From Graduation to Retirement: A Financial Planning Guide for Young Singaporeans (2023)

By Lauren Ibea
Fact Checked by Ivy Ong
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- What do you want to achieve in life?

In your life, financial planning doesn't only the same: urgency and excitement to planning your new home, or the joy of your wedding day. Whether you're a young adult, a newlywed, a first-time homebuying overseas, proposing to your partner, or paying a down payment on a flat, all these milestones require you to plan ahead and manage your finances well.

By taking control and starting your personal financial planning now, you can seize every opportunity – from your first job to your first home, from your wedding and your future graduation and more – and, and what you can do to prepare yourself financially.

Milestone 1: Your first job and first salary

Congratulations on getting your first job after graduating! You're in a good place to start enjoying life, and you can start to think about your future and saving more, and more physically think about what you'd like to be able to do over the next few years.

Being employed is just the first step to financial security. You need to start saving and managing your wealth to make your salary work for you. Even if your starting pay isn't what you hoped for, you can still build good habits now that will set the foundation for a secure stable future. Long-term, you can build up your wealth so that it will be in a good place when you need to be prepared for whatever life throws our way.

Here are some things we think about being your first job:

Get started with retirement planning

Yes, you're reading that right – it's never too early to start planning for retirement. In the day you get your first job, you're ready to start your journey towards the world! Start your retirement journey now, and you'll thank you. Understandably, planning your finances might not be top of mind. That doesn't make it any less impactful on your future.

At this age, one of your most valuable resources is time. It's easier to save a sizable sum for retirement if you start saving and investing early in life. Using the Fidelity Retirement Calculator, **Fidelity Schemes are a great start in planning for your future.** When you start your journey at age 25, you can start with a small amount of money and let it grow over time. Thanks to the power of compounding interest and long-term investments, there's more out on this opportunity to get a head start on your retirement savings.

You might be wondering, "I'm already paying for CPF, why is it needed to save more for retirement?"

Unfortunately, the CPF alone isn't enough to provide a comfortable retirement. It's only a small part of the pie to cover the full bill. The more you can for property, the more you can. Fidelity's Supplement your CPF savings with a separate retirement account so you have enough for both a fist and a comfortable retirement.

Build your retirement funds with a Fidelity plan like **Go Retire Flex Pro**. Receive monthly cash you "consuming of investing cash benefit" during your prepay period and a non-guaranteed cash bonus on top and monthly cash benefit.

Use an insurance savings plan for short-and mid-term goals

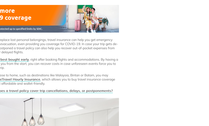
Now that you've settled your retirement, think about what you'd like to achieve in the next 2-5 years. Would you like to spend some time travelling the world? Start your wedding and marriage? Get a head-in-car gear? You may want to save a portion of your salary to start funding these dreams. Now is the best time to start saving towards your goals, no matter how big or small.

Consider using a regular insurance savings plan like **Epic Cash Flex Pro** to build the discipline of saving for short-term goals. This plan lets you choose your policy and premium terms, depending on your 5 year goal. Choose from 2, 3, 4 or 5 years of premium payment. Choose from 2, 3, 4 or 5 years. The idea from the option to spend cash and payment or accumulate with us to receive interest of up to max of up to 3.5% p.a.

Travel and see the world

Now that you've settled in, explore the world beyond our little island. With international borders reopened, it's time to start planning for your first post-pandemic overseas trip. Consider your travel plans and bookings, the most day is to protect yourself with **travel insurance**.

Travel insurance might seem like an additional expense, and you might wonder if it's really necessary – especially if your previous trips have always gone as planned. However, with COVID-19 adding an all-around element of unpredictability, we say better safe than sorry.



Besides helping you replace lost personal belongings, travel insurance can help you get emergency medical treatment or evacuation, even providing you coverage for COVID-19. It could pay out, given as travel, cancelled, or postponed a travel policy can also help you recover out of pocket expenses from cancelled or postponed travel plans.

Travel insurance is best bought early, right after booking flights and accommodation. By having coverage from the start, you can make sure you are protected from unforeseen events from prior to interval or during your trip.

If you are travelling close to home, such as destinations like Malaysia, Bintan or Batam, you may wonder if you need travel insurance. Unfortunately, it's still a good idea to have coverage in place for the four, mining in affordable and useful thinking.

