

# PERSONAL FINANCE

For Smart People

A Pocket Guide  
for Wealthier Life



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① Pay YOURSELF first.

Save at least 10% of your income. 20% is better. 30% is great.

Learn to live on less. It's a super-power!

SAVE  
MONEY



② Get health insurance  
and term insurance,  
the latter if you have  
dependents. No ULIPs,  
no endowments, nothing  
else. Keep insurance  
separate from  
investment. Don't mix.



③ save 8-12 months'  
expenses as emergency  
fund. Don't use it for  
any other purpose  
except emergencies.  
Keep it in savings acc.  
or under your mattress.

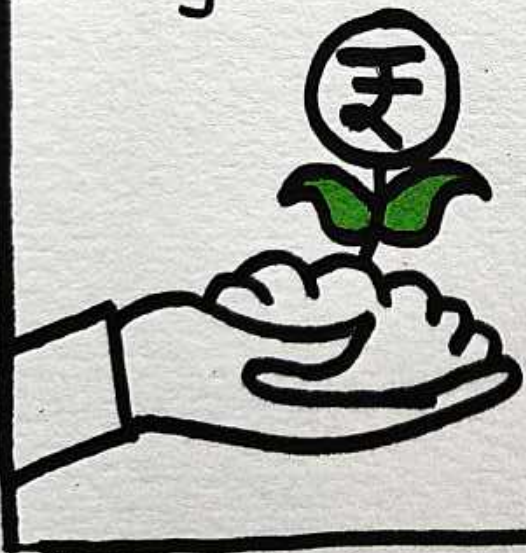


④ Maximize tax-  
advantaged savings  
Like ELSS, PF, etc.

Save tax and claim  
benefits of disciplined  
investing and compound  
interest.



⑤ Take whatever is left and sensibly, invest 70% in equity and 30% in debt, of the money you don't need in the next 5+ yrs. Then, do NOT touch it till you NEED it.



⑥ Start SIPs in well-managed, inexpensive, well-diversified mutual funds. Own them till they remain well-managed. Ignore short-term under-performance.

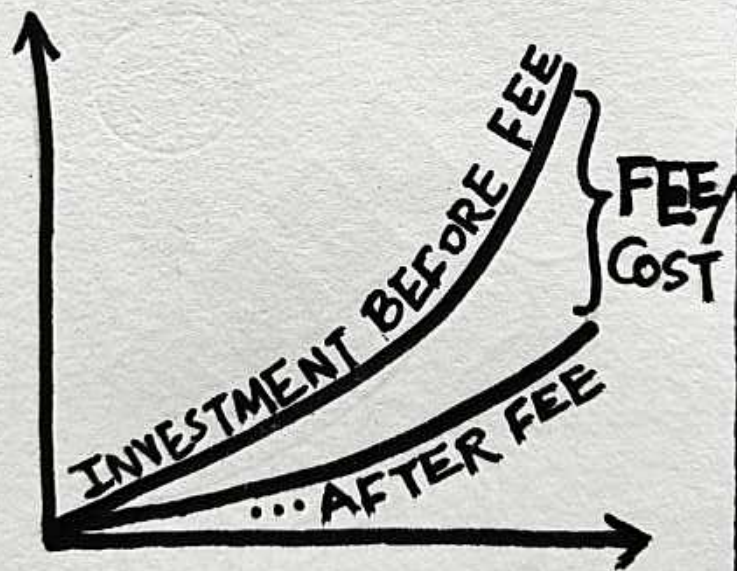


⑦ Don't buy stocks -  
or any investment -  
till you understand  
what you're getting  
into. Buy stocks ONLY  
if you have time and  
inclination to study  
and value businesses.





⑧ Pay close attention  
to your investment fees  
and costs. Stay far  
from what seems too  
good to be true.



⑨ Avoid debt like plague,  
esp. credit card or any  
high cost debt. Pay off  
your credit card balance  
every month. NEVER  
borrow for anything  
that loses value, like cars.



⑩ Make a WILL.

Without one, your family could be left with nothing when something happens to you. Remember, where there is a Will, there is a way ... for your loved ones.

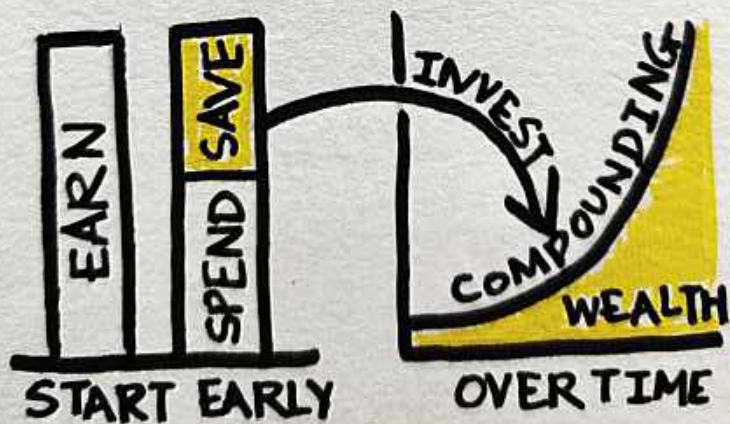


⑪ Invest in YOURSELF.

More you Learn, more you earn. Raising your income, apart from cutting your spending, is a great way to increase your savings.



⑫ Build a COMPOUNDING  
mindset. Start small,  
then build over time.  
Little by little, a little  
often becomes a lot.



⑬ Know how much is ENOUGH. Try and get wealthy just once in life, and learn to stay there - wealthy enough to not worry about money and have control over your time.



(14) Avoid mistakes that  
may kill you financially.  
Managing money is NOT  
about doing amazing  
things as much as it is  
about avoiding financial  
ruin over long periods  
of time.



⑮ Wealth often comes at a price. Ensure that you do NOT pay for it with your health, peace of mind, and time with family and friends.

At the end of it, even if your bank account may seem inadequate, ensure that your LIFE is rich.



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