

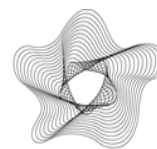
OVERSEAS REMITTANCES, HOMETOWN INVESTMENT AND FINANCIAL INCLUSION: A REMITTANCE INVESTMENT CLIMATE (ReIC) STUDY IN A RURAL HOMETOWN



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Abstract

This mixed methods action research from the Philippines that was supported by the IMTFI sought to determine *if financial inclusion is a factor for remitters' and remittance recipients' investing in the rural hometown*. Overseas remittances are a development resource for the countries where overseas migrants come from—but so are the rural communities where they were born. Overseas migrants even maintain a relationship with their rural communities since their families reside there, and they still receive remittances from breadwinners abroad. Is the rural community's socio-economic and investment conditions conducive for overseas townmates and their households to invest in? But do these rural folk, with or without overseas remittances, have financial aptitude levels that can empower them to save and invest their surplus earnings in the place that they are familiar with? With rural financial institutions also coming in to the picture to lure this segment of the rural market called overseas migrants, are these banks, cooperatives and microfinance institutions capturing this rural hometown's migrant market?

To answer these questions, the researchers utilized a mixed methods research tool tested in two earlier rounds. Called the Remittance Investment Climate Analysis in Rural Hometowns, RICART is a tool rural birthplaces, migrant organizations, civil society groups, financial institutions and local governments can use to determine ways of luring overseas-based townmates for savings and investments. Quantitative market surveys were done targeting overseas migrants and migrant and non-migrant households who were physically present in the community, and these were subjected to a logit regression to determine probabilities of saving, investing and doing business in the rural hometown. A rapid rural appraisal was also done to get secondary data that is under the guidance of a Local Competitiveness Framework that was developed locally by the Philippine government and some academics. Key informant interviews with local officials also guided the rapid rural appraisal. Finally, a focus group discussion with some migrant household heads helped researchers conduct a phenomenography of the similarities and differences surrounding rural investing decisions by remittance recipients. Putting all these data together through data triangulation enabled the researchers to present a Remittance Investment Climate (ReIC) analysis of the locality, the first-class municipality of

Guiguinto in Bulacan province in the Philippines (an hour's drive north of the Philippine capital Manila).

Guiguinto is an investor-attracting rapid growth area that benefited from the proximity of the Philippine capital's economic opportunities, largely due to the continued growth of industrial firms. For such a small municipality in terms of land area, the resources accumulated in Guiguinto through local taxes can easily make Guiguinto the envy of other Philippine municipalities. The relative ease of doing business in Guiguinto has also reaped its rewards. It is logical even for the country's big commercial banks and for rural financial institutions to set foot in Guiguinto.

While basking in the hometown's local economic success, residents of Guiguinto do bring up concerns revealing the bane of visible economic growth such as peace and order or the presence of financial scammers. These may have affected their decisions to even opening simple savings accounts.

But similar to previous studies when the RICART methodology was employed, the financial aptitude of rural residents is detached from the attraction of a locality to save, invest and do business. In Guiguinto's case, even if it may have the financial institutions and the programs that entice residents to become entrepreneurs and investors, respondents' levels of financial aptitude are hindering them from making hometown investment and entrepreneurship decisions. A logit regression result for migrant household respondents even showed that those who do not keep records, and those who get their ideas about finance from their own experiences, would not be likely to go into business in the locality.

The phenomenographic analysis of migrant households' answers helped identify some of the reasons for residents' (and particularly remittance-receiving households') careful, conservative approach to saving, investing and doing business in their own backyard. Interviewees assess their situation vis-à-vis the family, as well as the conditions in the immediate municipality and local financial institutions in operation there. Personal experience also prevails in saving, investing and entrepreneurial decision-making processes. Some interviewees also surmise that

there are balancing acts being considered on how the economic benefits of saving, investing and doing business address present and future needs.

Guiguinto is not yet a fully invested place, with overseas migrants from the said community still to be tapped as investors pro-actively. Guiguinto, amid its current economic buoyancy, is not yet a fully invested place, and financial inclusion locally may not yet be that “inclusive.”

Remittances from abroad are therefore not an automatic push for financial inclusion locally, or even for rural hometown saving and investing. Nevertheless, financial inclusion and financial literacy should be inclusive and be expanded beyond those who are already reaping financial rewards. National and local policy makers should take into greater account the role of financial inclusion in migration and development: *Financial inclusion in migrants’ origin (rural) communities is a tool for the productive use of remittances by migrants and migrant households —leading to positive economic outcomes that include everybody, embracing even non-migrants.* If this financial inclusion vision operates in a progressive municipality like Guiguinto through laws, programs and incentives for financial literacy, entrepreneurship and investment among residents, the benefits of overseas remittances will spill over locally, facilitating financial inclusion (beyond mere remittance sending and claiming) for migrants and their families.

1. Introduction

Remittances from overseas migrants are the “most direct link between (international) migration and development” (Asian Development Bank, 2005). The global, regional and national economic importance of remittances had been much underscored. But so are remittances’ relevant impacts to rural hometowns (Lu, 2010; Nijenhuis, 2010; Orozco, 2006; Aryal, 2005; de Haas, 2005; Taylor et. al, 1996; Griffiths, 1978).

But are rural areas ready for remittance-induced investments coming from their own moneyed folk abroad? Since overseas (as well as domestic or internal) remittances have long been feeding into rural economic activity, how have these resources been used by not just individual migrants and migrant families but also by the hometown community? From a micro perspective (i.e. the rural hometown), remittances *are a type of financing rooted on people and institutions that have links with origin communities* (Ang and Opiniano, 2016a). If people and institutions in the rural hometowns want to make remittances feed into local economic development, it is thus necessary to identify the local conditions that can entice the fruitful use of remittances (Mendola, 2006).

The rural investment climate thus matters. Low levels of rural finance, infrastructure, business and government services are visible issues for the rural investment climate, leading to low population density, underdevelopment, and limited commercial activities (World Bank-Agriculture and Rural Development Department, 2006: 10), or even to migration.

Part of the rural investment climate is the presence of financial institutions, them being actors of financial inclusion (or the access to, and availing of financial services and products). It is not automatic, though, that people who have savings accounts have achieved positive economic benefits from their inclusion in the financial system. For example, the effects of financial inclusion on savings and payments seem to show that there is a correlation between income inequality and inequality in the use of bank accounts. On credit, limited access to credit provides a visible barrier to entrepreneurship and firm growth (especially for small and young firms) (World Bank, 2014).

Meanwhile, the transmission and receipt of overseas remittances will logically introduce the migrant sender and the family recipient to the providers of financial services and products. It then leads to the forging of a financial relationship (Bagasao, 2013). On the demand side, remittance senders and receivers may encourage savings. From the supply side, the financial sector has the opportunity to not only handle remittance transactions but to serve underserved / low-market markets (some of these may have households receiving international and domestic remittances). And in terms of the access frontier (on both the supply and the demand side), regular remittance inflows may prod recipients to become bank clients (Toxopeus and Lensink, 2007).

Curiously, the relationship between financial inclusion and investing and doing business —like in a rural birthplace— is yet to be analyzed in depth.

But have overseas remittances led to financial inclusion by migrants and their families? In an exploratory study done in El Salvador, remittances “have a positive impact on financial inclusion by promoting the use of deposit accounts” but they “do not have a significant effect on credit from formal financial institutions” (Anzoategui, Demirgüç-Kunt and Pería, 2014).

Thus far, the literature has not clarified the relationship between financial inclusion and overseas remittances. Specifically, we would like to ask if, first, money from abroad has pushed for financial inclusion —that is beyond merely receiving a remittance but forging a banking relationship; and, second, if financial inclusion by migrants and their families has helped spur their investment and business decisions. The second aspect becomes particularly relevant in a rural birthplace, with data in the Philippines pointing to the receipt of voluminous remittances by rural areas —with amounts higher than the incomes of local government units (Institute for Migration and Development Issues, 2010).

1.1. Research questions

This research aimed to determine *if financial inclusion is a factor for remitters' and remittance recipients' investing in the rural hometown*. The output here is a determination of the suitability of remittances for investments in a locality. Given the relatively underexplored relationship between overseas remittances, financial inclusion and rural hometown investing, the researchers employed mixed methods research to answer the following research questions:

1. What are the ways in which overseas migrants and their families understand and experience rural hometown investing with the aid of financial inclusion?
2. How do rural financial institutions in the hometown contribute to local competitiveness?
3. What is the probability that overseas migrants and their families in the rural hometown with savings accounts will invest and do business in their rural birthplace?

To answer the research questions, the researchers implemented a mixed methods tool called RICART (which stands for Remittance Investment Climate Analysis in Rural Hometowns). Market surveys of migrant remitters and migrant and non-migrant households helped determine respondents' financial and remittance behaviors vis-a-vis their (non-) engagement with their rural hometown as a saver, investor or entrepreneur. Meanwhile, a rapid rural appraisal design that combined secondary data collection, key informant interviews and a focus group discussion helped describe the rural hometown's socio-economic and investment conditions, and migrant families' ways of making hometown investment decisions given their ownership of overseas remittances.

This report is made up of the following parts: Chapter 2 presents a remittance investment climate (RelC) framework that guides the analysis of the results and findings. Chapter 3 explains how the RICART mixed methods tool was implemented. Chapter 4 illustrates qualitative answers of some migrant families on making investment decisions in their rural birthplace. Chapter 5 presents results of surveys done to target respondents, while Chapter 6 presents analyses of these survey findings given a logistic regression that was done. Chapter 7 puts together the quantitative and qualitative data to discuss the rural hometown's remittance investment climate. Finally, Chapter 8 presents the study's conclusion and recommendations for the rural hometown and the stakeholders' concerned.

This round of RICART was done in a Philippine locality with vibrant economic activities (industrial at that), characterized by low costs of doing business and investing, and where an abundant number of financial institutions are operating. But the disconnect between a locality's investment opportunities and residents' financial literacy prevails; only a few respondents have hometown investments. With the rural hometown is not yet a fully invested place, there is space for residents, including those working or residing abroad, to park their money locally.

2. Framework

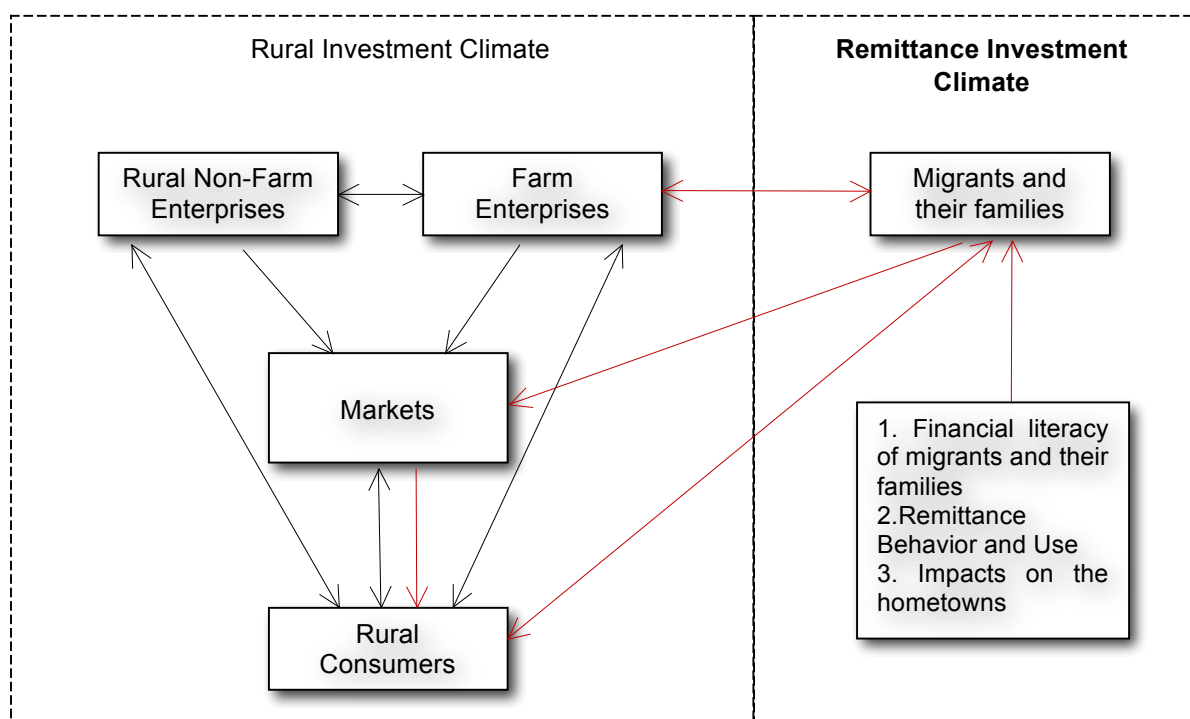
This research on remittances, hometown investing and financial inclusion is anchored on a research tool that was implemented previously: it is called the Remittance Investment Climate Analysis in Rural Hometowns or RICART. This tool analyzes not just the remittance and financial behaviors of overseas migrants and their households, and not just the socio-economic and investment conditions of the rural birthplace. RICART dissects the interaction between the remittance and financial behavior of overseas migrants and their families as well as socio-economic and investment activities in the rural birthplace.

In conjunction, a Remittance Investment Climate (ReIC) framework guides this research (in Ang and Opiniano, 2016a, 2016b). ReIC takes off from the World Bank's Rural Investment Climate (RIC) framework in which interventions for entrepreneurs and investors are both *direct* (targeting specific groups) and *generic* (encompassing the basic enabling environment for investments and that capture aspects such as law and order, property rights, and availability of public services). These direct and genetic types of interventions can help entice entrepreneurial development in rural areas, communities where rural poverty persists, where non-farm incomes are growing, and where limited entrepreneurial development and assistance hardly reach those areas' small entrepreneurs (World Bank, 2007).

The ReIC framework (*see Figure 1*) shows that the conditions that generate rural investments are the same for all types of would-be investors, moneyed overseas migrants and their families included. Generic interventions aid all types of investors, although direct interventions, particularly for overseas migrants and their families, may be tailored to cater to their particular socio-economic conditions. Everyone —more so non-migrants— benefits from a conducive remittance investment climate in a locality.

Remittances from overseas migrants link the interaction between migrant remitters and their families and their rural hometown's investment climate and livelihood conditions. Independent of overseas migration's impact, the contributions of both non-farm and farm enterprises can help sustain a rural economy's development. Both non-farm and farm enterprises can generate employment, creating rural consumers. Expanding market interactions are facilitated by creative responses to issues that clog the entry of investment opportunities, making both direct and

generic interventions effective. Overseas migrants will at first participate in the remittance investment climate as consumers, until they have decided to join the local market as entrepreneurs (Ang and Opiniano, 2016a).



As a jumping-off point, overseas remittances are private flows. Migrants and their families decide on their use, even if most of the money's use (like any other private or household income) is for consumption. Given that, what then are overseas remittances' relation to financial inclusion and, eventually, the relationship of these two to improving the rural investment climate, or the overall pursuit of channeling overseas remittances to development?

Figure 2 is a framework that presents the links between remittances, the local economies, and financial inclusion. In this framework, two critical requirements are highlighted which could help determine how remittances can be a game changer for development. These are *financial inclusion* and *financial literacy*. Financial inclusion has the same impact as lowering the cost of sending remittances. In this context, financial inclusion may well include market information for overseas migrants and their families for purposes of savings, investments and even business possibilities. Financial inclusion may also mean financial conduits beyond banks and money transfer agents, such as micro-insurance, micro-credit firms, savings and finance cooperatives,

pawnshops, and even the associations at home (or possibly abroad) of overseas migrants who come from a locality. Furthermore, social enterprises have been targeting remittances for purpose-type services, which could significantly expand financial inclusion.

The other element that needs to be given due attention is the level of financial literacy of the recipient households or even the migrants themselves. Previous studies implementing the RICART methodology (Ang and Opiniano, 2016a, 2016b) found that migrant households and non-migrant households have almost the same level of financial literacy or aptitude when they were asked questions on basic finance concepts and financial behavior. Financial literacy will not necessarily change the use of overseas remittances away from consumption, but it will help in creating awareness of the power of financial understanding and good stewardship of financial resources. The multiplier effect of remittances and its potential to be used for targeted developmental financing, in this case hometown development, can only be fully maximized if the basic conditions of financial literacy and financial inclusion are present in migrants' origin communities.

To reiterate, overseas remittances are private flows. Their aggregate potential impact is what encourages policy analysts to consider them as a visible form of development finance. Considering that the objective of working abroad is for the family's economic needs that will enable the family to enjoy a higher standard of living than if no one is working abroad, it is therefore possible to have more remittance receiving households improve their standards of living and, at the same time, affect other non-migrant households. If governments would like to consider mobilizing remittances for development purposes, then governments should avoid taking away the private decision nature of the remittance flows. What is therefore required of governments, most especially local government units, is to create the environment that will help migrants consider assisting—and investing—in their origin communities.

The framework also shows that migrants and their families are located in origin communities. Therefore developing a national policy to mobilize remittances will be too broad and too large for migrant decision-making. The nature of remittances is their use in the place where the family of the migrant lives. It would therefore make better sense that any policy on mobilizing migrants should consider the *specific contexts* of the migrant's origin community. Hence, local governance is central in the development of any policy. Thus, a *policy that lures overseas*

remittances for local investment and investment will also be the same as creating a conducive local investment climate for business, covering all entrepreneurs (see Figure 2).

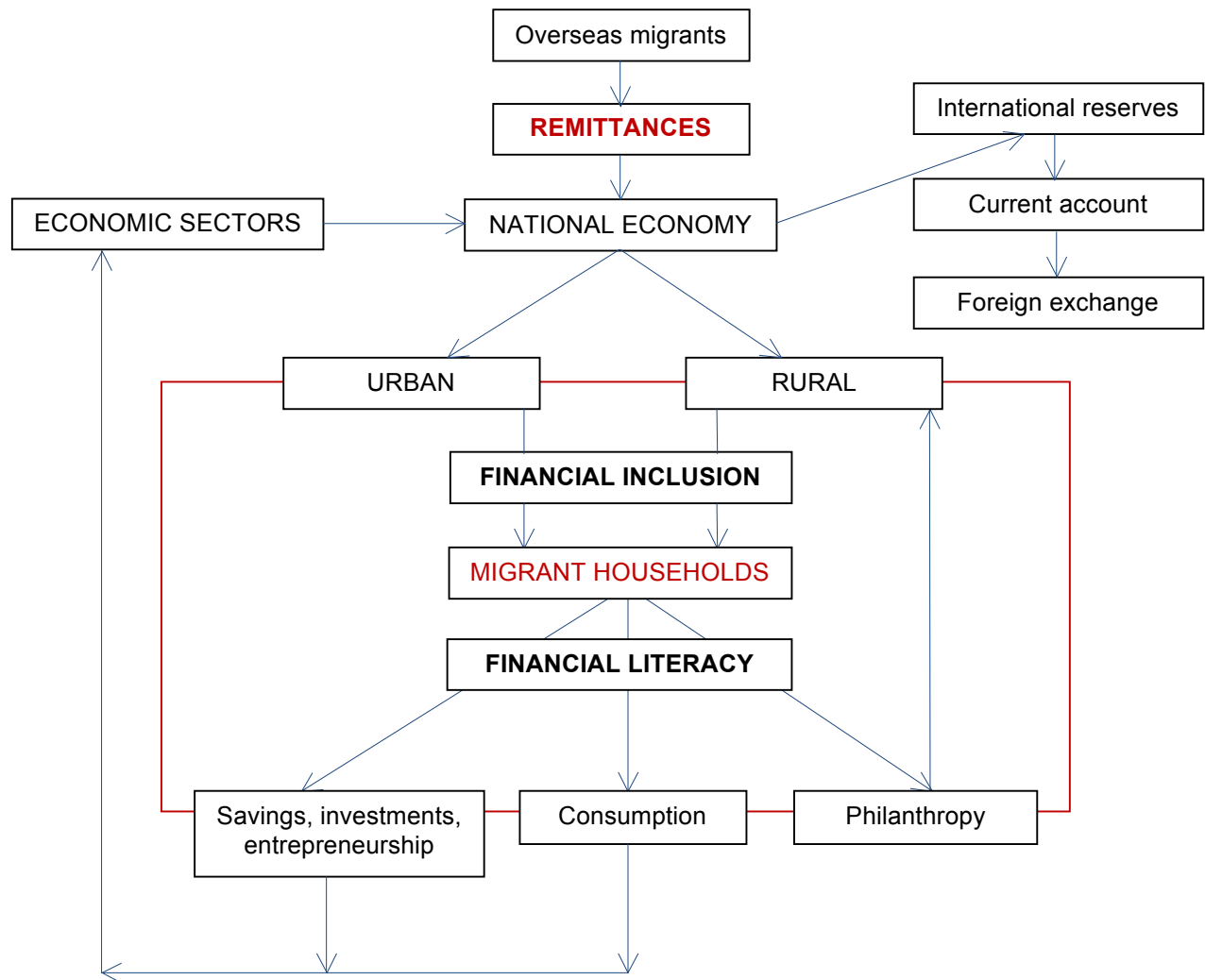


Figure 2: Framework on remittances and financial inclusion for development
(Ang, 2016—forthcoming)

3. Methods and Design

This mixed methods research from the Philippines implemented the RICART research tool to answer the question *how is financial inclusion a factor for remitters and remittance recipients to invest in their rural hometown?* RICART was first implemented in the municipalities of Magarao, Camarines Sur province and Maribojoc, Bohol province (2011-2012, first round), as well as in the municipality of Pandi in Bulacan province (2012-2013, second round). This conduct of RICART, in the municipality of Guiguinto in Bulacan province, is similar to how RICART was conducted in Pandi. Rapid rural appraisal and a market survey of overseas migrants, overseas migrant households and non-migrant households were included in this current research.

