



Adulting Smart: Smart Financial Planning Tips For Adults

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For many adults in Singapore, especially those in the sandwich generation, financial responsibilities can feel like a constant balancing act. You're supporting ageing parents, possibly raising children, and at the same time trying to build a secure future for yourself.

That's why smart financial planning is essential. And if you haven't started yet, the best time to begin saving for your retirement is now. Ideally, by your mid-30s, you should already be laying the foundations for long-term financial peace of mind.

1. Build a strong financial foundation

- **Emergency funds**: Before diving into insurance or investments, build a solid buffer in setting aside 3 to 6 months of essential living expenses. This emergency fund acts as a safety net for unexpected events like job loss, medical bills, or urgent repairs, helping you avoid dipping into your long-term savings or going into debt. Once your emergency fund is in place, focus on growing your savings systematically. Here are some effective tools and strategies.
- **High-interest savings accounts**: Keep your emergency fund or short-term savings in a higher-interest savings account to earn more interest without taking on investment risk.
- **Singapore Savings Bonds (SSBs)**: A low-risk option for parking extra cash, SSBs provide flexible tenures and stable returns backed by the Singapore Government.
- **Regular savings plans with endowment policies**: Ideal for disciplined savers, endowment policies combine insurance protection with long-term savings. You contribute a fixed amount regularly, and upon maturity, receive a lump sum payout, perfect for future goals like education, upgrading your home, or retirement.
- **Start building an investment portfolio**: If you have a longer time horizon and higher risk tolerance, consider diversifying into investments such as:
 - **Robo-advisors** – MAS-regulated platforms offer professionally managed portfolios based on your risk profile. They're low-cost and great for beginners.
 - **Unit trusts** – Available via banks and investment platforms, unit trusts pool funds to invest in diversified assets. Choose from local to global funds that are aligned with your goals and investment aptitude.
 - **Exchange-Traded Funds (ETFs)** – Invest in ETFs listed on local or international exchanges. ETFs are ideal for passive, diversified investment.
 - **REITs (Real Estate Investment Trusts)** – Singapore-listed REITs offer regular dividend income and are a popular investment vehicle for retail investors.



PRO TIP

Automate your monthly savings so you build your fund consistently without missing it.

- **Basic insurance protection**
Unexpected events can derail years of progress, so it's wise to ensure you have adequate insurance for protection. Take stock of what you're already covered under, such as MediShield Life or other national protection schemes. As a rule of thumb for the amount of coverage you should have:

Coverage Type	Recommended Coverage Amount
Death & Total Permanent Disability (TPD)	9x your annual income
Critical Illness (CI)	4x your annual income

2. Spend smart, insure wisely

Keep your total premiums within 15% of your take-home pay to ensure long-term sustainability. Look into your protection needs, your income, and financial situation before deciding on type of insurance policy e.g. basic term vs whole life. Avoid overcommitting, especially if you're managing multiple financial responsibilities. Speak with your trusted financial planner for advice as insurance can be complicated for layman.

From [home insurance](#) to [saving insurance](#) for wealth accumulation in Singapore, make sure your insurance plans support your lifestyle.



PRO TIP

Just like a health check, it is good to give your insurance an annual check-up. However, it is also a good time to review after major life changes like marriage, buying a home, or having kids.

3. Start investing for your future

Building a strong protection foundation should be the priority. After setting up the safety net, you may explore various financial vehicles to achieve your financial goals, bearing in mind your risk appetite.

- **Short- to medium- term insurance savings plan**: These are not considered traditional investment tools, but they can serve as a capital-preserving option while providing modest returns. However, if your priority is capital protection, it's crucial to evaluate each financial product carefully, as not all short-term options are designed with this goal in mind.
- **Consider retirement-focused products**: Begin with a portion of your take-home pay – around at least 10% as a rule of thumb for your retirement planning – and increase this as your income and confidence grow. When planning for retirement, look beyond just lump sum savings. Instead, consider products that offer guaranteed regular payouts, which can serve as a stable income stream throughout your golden years. These monthly or yearly cashbacks can help you cover daily expenses, maintain your lifestyle, or simply enjoy peace of mind. Here are a few retirement-focused solutions from China Taiping Singapore that are designed to help you maintain your lifestyle during retirement.
 - **i-Retire (II)**: Offers a guaranteed monthly income during retirement. You can choose how long you want to receive payouts (10, 20 or 30 years from the end of your selected accumulation period), giving you flexibility to match your lifestyle and goals.
 - **i-CashLife**: A savings insurance plan that offers yearly cashbacks until age 120, with additional guaranteed loyalty cashbacks every 10 years starting from the 20th policy anniversary.
 - **Infinite Harvest Plus (II)**: A lifetime income plan that provides yearly payouts up to age 120, with additional Booster Bonuses from the 20th policy year. Capital is guaranteed from as early as year 3, with flexible premium terms. Option to appoint a Secondary Life Insured ensuring policy continuity, and receive a maturity lump sum benefit at age 120.

These plans give you options to [begin saving for your retirement](#) while offering protection and liquidity as life evolves.

4. Property as a retirement tool (Ages 55+)

More than just a roof over your head, your home can be a retirement asset. If you're over 55, consider how property can supplement your retirement strategy. Options to explore:

- **Rent out a room or unit**: If you own a larger HDB flat, renting out a spare room can generate your passive income. However, do note that there are HDB regulations to comply with, such as minimum occupancy periods and eligibility criteria for tenants.
- **Tap into Lease Buyback Scheme (LBS)**: The Lease Buyback Scheme allows eligible seniors aged 65 and above, who live in 4-room or smaller HDB flats, to sell part of their remaining lease back to HDB. You continue to stay in the flat for life while receiving a lump sum and monthly payouts through CPF LIFE. This is a way to monetise your flat without having to move out. However, the scheme is subject to criteria such as citizenship, flat ownership status, and CPF balances.

Note: HDB flats come with certain restrictions that may limit your options, including resale levy conditions, minimum occupancy periods, and eligibility for government schemes. It's crucial to evaluate these factors with a trusted financial advisor.

Just remember property should be one part of a diversified retirement plan, not your sole source of income.

5. Plan ahead for your legacy

A clear legacy plan removes the guesswork and protects your family emotionally and financially. Protect your loved ones by getting your plans in place. That includes:

- Making a will
- Nominating your CPF beneficiaries
- Appointing trusted individuals through a Lasting Power of Attorney (LPA): A Lasting Power of Attorney allows you to legally appoint someone to make decisions on your behalf if you lose mental capacity. You can apply for an LPA online via the [Office of the Public Guardian's e-service](#).

Conclusion

Smart retirement planning is a series of small and intentional steps. Start with what you can by building that emergency fund, reviewing your insurance, and investing a little each month. Explore flexible and reliable products like [i-Retire \(II\)](#) and [i-CashLife](#) from China Taiping Singapore. These plans offer an income stream during retirement and help future-proof your finances so you can enjoy your golden years with confidence. Speak with your preferred Financial Adviser Representative to get started. Begin saving for your retirement today. Your future self will thank you!