

## **Money Matter\$ - 8 January 2025**

### **By Standard Chartered Bank**

#### **Title: Assessing your life stage – the kids are off to school**

Children can grow up so fast in the blink of an eye. Your precious little ones whom you only brought home from the hospital have grown up and are now running around, quipping cartoon phrases and asking you the darndest questions, sometimes leaving you wondering where they even learnt them from.

Children do grow up quickly, and in this modern day and age, perhaps even more so given their greater exposure to different media platforms.

#### **Entering the school years**

As families settle into the school-going routine, many parents find themselves thinking ahead about which school they would like to send their children to. While some may feel that planning early, even when children are just one year old, is premature, doing so can actually be beneficial in helping to secure a place in a school of choice.

Parents have the option of sending their children to either private or government schools, both of which maintain high standards of education in Brunei. For parents considering private education, doing early homework on monthly school fees can help determine whether it is financially sustainable. It is also wise to prepare a list of alternative options in case preferred choices fall outside a realistic budget.

Visiting schools of interest allows parents to assess facilities, environment and curriculum. Extra-curricular activities also play an important role in a child's development, making it worthwhile to find out what programmes are offered. Speaking to friends or family whose children are already in school can provide useful insights and help inform decision-making.

Parents should avoid enrolling their child in an expensive private school if there is uncertainty about meeting future fee commitments. A later transfer due to financial constraints may be disruptive for the child, as adjusting to a new environment and building new friendships can be challenging for some.

Beyond school fees, other costs such as uniforms, textbooks and stationery should also be considered. These additional expenses add up, so parents should realistically assess what is affordable and necessary, rather than what is simply desirable. While purchasing second-hand textbooks can help reduce costs, such measures alone may not be sufficient to sustain long-term schooling expenses.

#### **Planning beyond the school years**

Even while children are still young, their dreams and aspirations may already be taking shape, from becoming lawyers and doctors to engineers and beyond. Often, their ambitions know no bounds.

Tertiary education is by no means inexpensive, and while parents may hope their child will receive a scholarship, it is prudent to be prepared to fund their education independently. Setting aside funds early can help ease this future financial responsibility. One option is a regular savings plan, which allows savings to be invested so that money works harder over time. Many banks offer savings plans, including those that are investment-linked and may offer potentially higher returns than standard savings accounts.

Should a child later be awarded a scholarship, the accumulated savings can instead be allocated towards helping them start adult life, whether for purchasing a car or contributing towards a home deposit. Either way, having funds set aside provides a valuable foundation for a confident start in life. It is never too early to plan ahead for a child's future aspirations.

### **Sensibility breeds sensibility**

Teaching children the value of money from an early age helps instil good financial habits. By practising mindful spending and consistent saving, children learn to appreciate the importance of managing money responsibly.

Encouraging children to save spare change and involving them in depositing savings at the bank helps reinforce positive behaviour. Seeing their savings grow can give them a sense of achievement and pride. Parents can also guide discussions on needs versus wants, whether a new toy is necessary, or whether it might instead serve as a reward for good results or a special occasion.

Giving children the right start helps them plan and build their future.

*This article is for general information purposes only and whilst the information in it is believed to be reliable, it has not been independently verified by us. You are advised to exercise your own independent judgment with the contents in this article.*

**643 Words**