FINANCIAL LITERACY ROADMAP

A Fresh Graduate's Guide to Money Management

Citi-SMU Financial Literacy Programme for Young Adults

Welcome to Adulting!

Congratulations on your graduation! All your hard work has paid off well! Look ahead as a new career life is waiting for you. Adulting is not easy, but we are here to support you. After all, what doesn't kill you will only make you stronger, right?

Here's your Financial Literacy Roadmap - A Fresh Graduate's Guide to Money Management. Thank you for your input through our survey. We heard you! This booklet has been designed based on what you told us you wanted to hear about personal finance as a fresh graduate.

Navigation

Savings

Rules of Thumb

A question we all face is how much to save. There are several answers called "rules of thumb".

One is to save 6 months of expenses in case of an emergency.

Another rule is to divide your income into 3 parts and save 1/3, spend 1/3 and invest 1/3. The savings would be safe and liquid, like a fixed deposit while the investment would be somewhere riskier, like stocks.

Another rule is to avoid "impulse purchases". A good way to do this is to follow the rule to "shop-wait-buy". A rule of thumb is to wait 24 hours before making any purchase over a certain amount. If the purchase requires borrowing, hesitate and give it even more thought. One could go further and avoid purchases which put one into debt.

Savings

Types of Savings

The main savings choices for cash are very liquid assets and these include combination savings and checking accounts, savings accounts and fixed deposits. Other choices such as bonds and stocks are usually too illiquid to be considered cash savings.

CASA accounts stand for "current account, savings account". The advantage of these, of course, is that they pay interest. But the interest rate is very low on the savings account so the benefit from CASA accounts are also small. But it is standard and not much more than this is offered for checking accounts.

What is probably the most important choice for those seeking high interest rates is fixed deposits. Its rates are almost always higher than savings accounts. It seems they also offer less liquidity since fixed deposits charge a penalty for early withdrawal. What is not well-known is that the penalty is usually very small and it is typically the interest earned from the beginning of the quarter to the time of withdrawal. This early withdrawal penalty (and liquidity), however, vary slightly among banks.

All savings accounts are insured by the Singapore government for up to $75,000 per account. This, however, is probably not important since the chance of losses at local or foreign banks is very small.

Another possibility is to earn a higher rate is by investing in a fixed deposit in a foreign currency. This should not be considered as a safe investment since it also involves currency risk.

Investing

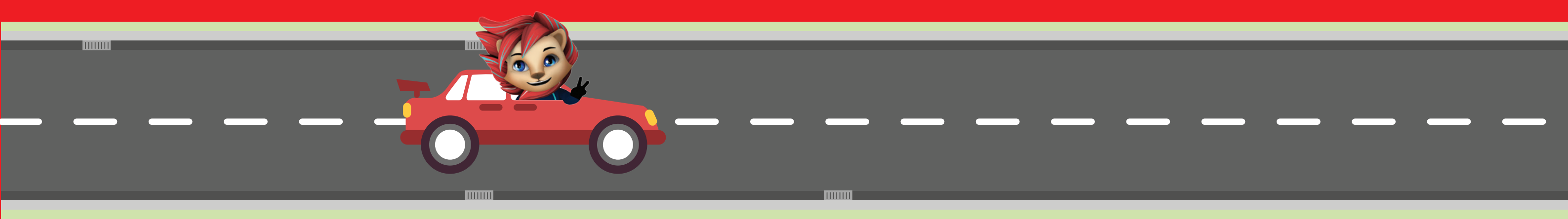
Investing 101

The best rule for investing may be: "Keep it simple". The second best rule is: "Keep it cheap". Other rules are: "Passive usually beats active investing", and "Diversify". This is done for you with the two main types of investments: ETFs and Unit Trusts. The ETF is usually less expensive of the two and is the up-and-coming way to invest. Both are "Index" funds which means they invest in all stocks in a particular category. A third rule is "higher risks generally mean higher potential returns". For example, stock investing is generally higher risk than bond investing.

> **"Know your risk appetite and investment goals before you start investing..."**

Exchange Traded Funds (ETFs)
An example is the STI ETF which invests in all 30 shares which make up the Straits Times Index. These are the 30 largest companies in Singapore. There are 3 ETFs which trade under STI ETF and are permitted for investing CPF money. Of course, you need not use CPF and ETFs can be purchased with cash on SGX (Singapore Stock Exchange).

The other possibility is to access US-listed ETFs. You can do this through a Singapore stockbroker. It is much cheaper to use a US stock broker, which requires opening a US brokerage account and funding it with US dollars. Various companies have recently launched platforms that make it simple and inexpensive to do this. Three leading start-ups that do this quickly and with low fees are revolut.com, transferwise.com and You.co.



Investing

There are about 1,500 large ETFs. The largest ETFs are sold on the main US stock exchanges: NYSE and NASDAQ. The broadest category of US shares is the S&P 500 which trades under a few platforms, and the most widely traded is by iShares, which trades under the stock symbol SPY. It makes up 8 percent of all ETFs traded. S&P 500 is an index for the 500 largest US shares, which makes up about 75 per cent of all US companies. There is an ETF for almost any investment strategy including geographic ones for most countries, including Singapore.

The reason for their popularity is ETFs are cheap. The annual expense ratio is about 0.5 percent and less for widely traded shares. The SPY, for example, has an expense ratio of less than 0.1 percent, which means you pay less than $1 per year for every $1,000 you invest.

