15 Tales of

HOPE

for Future

Financial

Independence

Foreword:

Our lives are a result of choices we make. Big, small, relevant and unimportant. We are truly a product of our choices!

While it may sound incredible to some, it is our choice to live happily or sorrowfully, in a constant struggle for survival or rolling in luxury – circumstances are forever changing and have little effect on our lives.

For over a decade, I have been on a crusade to spread financial awareness among the people of Goa. For years, I have seen the fortunes of good, well-to-do families declining owing to poor management of financials. *Owing to poor financial choices made by one generation after the other.*

As a collective society, we have an ambiguous relationship with money. We have taken no effort in instilling financial discipline in our kids – *the future of the country. The future support of the family.*

Yet there is HOPE. There are simple ways to ensure future financial security, provided we act diligently and observe discipline.

The short stories in this collection are much closer to real life, and there are real-life lessons to be taken from them. These stories have an essence of the financial struggle of the daily life, the bitter face-off between dreams and reality. But there is also HOPE. A positive anticipation of a better tomorrow.

NOTE:

My request to all the readers is that they must read these stories one at a time to better relate and act to them. Ideally, you must read a maximum of two stories in a week.

Dr Celso Fernandes

1. Never Too Late to Be Financially Free

Sandra was always an ambitious girl with a practical head on her dainty shoulders that carried her beauty and wits with aplomb. Brought up in a middle-class household, Sandra's family always stressed on the value of good education, prodding her to study hard at school, in addition to excelling at extra curriculars.

"My dear daughter, study well – it is good education that will teach you to enjoy the finer things in life," her mother, Adrina, would often say.

"I know, Ma. But look at you. You have so many degrees but you aren't even working," Sandra would quip. "What's the point then?"

"Sandra, education is not just about getting a job. It is about freeing your mind from the shackles of poor thoughts. It is about having a broad outlook, about respecting all cultures, it is much more than earning money," Adrina would reply.

"But Mom, without money there's no education. Ironical, isn't it. That's why I want to be a teacher one day – and educate children whose parents can't afford the hefty school fees Dad is paying."

"Yes, darling. We are there to provide for you."

Sandra's father worked hard to earn a decent living. They lived within their means but never compromised on their daughter's education. Soon, Sandra graduated with a degree in English literature and decided to take up teaching as a profession. Enrolling for a B.Ed. degree was a natural step.

Unfortunately, Sandra's life was to turn around completely before she could even fill up the forms for higher education. Her father was diagnosed with a rare disease and succumbed to the illness in a short span of two weeks. However, the last date for admission was nearing and Adrina urged her daughter to get on with her dream. She knew they didn't have much savings, as her husband's salary had been meagre and expenses were high, but she did have the little money she had been stowing away in a savings account she could use to pay Sandra's fee.

A few months down the line, everything seemed to be on track. Adrina had landed a job as a librarian, and Sandra was performing well in her course. This was also the time when Lawrence swept Sandra off her feet with his swashbuckling demeanour and charming personality. He was moving to Europe soon and wanted Sandra to accompany him.

Adrina, the liberal that she was, advised her daughter to finish her education. However, she had no issue if Sandra chose otherwise – it was her daughter's life after all, she thought. Blinded by love and the exciting future that lay ahead, Sandra dropped out of college, tying the knot with Lawrence before moving to Spain.

Lawrence was a caring husband, and Sandra's life was a dream. Within a year, the couple was blessed with a baby girl they fondly named Susan. Soon, Sandra's life began revolving more and more around the child while Lawrence's centred around his work, majorly. Eight years down the line, at 30, Sandra found herself with a growing daughter, a comfortable house, a busy husband, and no purpose! It was then that she requested Lawrence to allow her to return to Goa, to her mother, and complete her studies. As he was hardly ever at home, Sandra found the environment stifling and yearned to return home, to her life and her unfinished dreams. But Lawrence would have nothing of it. While a caring guy, he wasn't very educated or broad-minded, and despised the idea of his wife staying away from him or trying to be independent.

Sandra, who had no money of her own, as she had never saved a penny, felt suffocated and called upon her mother for help. Adrina, by now, had built a comfortable life for herself. It was her good fortune that her old friend, Fredrick, had invited her to a seminar on financial literacy at his office. There, Adrina was surprised to see the magic of compounding in action. She had always known the concept – but mutual funds? That was something alien to her!

She went up to the good financial doctor, who had taken the seminar, and explained her financial situation to him. How her husband had abruptly left the world, how she had used up all her savings to educate her daughter, and the two jobs she worked to earn a decent salary but was unable to build up decent savings.

The financial advisor called her to his office the next day and discussed her situation in earnest. He told her how she could not build any savings in an account that only gave her two per cent returns per annum! He explained to her the concept of SIPs – by investing as low as INR 500 a month, Adrina could have her very own money plant in a few years.

"With the magic of compounding at play, investments as low as INR 500 invested every month through Systematic Investment Plans or SIPs, for a long duration, can result in a huge corpus that keeps growing on its own," explained the financial advisor.

Adrina quickly understood that small investments made regularly in mutual funds for a long period of time, could grow into a large sum of money. She didn't waste any time before putting the idea into practice.

So, when Sandra contacted her mom for help, Adrina, who had been consistently investing in SIPs for the past eight years, was able to pull out some money from her expanding corpus and get her daughter, as well as, grand-daughter home. Once back, Adrina took this opportunity to teach her daughter about financial independence. She explained to Sandra how financial freedom is the true meaning of empowerment. Once again, Adrina dipped into her savings and sent her daughter back to college – with the promise that Sandra would take up part time work and start investing a part of her salary in SIPs while taking care of her daughter's education. She taught Sandra and Susan about the difference between needs and wants, and if they bought what they want they might not be able to afford what they need!

Ready to correct the mistakes of her past, Sandra undertook the course with renewed vigour and, after a year, landed a job as a teacher with one of the foremost schools in Goa. Her daughter's education is free at the school. The day she received her first salary, Sandra increased her SIP amount by INR 1,000. She intends to raise the amount she invests every year, so that she has enough money to take care of her family in the future.

However, unlike her parents, she has started teaching Susan about financial discipline from a young age. Adrina agrees with her daughter – and the three women live, empowered and financially-independent, ever after.

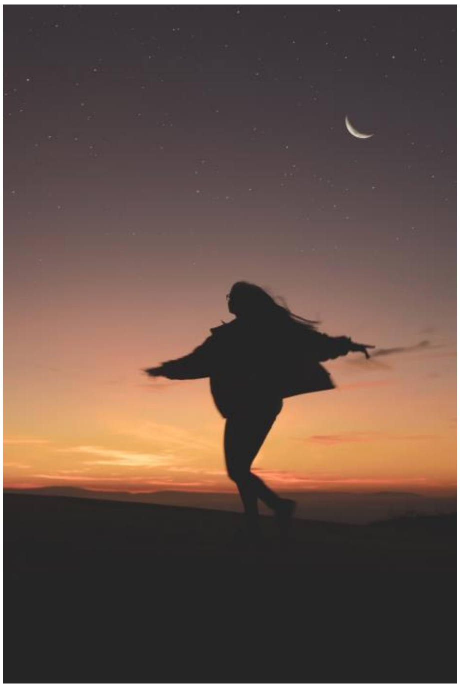
Meanwhile…

Things had changed on the personal front for Sandra, too. Lawrence, after staying away from his wife and daughter for two years, missed them immensely and realised his folly of not letting his wife pursue her dreams. While Sandra was not willing to return to Spain, Lawrence packed up his business and returned to Goa with all his fortune to start life afresh with his family. He started an IT-based business and couldn't be more proud of his wife, who dons several hats with ease, including that of managing his investments.

"Financial freedom is available to those who learn about it and work for it."

- Robert Kiyosaki

2. Years of Discipline Empowers Daughter's Dreams



Great ideas build great businesses, thought Sai, as she dreamed of her life as an entrepreneur. She envisaged how she would start small, in her own city, and then slowly expand across India… and then… there was no limit to the success she could achieve. She would make her family, her entire village, in fact, country proud one day.

Before you laugh it away, wait…

Sai was not a day dreamer. Sai was a genius! A hardworking girl, hailing from a not-so-well-off family, she had completed her schooling and graduation mainly through scholarships. She had been abroad, on student exchange programs, and had received offers to take up PhD at one of the renowned institutes in UK.

However, owing to her mother's ill health, going abroad was not an option for Sai. Besides, she had an idea – an idea she felt could change lives. Sai wanted to promote organic farming – for each house to grow their own food. Not a very novel idea, you'd say. Well, the approach was. Using regular waste material dumped by the industries, Sai had created certain products that would not only promote yield but also keep the plants healthy, organically. The same products would also be a boon for the farmers. Sai was determined to bring about a positive change. She spoke to a few people on how to start shaping her idea into reality – and she received a lot of advice, but one thing was common, she needed capital to start her venture. She could apply for funding at a later stage, or even crowdfund to gain some capital, but, the initial money injection had to be provided by her.

Forlorn, she desperately sought of ways to make some money. To get a personal loan, she needed some assets but they only had their family home. Her mother had no jewellery to mortgage and father had a meagre pension that was barely enough to run the household.

Dejected, she started looking for a job, putting her ideas of greatness to rest, until, one day, her father sat her down over a cup of tea on a bright Sunday morning.

"Where's your cheerful smile, Sai? Why don't I hear you talk of your ideas to change the world these days?"

"Ideas need money, Dad. We don't have that. I need to be practical and work hard to support the family. Dreams are just that…dreams," she replied matter-of-factly.

"Sai, why did you not ask me for money if that's what you need?"

