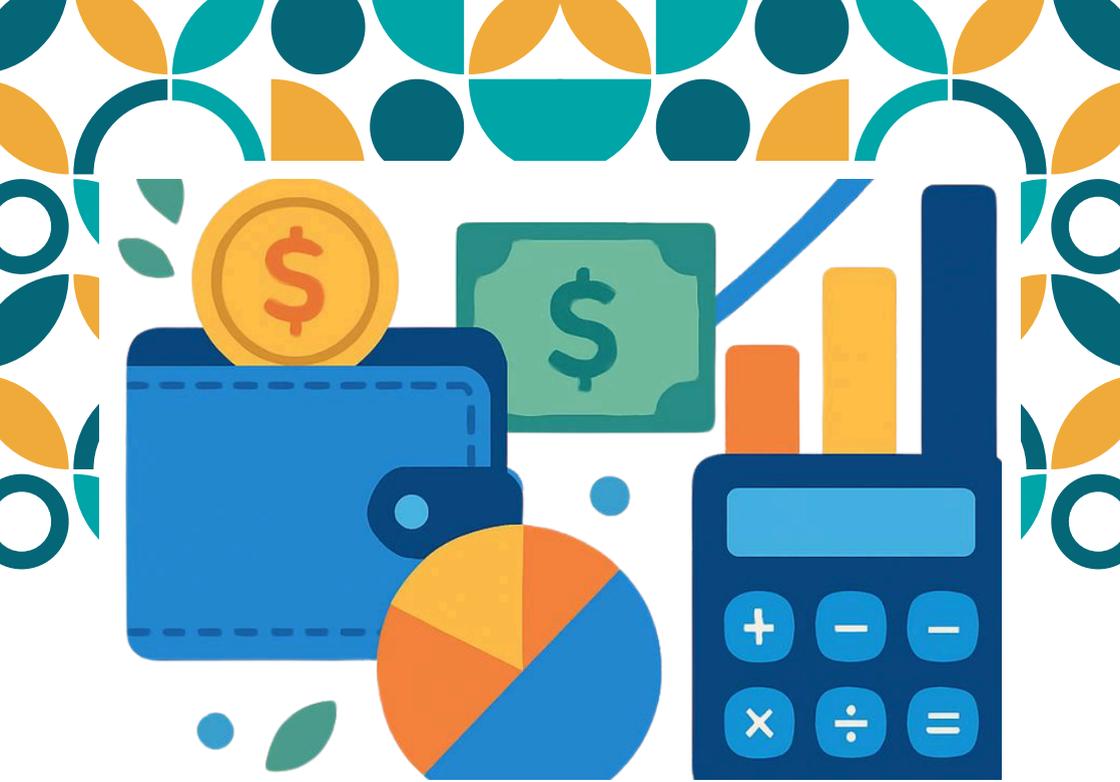


Chart Your Own Future

A Simple Guide to Money for Students

A Practical Money Management Guide
for Senior Secondary
and University Students



What is Personal Finance? Why Does It Matter?

Personal finance is simply how you manage the money in your pocket so that it supports your life goals. It is not just about “saving money” – it is a complete, lifelong planning process that grows with you.

Key areas of personal financial planning include:

1. **Asset and Liability Management:** Knowing what you own (assets) and what you owe (liabilities).
2. **Cash Flow Management:** Managing money coming in (income) and going out (expenses) so that you do not overspend.
3. **Risk Management:** Preparing for unexpected events, such as illness or job loss, so that your finances do not “collapse” overnight.

Tips:

Personal finance is the skill of how you earn, spend, save, borrow and protect your money.



Five Essential Steps to Manage Your Money

Managing your money is like running a small company – you need a clear system and discipline. Remember these five essential steps:

1

Review Your Current Situation

Find out how much pocket money or part-time income you have each month, and where it all goes. Track your spending for one to two months and you may discover many “money leaks”.

2

Set Your Goals

Do you want to go on a graduation trip, upgrade your mobile phone, or save for further studies? Write your goals down and be as specific as you can.

3

Build a Budget

Your income is limited, but your wants are unlimited. Try the 50/30/20 rule:

- 50% Needs: Meals, transport, tuition fees.
- 30% Wants: Movies, clothes, gatherings with friends.
- 20% Savings and investment: Pay your future self first.

4

Take Action and Keep Records

Follow your budget and keep simple records of your spending using a notebook or an app.

5

Review Regularly

At the end of each month, check whether you stayed within your budget, and identify at least one area to improve for the next month.

When Should You Start, And For How Long?

The short answer: start now, and keep going for life.

When to Start

Money management is not something you wait to do after you “start earning big money”. Even as a student, you may not earn much, but time is your greatest asset. Small amounts plus long time can make a big difference.

The Power of Compounding

If you save HKD 1,000 every month, even in a basic savings or time deposit account, it can grow into a meaningful fund for further studies, travel or starting a business in a few years.

Start Early, Pressure Lessen

Suppose you want HKD 4 million by age 60. If you start at 23, you may only need to save about HKD 3,800 per month (assuming a 5% annual return). If you wait until 33, the monthly savings may need to double to around HKD 7,600.

When Does It End

Financial planning is a continuous cycle. From studying, entering the workforce, getting married and buying a home, to raising children and retiring, each stage requires different strategies – but the mindset of planning never stops.



What Does a Personal Financial Plan Cover?



A comprehensive financial plan is like a blueprint for your life. It usually includes:



Cash Flow and Budgeting

Managing your day-to-day income and expenses, and building an emergency fund (generally 3–6 months of basic living costs).



Investment Planning

Letting your money work for you using tools such as stocks, funds and bonds. Make sure you understand the products and the risks – do not simply follow what others are buying.