Investing

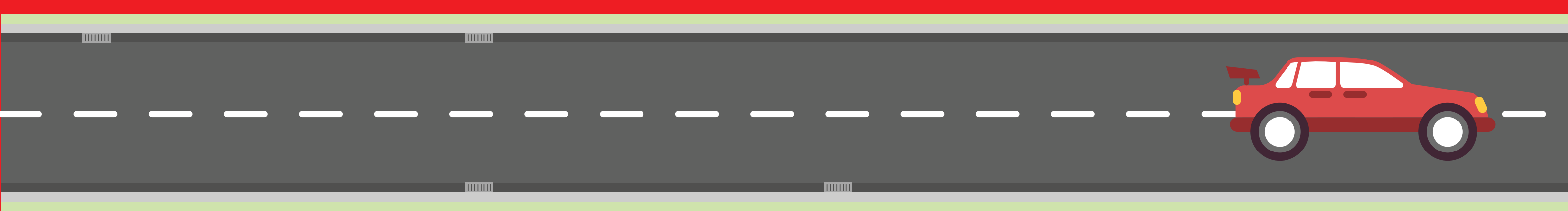
Unit Trusts

The alternative (which ETFs are slowly replacing) is Unit Trusts, with an annual expense ratio of 1 to 2 per cent or more. They also charge a one-time sales commission (called a front-end load) of 0 to 6 per cent of the first year's investment, which goes to a bank, broker or other company selling the Unit Trust.

In contrast, the one-time charge by the ETF is the broker's commission. In Singapore it is 0.6 percent to buy and sell (round trip) which is not particularly cheap but is still less than the 0 to 6 percent sales charge for Unit Trusts. In the US, commissions for many stockbrokers have recently fallen to 0 percent, including the largest, Charles Schwab and Co. (It's incredible but true.)

It is hard to beat a strategy of "buy and hold". This means, you simply buy one or a few broadly-based ETFs (like STI ETF or S+P 500) and hold it "forever". The world's most well-known investor (and 3rd richest person), Warren Buffett, is a believer in this trading philosophy and says: "My favourite holding period is forever." Another advantage is that stocks will always beat bonds in the long run. Stocks' average return has been about 10 per cent while bonds' has been as high as 2 to 3 per cent since 1990. Bond volatility is less but only in the short-run. In the long-run, stock returns are stable, and their return is always more than bonds over a 30-year period.

While buying and holding works best, if you want to "trade for fun", there is nothing wrong with it as it is an inexpensive pass-time, especially in the US with its zero commissions. Singapore's 0.6 per cent commissions are high enough to make day-trading unadvisable.



Loan Management

Five Types of Personal Loans

1 Bank Loans

These come in two types: Term Loans and Lines of Credit.

(i) Term Loans are for a specific period like 1 to 5 years. These are tricky because they quote the interest as a "flat rate" which creates the fiction that it is a balloon note and none of the loan's principal is paid until the loan comes due. Banks that use the flat rate are required to also quote the "effective rate". The term rate is not particularly high – it might be 5 or 6 per cent for loans of 2 to 8 years. Term loans include education loans.

(ii) Lines of Credit have higher interest rates of around 20 per cent. The advantage is you can pay off your loan any time and stop the interest charges. Then you can take it up again when you are ready. If your cash needs are erratic, this is a good loan and may actually cost less than a term loan even though the interest rate is high.

2 Credit Cards

The credit card rates are 2 per cent per month or 24 per cent per year (simple rate). With compounding, the rates are 26.8 per cent. Rates are higher if the minimum payment is not made and this will be reported to the ABS (Association of Banks in Singapore) which may damage a person's credit standing.

On average, credit cards give 52 days after purchase to pay. After that, banks require a minimum payment and charge interest of at least 26.8 per cent.

Loan Management

3 Pawnbrokers Loans

These are collateralized loans and charge an effective interest rate of about 20 per cent. Collateral preferred by pawnbrokers is gold jewelry and Rolex watches. If payment is made, the collateral is returned. If not, it is sold and any excess over the amount borrowed is returned to the borrower.

4 Moneylender Loans

There are 157 moneylenders in Singapore. They are permitted to charge high interest rates to their customers, who are usually persons who would otherwise go to loan-sharks, which charge even more. They can lend only $500 to foreigners making less than $10,000 per year, which is $833 per month. The lending limit goes up to $3,000 per month for wages between $10,000 and $20,000 per year. It is $3,000 for Singaporeans and PRs making any amount below $20,000 per year.

5 Loan-Sharks Loans

These are illegal and by far the most expensive. A typical loan-shark charge is 10 per cent per month. This is an effective annual interest rate (EIR) of 330 per cent. They have other loan schemes which charge even more, such as to borrow $500 and pay back $250 and the end of the month for 3 months.

The clear advice is to avoid loan-sharks completely, no exceptions.

CPF

Types of CPF Accounts

The four CPF accounts are the Ordinary Account, Special Account, Retirement Account and Medisave Account. Money from the Ordinary Account can be used for housing and stock investments. The Special Account is more conservative and is meant to be saved for retirement. It pays a higher interest rate of 4 to 6 per cent, which is usually more than the bond investments permitted in this account.

The Ordinary Account and Special Account combine to form the Retirement Account at age 55. It also pays 4 per cent interest and the CPF Life withdrawals may begin from this account at age 65 or deferred until later.

For a full explanation of details, you can go to www.cpf.gov.sg.

Apart from mechanics of how CPF works is the question: Should CPF be counted as part of our savings? The answer could be "yes", "no" or "maybe" since all are valid views.

