How Much Debt Do Singaporeans Have?

Description

Whatâ??s your credit score?



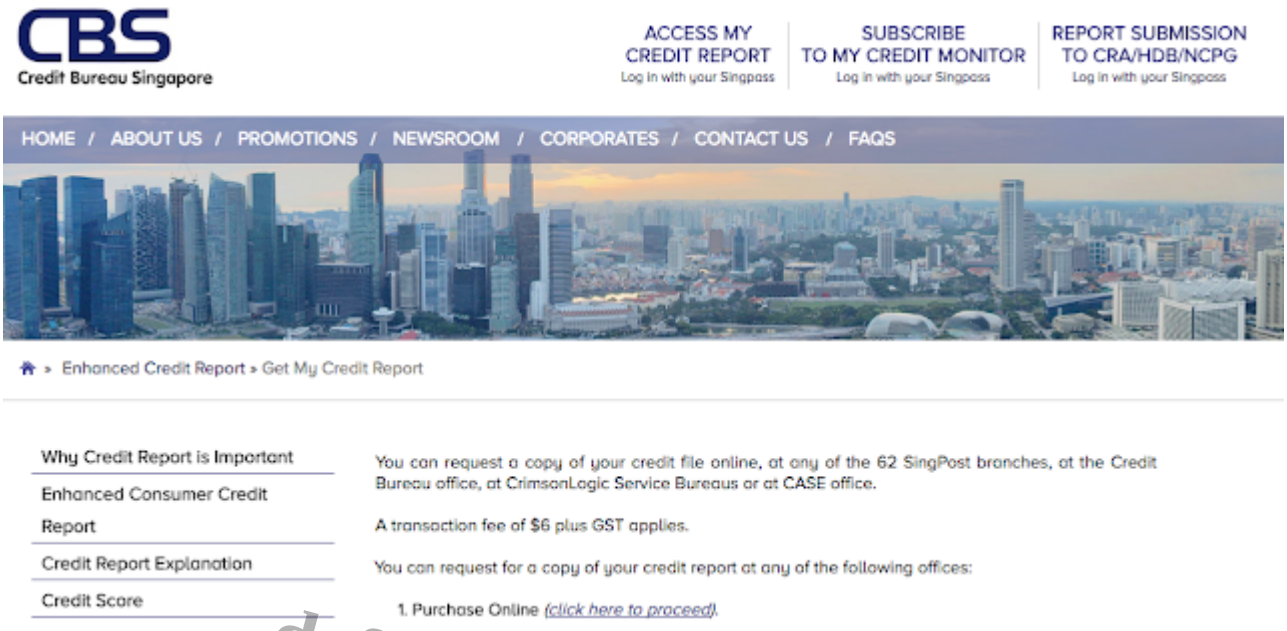
Did you know that the secret to getting approved for a mortgage / personal loan / new credit card really lies in how good your credit score is?

I didnâ??t know about this when I first started working and was happily applying for new credit cards. But after learning about the **Credit Bureau of Singapore (CBS)** and what they do, I realised that m

any life opportunities are enabled only when you have a good credit score, because this gives the banks the reassurance that you will not default on your loan if they lend the money to you.

If you have a bad habit of paying off your credit cards late, you not only incur a hefty $60 late-charge fee, but youâ??re also ruining your credit score, which may cost you the next time youâ??re trying to get a loan. Unfortunately, many individuals are not aware of how their daily actions like these can add up to deprive them of opportunities in the futureâ?¦until it is too late. Which is why I decided to write this post.
Disclaimer: #notsponsored

In normal circumstances, you can easily buy your credit report from the **Credit Bureau of Singapore** (CBS) for $6.42.



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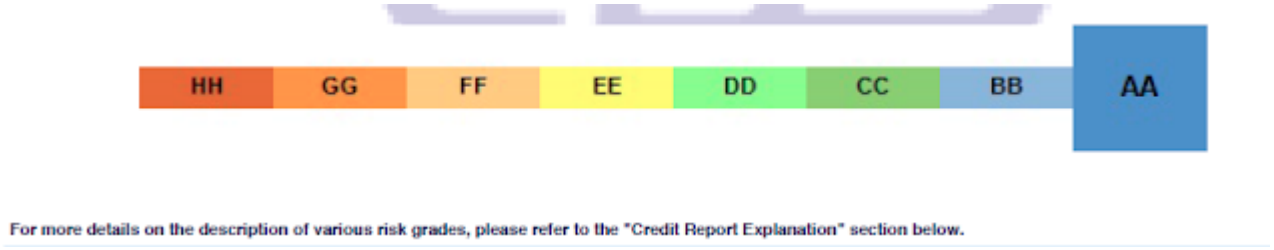
However, I recently got my credit report from CBS for free, thanks to **SingSaver** as theyâ??re currently giving away free credit reports as part of a campaign to help Singaporeans understand their financial health better. The report not only showed me my current score, but even reminded me of a credit card that I had almost completely forgotten about *(I had applied for it with my mother over 4 years ago and have barely used it since)*.

