

Smart Money-User

A Practical Money Book for Today's Young Adult Lifestyles

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About the Author



Carol Yip, a Certified Financial Coach and Keynote Public Speaker is constantly driven by her passion to share with people the paramount importance of managing one's money well to achieve financial freedom.

Carol Yip is also the Founder and CEO of Abacus for Money, an organisation that provides personal financial coaching and money skills education programmes to help people understand their relationship with money.

She holds a Master's Degree in Business Administration (Majoring in Finance with Distinction) from the University of Hull, UK, a Bachelor's Degree in Economics (Honours) from Monash University in Melbourne, Australia, a Certificate of Financial Planning (CFP) from the Financial Planning Association of Malaysia and Certificate of Financial Coaching (CFC) certified by the International Professional Managers' Association of UK. She is also a Registered Financial Planner (RFP) from the Malaysian Financial Planning Council.

While working in the financial field, Carol soon realized that not everyone is born with a natural talent to manage their money well. She found that a majority of people were unable to do practical planning for their personal finances and needed help to learn the necessary skills for achieving their financial goals.

Carol has a vision to promote financial literacy at all levels of society, by educating people on the necessity of understanding their behaviour and how it affects their financial situation. She aims to teach them skills that empower them to manage their money better and be smart money-users through using simple and easily understood tools and techniques.

Acknowledgements

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I thank all my clients and participants of my workshops and coaching sessions.

Last but not least, I give thanks to God for the incredible energy and clarity that He has given me to live out my purpose in life.

Carol Yip

June 2006

Introduction

SMART MONEY-USER is a simple, easy-to-use practical money book. If you are a young adult aged between 16 and 25, this book is meant for you.

Even if you are not a young adult by this age definition, you can still benefit from this book through reading, doing and applying its exercises in your real-life situations.

It is specially designed to help you handle money more efficiently, so that you will take the first correct steps towards achieving your money goals and a secure future.

This practical money book is written with easy-to-follow steps that will help you:

- Deal with your money behaviour and habits
- Manage your relationship with money according to your lifestyle
- Apply the money skills and financial tools to resolve your money issues
- Create an effective Money Action Plan to achieve your money goals
- Learn to be money-savvy for a promising future

What are the outcomes you will achieve from this practical money book?

You will learn:

- How your brain influences you and your behaviour towards money
- How to break away from your existing habit cycles to create good money habits
- How to manage your emotions so as to create a good relationship with your money
- What your financial self-worth is made of
- How to cultivate good money principles and be disciplined in managing your actions to create good money practices
- The money skills and knowledge required to help you set your money goals
- How to assess your money skills
- The power of interest rates over savings and investments
- How to manage your spending habits and to avoid debts
- How to make your Money Action Plan work for you

- How to create your own panel of advisors to help you achieve your personal money goals
- How to calculate your retirement fund in 7 steps
- How to make use of the 5 Principles of Success to achieve your success in life
- How to use your time effectively for a well-balanced life and to walk the Financial Freedom Path

How do you use this practical money book?

Let us face it - you cannot live without money and you cannot ignore it either! When it comes to man and his money, most would say, “Till death do us part”. But frankly, how well do you know your money?

Which is more important – your life or your money?

As the saying goes: “No Money, No Life”. Like it or not, our lives are inevitably intertwined with money.

Is money a common topic of discussion at home with your parents? Probably not.

The subject about managing personal money is seldom taught in schools, colleges or universities. Nor is it something your boss would guide you with.

Most people are at a loss when it comes to handling personal funds and often lack the skills to do so.

The unique feature of this practical money book is its down-to-earth practicality, in providing knowledge and exercises about you and your money. This book will help you take ownership of your money and build an intimate relationship with it.

The subject of money is made simple for you in this book with clear explanations and exercises.

Here, you will find simple, useable techniques and financial tools to apply easily in your everyday life whenever you need to deal with money. These techniques and tools will enhance your money skills and turn you into a smart money-user.

Find out both “soft and hard facts” about you and your money. The soft facts are things that you discover about yourself. The hard facts are specific guidelines that you need to know in order to be a financially successful person!

