PERSONAL FINANCE
For Smart People
A Pocket Guide for Wealthier Life

TIME

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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!
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 account or under your mattress.
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.
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.
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 car.
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.
Build a compounding mindset. Start small, then build over time. Little by little, a little often becomes a lot.
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.
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.
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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