3.1. Profile of Guiguinto

Guiguinto is a century-old municipality found near the center of the province of Bulacan (north of the Philippine capital Manila). During the Spanish occupation, Guiguinto was said to be a resting place for the Spanish forces. In those days, when traveling throughout the municipality was difficult, Filipino guides told visitors to stop (*hinto*); Spaniards thought locals were calling a name, *Hihinto*. Then the Spaniards substituted the Tagalog syllable “*Hi*” to “*Gui*” (pronounced with a hard “g”), thus leading to the name Guiguinto.



Guiguinto is some 33 km north of Manila and eight km. south of Bulacan's capital of Malolos City (Municipality of Guiguinto, n.d.). Guiguinto has 14 barangays and a population of 90,507 (as of the 2010 Philippine census); the population is projected to double by 2032 (Municipality of Guiguinto, 2015). An entrepreneur, Ambrosio Cruz, Jr., serves as city mayor.

With its current state of income Guiginto is classified as a first-class income municipality. Guiginto is visibly surrounded by factories and commercial retail centers (e.g., supermarkets, shopping mall). Given the proximity to Manila, in addition to the prospective opening of a bypass road that is headed to another municipality but is passing by Guiginto, the municipality is linked to the province's markets and to the Philippine capital region's market. Plants (*halaman*) are the trademark local product in Guiginto, with gardening being the municipality's one-town, one-product (OTOP) showcase.

3.2. Methods

Similar to previous rounds of RICART, this research implemented a parallel, simultaneous mixed methods design. But if previous rounds of RICART were quantitatively driven (QUAN + qual) (in Teddlie and Tashakkori, 2009), this time researchers attempted to put quantitative and qualitative methods on equal footing (i.e., QUAN + QUAL).

3.2.1. *Rapid rural appraisal.* RRA is semi-structured by a systematic method being done in agricultural research. It consists of a series of data gathering tools that aim to obtain new information about rural life (Food and Agricultural Organization, no date). In the context of RICART, RRA aims to provide a quick but somewhat complete snapshot of the geographical area being studied. As well, field workers implementing the RRA are multidisciplinary in nature (International Institute for Sustainable Development, no date). A combination of data gathering methods were used here, including key informant interviews, focus group discussions, secondary data collection, cross-checking of secondary data from other sources (within and outside the locality), and field observations—all of which can facilitate the gathering of unobtrusive and obtrusive data about the locality being studied. RRA may not need to be exclusively rural or rapid (IISD, no date), but the agenda of the outside researcher is to extract information from the locality.

Similar to the RICART research done in Pandi, the conduct of RRA in the current research was guided by a Philippine framework on local competitiveness and economic growth, developed by the National Competitiveness Council (NCC). This framework (in Luz and Ang, 2013; Ang, 2013) has a set of 30 indicators that span three major themes

to determine the level of competitiveness of a local government unit. Data gathered spanned multiple years. NCC continues to conduct this competitiveness index for local governments and has just completed the 2015 round.

The Philippine NCC's framework (see *Figure 3*) in 2013 was an attempt at producing a seamless interconnection of competitiveness and economic development from local to national levels. While the framework is "limited to factors that are considered locally" (Luz and Ang, 2013) this framework hopes to see a locality contribute to an entire nation's aspirations of local economic competitiveness. When this competitiveness framework was developed, data were considered that are available in most, if not all, Philippine provinces, cities and municipalities.



Figure 3: Philippine framework on local competitiveness and economic development
(in Luz and Ang, 2013; also in Ang, 2013)

The Philippine local competitiveness framework has three major areas, with ten indicators per major area: a) Economic dynamism; b) Infrastructure; and c) Government

efficiency (see Table 1). *Economic dynamism* pertains to business creation and their productivity in the locality, as well as the environment for financial intermediation. *Government efficiency* covers not just a local government's governance performance as manifested by the provision of economic and social services, and the adherence to transparent and accountable governance. Government efficiency also encompasses some indicators relevant to a locality's business and investment climate. Finally, *infrastructure* assesses the quality of: physical infrastructure available, access to telecommunications facilities, affordability of utilities, and even access to electronic banking. Obviously, financial inclusion is part of the economic dynamism area though the area "infrastructure" also has an indicator related to financial inclusion.

Thus, this framework guided the RRA with data gathered spanning the years 2011 to 2014. The municipal government of Guiguinto was cooperative in sharing the data, as the researchers were exchanging notes with the municipal government, which is gathering the same data for the annual local competitiveness index of the NCC. (More or less, the data generated by researchers and by the municipality [the latter for the NCC] were similar.)

Key informant interviews were done with 11 municipal officials (i.e., department heads) of Guiguinto. Interviews were also done with a thrift bank, a rural bank and with two cooperatives in Guiguinto. Secondary data were gathered from the records of the municipality. The RRA answered the sub-research question how do rural financial institutions in the hometown contribute to local competitiveness? So first, the NCC framework was applied and then interviews with the financial institutions were done to validate the observations

3.2.2. *Phenomenography.* Also done under the RRA was a focus group discussion with 14 migrant household heads. These respondents are all members of the Guiguinto OFW (Overseas Filipino Workers) Family Circle which, at the time the research was conducted, was newly formed and celebrated its first anniversary last May 2015. The FGD attempted to answer this research's sub-question: what are the ways in which overseas migrants and their families understand and experience rural hometown investing with the aid of financial inclusion?

Table 1: Indicators of Philippine local competitiveness and economic development

Areas and themes	Indicators
A. Economic dynamism	
Size of the economy	A1. Number of annual business registrations (new and renewal) A2. Amount of money in circulation A3. Total capital of local businesses (new and renewal)
Growth of economy and investments	A4. Change in gross sales (total) of registered business (renewal) from past year A5. Change in the number of construction permits and/or occupancy permits approved for business and non-business
Employment	A6. Number of jobs created for new registration
Cost of living	A7. Cost of Living (inflation rate, power and water rates, cost of rental)
Financial deepening	A8. Number of commercial, rural, thrift banks, microfinance institutions, cooperatives and registered lending companies
Productivity	A9. Gross sales over revenue (total) for the past year over number of employment
Business groups and associations	A10. Number of organized business groups in the locality
B. Government efficiency	
Transparency and accountability	B1. Transparency score (according to the Philippines' local government performance monitoring system or LGPMS), with the following indicators at hand: B1.1. Presence of public information office; B1.2. Extent of communicating mediums to update local plans; B1.3. Accessibility of public documents; B2. Economic governance score (according to the LGPMS) on entrepreneurship, business and industry promotion, and with other sub-indicators: B2.1. Capacity to generate resources (% of real estate and business tax to total tax collected by the local government); B2.2. Quality of civil application system to the business sector; B2.3. Processing time of building, business and occupancy permits; B2.4. Quality of direct support services to businesses/enterprises; and B3. Local government unit's savings / debt as share of the total revenues of the LGU.
Public finance	B4. Real estate tax and business tax to total local government revenues.
Recognition of performance	B5. Relevant competitiveness awards conferred unto the local government.
Responsiveness to business	B6. Business registration system for: a) Total new application; b) Renewal permit; c) Construction permit; and d) Presence of an investment promotion unit or office.
Basic government services	B7. Effective local disaster risk reduction and management plan. B8. Crime incidence. B9. Capacity of local secondary schools. B10. Availability of health services.
C. Infrastructure	
Basic infrastructure	C1. Size of local road network as share of total land area C2. Travel time from center to major ports nearest to the local government C3. Percent of annual investment in infrastructure in locality C4. Number of registered vehicles servicing the area (public, private) C5. Percent of households in locality with connection to basic utilities (telephone, water, electricity, Internet) C6. Average hours of availability of electricity and water per day
Technology infrastructure	C7. Number of cellular phone sites C8. Total number of automated teller machines (ATMs) in locality
Social and tourism infrastructure	C9. Ratio of hospital bed per area's population C10. Number of hotel rooms

Source: National Competitiveness Council in Ang, 2013

Qualitative studies on financial literacy and financial inclusion of overseas migrants are scant, especially since quantitative methods are common in the study of such phenomena. Blanco et. al (2015) looked at usage of financial services and savings behavior of elderly migrants in Los Angeles, USA; Natoli (2015) explored qualitatively the financial habits of first- and second-wave Vietnamese migrants in Australia; Richman et. al (2012) perhaps provided among the first qualitative studies on migrants' views and practices on savings and retirement.

In this paper's look at overseas migrants' financial literacy and financial inclusion qualitatively, phenomenographic analysis was implemented. Phenomenography, for Marton (1986), is the study of "the qualitatively different ways in which people experience, conceptualize, realize and understand various aspects of phenomenon in the world around them." Thus, while remittance-bearing migrants and their households found in a rural area all face decisions on where to keep their resources (including savings) and if they will invest and do business in their rural birthplace, are there any variances in the ways these moneyed people (see profile of FGD respondents in Table 2) understand and experience rural hometown investing with the aid of having a relationship with a financial institution? The FGD revealed such variances on respondents' understanding of rural hometown investing in aid of financial inclusion. (As a profile of respondents for the FGD, most of them are: a. female; b. spouses of overseas migrants abroad; c. have one family member working or residing abroad; d. receiving remittances through banks; and e. receiving amounts that range from P10,000-20,000 [US\$217.39 to US\$434.78]).

3.2.3. Market surveys. Similar to the RICART study done in Pandi, the researchers did a market survey with three respondent groups: overseas migrants physically present in the hometown (n=36), overseas migrant households (n=120), and non-migrant households (n=73). Thus, a total of 229 residents answered the market surveys.

Table 2: Demographic characteristics of FGD respondents (n=14)
(can be multiple answers especially if respondents have numerous kin abroad)

Profile	N	Profile	N
<i>Migration-related profile of respondent</i>		<i>Location of relatives abroad</i>	
• Return migrant, for good	1	• Middle East	13
• Vacationing overseas Filipino	0	• Asia	1
• Seafarer	1	• North America	2
• Child of an overseas Filipino	1	• Europe	1
• Relative of an overseas Filipino	3	• Seafarer	1
• Spouse of an overseas Filipino	11	<i>Amount of remittances received monthly</i>	
<i>Age</i>		• Less than PhP10,000	1
• 40-44	3	• PhP10,000-20,000	9
• 45-50	5	• PhP20,001-30,000	2
• 51-55	2	• PhP30,001-40,001	1
• 56-60	2	• PhP40,001-50,001	1
• No age disclosed	2	• US\$250	1
<i>Gender</i>		<i>Ownership of a savings account</i>	
• Male	2	• Yes	5
• Female	12	• No	9
<i>Number of children</i>		<i>Bank holding savings account</i>	
• Two	3	• Bank of the Philippine Islands	2
• Three	4	• Banco de Oro	2
• Four	4	• Metrobank	1
• Five	1	<i>Where remittances are received</i>	
<i>Number of family members overseas</i>		• Banks	8
• One	9	• Pawnshops	3
• Two	3	• Money transfer organizations	2
• Three	2	• Door-to-door	1

Sampling was done through referral and snowball sampling of households with overseas migrants, as well as non-migrant households. Given the absence of a census list of households with overseas migrants and migrant households, random selection was not possible. The Guiguinto OFW Family Circle, in just its first year of existence, provided a major lift to the fieldwork done by researchers. Officers and members of this municipal-wide group helped researchers in getting respondents from their membership and from outside their membership. Since their chapters are present in all 14 villages (barangays) of Guiguinto, the chapter-level officials of the said Family Circle referred willing respondents to the field enumerators. All barangays had respondents. Although of course, since the research involves money, and the province of Bulacan just had experienced the closure of a rural bank two years ago, many residents are wary to accommodate strangers if the discussion is about money.

The survey questionnaire for this round of RICART is similar to the first conduct of RICART. Questions covered areas such as: overseas migration profiles; income and expenditure patterns; remittance behavior; financial literacy, saving / investing / entrepreneurship / hometown philanthropy; and the hometown business climate. Questions on areas such as migration profiles and remittance behavior were not asked of non-migrant household respondents.

Although the market surveys were done in four months, the researchers have addressed seasonality issues associated with one-time surveys. Because overseas migrants are not always present in the locality, the researchers stipulated that these respondents must be present physically in the community —like the two other respondent-groups.

3.2.4. Hypotheses regarding hometown investments, running a business, owning a savings account and overseas remittances. From the survey data, especially if the number of respondents allowed, the researchers tested hypotheses on hometown investments, business and savings account ownership and remittances through logit regression.

The take-off point for this was the work of Amuedo-Dorantes and Pozo (2006) who hypothesized the following: a) Home business of migrant families can be considered future inheritance; b) The existence of a business signals remitters “that there are worthwhile investment opportunities in the home community;” and c) There will be fewer remittances if the business helps in determining that there is less need for overseas money transfers. Their work was able to compare households that received remittances and those that do not in the Dominican Republic. The model the researchers developed posits that business ownership is affected by remittances and vice versa, personal characteristics of the household head (i.e., education, years of business, land ownership, among others). Formally:

$$Business = \alpha Remittances + \beta P + \delta H + \gamma U + \varepsilon$$

Where:

$$Business = \frac{1}{0} \text{ if } Business > 0 \text{ and otherwise}$$

The researchers used a simultaneous probit model estimating both business and remittances at the same time. Essentially, the summary of their results reveal that households receiving money transfers from abroad are not more likely to own a family business than households not receiving remittances. In their view, while remittances loosen budget constraints faced by remittance receiving households, they also increase the reservation wages of the household members leading to purchase of more consuming activities.

In the RICART study done in Magarao and Maribojoc (Ang and Opiniano, 2016a), the researchers were limited by the non-inclusion of non-migrant households in the survey. For this current research done in Guiguinto, the researchers are now able to take off from the similar aspects of the model —particularly on the impact of remittances on business, investments and savings and their different implications on migrant and non-migrant households.

The basis of having financial inclusion as a key variable is based on Toxopeus and Lensink (2007) where financial inclusion is seen as an outcome of overseas remittances. Their study of developing countries puts remittances as a push variable in creating financial inclusion, which follows logically since remitters and remittance recipients transact with a financial institution. Given that the market surveys asked a number of questions pertaining to various aspects of remittances, financial behavior, personal and hometown characteristics, the researchers were able to ascertain the critical variables to properly represent their impacts. In particular, the survey asked various dichotomous response variables on having investments, owning a business, having savings and having investments in the hometown.

The aim of using this simultaneous probit model is to examine the probability of owning a business and having investments in the hometown due to the overseas remittances received, and due to migrants' and migrant households' financial behaviors and financial structures. We modeled this for both the migrant households and the non-migrant households of Guiguinto. We accounted for the different household characteristics that may impact ownership of a savings account, business and having investments in

Guiguinto. For both households, these characteristics are: total household income, size of the household, number of income earners, education of the respondent, age of the respondent, gender of the respondent, ownership of savings account, time deposits, automated teller machine (ATM) cards, credit cards, prepaid cellular line, post-paid cellular service, laptop or desktop computer, life insurance, membership in social pension, correct answers in financial literacy questions, and keeping financial records (Seshan and Yang, 2012; Orozco, 2008). For migrant households surveyed, we added the amount of remittances, the usual range of remittances and the number of overseas workers in the household in the analysis.

Overall, business ownership, investments and savings in the hometown are modeled as a function of household characteristics and financial literacy characteristics for both migrants and migrant households. Formally:

$$BusinessOwnership = \alpha + \beta F + \gamma H + \varepsilon \quad (1)$$

$$InvestmentsinHometown = \alpha + \beta F + \gamma H + \varepsilon \quad (2)$$

$$Savings = \alpha + \beta F + \gamma H + \varepsilon \quad (3)$$

Where,

$$BusinessOwnership = \begin{cases} 1 & \text{if } Business > 0 \\ 0 & \text{Otherwise} \end{cases}$$

$$InvestmentsinHometown = \begin{cases} 1 & \text{if } InvestmentsinHometown > 0 \\ 0 & \text{Otherwise} \end{cases}$$

$$Savings = \begin{cases} 1 & \text{if } Saving > 0 \\ 0 & \text{Otherwise} \end{cases}$$

Also, we add the vector R for migrant families representing characteristics related to remittances.

For both models, business ownership, investment in the hometown and having savings were dichotomous variables representing the presence of a business, investments and savings in Guiginto. R is a vector of remittance characteristics of the migrant and the migrant households. F is a vector of the financial literacy characteristics of both the migrant and the migrant household head and H is the personal characteristics of the migrant household head. In each of the vectors, there are combinations of dichotomous and continuous variables that can help describe the probability of owning a business, investing and savings in Guiginto.

To implement the model, we conducted both an OLS (obtained least squares) and a logistic regression to cross validate the results.

3.3. Limitations

It has proven to be difficult to encourage as many respondents to participate in the market surveys. This is because of people's wariness to discuss money with strangers. What coincided with our field research was the continued closure of banks (rural, thrift and some commercial banks) in the country—that even if there is deposit insurance (of up to PhP500,000), the claiming of such from the Philippine Deposit Insurance Corp. (PDIC) proved an inconvenience to small depositors. Trust in the banking system is thus questioned. As well, the Philippine government continues to curb financial scammers that informally take investments without government licenses, with the recruitment happening in communities outside of the Philippines' capital region. (A latest case of a financial scam reported in the national media was June 2015 when a multi-level marketing firm allegedly duped investors.)

These developments surrounding investment taking in the Philippines vis-à-vis the conduct of this research were the concerns of the Philippines' ethics review board for scientific research, housed at the University of the Philippines. The ethics board is wary about approaching respondents to ask details about money as their demographic information and identities may be used for outside parties to target them as markets for products and services. But no lists of respondents (for the key informant interviews, focus group discussions and the market surveys) were provided to other people and were kept in safe, secure places. Fortunately, upon following

the ethics board's comments, this research project did not encounter ethical issues or privacy breaches or complaints from respondents.

Having said the above, recruiting enough respondents who are physically present in the hometown affected the hypothesis testing. Like any econometric model, our estimation depended on the number of minimum observations that are required to make good conclusions. For example, the number of overseas migrant respondents is too small to run regression. Given also the limited number of non-migrant household respondents, researchers were only able to implement regression analysis for the migrant household respondents. It should be noted that a number of regressions were conducted to find consistency with expectations and predictions, however, many of the regressions did not lead to a good R^2 (or the models lack explanatory powers) and the models presented herein are the ones that have the better R^2 and are consistent with expectations.

Despite also having about 115 observations of valid migrant household respondents for the OLS and the logistic regression, the difficulty of getting willing migrant household heads led to a relatively smaller number of observations, compared to similar studies that used dichotomous regression techniques.