"Dad, I know how much pension you get and you have already done enough for us."

"You are right, Sai. I have done enough for you. But there's some more I want to do for you, that is, teach you a valuable lesson in financial independence."

A sweet smile played on his lips as a distant look made its way into his eyes…

"Sai, your mother and I were very excited on the day you were born. However, people told us otherwise. They said we were doomed because we had given birth to a girl, and now, all our lives we would have to scrounge to get her married and collect money for her dowry.

"I felt overwhelmed. How could someone call my bundle of joy a punishment. But, I did need to save money, I realised. Not to get you married but to give you financial support to realise your dreams in the future. At that time, I was fortunate to come across a wise financial advisor, who became my mentor. He told me that money saved is money earned…but, what you earn depends upon how you invest your money. I was baffled at first. It was then that he explained to me the concept of SIPs – or systematically investing a small amount of money into mutual funds each month so that you can grow a large corpus over a considerable period of time, thanks to the magic of compounding and brisk activity in global markets.

"I didn't have much to spare, but, as advised, I started invested INR 500 per month via SIP. Again, as advised by my mentor, I topped up my portfolio with all the money you received from your loved ones on your first birthday. Every year, I also kept increasing the money I put into the portfolio, following the rule of 25 – that is, investing 25 per cent of my salary to secure my family's future.

"Sai, I did wonder at times that what if you squandered all this money that I had amassed for you, which is why I taught you to differentiate between needs and wants from the beginning. I taught you to respect money and budget your expenditure. And, today, I feel you are financially literate to make good use of the money I am going to hand over to you."

"Dad….," tears rolled down from her eyes as she hugged her dear father.

"But, Sai, I want you to promise me something."

"Tell me, Dad?"

"I am gifting you a money plant that will always bloom. Even if you pluck some leaves, or withdraw some money, your plant will continue to blossom, which means your corpus would continue growing. However, I want you to care for your plant and nourish it. Promise me that you would invest at least 10 per cent of your earnings each month to water your plant. Trust me, if you follow my instructions, you will enjoy the fruits of your plant your entire life."

Sai was overwhelmed. With her father's support, she could now give shape to her dream and change the world for better.

Today, as she stood on the podium, talking to over 1,000 students on her school's annual day, where she had been invited as the chief guest, she recounted her story with moist eyes.

"Dear students, never underestimate the value of your dreams. And, to ensure a better future for yourself, I urge you all to learn the basics of money management today.... Remember, an ocean is made drop by drop. Start investing those drops today to build your ocean of money in the future." Sai's story, and the message she delivered, made an impact so powerful that she received a standing ovation from all the students and even her teachers.

"The goal isn't more money. The goal is living life on your terms."

- Will Rogers

3. Self-Reliance Comes From Years of Financial Discipline

In a patriarchal society like the one we live in, often women slog their lives away in household chores, or they become careerwomen who must manage their home to the tee lest they be called careless, callous, or not-so-good wives. Things are changing though, and many men shoulder the household responsibilities with their wives, but how many shoulder their dreams, or support their efforts to make them real? Sheena fell in the latter category – the paradoxical one – where her husband, Jatin, was supportive of her full-time job and appreciative of her house-making capabilities but he only jeered at her plans; rather, he ignored them. Sheena only needed someone to listen, to hear her out, make plans with her so that she could fulfil her childhood dream in the years to come – of creating a safe haven for innocent animals that run astray without anyone to call their own.

Sheena is 40. She had started working at the age of 21 in a PR firm. Thanks to her creative abilities, she steadily rose in the company, and by 25, she was earning a respectable salary when she married Jatin. But two years into her marriage, Sheena saw her colleague, Komal, go through a bitter divorce. What was worst was that Komal didn't have much money to pay the lawyers and sustain herself during the court trials. Having worked for so many years, she should have had good savings – but Komal was always given to thrifty shopping, purchasing designer bags and clothes she didn't need. Saving money was not something she believed in!

It was then that Sheena decided to take a look at her own financial situation. Being brought up in service class family, her parents had taught her about good budgeting and saving money religiously. But, like most people, they never invested money. Sheena, following in their footsteps, saved money in a regular bank account that gave her a little over four per cent interest per annum and made FDs every time she had collected a lump sum. But the returns were taxable and the interest rates on fixed deposits have been going down over the years…. Sheena wondered what she could do to build her savings at a faster rate. Was there no way to be a millionaire than being born one?

As luck would have it, this was also the time Sheena read about a financial seminar being conducted near her office by a well-known financial advisor in the city. She decided to attend the seminar, and her life changed forever in that one hour…

At the seminar, Sheena learnt about the concept of Systematic Investment Plans or SIPs. She realised that instead of letting her money sit idle in a savings account, she could invest it in the market and earn more. Of course, the investment period had to be long to benefit from the cyclic nature of the market – but she had the luxury of time.

By depositing as low as INR 500 per month for 20 years in an SIP that gave an average return of 15 per cent per annum, she could build a corpus of almost 7.6 lacs with an investment of only 1.2 lacs.

The very next day, Sheena made an appointment to visit the financial advisor. He asked her to invest 15 per cent of her salary in high-performing SIPs while another 10 per cent in moderate ones. He informed her that high returns are associated with high risk, but over a period of time, the market risk is neutralised as the nature of the market is cyclic. He also advised her that she could be more aggressive with her investments while she was young, and, as she aged, she could move her funds into more conservative investment options nearing retirement.

Soon, Sheena started investing as advised, and continued to increase her contribution each time her salary increased. Today, at 40, she has a growing corpus of money that she has often dipped into for personal requirements, including her father's surgery, but it continues to grow and replenish, as if on its own, like magic! Of course, it is nothing supernatural but the magic of compounding coupled with financial discipline and patience.

Sheena's husband isn't aware of her secret stash of money. He laughs each time she shares her dream of opening an animal shelter and NGO.

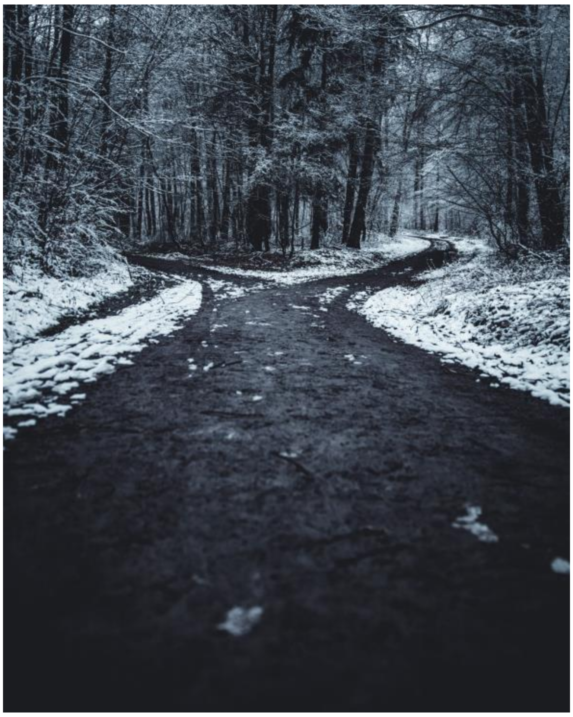
"Who will give you the money, Sheena? Enjoy life at home once you retire. 50 is no age to work for a woman."

"Well, don't worry, dear husband. I will fund my own dreams," she smiles to herself at his remark. "You are my life partner and I depend on you emotionally, but financially, I am an independent, empowered woman!" she adds silently before turning around to pack lunch for both of them.

"Financial freedom is freedom from fear."

- Robert Kyosaki

4. Good Financial Planning Makes Dreams Sweeter



Thomas and Kenny were great friends. Having known each other since childhood, they had literally followed each other around the world – going to the same school, pursuing the same course during college, getting a similar job at major financial institutions in the country, marrying around the same time, and blessed with a daughter each, of the same age!

The girls, predictably, grew close, too. They went to the same school, just like their fathers, and spent a lot of time together, playing, giggling, or simply completing their homework. And, just like that, time passed…both the girls grew up, ready to take up higher education and make a mark for themselves in the world.

Thomas's daughter, Saumya, decided to take up a course in journalism while Nisha, Kenny's daughter, wanted to get into fashion designing. The girls got into premier institutes and, for the first time, left their parents' home to experience life in a hostel!

The girls were thrilled. New cities, new life, new set of friends…the world was their oyster and they could be anything they wanted to be.

But Saumya thought a little differently from her friend, Nisha. Her parents, since childhood, had taught her not only to be kind and hardworking, like every family does, but also be smart with her money. Her father often told her about the financial struggles he had faced, and how he had always invested a small portion of his money every month, ever since he was 21, to ensure a comfortable life for each one of them.

Before Saumya left for college, her father introduced her to a financial advisor, who taught her about the magic of compounded returns. She understood that by investing as low as 500 rupees a month in mutual funds through a Systematic Investment Plan or SIP, by the time she turned 30, she could amass a good amount of money she could use any way she liked. Her father also advised her to increase the amount she invested with every milestone in life, so that she was investing at least 25 per cent of her income each month.

Enlightened and aware, Saumya started her new life with a purpose – to start building her 'money nest' young, so that she never had to depend upon any person financially. Besides, she wasn't a spendthrift – she believed in living a simple life. She did enjoy an occasional movie or a fancy dinner, but never incurred any debts or failed to make her monthly investments on time.

Nisha, on the other hand, was having the time of her life. Clothes in the latest fashion, swanky clubs, extravagant restaurants…she always found herself short of money to manage her rich lifestyle. Luckily, her wealthy boyfriend, Ken, managed to fulfil all her whims, thanks to the steady supply of money from his father.

