

## Money Matters

# The great moderation - spending wisely

Standard Chartered Bank

Remember what your parents or grandparents told you when you were younger about spending your money wisely?

The great thing about advice like this is that it is true and it is sound advice that everyone should follow but to what degree and how often do you follow it?

As you get older and enter different life stages, the advice may be hard to follow as one progresses in life and has a set expectation of what one should have in terms of possessions as well as achievements.

### WHAT CONSTITUTES WISE SPENDING?

Every individual has different views on how they should spend wisely. You don't have to be a 'wise' person to know what you can and cannot afford. Indeed many times we hear of people who have started out in life with only a dollar in their pocket and have gone on to be extremely successful business persons or who have worked hard to alleviate their financial status from a low-income bracket to a high-income one.

The way you spend your money and what you spend it on has to make sense for the amount of income you earn. If you are earning a

basic salary of BND500 a month but expect to purchase a new car which you have to pay BND250 a month for, that would be considered very unwise and you should find other solutions for transportation. However if you are earning BND5,000 a month and have restricted yourself to a car purchase which requires only BND400 a month, that would be extremely sensible.

The key solution here is that, whatever income bracket you are in, you must identify your priorities. If you earn BND700 a month and already have a loan of BND300 a month, you are in a very delicate situation whereby you only have BND400 left for the rest of the month to deal with food and other bills. Is this reasonable? One would say no. Is the loan a necessity? One would have to question what it was for and if it was justifiable.

### TRY TO STOP BEING STATUS CONSCIOUS

In a world where we are constantly exposed to glossy advertisements of branded goods and such, sometimes we need to give ourselves a reality check. While it is nice to carry the latest mobile phone in the market or be seen using the newest laptop and driving around in the flashiest vehicle, the payoff for raising your debt level just to afford all



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these fancy things may, in the end, become unbearable.

It is a completely different matter if you have abundant savings and are earning top dollars. But if you don't have any form of savings yet but are still spending your money on frivolous items and holidays, then you need to start humbling your mindset before it starts becoming a dangerous downward spiral. What's the point of carrying a designer bag worth hundreds or even thousands of dollars when you don't even have that much sitting safely away in a savings account?

### FINDING OPPORTUNITIES INSTEAD OF EXCUSES

It's easier to find excuses than to find opportunities. For example, I earn very little, that's why I have to take out a huge loan which leaves

me with nothing left for the rest of the month. Or I work hard and I deserve a treat to buy something so I'm just going to take a loan for it. Or even worse, a big new year celebration is coming and my house needs a new TV.

There is no excuse that is justifiable enough for you to be spending money that you don't have in the first place. Instead you should find creative solutions for you to be saving for or at least making whatever you want to purchase more affordable.

If you want a new TV then put aside BND50 a month until you reach the targetted amount that you need for the purchase. Don't take a loan for it.

If you need a car but you have low income, scout around for cheap or second hand cars that can cost as

low as BND2,000 to drive first until you can afford a newer car when you start earning more money.

### MODERATION, MODERATION, MODERATION

Whether it's eating, enjoying life and in this case, spending, do it in moderation. Always question yourself if what you are spending on is really worth what you are paying for (and how you are paying for it as well!) and whether you can really afford it.

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# Holiday Financial Tips

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It's the time of the year when the end of year school holidays come around and you are worried your children might get bored out of their minds while sitting at home trying to keep themselves entertained. For most parents, taking the children out of the country for a short holiday will ease the children's boredom. But with the onset of HFMD and Measles pandemics and political turmoil in some countries, is it a good idea to continue travelling?

#### STAYING AT HOME FOR THE HOLIDAYS

A simple solution would be to just stay home. Parents can continue to take leave from office but instead of taking a vacation out of the country, you can still enjoy your vacation at home with many fun and creative ideas to keep your children busy and active.

#### Go to the beach

A beach picnic is always a huge source of fun for the children with endless low-cost possibilities of kite flying, shell collecting and sand castle building. All you have to do is decide on a beach, pack a great picnic basket and ensure that you have sufficient water for kids to rinse off the sand and saltwater before getting in to the car. Remember – check the weather forecast on that day, don't forget the sunscreen, mosquito repellent and do dispose your rubbish properly.

Visit our public places of interest  
Ever wonder about the wildlife in Brunei? Take a boat ride and bask in the glory of our flora, fauna and fresh air when discovering about Brunei's wildlife like the Proboscis monkey while riding down the Brunei river. How about Jerudong Park? The entrance fee is minimal. If you're looking for something more relaxing, you can bring your family for a walk in the park at the Taman Mahkota Jubli Emas. Remember – pack tissue packs and hand sanitizer gels or wipes for your children to use in case they need to visit the toilets. For long distance travel, drive safely and follow road safety rules.

