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See Your Money Grow

Here's How

What shape are your finances in? Are you getting the most out of your savings? Make your money work for you... **By Divya Sreedharan**

Namitha Rao (32) used to be a high-earning IT professional. Now, she is a dedicated mother to Purav (4 plus) and Mythri (1) and delights in dishing up treats for them. And, this Bengaluru-based homemaker has turned entrepreneur recently – she has launched her own line of jewellery and décor items. In her spare time, Rao takes Kannada and Hindi tuitions too. A lot on her plate, yes – but she is determined to supplement the family income. ‘Girish (her husband) was the sole earner for four years. I wanted to ease the pressure on him, without compromising on quality time with my children. So I’ve focused on my strengths and skills... I earn enough to cover our daily living expenses, the apartment maintenance and my house

Start Small, Start Today

Begin by saving that little bit more, every month. Then use that amount wisely. Says Sucheta Dalal, co-founder of Mumbai-based MoneyLife Foundation, ‘The first step to make your money grow is to save as much as possible and invest regularly – do not keep your money idle.’

Financial planner Priya Sunder and her husband run PeakAlpha investments, a Bengaluru-based wealth management company. Priya believes that women need to be more aware. ‘Women, on an average, live longer than men, which means that at some point a woman is more likely to be left single. Also, studies reveal that a woman lands up with higher health care costs through her life. When it

A financially secure woman is a more confident and happy woman – invest sensibly and timely

help’s pay. So, we are left with that extra money from his salary which we can invest,’ smiles Rao.

The couple has invested the “extra” in options such as “paper gold” or gold certificates issued by banks, futures accounts and stock exchanges in lieu of buying actual, physical gold. ‘We are doing this for our children,’ explains Rao. (for more ideas, see box: “Investing Right”)

comes to income, an average woman’s income flow is lower and erratic. She takes career breaks for childbirth and other family-related issues. And when she rejoins the workforce, there is usually a steep pay cut. Considering all this, investing a part of the surplus money every month must become second nature for women,’ she stresses. The learning: Start early and invest systematically. The more time your

Investing Right

NAMITHA RAO (32) & GIRISH SHENOY(36)

- Every year, they buy “paper gold” or gold-linked mutual funds.
- Stocks in different sectors, held long-term
- Small investments in fixed deposits (FDs)
- 20 percent earnings kept aside for entertainment



Small Steps, Big Savings

- Why not buy groceries, monthly household items and veggies, online? Sites such as bigbasket.com, lets you chart your monthly expenses so you can see exactly which commodities are causing more expenditure.
- Switch to LED lights in certain rooms/sections of the house to save on power consumption, and keep electricity bills low.
- Use credit cards only for emergencies and certain online transactions. Be wary of landing in credit card debt.
- When it comes to entertainment, customise and choose only the television channels you want – do not let the service provider put in additional channels, all at extra cost.
- Review your internet usage and choose a plan that best suits you.
- If you’re a homemaker starting a home-based venture, you need all the support you can get – pay your domestic helps a little extra to ensure their loyalty and service.
- Certain travel websites offer better deals if you book through them. Scour all the sites to get the best possible rates/packages before a trip. Also plan in advance to get cheaper airfare.





LESS SAVINGS

As a financial planner, the disturbing trend I notice among young urban Indians is the fall in the savings rate. I find the proportion of income allocated to gifts and entertainment rising at an alarming rate. Such an increase is perfectly acceptable if it is commensurate with a steady uptick in income. But when annual income growth is restricted to low single digits, and discretionary expenses increase in double digits, they have a problem on their hands.

The constant refrain I hear from singles is that it is impossible to court without money. Far from being mutually exclusive, they feed off each other. Finding the right person to spend the rest of your life with is the easy part of courtship. It is the vast amounts of money spent in the process of finding Mr or Ms Right that breaks the bank for many. It makes sense to cut your losses when the relationship is going nowhere, because the domino effect of reckless spending over several unsuccessful relationships can impact your financial future across many years.

Yes, it's about the money; but it's not all about the money, honey!

Just as it is important to invest money to secure your life, investing in the right partner is crucial because this is the person with whom you will spend almost every single day for the next 50 years or so. Following basic dating etiquette should enable you to make the right choices and yet be in control of your money. However, don't get too rigid around rules. The overall principle is to be considerate towards your partner and yet be mindful of your interests. Yes, it's about the money; but it's not all about the money, honey!

Happy Valentine's Day!