



AMWSLAI

FINANCIAL INTELLIGENCE GUIDE

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FINANCIAL INTELLIGENCE GUIDE

INTRODUCTION

DEFINITION OF FINANCIAL INTELLIGENCE: GENERATIONAL WEALTH

Financial intelligence refers to the knowledge and skills needed to make sound financial decisions, manage money effectively, and create and maintain long-term wealth. Building generational wealth requires a high level of financial intelligence, as it involves creating and transferring wealth across multiple generations.

Financial intelligence involves a deep understanding of personal finance, investing, and wealth management strategies, as well as the ability to make informed decisions about money. It also involves developing a long-term financial plan, which includes setting financial goals, creating a budget, investing in assets that generate passive income, and minimizing debt.

To build generational wealth, individuals must also understand the importance of estate planning and asset protection. This includes creating trust funds, setting up a family wealth management, and investing in insurance and other protective measures.

Ultimately, financial intelligence is essential for building and maintaining generational wealth. It requires a commitment to ongoing education, discipline, and sound financial decision-making. By developing financial intelligence and using it to create and manage wealth, individuals can ensure a secure financial future for themselves and their families for generations to come.

IMPORTANCE OF CREATING GENERATIONAL WEALTH

Building generational wealth is important for soldiers and policemen for several reasons:

1. **Financial security:** Soldiers and policemen face significant risks and uncertainties in their jobs. Building generational wealth can provide them with a sense of financial security and stability, even in the face of unexpected events such as injury, disability, or death.
2. **Retirement planning:** Both soldiers and policemen have retirement benefits, but building generational wealth can help supplement those benefits and ensure a comfortable retirement for themselves and their families.
3. **Legacy:** Soldiers and policemen often have a strong sense of duty and service to their country and communities. Building generational wealth allows them to leave



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a legacy for their children and grandchildren, ensuring that their hard work and sacrifice benefit future generations.

4. **Education:** Education is often a top priority for soldiers and policemen, and building generational wealth can help fund higher education for themselves and their children.
5. **Community impact:** Building generational wealth can also have a positive impact on the broader community, as soldiers and policemen can use their wealth to invest in local businesses and philanthropic causes that benefit the community.

THE AMWSLAI FINANCIAL INTELLIGENCE MAP

PERSONAL FINANCIAL PLAN

A personal financial plan is a roadmap that outlines an individual's financial goals and objectives, and the strategies and actions needed to achieve them. It is a comprehensive analysis of an individual's financial situation, including their income, expenses, assets, liabilities, and risk tolerance.

A personal financial plan typically includes the following elements:

1. **Financial goals:** This includes both short-term and long-term financial goals, such as saving for retirement, buying a house, or paying off debt.
2. **Budgeting:** This involves creating a detailed plan for managing income and expenses to achieve financial goals.
3. **Saving and investing:** This involves determining how much to save and invest, and developing an investment strategy that aligns with financial goals and risk tolerance.
4. **Debt management:** This involves developing a plan for managing debt, including paying off high-interest debt and avoiding unnecessary debt.
5. **Protection:** This involves assessing and managing financial risks, such as health emergencies or unexpected job loss, through insurance, emergency funds or other means.

Set clear financial goals

Setting clear financial goals is important in creating a personal financial plan because it provides direction and focus for your financial decisions. Clear financial goals help you prioritize your spending and saving, and guide you in making decisions that align with your overall financial objectives. Here are some steps to help you set clear financial goals:

1. **Identify your priorities:** Start by identifying your priorities and what you want to achieve financially. This may include short-term goals such as paying off debt or



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saving for a down payment on a house, as well as long-term goals such as saving for retirement or building a college fund for your children.

2. **Make your goals specific and measurable:** Set specific and measurable goals that are achievable and realistic. For example, if you want to save for a down payment on a house, set a specific target amount and a timeframe for achieving that goal.
3. **Break down long-term goals into smaller milestones:** Long-term goals can be overwhelming, so break them down into smaller milestones that are easier to achieve. For example, if your long-term goal is to save 1 million for retirement, set smaller goals for each year to help you track your progress.
4. **Prioritize your goals:** Determine which goals are most important to you and prioritize them accordingly. This will help you make informed decisions about how to allocate your resources.
5. **Set deadlines:** Set deadlines for achieving your goals to help keep you accountable and motivated.
6. **Review and adjust your goals regularly:** Review your goals regularly to ensure that they are still relevant and realistic. Adjust them as needed to reflect changes in your financial circumstances.

By setting clear financial goals, you can create a personal financial plan that provides a roadmap for achieving your financial objectives and helps you make informed financial decisions.

Create a budget and stick to it

Budgeting is a key element of personal financial planning that involves creating a plan for managing your income and expenses. It involves tracking your spending, setting financial goals, and creating a spending plan that aligns with your income and financial objectives.

