

# **Financial Behavior of OFWs and their Families**

The Role of Migrants and Their Remittances in  
Sustainable Development

24 January 2014 Davao City



# SEDPI is the Philippine's premiere capacity builder in the fields of



Microfinance



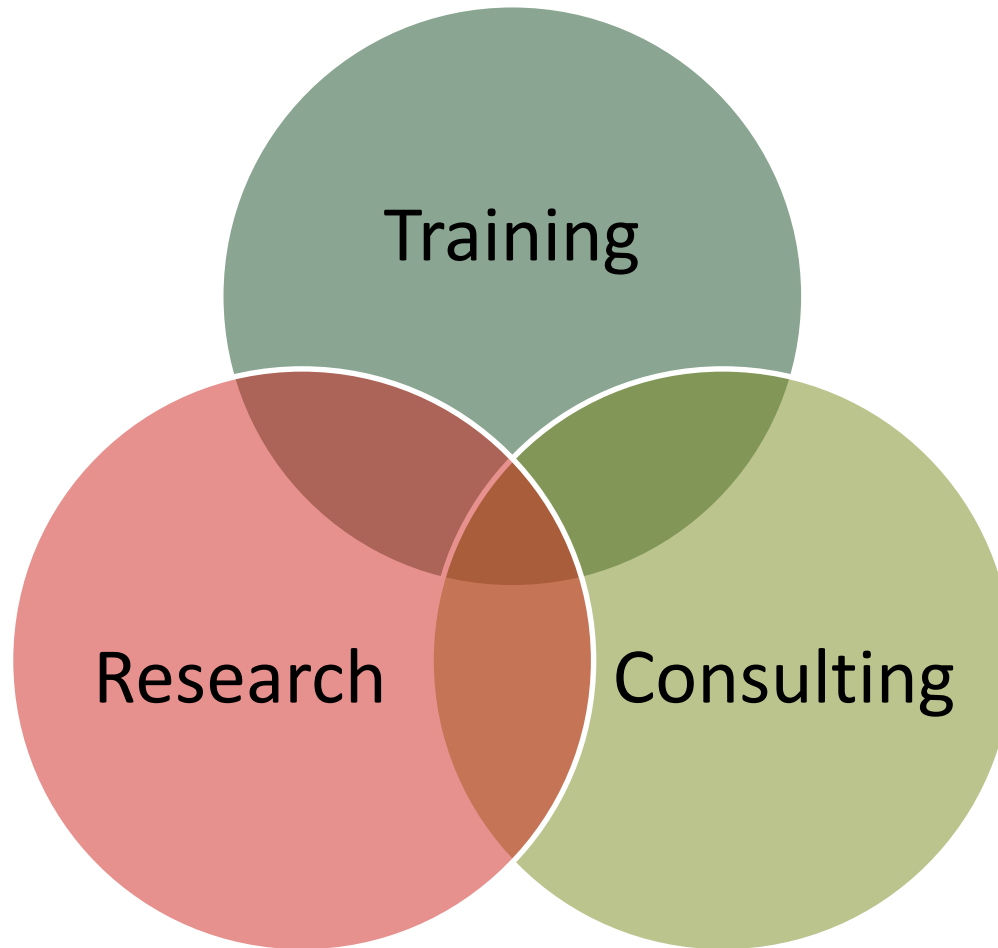
Social Entrepreneurship



Financial Literacy



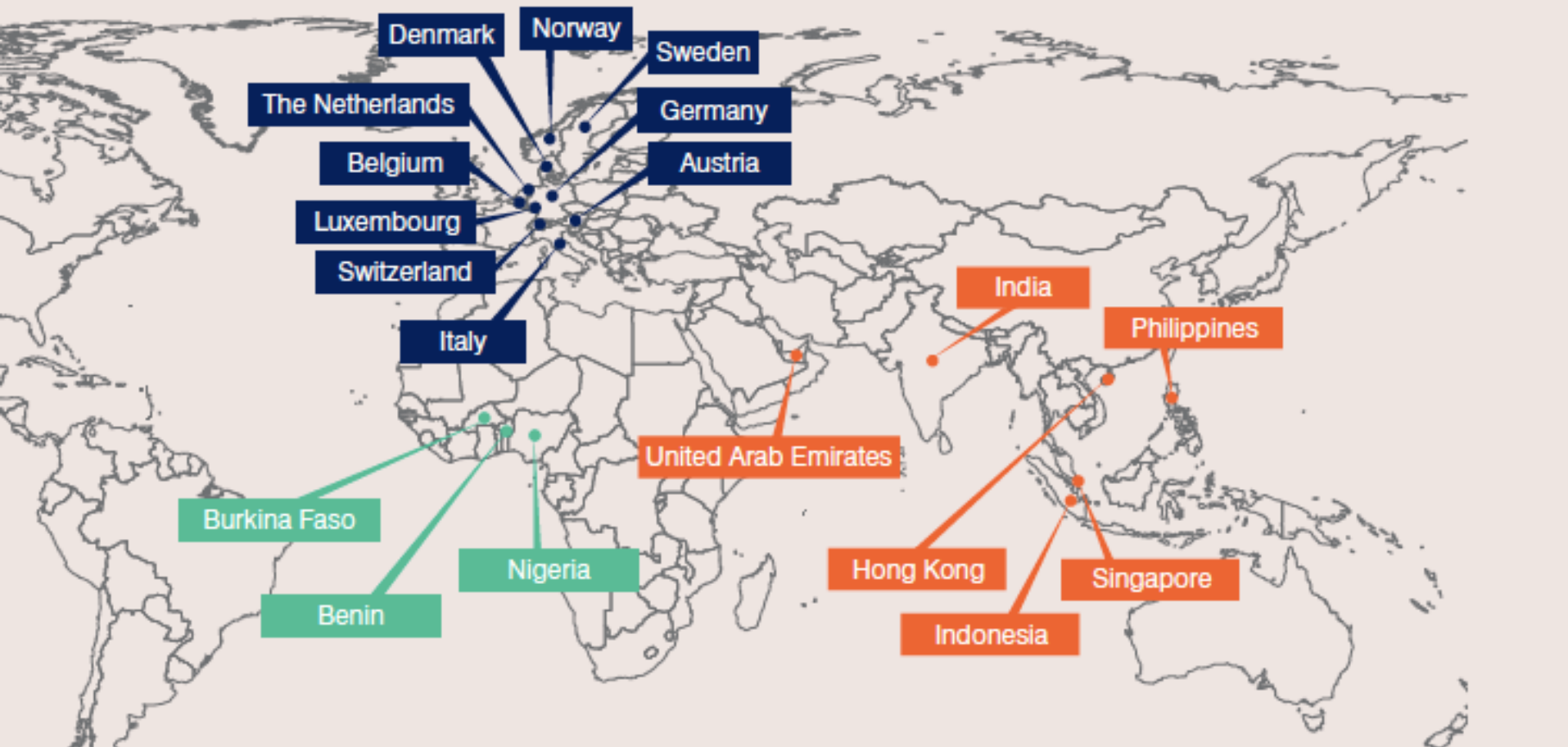
# Capacity Building Services





# Worldwide Reach

Trained **~25,000 individuals** from more than **1,700 development