3.4. Data analysis of Guiguinto's remittance investment climate

To compensate for the limited number of observations in the market surveys, the use of RRA and the phenomenography helped in attempting to provide a picture of Guiguinto's investment conduciveness and residents' readiness to make investments in their rural hometown. For the market surveys, the attempt done here —putting together and analyze a data set of non-migrants and migrant household heads— is an initial attempt in the Philippines and these findings will prove useful in pursuing studies along the lines of the role of remittances in local development.

Given that this research is a parallel, simultaneous QUAN + QUAL mixed methods design, the quantitative results were triangulated with the qualitative findings in order to produce a Remittance Investment Climate Analysis (RelC) that can help operationalize the Remittance Investment Climate framework for Guiguinto (*refer to Figure 1*). It is also to note that the generalizability of these current findings is at the level of the municipality.

The researchers also conducted a hometown conference last June 6, 2015 to not only present findings of the market survey and rapid rural appraisal but to validate these observations with feedback from the community. The affair was mostly attended by members of the Guiguinto OFW Family Circle and by a few municipal officials.

Findings and analysis will be presented in the following order: the phenomenographic analysis of the experiences and understanding of migrant families on hometown investing; the rapid rural appraisal of Guiguinto under the lens of a local economic competitiveness framework; the results of the market survey and the logistic regression; and the ReIC analysis of Guiguinto.

4. Rural hometown investing in aid of financial inclusion

The phenomenographic aspect of this research aims to describe the ways in which overseas migrants and their families, all emanating from and living in a rural birthplace, understand and experience investing there with the aid of a relationship with a financial institution. Given the answers of 14 heads of overseas migrant households (which include some former overseas migrants and spouses who are still active migrants), the human phenomenon that is a result of their engagement or non-engagement in rural investing is *assessment*. The concept of “assessment” is synonymous with investment analysis, which pertains to how an investment is likely to perform and how suitable it is for a given investor.

Essentially, would-be investors assess the gains and risks of placing their resources in investments that stand to benefit them. Based on the verbalizations of interviewees who describe their practices, the resulting outcomes of this phenomenographic analysis are represented here as a *Magnifying Glass of Rural Investing Assessment*. Assessing is akin to looking carefully at risks and gains, thus the use of a magnifying glass.

In the *Magnifying Glass of Rural Investing Assessment*¹, the overseas migrant and the migrant family assess four areas (the major themes) before plunging into investing in the rural birthplace: *personal* assessment, *family* assessment, *financial institution* assessment, and *environmental* assessment. On this score, the overseas migrant and/or migrant family look/s at themselves and their immediate family units *vis-à-vis* the surrounding institutions when making an investment decision. It is to note that the rural hometown is itself a risky place to invest in given limited markets and limited levels of development. Meanwhile, in the context of the overseas migration phenomenon, making an investment is a means to maximize the prospective additional returns from the remittances earned overseas and sent back home. Since

¹ The magnifying glass is presented here more as a finding than an analytical tool that was used in the quantitative survey. These observations by respondents help explain the quantitative findings rather than used in the survey questionnaire. As mentioned in the Methods chapter, the mixed methods design is *parallel* and *simultaneous*. The use of the word “assessment” in the *Magnifying Glass of Rural Investing Assessment* —as the model illustrating the phenomenographic findings here —is a name ascribed to naming the model. This is in the context of describing respondents’ practices in handling money and ascertaining if they wish to invest at home or not.

overseas migration is a family's economic undertaking (Clemens and Ogden, 2013), negotiating is being done at the level of the family before the investment decision is made—in proxy by the household member left behind on behalf of the remitter based abroad.

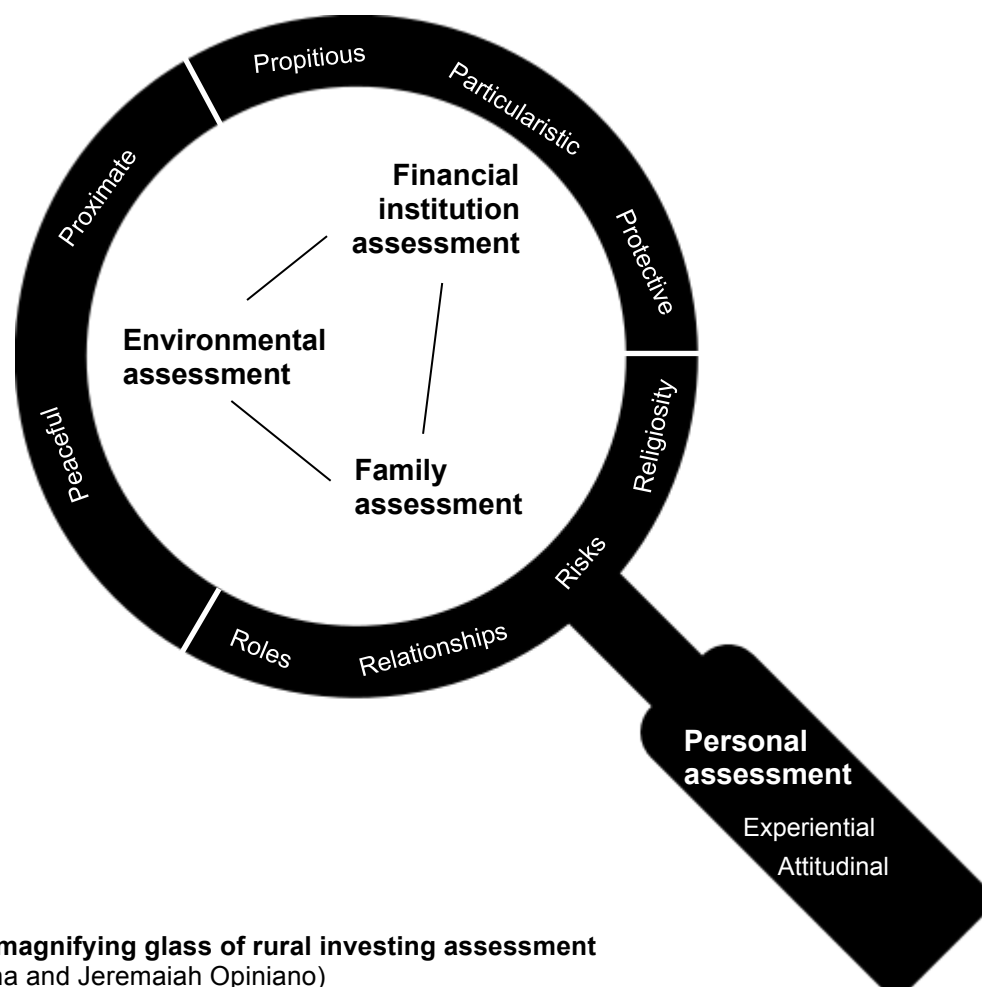


Figure 4: The magnifying glass of rural investing assessment
(Andrew Lacsina and Jeremaiah Opiniano)

4.1. Personal assessment

The entry into a relationship with a financial institution for purposes of saving, investing and/or engaging in entrepreneurship begins with a look at one's financial capacities and capabilities (The "one" being referred to here is either the overseas remitter who sends the money whether previously or currently, or the household head of the migrant's family who is in charge of handling the remittances received). Such personal assessment is related to one's level of knowledge about money.

For financial literacy experts and trainers, a person can be easily assessed according to whether s/he is a risk taker or is risk averse. But more than these general types of risk profiles, respondents assess themselves through *experiential* and *attitudinal* lenses.

A. Experiential: Assessing personal dealings with handling money. Financial management in the Philippines is something that is not taught formally in schools. On that score, respondents' statements show that experiences with regard to handling money are their best teachers:

"In terms of handling money, it has been all me since the beginning." [FZ]

"(Handling money) is my own idea. I was much hard-up before. Before I got married, I already worked... I thought of the idea to sell products when I stopped working and there is nothing to do at home. So I thought of opening a sari-sari [small retail] store. At least, income grows bit by bit." [AS]

"Handling and earning money came from me because ever since I was young I am the breadwinner because my parents were unemployed. So I was able to finish school by my own perseverance." [SL]

It even comes to the point that some respondents use their personal experiences to prove to themselves that they can make ends meet:

"I ask myself, back in the day we are able to make do with what we have, and we can still do so now... I save, based on my experience. Our family really wanted to live a better life, and it is only now that we are enjoying some surpluses. As for one of my children, I told him: "Child, we will not progress if you do not recall our past. How will you improve your life if we do not remember our past experiences and say you will never experience this again? That is my inspiration.

So my children now have dreams, and they tell me: "Mother, the day will come that you will not do anything but relax." It is nice to hear these dreams from your children." [ML]

B. Attitudinal: Assessing personal attitudes and convictions surrounding money. One's attitudes and beliefs surrounding money, as well as saving or investing, also form part of the self-reflection. The self-assessment on this regard can cover one's view of why saving money is important, like this respondent: *"You save to prepare for your children's future, as well as yours—that your family's economic standing will be better..."* [JR].

Assessing one's attitude also recognizes one's role as a contributor to the family income. In the case of overseas migration by Filipinos, where the common observation is that a migrant family is highly dependent on earnings from abroad, there can be a "contrary" attitude: that contributing to the family income is a personal responsibility. Even one's sacrifices form part of the personal disposition to help the family and, eventually, think of saving. Says a respondent:

"Since I was young, our family is hard-up. So when I got married I said 'We must not look back at our previous hardships —that whatever the future holds, we have to be strong.' It was only last year that my husband told me to stop working, that being his 'incentive' to me. Since I am the one working here (in Guiguinto), he tells me, 'Mama, do not tend a store anymore. Unwind.' While tending a store is tiresome, I still help my husband. I think I am that stable that the two of us need to invest in buying land..."

On handling money, women are mostly thrifty and they do not have vices. I cannot even go to the beauty parlor. I don't drink, play gambling, smoke and covet other men. That is where my world revolves, and so you must build trust." [DL, female]

And since overseas migration does lure the family in the home country to depend on the remittances sent, what arises is a conviction —shared by one respondent— of why saving is important vis-à-vis receiving overseas remittances:

"Saving is important because overseas work is not forever. There will come a time you will grow old and weaken. So save while you still can." [JR]

Other personal attitudes linked to saving have to do with the psychic satisfaction that comes with saving. Says a respondent: *"It is enjoyable to save because we cannot avoid getting old and it is hard to rely on the income earners again, especially your children... Yes, savings helps especially during emergencies so that you have money to draw from. You will not disturb other people. And when you have some money for investment, then use your savings." [DC].*

Another personal attitude revealed in some answers is avoiding the humiliation of borrowing money from others: *"You must have savings. It is shameful when a loved one is hospitalized at around midnight and you will disturb people's sleep by borrowing money from them," says a respondent. "And then eventually they will not lend you money. Then you must have savings." [LB]*

4.2. Family Assessment

If overseas migration is a family decision that is brought about by the family's economic needs, so saving and investing have largely familial factors to consider. These factors have to do with the *risks* of saving and investing vis-à-vis the current money situation of a family, the *roles* of family members in money management, the *relationships* that have to be nurtured while handling their incomes, and even *religiosity* as an influence in making saving and investment decisions.

A. Risks to resources: Assessing a family's current use of incomes vis-à-vis desires to save and invest. What are coming out of some of the respondents' answers is a usual refrain as regards the inability of people or families to invest: the needs —whether daily or future needs— of the family. The risk being assessed here is about making the delicate balance between addressing current needs and preparing for future needs, the latter including emergencies and investments.

The decision to save and invest depends on how families factor in daily expenses, utilities [VC], and child rearing [LB], among others. As well, decision making on how to use the family income largely hinges on the family's periodic budget. Says a respondent:

"On the decision on how to use the income... my husband knows before he left how much are the expenses and what to spend. There is excess from that budget. He also knows how much when it is enrolment time, of which he sends that money for such purpose." [PÑ]

But some wives of overseas migrants are also watchful that if the entire remittance (as estimated to be needed by the family) is sent, the risk is the remitter may not have much left for saving and prospective investing. On that score, the remittance recipient becomes practical (or frugal) with the money the family receives. Says a respondent:

"As a mother, I tell my husband not to send too much money because we have some money here. I do not ask him much because I want him to have money when he comes home... I am becoming practical here, because I want him to save money there [in the host country] as he will not have much to buy there. Here at home, more can be bought when the money is remitted to us." [ML (note: husband kept savings at his residence overseas)]

Families receiving overseas remittances have to contend with another risk: complacency. Here, the spouses or family members confront such risk head on because current and future needs of the family will be affected here (as verbalized by a respondent):

“What is common with seafarers is that they leave when they had realized there is no more money left. When they still see money, they still want to stay in the Philippines. That has been their Achilles’ heel. It is seldom to see seafarers who have savings left in the bank and then depart for another contract. What is needed to be done is to hide their passbooks... But what he does not know is that you, as his wife, has some money left.” [FZ]

B. Roles: Assessing family members’ roles related to consuming, saving and investing. Roles have been ascribed unto family members, whether based overseas or in the hometown, in terms of tending to the family’s overall welfare. These roles are also assigned when it comes to spending resources and eventually saving and investing. It seems that a sound execution of these roles may help in the family decision to save and invest.

There are gender dimensions in this role setting as regards personal finance. One dimension is about one’s capability. For example, women budget the overseas remittance [DC], and also act as the decision makers. Though as regards capability, there can be contrasts. One respondent-wife thinks males know how to invest [VC], while another posits females are inclined to business *“because they know how to roll over capital (in Filipino: paikutin ang puhunan)”* [LB]. There is even a perception that females are (more) knowledgeable in expenses and in investment:

“It is the woman (who knows handling money) because it is usually the mother who knows the needs of their children.” [SL]

Another gender dimension covers division of responsibilities. For a respondent [SL], the husband who is abroad is the one capable of saving because she had acknowledged that she could not refuse relatives or people seeking her help (as she calls herself *“pusong mamon”* or soft-hearted).

C. Relationships: Assessing family members’ nurturing of family ties while handling incomes. Family members’ relationships with each other are being managed along with the management of family incomes. As mentioned eloquently by a respondent, citing her family’s experience:

“The key to a good family relationship, and to saving, is the family. If the family is saving money, even if there is less or no savings, the one abroad will see where the money goes. No questions asked.” [FZ]

Trust is the key word here towards managing family relationships vis-à-vis money. That trust can be manifested in ways such as seeing spouses entrusting the decision to enter into a business, and a family member (say, the one working abroad) supports the decision. Or even in the handling of money, trust is given [JQ].

Some respondents are trying to make decision making a family affair and consensual in matters such as who is designated as the account holder, who keeps the account, and at which bank to open a savings account. Then these details are entrusted to the family member left behind, like the wife: *“The one who should be handling the account is the most trusted in the family, the one that you think can manage the money well”* [FZ].

Even decision-making becomes a conjugal matter, with a respondent desiring to elicit happiness from the husband abroad: *“We both decide on financial matters. But he was surprised when I said let us open a savings account. He was happy because I initiated. I am making him feel that I am not merely enjoying the money that he sends”* [SL].

Children (including those who are working overseas) provide interesting dynamics in the nurturing of the family relationship vis-à-vis managing remittance incomes. Here, the parents try to be honest to their children so that they can sense the financial situation the family is in [QD]. On the other hand, some respondents were told by their overseas-based children to open the account because of the risks of saving at home [ML].

The child can be a family’s “authority” on the use of the remittance incomes. The same respondent whose child prodded the mother to have a savings account shared:

“One time (my child) remitted money, he told me: ‘Mother, save that money in a bank.’ Then I told him that I need additional expenses for our house construction, saying: ‘My son, I am short of PhP2,000.’ Then he told me, ‘You borrow money first so that the house construction goes on.’ He knows the house we are constructing.” [ML]

D. Religiosity: Assessing faith's role in the saving and investing decisions. This theme is the most interesting among the sub-themes that came out of respondents' answers. Some respondents do believe that God / The Lord has a place in a family's saving and investing decision. This can be linked to Filipinos' deep valuing of their religion.

There are different ways in which religion and faith help in a family's management of incomes. Faith in God helps the family survive [ML]. The Lord can even help solve financial problems [DL] and manage one's resources [QD; DL]. Even in savings and investment decisions and engagements, faith plays a role. Look at how the verbalizations below from respondents reveal their firmness in asserting religion's role:

"Here in Guiguinto, doing business depends if you have a good idea and you operate in a strategic place. Praying is also a part of the package. No matter how good your business idea is, with no prayer, many problems will come your way, isn't it?" [FZ]

"It is truly prayer, and we rely on the Lord to protect each and every one of us from (floundering) financial institutions. One cannot say everything's safe already: Even if you walk around, you cannot say." [QD]

"God's presence will protect us. It is only the Lord Who can save us. Since there are many more people in the world, and many more people are becoming poor, they are having a hard time. So you cannot avoid that some people will do bad things. We pray for them." [ML].

Even placing money in a financial institution can be "protected" by God's grace. Says a respondent:

"You cannot say that either your home or the financial institution is safe. It is prayer and hope in the Lord—that He protects each and every one of us. I cannot say with certainty that financial institutions are safe. Even if the amount is just PhP100, if that is up for grabs, there are people who will chase it." [QD]

4.3. Environmental assessment

Being accustomed to the rural birthplace is no guarantee that respondents will park their savings there. This is why the respondents said they are assessing their immediate environment, including its (supposedly) *peaceful* condition. Environmental assessment also

covers the *proximity* of the financial institution to the client. However, none of the respondents verbalized about the way Guiguinto is governed.

A. Peaceful: Assessing the locality's safety. Peace and order became a concern simply because Guiguinto is now a progressing municipality, with a mall, supermarkets, bank branches, factories and other commercial centers surrounding it. One cannot be sure, says a respondent, as she estimates numerically the safety of her hometown:

"Guiguinto is improving, and it does not seem to be safe here. If I give it a percentage, it is around 70 percent. Now, many are interested to improve their lot. So many are now becoming interested with other people's incomes. Once, you go to the bank, you will just withdraw money, somebody is already following you. So you will think of keeping your savings at home, even if you are also unsure about keeping your money there." [QD]

So not surprisingly, one can be mindful of the people around the municipality, to the point that this lady respondent asked to pray for the people around the progressing municipality:

"You cannot seem to trust people. I am not saying I am a good person, but times have changed. Before, even if you leave something, it will not be lost. Unlike today's times... Like when you are inside a bank: you will be told using a cellphone is disallowed, but people are not following it. So you cannot say the place is safe. You will look at the people around... God's guidance is what will keep us safe. We continue to pray for those people." [ML]

B. Proximate: Assessing the financial institution's geographic closeness. Geography, for others, also means clients' convenience to transact with an institution nearby, like when receiving an overseas remittance. Proximity is a consideration when receiving the overseas remittance because this lessens the expenses and other associated risks when traveling to the nearby remittance center.

But even if the financial institution is near, the financial security of one's money in the said institution (e.g., bank) is another consideration. But when going there, one male respondent said, *"just be careful (in Filipino: ingat ka na lang). Look around you first when withdrawing money from the ATM"* [DC].

4.4. Financial institution assessment

Financial institution assessment pertains to gauging the trustworthiness of rural financial institutions. Specifically, people review the products and services —and their benefits to clients— of rural financial institutions, as well as the sturdiness and solvency of the financial institutions themselves. The assessment of the rural financial institution is done through *propitious*, *particularistic* and *protective* lenses.

- A. *Propitious: Assessing benefits.* Respondents assess the benefits of forging a relationship with rural financial institutions by thinking that the financial institution can help them. Thus, respondents assess if the product is propitious (which means “good” or “favorable”), whether in financial (e.g., interest earnings, access to credit) or in non-financial terms (e.g., health benefits, business advisory services). The assessment of the investment opportunities depends on the information provided unto the remitter from family members at home, or by the family member who will then convey the suggestion to the remitter abroad.