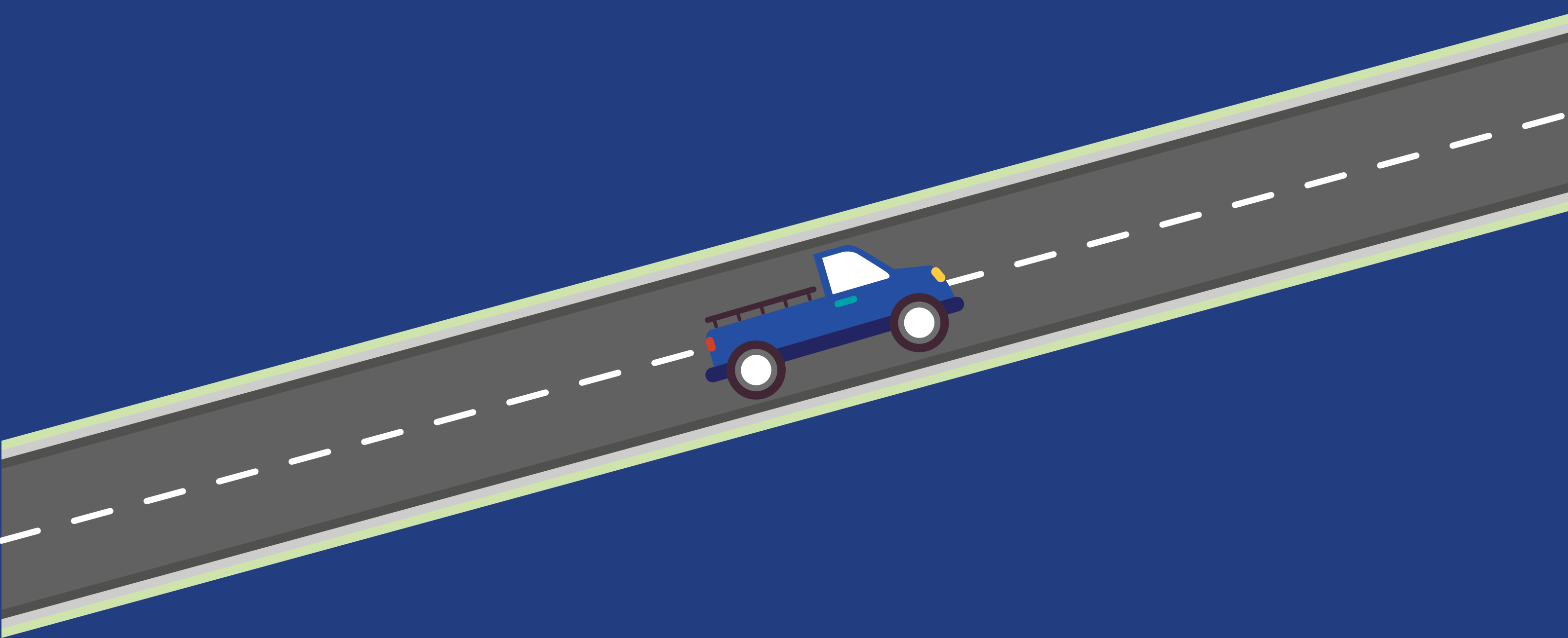
CPF

A compromise is to not count CPF as savings until six months of emergency savings has been accumulated. This is because CPF is illiquid and cannot be used in emergencies, with one major exception: If you declare you are leaving Singapore permanently, you can withdraw any or all your CPF savings. If you later return, you will have to replenish the money you have taken out, and you can ask to do it over time.

Keep in mind that Singapore's CPF is not as high as it seems since part of it can be used for housing, which is also true in Malaysia and China. Pension contributions are much lower elsewhere (usually less than 20 percent) but these cannot be used for housing and only for retirement. This makes retirement contributions about the same worldwide.

CPF contributions are considerable and are about 37 percent of one's income during prime earning years. 20 percent is paid by employees and 17 percent from employers.

Only Malaysia and China have pension contributions that are this high, with China's being the highest at 45 to 50 per cent of gross income.



Taxes

Most people find that Singapore taxes are simple (and not taxing).

That is because there are not many loopholes, also called deductions or reliefs (subtracted from a person's income) and credits or rebates (subtracted from taxes owed).

The form that most taxpayers fill out online and submit by April 18 is called a tax return but is not really and is only information about the taxpayer's income. The Inland Revenue Authority of Singapore (IRAS) then takes the information and prepares a bill, which it sends to the taxpayer.

The taxpayers can pay it all at once, or over a 12-month period (at no additional charge). A taxpayer can write a check or pay via their bank using GIRO.

Taxes

Types of Taxes

There are three types of taxes: (i) Progressive, where the tax rate rises with a person's income, (ii) proportional, where the tax rate is constant at all income levels and (iii) regressive, where the tax rate declines as a person's income rises.

Our personal income tax is progressive with zero percent tax rate for incomes up to $20,000 per year. It rises to 22 per cent for incomes over 320,000 per year. Besides being progressive, two other important points are that not only is the tax rate low, the top rate doesn't take effect until a very high income -- $320,000 per year.