The importance of budgeting includes the following:

1. **Helps you manage your finances:** Budgeting helps you understand your income and expenses and enables you to manage your finances more effectively.
2. **Helps you achieve your financial goals:** By setting financial goals and creating a budget that aligns with those goals, you can make progress towards achieving your financial objectives.



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3. Helps you avoid debt: Budgeting can help you avoid overspending and accumulating debt by ensuring that you live within your means.
4. Helps you identify areas for cost savings: By tracking your spending and identifying areas where you can cut costs, you can save money and increase your savings.
5. Helps you prepare for emergencies: Budgeting can help you build an emergency fund to cover unexpected expenses, such as medical bills or car repairs.
6. Helps you make informed financial decisions: By having a clear understanding of your income and expenses, you can make informed financial decisions about investments, debt, and other financial matters.

Overall, budgeting is an essential part of personal financial planning and can help you achieve financial stability and security over time.

THE PERSONAL INCOME STATEMENT

The personal income statement defined by the formula "income less expenses equals savings" is a simple representation of an individual's financial situation. It suggests that if an individual's income is greater than their expenses, they will have savings left over.

The importance of this formula is that it emphasizes the importance of budgeting and living within one's means. By keeping expenses below income, individuals can save money and achieve their financial goals, such as buying a house, paying off debt, or saving for retirement.

Additionally, the formula can be used as a tool for financial planning. By analyzing their income and expenses, individuals can identify areas where they can cut back on expenses to increase their savings. They can also use the formula to plan for future expenses and allocate their income accordingly.

Overall, the "income less expenses equals savings" formula is a simple and effective way to understand and manage personal finances. By focusing on living within one's means and prioritizing savings, individuals can achieve financial stability and security over time.

Build a budgeting principle

The 50/30/20 rule is a popular budgeting principle that suggests dividing income into three categories: 50% for needs, 30% for wants, and 20% for savings and debt repayment.



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The 50% for needs category includes essential expenses such as housing, utilities, groceries, and transportation. These expenses are necessary for daily living and cannot be easily eliminated.

The 30% for wants category includes discretionary expenses such as dining out, entertainment, and vacations. These expenses are not essential for daily living and can be reduced or eliminated if necessary.

The 20% for savings and debt repayment category includes putting money into savings, such as emergency funds, retirement accounts, or college funds. It also includes paying off debt, such as credit cards or student loans.

The 50/30/20 rule integrates with the Pareto principle, also known as the 80/20 rule. The Pareto principle suggests that 80% of outcomes come from 20% of inputs. In the context of personal finance, the 80/20 rule can be applied to suggest that 80% of expenses come from 20% of spending categories.

The 50/30/20 rule aligns with the Pareto principle in that the needs category typically accounts for 80% of essential spending, while the wants and savings categories account for 20% of spending. By focusing on reducing spending in the wants category and increasing savings in the savings category, individuals can achieve a more balanced budget and better financial stability over time.

Overall, the 50/30/20 rule is a simple and effective budgeting principle that can help individuals allocate their income more effectively and achieve their financial goals over time.

Track income and expenses on a monthly basis

Tracking income and expenses on a monthly basis means keeping a record of all the money that you earn and spend over a period of one month. This involves recording all sources of income, such as salary, bonuses, and any other payments, as well as all expenses, including bills, rent/mortgage payments, food, transportation, and other purchases.

For soldiers and policemen, tracking their income and expenses is important because they often have unique financial situations that require careful budgeting. Military and law enforcement personnel may have irregular work schedules, frequent deployments or relocations, and other expenses that are not typical for civilians. By tracking their income and expenses, they can better manage their finances and ensure that they are staying within their budget.



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Anyone can track their income and expenses by following these steps:

1. **Create a budget:** First, create a budget that outlines all sources of income and all expenses for the month. This will help you identify areas where you can cut back and areas where you need to spend more.
2. **Record all income:** Record all sources of income, including salary, bonuses, and any other payments.
3. **Track all expenses:** Keep track of all expenses, including bills, rent/mortgage payments, food, transportation, and other purchases. Use a spreadsheet or an app to help you stay organized.
4. **Categorize expenses:** Categorize your expenses so that you can see where you are spending your money. Common categories include housing, food, transportation, entertainment, and savings.
5. **Review your budget:** At the end of the month, review your budget to see how well you did. Identify areas where you need to make changes and adjust your budget accordingly.
6. **By tracking your income and expenses on a monthly basis, you can better manage your finances and achieve your financial goals. It can help you identify areas where you can save money, reduce debt, and increase your savings.**

Identify areas where expenses can be reduced

To identify areas where expenses can be reduced to increase savings, you can review your monthly expenses and look for areas where you are spending more than necessary. Here are some steps you can follow:

1. **Analyze your expenses:** Look at your expenses and identify which ones are necessary and which ones are discretionary. Necessary expenses include bills, rent/mortgage, food, transportation, and other essentials. Discretionary expenses include things like entertainment, dining out, and shopping.
2. **Prioritize your expenses:** Prioritize your necessary expenses first and allocate a certain amount of your income towards them. Then, look at your discretionary expenses and see where you can make cuts.
3. **Reduce discretionary spending:** Look for ways to reduce your discretionary spending. This could include eating out less, finding free or low-cost entertainment options, or shopping for bargains.



