

Summary of Presentation

Spend Now, Pay later? Manage your Credit Wisely

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1) Are you stretching your credits too far?

Before you spend on credit, ask yourself if you could afford it if you have to use cash.

2) Re-examine your lifestyle

Live a lifestyle you can afford. Take stock of your financial position. Do you spend all your income each month just to support your lifestyle?

3) Start family budgeting and savings

Set up a budget to help you monitor your expenses and spending habits. Family members need to work as a team to spend within the budget. Create the discipline to save first rather than save what is left.

4) Managing your expenses

Savings is key to growing wealth. Know the difference between needs and wants. Focus on basic needs and cut down on non-essential spending.

5) Managing your debts

Your total monthly debt repayment should be less than 35% of your monthly take-home pay (net of CPF contributions).

6) Managing your credit card

Rollover your balances on your credit card can be costly. Interest is compounded and calculated daily at 24% p.a. on unpaid balances.

7) Other credit alternatives

There are cheaper interest alternatives such as Personal Line of Credit, Personal Overdraft or Personal Loan. Use the money you save on interest to bring down your outstanding debts.

8) Help is available if you cannot resolve your credit issues

If you are still trapped and have problem financing your credit, you can approach Credit Counselling Singapore or Consumer Mediation Unit for guidance and assistance.

- Credit Counselling Singapore

Tel: 1800 2255 227

www.ccs.org.sg

- Consumer Mediation Unit (CMU)

Tel: 6226 2656

www.cmu.org.sg

Conclusion

- **Live within or below your lifestyle**
- **Resist instant gratification**
- **Control your spending habit**
- **Stick to a tight budget**
- **Create a discipline to save first before you spend**