Written in a conversational and personal style so that you can easily relate to its contents, about 70% of this book contains exercises for you to do.

By doing these exercises, you will build a good foundation of your thought processes and gain a better understanding of the subject. The exercises will also equip you with the skills to improve your handling of money.

I have highlighted several sections of “**Remember this**” and “**Important hints, questions, notes or points**” to serve as vital reminders for you.

The “NOTES” spaces provided on the right-hand side of this book on certain pages are meant for you to write extra information or useful notes.

To be wise and skilful in handling money, you are advised to constantly review the results that you have written for each of the exercises and redo the exercises if there is a change in your life situation or circumstances.

You may choose to do the exercises anytime and anywhere by yourself, or together with just about anyone: your mother, father, brothers, sisters, friends, boyfriends or girlfriends.

It is fun to do the exercises together so as to get to know each other’s perceptions and behaviour towards money. By doing the exercises together, you are also helping them to improve their money knowledge and skills.

Personalised online financial coaching for you

As convinced as I am that this book contains the right money concepts and vital information that lead you to the correct road map for financial success, I also know it would be even better if you get to talk to me in person for a personalised financial coaching session that is tailored to your unique situation.

That is why my website comes in. I have created the Smart Money-User section at www.AbacusForMoney.com for you to enjoy 3 free personal financial coaching sessions with me to complete all the exercises in this book. All you need to do is register for the personalized coaching session by typing the ISBN no. of this book, which you can find on the back cover of this book.

During these free personal coaching sessions, you will also get to chat with me via Skype. All you need to do is send me an email at carolyip@AbacusForMoney.com to make an appointment for a mutually agreed time for a coaching session, provided you register first.

If you do not have a Skype code name, you can register for free at www.skype.com. Using the Internet technology, you will have the opportunity to be coached through all the exercises in this practical money book.

By having this personalized coaching session with me, I believe you will have the confidence to move forward to chart a successful financial road map for yourself as a young smart money-user.

My support doesn't stop after the 3 free coaching sessions. I will continue to support you through my Smart Money-User Basic Program, so that you can take control of your financial life and it does not mean that you will have to do it by yourself. You can read more about the program from my website at www.AbacusForMoney.com.

Fear comes from not knowing what to do and how to do it, as well as not knowing who to talk to. You can send me an email from the Smart Money-User section of my website if you have a question or need advice to solve a financial problem. This is because I know this money subject is serious stuff and your future is riding on it!

Testimonials

This Smart Money-User practical money book is used as the main training material for "How to be a Smart & Money- Wise Young Adult" workshop and testimonials are as follows:



"On behalf of Taylor's Business School, we wish to express our appreciation to you for taking the time out of your busy schedule. Your presentation is very encouraging, witty and informative.

We believe our students have thoroughly enjoyed your presentation and gained in-depth knowledge in money management skills. Thank you once again for a memorable presentation and we hope you will visit us again." ~*A. Ch'ng, Student Service Career Centre, Taylor's Business School, Malaysia*~

"The session of the workshop that is most relevant to me is the part when I gain a better understanding of who I am and what I am going to face in the future for my financial goals." ~*Adrian Loo Teik Shen*~

"You are great! The way you have presented it and promoted understanding of financial freedom in depth has deeply motivated me." ~*Sophia Ooi*~

“I first knew Carol when I attended her seminar conducted at the Taylor’s Business School (TBS). The President of TBS was kind enough to invite me. This was the best financial seminar I’ve ever attended. And after a year in college, I found that Carol is the best speaker that has ever been invited to Taylor’s so far.

She showed me how important it is to manage my own money and how to earn that little extra. The best part was when we got to calculating “how much you have to save for your retirement”. I was shocked when I found that I had to save \$4 million for my retirement fund. Wow, it nearly blew my mind! I really enjoyed that seminar.

As the Vice President of the members’ development and welfare department of BE ADP (the Business Entrepreneur Society of the American Degree Program of Taylor’s), I’ve decided to bring in a speaker who can educate the business major students of the American Degree Program on personal financial planning as I’ve discovered that managing money is a critical issue among college students.

The first person on my mind to carry this out was Ms. Carol Yip. I’m glad that I managed to pull her out from her busy schedule to share her knowledge at the recent seminar of 120 students and lecturers.