A few years down the line, Nisha married Ken and embarked on a globetrotting lifestyle envied by most. The couple had plenty of money and the thought of saving some for a rainy day never even struck them.

Meanwhile, Saumya built a thriving career for herself in the media world and married a fellow journalist from a humble background. She shared her secret sauce for investing money with him – and soon, her husband, Aniket, started apportioning a part of his salary to invest via Systematic Investment Plans suggested by their financial advisor.

Several years passed by – Ken lost his father in a freak accident and their fortune soon dwindled. Never having worked in his life, it was hard for Ken to take up a job and take care of his family. Going through a year of extreme financial hardship, the couple didn't have any savings to cushion themselves.

One morning, overshadowed by dark clouds of misery, Nisha's eyes fell upon an advertisement in the newspaper. The photograph was half-covered by her untouched mug of coffee.

"Ms Saumya, an alumna of Xavier's College, Mumbai, starts her own media channel. Join in for a tête-à-tête with the young media baron at the Mapusa Clubhouse at 5 pm today."

Nisha removed the coffee mug to see a smiling picture of her dear friend. They had not been in touch for the past many years. Always a contrast to her own exuberant personality, Nisha remembered that Saumya was an oasis of calm – a charming girl who liked to plan things in advance and be prepared for the worst, always. She remembered their times together fondly and decided to attend the event in the evening.

Sharp at 5 pm, a large audience welcomed Saumya on the stage to thunderous applause. As the evening progressed, Saumya shared her story and how her father's advice on achieving financial independence at an early age helped her shape her future. Nisha, who was sitting in the audience, wondered what Saumya had done differently. Today, while Nisha had lost everything, Saumya had successfully built her wealth from scratch.

After the event was over, Nisha ran to meet her friend. Catching up on the lost time, she told Saumya of her situation and how bleak her future seemed at the moment. Saumya smiled a distant smile and assured Nisha that it is never too late to start walking on the path of financial empowerment. She taught her the same things her father had taught her years ago, and also shared the number of the wise financial advisor, who continued to guide Saumya and her husband on their journey of wealth creation.

Nisha and Ken took an appointment the very next day and shared their situation with the advisor who helped them earmark a portion of their meagre earnings for investing. They were surprised that even while they were struggling to make ends meet, they actually had spare money that was slipping through the cracks, on items they did not need, unknowingly. With renewed faith in a bright future, they created a household budget and vowed not to waste money – instead, they would make small investments each month so that they could meet their life goals without incurring any debts and also build a corpus of money for their retirement. Besides, Nisha decided to impart the invaluable lesson of financial management to her kids right from the start. An oft missing ingredient in school education, she realised that financial literacy was the key to future empowerment and she was going to share this knowledge with everyone.

"Beware of little expenses, a small leak will sink a great ship."

- Benjamin Franklin

5. The Glorious Golden Years

Fat drops of rain drenched Albert and Sharon as they stood in the gravel path of their own house – holding two old-looking suitcases. The rain water flowing from their heads down to their face and neck wiped off the bitter tears that rolled freely.

A loud thud from the slamming of the front door sent Albert in a reverie. He remembered, years ago, he drove up to this house in his old Ambassador car. Sharon's face was lit with a never fading grin as she looked at the house with wonder. Little Ronan was the first one to jump out of the car and run towards the massive gates that led to a gravel path and the house beyond. It was the day Albert showed the house to Sharon and his son for the first time.

Like the pages of a notebook, Albert remembered all those happy years flipping past in his memory as he stood defeated and heartbroken in the rain.

Ronan was the light of their life. What didn't they do for him? From the most expensive toys to the fanciest school, and lavish birthday parties to foreign trips; Sharon and Albert did everything to give the best to their only child, even if it meant sacrificing a whole lot of things for themselves.

Sharon was still practical and often tried to check Albert from splurging money on Ronan. However, countering all her arguments, he would simply say, "My love, I just want that my son discovers joy every minute. His smile shall never fade."

Albert also thought that Ronan was very lucky for them. Soon after his birth, Albert's business boomed, and the family's lifestyle improved significantly.

"The boy is giving us everything, Sharon. There is nothing that we have. All is his," Albert would often say this to his wife. Years rolled on, and Ronan grew up amidst a lot of love and comfort. On his 18th birthday, Albert transferred all his assets and even the business on Ronan's name. Sharon had objected, but Albert didn't listen to her.

Anyway, the change in business title had no significance, not at least for a few years. Ronan was sent abroad for his higher education, and Albert continued to manage the business in his homeland. After returning, Ronan contributed wholeheartedly to his father's business. He was polite and respectful and willing to work hard. Albert was very proud of him and kept praising him in front of his employees and clients.

At 26, Ronan married the daughter of a family acquaintance, and for a year, everyone was really happy.

But after a year, cracks began to appear between Sharon and her daughter-in-law. Since Albert had taken a retirement, giving the reins of business in Ronan's hands, he mostly stayed home. He witnessed that big battles were conjured out of insignificant things. Albert tried his best to keep the environment of the house peaceful and would often support his daughter-in-law if an argument erupted. But in spite of his positive efforts, there was hardly any peace at home. Sharon, for the love of her son, and out of respect her husband, learnt to avoid instances of an argument. Yet, it was difficult for the two women to remain under the same roof.

What shocked Albert and Sharon was the changing behaviour of their son towards them. He had turned sullen and unapproachable. On a few occasions, he spoke to his parents with a lot of hostility.

Albert and Sharon were optimistic that peace would return to their family. To avoid any untoward situation, they confined themselves to a small part of the house and seldom faced their son and daughter-in-law. This, of course, reduced the quarrel among womenfolk; however, this didn't stop Ronan to barge into their space and accuse them of random, insignificant things.

The old couple could not comprehend this devilish transformation of their son. They still hoped that he would see his folly and come to them seeking forgiveness for his treatment towards them.

Far from it, Albert and Sharon found themselves kicked out of the very house they had made with so much love, by their own son, to whom they had devoted all their lives.

Albert felt a hundred years old. His weary bones were finding it difficult to drag his frail body. Sharon supported him and led him to the top-covered bus-stop near the house. She made another trip to fetch the suitcases.

To Albert's bafflement, and irritation, too, Sharon was quietly smiling. Her eyes were sparkling with some mysterious joy.

Albert couldn't contain himself when she started to hum an old tune – from their time – and scolded her, "Do you think this is the happiest day of your life?"

"Maybe," Sharon answered, ignoring the bitter sarcasm in her husband's question.

"The shock of this has set you off your rockers, my love," said Albert in a serious tone.

"I have never felt saner in my life," she quipped.

Albert just shook his head in a grim surrender to life, "Everything's over, darling. Everything is over."

"Yes, the first part. Our second innings start from today," Sharon chimed gleefully.

All this was too much for Albert. He begged her to speak what she had in her mind.

“With all your pampering and showering of love on your son, you had it coming, old man,” she chuckled amusedly, “But I was not going to let you squander everything on our son. I, too, have had a right to your fortune.”

Albert looked at her with a blank face.

“Don’t look so silly now,” Sharon tapped his head with her knuckles, giggling like a schoolgirl.

“I have been saving regularly for our retirement for a long time. Didn’t know then that it would come like this. Nonetheless, about a decade ago, Rosy, my friend from church, introduced me to mutual funds and SIPs,” she continued.

“What’s that,” Albert looked at her quizzically.

“Exactly. Very few people knew back then. Mutual funds are a pool of money from different investors. This pool of money is invested in stocks of well-performing companies and is handled by a qualified fund manager. Systematic Investment Plans or SIPs are a way of investing in mutual funds. You may choose to pay a regular monthly SIP in a fund of your choice. And the awesome thing is that you can start with SIPs as low as Rs 500,” Sharon explained.

“I never understood the stock market. I have heard about people going bankrupt overnight, losing big sums of money in the stock markets,” said Albert doubtfully.

“This is why investing in the stock market through mutual funds is a wise step. The fund manager knows the science behind the market movements, and the wide allocation of funds diversifies the risk, hence better and more certain returns over a long period of time,” responded Sharon, feeling proud of what she was going to reveal to her husband in a short while.

“My mother told me never to put all the eggs in one basket – like you put all your earnings in your son – so that risk of facing losses minimises. One more thing, since you get the power of compounding while investing through SIPs in mutual funds, the longer you stay in the market, the more money you make,’ she continued.

Albert sat silently looking at his wife with admiration.

“We have a pretty sum tied up in a portfolio that continues to grow in high, double-digits. So, let’s check-in into a good hotel and figure out how to pamper ourselves in the coming years,” she beamed.

Albert looked at his wife with tears of joy and relief swarming in his eyes. A moment ago, he didn’t know how he would fend for himself and his wife with no penny to spare, and now, this news of hidden abundance. He hugged Sharon in a loving embrace.

Together, hand in hand, they walked to the taxi-stand nearby.

“Take us to the Grand, please,” Albert said, happy to find his dignity back.

The old Ambassador, painted black and yellow, puffed a cloud of smoke, before rolling into the next chapter of Albert and Sharon’s life. A chapter with a promise of dignity, independence and well-being.

“You’ve got to tell your money what to do or it will leave.”

- Dave Ramsey

6. The Orchard's Daughter

It was still dawn and the air crisp. Reena, like most days, woke up before sunrise. She liked to see the stage set by the sun before its arrival - the sky ablaze with myriad hues.

She steps out of the house, and into the orchard that stands in front of the house. Reena inhales deeply into the fresh morning air, which is also laden with the delicious smell of ripe mangoes!

