

MoneySENSE Matters

– it pays to save

Many of us often wonder how our money is spent. Mdm Faridah, a participant at the MoneySENSE "Talking Dollars and Sense" workshop at the NorthEast Community Development Council, also has similar sentiments, especially at the end of each month. Mdm Faridah has since taken steps that enabled her to manage her family's finances better.

Differentiate between needs and wants

Before making any purchase, Mdm Faridah first questions if the item is a "need" or a "want". She now buys only what she needs and is more careful when it comes to spending on "wants".

Keep to a budget and save regularly

Mdm Faridah has drawn up a budget for her family, setting aside \$10 each day for her family's expenses. She also records her expenses each day, to make sure that she spends within her means. In addition, she saves a fixed amount a day, to provide for emergencies, as well as year end expenses like school books, uniforms and school shoes for her three children.

Take simple steps that help stretch the dollar

She has found that simple steps each day can lead to savings. For instance, putting aside \$2 at the start of each day helps her build the habit of saving regularly. When she goes marketing, she makes sure that she only buys groceries that she needs and spends within her budget.

Together with her husband, Mdm Faridah monitors their utility bills each month, and sets targets for their monthly water and electricity consumption. They practise the water and electricity saving tips. For example, the water heater will be turned off after 9 am, because it is warmer and there is no need for the water to be heated further.

With three school going children, aged 16, 15 and 13, it is no wonder that Mdm Faridah is concerned about her children's education expenses. She works part time as an assistant in home economics classes in a secondary school to supplement her husband's income of slightly more than \$1,000, to provide for a better future for her children.

Asked if she has any new year resolutions for 2006, Mdm Faridah said, "I want to manage my money better. I want to be able to continue to save \$2 everyday for the family. At the end of each month we will have \$60, and at the end of the year our savings will be \$720. It may not be a lot to some people, but to us it is."

For Mdm Faridah, exercising discipline in the use of money helps her provide a better life for their family. The same applies to all of us. It is not how much we earn, but how much we save that matters.

We can all take simple steps to manage our money better. Steps like budgeting and saving regularly will pay off substantially in the long run.

Find out how you can better manage your family's finances. Download the "MoneySENSE Guide to Planning for Your Family's Financial Future" guide at www.moneysense.gov.sg.



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MoneySENSible Tips

Save at least 10% of your take-home pay.

Deposit your savings in a separate savings account so that you do not eat into your savings when there is an urge to spend extra.

Draw up your budget. List what you intend to spend on each item every month, and what was actually spent. If your actual expenses exceed your target expenses, review your spending and cut down on unnecessary items.

Pay off your credit card bills on time and in full. Remember that interest charges on the outstanding credit card bills are much higher than interest paid for your bank deposits.

Reduce your utility bills. A family of four can save up to \$160 in water and electricity a year

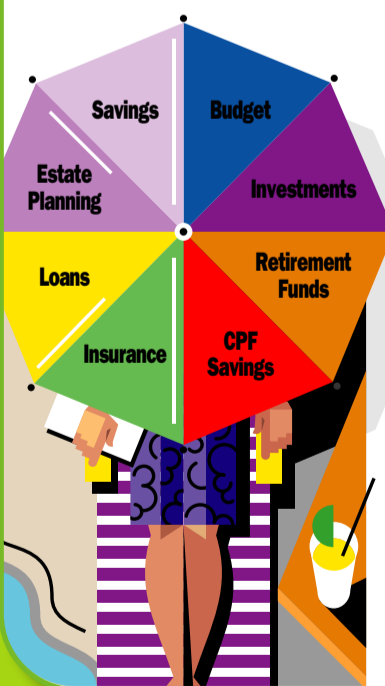
by reducing each person's shower time by five minutes. You can save a further \$100 a year by using a water efficient washing machine with the heater off and wash on a full load each time. Call the PUB hotline at 1800-284 6600 for a free water saving kit to help you run a water efficient home.

Exercise caution when purchasing items that come with ongoing cost. For example, when buying electrical appliances, consider energy consumption levels. Information on energy efficient home appliances is available at www.neec.gov.sg/energylabel.



Tip Save a portion of your income first before spending the balance. Aim to keep 3 – 6 months of your income for emergencies.

Make your New Year Resolution and Stand to Win a Shopping Voucher



In the new year, it is timely to reflect on how we can manage our finances better. What is your new year resolution for managing your money?

Whether it is saving a fixed amount each month, accumulating enough savings to provide for emergencies, drawing up a monthly budget, monitoring your expenses, settling debts on time, reviewing your insurance coverage, reading terms and conditions before buying any financial products, or planning your finances for a secure retirement, we want to hear from you.

Share with us how you intend to manage your money better in 2006. Send your new year resolution to consumers@mas.gov.sg and you may be among 3 lucky winners to win a \$50 shopping voucher!

Please note:

- The subject title of your email submission should be "MoneySENSE - New Year Resolution".
- Please provide your name, contact number and address.
- Each submission should not exceed 200 words.
- The closing date for the New Year Resolution Entry is 31 Jan 06. Winners will be notified by phone.
- This poll is opened to all Singaporeans and Singapore PRs, aged 21 years old and above.
- Each entrant is entitled to ONE chance to win. Multiple duplicate entries will be disqualified.
- The shopping vouchers offered will be subject to the merchant's terms and conditions.

MoneySENSE Poll

MoneySENSE Events

"Financial Planning for Families" Talk

Organised by the Securities Investors Association Singapore (SIAS)

- Bedok CC, 18 Feb 06, 2.30 – 4.30pm (English)
- Yio Chu Kang CC, 18 Mar 06, 2.30 – 4.30pm (Mandarin)

To register, please contact Raymi Shankar at raymi@sias.org.sg or Rachel.toh@sias.org.sg. Contact number 6227 2683.

A Beginners' Guide to Securities Investment

Organised by the Singapore Exchange

- HDB Hub, 18 Feb 06, 9am - 12.30pm (English)
- SGX Centre 1, SGX Auditorium, 1 Apr 06, 9am - 12.30pm (Mandarin)

To register, please call 1800-CALL SGX (1800-2255 749) or send email to marketing@sgx.com. Registration fee of \$5 will be charged per participant for each seminar. Notes and light refreshments will be provided.

MoneySENSE is a national financial education programme launched by the Singapore Government in October 2003. MoneySENSE provides information to help Singaporeans better manage their finances and plan for their financial well-being. Look out for more tips on how to plan for your retirement in the next issue.

For more tips and information, visit www.moneysense.gov.sg

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