This propitious thinking is linked to respondents’ knowledge of the benefits of generally forging a financial relationship with commercial and rural banks, cooperatives and microfinance institutions. Knowledge of these benefits can be seen from the responses below:

“It is okay to place your money in banks your money is saved there and there is even little interest accrued onto it. That is unlike if you keep your money because if you want something, you will use your savings... When the time comes you need a housing loan, and if you have big deposits in a bank, you can borrow at a minimum of nine percent.” [SV]

“What I know is when you engage in cooperativism, you have health benefits. What I had seen is that cooperatives have some promos (promotions) that seem to be a benefit if you are a member. There are health benefits unlike banks that have none of those benefits.” [FZ]

“I guess we are lucky with microfinance because personnel in microfinance institutions teach us how to make your business grow and how to save. They also give advice on how you can avoid bankruptcy, and how to use your money strictly for business purposes only.” [AS]

B. Particularistic: Assessing products and services. This covers the ease of accessing and availing of these financial products. In Guiguinto, the commercial, thrift and rural banks operating there offer the common deposit, loan and investment products. Meanwhile, commercial banks (which service overseas remittance transactions) have the savings, loan and investment products for overseas migrants and their families—all of which were developed by these commercial banks' headquarters in Manila and then rolled out to branches across the Philippines (for descriptions of migrant-tailored bank products, see the work of Bagasao [2013]). It is here that respondents are particularistic about the details of these financial products.

On this score, respondents are looking carefully at what financial institutions require before they can avail of a product (e.g., credit card, housing loan), as well as the ease of eventually applying for these products. Respondents also look at the specific details of the products (e.g., interest rates for loans) that are linked to the products' benefits.

While there is awareness of the necessity of requirements, some respondents have contrary responses to these, such as apprehensions and second thoughts. One source of concern is the interest rate, especially when repaying the borrowed capital for existing enterprises (like one respondent who looked at the numbers reflecting the interest rates). This seems to be counter-intuitive to what the responses are in the financial literacy results on knowledge of interest rates (*see Chapter 6*). The tests are focused more on the actual addition to investments or the amount borrowed. Hence, it is possible that respondents are more aware if it is about the amount to be paid in regard to a loan than the amount to be gained in regard to an investment.

There is also a common source of respondents' uneasiness: the requirements financial institutions ask of its clients. Respondents are aware that there are requirements before they can avail of a product. But their answers imply that financial institutions may have a limited understanding of clients' financial conditions. Respondents even perceive "mistrust" on the part of the financial institution with regard to clients. When requirements are "numerous," this may deter clients from transacting with financial institutions. Consider these examples of interviewees' verbalizations below:

"For example I have an account with (Bank A). My money there is big but I do not have a credit card. I think that should have already been a benefit to me as a client. Isn't it that if you are a client of a bank, and you have ample savings, you will be offered your credit card? But I do not have an income tax return (ITR)." [ML]

“I hope banks lower their appraisals of collaterals. Let us say the value of the collateral diminishes, then the bank will ask for an additional requirement... (reaching the point) the monetary value of the property is stretched, especially land values. The appraised value of the land is low, and you are just borrowing money. And then from the borrowed money, interest rates accumulate. I hope they give us clients some consideration.” [DC]

“My child who is abroad told me, ‘Mama, the requirements should only be few.’ But there are many requirements you have to process. It is my money, but they will ask you for this and that document. I will keep my money instead.” [MG]

But once clients of financial institutions have experienced the benefits of such financial relationships, trust follows. As one respondent said: *“I have a savings account in my cooperative because (the cooperative has) insurance. Recently there were additional benefits, like hospitalization, which is good. I am now a member of the cooperative for seven years. There, your savings at least grows somewhat” [SL].*

C. Protective: Assessing the financial institution itself. The verbalizations have highlighted the protective, careful nature of respondents’ assessment: that the financial institution should be secure and safe, especially since respondents want to be assured their hard-earned resources are protected and can be protected. These articulations have been brought about by ongoing closures of rural banks and cooperatives² —the most celebrated of which is a group of rural banks (called the “Legacy banks”) that were placed under receivership almost at the same time due to their offering of skyrocketing interest rates for five-year time deposits).

There is recognition that saving in a bank is safe and secure [SL], but there is also critical reflection on the part of some respondents. If it is a bank, there is even awareness about deposit insurance and the inconvenience of recouping one’s deposit from the government-run deposit insurer if one’s bank gets closed:

“Yes, before you invest in that bank, make sure it is renowned. (This is) because it is difficult to get your money back when your bank closes. It is your money, but then you will be one to get it back (from the closed bank). This is unlike other Philippine banks that have branches all over the world.” [SL].

² There is geographic proximity in this concern for respondents. In 2013, the 18-branch Cooperative Rural Bank of Bulacan closed even if the bank has branches outside of Bulacan province (Philippine Deposit Insurance Corp., 2013; ABS-CBNNews Online, 2013) that, for others, reflect that the multi-branch bank is sturdy.

“Our banks here in Guiginto are established like Bank A, Bank B and Bank C. Then we have cooperatives here, which are being promoted in the province. I am not scared to save, and our savings are not that big. I am aware that my deposit is insured up to PhP500,000 but my money does not reach that big. So even if a bank closes, I will get my money back.” [DC].

There is a sense among some respondents that keeping their savings with themselves remains important. It even depends on the amount (*“If the savings are big, it is risky to keep those at home. So that goes to the bank” [DC]*) or even the use of one’s resources as rolled up capital for business vis-à-vis placing money or not in a financial institution (*“You earn from your business so you roll it over, then you see you are earning. But if the earnings are big, then you can place those in your bank. But if only thousands of pesos, do not anymore put it in a bank” [AS]*).

5. Hometown's local economic competitiveness

Guiguinto was once a predominantly agricultural economy. But given its proximity to Manila, Guiguinto offered itself to be an industrial basin so factories are found here —a hub of production from Manila so to speak [LJ]. So with manufacturing-oriented businesses present, a visible number of residents have jobs and local resource generation (i.e., taxes) is abundant. Given the municipality's data, the local economic competitiveness framework of the National Competitiveness Council (NCC) will be used here to profile Guiguinto (see *Appendix* for the complete secondary data) given researchers' collection of secondary data and interviews with identified municipal officials.



5.1. Economic dynamism

Guiguinto is a municipal mayor's dream place for vibrant economic activity. There are increasing numbers of registered micro-to-large enterprises: from 1,249 in 2011 to 1,636 in 2014. The capitalization of the newly registered businesses in Guiguinto can be two-to-three times larger than the annual internal revenue allotment (IRA, or budget from national taxes) of the municipal government. Registered businesses are a billion-peso sector in Guiguinto (P9.343 billion in 2014), and thus employees from local businesses are some 8,853 strong as of 2014.

Thus, local productivity (used here as the ratio of the total gross sales of renewing registered enterprises and their number of employees) is high for a Philippine rural municipality —at P1.235 million per worker. The situation implies that local workers enjoy jobs with gainful incomes that are not typical of a Philippine municipality.

This first income-class municipality blends its industrial and commercial sectors with its micro- and small-scale enterprises. MacArthur Highway, a main road in Guiguinto, is itself a long strip that has factories along the way, as well as Walter Mart mall and Puregold outlets (both Filipino-owned retail giants) and the public market.

There is now recognition that Guiguinto is becoming an industrial municipality. With Manila's proximity to Guiguinto that is backed up by an accessible road network connecting Guiguinto with the Northern Luzon Expressway (NLEX), Guiguinto has become a storage hub (i.e., warehousing) of products that come from Manila [LJ]. A visible number of factories, the renowned ones being Bulacan Metro Warehouse, RIS Development Corp. and a branch of San Miguel Brewery (owned by local liquor giant San Miguel Corp.), are found in Guiguinto [GL].

It is no wonder that financial institutions have found Guiguinto to be a growing, pulsating economic market —and financial institutions abound in the municipality. As of 2014, three commercial banks have four branches in Guiguinto. There is also a thrift bank, two branches of rural banks, six cooperatives, some 16 pawnshops, around four local money changers, and 11 payout centers of leading money transfer organizations Western Union and MoneyGram, as well as outlets of Philippine mobile remittance services and freight companies with remittance services. So Guiguinto has around 30-plus service providers involved in financial services: remittances, payments, deposits, loans and investments. Even a big Bulacan-wide multi-purpose cooperative had the most number of members found in Guiguinto.

Cooperativism is also being promoted in the entire Bulacan province. Two stable multi-purpose cooperatives have branches in, and a visible number of members from, Guiguinto: St. Martin of Tours Development Cooperative (main office: Bocaue municipality; www.stmartincoop.com) and the hometown-grown Ligas Kooperatiba ng Bayan para sa Pagunlad or LKBP (www.ligascoop.org). Both cooperatives even have branches outside of Guiguinto, and are billion-peso cooperatives in terms of resources. Similarly, both cooperatives have numerous deposit and loan products and other services such as health insurance, livelihood training and social services. LKBP even has a towering building for a head office, found in Guiguinto.

There is concern that agriculture is no longer the main occupation of workers here in Guiguinto, but this extends to the entire province [BM]. Apart from the factories, a number of subdivisions are also found in Guiguinto, with land values rising and, thus, the properties are not fit for farming [RJ; CD, key informant interviews]. But the municipal government has committed to reserve 200-500 hectares of agricultural land [LJ].

5.2. Government efficiency

Buoyant business activities in Guiguinto obviously lead to more local revenues generated, in particular from business and real property taxes. Although real property taxes are said to be the leading source of revenues for Philippine local government units, Guiguinto's top revenue generator is business taxes: P239.052 million *US\$5.19 million at PhP46 = US\$1) from 2011 to 2014. Combining Guiguinto's revenues from business and real property taxes over the same period (PhP306.116 million or US\$6.65 million), business taxes alone make up 78 percent. Looking at all the revenues of Guiguinto (to include IRA), business taxes make up a fourth of the municipality's total income.

Credit here goes to the municipal government's showcase for government efficiency: its business registration system. Guiguinto is said to be the first in Bulacan province to introduce a swift process of registering businesses. The registration of real property is also computerized through the municipal government's Real Property Tax Information System (RPTIS).

Entrepreneurs who will get their first business permits, as well as prevailing businesspeople renewing permits annually, only need three steps and even half a day (to at most a day) to get their permits. Getting building permits in Guiguinto takes seven steps and only three days, while three steps and just 10 minutes are enough for one to get an occupancy permit. If the taxpayer will pay his or her business registration fees in full, the municipal government grants a five percent discount to the total payment due [YD, interview].

The business one-stop shop of the municipal government of Guiguinto



All these mechanisms for local entrepreneurs prevail amid the absence of a municipal investment incentives code (Guiguinto reverts to a province-wide investment incentives code). Local officials also say that local revenues could have been greater if the municipal tax code had updated its valuations (e.g., the schedule of taxes for business permits is as of the year 2006), so this tax code is about to be revised [LJ; GL, interviews]

Guiguinto is said to be the first Bulacan municipality to computerize its business permits and real property registration systems, done as early as 1998 [YD; GL]. This swift business registration system won some regional-level awards for Guiguinto (i.e., the Philippines' Central Luzon region). The municipal government also honors Guiguinto's top 50 taxpayers annually [YD, interview].

In reference to the current local chief executive, it is observed that the Mayor Cruz runs the municipality like a corporation given his corporate experience with Manila-based corporations [BM]. This approach is said to trickle down to the investment climate of Guiguinto, with some municipal officials taking pride of belonging to an "investment-friendly" municipality [LJ; GL].

It is also observed that Guiguinto has a functioning social services system (education, health, social welfare), and was even able to turn around a *barangay* (North Ville VII) that was then a relocation site for some urban poor of Metro Manila living near the rail tracks operated by the Philippine National Railways (PNR). However, children in conflict with the law and cases involving minors are concerns, even as crimes registered in Guiguinto are mostly related to road accidents [ER; MA; PG, interviews].

5.3. Infrastructure

The proximity to Manila is an advantage for Guiguinto. The municipality is actually in between two international airports, which are both an hour's drive from Guiguinto: the Ninoy Aquino International Airport (50.3 km. distance) and the Clark International Airport (66.7 km.). The Port of Manila is some 41.1 km from Guiguinto, also an hour's drive.

Local officials said that the Plaridel Arterial Bypass Road would prove to be the, "economic difference-maker," for Guiguinto. This 24.61 km. arterial road will link the Northern Luzon Expressway in Balagtas town to Maharlika Highway in San Rafael. Being constructed as a

means to ease traffic congestion, the bypass will pass by five municipalities, including Guiguinto. (<http://www.dpwh.gov.ph/PPP/projs/plaridel.htm>). Notably, vehicular traffic and transport of goods will be easier. It is projected that further business opportunities will emerge once the whole project is finished.

But drainage is a concern in the municipality, with the municipal government planning to have a centralized drainage system. Luckily, when floods come, Guiguinto is not a flooded area [LJ]. This can be attributed to the “generally flat” topography of Guiguinto [<http://www.guiguinto.gov.ph/GEOGRAPHY.html>].

While tourists find interest in Guiguinto’s garden plants that have made gardening a growing business in itself, ten tourism facilities in the municipality only have a total of 30 rooms as of 2014. Educational and health facilities are in place. Services for utilities (power, water) are normal and running given Guiguinto’s proximity to Metro Manila.

With financial inclusion visible in Guiguinto, 16 automated teller machine (ATM) facilities —both on-site (i.e., beside bank branches) and off-site (e.g., supermarket, municipal government premises)— provide residents with the convenience to withdraw money within their locality.

5.4. Views on the local investment climate

After the rapid rural appraisal done on Guiguinto’s local economic competitiveness, respondents (particularly the migrant and non-migrant households) to this study’s current survey were asked what they think are the major problems of the rural hometown’s investment climate (*see Table 3*). For recipients of overseas remittances, wages for employees are a top problem. But both migrant and non-migrant households similarly view the possibility of borrowing from financial institutions as one of the top two major problems. Non-migrant families are also concerned with the cost of water services.

The concern over the salaries may be brought about by the impact of localized industrialization on the wages of all workers, as well as entrepreneurs (including micro- and small entrepreneurs) in Guiguinto. It is also surprising that amid the accessible number of financial institutions across the municipality, prospects of accessing credit from these institutions is a

major concern. This may imply that requirements for accessing credit and other financial products and services are keeping some residents from availing of these services.

Table 3: Impressions on the major problems of Guiguinto's business climate

Top answers of migrant families	% saying major problem (N=120)	Top answers of non-migrant families	% saying major problem (N=73)
1. Wages for employees	21.7	1. Possibility to borrow from formal financial institutions	21.9
2. Possibility to borrow from formal financial institutions	16.7	2. Cost of water services	19.2
3-4. Interest rates	15.8	3-4. Quality of water services	17.8
3-4. Bank loan procedures	15.8	3-4. Possibility to borrow from family, friends, others	17.8
5-6. Rate of taxes	15.0	5-6. Access to markets	16.4
5-6. Cost of electricity	15.0	5-6. Interest rates	16.4
7. Quality of water services	14.2	7. Access to electricity services	15.1

source: RICART 3 survey

5.5. Financial inclusion

The municipality has around 44 financial institutions operating in the area. These already cover commercial, thrift and rural banks, payments services, cooperatives and microfinance institutions. Given the rising incomes of Guiguinto, the major Philippine commercial/universal banks have branches in Guiguinto. Thus, for these banks, the financial products they offer are similar to what many Philippine banks offer: savings and time/commitment deposit products, loans (e.g., business/enterprise loans, car loans, housing loans) and some investment products. The thrift and rural banks in the area target Guiguinto's micro-and small entrepreneurs. Although, some representatives of banks in the area notice that residents who are entrepreneurs and who are seeking credit / loans for their business ventures are having a difficult time complying with bank requirements such as financial statements and tax returns [TB, interview].

Some notice it remains a challenge for residents (including overseas townmates) to open bank accounts. An interviewee noticed that if their savings are in small amounts, prospective depositors or bank clients find it a hassle for them to open an account especially if they do not

have immediate access to their savings. In addition, residents seem to carry a mindset of spending their money more than saving some of their resources [TB, interview].

Bulacan province is known to champion cooperativism so all municipalities in the province, including Guiguinto, have operational cooperatives. A big cooperative (assets: P1.549 billion or US\$33.6 million) is headquartered in a neighboring municipality (just a few minutes away from Guiguinto) but a majority of members are from Guiguinto [SM, interview].

Since Philippine cooperatives enjoy tax-free status, savers in cooperatives enjoy tax breaks. So six cooperatives with branches in Guiguinto, especially two that are big in terms of resources, enjoy such an incentive from the Philippine Cooperative Code. One cooperative offers eight deposit products, 12 loan products, 13 forms of social services (from health to education to fire victim assistance and burial assistance), and 12 insurance products [SM, interview]. Another cooperative has nine loan products, four savings products, a life insurance product, a health product, a bills payment service facility, and livelihood training for members [LG, interview].

There are some observations on the behavior of overseas Guiguinterños and their families to avail of these bank products and services. There are those who think overseas migrants from the rural locality do not have savings accounts, although others contrast that view by saying both income earners based in Guiguinto and abroad have savings accounts in Guiguinto. There is also the observation that overseas Guiguinterño income-earners “value their money so much” so they allocate these right away to savings, for their local enterprises, and for their families’ needs [SM, interview].

As for loans, some observe that migrant entrepreneurs are conscious of how much they need to be paid monthly (in Filipino, *magkano ba iyong ilalabas na pera*). Not surprisingly, these migrant entrepreneurs prefer smaller amortization [TB, interview]. In one financial institution, overseas Guiguinterños are clients for housing loans.

But the consumption bug bites at overseas Guiguinterños, especially now that Guiguinto is a progressing municipality surrounded by malls and shopping centers [TB, interview]. As observed by a respondent, relative deprivation pushes them to spend (in Filipino, the respondent said: “*Biro mo, ilang taon kang naghihirap, hindi mo natikman itong sagana eh.*” In English, you had been financially deprived for years and you are not enjoying these luxuries and

goods). So for one respondent, this consumerist attitude is a disincentive for overseas Guiguinteños and their families to save—not to mention the Filipino trait of extending financial help to extended family members. This extension of help even impacts, for example, the payment of monthly amortization for housing loans [TB, interview].

Guiguinto is abundant with financial institutions that clients, like overseas Guiguinteños and their families, will just have to maximize their accessibility to forge banking relationships and open savings accounts. A respondent observed that for overseas Guiguinteños and their families, they are more conscious of the accessibility of the financial institution for them than about the interest rates of savings products. This may have to do with receiving the overseas remittance [TB, interview].

Nevertheless, overseas Guiguinteños and their families are not exempted from what the respondents (i.e., some municipal officials) view surrounding financial knowledge and practice: residents, they said, need to be educated on how best to use their money and how they should understand the mechanics of financial products vis-à-vis their needs [SM and TB, interviews].

6. Guiguinteños' monetary behavior, financial aptitude

This portion presents the salient findings from the market surveys conducted in Guiguinto. All in all, 227 respondents (118 migrant households, 73 non-migrant households and 36 overseas remitters) answered the market surveys.

6.1. Demographics

As basic demographic profile, most respondents from the three respondent-groups: a) Have one income earner in the family; b) Have monthly household incomes within the range of PhP8,001 to PhP15,000 (for remitters and migrant households) and below PhP8,000 for the non-migrant households; c) College graduates for the remittance-affected respondents and high school graduates for the non-migrant households; d) Are male for the remittance-affected respondents and female for the non-migrant households; and e) Plant and machine operators and laborers and unskilled workers for the remittance-affected respondents, and trades and related workers and laborers and unskilled workers for the non-migrant household respondents (see *Table 4*).

Government's administrative data on migrant workers and emigrants or immigrants (combined) show that Guiguinteños abroad are found in some 57 countries of destination. The top four countries of destination, shown by the administrative data, are the United States (661), Canada (541), United Arab Emirates (420) and Japan (350). In the market surveys, the top country of destination for respondents was Saudi Arabia and the UAE (see *Table 5*). There were 22 countries of destination identified among respondents; there was one seafarer respondent and nine kin have seafarer breadwinners working.

