

# Is it necessary to give your parents an allowance? A guide to alternative ways to show filial piety—

## Transcript

**CPF Board** 00:07

Hey and welcome to Let's Talk CPF, a podcast where we bring conversations on CPF to your ears. Brought to you by the CPF Board, this podcast will answer common questions, offer tips, and feature interviews with industry experts on CPF and financial planning. Thanks for listening, and let's get straight into today's episode.

**Calvin** 00:34

Just graduated or about to graduate? Congratulations! As students we spend years studying, preparing and dreaming about our future careers. Graduation marks the end of one chapter and the start of another as we enter a workforce and begin to earn income. But with this new responsibility comes a shift in our priorities and obligations. We must now consider our choices and the impact they have on those around us. I'm Calvin and welcome to Let's Talk CPF. In one of our previous episodes, we had Nicole and Priscilla from The Simple Sum share about some budgeting tips on how you can protect your wallet now that you're back in the office. In this episode, we'll discuss financial challenges that first job was face. On top of that, we'll be touching on a topic that you would have thought about. How much money should you give to your parents? Welcome back Nicole and Priscilla.

**Priscilla** 01:22

Hello, it's good to be back.

**Nicole** 01:24

Yes, it's good to be back.

**Calvin** 01:25

So going back to the days where you just graduated, and you landed your first job. Do you recall what some of the new responsibilities as a working adult are?

**Nicole** 01:33

Yes, I remember everything very clearly as if it were just yesterday. I recall having to think about a lot of expenses that I hadn't before when I was in university. So things like transportation expense. Just as context, I'm a Malaysian and I grew up in Kuala Lumpur. And in Malaysia, it's quite common to have a car right after you graduate. Because that's the mode of transportation that you need to go to work and come back from work. So it was quite a big drain in my budget every month, I have to pay for car, fuel, toll and also parking to just go to

work and come back. So that was something definitely that was new in terms of the expenses that I had. What about you, Priscilla?

**Priscilla** 02:17

For me, actually, right after I graduated, my mom brought me to an insurance company, and then signed me up for insurance right away, because she was like, okay, now you start working right, you need to sign up for insurance as fast as possible. So, right away, I already had that fixed expense every month. And then it was also very new to me to be handling such a big amount every month, and then budgeting that accordingly that it was quite hard to spend wisely in the first few months. Not gonna lie. So yeah, I think it took a while for me to gain that balance, and to really predict how much I would be spending per month.

**Calvin** 02:55

So how was that process like for you? Was it something that you started thinking about when you graduated? Or was it something that you thought about after you graduated? When did that hit you?

**Priscilla** 03:04

I didn't think about it, or I was I was already thinking, okay, I'm gonna have so much money when I graduate when I work my adult job, and then I'm gonna buy whatever I want anything now, I can just go out without asking my parents on money or allowance. Yeah, that was I was thinking,

**Nicole** 03:21

I had a part time job when I was in university. So I was a tutor for secondary school students teaching mathematics. And I'm a numbers person, also. So even though budgeting and tracking expenses, like a lot of people find it quite tedious and boring, I actually find a lot of joy in doing it, because it's a lot of numbers. So I naturally already had the habit of like trying to count, like how much money I was earning each month. So that was quite exciting, because I didn't get like a fixed pay. So I got paid per hour basis, and I got paid on a weekly basis. So every time got money from my tutoring sessions, it was so exciting I got money. So I like to count the money that was coming in. But I also liked counting the money that was going out. So naturally, I think I already had that inclination to counting and budgeting without even realizing that that was budgeting at that point.

**Priscilla** 04:18

I had a part time job too, but I'm clearly not a numbers person. So I like to count the money that went into my pocket, but I totally don't care how much I was spending. So whatever was going in trust that it was going also.

**Calvin** 04:32

Yeah, I totally understand. I used to do freelance last time. So every time I got paid, I usually just spent it but because secretly I know there was a piece in my mind that I'll be able to scrape through and survive.

**Priscilla** 04:42

But last time when I was working my part time job, I didn't think allowance from my parents. Yeah. So but then during that time, I was like, okay, yeah, should be enough to survive. I don't know where I got that confidence. Somehow I survived.

**Calvin** 04:54

Yeah, I fee; you. I had a similar kind of confidence as well. So speaking of parents, right, I understand that giving parents and allowance is something that's very personal to most. And everyone has very different views on it as everyone's situation is different. As an asian, it's quite widely known that you start giving your parents and allowance upon landing a job after graduation. Is there a need to do so? What are your thoughts?

