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5 MONEY HABITS FOR LONG-TERM WEALTH!

The total Indian millennial population caps at 440 million. Did you know this number is 1.3 times the entire population of the USA?! However, these sprightly and somewhat unique youngsters are poor savers. They spend more on their lifestyle and grooming, and ultimately, save less than 10% of their income.

These poor planning and saving habits aren't limited to millennials. 60%+ Indian people do not have a retirement account and 70%+ are living from paycheck to paycheck.

It is a no-brainer that habits like these aren't going to build long-term, sustainable wealth. Millennials especially are focused on accumulating things that lead to short-term happiness and not long-term satisfaction. These include clothes, travel, jewelry, watches, and phones.

However, if you dear reader, are the exception-if you want to build wealth for the long term, retire with a sense of safety, and maybe even retire early...then strap on your seat belts! It's time for a lesson in true wealth.

Habits that create long-term wealth

The truth of the matter is: wealth isn't built in one day when your salary is in crores or you win the lottery one day. Wealth is created over months and years with consistent actions that both save and create money. Most schools don't teach this kind of financial education despite the fact that money is one of the most crucial tools for survival. The result is a lifetime of dissatisfaction, fear, bad decisions, and regrets.

If you have been plagued by the same in the past, then it all changes now. **With the following 5 simple money habits, you will be well on your way to creating sustainable wealth for the long-term.**

Learn, learn, learn

The world's richest men share one important habit: they read and they learn. Bill Gates reads 50 books a year and Warren Buffet spends 80% of his office time reading.

Pick this first habit from them and begin actively learning. Since you are looking to



create long-term wealth, books on cultivating a money mindset would be great. Books related to investments, stocks, bonds, real estate, etc. will also do good. Follow this up with tracking news related to the same for some real-world, hands-on learning.

You can begin with these tomes:

1. The Richest Man in Babylon by George S. Clason
2. One up on Wall Street by Peter Lynch
3. I Will Teach You To Be Rich by Ramit Sethi
4. The Automatic Millionaire by David Bach
5. Secrets of the Millionaire Mind by T. Harv Eker

Set goals

Once you start absorbing all this financial wisdom, bring it to your life. Begin by setting some goals. After all, if you don't have a target, why will you think of sticking to habits that support reaching the target? So, sit down with a pen and paper (or with your laptop) and really think about your financial goals.

What is your money situation like after 5, 7, 10, 12, 15, 20 years? How much have you saved at each mark? How much have you invested? Have you bought a car or a house by then? What about your debts and loans? Are they cleared?

Don't trip yourself up by wondering whether your goals are realistic or not. Be bold, be audacious. **Dare to imagine wealth for yourself in order to actually create it.** Once you've set your goals, it's time to...

Eliminate non-essentials

Our economy of instant gratification lures us into making purchases that aren't essential.

Just because something can be bought, doesn't mean you have to. With your goals in sight, evaluate your income, your spendings, and your savings. How much money are you spending frivolously?

The rich appear to be spending money on a lot of classy things, but in reality, they are highly discerning. They don't spend cash just for the sake and the momentary thrill of it. They have their wealth goals constantly in mind and each purchase is aligned with hitting that goal as early as possible.

When you are about to make the next purchase, ask yourself if it's truly essential. **Pick a financial role model and ask yourself: would XYZ do this if s/he was in my shoes?** If not, then you can also pass up on the opportunity.

Keep a check on your lifestyle

If one is not careful, they can easily fall in the trap of 'lifestyle creep.'

Lifestyle creep is the phenomena when one's standard of living keeps on increasing as their income increases. The said person was able to comfortably lead a lifestyle with a lesser income. With a higher one, though, it suddenly becomes distasteful to them.

Beware of falling in this trap. **If at any point your income increases, automate the extra amount so that it lands in your savings account and is not available for you to spend.**

This added amount can help you reach your retirement goals faster, pay off debt quicker with lesser interest, or maybe save up for your dream house so you can pay off a large amount in cash. Be discerning, delay gratification, and live a lifestyle that doesn't come with a heavy price tag.