organizations** in **24 countries** on microfinance, financial literacy and social entrepreneurship



# Quick Facts: As of December 2014

- November 2007 - Financial literacy program started
- 7,703 – total number of participants trained
- 183 – total number of training events conducted



# Areas of Financial Education

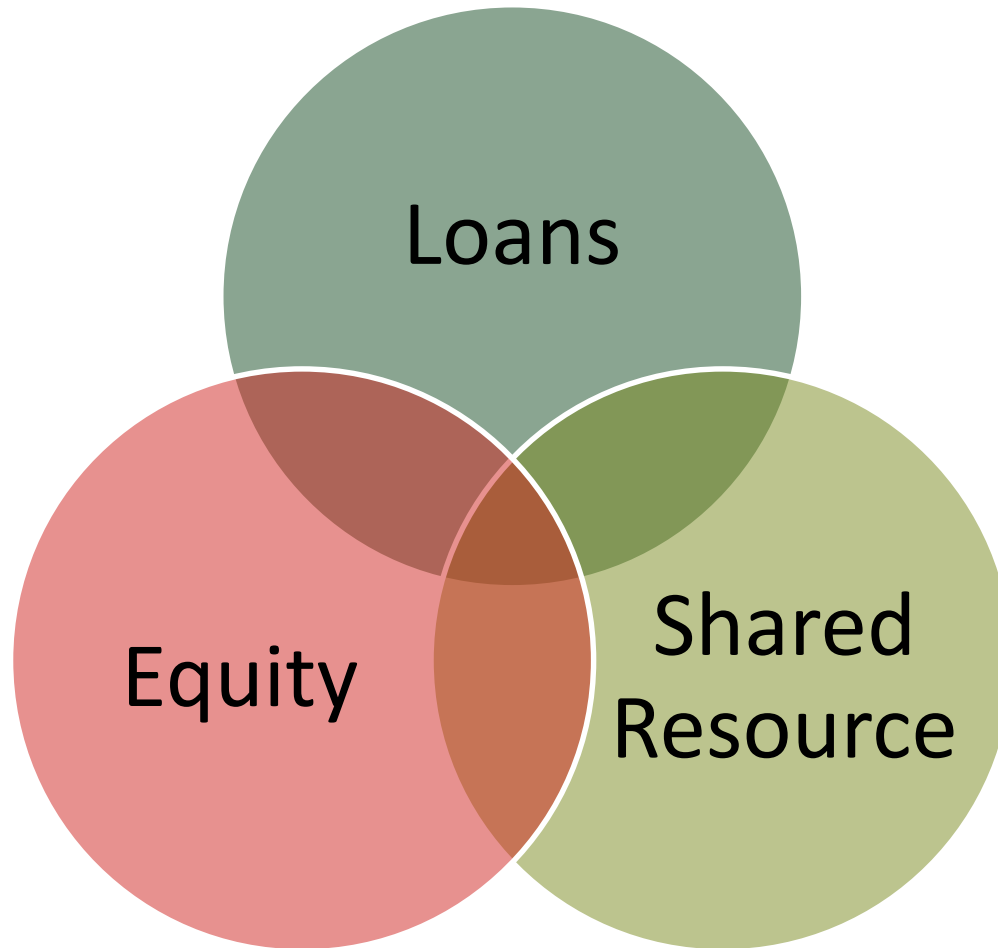
- Finance and Emotions
- Savings
- Insurance
- Debt Management
- Budgeting and Managing Expenditures
- Financial Planning for the Family