Even before seeing her, Reena knew that her mother, Anita, would be sitting on the low boundary that defined the perimeter of the orchard, sipping on hot tea.

"Good morning, Mom," Reena said amidst a big yawn.

"Good morning, darling," her mother greeted her with a smile, "Only a week before they are ready to be plucked." Anita was referring to the mangoes in the orchard.

"Wow, then we would get some money," Reena said happily.

"Yes, and a lot of people will get to savour one of the best mangoes in the country," said Anita with a proud smile.

Every summer, the mango orchard owned by Reena's parents bore excellent fruits. Over hundred trees, all heavy with sweet, juicy mangoes of the finest quality. And all organically grown.

Reena couldn't tell, but her mother would always know just the right time to get the mangoes plucked. She would hire a few hands from the village for the arduous task of plucking the mangoes from so many trees. By the time all the mangoes were plucked, the orchard was patched with tall piles of big, beautifully-shaped mangoes.

Anita allowed everyone to help themselves with as many mangoes as possible while the plucking was in progress. This meant that Reena, along with several other children from the neighbourhood, would join the mango-devouring party once plucking started the subsequent week.

Every year, once the mangoes were plucked and piled, Anita would forbid everyone from taking more. The mangoes were then weighed and loaded in a big truck. As the last of the mangoes were being loaded in the truck, it was time for payment. Reena would stand next to her mom, fully attentive, as the buyer would take out fat wads of currency notes from a bag, count it and hand it over to Anita.

The money earned from the sale of mangoes would last them for at least seven to eight months. In addition, Reena's father sent across some money each year so that the two could live comfortably until the next harvest.

At twelve years, Reena was quite a smart and strong-willed girl. She was also her mother's best friend and tried her best to help her manage the home.

Reena's father worked in a Gulf country and she saw him only once in a couple of years. It had been eight years that he had left the relaxed life of his village to work under harsh conditions in a foreign country.

In his initial days in the Gulf, Reena's father earned well and made frequent trips to India. He would always come loaded with lovely gifts for Reena and her mother.

However, in the past few years, things had changed. The jobs were scarce and compensations reduced. To add to this, the living cost had increased as well. All this left Reena's father in a terrible situation. He couldn't risk taking leave to visit his home, as job cuts were frequent. Moreover, he was able to save only a tiny fraction of his salary after expenses, which meant he had none left to pay the expensive airfare. Some months, Reena's father was not able to send them anything at all.

"Thank goodness, we have the orchard to look after us," mused Reena, looking at the orchard in the first rays of the day. As a thought struck her, she wondered aloud, "We have the orchard to take care of us, you and me, Mom. Why can't it take care of all three of us? Anyway, Dada isn't making a lot of money abroad."

Anita looked at her daughter lovingly and said, "The orchard blooms only once a year. Only during the season."

Reena fell silent and stared at an army of black ants scurrying in a file formation, commencing the day-long chores of gathering food.

Anita carefully looked at her daughter and smiled gently. She held Reena's hand and got up. Together, they walked to the far corner of the orchard where a mango sapling, a trowel and a can of water waited for them.

As they planted the sapling, Reena asked, "Why can't we plant trees that bear fruits in every season?"

Smiling, Anita replied, "This soil is best for the mangoes we have been growing."

"But if we plant other trees that bloom round the year, Dada can come home," complained Reena sullenly.

Hearing this, Anita hugged Reena in a loving embrace and kissed her forehead.

As they got up and walked back towards the house, Anita playfully said, "You know what Reena, I may have already planted a whole new orchard, with trees that would bear fruits round the year."

Surprised, Reena asked her mother, "Really, Mom? When did you do that? Where is this orchard? I want to see."

Reena's excitement made Anita giggle. "Wait, wait, I will tell you everything."

And that is when Anita told her daughter that the orchard she is talking about is quite different from the one she is seeing right now.

"I have been saving regularly, despite the lean months and low income," revealed Anita. Reena appreciated that fact, and probably knew it too. Her mother always taught her the value of saving before spending. She also taught Reena to differentiate between needs and wants.

"But would that little saving help us through when Dada comes here?" Reena voiced her doubt.

"Well, maybe the time is not right, but in next couple of years, my orchard would be ready. I will give him a surprise. Tell him about the orchard and ask him to come home to stay," Anita said with a sparkle in her eyes.

But Reena was profoundly confused. She couldn't relate meagre savings with orchards.

"Mom, don't talk to me in riddles, tell me everything," demanded Reena.

"OK, my love. The thing is, that when your father was leaving the country to work in the Gulf, I came in contact with a friend's friend. A senior, wealthy lady from the metro city. We quickly struck a friendship and shared a lot about our lives. She had special interest in organic farming and I had a lot to share on the topic. She took instant liking to me.

"When I told her that my husband is leaving the country for better prospects, she empathized with me, as I was to manage everything alone, including a two-year old you," Anita smiled.

"The lady told me that while your father struggled in a foreign land, I could help him tremendously in changing the financial condition of our household. I was quite curious to know how I could contribute when I didn't have any job.

"The lady told me that I can inculcate the habit of regular saving and investing. She said, whatever I may get to run the house, I must save something from it and invest in a good mutual fund through SIPs – that's Systematic Investment Plans," Anita paused to pick up the newspaper from near the entrance gate and glanced through the headlines.

Reena was quite impatient by now, "Mom, only half of what you are saying is making sense to me. What in heaven's name is a mutual fund and what are SIPs?"

Looking up from the paper, Anita replied, "You know that big businesses have shares that are traded in the stock market. Well, a mutual fund is a pool of money from thousands of small investors. The pool of money is invested into various stocks and other financial instruments by a qualified fund manager. We can invest in mutual funds in lump sums or even through monthly SIPs – you can invest as low as Rs 500 per month. Over a long period, the small, yet regular investments grow to become a large portfolio of money."

Reena was still quite at the sea. Her expressions reflected her confusion.

Seeing her perplexity, Reena's mother gave another try, "Consider a mutual fund as a mango sapling. You plant it and take care of it for a few years, until it becomes a huge tree and starts bearing delicious mangoes every summer. In a few years, the tree becomes self-sustaining and grows without your help. So, your little investments, over time, transform into a huge fruit-bearing tree. The only difference being, it bears fruits all year round! Whenever you need the money, you can simply pluck a few fruits and sell them in the market. New fruits would grow in place of the ones you plucked."

"This is like magic!" exclaimed Reena.

"Yes. The magic of compounding," Anita said smiling happily. She told Reena that investments in mutual funds through SIPs earn compounded growth.

"In a few years, my portfolio would become big enough to earn a significant amount each month, making things comfortable for us, and giving your Dada an opportunity to come and stay with us," said Anita joyfully as she hugged Reena, her eyes shone with the vision of the reunion of her family.

"Mom, you are the best!" squealed a delighted Reena, "I like how you manage and plan money so that we are never too short of it. I promise, I, too, will imbibe all these teachings and would grow my own orchards."

With patience, persistence and a pragmatic approach, Anita guided her small family from the hovering gloom of financial instability. Now a benign sun shines upon her with a promise of prosperity and joy.

"Someone's sitting in the shade today because someone planted a tree a long time ago."

- Warren Buffet

7. My Son Astronaut

It broke her heart every time her son would say, "I want to be with the stars. I want to be an astronaut!"

Eight-year-old Aditya loved the cosmos. Since the first animated video of the solar system he saw on YouTube as a child, he fell in love with the celestial objects. Whether school or home or the playground, Aditya enacted an astronaut all the time, mumbling names of far-off galaxies only a few around him knew the names of, and steering an imaginary rocket, scaling lightyears in seconds.

Namita, his mother, doted on him and wished that all his dreams come true. However, she was not very sure of this highly ambitious dream of being an astronaut.

"Huh, we can't even afford to fund his training for an airline pilot, you speak of him being an astronaut," Aditya's father, Umesh, scoffed at the idea as soon as Namita presented it.

Biting her lips and taking in the indignation, Namita resolved to fulfil her darling son's dream, singlehandedly.

She didn't blame Umesh for being overly practical. A first-generation businessman, his small manufacturing unit provided a decent income. However, as the raw material prices were volatile, so was Umesh's business' profitability. Managing sales to production to human resources, Umesh's all-in-one role at his business didn't let him dare to watch dreams or respect others' dreams. In his mind, he was preparing a sustainable business for Aditya to join when he grows.

Umesh's ambition would always come in the way of Aditya's dreams, Namita knew this very well. That is why she resolved that when the time comes, she must have enough money to fund Aditya's higher studies. She knew his father would refuse to do so.

Namita worked in a school as a librarian. Her income was regular, but small. However, the greatest advantage she had was that she was free to spend her income as she pleased. Umesh took care of all household expenses.

So, keeping Aditya's expensive education in mind, Namita committed herself to save as much as she could from her salary.

For a couple of years, she saved with rigour – not only from her salary but also from household expenses. She had been putting everything in fixed deposits in her bank. Aditya was ten years old, and she had a plan to keep booking fixed deposits to be used after the next ten years.

However, one day, everything changed. For good.

Namita's school organized a financial literacy seminar for the students and teachers. There, for the first time, she heard from the speaker, a financial expert, easy ways to make her money work harder.

To her utter surprise, she learnt that the traditional investing options such as fixed deposits actually gave negative returns over a long period of time, after adjusting for taxes and inflation.

She had never accounted for inflation to be a factor serious enough to consider. But then it struck her, the cost of premium education would increase several folds by the time Aditya would be ready for graduate college.

"Unlike in fixed deposits, inflation is good for shares or stocks," exclaimed the financial expert.

