monthly earnings (PHP) are allocated to your insurance?	<input type="checkbox"/> below-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-15,000 <input type="checkbox"/> 15,001-20,000 <input type="checkbox"/> 20,001-25,000 <input type="checkbox"/> 25,001-30,000 <input type="checkbox"/> 30,001-above	
16. Do you have any investment/s?	<input type="checkbox"/> If Yes, proceed to nos.17-20 <input type="checkbox"/> If NO, proceed to no.23	
17. What type of investment/s? (You can select more than one.)	<input type="checkbox"/> Business <input type="checkbox"/> Real Estate <input type="checkbox"/> Mutual Funds, Stocks, Bonds <input type="checkbox"/> Education <input type="checkbox"/> Others: _____	
18. How much of your monthly earnings (PHP) are allocated to your investment/s?	<input type="checkbox"/> below-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-15,000 <input type="checkbox"/> 15,001-20,000 <input type="checkbox"/> 20,001-25,000 <input type="checkbox"/> 25,001-30,000 <input type="checkbox"/> 30,001-above	
19. What factor/s do you think greatly influence your financial decisions for your current investment/s? (You can select more than one.)	<input type="checkbox"/> Income <input type="checkbox"/> Needs and Values <input type="checkbox"/> Family Situation <input type="checkbox"/> Career Situation <input type="checkbox"/> Economic Condition <input type="checkbox"/> Tax Situation <input type="checkbox"/> Others: _____	
20. Are you planning to allocate	<input type="checkbox"/> If Yes, proceed to nos. 21	

funds for additional investments in the future?	and 22 <input type="checkbox"/> If NO, proceed to no.23	
21. What type of future investment/s? (You can select more than one.)	<input type="checkbox"/> Business <input type="checkbox"/> Real Estate <input type="checkbox"/> Mutual Funds, Stocks, Bonds <input type="checkbox"/> Education <input type="checkbox"/> Others: _____	
22. How much of your earnings (PHP) are you willing to allocate for your future investment/s?	<input type="checkbox"/> below-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-15,000 <input type="checkbox"/> 15,001-20,000 <input type="checkbox"/> 20,001-25,000 <input type="checkbox"/> 25,001-30,000 <input type="checkbox"/> 30,001-above	
23. What factor/s do you think greatly influence your financial decisions for your willingness to invest more in the future? (You can select more than one.)	<input type="checkbox"/> Income <input type="checkbox"/> Needs and Values <input type="checkbox"/> Family Situation <input type="checkbox"/> Career Situation <input type="checkbox"/> Economic Condition <input type="checkbox"/> Tax Situation <input type="checkbox"/> Others: _____	
24. Do you have any WILL for the orderly transfer of your property to your dependents, in case, anything will happen?	<input type="checkbox"/> YES <input type="checkbox"/> NO	

END

APPENDIX F
CURRICULUM VITAE



Name: Kevin C. Galvez
Gender: Male
Date of Birth: 12 October 1991
Address: Banilad, Cebu City, 6000
Contact number: 0933 644 5794
Email address: kevin_galvez@rocketmail.com

Educational Background

Graduate Studies
2013-2017

University of San Carlos
P. del Rosario St., Cebu City
Masters in Business Administration

Undergraduate Studies
2007 – 2011

University of San Carlos
P. del Rosario St., Cebu City
*Bachelor of Science in Business Administration majors in
Entrepreneurship and Marketing Management*

Secondary Education
2003 – 2007

Saint Peter's College of Ormoc
Fr. Cataag St., Ormoc City, Leyte

Elementary Education
1997 - 2003

Primona Holy Infant Academy
Kananga, Leyte

Work Experiences

Cebu Pacific Air
July-August 2010

Marketing Intern

China Banking Corporation
July 2011-May 2013

Customer Service Associate II

JPMorgan Chase Bank N.A.-Philippine Global Service Center
November 2013- Present

Retail Banker II