THE ART OF MAKING CENTS.

When it comes to managing their own money, why is it that women still see it as a psychological stumbling block? Ruchira Bose Roy explores.

I don't want to talk about money. I hate looking at credit card statements and saving schemes. In my world, money-talk or even money-think just spoils evenings of Chateau Margaux with Diana Krall on my iPod. It ruins the exhilaration I feel at having got this season's Tsumori Chisato at half-price from the Club 21 sale.

Until recently, I took the three-step approach to managing my finances. Step number one: blow $1,000 on a Friday evening shopping spree with the girls. Step number 2: wait for the impending doom of the credit card statement. Step number three: pay the bills which effectively wipes out any evidence of my salary ever being in the slippery environs of a bank account. Money comes in, money goes out — let the future be taken care of by all future pay cheques.

Jill De Cruz, a trader, also used to live this way throughout her 20s. "When I earned my first pay cheque, I went crazy and spent my money like water," she says. "It was not long before I started applying for credit cards. At the height of my excess, I had five cards and chalked up to $25,000 in debts." Indeed, for a lot of women like De Cruz, credit-card debt hell is a reality that arises from financial mismanagement early on in their careers. But why is this specific to women?

According to Barbara Stanny, author of Prince Charming Isn't Coming, "society has taught us about money by not teaching us — what psychologists call 'learned helplessness'. We've been conditioned not to take responsibility. How many women like myself were told 'not to worry' when it came to money?"

For generations, women managed the household expenditures and men took care of the future. For those of us who are just beginning to take the financial reins on our lives, it's as much about conquering fear and overcoming resistance as it is about learning facts and handling assets. Like the first time you sit down with an account statement and you're struck by a strong sense of foreboding — as if you're getting into a space you shouldn't be in. Your instinctive response is, "Oh, I can't do this!"

Stanny says, "I have come to see that dispelling the myth that 'someday my prince will come' is the first and most important financial decision we can ever make. Prince Charming, by the way, need not be a man. Our 'prince' could be an ideal job, the lottery, an insurance settlement; anything that we fantasise will save us financially. To become genuinely smart with money — whether we
are single, married or living with a partner – we must get to the point where we can say with total conviction, I can do it myself.

These are the very words women like Loh Wai Kiew, conservationist and CEO of Sembcorp, live by. “A pre-requisite to being money-savvy is a streak of independence. I don’t want to depend on my siblings or children in my old age,” she says. Loh started out with only a good education. “I made a lot of mistakes when I was young when it came to managing money. I learnt as I went along and I’d say I’m still perfecting my skills,” she adds.

Like many Singaporean women, Loh’s first financial concern was securing a home, but over the years her attention went on to bundling other financial tools such as insurance and stocks. “The important question to ask yourself is, ‘At the rate you’re going, are you going to be able to retire at 50 or 60, or whenever you plan to?’” she says. “Think of the worst and plan your life backwards” is her advice.

“It’s not just about managing money but also about being financially independent,” says Siak Ching Chong, president and CEO of real estate company Ascendas. “A financially savvy woman thinks of a roof over her head, her children’s education, coverage for unpredictable turns in her life and high-yielding investments to provide for retirement years.”

Dr Annie Koh elaborates on this sentiment, having learnt from personal experience, “A lot of us invested most of our CPF money in property, believing that it to be our nest egg. But the recession taught us many lessons. Don’t expect your CPF to cover for everything. And have back-ups even for your nest egg.” Dr Koh, despite teaching courses in finance, didn’t pay attention to her personal money matters for years. “I used to just run day-to-day finances, thinking that there’d always be opportunities to plan later.” But the recession was a rude awakening.

She also points out that the recession saw more men than women lose jobs, making the latter suddenly become primary providers, which consequently boosted their confidence in their abilities. But the downturn isn’t the only factor that has urged women to get money-savvy. Today’s double-income marriages mean shared financial responsibilities, so the days of leaving-it-all-to-the-husband-to-handle are slowly being numbered.

And with rising divorce rates, women have been shaken into getting dollar-smart and building security for themselves. A poll of women aged 35 and above, which was conducted by The Straits Times early this year discovered that more than 50 per cent of married Singaporean women had a bank account that their spouses did not know about. The logic being that they would still have to secure their future should the marriage dissolve.

Suffice to say, I don’t dread balancing money, but women made the ‘rationing’ decision – how much for today and how much to be saved for tomorrow,” says Siak Ching Chong, adding, “Women’s greatest strength lies in their ability to strike a good balance between must-have and good-to-have and exercising prudence in living within one’s means. Often this prudence is drawn from practical tips handed down from their mothers – this is invaluable.”

Women also talk about everything – and talking, say financial experts, results in getting information and opinions which make a person smarter about choices. Gone are the days when women would fear to ask about a new type of account or card. They now expect financial products and services to be specially designed for them.

Dr Koh seems to think so. “Women are natural-born multitaskers and we have a culture of saving,” she says.

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Suffice to say, I don’t dread balancing the books anymore. And hey, if choosing the right financial service gets me a free massage every now and then, then I think I am going to get on that road to financial enlightenment.”

By all accounts

Banks have already jumped onto the bandwagon by offering women tailor-made financial services. A good example is the new UOB Lady’s Account, which not only offers attractive interest rates on deposits and acts as a chequeing account, but provides free insurance coverage including death, total and permanent disability, terminal illness and women-related cancers and osteoporosis — a first of its kind in Singapore. The account also has a host of perks such as discounts at selected restaurants, stores and gyms and spas. For more information on the UOB Lady’s Account, contact 1800 22 22 121.

A woman's worth

Books on how to get smart about money, by women for women.

■ Prince Charming Isn’t Coming — How Women Get Smart About Money (Penguin; $27.95) by Barbara Stanny, is about the author’s inspirational journey to financial enlightenment with success stories from women of diverse backgrounds.

■ A Girl’s Guide To Money (Ulysses Press; $25.95) by Laura Brady, has nifty tools and exercises to control your credit cards, afford a car and have money for shopping sprees and nights out on the town.

■ All Your Worth: The Ultimate Lifetime Money Plan (Free Press; $44.95) by Elizabeth Warren and Amelia Warren Tyagi, has a balanced diet approach to managing finances from the mother-daughter duo. Available at Borders.

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