

Summary of Presentation

“How to make 2005 richer?”

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10 ways to make 2005 richer



1) Increasing your net worth

Your net worth is basically your actual wealth i.e. your total assets minus your debts. To increase your net worth, you need to either increase your assets or reduce your debts.

2) Put a lid on debts

Don't borrow to buy things you don't need. Think twice before you spend on credit. Avoid impulse spending.

3) Creating positive cash flow

This is important because it is not how much you make but how much you managed to save. If you spend more than you earn, you will not be able to sustain your lifestyle in the longer run.

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4) Managing your expenses

Understand the difference between the things you need and those you want. Set up a budget to help you monitor your expenses and your spending habits. ***Spend within or below your means.***

5) Creating wealth starts with savings

Cultivate the discipline to put aside at least 10% of your monthly income before you spend. To create the discipline, try using a regular savings plan.

6) Protecting your wealth

Unfortunate events in life will put a dent in your wealth if you do not have proper protection plan. Have adequate insurance plan to cover you and your loved ones against critical illness, disability, and hospitalization and surgical cost.

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7) Investing your wealth

Inflation will erode your wealth over time so map out a suitable investment strategy to grow it. Know your risk profile and diversify your portfolio among different asset classes to maximize your wealth.

8) Setting financial goals

Set up a financial plan will help to identify your financial objectives and goals. This will help you to achieve your life goals such as planning for children's education and your retirement. Do review your goals regularly and avoid putting them on autopilot.

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9) Discipline of sticking to your financial goals

It takes commitment to achieve your financial goals and it is important that you impose self-discipline.

10) Starting early is key

Wealth takes time to grow. The sooner you start savings, the smaller the amount you need each month. Avoid playing catch up and taking a bigger risk on your investment, ***start now.***

Conclusion

- **Set your financial goals**
- **Discipline of sticking to it**
- **Self-imposing scarcity to create resource to invest**
- **Get protected**
- **Get educated on investment options**

TAKE CONTROL TO FEEL IN CONTROL

EARLY IS KEY

EARLY IS LESS PAINFUL