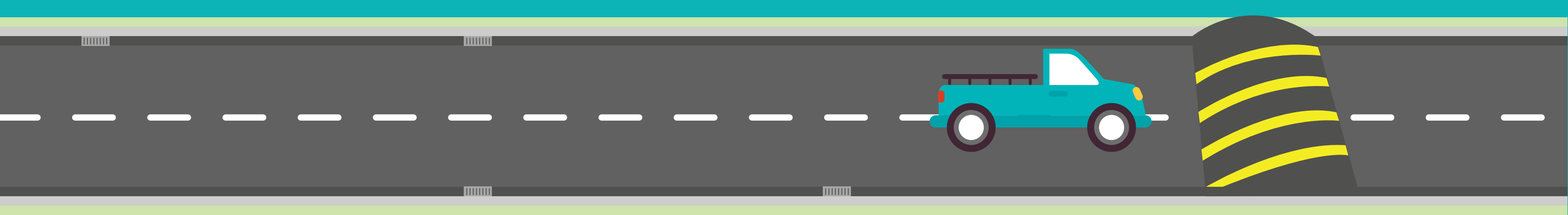
The second category, proportional taxes, apply mostly to companies. Those are set at 17 per cent with few exemptions.

The third category, regressive taxes, applies to GST. Many people view the rate as proportional since the 7 per cent GST (increasing to 9 per cent) is the same for all taxpayers. The poor, however, would spend more (like 100 per cent) of a wage increase compared to the rich who would save some. The poor would pay the 7 per cent GST on their spending but the rich would pay 0 per cent on savings. This makes GST regressive. Still, most countries have GST since it is easier to collect than a personal income tax.

Singapore has zero tax rate (no tax) for five categories: interest income, dividends, capital gains, income earned abroad and inheritance.

This always seems to impress foreigners since these are taxed in most countries.

You can estimate your own taxes at www.iras.gov.sg then go to "individual" then type in "tax calculator" at "Ask Jamie" on the IRAS page. It gives a link to the tax calculator, which will estimate the taxes you owe.



Wedding

The first thing to consider is the cost and the best way to keep this at a minimum is to comparison shop. The most common approach is to decide how elegant you want the wedding. You can classify it as 2, 3, 4 and 5-star facilities. It is worth your while to call around to look for a good deal. You may find one, especially in recently opened hotels, which don't have a solid reputation in wedding planning established. Another option for reducing costs is to not hold the wedding in a hotel at all but in another venue, such as a restaurant.

You will also need to consider a room for that day and night. It is needed as a place to change clothes (especially for the bride) and is also a convenience after the wedding for you to keep the day special. The final big cost is for the honeymoon.

To reduce costs, it is worth considering a nearby honeymoon, like to Indonesia, Thailand or Vietnam (for the biggest savings).

A far-away holiday, like the US or Europe, will usually cost more. The way to reduce costs the most in this expensive category is to skip it entirely. An elegant way to handle this is to announce you plan a "deferred" honeymoon – when you can get longer vacation time from work.

Handling Family Money

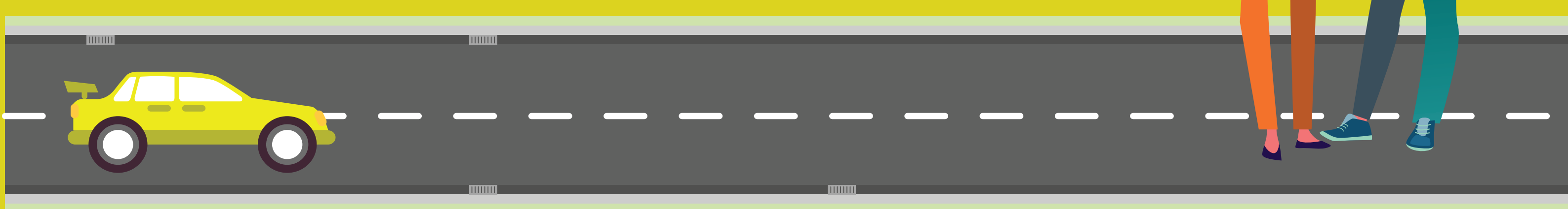
Couples don't always talk about money, but a good rule of thumb is to discuss all purchases over a certain amount and don't discuss purchases below it. This gives independence and helps avoid the feeling of being controlled.

The amount can be set at a certain percentage of your combined gross income.

The second important financial decision is whether to keep separate accounts or a joint account. There is no correct answer. Each can work well, depending on the personalities of the couple but it should be considered. Too often, it is simply never mentioned, hoping "it will work itself out", which doesn't always work.

Every couple has their own style. One couple with a husband as the sole financial provider told his wife, "I don't care how much you spend, but write it all down." Then he gave her a notebook to write it down. It worked for this couple because it made the wife think twice about each expenditure, knowing there was a permanent record.

When couples are both bringing in about the same gross income, joint accounts seem to work well. While it may seem "unfriendly", couples get used to the idea after 3 or 4 months. It is always possible to switch but keep in mind that it is usually easier to move from separate to joint accounts than going the other way.



Housing

Types of Housing

The first choice is HDB vs. Private housing. For most, the choice is made for us since Private housing is more expensive in two ways: The price is higher and financing requires a larger down payment. Private housing is also more expensive after you buy it since maintenance fees are higher.

There is also a third choice, in between private and HDB, which is executive condominium (EC). It is treated as an HDB property (although more expensive) which converts to private property after 10 years.

The HDB rules are constantly evolving but there is no need to know them all or even the most up-to-date as HDB is ready to explain all in person, by phone or on HDB's web site at www.hdb.gov.sg. It also has an interactive Chat-bot called "Ask Judy" which will answer specific questions that you type on its web site.

One major question most face is whether to buy a built-to-order (BTO) flat or a re-sale flat. It's mostly a personal decision but HDB's website helps with the answers.

In addition to those, is the issue of whether to go for an early-model HDB re-sale flat. HDB flats that were built prior to 1985 were larger and the flats are less close together (since many do not have multi-story car parks). A rule of thumb is the old HDB flats were one room larger than the new ones so an old 4-room is equivalent to a new 5-room flat.

