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World's Simplest Money Management System

BY MANISH CHAUHAN

Most people have such a fear of (the lack of) money that they almost equate money to oxygen. Cover someone's mouth and nose and watch how they fight to get their air back. I came across T. Harv Eker's Book "The Secrets of the Millionaire Mind" it says "Rich people manage their money well. Poor people mismanage their money well", I read this and my first reaction was, "As a Financial Planner I know that!" Trouble was I didn't really know the effective system to manage money. I just thought I did.

If you want to get rich, focus on making, keeping, investing and managing your money. I had been managing my money for years, but not in a systematic way, I paid price for the same (by not following any system). This Money man-

agement System is very simple to understand and implement. If you want Financial Freedom you have got to follow a system for achieving it. As a financial planner, people I meet, believe managing money will take away their freedom. They hate the idea of Budgeting. They believe managing

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money will not allow them to be free and enjoy life to the fullest. I have been implementing this "Money Management System" for over a year now and it has given me tremendous freedom in the area of money.

Most of the people I meet say, "I will start managing my money when I have enough money". As a planner I tell them "if you aren't managing your money now then you may not have any money to

manage in the future".

The Single biggest difference between financial success and failure is how well you manage or mismanage your money. People mismanage money in different ways (By not having a financial coach in life, by not having a financial Plan in place, by not organizing their finances, by buying ULIPS, by not taking courses in financial Literacy etc..)

To master money, you must manage money through this effective Money Management System: Budget your expenses as follows...

50-% Necessities Expense account (Your Day to Day Expenses Account)

20% Financial Freedom Account (FFA Account only for investments. Never to spend, only for investment)

10 % Education Account (Invest in skill development, Personal Development)

10 % Long Term Saving for Spending Account.

5 % Fun & Joy account (balance out the investing for fun % joy(nurture yourself - fine dining, etc)

5 % Give Account (To a lot of people wealth is how much you have. But if you truly want to create wealth, you might want to change that viewpoint. Try thinking of true wealth as how much you can give. Give in charity...Tithing is important.)

Manage your Money well and you will be on the path of financial Freedom.

(The Author is a Financial Planner and writes about Insurance, Mutual funds, and personal finance on his blog "Jagoinvestor.com")

