



# How to set financial goals and 'future-proof' them

**LIFE INSURER** Philippine American Life and General Insurance Co. (Philam Life) has offered pointers on how to "future-proof" one's financial goals ahead of retirement. It answers familiar questions such as "at what age do you plan to retire?" — a question that appears simple but is far more complex than one thinks.

It said at first glance, it would seem easy to respond with an ideal age, or something along the lines of "as soon as I can." But as one grows older or move closer to that age, the question becomes more complicated.

"You may have toyed around with the ideal scenario in your head but in reality, the answer would depend on how ready you are for the future," said the life insurer, which serves almost 600,000 individual policyholders and more than 2.2 million insured group members.

Philam Life, which was established on June 21, 1947, has listed the following tips to help individuals future-proof their financial goals as they prepare for retirement.

## 1. IDENTIFY YOUR GOALS

Goal-setting is key to a financially secure future. Figure out what matters to you: retiring early? Buying a house? Paying off debts? Know your priorities and be realistic about them. When thinking about your ideal retirement age, consider all factors that will come into play the moment you retire and examine all scenarios carefully. It also helps to have a sense of foresight. Having visibility on how future events can unfold will give you clearer direction on what you should plan for.

## 2. COMMIT TO YOUR GOALS

Commitment is all about taking concrete steps to achieve your goals. Once you've identified them it's always helpful to list them down in a spreadsheet or a notepad. That way, you can keep track of your progress, have a clear vision of where you are headed, and take note of all the next action steps. In the financial sense, one way of committing to your priorities is making the necessary investments to cover for your goals whether they may be for short, medium, or long term.

bets. Buying stocks may be the most uncertain of all given the volatility of the market, but it's also the quickest way to obtain yields. On the other hand, long-term investments like mutual funds may take several years to bear fruit, but it's also your safest bet to ensure that your money keeps growing. You also have the option to take a more balanced approach by putting your money in investment products with an insurance component. You can be one step ahead by protecting your family from untoward events in the future with an insurance policy. Keeping track of multiple investments may seem like hard work, but it's having stakes in diversified channels that will result in profits many times over.

## 5. CRAFT YOUR GAME PLAN AND FOLLOW THROUGH

For something like investments that requires your utmost commitment, it's always best to start with a game plan. Knowing where you are now from a financial perspective, and where

## 3. INVEST IN ASSETS THAT WILL GIVE YOU POTENTIAL RETURNS

An investment is a commitment of funds made in expectation of some positive future return. If undertaken properly, the return will be more than the risk assumed. With the variety of investment options available today, one can never run out of possibilities to create income for a more secure future. It's also important to have the right mentality when it comes to investing. When you generate income, you can set aside a percentage and reinvest it in assets that will give you passive income in the future. That way, you ensure regular investments and learn how to budget for your expenses.

## 4. DIVERSIFY! DON'T PUT YOUR EGGS IN ONE BASKET

Any investment comes with a corresponding risk. As daunting as it may seem, there's always a way to reduce your bad luck. One way to mitigate it and to make sure that you hedge those risks is to make several

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you want to be a few years down the line is a great first step to identifying how you'll get there. But more than just planning, the key part of reaching your financial goals is to act upon it. Research on the different types of investments, by reading articles online, attending seminars and workshops, and consulting with experts. Finding the best types of investment for you, and actually putting in the money and work into it is the only way your money can start working for you.

*Philam Life provides holistic solutions that include life protection, health insurance, savings, education, retirement, investment, group, and credit life insurance. It also offers bancassurance and fund management products and services through its subsidiaries — BPI-Philam Life Assurance Company (BPLAC) and Philam Asset Management, Inc.*

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