Despite paying my bills late a few times, my rating is thankfully still an AA.



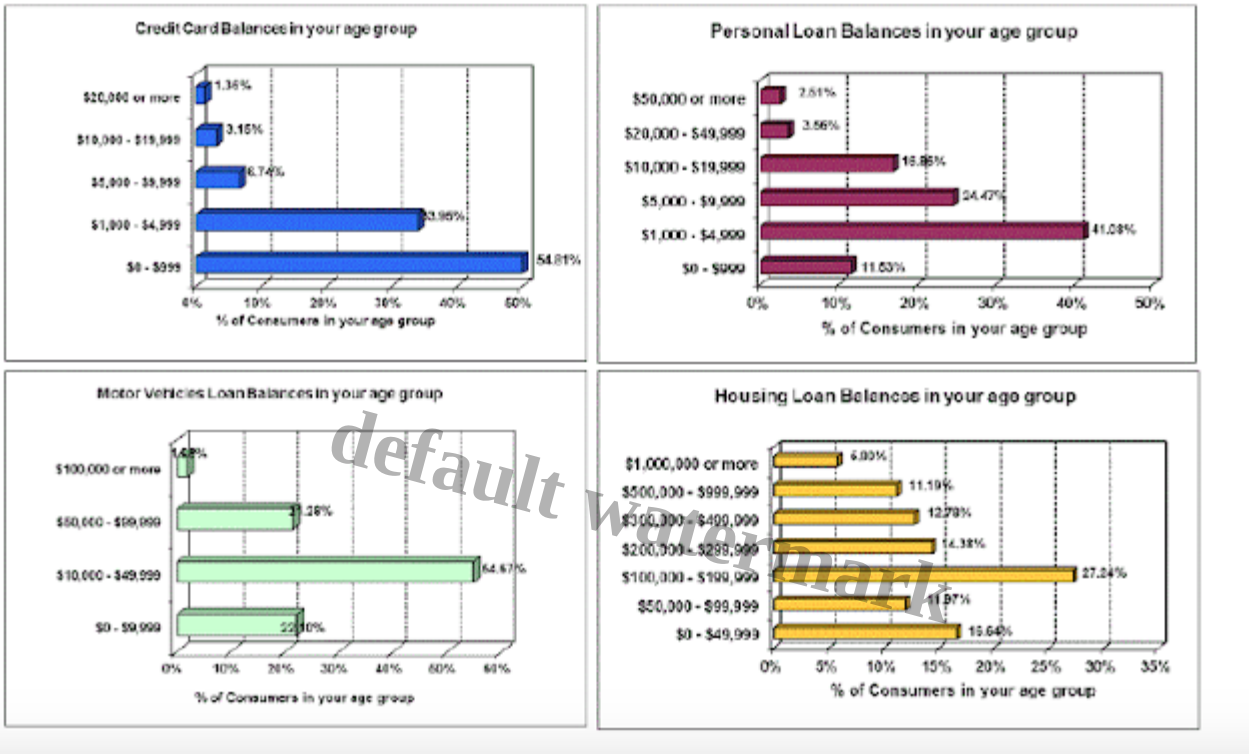
But what really surprised me was when I scrolled to the bottom of my report and saw that **young Singaporeans in their 20s have a total debt of $378,651** on average! Thatâ??s a lot of money.

Hereâ??s the breakdown:

Consumers in your age group (21 - 29) that use the following products have an average balance of:

Credit Card:	$2,280
Personal Loan:	$15,581
Motor Vehicles Loan:	$30,846
Housing Loan:	$329,944

3.61% of Consumers in your age Group had an overdue account in the latest month review.



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Now, these figures on its own donâ??t tell you a lot, so Iâ??ve put them into context by comparing against what other age groups owe:

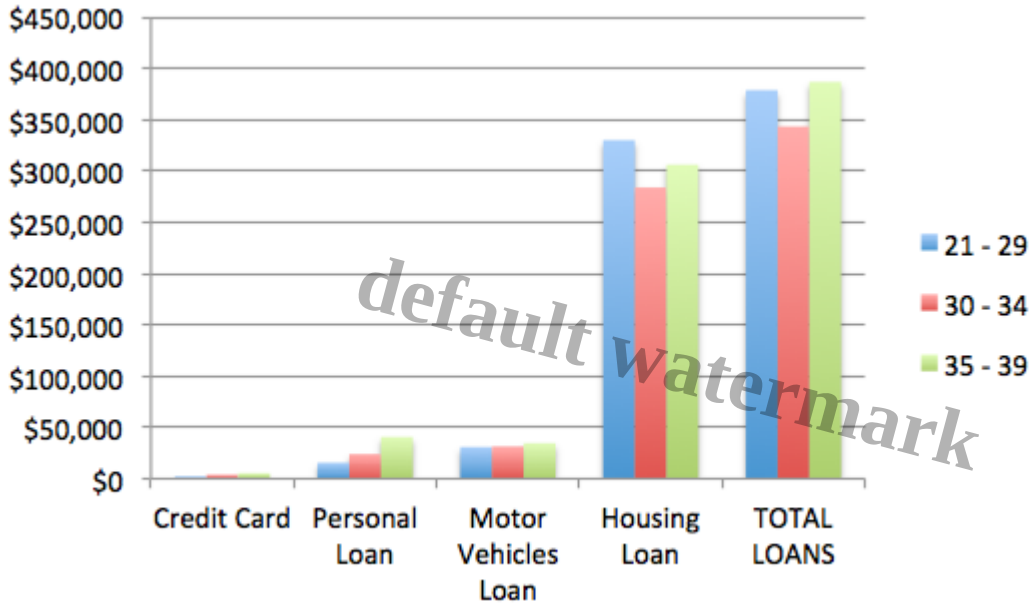
	21 - 29	30 - 34	35 - 39	50 - 54
Credit Card	$2,280	$4,015	$5,384	$46,341
Personal Loan	$15,581	$23,981	$40,674	$144,975
Motor Vehicles Loan	$30,846	$31,491	$34,606	$38,122
Housing Loan	$329,944	$283,826	$306,079	$365,596
TOTAL LOANS	**$378,651**	**$343,313**	**$386,743**	**$595,034**

