Hong Leong Bank

DUITSMART

A Better Future for all Malaysians

Financial Mistakes To Avoid...

In your 40’s

You’re doing well in your career and earning substantially more now. With a higher income, one may be tempted to indulge in certain luxuries and delay their retirement savings.

1. Not reviewing your investment portfolio

Now is a good time to review them as you enter a new life stage. You may choose to cut back on risks as you near retirement. However, moving all your investments to a safer avenue too early could also cause you to run short on your nest egg. You need to ensure that your investment & savings plans can support you well through retirement. Balance is the key!

2. Putting off writing a will

Some still see this as taboo. However, writing a will should be on your must-do list in your 40's. A will protects your family and assets if something happens to you, to ensure the people you care about are taken care of the way you intended.

In your 50’s

Your children are all grown up and ready to live their own lives, and you’re less than a decade away from retirement.

1. Using retirement savings to pay for child’s education

Too many parents sacrifice their retirement savings and withdraw from their EPF to pay for this. Put your retirement needs first and do what you can to save for both, which is why it’s important to start planning for both as early as possible.

2. Investing like you’re in your 30's

You may become more protective of your savings and start cutting back on certain risks and long-term commitments. However, bear in mind that while investing can be risky, simply preserving capital is not a sustainable financial plan either. Make sure you keep growing your nest egg well into your 50’s to combat inflation and support you financially.

In your 60's

Your wrinkles have set in, your children have settled and have started their own families. The best case scenario would be to have sufficient financial stability to enjoy your golden years in relaxation and do things that you have put off for so long.

1. Completely abandoning investments

Retirees can continue to maximise on their investments to stretch their retirement income through investments that offer monthly or quarterly distributions. Ensuring your investments deliver a steady income stream can help you better manage your budget and stretch your money further for a more comfortable retirement.

2. Not maintaining a medical insurance

As you grow older, medical insurance becomes more expensive. The reason for this is that people are more prone to sickness as they get older and medical bills would start pouring in. That is when it will hit that you should have kept your medical insurance.

Want to know more about increasing your net worth? Read our tips on ways to make your savings grow faster.

For more ways to DuitSmart and get in better financial shape, go to www.hlb.com.my/duitsmart

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