Surround yourself with the right people

'You're the average of the five people you spend the most time with.' This quote by Jim Rohn is widely used all over the world to caution someone of the company they keep.

Whether it is scientifically true or not, a person is heavily influenced by the people s/he is surrounded by. Their thought patterns, perspective on the world, and emotional waves do rub off on them.

Thus, if one is looking to create long-term wealth, they must surround themselves with

people who have the same vision. These people must also be dedicated to sticking to healthy financial habits if they don't already have them. There is a lot to learn simply by knowing another person's process of building wealth. It also prevents you from slipping into bad money habits and backsliding on your goals. This is highly likely if the people around you aren't concerned with wealth and are living from paycheck to paycheck.

So, carefully choose the company you keep. It could create or repel wealth.

Conclusion

Money and wealth are not exclusive to a select few as many people believe. **Anyone with the right habits can build their desired wealth.** Moreover, when one sees and feels their money corpus growing, it is hugely motivating and further spurs the creation of wealth.

So, get started today with one habit. You do not have to take them all on in one go. Be consistent, however, and watch the money magic happening right before your very eyes!

Source : <https://www.avivaindia.com>

5 KEY REASONS HEALTH INSURANCE IS CRUCIAL FOR YOUNG ADULTS' FUTURE SECURITY

Investing in health insurance at a young age allows individuals to easily pass waiting periods, receive wellness benefits, and ensure coverage beyond employer group plans for long-term health security.

The new to health individuals, represented by young adults and Gen Z, are today demonstrating a forward-thinking and practical approach to financial matters, understanding the importance of long-term financial well-being. Amid their daily personal and work responsibilities, taking care of their health has become a top priority. As a financially savvy younger generation they see health insurance as a vital financial investment to protect their physical and financial wellbeing.

Young working professionals are recognizing the significance of health insurance as a tool to safeguard against unforeseen medical expenses and are taking comprehensive healthcare coverage. Recent IRDAI data also highlights that young adults are much more financially savvy than previous generations and that 70% of young adults actually have financial security as one of their key life goals.

In addition, they also value preventive care, regular check-ups, and emergency coverage. Flexibility in choosing healthcare providers is crucial to maintain their health routines and goals. Mental health coverage is also a priority, acknowledging the impact of stress on overall well-being.

Critical illness coverage is another aspect they consider to protect against major health crises and financial burdens. By investing in health insurance, they can focus on their aspirations with confidence and peace of mind. The youth's proactive approach to health and

financial planning highlights the importance of comprehensive health coverage as an essential part of securing their future. Why is a health insurance policy good for young adults?

Customised health insurance plans for young adults: The new to health individuals, stepping into adulthood can opt for customised packages and align them with their medical history and lifestyle. But apart from that, they can opt for packages that cover unforeseen situations like accidents or other wear and tear situations that can occur over time. Customising as needed can help young adults choose affordable premium structures.

Individual health insurance necessary in addition to employer group plan: While group health insurance plans are cost-effective for your organisation, it only works as long as you are employed with your current employer. As time passes, you may find it challenging to purchase an individual health cover, especially when meeting your post-retirement health issues. Having an individual health insurance cover, even if your employer covers you, can be a smart decision to safeguard your health. You have the power of choosing the ideal insurance company and peace of mind knowing that you still have coverage even when you are no longer employed.

Easily pass the waiting period: The advantage of buying a policy at an early stage of your life is that most of the existing diseases fall automatically under the insured sum as you age. Many health insurance plans have a waiting

period on a number of pre-existing ailments before it can be covered under insurance. The waiting period can range from a month to four years. When a health insurance policy is bought at a young age, one can easily pass the waiting period without worrying about the medical emergency.

Get wellness benefits: Paying for yearly health check-ups may hurt your savings and investment plans. Replace this with a health insurance plan that only requires you to pay moderate premiums and takes care of your entire medical annual check-up budget. Some insurers also provide complimentary wellness programs, where the insured can earn points for participating in these programs that enable them to stay healthy and also reduce their health insurance premiums.

The demand for health insurance in this day and age is a financial reality for every young adult. Staying covered gives them the confidence and happiness of going about their daily life without having to worry about the economic impact of medical emergencies and its associated cost weighing down on their mind.