**Nicole** 05:17

Yeah, depends on the context. Everyone's personal finance situation is different. And everyone's financial background is different. So we got to zoom out and basically ask the question. Number one, are you giving an allowance to your parents, because you're helping out with the finances at home? Or number two, are you just giving allowance to your parents, because it's something for them to spend above and beyond the basic necessities. So I think it's important for us to try and understand clearly what this allowance is being used for, whether it's something to help out your family, or whether it's something to give to your parents so that they can enjoy their life and spend the money as they please. In my case, I when I first started working, I was actually helping out with the expenses at home, because my parents didn't get the same sort of financial education that we have right now. And so they weren't very well versed when it came to their finances. So there were a lot of things that they weren't able to afford to pay for. So my parents had that and the mortgage and car debt. And so I was helping out to actually cover some of the household expenses, so that they can focus their efforts and their funds to paying off the mortgage and the car loan. So in my case, specifically, I do realize that the money that I'm actually giving them is actually going to helping them kind of just continue living life in a comfortable manner, by just covering the basic necessities.

**Priscilla** 06:43

For me, for my case, I come from a place of privilege, because my parents are the second case where they don't actually need me to supplement for their daily necessities, they actually have enough for like, their basic living expenses. And what I give to them is actually just something extra for them to enjoy, or like just to pay like the utility bill. But, just because I stopped giving them money doesn't mean that they will suffer because of it. Yeah. So I think for me, it comes from that place of like, oh, they just want me to show some filial piety, I guess.

**Calvin** 07:18

So in the case, where you just started working right out of graduation, how did you manage your budget?

**Nicole** 07:23

So I think a lot of us when we just graduated, right, and you're helping your parents manage their finances at home, we may feel more inclined to give it a 110%. Like, our parents might be like, Oh, since you start working already, right? Can you help to pay for the this bill that bill help to pay for that. And it can be quite overwhelming. And it can be difficult to say no, because you know, you're living in the same house with them. And you have to also help out in a certain way. But if your salary is not enough to cover all these additional expenses, it's going to be suffocating for you also, right? So I would say that definitely have a budget and set some boundaries also. Because at the end of the day, it's just like, if you were sitting in an airplane, right, and then they always tell you, as part of the safety rules, when there's a drop in air pressure, put the oxygen mask on

yourself first, before putting it on other people. In the same case, I think it's important for us to also set some boundaries and build up our savings. At the very least build up an emergency fund. So don't spend all of your income as much as it's very difficult to say no to your parents, don't spend all of your income trying to help them with the household expenses. Go back to your budget, and really have a think about how much you can afford and then maybe just talk to them and say that, hey, you know, I'm getting this amount of salary coming in. And I would like to build up some savings, I can help foot the bill for maybe the utilities and the phone bill and internet. But anything else above and beyond that it's not something that I can afford at this point in time. Maybe we can look at, you know, me helping out on that further down the line in the future.

**Calvin 08:57**

So Priscilla, I understand you had a little bit of a thorny situation of your parents when you first started working?

**Priscilla 09:02**

Yeah, so for my case, right. I mean, as much as I would like to have a very nice discussion. And then like sort it out with my parents very peacefully, I was young and my communication skills a bit, not there yet. So for my case, my parents didn't actually need the money. And I knew that because they told me, I felt a bit resentful because it was eating up quite a lot of my salary at that time because I wasn't earning much to begin with. And I felt like I was living really like paycheck to paycheck and not being able to save up anything. So the resentment just built up because I also didn't try to start a conversation about how much I was contributing. Whatever my parents demanded, I'll just give it to them, until came to a head and we had an argument about it. Yeah. So after the emotions settled, we could finally open up the conversation and we came to a compromise that in the end about how much is reasonable for me to contribute to them. Only after we had an argument, then we had a condition about how the allowance wasn't really like to provide them with necessities, and it was more to let them know that I'm still there for them that I'm still going to support them to show that I care about them. Yeah. And then once I understood that, and once they understood how I felt in my own financial situation, then we started to talk about a more reasonable amount that could comfortably give them so that both of us can be happy, and live a bit more peacefully together under the same roof law.

**Calvin 10:35**

So what are some other ways that we can show filial piety to our parents?