Namita listened attentively as the financial expert showed slides after slides of stock market performance over the past 50 years. He also showed 15-year returns of something called mutual funds. A comparative slide showcased how an average mutual fund gave over 15% compounded growth in ten years, while fixed deposits gnawed on the principal amount in the long run.

"Investments in mutual funds can make you super rich in a decade's time," announced the expert. "But investing in stocks is risky and expensive, right?" he asked, smiling.

The question resonated with Namita who thought that investing in the stock market is just like gambling and is a game reserved for the rich.

But her doubts crumbled down as the expert explained the gathering that stocks or shares are indicative of the economy.

"There are a plenty of good businesses that have been delivering constant profits to their shareholders for decades. People who bought shares of these successful businesses a decade ago are millionaires – simply by investing a little sum in the company," he added.

One of the teachers raised his hand and, holding the mic, asked the expert that how can people with limited salaries invest in stock markets. Usually, even a single share of a successful company is worth thousands!

"A good question indeed!" said the expert, "This is why investments in mutual funds make sense."

The expert explained that a mutual fund is a tool to invest in stock markets. Thousands of small investors invest little sums of money into the mutual fund pool, which is then invested in stocks of various companies, bonds, and other financial instruments by a qualified fund manager. As per their individual contribution, each investor is allotted a number of shares, called units. The current value of the single unit of the fund is called its NAV (Net Asset Value).

He went on to explain that any investor can invest a little each month in mutual funds through SIPs or Systematic Investment Plans.

"The best part is that you can start investing in mutual funds with SIPs as low as Rs 500!" the financial expert revealed to a stunned audience, "All the transactions are perfectly transparent and are closely governed by the SEBI," he added.

As the seminar wound up, Namita spotted the financial expert and requested an appointment. When Namita met the financial expert in his office, she learnt that growing rich is a child's play. But it requires determination and perseverance.

The expert helped her start SIPs in a few promising mutual funds. As she didn't have the pressure of contributing to household expenses, Namita invests a large part of her earning into mutual funds.

She has a plan to forge her child's future – by simply waiting, making regular investments for the next ten years.

"Compound interest is the eighth wonder of the world. He who understands it, earns it … he who doesn't … pays it."

- Albert Einstein

8. Is Financial Independence the Key to Women Empowerment?

"Kumudha … your lunch is packed, hurry up or you would be late for college," Nalini called out to her teenage daughter from the kitchen as she did a thousand things in one go.

"Just a minute, Maa," came a sweet voice floating from behind the bathroom door. Nalini sighed as she knew that the promised one minute would be several minutes before the bathroom door will be opened and a singing, posing, jubilant Kumudha would totter around the little house.

This was a typical weekday morning at Nalini's house, and she treasured each such morning. A strong, confident woman in her mid-forties, Nalini had seen enough pain in her life that she tried to collect the tiniest moments of happiness, wherever she could find them.

As she bade goodbye to Kumudha, after dropping her at the bus stop, and rode her scooty to the office – an export firm where she worked at the front office – Nalini thought about her past, and her arduous journey thus far.

Mehul and Nalini's marriage was arranged, but they soon found their soulmates in each other. Mehul came from a wealthy business family and had several businesses running successfully. Their friends and family members used to say that Mehul had the 'Midas touch,' "whatever he touches, turns to gold."

The first three years of marriage were a bliss. The couple shopped in London and sailed the Pacific, partied in Vegas and strolled in Milan. At times, Nalini would worry about their colossal travelling and partying expenses and would confront Mehul.

"Your husband is a rich guy. You just enjoy all the attention he gives to you," the ever romantic Mehul would brush off any protest concerning the couple's mounting leisure expenditures.

In the fourth year, Kumudha was born, and that brought even more joy to Nalini and Mehul's household. Mehul gave a star-studded party with the city's who's who on the guest list.

It was all like a dream for Nalini until one day everything came falling apart. A week after Kumudha turned one, Mehul lost his life in a freak road accident. His sudden demise enveloped Nalini like a permanent mist of gloom; and had it not been for Kumudha, she would never have come out of the shock of losing her love.

For a few months, Nalini received support and love from friends and family, but eventually, everyone got busy with their lives. Nalini, too, had to get on with her life. To take stock of Mehul's businesses, she called up Mr Kamath, who looked after all accounting and financial aspects of Mehul's businesses.

"The situation is quite dire, Madam," Mr Kamath mumbled in a grievous tone.

Nalini was shocked to learn that most of the businesses run by Mehul were debt-ridden. While almost all his businesses churned out profits, he deemed fit to splurge his earnings on his leisurely life and ploughed in investors' money to keep his businesses going.

"While Mehul was alive, investors didn't mind putting in money in his ventures as they all believed in him. The situation is now changed," explained Mr Kamath to a crestfallen Nalini.

The long and short of it was that all the businesses owned by Mehul were acquired by investors and most of his personal assets, including his house, jewellery, cars, etc., were claimed by the bank and other creditors.

In less than a year from Mehul's death, Nalini found herself without a roof over her head and no assurance of the next day's meal. Her ageing parents had just enough to support themselves, and she found it unacceptable to be a burden on them; and though, her friends and family helped, Nalini knew that she would have to take charge of her situation if she wanted to give her daughter a decent, dignified life.

Thus, started the struggle for a livelihood.

Years passed, and Nalini worked hard to provide for her lovely daughter. She tried to give everything to her darling Kumudha that her meagre salary could afford. Nalini now banked on a good education to give her daughter a golden future. Yet, the rising cost of higher education and her ill affordability gnawed on her day and night.

"Maa … Maa," Kumudha came home running and shouting one day. Nalini was alarmed to see her so excited about something.

"Oh my god, Kumudha, calm down, why are you bringing the roof down," an incredulous Nalini lovingly scolded her daughter.

"Mom, you won't believe this … I have seen how to grow money on trees … and we will plant ours … with a small seed …regular watering…" Kumudha babbled between gasps of breath.

"Money … tree … seed … watering, have you gone mad," said Nalini giggling.

"No, Mom … true … it's easy … needs and wants," Kumudha started a fresh deluge of broken words in her excitement.

Nalini gave her a glass of water and told her to catch her breath before saying what actually happened.

After ten minutes, Kumudha finally calmed down, and after taking another minute to collect her thoughts, she said, "Our college hosted a noted financial mentor for a talk, and I attended it. This mentor said that anyone could grow rich with patience and discipline."

Still at sea, Nalini urged Kumudha to spill more beans.

"He told us the first thing that we need to follow to become rich is separating needs from wants," explained Kumudha, "I have understood now. I don't want a new dress, we will now buy only those things that we need," she added in haste, much to the amusement of Nalini.

"Hmm … that's food for thought. What else did he …" Nalini couldn't finish her sentence.

"Oh god, Mom; don't interrupt else I will forget," Kumudha lovingly warned her dear mother.

"Second, we must invest before spending," she added, "Do you know what investing means, Mom? It means that you put aside some money in any investment."

Nalini took all this silently, holding a finger to her lips, amused by her daughter's enthusiasm.

"And lastly, if we start investing as low as 500 rupees in mutual funds through … wait, what was that … Yes! SIP or Systematic Investment Plans, we can accumulate lakhs of rupees over a period of time, say ten to twelve years," concluded Kumudha with a happy, forlorn expression in her eyes.

Nalini, influenced by Kumudha's enthusiasm, offered to meet the financial mentor to know more. This part was easy as Kumudha had already got his contact details and a meeting was fixed at the earliest opportunity.

Meeting the financial mentor, Nalini felt like talking to a well-wisher after years. She poured out all her life's struggles and the worrisome financial situation she expected to be in in a few years when she would need money to fund Kumudha's professional education.

The mentor patiently listened to Nalini's story and assured that with patience and dedication, the mother and daughter could actually look forward to a smiling future.

Taking out a pen and paper, he explained how Nalini must apportion her salary towards expenses and investments. Stressing on the need for life insurance as well as Mediclaim, the mentor made provisions in Nalini's salary to meet the annual premium expenses. He also suggested some areas of expenditure that could be minimised.

Nalini was incredulous as she found it difficult to manage her monthly expenses out of her small pay, and here, the mentor made provisions for her to not only take care of the family's immediate financial needs but also made goal-oriented plans to meet future expenses.

After the visit to the advisor, both the women sat musing about their future possibilities.

Nalini had already resolved to start a long-term SIP for Kumudha that would take care of her higher studies. She also thought of investing a little sum regularly in building a substantial corpus for her own use after retirement. Nalini smiled proudly as a beautiful and powerful thought emerged in her head:

I will not seek my daughter's fortune in her would-be husband's coffers,

Nor would I want her to trade her dreams for higher pay offers.

For years, I would invest every penny I can spare,

Building her wealth, telling her that I care.