Housing

Financing Your House

On financing, there are strict rules (especially for HDB ownership) regarding how much one can use from their CPF (ordinary) account and how much one can borrow.

Two major limitations are Mortgage Service Ratio (MSR) and Total Debt Service Ratio (TDSR). MSR is the monthly home loan payments divided by the gross income. TDSR is the monthly payments for all loans divided by gross income.

MSR is capped at 30 per cent and is used for HDB loans. TDSR is used for HDB and private property and limits total debt payments to 60 per cent of one's gross income. A good rule is to defer all big loans (like car purchase) in order to keep TDSR low at the time you take your home loan. After that, a high TDSR won't affect your home loan.

The standard brokerage commission is 2 per cent to sell and 1 per cent to buy. Often, a lower commission can be negotiated with the broker. You can also eliminate the commissions by buying or selling the flat yourself.

Car Ownership

Considering the choice between car ownership and public transportation, the winner is almost always public transportation even when that includes heavy reliance on taxis. There are exceptions like if one intends to use their car commercially, such as becoming a Grab taxi driver, or if one must have a car for family needs or for work.

It may also be worthwhile to take car ownership if (A) a person has a high enough income to be able to afford it and (B) the car is an important convenience.

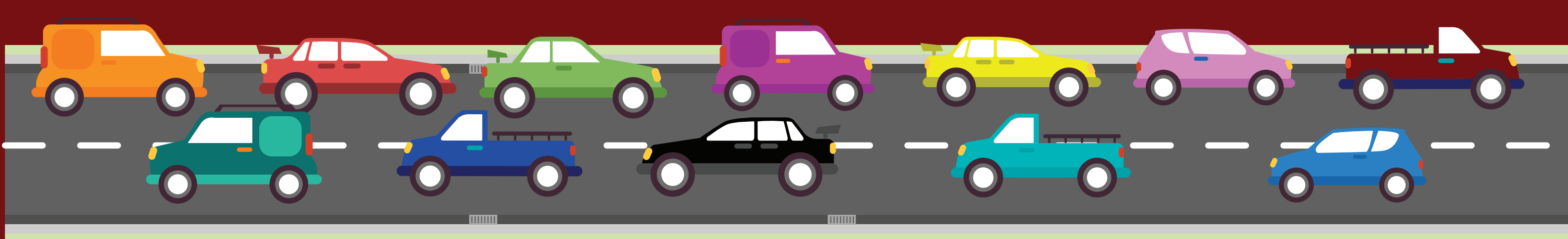
Financing Your Car

Car financing is less transparent than other forms of financing because it charges the "flat" rate of interest. For example, you may borrow $10,000 on a 5-year loan. You would pay a certain amount of principal and interest each year. The principal you would pay would be about $2,000 per year to pay down the amount you borrowed, so that you would owe $8,000 after the first year and $2,000 after the fourth year. The flat rate of interest would calculate the interest assuming you had paid down nothing and owed the full $10,000 through the five years of the loan. It creates the fiction that you have paid down nothing which is not correct. As a result, the interest shown, called the "flat" rate, will be roughly half the interest rate you are really paying, called the "effective" rate.

Another feature of auto loans is they are often computed using the "rule of 78" (identical to sum-of-years-digits depreciation) which results in the borrower paying a substantial penalty if they pay off the loan early. Borrowers are probably better off (for example) to simply hold a 7-year auto loan until maturity. It's a mistake to pay it down early as the penalty is too great.

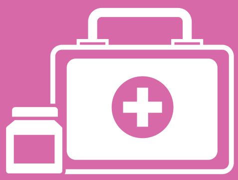
There is also the decision of whether to take the loan from your preferred bank or the dealer's recommendation. Of course, the dealer gets a commission from the bank for a loan referral, and may use this to reduce the car price. The car dealer's recommended bank may also have the cheapest loan since it has high volume to work from. As usual, the solution is to "shop around" but expect the car dealer to try to boost the price if you don't go with his recommended bank.

The best source of car-buying information is from the Land Transport Authority's (LTA's) website: www.OneMotoring.com.sg



Insurance

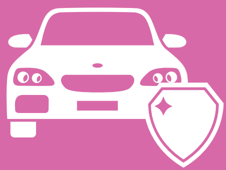
There are five important categories of insurance:



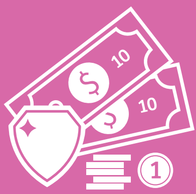
Life Insurance

Health Insurance

Travel Insurance



Automobile Insurance



Low-cost General Insurance
(i.e fire and homeowner's insurance)

Everyone can use all five types except for auto insurance, which is needed only by the 20 per cent or so of Singaporeans who drive a car. (They are required by law to own car insurance.)

Most employers offer group insurance for life and health insurance and the employer usually pays. If not, buy it as it is almost certainly a better deal than you would get buying an individual policy.

Insurance

Life insurance

The two types are called "unbundled" and "bundled" policies. The bundled is complex because it combines life insurance with investments.

Unbundled: It is simple and sells only life insurance. You buy investments separately.

The unbundled version is called "term" life insurance. It insures a person for a specific term like 5, 10 or 20 years. If the insured dies (or has a permanent disability) within that time, the life insurance will pay beneficiaries.

While term insurance is less expensive than bundled policies, it is unnecessary when there is no "insurable interest". Persons who do not rely on a person's income stream (and therefore lack an insurable interest) are (i) children, (ii) retired people, (iii) housewives and (iv) students.

Bundled: It is more complex since it includes investments with the term insurance, making it impossible to tell how much policyholders are paying for each.

