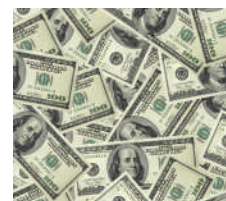


“I remember having to shoulder full responsibilities including settling debts when my ex-spouse decided to bow out of our marriage 9 years ago. Managing the home, children and job changes had let me feeling drained...”

Single Mum
Exclusive Jan-Jun 2000

Money Management

Lucy Gwee, Financial Analyst



“It’s not what happens to you in your life but how you deal with it that counts, We must all stand tall and believe in your ability to succeed in whatever we choose.”

- Susan Mitchell

Marital separation is stressful. The emotional impact is obvious but there are also many financial consequences. No one plans for a separation, hence the need to deal with the influx of many financial decisions. There are a lot of decisions that one is not prepared for. However, we can plan what we want to do financially.

Typical one person in a family handles the financial affairs, IT may not be clear cit thought usually one spouse has the primary responsibility for the kids, while the other handles the money matters, If the latter suddenly dies or leave, the sole parent suddenly has to assume dual roles with double the responsibility. It is difficult. There are many issues to comfort:

1. Will I have to sell the flat?
2. What about the kids and their education?
3. What about debts and other expenses?
4. Will I have sufficient money for me and my children?

There will be many questions one has to answer. That’s OK> you will need to maintain sufficiency in terms of expenses bulls, and so on, but you should not be expected to make AKK financial decisions right away. This article ask dies bit attempt to address all these questions. Rather, it provides some general guidelines in what one can do and some general tips on how to be financially discerning.

Focus on helping your family make the necessary adjustments. Take an inventory of your assets, liabilities, and gather as much information about finance as possible. You may have

to adjust to living on not only your income but also your saving. However, you can always start being the manager of your money.

Take Stock and Take Charge

Take stock of how much money is coming in and out for everyday expenses. Check for bills to pay. Of money is tight, cancel the credit card subscription. Having a credit card seduces one to spend money that one does not even have. Besides, credit card interests are exorbitant (24% pa). If you and your ex-partner own an automobile, sell it if you do not need it and/or you find monthly instalments too hefty to maintain.

Most importantly, get yourself out of debt as quickly as possible. Cut spending and start saving whatever you can, even if it means squirreling away a couple of dollars each week. Getting out of a debt seems to be a slow, painstaking process, nit one must be patient.

***Tips:** Establish an operation budget. It's critical to find out how much money you own and how much money you spend in order to establish an operation budget, This critical step is often ignored because it is painful to take a hard look at how limited your resources might be and how much debt you really might be carrying.*

It is important that single parents keep the record of income and outflow on a monthly basis since getting control of spending is crucial to managing money. Share with other single parent who might possess some savvy money skills. Most go through it alone to understand financial problems and there is not reason to feel embarrassed at your predicament.

Start Saving

If you meet your current level set of financial commitments (expenses) you may wish to start a regular savings programme. First you need to establish some financial goals. What are you saving for? Set major goals and realistic time frame, in order of priority and work towards it.

***Tip # 1:** Most local banks have a savings programme for your child, ... this would allow that opportunity for you to explain to your child the importance of saving. It is also has special programmes organised for the kids.*

***Tip # 2:** For yourself, you might also want to consider some regular savings...*

Insurance Policy? Investment Plans?

Insurance policy is a good way of investing for long term. At the same time, you also get insurance protection. There are many insurance policies in the market. The most common ones are term insurance, whole life insurance and endowment insurance. Term insurance protect at the lowest cost but you do not get any returns. Many whole life policies have protecting against critical illnesses. Endowment polices are saving policy, which usually span over a term of say 25 years or even longer. The return you get is definitely more that say putting your deposits with a bank, provided you service the premiums faithfully. The premiums tend to be more costly compared to say term or whole policies.

There are many investment instruments in the market, which you may want to consider investing, from fixed deposit to unit trust, to shares. The range itself is enough to baffle almost anyone. Some required a lump sum deposit. Others are a regular deposit, example a unit trust. There are some basic questions you may want to ask yourself.

1. Your attitude to risk – and return you need or desire. It will underpin your investment decision. The general rule is the higher the possible return, the higher the risk and potential loss.
2. How quickly might I need to access the money?
3. Will I be able to sell this investment easily?
4. What is the objective of the instruments? Do I need some growth, or a combination of both?
5. Is my investment goal short-term, medium, or long term?

The insurance premium outlay or a monthly investment in unit trust is a financial commitment, so until you are confident that your financial house is in order and are certain that you can stick by the commitments, that do you commit to plan.

Tip: *Most banks... have financial planning service to retail customers. You can approach them and ask them for their advice.*

Caution: *Don't invest anything you don't understand or be force by any financial invest planner, salesperson or agents to buy something you do not have the means to pay.*

You too can start becoming a more effective money manager and it's never too late or early to start planning. ***Be in control of you money and not let money control you.***

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