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4. Set a savings goal: Set a savings goal and work towards it. This could be a specific amount of money you want to save each month or a percentage of your income.

The importance of identifying areas where expenses can be reduced to increase savings is particularly relevant to policemen and soldiers, as they often have unique financial situations that require careful budgeting. These professions may have frequent deployments, irregular work schedules, and other expenses that are not typical for civilians. By reducing unnecessary expenses, they can better manage their finances and ensure that they are staying within their budget.

The 50/30/20 principle is a budgeting strategy that suggests allocating 50% of your income towards necessities, 30% towards discretionary spending, and 20% towards savings or debt reduction. This principle can be helpful in identifying areas where expenses can be reduced, as it encourages a focus on necessary expenses while allowing some flexibility for discretionary spending.

The 80/20 Pareto principle, on the other hand, suggests that 80% of your results come from 20% of your efforts. In budgeting, this could mean that 80% of your expenses come from 20% of your spending categories. By identifying which categories are responsible for the majority of your spending, you can focus on reducing expenses in those areas to have a greater impact on your overall budget.

Build savings and emergency fund

Building savings and an emergency fund are crucial components of a good personal financial plan for several reasons:

1. Financial security: Savings and emergency funds provide a safety net in case of unexpected expenses or loss of income. Having savings and an emergency fund can help avoid financial stress and provide peace of mind.
2. Achieving financial goals: Saving regularly can help individuals achieve their financial goals, such as buying a home, starting a business, or retiring comfortably.
3. Opportunity for investments: Having savings can also provide opportunities for investment in the future, which can generate additional income.

The formula "income less expenses equals savings" highlights the importance of controlling expenses in order to build savings. By keeping expenses under control, individuals can create a surplus that can be saved for emergencies and long-term financial goals.

Integrating savings and emergency funds into one's financial goals requires a strategic approach. Here are some steps that can help:



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1. Set financial goals: Define your financial goals and determine how much you need to save to achieve them. Be specific, measurable, and realistic.
2. Create a budget: Create a budget that includes your income, expenses, and savings goals. Prioritize your savings goals and allocate a portion of your income towards them.
3. Automate savings: Automate your savings by setting up automatic transfers to a savings account each month. This can help ensure that you are consistently saving towards your goals.
4. Build an emergency fund: Set aside a portion of your savings as an emergency fund that can cover unexpected expenses, such as medical bills or car repairs.

Overall, building savings and emergency funds are critical components of a good personal financial plan. By controlling expenses and prioritizing savings goals, individuals can achieve financial security, reach their financial goals, and create opportunities for future investments.

MANAGE PERSONAL ASSETS AND LIABILITIES

Net Worth Formula

The net worth formula, which is "assets less liabilities is equal to net worth," is a measure of an individual's or a family's financial health. It calculates the difference between what you own (assets) and what you owe (liabilities) and provides a snapshot of your overall financial standing.

The formula is important for several reasons:

1. It helps individuals understand their financial standing: The net worth formula helps individuals determine their overall financial position. A positive net worth means that an individual's assets exceed their liabilities, while a negative net worth indicates the opposite.
2. It provides a benchmark for measuring progress: Tracking net worth over time can help individuals measure progress towards their financial goals. As assets increase and liabilities decrease, net worth will increase, providing a clear indicator of progress.
3. It helps with financial planning: Understanding net worth can help individuals make better financial decisions, such as whether to take on additional debt or invest in a new opportunity.



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For soldiers and policemen, building generational wealth can be challenging due to the unique demands of their professions. The net worth formula can be a valuable tool in building generational wealth because it provides a clear and objective measure of financial progress. By tracking net worth over time, individuals can identify areas where they can reduce debt, increase savings, and invest for the long term.

Here are some use cases for the net worth formula:

1. Determining progress towards financial goals: By tracking net worth over time, individuals can determine whether they are making progress towards their financial goals.
2. Assessing overall financial health: The net worth formula provides a snapshot of an individual's or a family's overall financial health, which can help with financial planning.
3. Identifying areas for improvement: By calculating net worth, individuals can identify areas where they need to reduce debt, increase savings, or invest more for the future.

