

Own a furkid or planning to get one? A guide to your financial commitments as a pawrent

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.

Sarah 00:34

For many of us, our pets are more than just animals. They are also family. They bring us joy, but they also do come with certain financial responsibilities. So today, we will have a special guest to share how we can plan our finances better as pet owners. Dr. Teo Boon Han is currently the president of the Singapore Veterinary Association and the Managing Partner at VetTrust Singapore, a consulting and solutions firm for the veterinary, livestock and pet industry in Singapore and Asia Pacific. He is also a practicing vet at Canopy Veterinary Center. Hi, I'm Sarah, your host for today. I am a cat owner myself, so I'm really excited to discuss more with Dr Teo. So Dr Teo, we know that each pet is unique and faces different health issues depending on their situation. Let's first start with the basics. What are some key expenses when it comes to owning a pet?

Dr Teo 01:25

Hi, Sarah, thank you for having me. So when it comes to expenses on pet, I always think about two things. The first is of course the initial cost. For me, I always encourage adoption over buying a pet. So that's my personal belief. But if you're looking to buy a pet, I'll always definitely advise everyone to only approach reputable sources. Now the cost can vary widely, but a pedigree dog or cat could cost up to thousands of dollars. While if you adopt a pet, usually there will be a small initial adoption fee. So that's for the initial costs. If we talk about the recurrent costs, then definitely we should include food, which makes up the bulk of the cost. Things like bedding, grooming supplies, toys. So just like us, our pets enjoy playing with their toys as well, and of course routine vet care, such as vaccinations, sterilisation, but also unexpected medical expenses. So as you know, many Singaporeans like us like to travel a lot. So it's also wise to consider the costs for pet boarding or pet sitting services as we travel.

Sarah 02:22

Yes, actually my family and I love traveling. So whenever we travel, we will find a relative or a friend to come over to take care of our cat. For me as a cat owner, I just want to make sure that she's safe and doing well while we are away. So Dr Teo, other than doing this, is there anything else we can do to maintain our pet's health and well being?

Dr Teo 02:42

This is a really great question Sarah, and it's something we share quite a lot in our practice as well. Obviously, you know the term we are what we eat, so this also applies to our furkids as well. From my understanding and interaction with many pet owners in our practice, we do see that many pet owners

do recognise the importance of high quality food and are willing to spend on it. So for example, in terms of the share of wallet for pet care, so how much a pet owner spends on their pet in Singapore, for every \$100 spent on pets by their pet owners more than \$75, which is more than three quarters goes to pet food on average. Aside from good nutrition, maintaining a pet's health and well being also involves other expenses such as regular checkups, vaccinations, flea, tick and heartworm prevention and also dental care. Now the cost can vary depending on the pet size. Of course, we see many different sizes of dogs depending on the breed, also their age and health status. Across the board, investing in preventive care is important to keep our pets happy and healthy and mitigate future unexpected veterinary bills.

Sarah 03:45

Talking about vet bills, my cat has a really long and furry coat, so we do spend quite a bit on her medical expenses because of her furball issues. But I do know that these expenses can vary between dogs and cats right?

Dr Teo 03:57

Yes so generally, annual vet expenses for preventive care can range from about \$200 to \$800 for dogs and slightly lower for cats from about \$100 to \$600. So these estimates include routine checkups, vaccinations, parasite prevention and dental care.

Sarah 04:15

I've also heard of stories where pet owners have to fork out thousands of dollars for things like emergency surgeries and blood transfusions. So as much as I can, I will try to keep my cat indoors to prevent these accidents from happening. However, there are also cats who are more adventurous and enjoy the outdoors. They might then face certain accidents and suffer from serious injuries. In that case, could you share more about the costs involved for emergency procedures, and if there's any financial assistance available for the pet owners?

Dr Teo 04:44

Yeah, you're absolutely right, Sarah, emergency vet care can be costly. It's hard to give a specific number because this really depends on the nature of the emergency but based on my own experience, it can range from about \$1500 and go up to as close to the five digit range or even more. To prevent such cases, I think pet insurance is recommended to cover unexpected vet cost or pet owners can also set aside an emergency fund for their pets, just as they would for their own family members and dependents. To your query about financial assistance, there are NGOs out there that are doing really great work, many of whom we support, but these are really for low income pet owners and community animals. So these avenues should be reserved for the most needy. So one thing to take note of is the shortage of manpower in the vet industry. It is pretty severe, and based on our own experience, many emergency and 24-hour vet facilities are full all the time.

Sarah 05:40

Wow, I didn't know about this shortage of manpower in the industry, and I guess this will explain why emergency vet care is usually so expensive. You recommended pet insurance earlier, right? So if I were to really buy one for my cat, could you let me know what are some things I should take note of?