Read more: **When does a travel policy cover trip cancellations, delays, or postponements?**

Milestone 2: Buying your first home

Whether it's a flat from the HDB or condo from a private developer, buying property in Singapore is the single most expensive purchase you'll make. From 21 years old, you can be eligible to buy the flat under BTO, with your partner, private property or a resale HDB flat if you're part of a family nuclear unit. Whether you're buying your first home with your family or on your own, **Fidelity Home Insurance and Home Financing** are one-stop-shop when it's time for you to begin the hunt for your dream home.

First prices vary depending on the type of property and where it's located. Although property prices are slowly trending upward, you can look at today's rates to see how much it will cost to live in an estate you like. From here, you can decide what type of flat you can afford and how much you should start saving.

Choose a flat you can comfortably afford

Try not to stretch, and be careful not to spend over 30% of your gross monthly income on housing. This amount includes mortgage payments, as well as utilities, maintenance, property tax, and **home insurance**.

You might think this to be an enormous amount, but even if you earn enough to afford your desired mortgage, remember that you need to save enough money for a down payment too. Other costs associated with home ownership can easily add several hundreds to your budget.

Unfortunately, the 30% recommendation is a tough guideline that will give you an idea of what first you can afford. Depending on your lifestyle, you may need to adjust your budget accordingly. Alternatively, you might find it more comfortable housing budget than someone who does not have kids.

Use this percentage as a starting point and adjust according based on your lifestyle and financial ambition.

Start saving for the down payment now

Whether you're single or engaged, start saving for your flat's down payment the moment you decide to buy a home. The amount you need to save depends on what property you buy, and what you put down.

If you're buying an HDB flat and are using an HDB loan to pay for it, you need to pay 10% down payment. If you're using a bank loan, you need to pay 20% down payment. If you're using CPF to pay for the loans, or the bank, will require a 25% down payment. You can pay your CPF OA savings or have big goons to fund 25% of the down payment, but 75% must be paid in cash.

Depending on your property, you may need to save a sizable amount. Start saving early and start by keeping your CPF savings for retirement and pay for the flat's down payment.

How much should you save monthly for the down payment?

A 10% down payment on a $250,000 HDB flat amounts to $25,000. If you start saving in an account that earns 2% p.a., you need to save $2,0 a month to accumulate the down payment in 10 years. If you want your flat in 5 years, you'll have to save about $4000 a month.

An insurance savings plan like **Epic Flexi Saver Pro** makes it easier to save for a down payment. Choose from a policy term of 2, 3, 4 or 5 years. Choose from 2, 3, 4 or 5 years. Choose from a policy term. For the remaining 4 years, you can stop paying premiums but continue earning interest.

Milestone 3: Planning your wedding and getting married

You've met someone special who has everything you want in a life partner. Before you pop the question to make you say "yes", it's worth asking if you can afford the cost of everything that goes into the day of a wedding, and marriage life together.

Getting married in Singapore actually costs less than a buffet lunch for one. If you have your wedding in a church, you can choose from a variety of Marriage Packages, or you can choose to pay to Sixth Singaporean citizens under Permanent Residents. Alternatively, you can choose to have a government-registered wedding, which is free, or a financial fee for the ceremony. Turn up and you have your wedding.

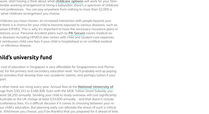
According to **The Wedding Vow**, the average cost of a Singapore wedding ranges from $30,000 to $50,000, and can go up to $100,000. The costs vary depending on whether it's a family and friends wedding, or a big fancy affair. Some of the costs you'll need to budget for include venue, food, and more. It is far. Although market necessities do put limits on how big your wedding celebration can be, you might want to plan ahead for when the situation goes back to normal and restrictions are removed.

The wind your partner should take the time to discuss what's important to have at the wedding, and what you can't do without. Depending on your budget, you may need to make some compromises. Or, don't just potential angles starting on the basis for your budget. Remember, you have other ways to save money on your wedding day.

Start saving for your wedding once you settle your flat

Before you even discuss the wedding, make a plan for when to tie the knot after you've married. At this point, **you and your partner can begin the BTO application process**, since the Housing Board requires Citizens 'A' takes around 4 to years for BTO flats to get built, which gives you enough time to save for the down payment and wedding.

Once your flat is settled, start putting some cash aside each month for your wedding.



Milestone 4: Pregnancy and birth of your first child

After enjoying married life for a few years, you and your spouse might start thinking about starting a family. Congratulations! Pregnancy is a time of joy and excitement, but it can be stressful.

Welcoming a child is a major financial and personal commitment that requires you to achieve your ambitions. The sooner you start preparing for your child's arrival, the easier it will be to provide for them with the best you can give.