Table 4: Basic demographic information of respondents (top answers)

Top responses to question items	Migrant family respondents (n=118)	Migrant remitter-respondents (n=36)	Non-migrant respondents (n=73)
No. of income earning family members			
• 1 income earner	53	13	31
• 2 income earners	41	13	28
• 3 income earners	16	5	9
Household income			
• P8,000 and below	16	2	39
• P8,001 to P15,000	31	6	18
• P15,001 to P30,000	41	9	13
• P30,001 to P50,000	15	11	1
Educational attainment			
• High school graduate	24	6	27
• Some college studies	15	5	6
• College graduate	62	16	11
Gender			
• Male	80	23	9
• Female	38	13	64
Occupational group of respondents			
• Professionals	9	3	2
• Technical and associate professionals	14	5	6
• Service workers / shop / market / sales	19	4	16
• Traders and related workers	17	5	24
• Plant and machine operators	23	8	11
• Laborers and unskilled workers	23	7	18

source: RICART 3 survey

Table 5: Countries of destination of overseas Guiguinteño respondents

Countries of destination of survey respondents	Total – remitters	Total – kin of migrant families who work or reside abroad	Government data on overseas Guiguinteños (as of May 2014)	Emigrants (not segregated by gender and destination country)*	Contract workers (active OWWA members)**		Contract workers (non-active OWWA members)**	
					M	F	M	F
Australia	-	1	Australia	60	0	1	4	0
Azerbaijan	-	1	Azerbaijan	-	-	-	-	-
Canada	-	1	Canada	514	1	1	8	17
China	1	1	China	-	4	0	3	6
Hong Kong SAR	-	1	Hong Kong SAR	-	7	48	8	46
Iraq	1	1	Iraq	-	0	0	1	1
Israel	-	1	Israel	-	0	5	1	6
Japan	-	7	Japan	193	0	2	9	146
Korea	-	1	Korea	5	2	0	13	10
Kuwait	-	2	Kuwait	-	7	13	16	31
Macau SAR	1	1	Macau SAR	-	14	12	6	10
Malaysia	-	1	Malaysia	-	4	6	6	7
Oman	-	1	Oman	-	6	3	3	5
Qatar	2	9	Qatar	-	19	13	33	25
Saudi Arabia	15	47	Saudi Arabia	-	60	24	125	84
Singapore	3	5	Singapore	-	54	80	41	70
South Africa	-	1	South Africa	-	0	0	-	-
Taiwan	-	4	Taiwan	2	4	5	28	71
United Arab Emirates	5	18	United Arab Emirates	-	78	115	110	117
United States of America	-	5	United States of America	661	0	1	3	4
Zambia	1	-	Zambia	-	-	-	-	-
Others	2	-						
Seafarers	1	9	Seafarers	n/a	21	7	395	18
<i>Total respondents</i>	<i>36 *</i>	<i>118</i>	<i>Total from government data (including countries not listed above)</i>	<i>1,505</i>	<i>326</i>	<i>391</i>	<i>920</i>	<i>817</i>

* Data source: Commission on Filipinos Overseas (2014)

** Data source: Overseas Workers Welfare Administration (active: as of May 2014; Non-active, as of May 2012)

* From this total, 3 gave no answer while two answered they worked in the Philippines, indicating they may be return migrants

The majority of the respondents are migrant workers, especially land-based overseas workers (see Table 6), and are members of the world's largest welfare fund for migrant workers: the Overseas Workers Welfare Administration (OWWA). Just above half of migrant remitter-respondents are working and residing abroad for up to six years, while some 40 percent of migrant households' overseas-based kin are overseas from seven to ten years (see Table 7). These indicate that a visible number of respondents have fairly young overseas migration and remittance sending / receiving experience. The survey also found that about 81.35 percent of migrant family-respondents (n=96), and 94.44 percent of remitters (n=34) receive and send remittances monthly.

Table 6: Migration status of the family member working and/or residing abroad

Status abroad	Migrant remitter (n=36)	Kin abroad of migrant family (n=118)
Land-based overseas worker	31	94
Seaman or Sea-based overseas worker	4	9
• Land- and sea-based workers who are members of the Overseas Workers Welfare Administration (OWWA)*	34	88
Immigrant but remaining a Filipino citizen	-	10
A tourist working abroad	-	3
Born in the Philippines but acquired citizenship abroad	-	1
A citizen other than the Philippines	-	1
No answer	1	-

+ Membership with the OWWA is required unto land- and sea-based migrant workers
source: RICART 3 survey

Table 7: Length of time receiving and sending overseas remittances (migrant family and migrant remitter, respectively)

Number of years	Migrant remitter (n=36)	Migrant family (n=118)
• 1-2 years	1	24
• 3-4 years	14	11
• 5-6 years	4	18
• 7-8 years	8	22
• 9-10 years	3	26
• 11-15 years	3	8
• 16-20 years	-	4
• 21 years and more	3	5

source: RICART 3 survey

6.2. Remittance behavior

A visible number of migrant family-respondents received remittances within the range of P12,001 to P20,000. Almost a third of migrant remitter-respondents send P12,001-P15,000. Given these amounts received and sent (see *Table 8*), they are at least double the monthly provincial minimum wage (at P349/day for non-agricultural workers in establishments with more than ten workers or some P7,000 monthly).

Table 8: Usual amounts of remittances received (n=104) and sent (n=36)

Top answers (US\$1 = PhP 45)	Migrant remitters' remittances usually sent	Migrant family's remittances usually received
• P4,001 - P5,000 (\$88.91 – \$111.11)	-	10
• P5,001 - P7,500 (\$111.13 – \$166.66)	-	5
• P7,501 - P8,000 (\$111.13 – \$177.77)	5	4
• P9,001 - P10,000 (\$200.02 – \$222.22)	2	21
• P10,001 - P12,000 (\$222.24 – \$266.66)	3	3
• P12,001 - P15,000 (\$266.68 – \$333.33)	4	13
• P15,001 - P20,000 (\$333.35 – \$444.44)	11	15
• P25,001 - P30,000 (\$555.57 – \$666.66)	1	5
• P30,001 - P40,000 (\$666.68 – \$888.88)	1	5
• P40,001 - P50,000 (\$888.91 – \$1,111.11)	3	4

source: RICART 3 survey

6.3. Financial literacy

Previous studies implementing the RICART tool (Ang and Opiniano, 2016a, 2016b) found that migrant households and non-migrant households have almost the same levels of financial literacy or aptitude when they were asked questions on basic finance concepts and financial behavior. This was seen when respondents were asked objective questions on basic finance concepts such as inflation, interest rate and loans: The trend from previous studies' findings is that respondents are aware of the importance of inflation, interest rates and loans, but they are not in a position —or they have insufficient information— on how inflation, interest rates and loans affect their financial decisions (Ang and Opiniano, 2016b).

This RICART round in Guiguinto had many similarities in terms of the top responses gathered from the market surveys. For one, most respondents do not keep records of their finances (see *Table 9*).

Table 9: If family keeps a list of its expenses

	Migrant remitters	Non- migrant family	Migrant family
Yes, we keep records of everything, entering all revenues and all expenditures	10	11	37
Yes, we keep records of everything, but not all revenues and expenditures are entered	3	8	9
No, we don't keep records of everything, but we know in general how much money is received and spent during a month	20	40	58
No, we don't keep records of our family's resources, and we don't even have an idea of how much money is received and spent during a month	3	12	14

source: RICART 3 survey

For another, most of the ideas surrounding finance came from respondents' own ideas and experiences. Similar to the previous rounds of RICART, majority of the respondents claim that they do not need any help related to finance and financial management (see *Table 10*). Comparing Guiguinto results to the similar survey findings done in Pandi (Ang and Opiniano, 2015b), most respondents from the two household respondent groups have "good knowledge and skills" (see *Table 11*). It is possible that people answered in a way that showed their competence as a possible defense mechanism or simply out of pride. It is possible that this is a cultural thing considering that Filipinos are not used to talking about their financial conditions.

Given such baseline information, the next set of questions will now determine if respondents apply what they claim to know. First, they were made to answer *objective* questions on the basic concepts of finance: interest rates, loans and inflation. The questions here (adopted from the survey instrument of the World Bank office in Russia) were situational and respondents were asked to compute the answers and choose from among three possible answers.

Survey results reveal that not even 80 percent of either respondent-group got the correct answers to the three questions on basic finance concepts (see *Table 12*). This trend was also seen in the earlier rounds of RICART (see *Table 13*). These results may indicate that financial literacy is a concern for Filipinos whether or not they are affected by the overseas migration phenomenon.

Table 10: About handling finances—Sources of ideas, assistance needed, and knowledge/skills

	Migrant families (n=118)		Remitters (n=36)		Non-migrant families (n=73)	
	F	%	F	%	F	%
<i>Sources of ideas about managing finances</i>						
Family	13				-	
Spouse	9				7	
Own ideas	80	67.80			58	79.45
<i>Assistance needed in managing finances</i>						
Saving	5	4.24	2	5.55	-	-
Budgeting	21	17.80	6	16.67	13	17.81
Business Management	26	22.03	-	-	22	30.14
None	44	37.29	14	38.89	18	24.66
Business and capital	-	-	8	22.22	-	-
<i>Levels of knowledge about handling money</i>						
No knowledge and skills	1	0.01	0	--	1	0.01
Unsatisfactory knowledge and skills	15	12.71	9	25.00	12	16.44
Satisfactory knowledge and skills	27	22.88	9	25.00	19	26.03
Good knowledge and skills	57	48.31	11	30.56	29	39.73
Excellent knowledge and skills	18	15.25	7	19.44	11	15.07

source: RICART 3 survey

Table 11: Municipal comparisons—level of knowledge about handling money by respondents

	Migrant families (%)		Migrant remitters (%)		Non-migrant families (%)	
	Guiguinto	Pandi ¹	Guiguinto	Pandi ¹	Guiguinto	Pandi ¹
No knowledge and skills	0.0	2.5	--	2.5	0.0	-
Unsatisfactory knowledge and skills	12.7	7.6	25.0	2.5	16.4	7.2
Satisfactory knowledge and skills	22.8	35.4	25.0	42.5	26.0	30.4
Good knowledge and skills	48.3	41.8	30.6	40.0	39.7	47.8
Excellent knowledge and skills	15.2	12.7	19.4	12.5	15.0	14.5

1 – Ang and Opiniano (2015b—forthcoming), RICART 2 survey

Table 12: % of respondents in Guiguinto who answered correctly to questions on basic finance concepts

	Migrant families (n=120)		Remitters (n=36)		Non-migrant families (n=73)	
	F	%	F	%	F	%
Interest rate	76	63.3	28	77.8	40	54.8
Inflation	61	50.8	25	69.4	43	58.9
Loans	61	50.8	19	52.8	28	33.4

source: RICART 3 survey

Table 13: RICART surveys' results on correct answers (in %) to questions on basic finance concepts

Basic finance concepts	Migrant families (%)				Migrant remitters (%)				Non-migrant families (%)	
	Guiguinto, Bulacan	Pandi, Bulacan ¹	Magarao, Camarines Sur ^{*2}	Maribojoc, Bohol ²	Guiguinto	Pandi ¹	Magarao ^{*2}	Maribojoc ²	Guiguinto	Pandi
Interest rate	63.3	63.3	61.3	62.5	77.8	72.5	81.8	68.1	54.8	49.3
Inflation	50.8	40.5	33.9	60.4	69.4	45.0	27.3	66.0	58.9	37.3
Loans	50.8	54.4	71.0	58.3	52.8	45.0	77.3	53.2	33.4	46.4

* Note: Small sample

1 – Ang and Opiniano (2016b), RICART 2 survey

2 – Ang and Opiniano (2016a), RICART 1 survey

Additionally, follow-up questions were asked that can further validate the earlier questions and the respondents' application of what they claim to know surrounding finance. When respondents were asked what they do when they have no money left, they claim that they did not have unspent money left before the next income arrives (see Table 14). But when asked what is usually done with unspent money, most respondents selected the answer item “we spend it on daily expenses” (see Table 15). Although noticeably, some respondents also keep such unspent amounts.

Table 14: Attitude toward using unspent money from previous earnings (Likert scale)

	1 Never	2	3	4	5	6	7	8 Always
<i>How often during last year you had any money unspent from previous earnings before the next money arrives?</i>								
• Remitters	12	3	2	7	4	1	-	7
• Migrant families	53	6	12	12	13	3	5	14
• Non-migrant families	30	4	7	9	5	5	2	11

source: RICART 3 survey

Table 15: Attitudes of families toward using money that remain before the next revenue/salary arrives

Test statements	Migrant families				Non-migrant families	
	All income sources		Overseas remittances			
	F	%	F	%	F	%
We / I spend it on consumer goods	22	36.1	17	27.0	37	55.2
We / I keep it in cash	13	21.3	16	25.4	14	20.9
We / I deposit it or do not withdraw it from the account	5	8.2	8	12.7	8	11.9
We / I invest it on financial services that are related to saving and investing	1	1.6	1	1.6	-	-
We / I lend it to my relatives and friends	-	-	2	3.2	3	4.5
We / I invest it in my own business	4	6.6	4	6.3	4	6.0
Others	16	26.2	14	22.2	1	1.5
I find it difficult to answer this question	-	-	1	1.6	-	-

source: RICART 3 survey

Respondents were also asked what they do when they run out of money. Borrowing from friends, relatives, neighbors and acquaintances had the most answers, this being contrary to the earlier item of most respondents not losing money before the next paycheck arrives (see Table 16). When asked what affects them most in their spending, changes in the prices of oil and commodities affected most of the respondents (see Table 17).

Table 16: Attitude when family runs out of money

What is usually done if runs out of money?	Migrant family (n=118)	Migrant remitter (n=36)	Non-migrant family (n=73)
I cut down on expenses and save	18	1	10
I borrow money from relatives, friends, neighbors and acquaintances	46	15	32
I use our savings	10	6	6
I sell / pawn our properties	4	-	-
I borrow money from a bank	1	-	-
I borrow money from informal lenders	9	1	7
I borrow money from a microfinance institution	2	-	1
I borrow money from a cooperative	2	-	5
Relatives and friends give me money, with nothing in return expected of me	1	1	2
I get money from the earnings of my business	2	2	-
Others (various reasons)	23	-	10

source: RICART 3 survey

Table 17: What affects you when you make decisions related to money?

	Migrant families (n=118)	Remitters (n=36)	Non-migrant families (n=73)
Changes in the prices of houses / lots / properties	23	8	20
Changes in the prices of land	18	6	15
Changes of interest rates on deposits	20	10	11
Changes of interest rates on loans	37	9	28
Changes in the inflation rate	69	20	45
Changes in the level of public pensions, benefits and tax exemptions	30	8	22
Changes in the prices of oil and basic commodities (e.g. fish, meat, rice, sugar)	85	26	55

source: RICART 3 survey

6.4. Saving, investing, running a business and owning a savings account

The results above to the financial literacy questions provide indications on what respondents do when it comes to saving, investing and doing business. When respondents were asked about their motivations behind saving and investing, the top two answers are for emergencies and leaving inheritance to their children (see Table 18).

Table 18: Personal reasons to save or invest (multiple responses)

	Migrant Families (n=118)		Non-migrant families (n=73)	
	F	%	F	%
For the rainy day, for unexpected expenses	24	20.34	44	60.27
For retirement	14	11.86	16	21.92
To get income in the form of interest, increased market value of your assets (example: land), etc.	4	3.39	4	5.48
To leave something for children to inherit	23	19.49	41	56.16
To increase my living standards in the future	18	15.25	23	31.51
I like saving rather than spending money	11	9.32	12	16.44
To be independent and be able to make choices	4	3.39	10	13.70
To speculate on the stock exchange (if you invest in the Philippine Stock Market)	2	1.69	2	2.74
Saving or investing is a family tradition	6	5.08	5	6.85
Another reason	5	4.24	10	13.70

source: RICART 3 survey

Across all three respondent groups, those who own a business are below 40 percent (see *Table 19*). And when compared to similar findings from the previous RICART round done in Pandi, Bulacan (Ang and Opiniano, 2015b), there were lesser numbers of entrepreneurs in Guiguinto. This can be attributed to the fact that Guiguinto has many industrial-related jobs that may warrant workers in the municipality to be employees more than employers. Regardless, not many of the remitters and remittance-receiving families are involved in business, indicating that remittances from abroad can earn more than earnings from enterprises without exerting much effort. Lack of business acumen may also be a reason for remittance-senders' and recipients' non-engagement with entrepreneurship.

Table 19: If respondent owns a business in Guiguinto

	Migrant remitters	Non-migrant family	Migrant family
Own a business?			
No	23	45	68
Yes	12	26	48
	(33.33%)	(35.62%)	(40.68%)
Guiguinto vs. Pandi: Those who own a business (%)			
Guiguinto	33.3	35.6	40.7
Pandi	41.8	40.0	43.5

source: RICART 3 survey; also in Ang and Opiniano (2016b)

Also, just above 40 percent of remitters and migrant family-respondents have a savings account (see *Table 20*). This alone reveals that sending and receiving overseas remittances does not automatically lead to the ownership of a savings account. That is the case even if most of the respondent remitters and migrant families usually send and receive money through formal banking channels (see *Table 21*). What is ironic, though, is Guiguinto has more financial institutions in total (combining commercial/thrift rural banks, microfinance institutions and cooperatives) than Pandi. Not even the proximity of these financial institutions, access to remittance services being a concern of remitters and recipients, has pushed respondents to open an account.

Table 20: If respondent has a savings account in the bank

	Migrant remitters	Non-migrant family	Migrant family
Have a savings account?			
No	20	54	68
Yes	16 (44.44%)	19 (26.02%)	48 (40.68%)
Guiguinto vs. Pandi: Those who have a savings account (%)			
Guiguinto	44.4	26.0	40.7
Pandi	60.7	77.5	56.5

source: RICART 3 survey; also in Ang and Opiniano (2016b)

Table 21: Usual channel of remittances sent and received by Guiguinto respondents

Usual mode of sending / receiving remittances	Migrant remitters	Migrant family
Bank	9	40
Bank to bank	9	19
Door to door	2	6
Padala	-	1
Money transfer organization (Western Union, Cash Express, MoneyGram, etc.)	13	51
Sent by employer	1	-
Agency	2	-

source: RICART 3 survey

Migrant and migrant household respondents were then asked about investing. Less than 50 percent of migrant family-respondents and just less than a third of remitter-respondents have invested in Guiguinto (*see Table 22*). Meanwhile, a few have invested outside of Guiguinto. Most of the investments are in the form of retail businesses (e.g. small retail stores, or *sari-sari* stores).

Table 22: Investments made in Guiguinto by migrants and migrant households

	Migrant family (n=118)	Migrant remitters (n=36)
Invested in Guiguinto?		
No	66	25
Yes	51 (43.22%)	11 (30.55%)
No answer	1	-
Specific investments (those who answered yes)	Migrant remitter (n=11)	Migrant family (n=51)
Agricultural land	-	6
Lot	1	-
House and lot	-	7
Fisheries-related	1	1
Poultry	-	1
Manufacturing	-	2
Services	2	9
Retail	4	22
Others	3	-
No answer	-	3

source: RICART 3 survey

7. Business, investment probabilities, financial inclusion and remittances

As mentioned earlier, the researchers attempted some regressions to determine the impact of overseas remittances on business and investment decisions. Previous studies have largely focused on remittances and their impact on poverty, development at the macro level, health and education at the micro level, among others. Recently, the shift of research in this area has moved towards the contribution of remittances to the development of business and entrepreneurship. The World Bank now regularly tracks the amount of fees charged by remittance firms, which can provide a shadow measure of financial inclusion for the recipient households. Thus, remittances can impact many subsectors in the local economy (e.g., agriculture, construction, tourism, etc.) without considering that remittance is a form of inflow that can be used both for consumption and investment (Taylor, 1999).

In studies on its impact to development, remittances have contributed to poverty alleviation in general (Ang, 2006; Adams and Page 2006). In the case of the Philippines, the impact of remittances on poverty has remained insignificant, as the majority of migrants are not poor. This is because the non-poor are those who are financially able to go overseas (Pernia, 2008). However, and in light of this observation, remittances can help in poverty alleviation through indirect means. In particular, a positive impact on poverty can be traced through the creation of business and/or investments made by the migrants (Osili, 2007). These can potentially lead to employment generation, especially at the community level.