Dr Teo 05:56

Pet insurance is a wise choice for many pet owners, as it provides a financial safety net for unexpected medical expenses. And I always share with the pet owners that come in to our vet center, when choosing a policy, consider the coverage limits, deductibles and exclusions. Depending on the insurance policies, premiums can vary, typically ranging from about \$20 to \$70 per month for dogs and \$10 to \$40 for cats, but it can be a worthwhile investment for peace of mind. Depending on the insurance policies and insurance providers, annual premiums can range from about \$90 to over \$700. In many cases I personally experienced, pet insurance was literally a lifesaver covering surgeries or treatments for accidents and illnesses that would have otherwise cost thousands of dollars out of pocket. So for example, bone fracture repairs, and foreign body removals can run a bill of above \$6,000. So having pet insurance allows pet owners to make healthcare decisions based on what's best for their pet rather than financial constraints.

Sarah 06:59

But Dr Teo, you know like how insurance for us doesn't cover everything. I assume that pet insurance is the same? In that case, what are some costs that we have to bear on our own?

Dr Teo 07:10

You're absolutely right, Sarah, and even with pet insurance, pet owners should anticipate deductibles, co pays and any costs not covered by the policy. And this includes certain conditions or routine care. Insurance policies vary, so it's important to read the fine print and understand your financial responsibility. Based on my experience, I understand pet owners will usually need to bear the vet expenses upfront as well too, meaning the insurance companies work on a reimbursement basis. Having said that, setting aside a savings fund specifically for pet healthcare is also a great alternative to pet insurance.

Sarah 07:46

Wow I never thought about setting aside a savings fund specially for my cat, but now that I know more about pet insurance, I will definitely start looking into the policies, especially since she's not getting any younger. Okay, so since we are already on this topic, Dr Teo, could you also tell me more about the long-term health or medical expenses I should anticipate for my senior cat?

Dr Teo 08:07

So just like humans, our pets are living longer. And we do see pets living up to 16 to 20 years old these days. And while longevity is of course always welcomed, they can come with long-term medical conditions and ailments that can set in especially at an older age. So Sarah, you mentioned that you're a cat owner. I also own two cats myself, and you know cats can develop some long-term conditions as they get older, including diabetes, arthritis, heart disease, and renal diseases. All of these long-term conditions will require ongoing medications and supplements. Some of these cats also need to be put on a special diet and also need to come to the vet more regularly. So our pets will not remain young and healthy forever, and planning for these potential costs is an important part of responsible pet ownership. I always tell my clients that everyone should not only be financially prepared, but also mentally prepared as well.

Sarah 09:05

I am definitely not mentally prepared when her final day comes. In that case, do you have any tips to keep my cat healthy and prevent future medical issues from popping up?

Dr Teo 09:14

I would say don't skimp on a relatively small amount of money, such as those that we spend on routine parasite care and vaccinations. Things like regular preventive care, a complete and balanced diet to maintain a healthy weight, is very important. Regular exercise, routine dental care and health screening can pick up some health issues quite early, and if we can pick them up early, we can prevent them from developing into more serious issues further down the line. So as mentioned earlier, owners spend many times more on pet food than on vet care over the course of a pet's life. But the main difference is that the expenditure on pet food is anticipated. Pet owners can get caught off guard when unexpected vet bills arise. So do consider setting aside a savings fund specifically for pet healthcare to manage expenses more easily.

Sarah 10:03

Yeah actually even for us, we will go for regular vaccinations and checkups to make sure that we don't fall sick. So likewise for our pets, we also shouldn't skimp on the seemingly simple things, such as yearly vet checkups. Anyway, it does seem cheaper to spend on regular vet visits and vaccinations. Okay, so before we wrap up, Dr Teo, do you have any final thoughts or comments for our listeners?

Dr Teo 10:25

So Sarah, owning a pet is rewarding, but comes with significant responsibility. Understanding and planning for anticipated and unanticipated costs can help ensure that your pet leads a long, happy and healthy life. I think in Singapore, we are fortunate to have an excellent public healthcare system for humans that is subsidised and accessible. This is not true in veterinary care, and I always say that the hard truth is that there's no national safety net when it comes to pet healthcare, and pet owners are wholly responsible in ensuring that the pets can receive the vet care that they need. Don't hesitate to seek advice from vets or financial advisors to make informed decisions about pet care and insurance options.

Sarah 11:07

True, if anything happens to my cat, I can't use my MediSave to pay for it. To summarise, as pet owners, our financial responsibilities not only include the one-time cost during adoption or purchase, but also recurring costs, like food and regular vet checkups. On top of that, we must also be prepared for emergencies. Just like how we are advised to set aside at least three to six months of expenses as emergency cash for ourselves, we should also consider having a pet insurance plan, or even setting up a savings fund for our pets. After all, a pet is a lifetime commitment of not just time and effort, but money as well. Thank you Dr Teo, for the advice and tips in planning our finances as pet owners. I've personally learned a lot today. I'm Sarah, and you've been listening to Let's Talk CPF.

CPF Board 11:56

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