Overall, the net worth formula is a valuable tool for soldiers and policemen who are looking to build generational wealth. By understanding their net worth and making strategic financial decisions, individuals can achieve financial security and create opportunities for future generations.

Build a net worth growth principle

Guiding principles for building net worth for generational wealth are essential for soldiers and policemen to achieve financial security and create opportunities for future generations. These guiding principles include using liabilities for appreciating assets and not just for consumption, passive investing on high-yielding savings accounts, building a side business that can become a family business in the future, and using loans as a means to grow net worth.

Building net worth for generational wealth requires a strategic approach that involves several principles:

1. Invest in appreciating assets: One key principle is to use liabilities, such as loans, to invest in appreciating assets rather than for consumption. Appreciating assets are those that increase in value over time, such as real estate or stocks, and can help build long-term wealth. By using loans to purchase assets that appreciate in value, such as real estate or stocks, individuals can build wealth over time. This approach allows them to leverage their money and potentially earn a higher return on investment than they would by using cash alone.



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2. Use passive investing on high-yielding savings accounts: Passive investing on high-yielding savings accounts can also be a valuable tool in building net worth. By earning a higher interest rate on savings, individuals can grow their wealth over time with little effort. Passive investing, such as investing in high-yielding savings accounts, can provide a relatively low-risk way to earn a return on investment. This approach is particularly useful for individuals who are risk-averse or who do not have the time or expertise to actively manage their investments.
3. Build side businesses that can become family businesses: Another principle is to build side businesses that can become family businesses in the future. This can provide additional income streams and help build wealth that can be passed down to future generations. Soldiers and policemen can create opportunities for future generations to generate income and build wealth.
4. Use smart credit: Smart credit involves using loans as a means to grow net worth, rather than as a way to finance consumption. By using credit wisely and investing in assets that will appreciate over time, individuals can build wealth and increase their net worth. Loans can be used strategically to finance investments that can help grow net worth over time. For example, taking out a loan to purchase a rental property can generate rental income and increase net worth over time.

For soldiers and policemen, building generational wealth can be challenging due to the unique demands of their professions. However, by following these principles, they can take steps towards creating a secure financial future for themselves and their families.

Here are some examples of how these principles can be applied:

1. Investing in real estate: Real estate is a popular asset for building net worth, as it tends to appreciate over time. Soldiers and policemen can consider investing in rental properties, either individually or with a group of investors, using loans to finance the purchase. The rental income can provide a steady source of passive income, and the property can be passed down to future generations.
2. Starting a side business: Soldiers and policemen can start a side business that aligns with their skills and interests. For example, a soldier with a passion for fitness can start a personal training business, while a policeman with a background in IT can start a web development business. By reinvesting profits into the business and building it over time, the business can become a family business that generates income for generations.
3. Investing in high-yield savings accounts: Soldiers and policemen can also consider investing in high-yielding savings accounts, such as high-yield savings accounts or



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certificates of deposit (CDs). These accounts can provide a relatively safe and passive way to grow wealth over time.

4. Using smart credit: Finally, soldiers and policemen can use smart credit to finance investments in appreciating assets, such as real estate or stocks. By using loans strategically and investing in assets that will appreciate over time, they can increase their net worth and build generational wealth.

Track assets and liabilities on a regular basis

Tracking assets and liabilities on a regular basis is essential for soldiers and policemen who are looking to build generational wealth. Here are some reasons why it's important:

Provides a clear understanding of net worth: By tracking assets and liabilities on a regular basis, individuals can calculate their net worth and have a clear understanding of their financial position.

Helps identify areas for improvement: Regularly tracking assets and liabilities can help individuals identify areas where they can improve their financial standing. For example, if liabilities are increasing at a faster rate than assets, it may be time to reevaluate spending and debt management.

Helps with financial planning: Tracking assets and liabilities can also help with financial planning. For example, by knowing the value of assets and liabilities, individuals can determine how much they need to save for future expenses, such as college tuition or retirement.

Facilitates decision-making: By having an up-to-date picture of their financial standing, individuals can make better-informed decisions about their finances. For example, they can decide whether to take on additional debt or whether to invest in a new opportunity.

Overall, tracking assets and liabilities on a regular basis is critical for building generational wealth. By having a clear understanding of their financial position, individuals can identify areas for improvement, plan for the future, and make better-informed decisions about their finances. This can help soldiers and policemen achieve financial security and create opportunities for future generations.

Manage debt effectively

Managing debt is crucial in staying on course in building generational wealth for soldiers and policemen, especially in the Philippine market where credit scoring may not be available and lenders may offer too much debt. Here's why:



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1. High-interest rates: Interest rates on loans and credit cards in the Philippines can be quite high. If debt is not managed effectively, interest payments can quickly add up and become a burden on one's finances.
2. Limited credit scoring: In the absence of a comprehensive credit scoring system, lenders in the Philippines may not have an accurate picture of an individual's creditworthiness. This can result in lenders offering too much debt to individuals who may not be able to afford it.