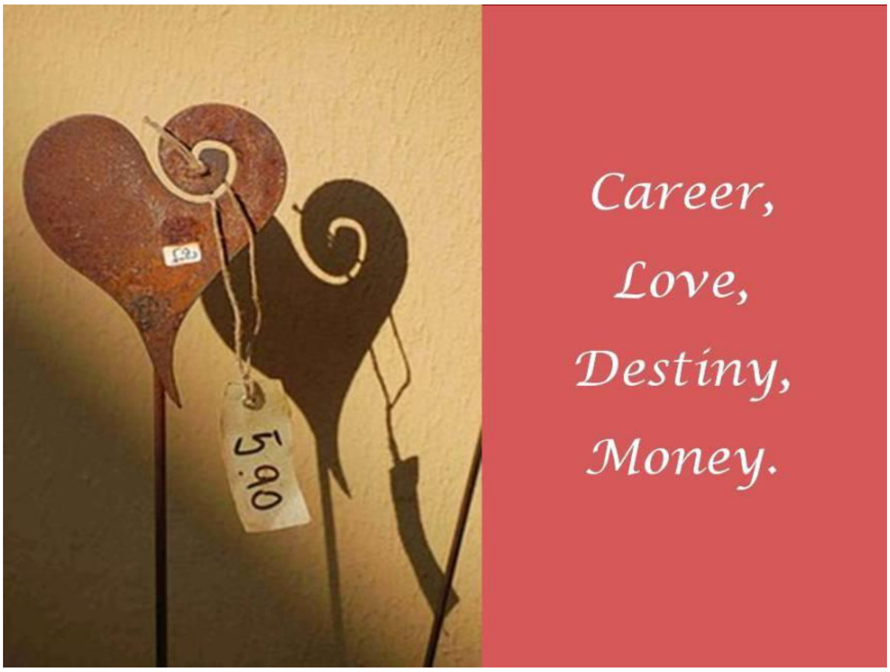
To her, I would teach the tenets of conservation and financial discipline,

Because financial independence is the true way to empower a woman.

"No one's ever achieved financial fitness with a January resolution that's abandoned by February."

- Suze Orman

9. Career, Love, Destiny, Money



Meeta is in a terrible fix. She had been working in a reputed starred hotel in operations from past eight years, and now the monotony of the job is getting on her nerves. Since she was not ready to leave her home town and take up roles of higher responsibility in other locations, Meeta is stuck on a career plateau. She is desperately wishing to make a career in mosaic art installation – a school time passion – but she has no financial cushion that could afford her few months without pay. At 29 years, she is also looking forward to an arranged marriage, and many suitors are asking for her hand in marriage, but she is well aware about the colossal expenditure Indian marriages exact. Always a righteous and prudent girl, Meeta does not want to become a liability on her retired parents, nor does she have any money of her own to put her life back on course. In a quagmire, Meeta is musing, 'What went wrong?'

Meeta is not the only one who is courting financial distress in her late twenties; there are several others, who had been working in large organizations, drawing good salaries, yet have no savings to meet life expenses or undergo a course to enhance their skills or simply take a sabbatical to satisfy the entrepreneurial bug.

Financial illiteracy breeds financial indiscipline. In our country, where money plays an important role in everybody's life, surprisingly, only a few seriously plan for it. And those who plan their finances never forget to inculcate financial discipline in their children from an early age.

Had someone advised Meeta to save small sums of money (as little as INR 500 per month) from the time she turned 16 years, increasing the investment amount little by little each year, until the time she invested 30% of what she earned, she would have easily become a millionaire by the time she turned 29 years, and this huge corpus of money could have taken care of her career as well as personal life goals.

While it is never too late to start investing in mutual funds, investors who stay in the market for the longest duration stand to earn the maximum returns, thanks to the principles of compounding. This is why it is very important to inspire young teens to build a habit of investing regularly.

Luckily for Meeta, she got engaged to Malhar, a sensible young man who was financially disciplined – thanks to his parents who instilled financial discipline in him at an early age – and was against spending a great deal of money on one event.

Meeta's and Malhar's wedding was a simple affair, and both were proud of to avoid a colossal expense right at the outset of their married life.

Malhar took upon him to make Meeta financially aware. He chalked down her expenses, encouraged her to cut down useless expenses and start investing in a good mutual fund through regular SIPs. To Meeta's surprise, she could well manage her lifestyle even after cutting down her expenses. Today, the couple is in a great financial position with their goals neatly chalked out. As they work hard and progress in their respective careers, their money, too, works hard for them!

"If you are born poor, it is not your fault. But if you die poor, it is your fault."

- Bill Gates

10. Lulled by Blatant Consumerism?

"Sameer! Check-out the one-hour online sale this website is offering," Sia squealed with joy as she handed over the entertainment section of the newspaper to her husband.

"Wow! They are giving 70% discount on TVs with latest features, and look, there are smart watches for half the price!" exclaimed Sameer, almost jumping off his chair.

"And clothes, by golly! As if they are throwing away such beautiful dresses and make-up kits for peanuts!" added Sia.

Little Myra was getting ready for her school, and her parents', almost juvenile, attitude towards mindless online shopping made her take frequent sorrowful sighs. All of twelve years, Myra was wise beyond her years. She was calm, composed and quite practical in her ways. A spirited young girl, Myra was good in sports and studies; but what distinguished her from the rest of girls in her class was her deep concern for the environment and her belief in living a minimalistic existence.

Of course, her orientation cannot be attributed to her parenting. Far from it, Myra has seen her parents splurging money and other resources like there is no tomorrow. The frequent house parties, the sumptuous dinners, and above all, mindless online shopping every other day. While Myra's father had a weakness for gadgets and expensive watches – he changed three TVs in less than two years and an astounding five phones within the same period – her mother wanted to have every dress that hit the market. As a result, Myra's home was slowly turning into a zoo of impulsively bought and cruelly discarded electronic items, knick-knacks and clothes flowing out of closets.

"Don't you think you must not spend so much on things that you don't need?" Myra confronted her parents one day.

"Don't worry dear," said her mother. "We are well off," added her father with a smug smile.

Myra couldn't comprehend how her parents were well off when they squandered every penny they earned on useless items. This was in utter contradiction to her dear Grandpa's style of living. Myra idolised her paternal grandfather who owned a sprawling bungalow in the suburbs. Every bit rich, Myra's grandfather showed no tendency towards impulsive buying. On the contrary, he always encouraged Myra to conserve all resources and spend only on things that you need, and not want.

He also taught Myra to be smart with money and invest spare money in mutual funds for a long period.

"Like a tree," Grandpa told Myra, "your investments would also bear more and more fruits with time."

Grandpa also taught Myra that being minimalistic is the only way to save the environment, too! He told her that every piece of electronic gadgets and appliances are equipped with precious metals and stones mined from the belly of the earth, and when we keep dumping our well-serving gadget for a higher version, we end up wasting precious natural resources.

Next day, the atmosphere at Myra's house was completely opposite to the previous. The discussion over morning tea today was not about any mega sale but a 'mega credit card bill' that sat heavily on the coffee table.

With a sombre countenance, Myra's father mumbled, "how would we be able to pay Myra's fee this quarter?"

"Hmm, all our salary will go into paying this credit card bill," worried her mother.

"Why! Where did all our hefty salaries go? Myra's fee is a small fraction of our monthly salary, yet we are finding it difficult to pay it. What went wrong?" her father muttered, sounding very depressed.

At this point, Myra spoke up. "But I thought we are well off! Why can't we pay my fee on time?"

"It looks like we overspent a little, darling. But don't you worry, I will take a small loan to pay it on time. You don't bother yourself with this," her father casually answered.

Myra was beyond herself after hearing such a nonchalant response from her father.

"It's time they learn something about financial discipline," she mused.

With a deep breath, Myra set down to talk to her parents and make them realise that their impulsive buying is not only causing them the present financial trouble, but it could also lead to massive financial distress. Myra's parents seemed to be unaware about the repercussions of overspending, and she had to remind them each item that they purchased, sighting its utility, and which, now, lay unused in the storeroom. A quick total – Myra secretly collected the invoices of items purchased online (as her parents would throw it away along with the packaging) – revealed an incredibly high sum of money spent in the past two years on online shopping.

"If you had invested this money in mutual funds, you would have earned double-digit compounded interest over a long period, say ten years," she told her parents, who gaped at her with baffled expressions. They had no clue that their daughter is so smart and practical.

"And there is no need to take a loan to pay my fee. I have a little portfolio, managed by grandpa; I will ask him to redeem some units to pay off the fee," said Myra, "but on one condition. No mindless online shopping."

As she picked up her school bag and water bottle to catch her school bus, Myra's parents stood speechlessly, slowly waking up from the lull of blatant consumerism, and warming up to the idea of financial discipline.

"Do not save what is left after spending, but spend what is left after saving."

- Warren Buffet

11. How to Insure Your Child's Future Against Financial Troubles?

The younger generation is choosing to wade the untrodden path, career-wise. Gone are the days when children set aside their passion and talent to take up mundane jobs that promised a 'stable income' and a 'settled life.'

The youngsters today want to express themselves and want to be recognized for their talent, and not by their jobs or qualifications. And why not; thanks to the digital invasion, people are doing more than good by following their passion!

From human jukebox to stand-up comedian to travel blogger, it seems that the Gen Y has numerous career possibilities today. So, why shouldn't one follow their dreams and put their unique talent to use?

However, as a parent of a teenage child, you find yourself constantly worrying about your child's future financial security. You know that the formal education you have planned for your child may not help if s/he wants to follow their passion. And you don't have the heart to force your children to prepare themselves for regular jobs, setting aside their dreams and talent.

Much like what Anirudh felt whenever he spared a thought about his darling daughter, Anya's future financial security. At 15, she is already a talented classical singer; her mother had her trained under reputed Gurus. Anya is a favourite in her school, and she lends her voice in almost all school events. In fact, she won the local 'Golden Voice' contest in her city. There is no doubt in anybody's mind that Anya would become a successful professional singer and her sweet, crooning voice would be heard all across the country.

Still, Anirudh was a little troubled. Though he was very proud of her daughter's talent and believed in her, he knew that professional singing is a highly competitive field….

Through friends, Anirudh had heard true stories of artists who struggled all their lives for one chance to fame, living in a poor financial situation. Whenever he thought about Anya struggling to make a solid career in the music industry, living on a pittance, his heart would sink.

But everything was to change when Anirudh met his wealthy distant cousin in a family wedding. Paarth, a successful businessman, philanthropist and environmentalist, was highly regarded in the family. Over a couple of drinks, Annirudh told Paarth about his predicament.