Insurance Planning

Protecting your “human capital”. Start with basic medical and accident coverage at young to prevent financial stress from unexpected events.



Education and Career Planning

Investing in your own education, qualifications and skills is often the highest-return investment.



Retirement Planning

Retirement may feel far away, but it is still important to understand how MPF works and to think about your ideal retirement lifestyle.

Action by Stages

Now (at age 18–22):

Focus on saving regularly, learning financial basics, building good spending habits and avoiding unnecessary debt.

Early Career (at age 22–30):

Start small-scale investing, strengthen your insurance protection, and save towards bigger goals such as buying a home, starting a family or further studies.



Reviewing Your Plan: A Yearly Check-up

A financial plan is not “set and forget”.
Just like your health, it needs regular check-ups.



1. Progress Towards Goals

Have you reached last year's savings goals? If your income has increased, can you raise your monthly savings rate this year?

2. Balance Sheet Update

Has your net worth (assets minus liabilities) improved? Have you reduced or cleared any credit card or personal debts?

3. Investment Review

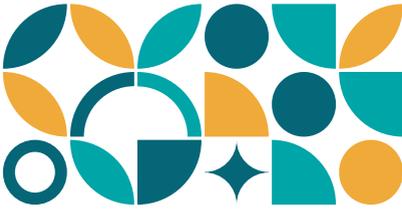
How have your stocks, funds or other investments performed? Do they still match your goals and risk tolerance, or do you need to rebalance?

4. Insurance Review

As you move from student to working adult and take on more responsibilities (for example, supporting parents), do you need to upgrade or add medical or life insurance coverage?

5. Life Stages Change

Are you planning to study overseas, change jobs, get married or move out? Every major life change is a reminder to revisit and adjust your financial plan.



Consequences Without Proper Planning

What happens if you simply “don’t bother” with financial planning?

Living Paycheque to Paycheque

You never know where your money goes and can never build your first pot of savings.

Debt Problems

When emergencies happen – a broken mobile phone, sudden medical bills or a loss of income – you may need to rely on credit cards or high-interest loans, which can quickly snowball into long-term debt.



Missed Opportunities

A valuable course, exchange programme or investment opportunity appears, but without savings, you can only watch it pass by.

Passive Retirement

You may be forced to rely mainly on social welfare or family support, with less freedom to choose your lifestyle and fewer options for how you spend your later years.

Going Professional: CFP Certification

If you are interested in money and planning, you can go beyond managing your own finances and consider a career in financial planning.

When you face complex issues such as tax, inheritance or large investments, or when you want professional, objective advice, a CFP professional can help.

What is CFP Certification?

CFP Certification, that is CERTIFIED FINANCIAL PLANNER Certification, is an internationally-recognised professional designation that represents the highest standards of knowledge, experience and ethics in financial planning.

The “4Es” of CFP Certification

1. Education: Completion of an approved financial planning education programme.
2. Examination: Passing rigorous, internationally aligned
3. Experience: At least three years of relevant full-time work experience.
4. Ethics: Adhering to a strict code of professional ethics and always acting in the clients' best interests.



From Personal Finance to Professional Qualification: Your Career Path



Turning Interest Into Profession:

- Learning personal finance not only helps you manage your own life – it can also be the starting point of a meaningful career.
- Industry Outlook: As an international financial centre, Hong Kong has strong and growing demand for CFP professionals. Many work in banks, insurance companies, asset management firms and independent financial advisory practices.
- Attractive Rewards: According to IFPHK's statistics, the median annual income of CFP professionals in Hong Kong can reach HKD 600,000–800,000, and top performers may earn over HKD 1 million.
- Lifelong Learning: Financial planning is a profession that requires continuous learning and close attention to market, product and regulatory changes, offering both challenges and opportunities.

A Word for Students:

- If you are comfortable with numbers, enjoy communicating with people and want to help others achieve their dreams, financial planning could be a rewarding study and career option to explore.

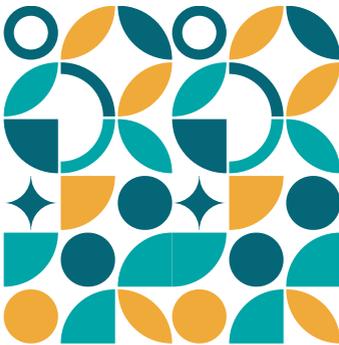
Quick Quiz and Practical Tips



“Money Personality” Test

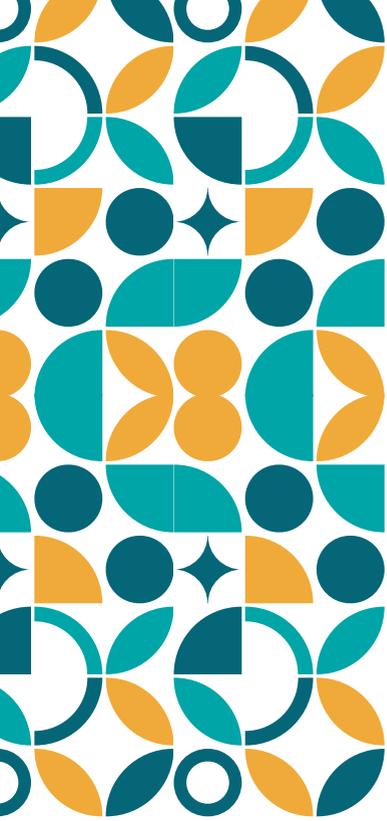
1. Upon receiving pocket money or salary, you tend to:

- A. Save almost all of it first and only spend when necessary.
- B. Plan roughly how to use it for the month and save part of it from the start.
- C. Spend whenever you see something you want, without much planning.



Tips for Building a Money-wise Mindset





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From Financial Learning to Life Winning

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