Time is one of your most valuable resources – maternity costs and delivery bills. Once you have this, you can **begin making financial preparations for your child's care years.**

Save at least $845 for maternity costs

Maternity costs cover all the medical checkups you or your spouse will need throughout the pregnancy and other costs leading up to childbirth. How much you will pay depends on your plan, and you need to set aside some money.

Your Medisave Money is to purchase antenatal packages that cover all gynecologist's consultation fees throughout pregnancy. You can buy these from public hospitals (expect to spend upwards of $900 for Singaporean Citizens and Permanent Residents) or private gynecologists (typically more expensive).

Remember that antenatal packages only cover consultation fees. Costs include consultation fees. Make sure to set aside extra cash in case any complications arise during the pregnancy.

The good news is that you can defray some of these costs with the **Medisave Maternity Package**. You can withdraw up to $900 to use your Medisave Maternity Package.

Prepare at least $6,133 for childbirth costs

Once you're ready to give birth, you can choose from a variety of delivery packages, delivery packages, and costs. Unfortunately, as a result of the Medisave Maternity Package, you can withdraw up to $6,133 for a 2-day stay in a Class A ward in **government hospitals**. If you prefer a private hospital, it will cost you more. Consider the resulting costs and budget for yourself and your family accordingly.

You can safely solve delivery costs using the Medisave Maternity Package. The withdrawal limits are based on the Class A ward. The Medisave expenses, depending on the type of delivery. You can also use Medisave to pay for the delivery of your child, and the antenatal and SAFE care fees the third day of delivery for your hospital stay during the delivery.

Have a financially healthy pregnancy with maternity insurance

Pregnancy complications and congenital illnesses don't happen often. But if they do, you or your child will need to pay for the care. Fortunately, Medisave Maternity Insurance covers Basic Hospitalisation protected with a maternity insurance plan like **Aviva's Maternity Shield**.

From the 19th week of your pregnancy onwards, Maternity Shield can provide extensive financial protection. Up to 100 complications occur, or your child gets diagnosed with a congenital illness. Maternity Shield covers up to $100,000 for Medical Expenses, and Maternity Shield provides a lump sum "child minus phonthoung treatment" due to severe neonatal jaundice.

Protect your young family's financial future with life insurance

Your child is going to depend on you for roughly the next 20 years. The moment you decide to have children or have decided your pregnancy, you or your spouse should get life insurance.

Hold like to think that we'll always be around to care for our children, but so many things can happen to us that we can't control. Life insurance can provide your family with financial security in the event of death or permanent disability. Life insurance gives your spouse and kids the financial means to meet their needs and live a comfortable life.

A life insurance plan like **Aviva's Term Secure Plus** – pays up to 500% of the sum assured up to age 75 or 99 in case of Terminal Illness, death or permanent disability. For extra protection, you can add more add riders to be covered against future unknown diseases, including the recent COVID-19. Secure your family's financial future and give young family the financial protection you need against an unpredictable future.

Milestone 5: Childcare and education

Once pregnancy and delivery is over, your attention is now focused on your child and preparing for the costs of raising a child. Before you or your wife's maternity leave ends, make sure you've evaluated your childcare options and have a plan in place. Your child will need a head start with your child's university fund, and of the Singapore expenses you'll have as a parent.

Choose the right childcare option

Before going back to work, you'll need to think about what **childcare options** will work for your family. Childcare options include nurseries, preschools, childcare centres, and kindergartens. Each of these options that are different preferences. You can pay anywhere from nothing to over $2,000 a month, depending on what childcare arrangement you choose.

Regardless of which childcare you have chosen, an increased interaction with people beyond your family means your child is more exposed to illness. Fortunately, your child's medical costs are covered by Hand Foot Mouth Disease (HFMD). This is why it's important to have the necessary insurance plans in place. Your child's medical costs are covered by Hand Foot Mouth Disease (HFMD). This is why it's important to have the necessary insurance plans in place. Hand Foot Mouth Disease covering HFMD if you come with CPF Medisave. Hand Foot Mouth Disease covering HFMD if you come with CPF Medisave. Hand Foot Mouth Disease covering HFMD if you come with CPF Medisave. Hand Foot Mouth Disease covering HFMD if you come with CPF Medisave. Hand Foot Mouth Disease covering HFMD if you come with CPF Medisave. Hand Foot Mouth Disease covering HFMD if you come with CPF Medisave. Hand Foot Mouth Disease covering HFMD if you come with CPF Medisave. Hand Foot Mouth Disease covering HFMD if you come with CPF Medisave. Hand Foot Mouth Disease covering HFMD if you come with CPF Medisave. optional benefit which reimburses child care fees if your child is hospitalised or an certified medical leave due to an injury or infectious disease.

