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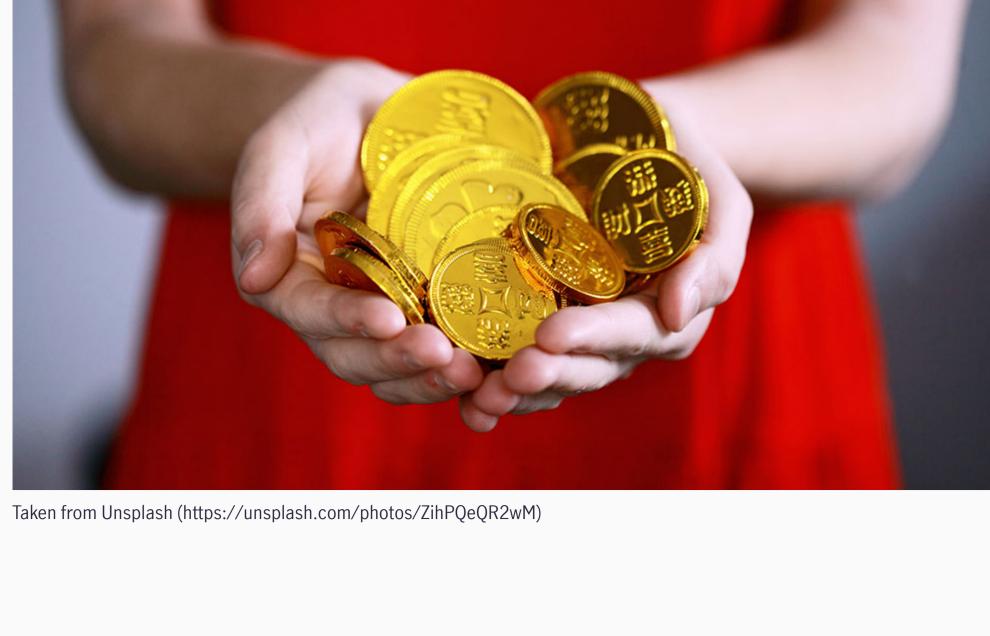
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8 Ways to Spring Clean Your Finances before Lunar New Year Share

The spring cleaning before Lunar New Year is the probably most thorough cleaning you will do in the entire year.

Besides dusting and mopping, you need to throw out dead plants, broken objects and unwanted clutter. This gets rid of last year's bad luck and makes space for new energy and good luck. How does personal financial management come into this equation? Similar to applying the "Konmari" method in

decluttering your home, it is good to take this opportunity to clean up your financial life and make room for wealth that is sure to come. Here are 8 ways to freshen up your finances in time for the Lunar New Year.



I use it and like it? Cancel if the answer is no. Does this save time, energy, or make me money? Cancel if the answer is no. **Is it worth that much to me?** Cancel if the answer is no.

- Is there a cheaper alternative that works the same? Cancel if the answer is yes. With Goods and Services Tax being collected for overseas digital services subscriptions from 2020 onwardsⁱ, there
- is never a better time to review and terminate the unutilized ones to save some money.
- 2 Revisit your budget

Budgets are essential to maintaining financial order. Besides managing monthly expenses, a budget lets you plan upcoming expenses and save for long-term goals. Without a budget, you might not know that you are heading

fluctuate every month.

To estimate your variable expenses, personal finance writer David Weliverii recommends looking at credit card or bank statements for the last 3 months. Then, group these expenses into categories like transportation, household items, entertainment, clothing or dining out. Subtract your monthly fixed expenses and variable expenses from your monthly income, like so:

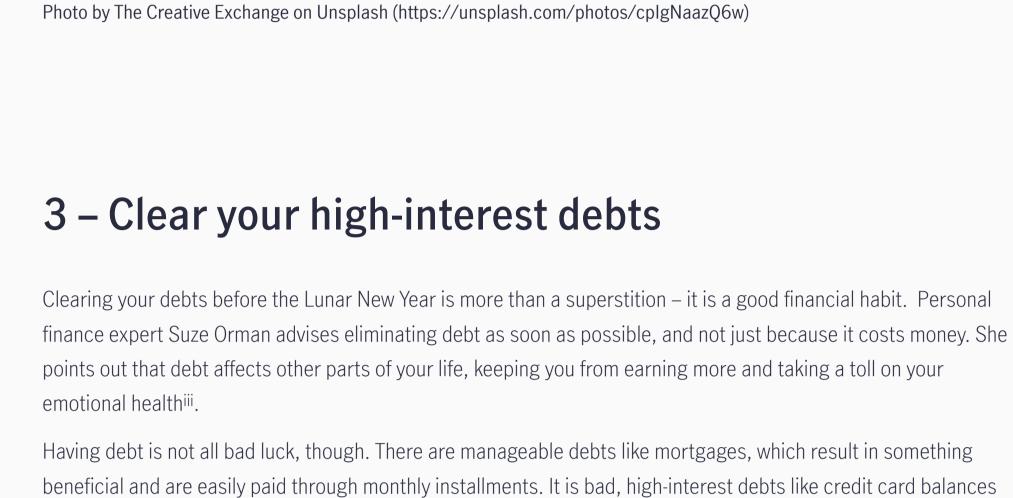
For a monthly budget to work, expenses must be projected as accurately as possible. Fixed expenses like your

mortgage, car payments, and utilities are simple to predict. But variable expenses like food or entertainment

Monthly income – fixed expenses – variable expenses Are your expenses far less than your income? If so, congratulations! You are living below your means, and your surplus cash can fund long-term goals like retirement.

