

BUILD YOUR WEALTH

“Wealth is not about having great possessions but it is about spending less .”

Building wealth is a topic that sparks heated debates, promotes quirky ‘**get rich quick**’ schemes and drives people to pursue transactions they might otherwise never consider . The steps to build wealth are simple to understand but they are not easy to follow.

Building wealth has three basic steps :

1. YOU NEED TO MAKE MONEY FIRST:

This means before you can begin to save or invest , you need to have some left over after you have covered your necessities.

2. YOU NEED TO SAVE :

Once you have an income to cover your basics; you need to develop a proactive savings plan.

3. YOU NEED TO INVEST IT :

Once you have set aside a monthly savings goal ; you need to invest it prudently , that is , put your savings in a productive channel.

This makes a simple equation :

INCOME – SPENDINGS = SAVINGS.

Save Pennies to Earn Pounds

Warren Buffet has famously remarked ,”Do not save what is left after spending , but spend what is left after saving .”A concert and conscientious effort by an individual to make small sacrifices will lead to small savings , which over the period will accumulate large wealth and make a huge difference to his lifestyle . The aptness of the 17th century adage that ‘ early bird catches the worm ‘ in financial management is unrivalled. Early savings create larger wealth **Never spend your money before you have it** . People simply buy consumer goods on EMI and spend paying it off along with interest . However , if they can delay the purchase and save for it, then will both avoid debt and paying interest.

PERSONAL FINANCE MANTRA

INVEST BEFORE YOU SPEND

STARTs EARLY TO ENJOY COMPOUNDING

SAVE REGULARLY AND INCREMENTALLY

SUNITA YADAV

PGT- COMMERCE