Thankfully, it seems like Singaporeans have learnt to be smarter about their credit cards. Gone are the days when credit card companies earned huge money from rollover debts, consumers today have learnt to maximize the benefits of plastic cards without chalking up insane credit card debts in the 5-digit range. I hope youâ??re among this smarter generation of consumers.

Personal loans are at a healthy range for my age group, presumably because mosts young working adults are still paying off their tuition fee loan (find out how to pay it off quickly and reduce the interest you let the banks earn from you here).

Cars continue to be seen as a status symbol â?? despite numerical proof that forgoing a car of your own can save you millions of dollars over time â?? and motor vehicles of our age group do not differ too much from the others. While I can understand if you need a car for your work and it directly gives you more income, I still, however, advocate not having a car if you donâ??t really need one. (How about hiring a private taxi for the whole day instead?)

Finally, the bulk of our total loans are contributed by housing loans, which is only fair because this is the age where most of us start to buy our first home.



Even though those in their 30s are presumed to be wiser than us about their finances, youâ??ll find that their credit card debts and personal loans are not in any better state. This is worrying, and we should start planning for how we can avoid becoming the next statistic. Of course, if theyâ??re paying off their credit card debts in time, then thatâ??s fine.

Iâ??m missing the data for those in their 40s, so if any of you have this, would you please be able to share so I can update the table?

Oh no! What if my credit score is less than AA?

Nonetheless, your current credit score is poor, do not fret as you can still restore it to healthier ratings through prudent control of your expenses and managing your finances well!

Iâ??ll reserve this topic for another day but if youâ??re interested, SingSaver has invited me as a guest speaker for their upcoming workshop and you can join me by signing up on this link.

Get your free credit report too!



From now until 31 December 2016, SingSaver.com.sg is giving away free credit reports so that consumers can understand the state of their financial health better. You can register on their website here. Theyâ??ll then send you a unique code together with a **personalised link directly to Credit Bureauâ??s website** to redeem your free report.



In case youâ??re confused about the figures on your credit report, you can join me at the upcoming FREE workshop held at the Credit Bureau to learn about how to read your report, how to sustain good credit reports and other tips.

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Theyâ??ll be running 2 workshops this year, but Iâ??ll only be joining them for the 20 December one so do sign up for the correct workshop if you want to meet me ð???

ℜ•€€€€€ 1 November 2016, Tuesday, 6.30pm â?? 8.30pm

ℜ•€€€€€ 20 December 2016, Tuesday, 6.30pm â?? 8.30pm

Venue: Credit Bureau Singapore, 2 Shenton Way, #20-02 SGX Centre 1, 068804

Fill in the form here to sign up for the workshop. You can also drop me an email to let me know youâ??re coming! Perhaps we can meet outside after the workshop just for a chat, Iâ??d love to meet some of you guys in person.

Disclaimer: I am not paid to write this post or speak at the event, nor do I receive any monetary payments if you click on the link to redeem your free credit reports above. I am also not paid to speak at the guest workshop, so please do not feel afraid to come join me! Thereâ??s no selling of any goods or services as much as I know of.

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We often donâ??t realise the implications of not clearing our credit card bills on time, or any other actions that unwittingly pulls down our credit score, until we try to take a loan for a car or property. You could be ruining your own chances for future loans without even knowing in.

So join me in December to learn more about how to avoid making such mistakes, or even if you simply just want to meet the person behind Budget Babe!

P.S. Thereâ??s only ~~16~~ ~~12~~ 7 seats left for the December workshop so do sign up fast!



Still donâ??t know whoâ??s behind Budget Babe? Try guessing which one is me!
Start taking charge of your financial health today and make informed financial decisions with your credit report. Now that SingSaver.com.sg is offering it for free, why not just get a copy?

With love,
Budget Babe

Category

1. Credit Cards
2. Savings