Did you end up with a negative number? You may go into debt if you keep this up. Look at your expenses and see which variable expenses you can reduce or throw out.

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Once you have accumulated sufficient cash savings, consider making extra payments towards low-interest loans.

Financial planner Lauren Anastasio recommends the "debt fireball" method, which prioritises paying off highest

interest debts. Once the high-interest debt has been cleared, focus on building your emergency fund so you are less

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A robust emergency fund keeps you from debt and gives you time to recover from events like a job loss. If you do not have an emergency fund, starting one should be at the top of your financial spring-cleaning list. Already have one? Top it up if you dipped into it last year. How much should you save in an emergency fund? Most financial experts suggest saving 3-9 months' worth of living

3 months of living expenses: if you are living with your parents or are a single adult with no children or dependents, saving 3 months of living expenses is enough

expenses. Try using the 3-6-9 guideline to figure out how big your emergency fund should be:

that you should pay quickly.

likely to slide back into debt when the unexpected happens.

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4 – Top up your emergency fund

6 months of living expenses: if you have a mortgage and children, aim to save 6 months of living expenses 9 months of living expenses: if you or your spouse are self-employed, freelancing, or work in the gig economy, save 9 months of living expenses to make up for your unpredictable income



Life insurance

If you fall ill, the last thing you want to worry about is a heavy hospital bill. If you have not done so, consider enhancing your MediShield Life with a hospitalisation plan that covers hospital stays and medical expenses. If you have children or are financially supporting your parents, make time to review their health and hospitalisation

Hospitalisation

needs.

insurance too. Caring for a sick family member is never easy, so ease that burden and ensure their medical bills will be taken care of. **Accidents** Accidents can happen to the most cautious person, and some injuries can mean pricey outpatient treatments and loss of income.

In general, your life insurance payout should have resources of at least 9 times your annual income.

permanent disability, or partial permanent disability. Consider getting one if family members depend on your income, or if you ride a bicycle, motorbike, or travel to unsafe areas.

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A personal accident plan covers medical expenses that arise from accidents, including mobility aids and alternative

treatments like Traditional Chinese Medicine. It also gives a cash payout in case the accident results in death, total

6 – Cover your critical illness gap

An emergency fund cannot handle a major illness. Hospital bills often exceed several months' income, while missing

The study by the Life Insurance Association of Singapore also found that the average employed Singaporean adult is

severely underinsured for critical illness. If they suffer from cancer, stroke, and similar conditions, their current

Prioritise covering this gap with a critical illness plan. Not to be confused with your health insurance plan, a critical

illness plan is a separate insurance policy that gives you a lump sum if you are diagnosed with one of the covered

Ideally, the payout from a critical illness plan could replace your income and sustain your family's living standards for 5 years – the amount of time it takes to recover or succumb to a major illness. A good critical illness plan also should cover various conditions at different stages and continues to protect you even after a payout. Look into Manulife's **Ready CompleteCare**, which covers 106 critical illnesses and restarts your

policies would only meet 20% of their living expenses and lifestyle during recovery.

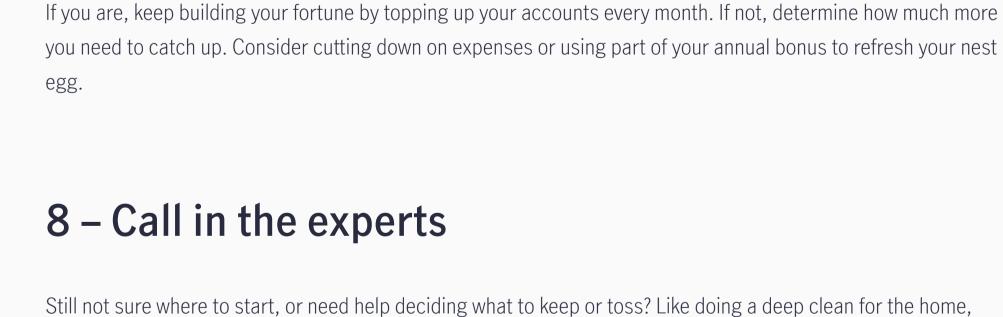
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work adds to the financial trauma.

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tidying up your finances becomes easier with professional help.

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track to meeting your retirement amount?

7 – Refresh your retirement fund

retirement savings. This means they will not be able to maintain the same lifestyle when they retire.

year round and can help you close your protection gaps, meet your retirement goals, and revamp your budget. Ready to start your financial spring cleaning? Tell us what you need – we are here to help. Speak to a financial consultant today!

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applicable, please contact us or visit the LIA or SDIC web-sites (www.lia.org.sg or www.sdic.org.sg). We recommend that you seek advice from a Manulife Financial Consultant or its Appointed Distributors before making a commitment to purchase a policy.

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Then, write down each subscription's annual cost.
When deciding which subscription to toss out, here are some questions that you can ask yourself:
 Do I use it and like it? Cancel if the answer is no.

nd list

When you are juggling with several financial needs, saving for retirement often becomes the last priority. However, all of us will stop working someday. When that happens, we need a solid retirement fund to support our living expenses. A survey shows that despite mastering personal finance basics, 65% of working Singaporeans are behind on their Ensure an auspicious start to a long life by revisiting your retirement fund. With your desired retirement sum in mind, gather your retirement accounts or investments, and add up the assets you have accumulated so far. Are you on

As you go through these steps, ask advice from a trusted financial consultant. They clean up people's finances all

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Statement of personal data

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