Bundled life insurance is called (i) whole life and (ii) endowment insurance policies.

Endowment policies typically have lives of 5, 10 or 20 years. This also includes "education" policies which are sold when a child is born. It will often mature in 20 years, and is meant to help pay for a child's tertiary education.

Whole life insurance is more expensive than endowment and lasts your whole life, although many policyholders "surrender" it for cash before they die. If not, proceeds are paid at death to beneficiaries.

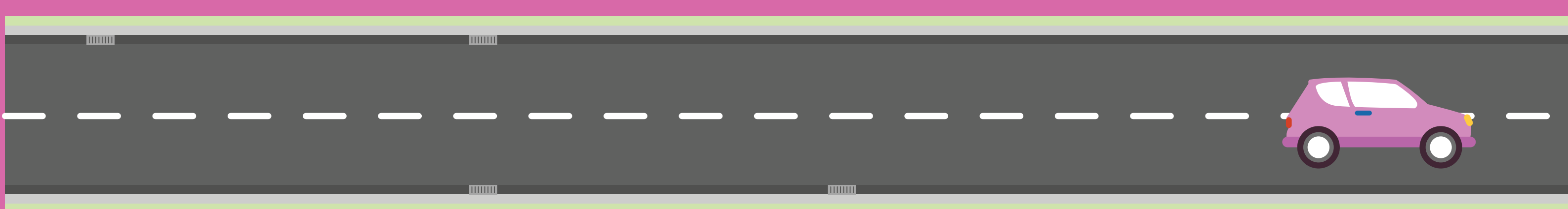
Insurance

Benefit Illustration and Product Summary

Early in the sales pitch, the insurance agent will take some of your details (like your age) and prepare a document called a "benefit illustration". This tells how much you will pay in "premiums" and how much you will receive if you "surrender" or "cash in" your policy for each year of the policy's life.

Careful study shows that it can take 10, 15 or more years to break even on this investment, and if you surrender your policy earlier (before maturity), the return is negative which is a loss.

It turns out that the benefit illustration is just that – an illustration. It is not a contract and does not obligate the insurer. The insurer is bound by the insurance contract, called the "Product Summary". It is sent to the customer after he has agreed to buy the policy but by this time, the person is usually "psychologically committed" although, technically, he/she is not legally committed until two weeks after the contract is signed (14 days free look period as regulated by LIA and MAS).



Insurance

Health insurance

The choice is between IP or "Integrated Plans" provided by private insurance companies vs. MediShield Life provided by CPF. MediShield Life has been in force since Nov 1 2015 and provides more benefits than under MediShield.

The biggest difference used to be that (i) Private Hospitals, (ii) Class A and (iii) Class B1 wards were available under IPs. But an upgrade is available under MediShield Life by paying more than the basic coverage of B2 and C Wards.

The most economical strategy may be to buy MediShield Life for the cheapest Ward (C-class Ward). Then, if one wants to upgrade to anything better including an A Ward or Private Hospital, they can do so by paying more at the time they are warded.

Insurance

Travel insurance

The insurance is more expensive for very long trips, like to the US or Europe, compared to short ones, like to the ASEAN Region. This may be "price discrimination" at work, which means the company is charging more to those who can afford to pay (which is legally and economically acceptable).

In this case, companies determine who can afford to pay by the distance travelled. Those who take long trips are generally wealthier than those who take trips within the ASEAN Region. There is further price discrimination by charging for "standard" vs. "luxury" insurance – with the luxury version covering more contingencies, such as terrorism.

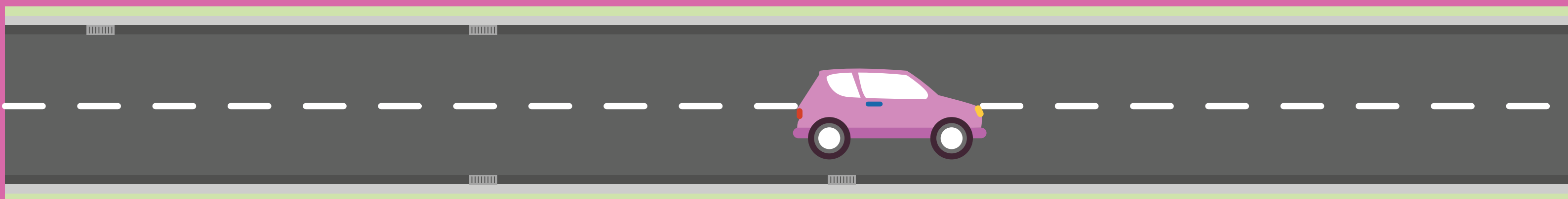
The difference between the ASEAN standard travel insurance and the Worldwide luxury insurance is substantial, about 100 per cent at some insurance companies even though the chances for a claim, like lost luggage, is about the same for both destinations.

The lesson for travelers is that short-distance and basic travel insurance is probably of greater value compared to long-distance, luxury insurance. See table.

Price Discrimination in Action

	Basic	Luxury
Asean	$50 (100%)	$65 (130%)
Asia	$60 (120%)	$80 (160%)
Worldwide	$95 (190%)	$110 (220%)

Note: The example is taken from an insurance company's travel insurance policy for a 2-week trip.