Given a good health insurance policy's economic cost benefit, all young adults should take the decision to protect themselves and their family from the financial impact of diseases and medical emergencies by purchasing a comprehensive health policy today.

Sapna Desai, Chief Marketing Officer, ManipalCigna Health Insurance

Source : <https://www.livemint.com>

TEACHING YOUNG WOMEN THE IMPORTANCE OF SAVING AND INVESTING

By HT Brand Studio

The learning curve of managing finances is generally marked with a lot of hits and misses, with some experiences causing significant monetary losses. In the case of women, the road is more bumpy because gender stereotypes and patriarchal beliefs make it harder for women to learn the rope of personal finance.

Anshika Khanna (name changed) was a 20-year-old college student when she first understood the concepts of saving and investing. “My roommate would diligently draft a budget and list each and every expense regularly. She would read extensively about personal finance and was investing in various asset classes too.”

Eventually Khanna got interested and she started doing her own research on money management and before long, she had already developed the habit of investing regularly. However, Khanna feels that it was a matter of chance that she happened to be around someone who was financially savvy at a very young age which encouraged her to take baby steps towards gaining financial independence. “Had it not been for my roommate, I would not have cared about saving and investing money in a disciplined fashion as a college student. Even if somebody would have advised me, I would have rejected the idea because I used to have the notion that you only need to start thinking seriously about money management once you start earning,” Khanna says.

In India, where financial literacy remains abysmally low and basic financial education has no mention in school curricula, for most young people familiarity with concepts like saving and investing only starts when they start earning. The learning curve of managing finances is generally marked with a lot of hits and misses, with some experiences causing significant monetary losses. In the case of women, the road is more bumpy because gender stereotypes and patriarchal beliefs make it harder for women to learn the rope of personal finance.

For Khanna, the early start into the world of investing helped her avoid mistakes that she witnessed her peers commit. “By the time I started working, I had become well-versed in the gamut of investments and had developed a fair idea of investing as per your goals, risk-taking abilities and most importantly the ability to spot ‘investments fads’. However, some of my friends and colleagues had a harrowing time

decoding that investing cannot be a one-size-fits-all approach and they lost quite a lot of money in the process.”

It was this realization of the gaping hole in the education system that led Khanna to also get her younger sister started on the basics of managing money. “An important takeaway from my experience is that many women, even if they have the chance to learn the tricks of the investment game, tend to slack because of lack of confidence and the perception that their father, brothers or their husbands or boyfriends will do a better job. But, many fail to realise that relegating the task of money management to someone else, no matter how trusted that person is, is synonymous to relinquishing control over your finances. As unpleasant as it may sound, all women should be prepared for situations when they may not have their fathers, brothers or husbands to turn to.”

Preeti Zende, founder of Apna Dhan Financial Services says, “There’s no time like your twenties to start putting your money to work for you so that you can achieve your financial goals well in advance. Developing good spending and saving habits and learning to budget and invest during your twenties, can help you prevent needless debt. This is that phase of life when you would have lots of aspirations as well as opportunities. People in this age group have something that a lot of people don’t have: time! Those who take advantage of it can set themselves up for early financial freedom.”

While the determination to start saving and investing early on can be a game changer in the long-run, it is also important to know where to draw the line. This is the age when liabilities and responsibilities are few and the desire to tick off items from the idiomatic bucket list reigns supreme. Consequently, many young investors end up making erroneous assessments of their abilities to manage investments. Zende says, “When you are naïve in investing, a very basic financial instrument such as mutual funds is preferable. Mutual Funds are suitable for all types of investors with varied risk-taking abilities and goal horizons. If you are getting pocket money or if you have started earning through your summer internships or projects you can start investing in mutual funds for short as well as mid-term goals.”



Zende further suggests, “For short-term goals such as buying a mobile or laptop, you can invest in a liquid fund along with a bank RD. If you want to save some money for your higher studies which you may take up in 5 years then you can think of going for a balanced fund along with an ultra-short-term debt fund. If you are about to start a job and are thinking of long-term investing, simply start with a large-cap or an Index fund and keep on investing irrespective of the market level.”

