Hitting $100,000 In Savings by Age 26

Description



I got a pleasant surprise when I checked my CPF statement recently.

After 3 years of work, my CPF has accumulated to a good $51,000 sum, which therefore brings my current net worth to above $100,000 from just savings alone. The breakdown is as follows:

CPF (forced savings)	$51,000
Savings in 2014	$20,000
Savings in 2015	$30,000

I decided to revisit my old blog posts to see which tips I had mentioned then helped me to to achieve this milestone. You may read about my journey in savings $20k and $30k a year in the table links above. In addition, I also looked back on my post where I detailed a plan for Singaporean young workers to save $100,000 by age 30 to see what still remained constant.

1. Aim to save 50% of your take-home pay.

I strived for a much higher savings rate of 70% â?? 75% each month.

However, it wasnâ??t a case of extreme savings where I needed to deprive myself of a social life and live on just bread and water. The higher savings percentage was achieved due to a rise in income, as I worked harder in my office job to show the value of my worth to my bosses (thus warranting a pay raise, hooray!) and also taught more tuition students on weekends and weekday evenings.

Although it was tiring â?? I was literally working 7 days a week â?? it was all worth it. After all, I donâ??t know how many more years of my youth I can spend *chiong-ing* so much tuitionâ?¦once family responsibilities kick in, Iâ??ll probably have to cut down.

2. Save your bonus (instead of spending it).

This wasnâ??t quite as relevant in my case as my company does not give out yearly bonuses. Nor do we get a 13-month bonus.

However, I did get a pleasant surprise when my boss rewarded me with a $1k+ bonus, and that went immediately into my savings.



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3. Open up separate bank accounts / Park your money in a good savings account.

When I first started out, I opened 2 accounts to keep my expenses and savings separate.

Iâ??ve since added more savings accounts, due to the cap of $60,000 for attractive interest rates by many of the different banks. Iâ??ve been exploring good savings accounts, and you can read my reviews of the UOB One, OCBC 360 and BOC SmartSaver here.

Unfortunately, all 3 banks have since revised their interest rates and qualifying criteria, so Iâ??m now on the lookout for the next best alternative. Will update on the changes shortly once Iâ??ve gathered the data.



4. Invest

The stock market hasnâ??t performed well this year. For those who were lucky enough to purchase at the market bottom during January â?? February, congrats! Unfortunately, I wasnâ??t one of them as I had run out of money during that period and didnâ??t have enough to invest.

I did, however, invest in one counter which netted me a $2k+ gain within 2 months. It was my best investment of the year and the profits went straight into my savings.

In 2014, I wrote about the tips that helped me to accumulate my first $20,000. The ones that Iâ??m still practising today are:

5. Track all my expenses



Iâ??m still using the free app â??Expense Managerâ?•, although Iâ??m looking to migrate to Seedly soon once I change my phone, as it is a local personal finance app developed by my (now) friends who also consulted me in the development phase to help improve it for users. Would anyone want to sponsor me a new phone? My current phone has a pathetic 8 GB of internal space and is always running out of storage so I canâ??t install any new apps -.-

On the app, Iâ??ve also added a new category called â??Weddingâ?•, which I foresee to be the next big money-sucker as my wedding date draws closer.

Iâ??ve gotten a little lazier at tracking my expenses, so sometimes I do 2 days at one shot, but Iâ??m still tracking every single dollar I spend as it continues to give me valuable insight into where my money is going. Iâ??ll do an update on this by end December to chart my yearly expenses for 2016.

6. Eat cheap / Avoid cafes



I remember receiving much flak for this tip, as many of my peers just couldnâ??t fathom skipping cafe food and sent me dirt via emails or comments.

On a personal basis, Iâ??ve continued to stick to homemade food and hawker food. My wallet is happy and so am I (true-blue Singaporean foodie here).

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Skip the morning coffee



Iâ??ve only indulged in Starbucks when Iâ??m teaching. Other than that, I try to skip coffee entirely and drink plain water instead, as it is healthier for my diet as well while I try to lose weight in time for the wedding.

Cut down on drinks / nightlife



Iâ??m really proud of the fact that Iâ??ve not stepped into a single club this year.

Other than the inevitable fact that Iâ??m getting old and the nightlife doesnâ??t appeal to me anymore, I find that another main reason is because Iâ??ve simply lost my love for alcohol after knowing how bad it is for folks trying to lose weight.

I still indulge in my social drinks with friends, but it is probably safe to say that my days of clubbing are over.

7. Take advantage of credit card promotions



Iâ??ve been studying credit cards in detail to see how I can maximise my dollars and rewards over the year. The cashback Iâ??ve gotten from the cards and other perks are indeed a huge bonus. I continue to maintain my stand that being smart about credit cards are a fantastic way to save money as well, provided you pay off your debts in time.

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Here are some posts Iâ??ve written on this:
What Are the 5 Best Credit Cards in Singapore Now?
Which Credit Cards to Use for Wedding Expenses

Looks like Iâ??ve hit my $100,000 milestone much earlier than I expected (age 30).

Although some may argue that CPF isnâ??t really your money, I definitely look at it as cash of my own, albeit a sum that I canâ??t withdraw at my own whim and fancy.

Iâ??ll do a recap of my entire savings and expenditure for 2016 in a few weeks when December comes to an end. Given that Iâ??m now past the $100k mark, I hope to reach my next milestone of quarter of a million ($250k) before 32.

Moving forward, I expect our wedding next year to be a huge drain on our finances as well as our housing, but Iâ??ll continue to save as much as I can.

With love,
Budget Babe

Category

1. Bank Accounts
2. Savings