After patiently hearing Anirudh's story, Paarth gently told him that his problem could be solved in a snap. Startled, Annirudh asked him, "How," rather incredulously.

Paarth told Anirudh that he must take steps to make Anya financially independent, starting from the next day.

A little puzzled, Annirudh asked Paarth how could that be achieved?

To this, Paarth told him, "While you must be making provisions for Anya's higher studies, and perhaps her wedding, too; you must also start investing something with an aim to support her during the period of her career struggle."

"But brother, with limited means and a good lifestyle, it is hard for us to invest anything more than what we are doing now," said Anirudh dejectedly.

"What if I say that by investing only what you or Anya spend on a weekend outing, you can still build a substantial portfolio for her over the period of next ten years?" asked Paarth with a twinkle in his eyes.

"That would be magic!" exclaimed Anirudh. "But magic doesn't happen in real life," he added grimly.

"Dear brother, magic does happen in real world. And the name of this magic is compounding," Paarth said with a chuckle.

Anirudh, who had been investing all his money in fixed deposits and PF, was clueless about mutual funds and the power of compounding they come with. Paarth explained his cousin about how mutual funds work and how the power of compounding can make his portfolio grow at an astonishing rate.

"Regular investments in mutual funds over a long period, say 8 – 10 years, would help you create a substantial portfolio. And the best thing is that you can start investing with as low as INR 500!"

Anirudh was pleasantly surprised to hear this, and he vowed that he would soon start a mutual fund SIP (Systematic Investment Plan) for Anya.

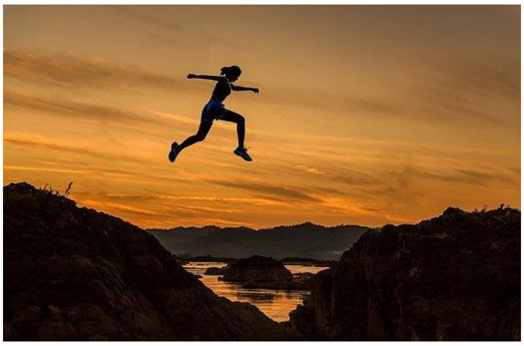
"But that alone would not be sufficient," warned Paarth, "you must teach Anya to distinguish between needs and wants, to prioritize her expenditures, and above all, instill the habit of regular savings and investments in her."

Anirudh left for home that day rich with financial wisdom. A clear objective was shaping in his mind as he imagined the picture of a self-sufficient Anya working hard to make a place for herself in her chosen field. And a smile played on his lips.

"A goal without a plan is just a wish."

-Antoine de Saint-Exupery

12. Are You Making Your Teenage Child Financially Independent?



Parenting a teenage child is an anxious few years. From acne to puberty to board exams, and that constant worry about the future; taking care of many things are just as stressful for parents as they are for the teenage child.

Without fail, the most important thing in any parent's mind during these agonizing years is the higher education of their child(ren). From academic counseling to education fairs to scouting of universities, parents put all their strength in ensuring that their child opts for the most rewarding academic stream, passes tough entrance exams and get admitted in a prestigious college.

Why not, after all, a good education is an insurance for your child's future success!

While it is true to the extent that a good education will provide means and opportunities to take up a well-paying job for your child, it is another matter how your child handles her money in the future.

The skill to earn money cannot negate the tendency to spend impulsively, and increasingly youngsters are courting financial distress in the early years of their working life. The sudden significant rise in lifestyle expenses doesn't help the case either. More often than not, young professionals live a flashy life and spend a lot on gadgets, accessories, apparels, clubs, and eating-out, leaving nothing for savings or investments. In such a scenario, irrespective of the monthly package, many young professionals overspend and get into the vicious cycle of debt, thanks to credit cards.

Nysa is quite familiar with such a predicament, as she suffered it firsthand. An intelligent and smart girl, Nysa was raised with love and ethical values. Her parents, both working, saw that she gets everything she needs and never shared their financial position with her. Soon after college, she got admitted into a good MBA college and subsequently got a job in a large MNC. The job took her away from home to a different city. There, her living expenses were significant, but her fat salary covered them.

The problem started when Nysa made a few friends from the office and would frequently hang out with them. This meant going to expensive clubs and restaurants, spontaneous weekend trips and tons of shopping. Soon, she reached a spot where the last penny from her salary would be spent days before the next salary credit. She used her credit card to cover up the expenses for those days. But soon enough, she was getting huge credit card bills that would take away a chunk of her salary, leaving her in a chronic cycle of debt. Her parents, too, were not able to help her as they had already invested a lot in Nysa's education.

Even with a plush job and a good education, Nysa found it challenging to get out of the debt, at a time when her very good friend, Tanya, was not only planning her wedding but had also made the deposit on her new home.

But can this seemingly plausible future of your teenage child be reversed?

Well, yes, and that too, without much sweat.

Let's look at what different happened in Tanya's life. She, like Nysa, belonged to an educated, middle-class family with a similar economic background as Nysa's parents. Her parents, too, wished that Tanya gets the best of education, and subsequently, a well-paying job (an engineer in an IT company, Tanya lived in the same city as Nysa and earned almost same as her).

But besides encouraging her to focus on studies, they also taught Tanya to be responsible with her money. Tanya's parents often discussed their financial position with her. They also rewarded Tanya for avoiding unnecessary expenditures and best utilizing her pocket-money. Tanya learned to distinguish between her needs and wants at a very early age, which enabled her to spend on important things such as acquiring new skills, over the impulse of wasting money on clothes and shoes.

When Tanya next met with Nysa and saw her in financial distress, she took over Nysa's hay-wire financial situation.

To begin with, she convinced Nysa to move out of the expensive flat and live with her. This saved a lot of money for Nysa. Next, Tanya apportioned a budget for Nysa's monthly expenses and made her pledge to stay away from impulsive online shopping.

Within three months, Nysa's finances were back on track. She thanked Tanya for helping her come out of the debt trap. Nysa also asked her secret behind living a financially independent life, to which Tanya told her what her parents had taught her when she was in school:

– Distinguish between Needs and Wants

– Invest before you spend

– Get in touch with a financial mentor (can be someone from the family)

Tanya also told Nysa about investing in mutual funds through SIPs, where anyone can start investing from as low as INR 500.00 and benefit from the compounding effect and the volatile play of the market, provided the investment period is long, say about ten years.

It turned out that Tanya's parents started to invest some amount in mutual funds when she was just fourteen. Over the years, her parents increased the monthly SIP amount and later, after getting the job, Tanya contributed an even higher sum each month. Her portfolio had grown all these years handsomely, giving her the freedom of having a second income with which she plans to meet all her essential life expenditures. Teaching kids to earn money is essential. But it is equally important to teach them to manage it well.

"Every time you borrow money, you're robbing your future self."

- Nathan W. Morrisein

13. Uniform Literacy

It is the farewell day for the outgoing Senior Secondary class. All boys and girls are experiencing a mixed bag of feelings; the joy of starting an independent life – the anticipation of the college life, and the ache of parting from lifelong friends.

They all sing and dance and click pictures in groups.

Ms Neelima, the Headmistress, can't help but muse over their future and what life will bring for them.

In the school, they are treated just the same. They wear the same uniform, pay the same fee and are bound by the same rules. In a few years, they will be adult, responsible citizens. But life will not bind them by the same rules or treat them equally. While some of them will reach the stars, the others will struggle hard to stay afloat.

"Why do we have such inequality in our society when we raise all our children alike?" Ms Neelima could never find an answer to this question, no matter how hard she tried.

A few days later, in a chance meeting with a person, who happened to be a financial expert, Ms Neelima got her answer. She was surprised to learn that the answer to her tormenting question was so plain and simple.

The financial expert told her that financial illiteracy is the reason why children from similar educational backgrounds perform differently in their lives. While some of the students will go on to create lot of wealth and live a life of comfort and abundance, the others will live from paycheque to paycheque.

"We teach our students mathematics, science, accounting, arts and so on. We also teach them moral values to live in harmony with people around them, but we never teach them to manage their finances," the financial expert told Ms Neelima.

He went on to tell her that we are letting generations after generations of financially illiterate students grow up into financially stressed adults – except for a few who get timely financial guidance.

It is not the lack of opportunities – certainly not in present times – why our nation is still grappling with poverty or low household income. It is the financial indiscipline and financial illiteracy that leads to bad money management.

The financial expert helped the Headmistress chalk out a 5-step program to instill financial discipline among her students, from the age of 15 years:

1. **Introduction to Financial Literacy**

Invite financial experts and advisors to explain the need and nuances of financial literacy. Stress on the power of compounding and its role in wealth creation.

2. **Setting Personal Goals**

   Teenagers have many dreams. Help them shape these dreams to quantifiable and achievable goals. One-on-one sessions, preferably in the presence of parents, are an ideal way to achieve this.

3. **Lessons on Mutual Fund Investments**

   It is never too early to learn the concepts of financial markets and the concept of compounding. One basic tenet of wealth creation is time; hence, students must be taught that staying invested in mutual funds for long time periods is the easiest way to create wealth.

4. **Coordinating with Parents to encourage habit of regular saving & investments in their ward(s)**

   Teachers must educate parents about the need to make their children more financially disciplined. Encourage parents to start regular investments in mutual funds (through SIPs) in their child's name.

5. **Differentiating Needs from Wants**

   Encourage students to keep a track of their investments and motivate them to continue investing for at least 10 years to become young millionaires. Teach them to differentiate between needs and wants, enabling them to make spending decisions in accordance with their financial goals.