Here are some ways to effectively manage debt within the context of the personal income statement and net worth formula:

1. Prioritize debt repayment: Prioritize debt repayment by focusing on high-interest debt first. Allocate a portion of your income towards debt repayment each month.
2. Control expenses: Control expenses by creating and sticking to a budget. Identify areas where you can cut back on expenses to free up money for debt repayment.
3. Consider debt consolidation: If you have multiple high-interest debts, consider consolidating them into a single loan with a lower interest rate.
4. Use loans strategically: Use loans strategically to finance investments that can help grow net worth over time, such as purchasing real estate or starting a business.

In the context of the personal income statement (income less expenses equals savings), managing debt is critical to ensuring that debt payments do not eat into savings. By controlling expenses and allocating a portion of income towards debt repayment, individuals can continue to save for future expenses and investments.

In the context of the net worth formula (assets less liabilities equals net worth), managing debt is important for maintaining a positive net worth. By reducing liabilities, individuals can increase their net worth and build generational wealth over time.

Overall, managing debt is crucial for soldiers and policemen who are looking to build generational wealth in the Philippines. By prioritizing debt repayment, controlling expenses, and using loans strategically, individuals can effectively manage debt and achieve financial security for themselves and future generations.

There are several ways to manage debt, including:

1. Prioritizing debt repayment: Prioritize debt repayment by focusing on high-interest debt first. Allocate a portion of your income towards debt repayment each month.



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2. **Controlling expenses:** Control expenses by creating and sticking to a budget. Identify areas where you can cut back on expenses to free up money for debt repayment.
3. **Consolidating debt:** If you have multiple high-interest debts, consider consolidating them into a single loan with a lower interest rate. This can make debt repayment more manageable and may even reduce the total amount of interest paid over time.
4. **Negotiating with creditors:** If you're having difficulty making debt payments, contact your creditors to discuss possible options, such as a payment plan or debt settlement.

Here are some rule of thumbs in getting debt:

1. **Avoid borrowing more than you can afford:** Before taking on debt, determine whether you can realistically afford the monthly payments. Consider factors such as your income, expenses, and other financial obligations.
2. **Choose the right type of debt:** Not all debt is created equal. Some types of debt, such as a mortgage or a student loan, may be considered "good debt" because they can potentially increase your net worth over time. Other types of debt, such as credit card debt or high-interest personal loans, may be considered "bad debt" because they can be difficult to repay and may not have any long-term benefits.
3. **Use debt for the right reasons:** Use debt strategically to finance investments that can help grow net worth over time, such as purchasing real estate or starting a business. Avoid using debt for discretionary spending or unnecessary expenses.
4. **Shop around for the best rates:** When borrowing, shop around for the best interest rates and terms. Compare offers from multiple lenders to find the best deal.

Overall, the key to managing debt is to be strategic and disciplined. By prioritizing debt repayment, controlling expenses, and using debt wisely, individuals can effectively manage debt and achieve financial security over time.

Open New Revenue Streams

Creating new revenue streams is critical for soldiers and policemen who only rely on salary to build generational wealth. Here's why:

1. **Diversification:** Relying solely on a salary can be risky because it is a single source of income. By creating new revenue streams, individuals can diversify their income sources and reduce their reliance on a single source of income. This can provide



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a measure of financial security and stability, especially in uncertain economic times.

2. **Additional Income:** Creating new revenue streams can provide additional income to supplement one's salary. This additional income can be used to build savings, invest in new opportunities, or pay off debt. This can help to create a solid financial foundation that can be built upon over time.
3. **Long-term Planning:** Creating new revenue streams can be a strategic way to plan for the long term. By investing in new business ventures or acquiring new skills, soldiers and policemen can position themselves for success in the future. This can help to create opportunities for future generations to generate income and build wealth.
4. **Legacy:** Creating new revenue streams can create a lasting legacy for soldiers and policemen. By starting a family business or investing in real estate, for example, individuals can leave a legacy of wealth for their children and grandchildren.

Overall, creating new revenue streams is important for soldiers and policemen who want to build generational wealth. By diversifying income sources, supplementing salary income, planning for the long term, and creating opportunities for future generations, soldiers and policemen can achieve financial security and create a lasting legacy of wealth.

Assess Your Willingness to take chances

Willingness to take chances in the context of financial goals refers to an individual's willingness to accept risk when pursuing financial goals, such as building generational wealth. It refers to the degree to which an individual is willing to accept the possibility of loss or failure in pursuit of financial goals.