Carol was also kind enough to give me some personal tutoring on money management skills when we were planning for the seminar. I’m currently applying what I’ve learnt and I’m sure it’ll come to good use.

Thanks for the help Carol, and keep it up! Do for others what you have done for me!
~*Dexter Cheong, Student of the American Degree Program, Taylor’s College*~

“From your workshop, I understand myself so much better now and I also got to know what investment is about together with the risks that come along with it.”
~*Neo Wei Wen*~

“The workshop on ‘How to be a Smart and Money-Wise Young Adult’ is direct, well-packaged and skillfully delivered” ~*Louis*~

“The workshop has really helped me to understand more about my own financial risk and management” ~*Penny*~

“This workshop helps me to be aware of what I need to do and to be aware of areas to be addressed where money is concerned.” ~*Rowan*~

“This workshop is really an eye-opener for me!” ~*Sarah*~

“Thanks for waking me up from my dream! You have made me fully aware of the importance of managing money!” ~*Fredy*~

“Because I have pre-meditated financial plans, this workshop has provided clarity to things that I was previously unsure about.” ~*Zul*~

Testimonials for Smart Money-User book...

"Your Smart Money-User book is very easy to understand because it's written in very simple English. The words are very basic and most of the people can easily get your point. Secondly, your example between our brain and a computer is very impartial and most young adults would easily get your message. Another point I like to point out is your book has a strong temptation for me to keep on reading. It is a good sign when a book is that compelling." ~*Stephen Mok, Managing Director Onland (Hong Kong) Ltd*~

The importance of money cannot be overstated and yet far too frequently we find ourselves slaves to it. We spend without thinking, choosing instead to fulfil some emotional need to feel good. It is like chasing a fix, searching for a high. Money makes us feel good. Advertisements tell us how to spend money we don't necessarily have, sending us all the wrong messages. It is about time someone started telling us how to manage our money. Carol Yip's book stands out for this reason and for the fact that it is targeted at the young. Many of us only find out way too late in life that we may have spent our future away, and it is important that we learn to manage our money the moment we start earning our first pay cheque. ~*Leslie Lau, Journalist, The Straits Times, Singapore*~

This Smart Money-User book contains enlightening money concepts especially looking from the psychological aspect. When you see the concepts in the book, it's like finding a pearl in an oyster. Everyone should get one and read it!" ~*Frank Ngoh, Managing Partner & Principal Consultant Entrepreneur Oasis LLP (Singapore), one of Singapore's leading financial management trainers and consultants*~

"I believe Carol's Smart Money-User has captured the essence of what being money-wise is all about. A practical road map for progressing beyond happiness. Any young adult who aspires to be happy, should read this book". ~*S.K. Bhadra Freelance Writer and Director of Union Metal Sdn Bhd*~

"Carol Yip's Smart Money-User is a gem of a book! It will stand out as one of the most useful guides to money management, both for the young as well as the "not-so-young" ~*Yau Jin Rin Writer and CEO Athenium Capital Sdn Bhd*~

“Smart Money User is well thought out and the workbook approach compels the reader into action. When I first started out as a young adult in the mid-80's, my tertiary education was complete but my financial education was just beginning. How I wish I knew then what this book teaches me today! A book like this is a must-read for any young adult embarking on life after school.” ~*Looi Kok Kheong, President Year 2006-2007 Rotary Club of USJ*~

“Carol has always been passionate in financial coaching since I know her 4 years ago. She is never selfish in sharing her experiences and knowledge about managing money, spending time and effort to put across the idea on the importance of spending wisely and planning ahead. Publishing Smart Money-User is her way to spread this positive message to more, especially to the young adults. She has put in lots of effort for this book. She used different approaches, from human behavior and emotions to make young adults understand money issues, in a lively, interesting, easy and applicable way.” ~*Ho Chai Yoke, Editor of Oriental Daily Newspaper*~

"This Smart Money-User book has certainly taught me a lot of things about money. It has also helped me to understand the relationship between me and money, that is.... money and I worked together! This book has also inspired me to write a book!"
~*Vania Quah Student, Age 14*~