Start your child's university fund

The cost of university education in Singapore is very affordable for Singaporeans and Permanent Residents. At least, for the primary and secondary education level. You'll probably end up paying a few hundred dollars a year for school fees (non-academic items), and perhaps tuition if your child needs extra support.

University fees, on the other hand, are rising every year. Based on the **National University of Singapore (NUS)** website, fees for SGD 33 to SGD38,500. Even with the NUS Tuition Grants, you can still end up paying a few thousand dollars a year. Tuition Grants are not guaranteed for all students. Moreover, it's overstated at the 5th college at least SGD500 annually – and that doesn't include accommodation, meals, and other costs. Fees for other universities are even higher, and you'll need to prepare a large sum of money for your child's education. But planning early can alleviate the stress of such a critical point in your child's life. Whichever you choose, you'll be thankful that you prepared for it ahead of time.

Don't wait until your child reaches college to start building up your university fund. Start now and regularly pay your kids into a bank your large amount, thanks to compounding interest.

Use a plan like **Epic Cash Flex Pro** to live spontaneously so you need to secure your child's future.

Milestone 6: Planning your retirement

Congratulations on your child's university education! Hopefully, they graduate cum laude and enjoy a fulfilling career. Now, you can focus on your own retirement. Retirement planning is a long-term goal, and it's never too early to start. Before you or your wife's maternity leave ends, make sure you've evaluated your childcare options and have a plan in place. Your child will need a head start with your child's university fund, and of the Singapore expenses you'll have as a parent.

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How much will you need to retire?

Singapore's official retirement age is 63, and your company must be able to offer re-employment if you want to keep working until the age of 68. This means that you'll likely be earning a full-time income until you are 63.

The average life expectancy of Singaporeans is 83 years. In Singapore, women can expect to live to 86 years old, and men can expect to live to 80 years old. Many people live longer than this, roughly around the age of 70, your health will start declining and you may need to start spending on medical procedures.

Depending on how much you need to retire, you need to save approximately 20 years' worth of living expenses. For a single Singaporean, between $1,200 a month living expenses, you need to save up your own fish and your mortgage is paid for. If you'd like to spend your golden years travelling or fantasizing an expensive pastime, you may need more to support yourself.

Use **Income's Retirement Calculator** to help you determine how much you'll need for your golden years. Input your current age, your retirement age, and your current CPF balance. The calculator will give you a rough idea of how much you need to start saving each month. If you want more personalised profile, speak to a financial consultant.

Start boosting your retirement savings

Now that you know the figures, take a minute to compare how much you've saved remember that to retirement year are talked about current? Versus how much you'll need, and to not start saving at least 20 years ago. If you had purchased a plan when you started working, by the time you reach your 20 years, you'll have a comfortable amount of money.

Even if you haven't purchased plan earlier or you're thinking of retirement, it's not too late. Start saving. Who are a great time to catch up. You're likely at your peak earning years, and has more decades saving ahead. Remember, compound interest can work for you, and even small contributions can add up.

Look into what you can catch up to your retirement portfolio to help you meet your goals. You can do research on your own or consult a financial planner for help. Here are some ideas to consider:

CPF LIFE

Consider CPF LIFE as an add **for CPF LIFE**, a nice annuity scheme that gives you a monthly payout for as long as you live. The money that you spend now is a good investment, and CPF LIFE ings if you live up until your mid 80s and beyond.

Even though payouts will be provided throughout your golden years, the amount will gradually not be enough to cover your retirement expenses. CPF LIFE is best used to the cash flow and a well-rounded retirement portfolio.

To figure out how much more you need in addition to CPF LIFE payouts, use the Income Retirement Calculator to see how much more the retirement savings you need to have in retirement.

Supplementary Retirement Scheme (SRS)

Besides your CPF savings, **you can use the SRS to boost your retirement savings**. Simply open a Supplementary Retirement Scheme account, and start contributing. The money you put into your SRS your money is your SRS account, you can use it to make cash contributions the Singapore Savings Bonds, Singapore Government Securities, or Fixed Deposits. Alternatively, you can invest in unit trusts, exchange-traded funds, and other investment products.

Unlike CPF, you can withdraw your SRS savings at any time, but you will be charged a penalty. Withdrawals are taxed at 50% of the withdrawal amount. Withdrawals after the age of 63 are taxed at 5

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