Assessing willingness to take chances is important when investing for soldiers and policemen because it helps to determine the level of risk that they are comfortable taking on. Understanding their willingness to take chances can help individuals make informed decisions about their investments and develop a strategy that aligns with their financial goals and risk tolerance.

By assessing their willingness to take chances, soldiers and policemen can better understand their risk tolerance and develop an investment strategy that balances risk and reward. For example, if an individual has a low willingness to take chances, they may prefer to invest in low-risk investments such as bonds or high-yielding savings accounts.



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On the other hand, if an individual has a high willingness to take chances, they may be more comfortable with higher-risk investments such as stocks or real estate.

Overall, assessing willingness to take chances is critical in investing for soldiers and policemen because it helps to determine the appropriate level of risk that they are comfortable taking on. By balancing risk and reward, individuals can develop an investment strategy that aligns with their financial goals and risk tolerance, ultimately leading to the achievement of financial security and building generational wealth.

Choose the Investment Style

Investment style is the approach that an individual or organization takes towards investing their money in financial markets. It can be influenced by various factors such as risk tolerance, financial goals, investment horizon, and personal beliefs.

Using a police or soldier's willingness to take chances as an analogy for investment style, we can say that individuals with a higher risk tolerance, who are more willing to take chances, may adopt an aggressive investment style. They may be comfortable investing in high-risk securities such as mutual funds and stocks that offer potentially higher returns but also carry a greater risk of loss.

On the other hand, individuals with a lower risk tolerance may adopt a conservative investment style. They may prefer low-risk securities such as capital contribution, fixed deposits, or real estate that offer stable returns with lower risk.

Personal finance goals also play a significant role in determining investment style. For instance, if an individual's primary goal is to accumulate wealth in the long term, they may adopt a growth investment style that focuses on investing in high-growth securities.

Alternatively, if an individual's goal is to generate regular income from their investments, they may adopt an income investment style that focuses on investing in securities that offer a steady stream of income, such as bonds or dividend-paying stocks.

In summary, investment style is a personal choice that is influenced by an individual's risk tolerance, financial goals, and investment horizon. While there is no one-size-fits-all approach, it is important to understand one's investment style and make investment decisions accordingly.

Passive Investing

AMWSLAI understands that soldiers and policemen have unique financial needs. Passive investing is an ideal investment strategy for soldiers and policemen who have low willingness to take chances and want to invest their money in a secure and stable way. AMWSLAI offers a range of investment products that cater to this target audience, including capital contribution program and savings programs.



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Passive investing is a strategy where an investor builds a portfolio of:

1. Low-cost index funds that track the performance of a specific market index, such as the PSEi. This investment approach aims to match the market's overall performance rather than outperform it, making it a low-risk investment option.
2. Capital Contribution that returns dividend rates based on earnings from extending credit to other members.
3. Savings deposit which are investment instruments that earns higher than that of commercial banks.

Passive investing is especially important for soldiers and policemen who have low willingness to take chances and want to invest their money in a secure and stable way. At AMWSLAI, we offer a range of investment products that can help our target audience achieve their financial goals, such as our capital contribution, Bawat Miyembro Milyonaryo and Savings plus.

Through our capital contribution program, soldiers and policemen can earn stable dividend rates for their deposits, providing a reliable source of income for their future financial needs. Additionally, AMWSLAI offer time deposits that can mature into millions, allowing them to grow their wealth over time.

Real estate is also a unique option as a passive investment. While real estate appreciates over time, returns can only be realized when liquidated or sold. AMWSLAI has a range of real estate properties that are available for investment, providing our clients with a secure and stable source of income.

Name of Investment	Risk Level	Examples
Index Funds	Medium	BPI Philippine Equity Index Fund, First Metro Philippine Equity Exchange Traded Fund



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Unit Investment Trust Funds (UITFs)	Medium	BDO Equity Index Fund, Metrobank Philippine Equity Index Tracker Fund, Sun Life Prosperity Philippine Equity Fund, Philippine Stock Index Fund
Real Estate Investment Trusts (REITs)	Medium to High	Ayala Land REIT, Robinsons Land REIT
Capital Contribution	Low	AMWSLAI Capital Contribution Program
Time Deposit	Low	BMM
Savings	Low	Savings Deposit, Special Savings Deposit

Active Investing

Active investing is an investment strategy where an individual actively manages their investments to gain high returns but with risk involved. One popular active investing option is starting up a side business using savings as capital. This can be a great way to build additional revenue streams and create generational wealth over time. By starting a business, individuals can potentially earn higher returns than they would through passive investing, while also gaining valuable business skills and experience.

If savings alone are not enough to fund the business, smart credit can be used as an option. At AMWSLAI, we offer salary or pension loans that can provide additional capital for starting or expanding a business.