**Nicole 10:39**

There are definitely other ways that you can show filial piety, it doesn't have to be monetary all the time, even though we're conditioned to think that it is definitely has to be monetary. So one thing I think you can do is contributing to the household chores. Now that you're working adult, you know, when we were younger, our parents pretty much took care of everything, right. So the groceries, cleaning the house, you know, doing the maintenance, and repairs, and things like that. So now that you're an adult, why not show your filial piety by taking up some of that responsibility at home, be it you know, making the meals, cooking dinner, at home, you helping out by doing laundry, cleaning up and the chores. These are other ways that we can also show filial piety and also build our own independence. Because once you start living on your own, you're going to have to do all these as well. So it's good practice as well. For when you live on your own.

**Priscilla 11:32**

It can be as simple as reminding them or taking them to their medical appointments, things like that. I think what they really want is also to show them that we still care about them, that we will support them even though you know, we have our own life. We have our own money. Yeah. And another thing that I recently did for my parents, although it Yeah, it's still monetary, but it's a way that you can show that you care without directly giving them the cash itself. What I did, which was to buy hospitalization insurance for my father. Yeah, so me and my brother, we actually split the costs of like a yearly hospitalisation insurance for him. And I think he really appreciated that like, okay, my children still, like, are still concerned about my health, like my future and things like that. And he also has a double effect of giving you a peace of mind that the financial burden will not fall too much on you or your sibling. And also your parents will have that peace of mind.

**Nicole 12:30**

Yeah, aside from buying insurance, there's other ways that you can also contribute that might be a bit more friendly to your wallet. So instead of giving cash, which can be a fixed amount every month, you might want to contribute to a particular household expense, such as buying groceries. So groceries is an expense that you can kind of control and get some savings out of it also, so not every month, the grocery bill has to be at a fixed amount. Maybe let's say when you are in a month where you have a little bit more extra cash, then you can actually bulk buy a lot of like dry goods, dried groceries that you can actually save, and keep in the house for a couple of months, right? And in months where you're a bit short on cash, and you're not able to provide as much to your parents in terms of monetary aspect, if you buy groceries and try to go for deals or try to go for savings and discounts. That's a way for you to be able to save a little bit more cost and still be able to contribute and show filial piety to your parents.

**Calvin 13:31**

Of course, there are also a few other ways that you can do to show filial piety to your parents. So you can also consider topping up your parents CPF accounts, you get tax relief of up to \$8,000, which means paying less tax and more savings for you. Of course, you can do this regardless of whether your first job or you've been working for a while. And if your parents qualify, you can also consider the Matched Retirement Savings Scheme. So there's a matching grant from the government of up to \$600 per year to 2025, you can check whether your parents are eligible for that on the CPF website [@cpf.gov.sg](https://cpf.gov.sg). So are there any parting thoughts that you ladies would like to share?

**Nicole 14:09**

When it comes to giving your parents and allowance, the key thing that you should do as you graduate and go into the workforce is to start having that conversation that open conversation about the amount how much you're able to contribute. What are your own personal financial goals that you want to be saving towards that may not be in line with the amount of allowance that you might end up giving them right? So for instance, you might say that, okay, I want to save towards getting a house. Therefore, I'm not able to give you X amount of money, maybe I can give you you know, a little bit less. So I think having that open conversation being honest, it's not easy because you know, our parents are so used to looking at us as their children and you know, always giving the instructions. We are adults now though. We are working already. So have that conversation, tell them

that, it's not easy. I know it's a work in progress, but it's going to be an ongoing conversation that you're going to have with them.

**Priscilla** 15:07

Yeah. And I think that helps to set that expectation, because a lot of the times the misunderstandings always come from, like mismatched expectations. Both sides have their own education, oh, I expect my parents to think about me like, What am I going through first and then the parents are expecting, oh, like, I raise my child already, and now they're earning a salary, they should be contributing into the house as well. But we're all human. So I think the most important is to have an open and honest conversation.

**Nicole** 15:35

Yeah, ultimately, at the end of the day, your parents want you to thrive. So they will be understanding hopefully, if let's say, you know, the allowance, it's not something that's matching up to what they initially expected if you just talk to them.

**Priscilla** 15:49

I mean, you can always like negotiate, right? Like, okay, maybe new though this first year, I can contribute a little bit less than once I get like a pay raise, then maybe I can up the amount a bit more. I think all of this is very understandable and very, like reasonable as long as you talk to them about it. Thank you Nicole and Priscilla, for being so open with your personal stories. I really enjoyed listening to those different perspectives.

**Nicole** 16:12

Thanks for having us.

**Priscilla** 16:13

Glad to be here.

**Calvin** 16:15

With that we've come to the end of this episode. If you like our content, follow us and give us five stars on whichever platform you're listening on. I'm Calvin, and this is Let's Talk CPF.

**CPF Board** 16:26

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