For the migrants and their families, ownership of a business, investments or having a savings account could eventually serve as an alternative income for the families once the migrant decides to return to the country permanently (Taylor, 1999). Thus, these factors have important multiplier effects for the migrants, their families and their hometowns at large (Sheehan and Riosmena, 2013; Marchetta, 2011). The literature, however, shows conflicting results on the connection between remittances and owning a business. Other studies have also found mixed results in the context of practicality. This means that some migrants still continue to use more expensive options in sending money. Meanwhile, Lu (2010) found that remittances also enhance the probability that migrants will start an enterprise and that migration is also a positive predictor of investments (Gonzales-Velosa, 2011). Nonetheless, the work of Amuedo-Dorantes

and Pozo (2006) found that household remittance receipt appears to be associated with a lower likelihood of migrants owning a business. Thus, this study attempts to add to the understanding of this phenomenon. Towards this end, the RICART market surveys conducted in this study considered the potential linkage between the likelihood of receiving remittances and that of owning a business, a bank account and investments. We considered looking at the likelihood and possibilities of the connection among these variables because there is anecdotal evidence that in the Philippines (or possibly among countries that receive remittances), few recipients have used the proceeds for purposes other than consumption. In a broader development context, this observation could suggest seemingly unending overseas work as the migrant worker is forced to return without a reasonable source of income to the country of origin. It also shows that if remittances are not invested properly, then the overseas migrant will keep on working abroad.

For this round of surveys, a total of 118 migrant households and 73 non-migrant households were interviewed in Guiguinto. Out of the 118 migrant households, only about 115 households have complete data; of the 73 non-migrant households, only 73 were used for the analysis. For a start, the researchers are *trying to test probabilities for business, investing and saving*. To implement the researchers' model (*refer to Chapter 3, Methods and Design*), we conducted both an OLS and a logistic regression to cross validate the results. The regressions will also allow us to observe if there is a possibility of correlation and eventually look at causality if there is enough evidence. But as mentioned earlier, due to the limited number of observations of the non-migrant households, we were only able to implement the logistic regression for the migrant households. It should be noted that a number of experiments were conducted to find consistency with expectations and predictions, however, many of the variables did not lead to a good R^2 and the models presented herein are the ones that have the better R^2 and consistent with expectations.

The results of the migrant household regressions are presented in Tables 23 and 24. Essentially, the two regressions attempt to determine the probability of migrants and the migrant households going into business, investing and saving in Guiguinto. Despite having about 115 observations, it is still important to note that due to the difficulty of getting willing migrant household heads, the number of observations for this research is relatively smaller compared to similar type of studies using dichotomous regression techniques.

7.1. OLS results for migrant households

The researchers found that many of the factors we considered as influencing business, investment and savings decisions are not significant. Nonetheless, in Table 23, it will be noted that the signs of some of these variables are not the same for the 3 decisions that we are estimating. For instance, the amount of remittances has an inverse result for business and investments but positive result for savings. Here we posit that the respondents have a clear distinction of what each variable represents. Business and investments are seen in this data set as having long-term perspectives, while having savings is a short-term perspective.

As Simone Schaner (2015) explains in her work, these are financial goals and they are also different between husbands and wives. This is one of the latest works that delves into mental accounting, which can also be observed here. It would seem to point that the time horizon for business, investment and savings are at the back of the mind of the surveyed population. While there is no actual recording of these financial goals, there is a mental accounting of what is for the short term and the long term. Having qualified the differences in perspectives on the goals of business, investments and savings, we can now look at other results.

Table 23: OLS regression model results for migrant households
(highlighted portions are the significant variables)

Independent Variables MIGRANT HOUSEHOLDS	Likelihood of owning a business		Likelihood of having investments in their hometowns		Likelihood of having savings	
	Coefficient	T	Coefficient	t	Coefficient	t
Amount of remittance	-0.0158	-0.89	-0.0039	0.23	0.2398	1.41
Number of overseas migrants in HH	-0.1124	-1.23	-0.1992	-2.19**	-0.1182	-1.36
Length of sending remittances	-0.0040	0.15	0.0226	0.08	-0.0310	-1.17
Regularity of receiving remittances	-0.0758	-0.44	-0.1525	-0.90	-0.1374	-0.85
Total household income	0.0698	1.41	0.0612	1.25	0.0074	0.16
Size of household	-0.0334	-1.21	-0.0210	-0.77	-0.0163	-0.63
Number of income earners	0.0783	1.41	0.1238	2.22**	0.4981	0.94
Education of household head	-0.0028	-0.09	-0.0461	-1.51	0.0328	1.12
Age of household head	-0.0005	-0.12	-0.0022	-0.47	0.0017	0.38
Legal status of household head	-0.0408	-0.54	0.0236	0.31	0.0383	0.53
Gender of household head	0.2636	1.56	0.1960	1.17	-0.0023	-0.01
Ownership:						
(1) Laptop	0.2387	1.96**	0.1074	0.88	0.0249	0.21
(2) Cell phone pre-paid	-0.0593	-0.48	-0.0565	-0.46	0.0293	0.25
(3) Cell phone line	-0.2532	-1.39	-0.2095	-1.16	0.2298	1.32
(4) Savings Account	-0.0069	-0.05	0.1088	0.81	0.4054	3.12**
(5) Time Deposit	0.3944	1.42	0.1300	0.47	-0.4175	-1.58
(6) ATM	-0.0467	-0.39	-0.1318	-1.09	-0.1448	-1.25
(7) Credit Card	0.2753	1.79*	0.1933	1.27	-0.0416	-0.28
(8) Life Insurance	0.0831	0.69	0.1289	1.07	0.1286	1.12
(9) Social Pension	-0.0386	-0.30	0.0165	0.13	-0.0400	-0.32
Financial Behavior						
(1) Interest rates	-0.1273	-1.16	-0.1516	-1.39	0.0253	0.24
(2) Inflation	0.0679	0.63	0.1057	0.99	-0.0544	-0.53
(3) Loans	-0.0364	-0.34	0.0298	0.28	0.0338	0.33
(4) Skilled in handling money	0.0644	1.09	0.0635	1.07	-0.0099	-0.18
(5) Need assistance	0.1836	1.62*	0.0611	0.55	-0.0959	-0.89
(6) Records finances	0.0239	0.46	0.0275	0.53	-0.0065	-0.13
(7) Own ideas in money	0.0548	0.47	-0.0277	-0.24	-0.0618	-0.56
Number of Obs = 115						
R ²	0.2850		0.3210		0.3287	

*significant at 10%

** significant at 5%

Firstly, for the likelihood of owning a business, the significant variables are: owning a laptop, credit card and those needing assistance in finance. They are all positively related to owning a business. The insignificant variables are somehow consistent with expectations, for instance, the amount of remittances, number of overseas workers in the household, regularity of remittances, household size are expected to negatively impact the decision to have a business. On the other hand, despite having remittances, households with large household income, more earners in the households are positively impacting business decisions.

An important point to note here and as has been observed in the previous RICART results (Ang and Opiniano, 2016a, 2016b) and data from the Philippines' Family Income and Expenditure Survey (FIES) (Ang, Franco Sescon and Opiniano, 2016), women tend to be more business oriented than men. This is also confirmed here through the sign and possibly significant at close to 10% level of significance. As regards financial literacy variables, the incorrect answers in the financial literacy tests, those who do not keep records and are dependent on their own ideas rightly predicted that they will not go into business. These key findings reveal that in the Philippine context, support must be given to women who are willing to become entrepreneurs. Likewise, for future livelihood and business support provided by government and private sector, potential grantees should be required to take a form of financial literacy test to evaluate their business acumen. There is a penchant for the government to intervene in entrepreneurial programs that are not really sustainable because participant-grantees are not really capable or do not have the necessary skill to run a business.

Second, in relation to the likelihood of having investments in the hometown, there is only one significant variable and this is the inverse relationship of having more overseas workers in the household. It can be noted nonetheless that the signs are almost similar to that of the prediction for owning a business —confirming our view that households tend to consider business and investments as long-term perspectives. This is our expectation given that the amount of remittances households receive is just enough to cover expenses, thus leaving little room for savings. Because of this, we assume that the respondents who want to own a business or invest in their hometowns are looking at a period in the future other than now.

Finally, in relation to having savings, we observed that there is only one significant result, which is the actual ownership of a savings account. We note that the respondents consider owning a savings account as having savings, but this is viewed in the short term. It can be noted as well that some of the insignificant variables are showing signs that are not similar to that of business and investment decisions. These are: the amount of remittance, education of household head, age of household head, gender of the household head, ownership of cellular phones, time deposit and credit cards, those who do not need assistance in finances, those who do not record finances and those who use their own ideas in finances. These results confirm that respondents see savings as a short-term goal to enable them to fund shortfalls rather than come up with a source of passive income through business and investments. Short-term here means a horizon based on the contract of the migrant worker.

7.2. Logistic regressions results

To cross validate the results of the OLS, we ran three logistic regressions for each of the dependent variables. The results (see *Table 24*) are more or less consistent, particularly the signs for all three models.

Table 24: Logit regression model results for migrant households
(highlighted portions are the significant variables)

Independent Variables MIGRANT HOUSEHOLDS	Likelihood of owning a business		Likelihood of having investments in their hometowns		Likelihood of having savings	
	Coefficient	Z	Coefficient	Z	Coefficient	z
Amount of Remittance	-0.0812	-0.91	-0.0239	-0.28	0.1337	1.47
Number of Overseas Workers in HH	-0.6519	-1.43	-1.1343	-2.35**	-0.6185	-1.33
Length of Sending Remittances	0.0823	0.56	0.0072	0.05	-0.2159	-1.46
Regularity of Receiving Remittances	-0.3833	-0.45	-0.7360	-0.91	-0.7259	-0.80
Total Household Income	0.3453	1.45	0.3521	1.48	0.0600	0.25
Size of Household	-0.1814	-1.31	-0.1065	-0.82	-0.1101	-0.74
Number of income earners	0.5259	1.78*	0.6705	2.28**	0.3381	1.12
Education of Household head	0.0495	0.31	-0.2545	-1.67*	0.2469	1.39
Age of Household head	0.0067	0.29	-0.0072	-0.32	0.0078	0.30
Legal Status of Household Head	-0.2459	-0.66	0.1263	0.37	0.2569	0.61
Gender of Household Head	2.2448	1.72*	1.2706	1.31	0.0167	0.02
Ownership:						
(1) Laptop	1.5761	2.27**	0.5765	0.95	0.2194	0.37
(2) Cell phone Prepaid	-0.6944	-0.74	-0.3415	-0.44	0.2025	0.36
(3) Cell phone Line	-1.6552	-1.69*	-1.2359	-1.32	1.2766	1.31
(4) Savings account	-0.2507	-0.36	0.5145	0.76	2.1516	3.01**
(5) Time deposit	0.8572	0.65	0.6147	0.44	-2.2888	-1.59
(6) ATM	-0.3737	-0.62	-0.7051	-1.16	-0.8225	-1.27
(7) Credit card	1.6307	2.06**	0.9091	1.23	-0.1918	-0.26
(8) Life insurance	0.5645	0.92	0.7082	1.15	0.8243	1.32
(9) Social pension	-0.0240	-0.04	0.1992	0.31	-0.3159	-0.45
Financial Behavior						
(10) Interest rates	-0.5680	-1.03	-0.7302	-1.35	0.2083	0.37
(11) Inflation	0.3786	0.66	0.6156	1.11	-0.2617	-0.49
(12) Loans	-0.1163	-0.20	0.1553	0.28	0.2106	0.38
(13) Skilled in handling money	0.4743	1.47	0.3807	1.27	-0.0895	-0.30
(14) Need assistance	1.1498	1.95**	0.3283	0.60	-0.4941	-0.83
(15) Records finances	0.1208	0.44	0.1129	0.44	-0.0207	-0.08
(16) Own ideas in money	0.3204	0.51	-0.1464	-0.24	-0.3595	-0.62
Number of Obs = 115						
R ²	0.2850		0.3210		0.3287	

*significant at 10%

** significant at 5%

The main observation can be seen in the results for the likelihood of owning a business. From only two significant variables in the OLS, there are now six: number of income earners, ownership of laptop, ownership of cellular phone line (-), ownership of credit card, gender of household head and those needing assistance in managing finances. These tell us that the probabilities of owning a business are stronger in recipient families who have these variables present in the households. The OLS results are simply to provide a perspective on the strength of probabilities.

On the likelihood of having investments, the number of significant variables increased from one to three, i.e., the number of overseas workers in the household, the number of income earners, and the education of the household head (-). The education of the household head here is explained that as the education gets higher it is more likely that the respondent will have a stable local job in a profession and therefore will no longer go into business or invest. Meanwhile, for both business and investment, the ownership of a cellular phone, whether line or prepaid, is seen as a distraction, while credit cards are seen as important to support.

For the likelihood of savings, there is no additional significant variable, but the signs are also the same suggesting that indeed it is a short-term goal.

In summary, migrant families behave differently according to short-term and long-term goals. The short term here may be defined as the horizon based on their observation of their migrant contract. The long term can be seen based on how many times the migrant will work abroad. Financial knowledge has no significant impact in the way migrants decide on the different dependent variables. What can be more of a deciding factor is the number of people earning in a household both locally and abroad. Nonetheless, the prediction signs are consistent with expectations. Also, the negative significance of the total income of households could mean that when resources are already available, prioritization likely shifts from business and investments to other consumer related activities. This could also mean that families have reduced household members' agricultural labor effort (Miluka et al, 2006).

7.3. OLS regression results for non-migrant households

For the non-migrant households (see *Table 25*), the model removed remittance-related variables. However, as the observations are fewer, we are unable to run a logistic regression to

validate the results. We also ran three OLS regressions on each of the likelihoods that we are trying to estimate.

Similar to the migrant families results, the significant variables are also few. However, it should be noted that the behavior of non-migrant households are different as the likelihood variables are all seen almost from the same perspectives —most likely all long-term. Glancing at Table 26, it can be observed that the signs of the coefficients are almost the same for all three models, unlike in the migrant households where the signs of the business and investment likelihood are almost the same and in contrast with that of the savings likelihood.

For instance, those relying on their own ideas in handling money are negatively affecting the probabilities of having savings, business and investments. The same can be seen for credit card ownership. Thus, the results are not totally irrelevant as they are able to provide us directions on how ordinary households will respond to business, investment and savings opportunities. In particular, the signs of coefficients of almost all the factors validate our expectations. The total household income, in fact, is the most critical variable to all three probabilities since there is no remittance to fall back on. It is positively significant to almost all three. The signs of family-related characteristics such as the size of the household and number of income earners are consistent with expectations that as household size increases, less resources are freed for business and that an increase in the number of income earners could possibly lead to potential resources for business (Ortega-Sanchez and Findies, 2001).

Table 25: OLS regression model results for non-migrant households

Independent Variables NON-MIGRANT HOUSEHOLDS	Likelihood of owning a business		Likelihood of having investments in their hometowns		Likelihood of having savings	
	Coefficient	T	Coefficient	t	Coefficient	t
Total Household Income	0.0630	1.25	0.1025	4.84**	0.1004	2.28**
Size of Household	0.0093	0.25	0.0221	1.43	0.0327	1.02
Number of income earners	-0.0313	-0.42	0.0217	0.69	0.0390	0.60
Education of Household head	0.0363	0.85	0.0053	0.29	-0.0117	-0.32
Age of Household head	0.0104	1.71*	0.0015	0.58	-0.0022	-0.42
Legal Status of Household Head	-0.0013	-0.01	-0.0133	-0.21	-0.0211	-0.16
Gender of Household Head	0.2307	1.02	0.1339	1.39	0.2039	1.03
Ownership:						
(1) Laptop	-0.0034	-0.02	-0.0103	-0.14	0.1106	0.72
(2) Cell Phone PrePaid	0.1331	0.66	-0.0179	-0.21	-0.1336	-0.76
(3) Cell Phone Line	-0.2314	-0.98	-0.0943	-0.95	-0.0883	-0.43
(4) Savings Account	0.0147	0.06	-0.2292	-2.29**	0.3363	1.63*
(5) Time Deposit	0.5427	0.71	0.3377	1.05	0.5917	0.89
(6) ATM	0.1018	0.58	0.0318	0.43	-0.1627	-1.07
(7) Credit Card	-0.3773	0.70	-0.1122	-0.50	-0.0165	-0.04
(8) Life Insurance	-0.3821	-1.60	-0.1344	-1.34	0.0427	0.21
(9) Social Pension	0.1418	1.16	0.0606	1.15	-0.0419	-0.39
Financial Behavior						
(10) Interest Rates	0.2089	1.43	-0.0439	-0.70	0.0158	0.12
(11) Inflation	0.1206	0.90	0.0297	0.53	0.0889	0.76
(12) Loans	0.1586	1.18	0.0522	0.91	0.0192	0.16
(13) Skilled in handling money	0.1278	1.84*	-0.0109	-0.35	0.0601	0.99
(14) Need Assistance	0.0941	0.62	0.0654	1.03	-0.0703	-0.53
(15) Records finances	0.0618	0.97	0.0353	1.32	-0.0447	-0.81
(16) Own ideas in money	-0.1767	-1.19	-0.1328	-2.12**	-0.0711	-0.55
Number of Obs = 73						
R Squared	0.3846		0.5376		0.4422	

*significant at 10%

** significant at 5%

In regard to other factors such as financial literacy test results, there are no definitive results that can be observed. In fact, the lack of significance and varying signs may explain that there are very few correct answers, and that families are in business, investments or savings without the benefit of correct understanding of key financial variables. The coefficients are insignificant though the signs suggest that households with low knowledge are not likely to start a business. The same is true with those not recording their inflow and outflow of resources. The researchers did not assume long- and short-term horizons but these were found in the course of the analysis.

7.4. Analyses

The hypotheses testing explained above analyzed the links between owning a business, investing, and savings of migrants and non-migrant households. The first results on migrant families reveal that there is no direct link between owning a business, investing and savings and remittances. This confirms findings of other researches on the phenomena. Taking a step further, the research looked into other probable factors such as financial literacy and personal characteristics of both migrants and household heads. Here we found that business and investment decisions are seen as long term, while savings is seen as short term (meaning, the use of resources as a buffer or extra amount for later consumption). It was found that there while there are no significant links due to financial literacy it could positively impact such decisions. For instance, good knowledge of personal finance plays a positive role as shown by the coefficients. Those recording their monetary flows will also most likely invest or start a business. Likewise, a key element in both families is the presence of bank accounts and related transactions such as ATM and credit cards. Although the model results showed that they impact the likelihood differently, it may have to do with the understanding of the financial instrument per se and the not the instrument itself. Furthermore, the time horizon on the availability of financial inclusion products also plays a role in their proper usage and support for the likelihood variables.

Meanwhile, having other members of the households earn income will increase the likelihood of all three (i.e., owning a business, having investments in Guiguinto, and having savings accounts). But, increasing total income of the household can lead otherwise to consumption as there can be reprioritization towards consumer durables, human capital investments or building a house. Thus, the observation that there is a likelihood of shifting to business, investments and savings are key, considering that these are happening in rural towns where building a house, having key appliances and going to better schools are important components to establishing improving social status. On the part of the households, owning certain financial instruments such as savings account, credit and ATM cards could either determine the likelihood and the unlikelihood of starting a business and investments. Households fully dependent on remittances will also not go into business. Thus, multiple income earners are a critical factor for all three likelihoods.

For non-migrant households, the view becomes different as they are constrained by the non-presence of remittances. Their decision factors on the three probabilities are dependent solely on the income they receive locally and the number of earners. All the other factors are difficult to ascertain as they reflect different conditions. Nonetheless, we have seen that there are no significant differences in the impact of financial literacy tests and the characteristics of the household heads. It is only in the number of overseas workers and amount of remittances that prominent differences figured.

8. Remittance investment climate analysis: A discussion

Context specificity will govern the analysis of Guiguinto's remittance investment climate especially since overseas remittances sent by townmates abroad to families are used in the rural hometown. Previous remittance investment climate analyses (RelCs) conducted in earlier municipalities (Ang and Opiniano, 2016a, 2016b) revealed the disconnection between a municipal government's business and investment climate and the financial aptitude of survey respondents. On the one hand, the programs and services of a municipal government matter, including generic interventions for entrepreneurs and would-be investors (e.g., swiftness of business permits issuance, livelihood programs, investment incentives), and the direct interventions for aspiring entrepreneurs and for overseas migrants and their families in the rural hometown (e.g., migrant community organizing, migrant-targeted livelihood activities). On the other hand, residents' levels of financial literacy will determine their actions in saving and investing some of their resources in a place they are much familiar with. It was thought that one's familiarity with a locality and its investment dynamics will be a natural push for aspiring entrepreneurs, including those households receiving overseas remittances, to do business there.