By starting a side business and building revenue streams, individuals can increase their assets, which can lead to a higher net worth over time. The generational



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wealth formula of assets less liabilities equals net worth highlights the importance of building assets over time to create generational wealth and financial security for oneself and future generations.

Involve family to build family businesses

Involving the family in active investing and starting a side business can be a great way to build generational wealth and create additional sources of income. Here are some steps that soldiers or policemen can take to involve their families in the investment process:

1. Educate the family about the benefits of active investing: It's important to educate the family about the benefits of active investing and the potential returns that can be generated from starting a side business. This can help get everyone on board and excited about the opportunity.
2. Identify the family's interests and strengths: It's important to involve the family in the decision-making process and identify their interests and strengths. This can help in selecting a business idea that the family is passionate about and can excel at.
3. Develop a business plan together: Work together as a family to develop a business plan that outlines the goals, strategies, and financial projections for the business. This can help ensure everyone is on the same page and has a clear understanding of the business.
4. Assign roles and responsibilities: Once the business plan is in place, assign roles and responsibilities to family members based on their strengths and interests. This can help ensure that everyone is involved and invested in the success of the business.
5. Regularly communicate and review progress: It's important to regularly communicate and review the progress of the business as a family. This can help identify areas for improvement and make any necessary adjustments to the business plan.
6. By involving the family in active investing and starting a side business, soldiers or policemen can create a shared vision for building generational wealth and creating additional sources of income. With everyone invested in the success of the business, it can help build a strong financial foundation for the family and future generations.



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7. For initial suggestions, these options can be considered low risk in building side businesses for the family:

Model	Knowledge Needed	Resources Needed	Examples
Franchising	Low	Capital, Franchise Fee, Operations Support	Jollibee, 7-Eleven, Mang Inasal
E-commerce	Moderate	Website Platform, Sourcing, Knowledge or Online Product Marketing	Lazada, Shopee, Zalora
Service-based Business	Moderate	Skills and Experience, Equipment or Tools	Freelance Writing, Virtual Assistance, Cleaning Services
Rental Business	Moderate	Capital, Equipment or Property	Car Rental, Party Equipment Rental, Property Rental

Franchising is a popular option for starting a side business in the Philippines, as it offers a proven business model and operations support from the franchisor. However, it can require a moderate to high level of knowledge and capital, as well as ongoing royalty fees.

E-commerce are online-based businesses that can be started with moderate levels of knowledge and resources. These options require setting up an online platform, sourcing products, and marketing knowledge to reach potential customers.

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Service-based businesses such as, online virtual assistance, or cleaning services can be started with moderate knowledge and equipment or tools. These businesses can be marketed locally and online, and can potentially offer high-profit margins.

Finally, rental businesses such as car rental, party equipment rental, or property rental can require a moderate to high level of capital and equipment or property, but can offer high-profit margins over time.

Overall, there are various ways to start a side business in the Philippines, each with its own level of knowledge and resources needed. It's important to consider the family's interests, skills, and available resources when selecting a business model.

Seek Mentorship through AMWSLAI

Mentorship can be a crucial factor in shortening the learning curve and minimizing risk when starting a side business. A mentor can provide guidance, support, and practical advice based on their experience and expertise, helping the new business owner navigate challenges and avoid common mistakes.

At AMWSLAI, we understand the importance of mentorship and offer business mentorship programs for soldiers and policemen who have availed loans as capital for their side business. Our mentorship programs are designed to help new business owners develop the skills and knowledge they need to succeed in their chosen industry.

Our mentors are experienced business owners and professionals who provide one-on-one coaching and support to our clients. They offer guidance on various aspects of the business, such as marketing, finance, operations, and management, helping our clients make informed decisions and achieve their business goals.

In addition to our mentorship programs, we also offer financial literacy programs that can help our clients develop the financial skills and knowledge they need to manage their business finances effectively.

Overall, mentorship can play a critical role in the success of a side business, especially for those who are new to entrepreneurship. At AMWSLAI, we are committed to supporting our clients not only with financial services but also with business mentorship programs that can help them build generational wealth and achieve their financial goals.



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Diversification

Diversification is a way to manage risk by investing in a variety of different things. By spreading investments across different types of assets and industries, soldiers and policemen can reduce the chances of losing all their money if one type of investment doesn't do well. This means that if one investment performs poorly, they'll have others that can potentially make up for it.

For example, if soldiers and policemen invest in both capital contribution and a side business, they are diversifying their portfolio. If one of those investments doesn't perform as well, they can potentially earn money from the other investment. This can help protect their investment portfolio and potentially increase their chances of achieving their financial goals.

Diversification can help soldiers and policemen manage their willingness to take chances by spreading their investments across different types of assets and industries. By doing so, they can potentially reduce their overall risk and increase their chances of building generational wealth over the long term.

