

WOMEN & THEIR MONEY

The 50-somethings

In the previous issue, we looked at the financial profiles of women in their 40s. Here, we meet the women in their 50s. Their children are grown up or nearing independence, so one of their biggest concerns in life has been significantly reduced. At the same time, other concerns are taking centre stage for them – retirement and healthcare needs. We take a look at these women's financial profiles and ask them five questions raised by Anne Tay, Vice-President, Group Wealth Management, OCBC Bank. Anne then provides some tips on how they can better achieve financial peace of mind.



ANNE TAY

Vice-President Group Wealth Management,
OCBC Bank

Learn

The 5 questions you should ask yourself:

- 1 Do you make it a point to save each month and how much do you save?
- 2 Do you know how much you spend each month and do you keep a list of your expenditure?
- 3 Are you up to date on your monthly payments and are you aware of how much you need to pay each month for mortgage, credit card debt, car loan and any other loans?
- 4 What financial products have you purchased and who prompted you to buy them?
- 5 What is your biggest financial worry and what are your financial goals?

MS NANCY KOH, 57, ADMIN OFFICER, MARRIED WITH THREE GROWN-UP CHILDREN

Income Double income

Salary Over S\$2,500 a month

Saving Currently unable to save due to monthly expenses exceeding income

Spending Keeps track of what she spends

Debt management Up to date with her monthly car loan and credit card payments

Investment habits Savings account and investment-linked insurance plans

Biggest financial worries Medical expenses

Financial goals To provide for her kid's education and save up for her retirement

→ ANNE ADVISES:

Nancy, given that you have set yourself two important financial goals to meet, I would advise you to embark on a savings plan. Embrace the "first save, then spend" attitude. One way is to open a savings account and set up a monthly GIRO for a certain percentage of your salary into this account.

To avoid overspending each month, make a list of your monthly expenses to identify areas of wastage, which can potentially become savings! Aim to have at least six months of your monthly expenses in liquid assets for emergencies.

You may want to work towards a non-debt situation. Attend investment seminars or read up on investment articles to build up your knowledge and confidence in investment products.

You can also consider a medical shield plan to increase your protection coverage for your retirement years.

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MS DOLLY PHUA, 53, ADMIN EXECUTIVE, MARRIED WITH TWO GROWN-UP CHILDREN**Income** Single income**Salary** Over S\$2,500 a month**Saving** Saves about 10% of her monthly income**Spending** Does not keep track of what she spends**Debt management** Checks her credit limit regularly and spends about 25% of her salary on servicing her car loan**Investment habits** Savings, insurance plans (purchased 20 years ago), shares and currency investments (made 2 years ago)**Biggest financial worries** Banks or insurance companies not surviving the current recession**Financial goals** None at the moment**→ ANNE ADVISES:**

Dolly, it's good that you have the habit of saving. However, saving 10% of your salary at this stage of your financial journey may not be sufficient if you wish to maintain your current lifestyle after retirement. If you find it difficult to keep track of your monthly expenses, you could try increasing your monthly savings.

Increasing your savings also allows you to build a pool of money, which you can invest when the right opportunity presents itself. It's great that you've started to invest to further grow your savings, but do remember that adopting a regular investment plan will help you weather both bull and bear markets.

Start planning for your retirement now by working towards becoming debt-free and diversifying your investment portfolio.

MS SUSAN HO, 54, MANAGER, MARRIED WITH TWO GROWN-UP CHILDREN**Income** Double income**Salary** Over S\$4,000 a month**Saving** Saves about 30% of her gross income**Spending** Does not keep track of what she spends**Debt management** Up to date with her credit card bills and is completely free from loan**Investment habits** Savings, fixed and structured deposits, whole life insurance and endowment policy. However, she is currently not comfortable with any product in the current downturn**Biggest financial worries** My daughter's further education**Financial goals** To invest in the equity market and perhaps structured deposits**→ ANNE ADVISES:**

Susan, it's great that you're debt-free and already saving a large portion of your salary. The next step is to ensure that your money works hard to build a replacement income for your retirement. You may want to consider diversifying your portfolio with some form of exposure to the equity market.

It's understandable that your investment confidence is low in the current market. However, do consider that economic downturns will come and go. There is an opportunity cost that comes with sitting on cash for too long. To meet your retirement goals in the long run, you should invest with a healthy amount of risk and only in products that you understand. Never hesitate to ask questions! Getting involved in managing your finances will be beneficial for you.


Ladies, tell Mum that you love her

This Mother's Day, tell your Mum how much you appreciate her. Send in your messages of love, together with a photo of you and your Mum.

The most touching and original entry will win a Starbucks Barista Coffee Machine worth S\$614. Ten consolation entries will receive Robinsons shopping vouchers worth S\$50 each. All winning messages will be published in the next issue of 'Ask OCBC' (Jul – Sep 09).

Visit www.askocbc.com to send in your entries by **10 May 2009**. This contest is brought to you by OCBC Ladies' Circle and is open to female participants only. Terms and conditions apply.

Your Wealth, Your Health, Your Blood Type Seminar**EXCLUSIVELY FOR LADIES!**

Join us at our seminar to gain valuable insights on how to best manage your finances and health. Learn how to eat right according to your blood type and how to achieve good skin by optimising your skin's health.

GUEST SPEAKERS:

MS ANNE TAY, Vice President, Group Wealth Management, OCBC Bank

MS CALINE CHEW, My Blood Type Restaurant

MS JOANNE LIM, Origins™

Date: 23 May 09 (Saturday)

Time: 9.30am – 12 noon

Venue: OCBC Centre

Registration Fee: FREE

Hurry, seats are limited. Registration is on a first-come-first-served basis and ends 20 May 09. Visit www.ocbc.com/wealth to register now!

Here's an idea!

Get your Mother's Day present at Robinsons! There are great value gift ideas for all Mums from beauty products to stylish bags. Enjoy up to 10% cash rebates and more when you pay with your **OCBC Robinsons Visa Platinum Card**.