**Make a movie day or night at home**  
Children love to stay up late. Instead of letting them do their own things, get the whole family together for a movie at home. All you need is a DVD and some snacks. Watching movies at home may not be a full cinematic experience but by making sound fun and exciting, you can make the whole family enjoy being together. Plus you don't have to worry about bringing your children to the toilets! Alternatively, you can also have a game night with the family. There are several board games that are child-friendly and will be enjoyable for the whole family! Remember – pick a good sensible movie that can be enjoyed by the whole family and try to make your snacks healthy like vegetable crudites and dip and fruit juice instead of carbonated drinks.



*Watching movies at home may not be a full cinematic experience but by making sound fun and exciting, you can make the whole family enjoy being together*

#### Have sleepovers

Invite your children's best friends for a sleepover party. Your children will have a blast and it is also a good way to ensure your kids continue to socialise healthily. They might even be missing their best friends from school during the holidays and will love the chance to catch up. Keep healthy snack foods at reach like egg sandwiches, fruits and fruit juices.

You can even entertain the parents of the children who are staying over for dinner, making the stay over all the more sociable while building trust for both parties. It is also a healthy way for you to keep track of your children's social activities rather than letting them stay out till late at night where you are not sure what activities they might be up to.

Remember – give your children and their friends some privacy but do check in on them once in a while. Make sure they observe healthy clean up habits like brushing teeth

and bathing before bedtime. Set a strict rule on bed time to ensure a level of discipline is maintained.

#### IF YOU ARE TRAVELLING FOR THE HOLIDAYS

Some parents may have booked holidays well in advance to save costs on airfares and get good prices – which is all perfectly fine. However overseas holidays can be costly and require extra spending money.

Before your travel, do take some time to find out about the weather in the country and also if the country you are travelling to is currently experiencing any political or health issues. If it is forecast to be rainy, do remember to pack your children's raincoats and bring a foldable umbrella for yourself.

Make sure you leave all your contact details in that country with a relative or a friend in case of need for contact. Bring along a small supply of medicines which you

may need like panadol or diarrhoea medicine in case you are not familiar with the medicinal brands in that country. Remember to also keep notifications of any known allergies with you in case you need to visit a doctor for treatments.

Bring hand sanitizer gels for your children at all times to keep germs at bay in case you are not able to find a toilet or wash basin. Being prepared can help you to keep your travel costs minimal instead of forking extra cash to buy medicines or umbrellas or other typically non-essential items that you would not usually require.

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## Entertainment

# Marie Fredriksson of Swedish pop duo Roxette dies at 61

STOCKHOLM (AP) — Marie Fredriksson, the female half of the Swedish pop duo Roxette, has died at age 61, her management agency said on Tuesday.

Fredriksson formed Roxette with Per Gessle in 1986. The two released their first album the same year and went on to achieve international success in the late 1980s and 1990s with hits including *The Look* and *It Must Have Been Love*.

The Dimberg Jernberg agency said Fredriksson died on Monday "of the consequences of a long illness".

It "is with great sorrow that we must inform you that one of the greatest and most-loved artists is gone," the firm said.

On his Facebook profile, Gessle wrote: "You were an outstanding musician, a master of the voice, an amazing performer."

"I'm proud, honoured and happy to have been able to share so much of your time, talent, warmth, generosity and your sense of humour," he wrote in English, adding "Things will never be the same."

Fredriksson was diagnosed with a brain tumour in 2002. She underwent aggressive treatment that took its toll but ultimately was successful, her management agency said. However, she was left blind in one eye, with limited hearing and mobility, and was unable to read or write. She was also unable to speak



File photo of Marie Fredriksson, singer of the pop duo Roxette. Fredriksson has died, aged 61 after a long illness, according to an announcement on Tuesday. PHOTO: AP

for a considerable period of time after her treatment. Over the years she was able to make a gradual return to the world stage

Fredriksson was born in southern Sweden on May 30, 1958, and had her artistic breakthrough in 1984 in Sweden. Two years later, she formed the duo Roxette with Gessle, and in 1989, the pair had their international breakthrough with *The Look*.

They achieved international success with their albums *Look Sharp!* in 1988 and *Joyride* in 1991,

and had six top two hits on the Billboard Hot 100. The pair sold 80 million records worldwide and embarked on world tours.

They were Sweden's best-known band since ABBA in the 1970s and 1980s, and in 2003, Sweden's Carl Gustaf XVI awarded the duo a royal award. Fredriksson made her first public appearance after her brain tumour operation to receive the honour with Gessle.