For soldiers and policemen who are looking to build generational wealth through passive and active investing, diversification should be an important consideration. Here are some ways they can plan based on their personal finance goals:

1. Soldiers and policemen should identify their personal finance goals, such as saving for retirement, their children's education, or creating a source of passive income. This will help guide their investment decisions and make sure their investments align with their financial goals.
2. It's important for soldiers and policemen to understand their own comfort level with investing. They should consider how much risk they are willing to take on when making investment decisions.
3. Investments can be divided into different types, such as stocks, bonds, and real estate. Soldiers and policemen should decide how much to invest in each type of asset based on their personal finance goals.
4. Passive investing options such as index funds, exchange-traded funds, and mutual funds can be a good option for those who prefer lower-risk investments. These investments offer diversification across multiple securities, which can help protect against losses and provide stable returns over time.
5. For those who are willing to take on more risk, active investing options such as starting a side business or investing in individual stocks can potentially offer higher returns. However, it's important to carefully consider personal finance goals before making these types of investments.



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Protect your assets and income

Protecting income, investments, and assets is crucial in the context of building generational wealth through investing. Soldiers and policemen who invest their hard-earned money need to have measures in place to secure their financial future.

One way to safeguard income and assets is by getting insurance coverage. For example, the MBF insurance program offers death benefits, which can provide financial support to the family in case of the breadwinner's death. Similarly, the BMP insurance program provides hospitalization benefits, which can help cover the costs of unexpected medical expenses.

In addition to insurance, it's also important to have an emergency fund. This is a separate savings account that can help cover unexpected expenses, such as medical bills, car repairs, or sudden job loss. While insurance can mitigate financial losses, an emergency fund can provide immediate access to funds in the event of an unforeseen expense.

However, even with insurance and an emergency fund, unexpected events can still result in significant losses that exceed the coverage limits or available funds. In such situations, it may be necessary to liquidate some investments or take out loans to cover the remaining expenses.

Overall, protecting income, investments, and assets is crucial in building generational wealth through investing. Soldiers and policemen should consider insurance coverage such as MBF and BMP, as well as emergency funds, as part of their overall financial planning strategy to ensure that they can weather unforeseen events and protect their financial future.



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INFLUENCING YOUR FAMILY & FRIENDS

In building generational wealth, it's important for soldiers and policemen to continuously improve themselves by learning about personal finance and investing. This can help them make informed decisions and achieve their financial goals. Furthermore, teaching financial literacy to their family members is also essential. By educating their family about money management and investment strategies, soldiers and policemen can help their loved ones make smart financial decisions and build wealth over time.

One way to involve and teach the family is by holding regular family meetings to discuss financial goals and investments. This can help ensure that everyone is on the same page and that decisions are made collectively. Additionally, soldiers and policemen can take advantage of financial literacy programs and mentorship opportunities, like those offered by AMWSLAI, to learn about investing and share their knowledge with their family members.

One way to encourage savings and investment is by setting a good example as the breadwinner. By demonstrating smart financial habits, such as regularly contributing to an emergency fund or investing in a retirement account, soldiers and policemen can inspire their family members to do the same. Additionally, soldiers and policemen can educate their family members about the importance of living within their means and avoiding debt, which can help them avoid financial stress and build wealth over time.

Overall, by continuously learning, teaching financial literacy, educating their family about money management, encouraging savings and investment, and teaching them to avoid debt and live within their means, soldiers and policemen can set their family up for long-term financial success and build generational wealth.

SIGNS OF SUCCESS

The indicators of having generational wealth for soldiers and policemen are centered around financial stability, family inheritance, and family legacy.

1. Financial stability can be measured by the ability to purchase what is needed, without worrying about immediate financial burdens. For instance, being able to afford a comfortable home, providing quality education for their children, and having access to healthcare. It can also be reflected in having the resources to support and maintain a certain lifestyle without significant financial strain.
2. Family inheritance is another indicator of generational wealth. This involves being able to leave a legacy for their children and future generations through the transfer of assets, trust funds, and other forms of financial security. By creating a family legacy, soldiers and policemen can ensure that their children and grandchildren are provided for, even after they are gone. This can also involve



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building businesses and other investments that can provide a source of income for generations to come.

3. Finally, family legacy is another important indicator of generational wealth. By teaching their family members about personal finance, investing, and other financial skills, soldiers and policemen can help ensure that their family is financially educated and capable of building wealth over time. This can involve passing down financial knowledge, as well as values and traditions, that can help ensure their family's financial success for generations to come.

Overall, the indicators of generational wealth for soldiers and policemen are centered around financial stability, family inheritance, and family legacy. By achieving these indicators, soldiers and policemen can create a lasting legacy for their family and ensure their financial success for generations to come.

