

Need for women to plan finances for rainy day

PETALING JAYA: It was only when her marriage hit the rocks that working mother Farehan Hussein realised she had nothing saved for a rainy day.

“Not only did I leave it to my husband to plan our family finance, I even helped him when he was short on money,” she said, adding that luckily, she managed to save her marriage.

However, that lesson has stayed with her.

“Now, I am changing my mindset. Like Oprah said – ‘Pay yourself first’ – and I try not to spoil my hubby by helping him too much financially. Let him deal with his money problems himself, then he won’t be busy looking for another wife,” she said.

Farehan is one of the many women who have left their retirement planning to their husbands due to an entrenched cultural belief, said Dr Jariah Masud, senior research fellow at the Gerontology Institute, Universiti Putra Malaysia.

“It is ingrained in many women that their first duty is to their husband and family. Their salary is to supplement their husband’s.

“Although more women than men put aside money from their earnings, they will still likely be worse off when they retire because they will not hesitate to take out their savings to spend on their children and family,” she said.

As for clerk Fadillah Ahmad, 31, her priority is her family especially her two children.

“I will save RM100 for each child every month. I also bought education and health insurance for them,” she said, adding that the

rest of her meagre salary would go towards the family’s daily expenditure.

Fadillah said she had never thought about not having enough in her old age.

“I am just thinking about my children now and how to save for them,” she said.

Dr Jariah said the issue with women was not financial literacy but how they applied that knowledge.

“Women now are financially more literate and are good at planning for the day but financial planning is life planning – it means you plan your finances for today, tomorrow and the rest of your life.”

Based on Visa’s International Barometer of Women’s Financial Literacy 2013, Malaysian women ranked fifth among 27 countries surveyed worldwide on disciplined budgeting and the ability to stick to it, the highest in Asia.

“Now that the retirement age is 60, you can work longer but then you may live up to the age of 90. So, you need to plan for some 30 years of life without work,” she said.

“Decide if you want to add years to your life or add life to your years,” she said.

Financial coach with Abacus For Money, Carol Yip, thinks it is fine for women to put their family first but that they should not forget to include themselves in the “family”.

“We need to change our mindset. Women have to realise that they are important, too, in the family context. The woman needs to make sure she is in the picture and when she puts aside money, she needs to include herself.