Fredriksson is survived by her husband, Mikael Bolyos, and their two children, Josefina and Oscar.

## 'Marriage Story' dominates Gotham Awards with four wins

NEW YORK (AP) — Noah Baumbach's *Marriage Story* was the resounding winner at the IFP Gotham Awards, taking four awards including best feature at the annual New York awards-season kick-off.

By the end of the night on Monday, Baumbach, having long ago exhausted his one prepared speech, stood at the podium exhorting cast members Adam Driver and Laura Dern to lend him help.

Having already given their own speeches — Driver for Best Actor, Dern as a Tribute Honoree — they demurred, content to watch Baumbach squirm again while he improvised a few remarks.

Baumbach turned, ultimately, to his actors — "My special effect, my everything is the cast," he said — and to Netflix for what he called its "unconditional" support of his film, a portrait of divorce starring Driver and Scarlett Johansson.

Earlier, Baumbach thanked Netflix, too, for saving the Manhattan single-screen Paris Theatre, which the streaming company purchased last week.

Praise for Netflix and its Chief Content Creative Officer Ted Sarandos, who was also in attendance, was a common refrain throughout the evening.

The streaming service, which filled up numerous tables at the banquet at Cipriani's Wall Street in downtown Manhattan, also celebrated wins for Ava DuVernay's Central Park Five series *When They See Us*. (DuVernay was additionally singled out for tribute) and the

documentary *American Factory*.

The Gothams, now in their 29<sup>th</sup> year, are the premier New York gala for independent film, a kind of earlier East Coast corollary to Los Angeles' Independent Film Spirit Awards in February.

Put on by the non-profit Independent Film Project with nominees selected by committees, Gotham winners can diverge from seasonal favourites. Last year, Chloe Zhao's lyrical western *The Rider* took best feature.

But a recent stretch of Gotham winners went on to land best picture at the Academy Awards, including Barry Jenkins' *Moonlight*, Tom McCarthy's *Spotlight* and Alejandro Inarritu's *Birdman*.

*And Marriage Story* seems sure to continue a long march through awards season.

Acclaim has been heaped on its leads and its ensemble, and it's been celebrated as a crowning achievement for the 50-year-old Baumbach.

While not a surprise to others, the most shocked winner of the evening was easily Awkwafina, who took Best Actress for her performance in Lulu Wang's family drama *The Farewell*.

"Oh my goodness. I never won anything. I can't even win an argument in the Instagram comments," said Awkwafina.

*Uncut Gems* with Adam Sandler went home emptyhanded. Trey Edward Shultz' ambitious family melodrama *Waves*, also up for Best Feature, scored an award for Taylor Russell as Breakthrough Actor.

## Money Matters

# Millennial Money: Vanquish these four financial fears



Paying off credit card debt can feel like a never-ending task, but there are ways to get it done. List each account, interest rate and balance. Then choose a payoff strategy. One popular option is the debt snowball, where you pay off your smallest debts first then roll those payments toward your biggest debts

AP - Fear can consume you. The anxiety of the unknown can drive you to pull the blanket over your head, whether you're worried about a rustling sound outside your bedroom window or that you won't have enough retire-

ment savings. Financial fears — not wanting to check your credit, confront your debt or even discuss your student loans — can feel especially shameful.

But facing those fears can empower you to take action.

### 1. STUDENT LOAN STRESS

Student loans topped the list of most-feared financial topics among United States (US) adults, according to a 2019 survey of 1,006 consumers by TD Ameritrade. Student loan debt, at 36 per cent, outranked even living paycheque to paycheque (26 per cent) and credit card debt (20 per cent).

#### How to conquer it

Understand your loans in detail — that's key to knowing whether you're on the best repayment plan. Know each loan's term, balance and interest rate.

You may be able to refinance for a lower monthly payment (but it may cost more overall).

### 2. RECESSION ANXIETY

Indicators like slowing global economic growth hint that a recession might be coming, raising fears of job loss and asset depletion.

#### How to conquer it

Shore up your savings and diversify your skills. Build up at least USD500 in savings to cover an emergency, advises Boston-based financial coach Kimberly Zimmerman Rand. After that, work toward having a few months' worth of expenses

saved in case of job loss. Make saving easier with direct deposits from your paycheque or automatic transfers from checking to savings.

"On the professional side, since we're not in a recession right now, see how you can improve your job skills, your network, your resume, so if the unfortunate does happen, you've already laid the foundation to transition to a new position," Zimmerman Rand said.

### 3. CREDIT CARD DEBT CONCERNS

Paying off credit card debt can feel like a never-ending task, but there are ways to get it done.