Retirement

CPF

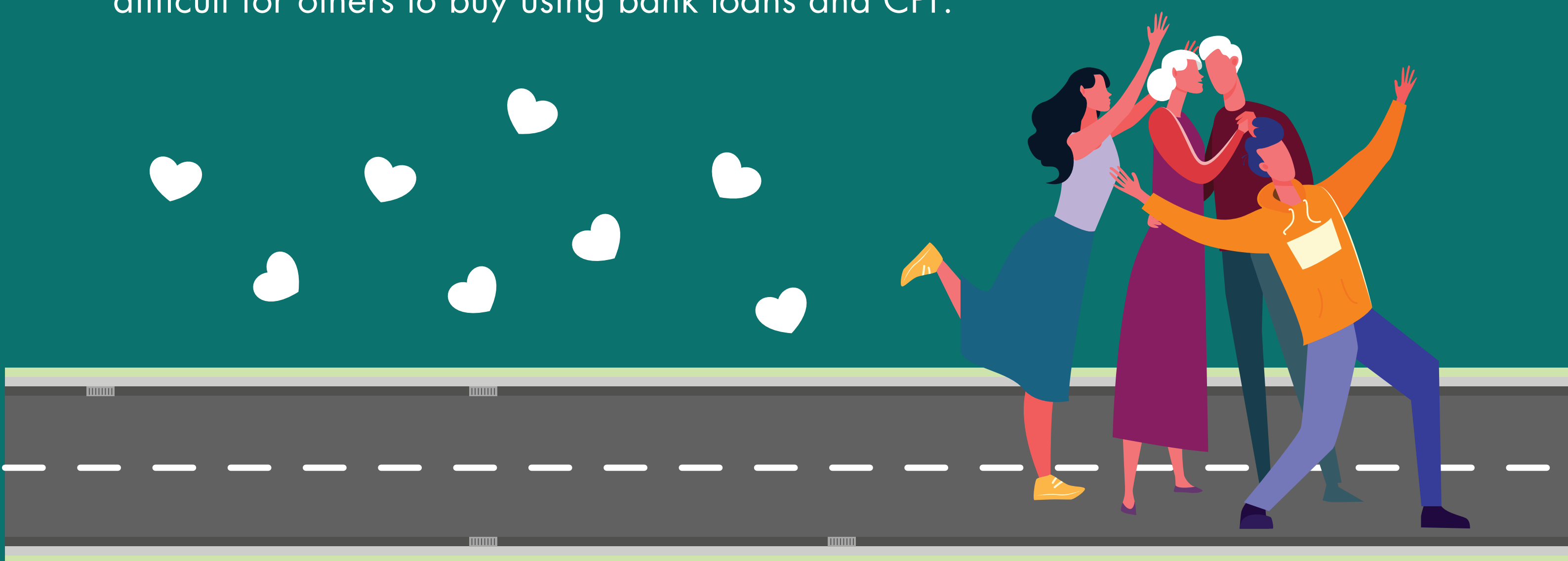
Another area of uncertainty is how long to hold onto your savings. You will want to spend it in retirement but how much? To some extent, this is answered for us with the three CPF Life accounts: Standard, Basic and Escalating. Members are asked to choose one at age 55. If they don't, the CPF Board will place them in the default, the Standard plan, which is also the one that pays the most cash and leaves the least for beneficiaries. The payouts cover a person's lifetime and one can estimate how much they will receive with the CPF calculator at the CPF web site.

An example: If one has $171,000 in their retirement account and chooses to begin payouts at age 70 (instead of the earliest at age 65), the person will receive about $1,800 per month for the rest of their life. It is worthwhile to work out other scenarios using CPF's on-line calculator, which can be found in www.cpf.gov.sg.

A rule of thumb about how much to withdraw from savings in retirement is 4 percent per year. It means savings would last 25 years if you assume you would spend that withdrawal and not reinvest it – or simply hold it in cash.

The other consideration for "spending in retirement" is that a person's stock of wealth has grown, including (probably) their biggest asset, their home. For many, their mortgage is fully paid and this frees up cash for other spending.

Another option in retirement is to sell their home and travel or live abroad. One could rent a small flat in Singapore to be near family and friends when returning home. This option (selling your home) also takes away the worry of the flat depreciating (like a car), as it uses up its 99-year lease and it becomes more difficult for others to buy using bank loans and CPF.



