

THE
LAST WORD



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You don't have to be a financial whiz to come up with a plan to save money. You can actually learn a lot by simply following what some families are doing.

Appreciate money

Expert Saver: Ms Tan Lin Lin,
Ulu Pandan Rd

When I was a little girl we lived in a kampong in Malaysia. We were very poor but had chickens.

I remember one time I saw my father pick an egg from under a hen. Then he cracked the egg, tilted back his head and ate it raw. (No-one heard of bird flu then.)

I asked my mother why he did that. She said it was because the cooking oil and gas cost money.

When I think of their sacrifices to save 10 or 20 cents, it is hard for me to toss away \$20 for something I don't need. The hard life of my parents has made me thrifty.

Save when eating out

Expert Saver: Mr Bryce Tan,
KolumAyer

My girlfriend and I switched from eating at fast food places to eating at hawkers.

We save about \$3 per meal for each of us. Total savings is about \$18 per week. That comes to \$72 per month and \$864 per year.

Great savings tips from ordinary folks



For us, that is a lot of money. She says the food is healthier too.

Buy cheap, sentimental gifts

Expert Saver: Mrs Linda Heng,
Ang Mo Kio

My husband and I stopped giving one another big presents. Instead, we give sentimental gifts.

Like he gave me three framed pictures of our courtship days before we got married. That was wonderful and it cost almost nothing. It wasn't until I accumulated a whole shoebox full of gold jewellery that I realised how much money we were wasting on these 'obligation' gifts for one another. I would rather save the money for our children.

Keep records

Expert Saver: Mr John Hanes, USA

I write down everything I spend in a little book. Even if I buy a cup of tea, I write it down.

I've been doing this for 15 years and have filled up about 50 little books. Somehow, writing down each expenditure - no matter how small - makes me spend less.

Never buy on impulse

Expert Saver: Ms Cindy Ng,
Queenstown

When I see something I want to buy, I have this rule: if it costs more than \$50, I won't buy it right away. Instead, I think about it for 24 hours.

If I still think I need it the next day, I will go back and buy it. About half the time, I change my mind. I have saved hundreds of dollars this way.

Be cautious

Expert Saver: Mr Dieter Mueller,
Suzhou, China

My wife says I don't trust anyone and I guess she is right. I am very suspicious of people trying to sell me things. It could be a car, life insurance, a condominium, multi-level marketing or a "free" trip to Nigeria.

I figure this has helped me avoid a few scams and saved me money.

Don't gamble

Expert Saver: Mr Michael Ong,
Seletar Hills

I stopped making 4D bets, sort of. Instead of placing bets with Singapore

Pools, I place the bets with my wife. She also places bets with me.

We even fill in 4D tickets and give them to each other. If we strike, we pay one another. We have been doing this for six months and have never had a strike.

We saved about \$240 that would have vanished into thin air. It also taught us that 4D odds are lousy.

Don't be a shopaholic

Expert Saver: Ms Seah Siew Hua,
Jurong

You will be surprised, but I save money by avoiding sales. My girlfriends and I used to go to every sale, whether it was 20, 10 or even 5 per cent off.

Then, I realised I was buying a lot of stuff I didn't need. I once bought a pair of shoes for \$80 because they were advertised as 50 per cent off. When I got home, I counted my shoes. I had 36 pairs. Did I need a 37th pair?

That's when I realised that for me, discounts and sales are like quicksand.

Avoiding them has saved me from a slow financial death.

Try forced savings

Expert Saver: Mr Madhav Sharma,
Marine Parade

My salary goes by Giro into my savings account at a local bank. The interest rate is next to nothing but it is a way to get me saving.

My wife and I figure we would spend the money if it wasn't locked away.

Dr Haverkamp is an economist and adjunct faculty member at Singapore Management University. In this weekly series, he shares simple tips on how you can make money work harder for you.

QuickQuote

A penny saved is a penny earned.

Benjamin Franklin,
1706 - 1790