Basa and Villamil (2009) did a qualitative case study on Guiguinto in the context of internal and international migration, local development and local governance. At the time the paper was written, agriculture was observed to be "relatively strong" even as manufacturing "occupied a more prominent role" in the local economy (p. 27). There were some case studies of former migrant workers doing business in Guiguinto. But their research highlighted the internal migration given Guiguinto's proximity to Metro Manila that was a result of the demand for labor in Guiguinto's industrial sector, relocation of urban poor from Metro Manila, and desires to reside in Guiguinto given a lower cost of living (a minimum of an hour's ride from contracted van services can enable residents to make it to their employment in Metro Manila). Even the gardening economic sector of Guiguinto had attracted some internal migrants. But residents interviewed have acknowledged the role of the municipal government in the improvement of Guiguinto (then a third-class income municipality at the time of the Basa and Villamil report). Local governance reform initiatives (e.g., database development of residents' socio-economic profiles, business permits system improvements through technology) also helped Guiguinto.

Since then, what can be observed from a remittance investment climate analysis of Guiguinto? Triangulating quantitative and qualitative data was done here, sourced from findings of the rapid rural appraisal (to include key informant interviews, secondary data collection and field observations) and from the market surveys (see *Table 26*).

This remittance investment climate analysis affirms the observation of Basa and Villamil (2009) that Guiguinto is an investor-attracting rapid growth area (p. 32) that benefited from the proximity of Metro Manila's economic opportunities, and which created its own economic spillovers —making the municipality an economic attraction in itself. This is largely due to the continued growth of industrial firms, as attested by the rising number of employees in the municipality and the growth of the gross sales of registered firms (courtesy in large part from the employers in the industrial sector). For such a small municipality in terms of land area, the resources accumulated there through local taxes (e.g., business taxes, real property taxes: combining for P96.333 million [US\$2.09 million] in 2014) can easily make Guiguinto the envy of other Philippine municipalities. The ease of doing business in Guiguinto has reaped its rewards. It is logical then for even the country's big commercial banks to set foot in Guiguinto, even as local Bulacan / Bulakeño cooperatives continue to attract local membership. Residents do enjoy the convenience of having so many financial service providers in Guiguinto (n=44).

While basking in the hometown's local economic success, residents of Guiguinto do bring up concerns revealing the bane of visible economic growth. Even as peace and order is largely manageable, local residents interviewed said that increasingly affluent townmates could become a cause of concern, for security reasons. They are also concerned about the Philippine trend of financial scammers roaming around quiet rural areas (with suspects still at large and people's invested money yet to be recovered), as well as the instability of banks that have led to closures. Notably, closures of banks (especially rural banks that cannot keep up with regulatory requirements of the Philippines' central bank) prevail. Respondents interviewed have felt these trends, and these may have even affected their decision making in opening simple savings accounts.

Table 26: Remittance investment climate (ReIC) analysis of Guiguinto

Results and findings	Guiguinto		
A. Profile			
Major economic activities	Manufacturing, retail, gardening (one town, one product)		
No. of registered businesses in the municipality	1,249 (2011), 1,198 (2012), 1,421 (2013) and 1,443 (2014)		
Number of employees	8,290 (2011), 8,515 (2012), 8,436 (2013), 8,853 (2014)		
Financial intermediation in the hometown	44 financial institutions (banks, cooperatives, microfinance, pawnshops, remittance centers)		
Local governance performance in relation to Economic governance (DILG-Local Government Performance Monitoring System), 2012 average; maximum score is 5.0 points.	Support to agriculture sector: 4.07 Entrepreneurship / business promotion: 4.83 Transparency: 4.87		
Local governance awards	Seal of Good Housekeeping, 2011		
Direct interventions for local entrepreneurs	Local government unit <ul style="list-style-type: none">• Quick processing of business permits through the business one-stop shop (BOSS)• Livelihood and training programs for workers Commercial, thrift and rural banks and cooperatives <ul style="list-style-type: none">• Loans for entrepreneurs; savings products for savers• Business advisory services; business opportunities co-managed with cooperatives		
Direct interventions for overseas migrants	Public employment services office (PESO) forming and training a family circle of migrant households in Guiguinto		
Financial inclusion	[as of 2014, by physical branch: total is 44] 4 commercial banks, 2 thrift banks, 2 rural banks, six cooperatives, 16 pawnshops, 4 money changers, 4 microfinance institutions and 8 remittance centers		
B. Overseas migration profile			
Local estimate: Number of overseas migrants	Not available		
Total overseas migrants from national migration-related agencies	3,959 (2,454 temporary migrants and 1,505 permanent migrants)		
Estimated overseas remittances to hometown	Data not available		
C. Financial aptitude			
Financial literacy profiles (dominant answers)			
• Need assistance in handling money?	Remitters, migrant and non-migrant families: None		
• Levels of knowledge and skills on handling money	Remitters, migrant and non-migrant families: Good		
Knowledge of basic financial concepts (% of correct answers)	Remitters	Migrant families	Non-migrant families
• Interest	77.8%	63.3%	54.8%
• Inflation	69.4%	50.8%	58.9%
• Loans	52.8%	50.8%	33.4%
D. Remittance uses and hometown investment climate views			
Savings account holders, investors and entrepreneurs (% rounded off)	Remitters	Migrant families	Non-migrant families
• Savings account holders	44%	26%	40%
• Investors in the hometown	30%	43%	NDA
• Entrepreneurs within the hometown	33%	40%	35%
Perceptions of migrant families on major constraints in business climate (top 3)	1. Wages for employees; 2. Possibility to borrow from formal financial institutions; 3-4. Interest rates and bank loan procedures.		
Perceptions of non-migrant families on major constraints in business climate (top 3)	1. Possibility to borrow from formal financial institutions; 2. Cost of water services; 3-4. Quality of water services and possibility to borrow from family, friends, others.		

Similar to previous findings that implemented the RICART methodology, the financial aptitude of residents is detached from the attraction of a locality to save, invest and do business. This means that even if the rural locality may have the financial institutions and the programs that entice residents to become entrepreneurs and investors, respondents' levels of financial aptitude are hindering them from making hometown investment and entrepreneurship decisions. One regression result for migrant household respondents in Guiguinto even showed that those who do not keep records, and those who get their ideas about finance from their own experiences, would not be likely to go into business in the locality.

The logistic regression results for migrant households then affirmed the absence of a direct link between owning a business and a savings account, investing, and overseas remittances. For both migrant and non-migrant households living in a progressive municipality, still having more family members contributing to household income can perhaps improve their personal decisions to do business in Guiguinto. As already noted, Guiguinto has an abundant number of financial institutions.

The phenomenographic analysis discussed above can help us to identify some of the reasons for residents' and particularly remittance-receiving households' careful, conservative approach to saving, investing and doing business in their own backyard. As gleaned from their answers and illustrated in a magnifying glass of rural hometown investing (refer to Figure 4), interviewees assess their situation vis-à-vis the family, as well as the conditions in the immediate municipality and local financial institutions in operation there. Personal experience prevails in saving, investing and entrepreneurial decision-making processes. Some interviewees affirmed the observations of the regression results: time horizons of the benefits of saving, investing and doing business pervade in one's decision-making. The regression results suggest that business and investments cover medium-to-long-term needs whereas saving is for the short-term. Some FGD respondents confirmed such observations: there are balancing acts being considered on how the economic benefits of saving, investing and doing business address present and future needs. The current family budget, even with the additional income from overseas remittance incomes, is one indicator that can be related to the importance of having more household income earners for starting a business —as the regression results suggest.

The phenomenographic analysis also provides insights on financial inclusion-related issues that remittance-bearers carry. The ability to access these products and services through the easing of requirements is an issue for some respondents. The ability to borrow from financial institutions is a top two local investment climate issue for both migrant and non-migrant households (*refer to Table 3*). And if FGD respondents are to be believed, their apprehensions in availing of savings and other financial products offered by financial institutions signal the need for regulatory agencies (e.g., Philippines' central bank) to assess the relevant financial inclusion issues. It is also a big deal to some respondents that financial institutions require so much of them even when they have deposited and kept their money in accounts with the financial institution, and in so doing demonstrating their trust in the financial institution. This may help explain that survey respondents' acquisition of ATM and credit cards has to do with their understanding of these financial products *per se* as signs of recognition from the bank more than the benefits they experience from these financial products. It would be helpful to juxtapose the findings from the surveys and the FGDs with the behaviour of the households on having ownership of financial products from formal financial institutions. This is because respondents are risk averse and traditional in their concept of finance. It could be that offering new products would require them to have a more detailed experience coming from another person they know before they will access a particular product. It is difficult to pinpoint a universal policy recommendation along these lines except to urge banks and financial institutions to simplify their requirements and continue to market products in the most understandable manner.

The interviews also demonstrate that having a directed program for overseas migrants and their families matters. The municipal government's ongoing handling of a community-based group of migrant households —and an active one at that (as evidenced by the number of members, the activities staged, and the chapters that span all 14 barangays of the municipality)— helps Guiguinto's overseas migrants and their households think of expanding, in some way, the benefits they get from receiving overseas remittances. As for the commercial banks, their products and services tailored for overseas Filipinos have been commonplace already for years and some local residents may have availed of these. But cooperatives and the thrift and rural banks operating in Guiguinto still have limited ideas on the economic behavior of overseas remitters from their local community. It is hoped this research may provide these locally operating financial institutions with information that can hopefully lead them to targeting Guiguinto's overseas migrants and their families in the immediate future. Financial products for overseas migrants locally can target some of the investment desires of these remittance

bearers, such as education of children and property acquisition (e.g., house and lot), or even the wiping out of usual financial concerns that overseas migration may have brought about such as debts to cover pre-migration expenses (Bagasao, 2013).

But like the observations on the remittance investment climate analyses done in earlier municipalities (Ang and Opiniano, 2016a, 2016b), levels of financial aptitude of survey respondents are an issue. Respondents of Guiguinto claim to have satisfactory-to-good levels of knowledge and skills on finance. But their knowledge of basic financial concepts, and views on adapting to situations such as the absence of incomes, do not jive with the levels of knowledge and skills on finance that they have.

As an investment hub, Guiguinto has already maximized opportunities from Filipino entrepreneurs, be it from Metro Manila or from neighboring places and some local entrepreneurs. Much effort has been expended to see the industrial sector contribute economic inputs to the municipality, to the point that agriculture's remaining place in local economic development is being maintained given conversions of agricultural to residential areas (e.g., subdivisions). This reveals that the non-farming sector in rural economies like Guiguinto is a major provider of economic activities. Yet Guiguinto's agri-business is thriving so there remains the potential to develop the municipality's agricultural economy amid visible industrialization,

But with much focus on the industrial sector and large enterprises, more can be done to harness the potentials of micro-, small- and medium-sized enterprises in Guiguinto. The aim here is to make the gains of local economic growth more inclusive such that even small entrepreneurs enjoy doing business in Guiguinto. While the municipality has a quick and efficient system of registering businesses, more could be done if the municipal government takes pro-active measures to stir residents' desire to do business in Guiguinto (e.g., investment incentives, business development services for aspiring entrepreneurs).

Yet who are the investors? Are overseas Guiguinteños and their families major investing stakeholders, beyond the few who have some business in the rural hometown (refer to Table 22) and given the remittances they send to families in Guiguinto? Given the size of the investing space in the municipality, are there roles for overseas migrants and their families to play? Guiguinto, the researchers believe, is not yet a fully invested rural economy. Beyond giving

migrant households the capacity to organize themselves, is there a plan by the municipal government to harness overseas Guiguinteños' investible resources?

Improving levels of financial literacy and being financially included (by having savings accounts) are contributing issues when responding to these questions. There is some evidence that a functional financial institution in a rural area helps grow the locality's entrepreneurial sector (Opiniano, 2011). Extra effort may be needed from, say, the rural banks and the cooperatives operating in Guiguinto in terms of not just targeting overseas Guiguinteños but devising strategies to further bolster local MSME activity. These strategies can include financial literacy seminars and business training.

Extra effort may be needed from these Guiguinto-based rural financial institutions to make residents' financial literacy a priority. This is because residents' current levels of financial literacy disconnect them from investment opportunities. Guiguinto is fortunate to have the arms of financial inclusion present and proximate to residents. For example, a local ordinance may be enacted and a deliberate municipal program developed to improve residents' financial literacy.

Improving financial literacy might help improve more people to access the formal financial channels and avoid investments scams and loan sharks. Guiguinto's local development council, for example, could invite heads of financial institutions operating in the area to contribute inputs on making financial inclusion and financial literacy part of Guiguinto's local development plan and annual budget.

9. Conclusion and Recommendations

The Remittance Investment Climate Analysis in Rural Hometowns (RICART) tool is a means to help rural birthplaces of overseas migrants find out if they can maximize the development potentials of overseas remittances for local development. RICART is a tool that can aid local communities in determining areas for investment and how moneyed residents, including overseas migrants and their families, may be informed on where best to invest in their rural hometown. In this third conduct of RICART in the Philippine municipality of Guiguinto, qualitative findings and quantitative results have helped researchers specify the local development and investment contexts in which overseas migrants and their households can operate. This third round of conducting the RICART methodology, which this time put quantitative and qualitative data (QUAN + QUAL) on an equal footing –compared to previous rounds that were quantitatively-driven (Ang and Opiniano, 2016a, 2016b)— demonstrates that RICART can be a research tool for development researchers and local governance practitioners to use in assessing the links between overseas migration and hometown development.

RICART, in its young history, had analyzed Philippine rural municipalities with varying levels of income and economic development (Ang and Opiniano, 2016a, 2016b). The Guiguinto round of RICART was done in a locality with vibrant economic activities (industrial at that), characterized by low costs of doing business and investing, and where an abundant number of banks, cooperatives, microfinance institutions, pawnshops and remittance centers are operating. But the disconnect between a locality's investment opportunities and residents' financial literacy prevails, making it difficult for residents to fully maximize existing economic opportunities (given respondents' limited levels of financial aptitude and limited investment information in the locality for investors, among others). Even with Guiguinto's current state of progress, the rural hometown is not yet a fully invested place. There is still space for residents, including those working or residing abroad, to park their money locally.

Three rounds of the RICART project, spanning four municipalities (including Guiguinto), show that financial literacy thus becomes, and should become, a major development agendum for localities like Guiguinto and for a nation like the Philippines that had long embraced overseas migration as a major economic input to national and local development.

In principle, a local and fully functional financial inclusion sector can enable and accelerate local economic growth and job creation (United Nations Secretary-General's Special Advocate for Inclusive Finance for Development, 2015). While the financial inclusion sector is growing in Guiginto, to what extent is local financial inclusion “inclusive?” Even those moneyed people in overseas remitters and migrant households with greater monetary wealth do not have savings accounts, even though the logic of connecting remittance transmission and receipt to acquiring a savings account warrants it. Remittances from abroad are therefore not an automatic push for financial inclusion (or, in the case of the Philippines, acquisition of an account in a formal financial institution), as the survey and qualitative data presented here made evident.

For rural localities like Guiginto with abundant financial institutions, financial inclusion and financial literacy should be inclusive and be expanded beyond those who are already reaping financial rewards. National and local policy makers should take into greater account the role of financial inclusion in migration and development: *Financial inclusion in migrants' origin (rural) communities is a tool for the productive use of remittances by migrants and migrant households—leading to positive economic outcomes that include everybody, embracing even non-migrants.* If this financial inclusion vision operates in a progressive municipality like Guiginto through laws, programs and incentives for financial literacy, entrepreneurship and investment among residents, the benefits of overseas remittances will spill over locally, facilitating financial inclusion (beyond mere remittance sending and claiming) for migrants and their families.

Integrating both the roles of financial inclusion, and of overseas migrants and their remittances to rural hometown development, may well have to be the next local economic agenda of Guiginto. And if the municipality is committed, beyond political leanings, to helping build the capacities of migrant households in Guiginto, improving their levels of financial literacy may breed the future migrant investors of this rural hometown.

9.1. Recommendations

9.1.1. Policy recommendations

Overall, the RICART findings presented here aim to further scholarly and policy debates on the role of remittances in relation to financial inclusion and financial literacy in generating local economic development and entrepreneurship. The researchers acknowledge that the number of

survey respondents in the current study is a limitation, even if the qualitative data explained further the specific remittance investment climate contexts in Guiginto and answered some questions about observations arising from the survey results. The surveys can nonetheless prove helpful in designing local economic development policies, particularly in inviting migrants and their households to invest in their hometowns (Zezza et al, 2009; Winters et al, 2009; Orozco, 2008).

A local migration and development program can illustrate this vision, with the locality's overseas migrants and their families as central actors. Identified offices of the municipal government will be providing services to these migrants and their families (including welfare assistance) while prevailing local government programs for overseas migrants continue. Meanwhile, parallel local legislation on providing investment incentives and on including overseas migrants in local development plans will supplement programmatic interventions. Civil society groups for overseas migrants can even help out in this endeavor for rural municipalities like Guiginto. The aim is to solicit overseas Guiguinteños' trust so as to make them decide to invest back home (*see Table 27*).

But more importantly, the results of the study show that there seems to be a huge gap between formal financial institutions and residents, particularly migrants and their families. The stringent requirements of the formal financial sector seem to generate this disconnect, implicitly disallowing a significant portion of the local population (overseas migrants and their families included) from being financially included. The challenge also seems to come from the overall weak level of financial literacy in Guiginto, regardless of residents' income level or whether overseas migrants or non-migrants and their families are involved. This means that while offering products to entice people to save and invest is ongoing, it is more important to help residents evaluate their current financial understanding.

Along this line, there is a need for all sectors in the rural municipality to work together in order to build a higher level of financial understanding. The locality, with the local government at the steering wheel, may have to conduct a community wide financial seminar series (to be jointly sponsored and supported by all concerned). The topics should be able to help the community come to realize residents' financial habits (not to mention understand that reversing bad financial habits will take time), learn how to record income and expenses, classify fixed and recurring income and expenses, come up a with realistic budget, get out of debt, and sustain a

debt-free lifestyle in order to start saving and investing. This community seminar series may have to run for a year.

Financial institutions in Guiginto can help by simplifying their requirements for opening accounts and by modifying the minimum amount for savings and investments. These institutions should also limit credit for consumption and instead guide the community and community members into taking credit for future income flow through investments and business. Financial institutions may also have to explain in layman's terms, and through handy communication materials, their financial instruments (to cover benefits to would-be clients and the requirements to avail of these products).

The Guiginto government may also provide options for local investments that are backed up by providing would-be investors, especially their own folk (based locally and abroad) basic financial information such as budgeting, avoiding debts, investing, among others.

By making financial inclusion and financial literacy a community priority, Guiginto's multi-sectoral institutions and public officials may help bridge residents' financial needs with the locality's investment opportunities. Integrating overseas migration in local development policies, plans and programs—with emphasis on migrant welfare and protection and economic empowerment—is an entry point. Once Guiginto recognizes the economic value of overseas remittances as supplementary to prevailing local resources, remittances can be targeted to support investment opportunities in Guiginto (e.g., tourism, agri-business, health care, additional warehousing). With the cooperation of financial institutions, locally earned resources could be reinvested in the local economy. Thus far, Guiginto's financial institutions have not capitalized on overseas town mates' incomes, as evidenced by the limited knowledge on the part of banks about the migration-and-remittances dynamic.

