

Money Matters

The A to Z of savvy finances: Part 2

Standard Chartered Bank

H IS FOR HOME OWNERSHIP

Owning a home may seem daunting to a majority of individuals, what with the paper works, legal documents and a host of other responsibilities that come with owning a home.

However, all these should not put one off from achieving their dreams of home ownership sooner than later. Depending on individual principals, set targets to save up to the desired minimum requirement for a down payment before you start hunting for the home of your dreams.

Ready built homes may not be perfect but perhaps you can compromise. If you are building a new home, be realistic on what you can afford by prioritising on areas in your home that you want to invest the most in - for example if you love to cook, you may want to spend more of your funding on the kitchen rather than the bedrooms.

At the end of the day, you will have a roof over your head and who's to stop you from upgrading to another home in the future or building another one as long as you can afford it.

I IS FOR INTEREST

It is good to be discerning about the interest you earn on your investments and savings. Shop around and keep your ears open on attractive interest offers. Since you have worked hard for your money, your money should likewise work hard for you.

Always compare interest rate offerings when you shop for a loan. Some offers may sound good upfront but in the long run does not save you any money. Being inquisitive about the various small details like how the interest is calculated and how much you end up paying for interest over the whole term of your loan could make a big difference in the amount of savings you could generate just by comparing interest charges.

J IS FOR JUSTIFICATION

"They were on sale!" - was the justification



you made for the purchase of the new pair of shoes that you quittedly brought home with you knowing full well you didn't need a new pair of shoes. But then who doesn't need a new pair every time?

For individuals with poor shopping discipline, making excuses or justifications just don't work anymore and the only people or person you are really trying to make excuses to is yourself. But the bills that come later and the empty saving accounts don't lie, so do you think you should continue to make excuses?

If you must justify an expense, make sure that your reason is solid and valid. Possessing material things does not equal wealth.

K IS FOR KINDNESS

Not everyone is born charitable. Indeed, it is not a larger priority either compared to ensur-

ing that you have sufficient emergency funds or savings for retirement.

Being kind and donating to charity or treating your colleagues to lunch once in a while can make a world of difference for your morale and mental well-being. Of course, this is only in the case where you can afford to be charitable.

If you cannot afford to donate money, then give a thought to donating your time - any form of donation is worth its weight in gold.

L IS FOR LONG-TERM

Whether it's a relationship with your partner, your bank or your money - long term goals and visions are very important.

Having a good relationship with your bank makes a big difference when it comes to getting your finances sorted out. Establish a rela-

tionship with a staff member at your favourite branch of your bank so you will always have a familiar contact point whenever you need something.

Even if that particular staff can't help you, chances are they will be able to direct you to the right person who can.

Form a long term relationship with your money by actually setting long term plans and having a vision of where you want to be financially, by having a longer term goal or vision, for example, saving USD200,000 for your retirement, chances are high that you will set plans in place and in motion to achieve this long term vision of yours.

M IS FOR MONEY MANAGEMENT

Money makes the world go round - or does it?

Having money is a good thing but managing it is a different aspect altogether. Just because you have money doesn't mean you can just leave it or spend it as you wish unwisely.

It is also important to respect that different people have different priorities when it comes to money. Some are perfectly happy to live hand to mouth and not have financial back up in case of emergencies.

While this may offer a carefree attitude towards life and money worries, it is important for such individuals to ensure that in times of financial stress, their financial woes should not impose on others close to them like their family or close friends.

Managing your money well takes discipline and if required, you can seek advice from a personal financial consultant. With proper guidance, you should have a balanced portfolio of savings and investments with a solid emergency fund, while leaving enough for daily needs.

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