Urmila Singh of S9 Financial Planners says knowledge of financial planning can go a long way in ensuring that young women remain in control of their lives. “Concepts like inflation, power of compounding, contingency plans, investment avenues, short term and long term investment goals must most definitely be taught to all the young women of India. They need to know finance just how easily they know about doing reels on Instagram, knowing latest fashion trends, being tech savvy or even food blogging. The more you encourage these young women to learn about finances, the more you open doors for confidence, growth and most importantly independence for them,” she says.

Key takeaways

1. The internet is a great place to start honing your financial literacy. There are a plethora of apps, websites that provide quality information free of cost.
2. Joining or starting a financial literacy group or club in your college can make the process enjoyable and help you stay motivated.
3. You can take help of an intermediary to understand the things in a better way to get into the habit of saving and tracking your investment and eventually through them you can invest in various asset class.

Source : <https://hindustantimes.com>

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THE RESILIENCE AND REBOUND OF THE INDIAN ECONOMY: A CLOSER LOOK AT RECENT PERFORMANCE

- Dhanabalan Thangam

In the face of unprecedented challenges, the Indian economy has showcased remarkable resilience and demonstrated its ability to bounce back. Over the past few years, India has experienced a series of ups and downs, including the impact of the COVID-19 pandemic, economic reforms, and shifts in global dynamics. In this article, we delve into the recent performance of the Indian economy, highlighting key indicators and developments that shed light on its trajectory.

1. Steadfast Recovery from the COVID-19 Pandemic:

The COVID-19 pandemic sent shockwaves throughout the global economy, and India was no exception. However, the Indian economy has exhibited resilience and shown signs of a robust recovery. After a significant contraction in the first quarter of 2020, the economy rebounded strongly, recording positive growth rates in subsequent quarters.

2. Impressive GDP Growth:

India's gross domestic product (GDP) growth rate has witnessed a notable rebound. In the fiscal year 2021-2022, India's GDP expanded by 9.5 percent, showcasing a strong recovery and outperforming most other major economies. This rebound can be attributed to a combination of factors, including government stimulus measures, a revival in consumer demand, and increased industrial production.

3. Focus on Atmanirbhar Bharat (Self-Reliant India):

The government's Atmanirbhar Bharat initiative, aimed at making India self-reliant and reducing dependency on imports, has played a significant role in shaping the recent performance of the Indian economy. Through policies such as the Production-Linked Incentive (PLI) scheme, the government has incentivized domestic manufacturing, attracting investments and promoting job creation across various sectors.

4. Resilience in the Services Sector:

The services sector, a key contributor to India's GDP, faced significant challenges during the pandemic due to restrictions and lockdown measures. However, it has shown resilience in recent times. Sectors such as information technology, e-commerce, and digital services have witnessed a surge in demand, contributing to economic growth and employment generation.

5. Structural Reforms and Ease of Doing Business:

The Indian government has undertaken several structural reforms to improve the ease of doing business in the country. Initiatives such as the implementation of the Goods and Services Tax (GST), simplification of tax procedures, and liberalization of foreign direct investment

(FDI) norms have bolstered investor confidence and encouraged domestic and international businesses to operate in India.

6. Challenges and the Way Forward:

While the Indian economy has demonstrated resilience and rebounded from the impact of the pandemic, certain challenges persist. These include addressing unemployment, strengthening the banking sector, addressing inequalities, and investing in infrastructure development. Continued focus on reforms, investments in education and skill development, and fostering innovation will be crucial in sustaining and accelerating India's economic growth in the long run.

Conclusion

The recent performance of the Indian economy showcases its resilience and ability to adapt to challenging circumstances. Despite the setbacks caused by the COVID-19 pandemic, India has shown impressive growth rates and recovery, outpacing many other economies. The government's focus on self-reliance, structural reforms, and ease of doing business has played a pivotal role in driving this rebound. However, there are still challenges to be addressed and opportunities to be seized. With continued reforms and strategic investments, India has the potential to emerge as a global economic powerhouse in the coming years.

Source : <https://timesofindia.indiatimes.com>

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