Table 27: Recommendations

For Guiguinto and its development stakeholders	For other financial institutions, local governments and private sector / civil society stakeholders	For national policy-makers (e.g., migration and development, financial inclusion, local governance)	For further research and methodological refinements
<p>Making financial inclusion and financial literacy as local development agenda, while linking financial inclusion into prevailing endeavors and policies.</p> <p>Information materials for residents on basic financial information (e.g., budgeting, investing, saving)</p> <p>Targeted remittances-related interventions for overseas migrants and their families (e.g., savings, insurance, entrepreneurial loans).</p> <p>Targeted interventions for non-migrant households to become financially included.</p> <p>Pilot program to connect overseas townmates to local investment opportunities available (e.g., investment community roadshow for overseas Guiguinteños).</p> <p>Local investment incentives for all hometown investors, including those abroad, to avail of. This can be through a municipal investment code.</p> <p>Development of local database of overseas migrants and their households through community-level surveys.</p>	<p>Simplifying requirements in opening accounts; lowering minimum amounts for savings and investment products.</p> <p>Provision of financial literacy programs for all types of households, where they receive overseas remittances or not.</p> <p>Development of a good information database of local business and investment opportunities available.</p> <p>For financial institutions and insurance companies to develop financial products adapted to the needs of migrants and their families, and to the needs of rural residents.</p> <p>Community organizing of migrants and their families that is anchored on upholding their rights as migrants and on improving their economic capacities through financial literacy and business/investment coaching.</p>	<p>Advocacy to prioritize financial inclusion as a local development agenda while linking financial inclusion into prevailing endeavors and policies of local government units.</p> <p>Integration of overseas migrants and their families in local development plans, with prodding from national government agencies.</p> <p>Scouring of the databases of national migration agencies (Philippine Overseas Employment Administration, Overseas Workers Welfare Administration) to identify regularly-remitting overseas workers in order to make them directed targets of migration-specific business and investment advisory services.</p> <p>Review of policies surrounding the access and availment of financial products and services.</p>	<p>Quantitative methods using the RICART tool to increase the number of respondents. This may either be through a year-long survey or through implementing other quantitative research designs (e.g. randomized control trials) or even quantitative-qualitative methods (e.g., financial diaries) that will compel higher numbers of respondents.</p> <p>Implementation of other qualitative research designs (e.g., grounded theory, phenomenology, case study) to further understand areas such as family-level dynamics on remittance management, investment desires, engagement into entrepreneurship and transnational navigation of business and investment decisions by overseas remitters and migrant households.</p>

Other local government units, private sector and civil society players can learn from Guiguinto's experience, particularly in making financial inclusion and financial literacy a priority local development agenda. Private sector players like insurance companies may also find value in expanding their reach to rural areas whose residents may have the wherewithal but lack the necessary information on what financial products they qualify for and can use (e.g., insurance, high-yielding deposit products, educational and housing loans, business loans). Community organizing efforts for migrants and their families (e.g., forming migrant family circles) can also yielding positive results through trust-building exercises between local development stakeholders, including civil society groups, and migrants and their families. The organizing efforts of the local government for the Guiguinto OFW Family Circle is a good first step in building the confidence of these prospective local investors. Activities harnessing the Guiguinto OFW Family Circle members' investment potentials will be next in line.

National policymakers sensitive to the relevance of remittances for local-level development can further the advocacy of propagating migration's integration in local development efforts coupled with localizing the financial inclusion advocacy.

9.1.2. Methodological recommendations

Methodological refinements will dictate the future of RICART's use as a research tool in migrants' origin countries. Survey periods should either be longer (10-to-12 months), or new quantitative designs (e.g., randomized control trials) may need to be included so that more survey respondents can participate. These refinements would facilitate more effectively the use of econometric models to analyze investment, entrepreneurship and savings probabilities by rural residents. It is possible that with ample research resources to conduct randomized control trials, future conduct of RICART can lure more respondents by trying out interventions that can possibly attract more respondents without fearing researchers who are inquiring about money (for examples of interventions done in RCT research, see De Arcangelis et. al, 2015; Ambler, Aycinena and Yang, 2015).

Qualitatively, the RICART tool can expanded to include questions for remittance income earners regarding the influence of family-level dynamics on remittance management, investment and entrepreneurship decision-making practices, as well as how overseas remitters and migrant

households navigate these decisions transnationally. Financial diaries could be included in future versions of RICART, allowing for multiple visits to households to collect data on income and expenditure flows and financial activities periodically. Other qualitative research designs such as grounded theory, phenomenology, case studies, and multi-site ethnography could be productively integrated into the RICART tool in order to collect more granular data about these decision-making practices over time.

9.2. Concluding remarks

In the end, while overseas remittances anchor the use of the Remittance Investment Climate Analysis in Rural Hometowns (RICART) research tool, the central question is whether residents in a rural municipality are investing or not—with the aid of financial inclusion (in Clemens and Ogden, 2013). Overseas migrants are the focus given the obvious potential of their remittance incomes to improve the economic climate of poverty-stricken rural communities. Why do rural residents invest their incomes, or not, in their communities and what investment opportunities are available locally? With RICART, the researchers sought to identify the necessary conditions in a rural locality for enabling remittance-induced investments, and tracking the financial capability of moneyed residents (especially overseas remittance senders and receivers) to make hometown investments. As results of this RICART round in Guiguinto and previous rounds (Ang and Opiniano, 2016a, 2016b) show that respondents' financial literacy is weak, it seems that financial capability of rural residents has come to the fore as a priority agendum in these rural communities. It takes time to improve people's levels of financial aptitude, but starting off initiatives locally—benefiting townmates present at home and living and working abroad—will be important first steps.

Overseas remittances are hypothesized to lead to greater growth if these are funneled to a “sound institutional environment,” with operational institutions promoting investment and growth (Clemens and Ogden, 2013). The case of Guiguinto, Bulacan in the Philippines is one where public and private institutions are active in investment promotion, good local governance and financial inclusion. It is therefore up to overseas Guiguineños and their families and to the local government to maximize the opportunities available locally and operationalize how overseas remittances—now coming from townmates abroad and families at home with improved levels of financial aptitude—can further improve the level of development Guiguinto currently enjoys.

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RICART Survey Questionnaires

Interested parties who wish to ask for copies of the market survey instruments of RICART can download these (English language) survey questionnaires through this Google Drive link:

<https://drive.google.com/open?id=0B7NsW6FSwRw6bUNSYIBfS2hfVIE>

Print in long or legal-sized bond paper (8.5 x 13" or 8.5 x 14")

Appendix: Local Economic Competitiveness Indicators of Guiguinto

A. Economic Dynamism

Registrations	2011	2012	2013	2014
Total number of business registrations (NEW)	330	256	335	259
Total number of business registrations (RENEWAL)	919	942	1,086	1,154
Total number of annual business registrations	1,249	1,198	1,421	1,443

Growth of Business Registrations (%)	2011 - 2012	2012 – 2013	2013-2014
Growth of Total number of business registrations (NEW)	(1.21)	2.76	21.49
Growth of Total number of business registrations (RENEWAL)	4.57	13.01	13.17
Growth of Total number of annual business registrations	3.04	10.41	15.13

Capital Growth of Newly Registered Business	2011	2012	2013	2014 (2Q)
Total Capitalization of NEWLY REGISTERED	P127,389,359.00	P333,689,358.88	P316,289,902.39	P306,062,249

Growth in Capital	2011 - 2012	2012 - 2013	2013-2014
Growth in Capital of NEWLY REGISTERED Business	161.94	(5.21)	(3.23)

Total Gross Sales of Registered Businesses (in Php)	2011	2012	2013	2014
	P6,853,403,463.63	P8,399,069,322.56	P10,462,873,789.33	P9,343,624,875.41

Growth of Gross Sales of Registered Firms	2011 - 2012	2012 - 2013	2013-2014
	22.55	24.57	(10.70)

Number of approved occupancy permits	2011	2012	2013	2014
	386	419	399	461

Growth in the number of approved occupancy permits (%)	2011 – 2012	2012 - 2013	2013-2014
	8.55	-4.77	15.54

Employees from local businesses	2011	2012	2013	2014
Number of Employees (NEW)	1,547	1,220	1,114	1,288
Number of Employees (RENEWAL)	6,743	7,295	7,322	7,565
Number of Employees (NEW and RENEWAL)	8,290	8,515	8,436	8,853

Growth in the number of jobs in the locality (NEW and RENEWAL)	2011 – 2012	2012 - 2013	2013-2014
	2.71	(0.93)	4.94

Local/Provincial Inflation Rate	2011	2012	2013	2014
	1.70%	1.70%	2.20%	2.00%

Change in Local/Provincial Inflation Rate	2011 - 2012	2012 - 2013	2013-2014
	0	29.41	(90.90)

Number of Banks and Financial Institutions, by physical branch	2011	2012	2013	2014
Number of Commercial / Universal Banks, by physical branch	2	4	4	4
Number of Thrift / Savings Banks	3	2	2	2
Number of Rural Banks	0	2	2	2
Number of Cooperatives (credit, savings, multi-purpose, etc.)	5	6	6	6
Number of Savings and Loans Associations with quasi-banking functions	0	0	0	0
Number of Pawnshops (irrespective of number of outlets in the town)	6	6	6	16
Number of Money Changers / Foreign Exchange Dealers (excluding Western Union and MoneyGram)	6	5	4	4
Number of Microfinance Institutions (cooperatives, microfinance NGOs)	3	3	4	4
<i>Number of Remittance Centers (money transfer organizations, banks, pawnshops, cooperatives, mobile remittances, etc. with domestic and international remittances)</i>	11	10	8	8
Total Number of banks and financial institutions (cooperatives, SLAs, pawnshops, money changers, mobile remittance outlets), by <i>physical branch</i>	28	29	29	44

Local Productivity	2011	2012	2013	2014
Total Gross Sales of Registered Firms, RENEWAL (in Php)	6,853,403,463.63	8,399,069,322.56	10,462,873,789.33	9,343,624,875.41
Total Number of Employees (RENEWAL)	6,743	7,295	7,322	7,565
Gross Sales/Receipts of renewal business (in Php) over Total Number of Employees	P1,016,373.05	P1,151,346.03	P1,428,963.91	P1,235,112.34

Growth in Productivity	2011 - 2012	2012 - 2013	2013-2014
	13.28	24.11	(13.57)

Business Groups	2011	2012	2013	2014
Total number of LGU recognized / registered business groups	2	2	2	2
Total Number of Other Business Groups	0	0	0	0
Total Number Business Groups	2	2	2	2

Cost of Doing Business	2011	2012	2013	2014
Cost of Electricity (Php. Per Kwh) – Commercial	9.27	9.86	9.48	9.52
Cost of Electricity (Php. Per Kwh) - Industrial	7.48	7.84	7.78	7.56
Cost of Water (Php. Per Cubic Meter) - Commercial				P170/284
Cost of Water (Php. Per Cubic Meter)) - Industrial				P3500/100
Price of Diesel as of December 31 per year			31.8	44.8

Wages	2011*	2012*	2013*	2014**
Regional Daily Minimum Wage Rate Agricultural – Plantation	P286.00	P300.00	P306.00	P319.00
Regional Daily Minimum Wage Rate Agricultural - Non-Plantation	P270.00	P284.00	P290.00	P303.00
Regional Daily Minimum Wage Rate Non-Agricultural - Establishments with more than 10 workers	P316.00	P330.00	P336.00	P349.00
Regional Daily Minimum Wage Rate Non-Agricultural - Establishments with 10 workers or below	P308.50	P322.50	P329.00	P342.00

Cost	2011	2012	2013	2014
Cost of Land in a Central Business District			P4,000/sq.m.	P4,000/sq.m.
Cost of Rent for Commercial /Office Space	P182.25/sq.m.	P202.50/sq.m.	P225.00/sq.m.	P250.00/sq.m.

B. Government Efficiency

Transparency score in the Local Governance Performance Monitoring System (LGPMS)	2010	2011	2012
	4.60	5.00	4.87

Economic Governance score in the Local Governance Performance Monitoring System (LGPMS)- Entrepreneurship, Business and Industry Promotion	2010	2011	2012
	4.17	4.83	4.83

Business Taxes collected by the LGU (in Php) – Data from the Municipal Treasurer (Statement of Income)	2011	2012	2013	2014
	P45,271,233.60	P51,315,522.94	P62,300,471.55	P80,165,221.80

Real Property Taxes collected by the LGU (in Php) – Data from the Municipal Treasurer (Statement of Income)	2011	2012	2013	2014
	P15,700,000.00	P21,000,000.00	P14,195,274.54	P16,168,684.40

Total Business Tax + Real Property Tax	2011	2012	2013	2014
	P60,971,233.60	P72,315,522.94	P76,495,746.09	P96,333,908.20

Total LGU revenues	2011	2012	2013	2014
	P210,930,677.70	P186,895,552.41	P247,808,156.62	P297,714,078.09

Share of local taxes – Using data from the Municipal Treasurer of Guiguinto	2011	2012	2013	2014
Business Tax collected by the LGU over Total Revenues of the LGU	21.46	27.46	25.14	26.93
Real Property Tax collected by the LGU over Total Revenues of the LGU	7.44	11.24	30.87	5.43

Local Governance Awards from the government	2011	2012	2013	2014
Number of DILG awards garnered from past year	0	1	0	0

Other awards related to local governance performance	2011	2012	2013	2014
Regional Awards	2	2	1	1
National Awards	0	0	0	0
International Awards	0	0	0	0
Total other awards	2	2	1	1

Business Registration Efficiency – DAYS	2011	2012	2013	2014
Registering New Business	0.063 days	0.063 days	0.063 days	0.063 days
Renewal of Business Permits	0.063 days	0.063 days	0.063 days	0.063 days
Getting Building Permits	4	3	3	3
Getting Occupancy Permits	0.021 days	0.021 days	0.021 days	0.021 days

Business Registration Efficiency - STEPS	2011	2012	2013	2014
Registering New Business	5	5	3	3
Renewal of Business Permits	5	5	3	3
Getting Building Permits	4	3	3	3
Getting Occupancy Permits	3	3	3	3

Presence of Investment Promotion Unit	(1) Yes (0) No
Local Investment Incentives Code	0
Physical Office	0
Staff	0
Executive Order of Mayor or Resolution of Sanggunian	0

Presence of Local DRRM Plan	(1) Yes (0) No
Actual DRRM Plan	1
Physical Office	1
Staff	1
Executive Order of Mayor or Resolution of Municipal Council	1
Budget Allocation	1
Year of Last Update	2013

Presence of Comprehensive Land Use Plan (CLUP)	(1) Yes (0) No
Actual Comprehensive Land Use Plan	1
Physical Office	1
Staff	1
Executive Order of Mayor or Resolution of Sanggunian	1
Year of Last Update	2014

Security	2011	2012	2013	2014
Number of Police in the Locality	26	33	36	36
Police to population ratio	0.03%	0.04%	0.04%	0.04%

Capacity of Health Service	2011		2012		2013		2014	
	Public	Private	Public	Private	Public	Private	Public	Private
Doctors	14	46	14	56	14	71	14	81
Nurses	37	37	37	34	37	32	37	35
Midwives	15	1	15	1	15	1	15	1
Total Number of Health Services Manpower	66	84	66	91	66	104	66	117

Total Number of Health Services Manpower (Public + Private)	2011	2012	2013	2014
	150	151	170	183

Capacity of Schools (Public Secondary Schools) - Teachers	AY 2010-2011	AY 2011-2012	AY 2012-2013	AY 2013-2014
Number of Teachers	147	151	162	201

Capacity of Schools (Public Secondary Schools) – Students	AY 2010-2011	AY 2011-2012	AY 2012-2013	AY 2013-2014
Number of Students	6,264	6,047	6,017	6,014

Ratio of Teachers to Students - Public Secondary Schools	AY 2010- 2011	AY 2011- 2012	AY 2012- 2013	AY 2013- 2014
	1 : 42.6	1 : 38.5	1 : 29.9	1 : 29.9

Capacity of Schools (Private Secondary Schools) - Teachers	AY 2010- 2011	AY 2011- 2012	AY 2012- 2013	AY 2013- 2014
Number of Teachers	NDA	NDA	88	65

Capacity of Schools (Private Secondary Schools) - Students	AY 2010- 2011	AY 2011- 2012	AY 2012- 2013	AY 2013- 2014
Number of Students	658	653	735	697

Ratio of Teachers to Students - Private Secondary Schools	AY 2010- 2011	AY 2011- 2012	AY 2012- 2013	AY 2013- 2014
	--	--	1 : 8.35	1 : 10.72

C. Infrastructure

Existing Road Network	2011	2012	2013	2014
Asphalt (in km.)	19.82kms			
Gravel (in km.)	0.92kms			
Concrete (in km.)	262.49kms			
Unpaved (in km.)	0 kms.			
Total Land Area (in sq. km.)	27.5 sq. km.			
Total Road Network (in km.)	283.23 kms			
Road Density	10.3 kms.			

Distance of City/Municipal Hall to Major Ports		
Distance to Operating Airport (in km.)	Distance to Bus Terminal (in km.)	Distance to Seaport (in km.)
40 kms. (Clark International Airport)	2.3 kms (Tabang)	35.9 kms

Number of DOT Accredited Hotels, Resorts, Inns, Apartelle, Pension House	2011	2012	2013	2014
Hotels	NDA	3	3	3
Resorts	4	6	7	7
Tourist Inns	1	0	0	0
Apartelle	0	1	0	0
Pension House	0	0	0	0
Total accommodation	5	9	10	10

Number of rooms in DOT Accredited Hotels, Resorts, Inns, Apartelle, Pension House	2011	2012	2013	2014
Hotels	NDA	10	10	10
Resorts	20	20	20	20
Tourist Inns	20	0	0	0
Apartelle	0	0	0	0
Pension House	0	0	0	0
Total rooms (accommodation)	40	30	30	30

Health Infrastructure - Public	2011	2012	2013	2014
Clinics	0	0	0	0
Total Clinic Beds	0	0	0	0
Diagnostic Centers	0	0	0	0
Total Diagnostic Center Beds	0	0	0	0
Hospitals	1	1	1	1
Total Hospital Beds	25	25	25	25
Total Health Facilities	1	1	1	1
Total Bed Capacity	25	25	25	25

Health Infrastructure - Private	2011	2012	2013	2014
Clinics	7	7	7	7
Total Clinic Beds	3	3	2	3
Diagnostic Centers	0	0	0	0
Total Diagnostic Center Beds	0	0	0	0
Hospitals	3	3	3	3
Total Hospital Beds	51	51	51	51
Total Health Facilities	10	10	10	10
Total Bed Capacity	54	54	54	54

Education Infrastructure - Public	2011	2012	2013	2014
Schools	17	17	17	17
Classrooms	NDA	345	348	NDA

Education Infrastructure - Private	2011	2012	2013	2014
Schools	23	23	23	23
Classrooms	NDA	163	164	NDA

Education Infrastructure – Total	2011	2012	2013	2014
Schools	40	40	40	40
Classrooms	NDA	508	512	NDA

Availability of Basic Utilities				
Average hours of Utility Service per Day	2011	2012	2013	2014
Water	24	24	24	24
Electricity	24	24	24	
Percentage of households with utility services	2011	2012	2013	2014
Water	100%	100%	100%	100%
Electricity	100%	100%	100%	100%

Connection to ICT (Cable, Internet)	2011	2012	2013	2014
Cable Service Providers	NDA	NDA	3	3
Internet Service Providers	NDA	NDA	5	5
Number of Telephone Companies / Mobile Service Providers	NDA	NDA	4	4

Annual Investments in Infrastructure by LGU	2011	2012	2013	2014
Investment in Infrastructure (PhP)	45,700,000.00	45,700,000.00	45,700,000.00	45,700,000.00
Total LGU Budget	NDA	NDA	NDA	NDA
Percentage of Infrastructure to Total LGU budget	NDA	NDA	NDA	NDA

Number of ATMs	2011	2012	2013	2014
Number of ATMs on-site	NDA	NDA	NDA	6
Number of ATMs off site	NDA	NDA	NDA	6
Total Number of ATMs (onsite and offsite)	NDA	NDA	NDA	12

Number of Public Transportation Vehicles	2011	2012	2013	2014
Buses	0	0	0	0
Passenger Vans	43	43	43	43
Jeepneys	0	0	0	0
Tricycles	1135	605	515	771
Taxis	Not applicable			
Ship	Not applicable			
Fast Craft	Not applicable			
Passenger Bancas	Not applicable			
Total Number of Public Transportation Vehicles	1,128	648	558	814