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**BRING DOWN YOUR DEBT RATIO:** Not more than 50 per cent of your total assets should be in debts like mortgage or car loans.

# Make money, now

Wealth management experts spoke to **VALERIE LAW** and gave her some tips on how you could better manage your money this year.

## **MR DENNIS NG, DIRECTOR OF A MORTGAGE BROKER LEVERAGE HOLDINGS DEBT IS A DOUBLE-EDGED SWORD**

Debt can cut both ways. It can both help or harm you. The key is to learn to control and use it wisely.

## **GOOD DEBT AND BAD DEBT – THERE'S A DIFFERENCE**

Good debt is any loan that we take where there is a chance of gaining a return, such as a housing loan or business loan.

Bad debt is any debt on consumption such as borrowing for a holiday trip.

Also, imagine a person who uses debt to buy a plasma TV for \$4,000. Immediately after the purchase, if he were to sell this TV set in the secondary market, the price would be 40 per cent to 50 per cent lower.

## **DO NOT OVER-BORROW**

Your debt-servicing ratio should be kept at a maximum of 35 per cent.

For example, if a person earns \$3,000 a month, the maximum that he spends on "debt repayment" should not exceed 35 per cent or \$1,050 per month.

When borrowing money to invest in property, make sure that

you have sufficient funds to cover the loan payments for six months if the property is not rented out.

For a 99-year leasehold properties, ensure that there are at least 75 years left on the lease.

## **MS CINDY CHENG, DIRECTOR OF MARKETING, MANULIFE (SINGAPORE) SOUND PROTECTION**

Get yourself and your love ones comprehensive insurance coverage.

Save and put aside a minimum percentage of your gross income and have an emergency fund to cover at least three months of your expenses.

## **OCBC WEALTH MANAGEMENT REDUCING YOUR DEBT RATIO**

You should not have more than 50 per cent of your total assets in debts.

Debts can include mortgage, car loans, personal loans and unpaid credit card bills.

## **DEBT SERVICING**

No more than 35 per cent of your take-home pay (that is, gross income after your monthly CPF contribution) should be used to service your debts.

## **EMERGENCY FUNDS**

Set aside at least three to six months of your monthly expenses in either cash or near-cash items such as fixed deposits, money market funds, et cetera to handle emergencies.

## **START EDUCATION PLANNING FOR YOUR CHILDREN**

Find out how many years you have before your child goes to university. Would he be going to an overseas university?

If so, the cost could be high and the earlier you start the smaller the amount you need to save each time.

If you have two children, then you may need to multiply this by two.

## **GET STARTED WITH RETIREMENT PLANNING**

Find out when you want to retire and how much you would need.

There is a calculator at [www.ocbc.com/wealth\\_mgmt/fa\\_ret/fa\\_ret\\_051201\\_million\\_dollars.shtm](http://www.ocbc.com/wealth_mgmt/fa_ret/fa_ret_051201_million_dollars.shtm) that can help you.

## **DRAW UP A WILL**

A will could be the most important legal document that you would ever need, but a many Singaporeans do not have one.

It is especially important for those with children to have a will.

This is because you need to provide a guardian for your children in the event of you or your spouse's unexpected deaths.

## **MAKE A CPF NOMINATION**

You would also want to ensure that you have nominated beneficiaries for your CPF funds.

These are the funds kept with the CPF Board and are not governed by your will.

## healthiswealth



In this column series, Dr Theresa Chew, co-founder and CEO of Expressions International and President of Spa & Wellness Association (Singapore), answers beauty, spa and wellness questions by TODAY readers.

Expressions International is a leading beauty, spa, wellness and slimming services provider. Dr Chew set up Expressions International in 1989 after completing the Total Wellness programme. Thanks to Total Wellness, Dr Chew cleansed her body system, lost 18kg in three months, regained her health and increased her sense of well-being and confidence.

**I have always wanted to try detoxing but if I do not take proper food for a few days, I am afraid that my body will not receive nutrients. Is detoxification safe and healthy? — Jessie Chan**

Detoxification gets rid of body waste and toxins, purifies the bloodstream, improves the circulatory system and enhances bowel movements.

Expressions' 3-Day DeTOX kit lets you detox safely. It has herbal supplements like wheat bran and psyllium. These are good sources of fibre and other nutrients that assist in easing hunger pangs. Expressions' detox kits also come with maple syrup, which is an excellent source of zinc, manganese, many other minerals and vitamins.

If you find it tough to go without food during detox, start by taking liquid food such as vegetable broth or soup. Detox is a key precursor to weight loss as it prepares the body for more sophisticated fat loss treatments. For optimal weight loss results and management, you are more than welcome to visit any Expressions studio for a free consultation session.

**After giving birth, I find it hard to slim down and I also tire easily. I read that Expressions' detox programmes can help post-natal mums to alleviate these problems. — Pearlina Lee**

Most women find it hard to lose weight after giving birth. Post-natal mums can try the Expressions 3-Day detox programme after they have stopped nursing their newborns.

After detox, the body is in a better condition to benefit from the more sophisticated slimming programmes that follow. To maintain a svelte figure after childbirth, consider Expressions' 8-in-1 Post Natal Programme where eight treatments are combined to combat common post-natal problems such as saggy and loose skin, unsightly stretch marks, severe water retention, poor blood circulation and metabolism rate.

Email your questions to [wellness@newstoday.com.sg](mailto:wellness@newstoday.com.sg) and stand a chance to win a Ning Marine Herbal Facial worth \$180.

**Ning Marine Herbal Facial is specially blended with spirulina, herbs and seaweed to provide essential vitamins, beneficial for tired and dehydrated skin.**

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