# 2007 to present: Financial Literacy for Migrants

- Trained 1,437 Filipino migrants in 14 countries worldwide
- 85% of the migrants started savings programs after the training
- 100% availed of government-mandated insurance after the training

# SEDPI

## Development Finance



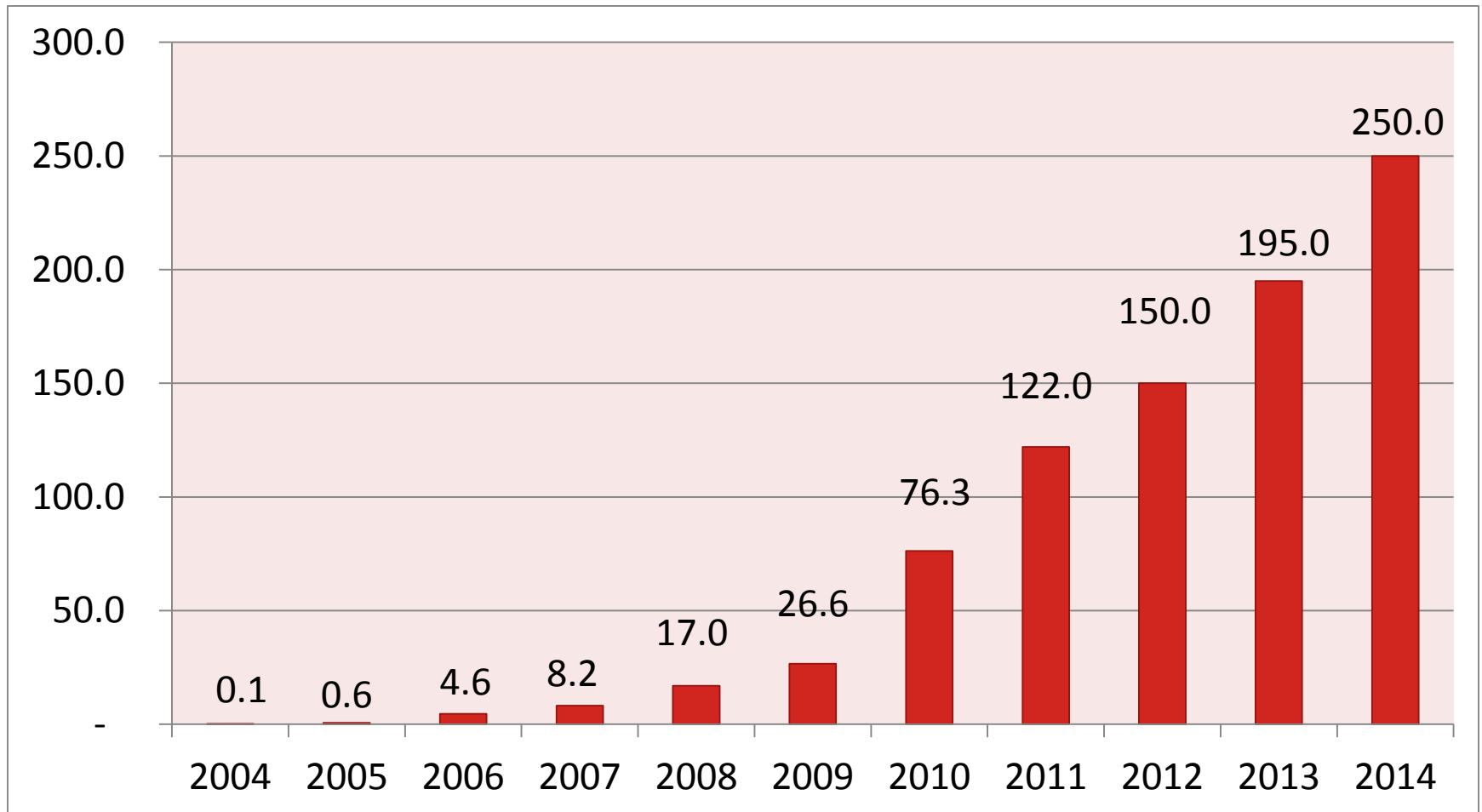


# Innovation in Generating Funds for Development Finance

- Conduct financial literacy trainings to OFWs
  - Get them out of debt
  - Purchase insurance coverage
  - Establish emergency savings
- Invest in SEDPI preferred shares
  - 100 out of 3,500 OFWs trained invested
  - Average investment of PhP75,000
  - 6% dividend
- Leverage SEDPI preferred shares to access loans from commercial banks



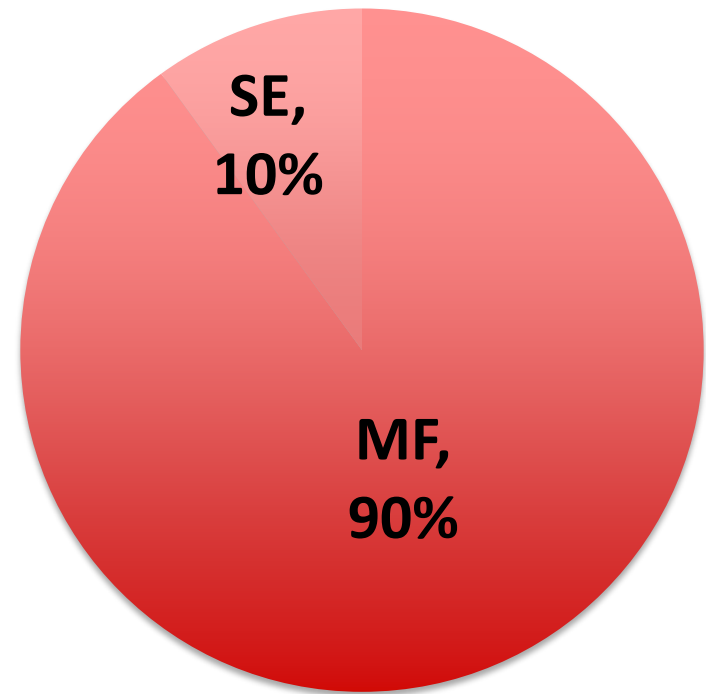
# Financial Resources



In '000,000 PHP

# Development Focus = Market Positioning

- Invested to 16 MFIs and 12 SEs reaching ~1M poor households
- PhP180 million investments in microfinance and PhP20 million in social enterprises
- Social Enterprises: organic or sustainable agriculture; sustainable tourism and renewable energy



# Financial Behavior of OFWs

- Extend financial help to their families unceasingly
- Financial goals overextend overtime
- 99% do not prepare for retirement
- One out of ten is bankrupt
- One out of three overspend in building their house
- Most of their loans are non-productive

# When can you help others financially?

- When you already have the following:
  - 6 months emergency savings
  - Adequate insurance coverage
  - Right net worth
- Help in other forms if not financially ready
  - Moral support
  - Prayers
  - Advice

# Financial Behavior of the Poor

- The poor CAN save!
- Low savings due to anti-poor savings product designs
- Have more access to loans than savings and insurance products
- Coping mechanisms in times of emergency:
  - Access loans
  - Finding additional work
  - Assistance from family members
  - Donations / Relief Operations



# SEDPI Initiatives

- Integrating financial education in basic education
- Policy advocacy for universal coverage on insurance against disasters
- Challenge: Market-based solution to financial education that will reach thousands and millions of Filipinos

 SEDPI



## **Website**

[www.sedpi.com](http://www.sedpi.com)

## **Telefax**

+632-433-8795

## **Office Address**

Unit 303, Loyola Heights Condominium  
23 Dela Rosa Street, Loyola Heights  
Quezon City