

Fundamental messages in

Financial Literacy

Personal Financial Management



Decide what is important to you

You should set financial goals to be able to manage your money well. Think of what you want in life and set goals towards achieving that. For example, if you want to buy land in 5 years' time, start saving for it now. If you are working for something that's important to you, and if you have a plan of action, you will be more likely to succeed.

Set family financial goals

Your financial plan should include the goals, resources, and responsibilities of the entire family. You can achieve family needs but not necessarily what each family

member wants. For example, you can decide together what schools to take your children to and which medical centre your family can get treatment from, according to your income.

Raise money to meet your financial goals

After setting your financial goals, plan where you will get the money from. If you can't get enough money from your income, raise additional money through other means. You can also cut your expenses and save. Look for ways to spend less so that you can save some money to help you reach your financial goals.



Prepare a budget which is within your income

Once you have decided on your priorities, find out how much you need to pay for them. Make sure you plan not to spend more than you earn. When making your budget, keep in mind that prices usually change over time.

Keep track of your expenses

It is important to keep track of all your expenses, e.g. keeping a book where you record all your daily expenses. This helps you monitor how you spend your money and can provide guidance on which expenses you can reduce or do without. If you keep your money with a bank, ask for your bank statement to see how much money has been coming in and how much is going out.

It's easy to get into debt but hard to get out

If you borrow money, plan carefully how you will use your loan and how you will pay it back - and stick to your plans. Always use borrowed money for the purpose you borrowed it. Avoid borrowing to pay off debt.





Save and invest to grow your earnings

Some people look at their income and “get comfortable” with it. Don’t be one of them! You can save a portion of your income and you can invest part of it. Save and invest so that you will still have something to live on in case of a sudden loss of employment, accident or illness.

Write a will to protect your investments for your dependents

To make sure that your money and property is going to the people you want to when you die, write a will. A will is a signed document which spells out how, and by whom, you want your property to be managed after your death and who should benefit from it. Don’t forget to update your will whenever you get new property, children or whenever you lose, sell or give away the property you included in your original will. Your dependents should know where to find your will.



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