



Newsletter – January 2012

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Financial responsibility.

A CFSM neighborhood group was having their usual monthly meeting when the subject of financial responsibility came up.

E.T. was explaining how, for many years now, he had helped his father manage his finances. As a result of this, though retired for many years now, his father is still financially independent and did not have to rely on his children financially. Then he mentioned that he is doing the same for himself and his wife with a mix of insurances, investments, and savings, and, also teaching his son (soon to join the work force) to do the same.

Other members then shared their own life experiences regarding money management..

M. told of how when he started working many years ago his good friend's father advised him that he should apportion his income as follows: "If you are staying with your parents, one third to your parents to contribute to family expenses, one third you can spend on yourself and the other third should be in savings." M feels that this is still good advice today though the proportions of giving to parents, family upkeep, personal expenditure, and savings, may have to be adjusted as one passes through the various stages in life.

C. who is still working, shared that she had always taught her children to give her money once they start working, as a contribution to the family and for household expenses. She even taught her son to give a token sum to a retired spinster aunt who had been more than generous to him all the years through his childhood and youth.

Most members agreed that children should be taught and encouraged to voluntarily hand over a portion of their earnings to their parents, even if the parents do not need it. In fact it is the practice in Singapore that most of these self-sufficient parents will choose to save this "contribution" and later use it to help the child defray his/her wedding expenses, to start a family, and/or help with the initial payment of an apartment, etc. But, as they say in Chinese "these are two different matters"- 这是两回事 . In other words the responsibility of contributing to parents, and receiving help from parents, are two decoupled, separate matters.

It was also felt that if the children are not taught to give, "to support" their parents, later, if and when the parents should need help, the children would be pretty resentful of the "burden placed on them". Some horror stories were exchanged about how well- to-do children without

this habit of “contributing” become very niggardly when required to give something to help support their aged parents later in their life.

E.T. however feels strongly that parents should plan their own finances, must rely on themselves into retirement, and not ask nor expect any support from their children. He feels that the children should be taught the same – to be able, to be responsible to plan and manage their own finances and not expect help from children or parents.,

Members also noted that nowadays many young people in Singapore spend all, of their own incomes, and going into debt, or relying on assistance from their parents, well into adulthood. This, the members agreed was often encouraged or abetted by over-indulgent parents.

The Group then considered the pitfalls of being “over self- reliant” (with an assured, guaranteed financial future), in the light of our Christian faith. Is good that a person becomes so materially independent that he no longer needs God or other men?.

The members then saw that the present financial difficulties facing the people and the Government of Greece, as stemming from the same beginnings, that of financial irresponsibility. The politicians tried to please the people by borrowing heavily to spend on projects which may benefit the people immediately but pushing repayment to the future income of future generations. Furthermore, they bend over backwards, to be very nice to the people, and they tried not to require the people to contribute towards the nation’s expenditure. They do not make efforts to enforce tax and revenue collection,

Many parents are making the same mistakes. They borrow to spend immediately, and promising “future income” as repayment. Buying a house by taking a loan to be repaid over 30-35 years is one example. A house is, at least, an asset which normally holds its value and may even appreciate over the long term. However, many house owners found that after repaying the loan to the Banks, every month for 10 years, they have hardly repaid the initial loan. Others get into debt for cars (a fast depreciating asset), for overseas travel, impulse purchases of expensive branded goods, etc. They believe that their future income will cover repayment.

In addition many parents do not encourage their children to save, nor get them to contribute to the family upkeep. They think that by doing so they are being nice to their children, and giving them a better life. Inevitable there will come a time when the children have to cut back on the expenditure and the life-style they were used to, and/or have to contribute more to the upkeep of their parents, then resentment will set in as they have no savings, no investment income, to help pay for “needs” which for too many years were set much too high for them to conceivably maintain for the rest of their lives. The result is always unhappiness if not misery.

We read recently in the papers of the “socialite” who in her divorce trial was able to show to the Courts that she spent S\$300,000+ per month, every month, and was seeking a maintenance of \$450,000 pm. They settled out of court. So we will never know if the Courts could be convinced that her regular daily needs are so high.

The “Economist” (magazine) in a article on Brazil’s recent off-shore oil discoveries, commented that the Country may fritter away this bonanza because it will “also feed some Brazilian vices; a spend thrift and corrupt political system; an over mighty state and over protected domestic markets; **and neglect of the virtues of saving, investment and training.**”

Reflections:

1. Matt 25.14- and Luke 19.11-
Parable of the 3 servants, of responsible investing and reaping from the talents God gave to one..

Does this not instruct us to be proactively financially responsible?

2. Matt 6.19-21, 24 and Luke 12.33
Storing your riches in heaven.

Does this teach us to prioritize what is important in our lives.

3. Notice that during the discussion, none of the CFSM members felt, nor voice the opinion that “the Government” should support the elders with State pensions. Should it?

This is an example of the formation that typically happens in a CFSM Group meeting. From looking at one’s life involvements and responsibilities, one sees parallels with the larger secular society, and learns how and where we need to act in the light of our Christian faith.

**And,
The CFSM do not provide formulaic answers to life.
After a series of Group meetings, its members slowly discover their own roles as Christians in the world through this process of Christian formation.**

We help make Christian adults and adults Christian.

.....by mark

This year, the CFSM will be celebrating 50 years as an adult lay apostolate movement in Singapore. Join us.