Ms Neelima is religiously following the financial literacy program in her school. She can already feel a positive vibe in the school, and though it will take a long time, she knows that, in the future, the students passing out from her school will be financially independent and even wealthy adults.

Ms Neelima found the answer to the question tormenting her . . . have you?

"Financial literacy is just as important in life as the other basics."

- John W Rogers Jr

14. Is it Gonna Rain Forever?

The sun shone strongly as Jason raced to the little, dingy bar that nestled under a giant banyan tree. As soon as he reached there, his eyes began to search for a familiar face in the crowd of people who preferred sipping wine over siesta. Jason heard Kevin's voice before he saw his face.

"What do you know man, my car itself was worth over a crore…"

Sitting in the farthest corner of the bar, nursing a half-emptied glass of cheap liquor, Kevin was telling his friends of the good old luxurious life he once lived. At 45, Kevin had already seen the best and the worst in life. A bright, young fellow with a passion for earning loads of money, Kevin ventured for his maiden voyage – aboard a luxury cruise liner – as a Trainee Engineer, some twenty years ago.

His skills, passion and determination to excel at his job won him a lot of praise, promotions and popularity in the shipping circles. The latter resulted in a slew of shipping engagements at lucrative salaries. For the next 15 years, Kevin worked diligently on one of the finest assignments and earned truckloads of money.

"Wait! Kevin's story doesn't match with his current state, right?" You would ask.

Well, this is the second part of the story. While Kevin earned a lot of money, he also splurged in luxuries he never needed. Every year during Christmas holidays, Kevin would come home to his family (he got married to his childhood love, Jennifer, two years after starting his job) with crates full of gifts and would shower his friends and family with expensive gifts without the want of an occasion.

Add to this, he spent heavily in transforming his humble little house into a palace-styled mansion and filled its garage with luxury cars. It was raining gold and Kevin did his best to let it flow down to the sea.

But something unexpected happened about five years ago. Kevin found himself amidst a pool of middle-aged engineer, just as qualified and skilled as him, waiting endlessly for the next assignment. The downturn in the economy had slowed down the business and jobs were scarce. Months turned into years and Kevin, quite unexpectedly, became the yesteryear star engineer persuaded by shipping companies with lures of riches.

Kevin came home to an opulent house and always stepped out in his swanky car. However, his sparse savings were fast dwindling. There were bills to pay, school fees to deposit and a social status to maintain. Without any sound financial advice, Kevin's precious funds soon withered out. And he also took to drinking heavily.

There came a time when he had to sell his house, which was his pride, and began living in austere conditions. Unable to bear their financial and social downfall, his wife left him, and the rest of his funds were sucked up in sorting legal matters.

"Kevin, brother! See I am selected as a part of the crew for that big ship," Jason jumped up and down excitedly as he delivered this good news.

Kevin was ecstatic to hear this news. He ran and embraced his little brother.

"You've done it!" exclaimed Kevin.

After telling the good news to all his fellow bar mates, Kevin suddenly turned serious.

"Let's talk," was the only words a confused Jason heard before Kevin sat in his ramshackle car.

After a brief drive, during which no words were spoken, Kevin stopped the car near a cliff that overlooked the vast blue ocean.

"Jason, my brother," said Kevin after both brothers settled down on a short boulder, "you are going to start what I started twenty years ago. I just want that you must not end like me."

Tears swarming in his eyes, Kevin added, "This job will take you places you could ever dream of and will earn you money you could never think of. Yet, it is all for a little while."

Jason listened intently to his elder brother like he always used to. Kevin was his hero. A fallen hero, unfortunately.

"If my very adventurous life has taught me anything, it is these three mantras:

"Spend on needs and opportunities. Don't splurge on wants and indulgences.

"Invest your money before spending.

"Plan your future, today."

As Jason mulled over the three tips given by his brother, Kevin added, "It isn't gonna rain forever."

Kevin also told Jason that he met a financial consultant while sorting out his legal matters and clearing his debts, who told him how Kevin could have planted a healthy sapling of investment that would have grown into a blossoming money plant, had he managed his funds properly and invested while he was still young.

'Together with the steady monthly investments and power of compounding, your mutual funds' portfolio would have grown to crores of rupees,' Kevin remembered the financial mentor's words reproachfully.

"I am still trying to get back on track with whatever frugal funds I have, through SIPs in mutual funds, thanks to this mentor's guidance," revealed Kevin with a hint of hope in his eyes. Kevin had also started to look for local jobs and was working on his alcohol addiction, which was hard, but he was trying.

"I will put you in touch with him soon," added Kevin.

As the sun scaled its journey towards the horizon, Jason looked at his future life in a new light.

Even before they started for home, Jason had planned to not only begin investing for himself right from his first paycheque, but also for his hero, his brother, who is trying to get back on his feet.

"Modern slaves are not in chains, they are in debts."

- Anonymous

15. Financial Sustainability for a Better, Greener Tomorrow!

“Grim … very grim,” Edwin sighed sorrowfully as he folded the morning paper and looked at his son.

“What’s the matter, Dada?” asked Keith with concern as he nibbled on his toast, all dressed up for school.

“The usual … more damage to the environment in the name of development. The food is adulterated, and the air is getting polluted,” said Edwin, looking at his twelve-year-old son, “It seems no one cares about preserving the environment.”

“I care,” mumbled Keith as he got up from the dining table and bade goodbye to his father and hollered a ‘Love you Mom” to his mother who was busy getting ready for work.

Edwin, an engineer by profession, had serious concern for the environment. He actively participated in efforts to restore the environment. From seed bombing to beach cleaning drives to advocating the benefits of organic farming, Edwin did as many green deeds as possible. And he always took young Keith along with him.

The pro-planet environment that he grew in had a profound impact on Keith’s young mind.

That evening, when the family reunited over the dinner table, Keith announced, “Dada … Mom, I have decided that I will devote my life to the protection of the environment.”

“Really!” beamed Edwin, “I fully support your decision,” he said lovingly to his son.

At night, after Keith went to bed, Edwin and his wife, Rita, sat down to discuss Keith’s future.

Rita had ambitious dreams for her son. She wanted him to get a good education, maybe a graduate degree from a good foreign university, and secure a high-flying job.

She voiced her doubts, "Edwin, I know you are on cloud nine to hear your son's future plans. But if he wants to devote his life fighting to protect the environment, how would he earn a decent living? How would he fend for himself and his family?"

"But Rita, isn't it great that our son has such noble thoughts? Don't you think that every young boy and girl must commit to saving the planet with his or her full might? How else can we expect to have a future with healthy food and clean water and fresh air to breathe?"

"I completely understand, Edwin. We will all face serious consequences if we do not struggle to save our environment. However, driving green efforts during your spare time, after working hours, makes sense, but how could you encourage him to take this up as full-time occupation? You know that you do not get paid for your green deeds!" exclaimed Rita.

"Haha-ha," Edwin burst out in mysterious laughter, much to Rita's annoyance.

"What are you laughing for? Being financially secure is not a laughing matter."

"I know … I know," said Edwin as he recovered from his bout of laughter, "You think I am a fool? Of course, I don't want to see my son roaming in frayed, torn clothes, driving great environmental initiatives while living on a pittance," he said, smiling meaningfully, "I don't believe that crusaders of the environment should go about penniless."

"Edwin, I don't understand all this random talk. Tell me what you have in mind," Rita warned her husband irritably.

"Okay dear, calm down. I will tell you everything," Edwin said playfully.

"About a couple of years ago, I met a financial expert during one of our office seminars. What he said blew me away," revealed Edwin.

"No riddles, tell me everything, please," Rita was clearly not able to contain her curiosity.

"Ok … Ok. I will come straight to the story now," said a smiling Edwin.

"The financial expert took a session on financial literacy and introduced us to the concept of small, regular investments in mutual funds."

Edwin went on to describe all that he learnt during the session, which, in gist, was that small investments made regularly in mutual funds for a long period of time, say over ten years, can grow into a large sum of money. With the element of compounding at play, investments as low as Rs 500, invested every month through Systematic Investment Plans or SIPs, for a long duration, can result in a huge corpus that keeps growing on its own.

Edwin further revealed to his wife that from the past year and a half, he has been continuously investing Rs 1,500 per month in mutual funds through SIPs for Keith, under the guidance of the financial expert he had met during the seminar.

"I wanted to give you and Keith a surprise on his 18th birthday. However, it was important to tell you now to quash all your fears about our son's future financial security."

Rita was glad to hear that, but she still had some doubts, "Edwin, but how can we build a large fund for Keith by putting aside just Rs 1,500 per month? And what is the guarantee that Keith would not splurge all the money very early in his life?"

"Very good questions," Edwin patted his wife's back in genuine praise. Rita blushed.

"I plan to increase the SIPs by Rs 500 every six months now. With a consistent increase in investments and the power of compounding, these seemingly small investments would transform into a huge portfolio by the time Keith turns 25 years.

"Even if we stop investing each month after he turns 25, the portfolio would still keep growing in value. Like magic!" beamed Edwin.

"And what if he chooses to buy a fancy car or a house or a world trip, burning all that we build for him? We see such cases every now and then," reasoned Rita.

"That's where the financial expert's advice comes into play," Edwin said smilingly.

"He advised me to develop a sense of financial responsibility in Keith. Teach him the difference between needs and wants. Teach him to be resourceful and not wasteful.

"And you know what, I have already begun teaching this to your genius son," Edwin concluded with a wink.

Light-hearted after the discussion, Rita drifted into a peaceful slumber, knowing well that whatever her son chooses to do, he will always be financially secured.

"A big part of financial freedom is having your heart and mind free from worry about the what-ifs of life."

- Suze Orman