Current Trends

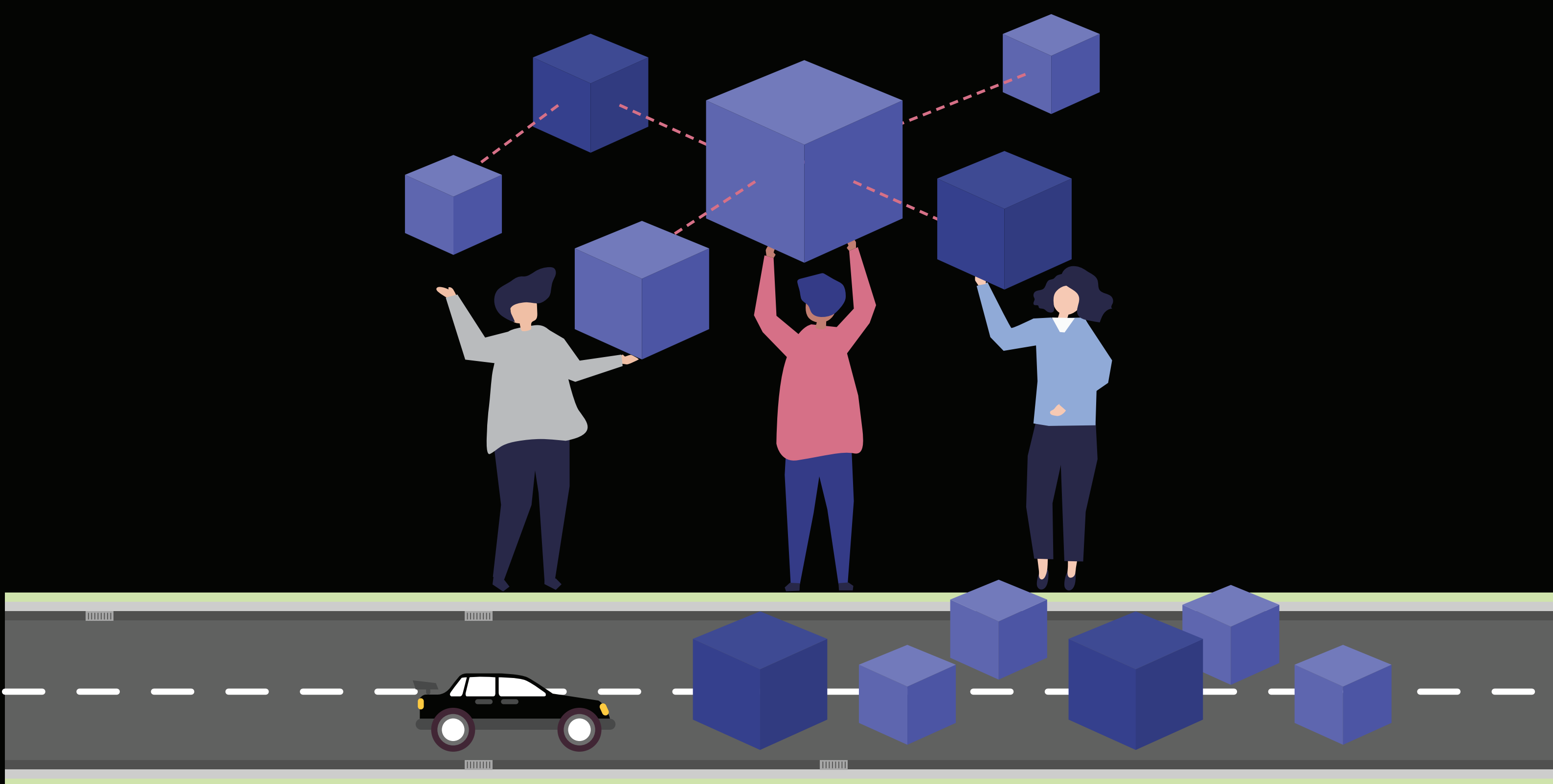
BlockChain

The technology with the most promise is widely thought to be Blockchain.

> **It is recording transactions sequentially in a way that does not permit alteration of previous transactions. It is also decentralized so it is not owned by any one party, which is a principal way in which it differs from present day accounting.**

It can be used for such things as accounting, internet security and to replace passports. It is also part of Cryptocurrencies although that is only one of its uses. There have been 500 proposed uses, such as an "IC card" or a "Passport". Both would be for life since the originally information would follow you everywhere, making it difficult to forge.

China has taken the lead with a strong endorsement from President Xi Jinping. Everyone seems convinced of its potential and the search for new uses appears to be unending.



Current Trends

CryptoCurrencies

Bitcoin is the most famous and has the largest market value. It was the first Cryptocurrency and remains the benchmark for others. There are about 1,500 prominent Cryptocurrencies and even more minor ones. After Bitcoin, the largest are Ethereum, Ripple and Litecoin.

Bitcoin and other Cryptocurrencies are created by solving an algorithm (mathematical problem) on a computer. The limiting factor is not the problem, as it is not difficult to solve by computer using a "mining chip" that can be purchased. Rather, the limiting factor is the electricity for computing time needed to solve the algorithm. Once it is solved, the problem-solver has "mined" the Bitcoin and takes possession of it on their computer.

Bitcoins (and Cryptocurrencies) began in 2009. The first transaction was to purchase some Papa John's pizza for 10,000 BitCoins, which is worth about $70 million today. (Expensive pizza.)

There are about 21 million Bitcoins to be issued by 2040, of which 18 million have been issued so far. About 1,800 new Bitcoins are mined per day and this can be (and it has been) reduced by making the algorithm more difficult.

The original purpose of Bitcoin was to be a currency to use in transactions. Instead, it has been used more as a "store of value", similar to gold. Like gold, it is rarely used in transactions and most is held for appreciation.

As for investing in Cryptocurrency, it is not recommended since it is not like a stock that is based on a fundamental value. It is more like gambling, although this may change with Libra that is being introduced by Facebook, probably in mid-2020. It will be pegged to the world's leading currencies, making it less volatile and based on the fundamentals of leading economies.

IN EVERY CHAPTER THERE WILL BE A JUNCTION

BE WISE AS YOU RISE

Acknowledgement

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About the Citi-SMU Financial Literacy Programme for Young Adults

Launched in April 2012 by Citi Singapore and Singapore Management University with the support of the Citi Foundation, the Citi-SMU Financial Literacy Programme for Young Adults is Singapore's first structured financial literacy programme for young adults.

Through lectures, workshops and course curriculum, the programme seeks to equip young adults between the ages of 17 and 30 with essential personal finance knowledge and skills applicable to their life stage to give them a firm foundation in managing their money and a financial head-start early in their lives. A train-the-trainer model is adopted in which selected students from SMU are trained to deliver the financial literacy outreach curriculum to the young adult community, with the focus on reaching the low to the moderate income.

Since its launch, the programme has engaged over 30,000 young adults on a wide range of topics including basic money and credit management, financial and retirement planning, home and car ownership as well as principles of investment. For more information, visit:

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