"I've had clients who come to us for debt counselling that have the fear that they're the worst situation we've ever seen financially, and that's never the case," said Director of Financial Wellness Maura Attardi at Money Management International, a non-profit credit counselling agency.

This fear can be a self-fulfilling prophecy: You're afraid to check your overall debt because of how high it might be, but while you're not looking, you keep accruing interest.

#### How to conquer it

List each account, interest rate and balance. Then choose a pay-off strategy. One popular option is the

debt snowball, where you pay off your smallest debts first then roll those payments toward your biggest debts.

### 4. BROKE RETIREMENT BLUES

"Among my clients, there's a kind of feeling of hopelessness when it comes to the idea of retiring," Zimmerman Rand said. But starting early is most important, not waiting until you can put away a lot.

#### How to conquer it

If you have a workplace retirement plan that offers an employer match, contribute enough to get it. An individual retirement account is a good alternative if you don't have a workplace plan.

Set yourself up for success by automating contributions and bumping up how much you're saving every time you get a raise.

Avoid withdrawing money from your retirement account to get the maximum benefit from compound interest, where you earn interest on your interest.

"The magic of compound interest is truly magic — and it works," Zimmerman Rand said. "After you've been saving for years, your investment begins to double a lot faster. For millennials, now is the time to start investing."

## Money Matters

# It's time to let go of shame over your debt

Liz Weston

AP - Many of us feel bad about our debt. Most of us probably shouldn't.

Three-quarters of United States (US) households owe money, but the vast majority pay their bills on time and have debt loads that are reasonable given their incomes.

But many people still report being embarrassed about owing money. In one study, nearly everyone with debt believed they would be happier without it. Researchers have also found a "strong relationship" between debt and several mental health issues, including depression.

Sometimes, stress and anxiety over debt is perfectly appropriate. If you're about to lose your home, have more student loan debt than you could pay in a lifetime or are headed to bankruptcy court, some angst is understandable.

Being ashamed of having debt, though, can be counterproductive. Debt shame could make you want to hide from your situation, potentially making it worse. Or you could panic and try to get rid of debt at any cost, potentially at the expense of long-term financial security.

### DEBT HAS A ROLE IN OUR ECONOMIC LIVES

Borrowing a reasonable amount of money to get an education or buy a house often makes economic sense.

The education can deliver increased income, while the house can build wealth over time as the mortgage is paid down and home prices rise.

Ideally, we would save to buy the other things we want or need.

In reality, many households borrow when money is tight and pay it back when their cash flow increases. Economists call this "consumption smoothing", as households try to maintain a stable living standard. (It's also consumption smoothing when you save money for retirement to avoid a steep drop in your living standard after you quit work.)

Furthermore, borrowing takes a predictable pattern over people's lifetimes.

The amount we owe tends to peak in our middle years, when we're buying houses and raising families, then declines as we age.

Raising kids seems to be a particular risk factor in credit card debt: A NerdWallet study found 80 per cent of parents with children under 18 carried credit card balances, compared with 58 per cent of survey respondents who don't have children.

As well, one in 10 of those indebted parents expected it would take more than 10 years to pay off credit card debt.

### REPAYING DEBT THE RIGHT WAY

That's obviously not a great place to be. Unlike mortgages or student loans, credit card debt can't be seen as an investment — just an expense. Interest rates are typically high, and it's money better spent, or saved, elsewhere.

So if you've got credit card debt, getting rid of it should be a high priority. Paying off your cards is the equivalent of getting a risk-free return of 17 per cent (or whatever your prevailing interest rates happen to be). That's pretty spectacular, since other risk-free investments, such as Treasury bills, currently pay less than two per cent.

Paying off student loans or mortgage debt early also gives you a risk-free return equivalent to the effective interest rate you're paying. That rate is usually low enough, however, that



you're better off contributing to retirement funds, especially if you get an employer match. Of course, you could do both — once you've maxed out your retirement savings, you can start throwing any extra money at your lower-rate debt.

A smart goal for most people is to be debt-free by the time they're ready to retire. Carrying debt into retirement can be dangerous, since making the payments on a fixed income can strain finances and cause you to run through your savings faster.

All this assumes that your debt load is currently manageable. It may not be if you're spending 40 per cent or more of your income

on debt payments, including your rent or mortgage. That's the level the Federal Reserve said is indicative of financial distress.

If debt payments are eating too much of your earnings — or if you're missing payments, borrowing from one card to pay another or being sued over your debt — you probably need help. Consider contacting both a credit counsellor (the National Foundation for Credit Counselling offers referrals) and a bankruptcy attorney to understand your options.

The important thing is to act. Allowing your situation to deteriorate because you're too embarrassed to seek help would be a real shame.