

2022 Financial Review â?? A Challenging Year

Description

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Phew, what a year 2022 has been! As it comes to an end, this is my annual review of my finances to check where we are now and ensure that weâ??re not falling too far off from our goals. During this yearly review, I typically examine my income growth, expenses, savings, insurance coverage, and investment performance â?? which helps me to better strategize for the new year.

This marks the 9th year that Iâ??m doing this on the blog. Before I go into this yearâ??s review, hereâ??s a quick recap of previous years:

- 2014: Saved $20,000
- 2015: Saved $30,000 and grew income
- 2016: Saved $40,000 and grew income, hit $100k in net worth at age 26 including CPF
- 2017: Saved $45,000 and doubled my net worth in a year
- 2018: Saved $50,000
- 2019: Saved $35,000 (didnâ??t realise I completely missed out on a round-up post, but hereâ??s our child-related expenses instead)
- 2020: Saved $30,000 and achieved crazy (abnormal) investment returns
- 2021: Saved $40,000, grew income but saw reduced investment returns

Savings & Income

2014 $20,000
2015 $30,000
2016 $40,000
2017 $45,000
2018 $50,000
2019 $35,000
2020 $30,000

2021 $40,000

2022 $45,000

My yearly savings across the past 9 years.

I went back to corporate life in Q2 this year, and stopped teaching GP tuition. Instead, I started a new side hustle (quite by chance) which helped to bring up my income levels. This came after my huge achievement in **losing 20kg in 7 months** (see how I did it here), which was achieved by a combination of factors â?? diet, exercise as well as supplements to make the journey easier. So many of you guys watched my transformation in real-time and kept asking me for guidance on how I did it, so I applied to become a distributor and bring in the products into Singapore to sell as well. That now meant I could now get paid for the hours spent consulting and teaching each of you on how to lose weight, which made it worth the time.



My weight loss transformation in 7 months. Left: 3 months postpartum (72kg). Middle: after a whole month of daily HIIT exercises, I was still at 72kg and my self-esteem plummeted. Right: after 7 months of combining diet + exercise + supplements, I was finally lighter than pre-pregnancy at 54kg on August 2022. Since September, Iâ??ve been 52kg which is even lighter than when I was in university more than a decade ago!

And as a result, I was able to teach and help 1,000 of you lose weight successfully, which was my next biggest achievement this year (aside from my own transformation). Today, although Iâ??m no longer using the supplements as much as I did anymore â?? *mainly because Iâ??m already lighter than pre-pregnancy and can maintain my weight easily with exercise (it was a lot harder to do intense calorie-burning workouts at 72kg as it hurt my knees)* â?? Iâ??m still coaching folks who want my help on losing weight via my little Shopee store here.

My method is no secret â?? just work on the *calorie deficit.* If you can control your diet and exercise to the point where youâ??re already able to reach a calorie deficit, thereâ??s no need for you to use any supplements, unless you want to speed things up. However, from personal experience, I found that controlling oneâ??s diet in Singapore (with its abundance of good food and a strong foodie culture) is much easier said than done, so using the products definitely help to make the transition a lot easier â?? to the point where you no longer need the products and can wean off them ð???

Expenses

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Our family expenses have risen significantly, and Iâ??ve calculated that we need at least $5+k a month to survive now. Once Finn starts school in January, this will rise to $6.5k a month, which isnâ??t too far off from the figure quoted in this Straits Times article. The approximate breakdown is as follows:

Nateâ??s childcare & enrichment	$1,000
Helper salary and levy	$1,000
Mortgage & home insurance	$1,000
Town council, carpark and utilities	$500
Dining & groceries	$1,000
Family insurance policies	$1,000
Our Minimum Monthly Household Expenses	

This excludes our individual dining expenses, the allowances that we give to our parents (a 5-figure sum each year) and other miscellaneous expenses that arenâ??t recurring in nature, so you can imagine how the actual sum is a lot higher.

Iâ??ve to admit, this came as a shock to me because it doesnâ??t seem that long ago when I was surviving on only $500 a month. But to be fair, 5 out of the 6 line items above didnâ??t exist during that time either, so it is only natural that our expenses have shot up after entering the next stage of life.

For holidays, we did a Royal Caribbean cruise earlier this year (read about our horrendous encounter here) and a year-end Genting trip, where we paid for the parents as well, so that amounted to another $5k. Weâ??re painfully conscious that we may not have much time left with our parents due to their age and health, so weâ??re hoping to be able to do at least 1 flight and 1 car/ferry trip in a year with the family to build more memories overseas while we can. This is also our way of thanking them, for loving and helping us with the kids which allowed us to still deliver at our workplaces.

Insurance

We did not add any new insurance policies this year, or make any significant changes, since most of it was already settled last year prior to Finnâ??s birth.

However, I did realize that I had been unknowingly paying close to $100 a year for AIA Vitality, which Iâ??ve not utilized since 2018 (upon getting pregnant with Nate). Right now, I donâ??t have any of the smartwatches that links to the program either, so I will likely terminate it from henceforth.

Investments

2022 was a hard year to invest. It took a lot of psychological discipline and will to **remain invested**, and not run for the hills as stock prices started falling.

The best undervalued opportunities appeared this year among the Chinese stocks, so I was focusing more time and attention on the Hong Kong markets instead of the US side this year. I wrote on this blog last year that all my HK positions were in the red, and that bloodbath continued well into this year, so you can imagine my relief when China *finally* announced their reopening in November, which stopped the stock market decline and we started seeing some green again!

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My Singapore portfolio remained flat, as I took some profits off the table. My US portfolio took a big hit as a lot of the positions went into the red, especially the newer ones that were initiated after April 2020. Thankfully, growth stocks form no more than 30% of my overall portfolio, so I was spared from a huge meltdown unlike some other peers *(it was also the reason why I had a 40% investment performance during the COVID bull in a year where others were getting 3-digit returns from stocks like SEA, Tesla, etc).*

The biggest pain came from crypto, which forms 20% of my total investment portfolio. In the aftermath of the Luna meltdown and FTX collapse, crypto has taken a huge hit, and Iâ??m down by about 50% here. It was mostly due to my earlier purchases of BTC and ETH in the 2016 â?? 2018 period that cushioned the losses.

In total, my investment portfolio is currently down by about ~35%. Some of these are permanent losses (such as Luna), but others still remain to be seen in the coming years.

Conclusion

All in all, this year hasnâ??t been easy financially. If I had to sum it up, it would be:

- higher income (coming off from a one-year break from corporate life)
- higher expenses
- reduced investment performance

Iâ??m being more active with fixed income options for now (mostly T-bills and cash management options, see here) since weâ??re in a rising interest rates environment, and thatâ??s definitely something new as I hadnâ??t seen the need for it in the earlier decade while interest rates were so low.

Moving into 2023, I foresee that itâ??ll remain challenging to invest, especially given the bleak market and investor sentiment right now, but Iâ??ll continue to remain vested and deploy more capital every month into undervalued opportunities. As for crypto, I still donâ??t believe it is the end of the industry, but I do think it will take a lot longer this time round before it recovers from the huge loss of trust that has collapsed in 2022.

See you guys over in the new year!

With love,
Budget Babe

Category

1. Budgeting
2. Savings

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