



Vishal Dhawan
Financial planner &
founder, Plan Ahead
Wealth Advisors

MANAGING YOUR MONEY IN 2015

Follow these 12 simple steps to be in better control of your finances in the new year

The new year is only a few days away and you must be racking your brains already about resolutions. Whatever your resolutions, you may wish to add a few things to better plan your financial life in 2015. Here are a few quick tips for you to keep your wealth in good health.

January—Question what you really want your money to do for you Whether you want to retire at 45, send your kids to study abroad, or travel across the world, it would be a good idea to put numbers to each of these goals and estimate how your finances are currently designed to help you achieve these.

February—Put it all together Create an inventory of all your savings, investments and insurance policies. It is critical that all records are well-documented and stored.

March—Keep what matters, let the rest go Surrender all those small value insurance policies that don't give you enough cover and buy new ones. The same goes for investments that you may have made in the past.

April—Put your risk control mechanisms in place Carefully evaluate the right amount of life insurance coverage needs and medical cover required for you and your family and make arrangements accordingly.

May—Plan for emergencies and contingencies It is imperative that you keep some funds tucked away for emergencies. Ideally, keep a combination of cash, savings account-linked fixed deposits or even liquid funds that allow you to withdraw cash through ATM cards or redemptions through SMS. Typically three to six months' worth of contingency funds works well for most people.

June—Use technology to improve the management of your finances Bring yourself up to date with the latest offerings on technology that may help you keep a tab on all your finan-



IMAGESBAZAAR

INVEST A PORTION OF YOUR INCOME ON IMPROVING YOUR SKILLS. FIND A WAY TO TURN YOUR PASSIONS AND HOBBIES INTO PROFIT.

cial matters. It is much easier to keep track of your accounts through alerts, texts and emails these days than repeated visits to the bank.

July—File your taxes correctly and diligently Collect all your data, be it income, investments, interest statements, capital gains, etc. and compile it carefully so that you do not miss out on anything critical. Speak to your tax adviser to avoid any undue tax-related stress.

August—Build a team of trusted advisers Build a strong relationship with your financial planner because he will oversee your finances, advise and manage your taxes on a regular basis. Also, get a legal adviser to guide you through matters related to succession and real estate.

September—Invest in yourself All of us tend to become complacent once we reach a comfortable state in our careers. Just like companies spend a portion of their revenue on research, invest a portion of your income on improving your skills. Find a way to turn your passions and hobbies into profit.

October—Accept that you are an investor While most of us start off as investors, there is a high risk of becoming a speculator along the way. Avoid making a purchase just because it has done well in the recent past or your friend has bought it. As George Soros says, "If investing is entertaining, if you're having fun, you're probably not making any money. Good investing is boring."

November—Build your succession plan Clearly designate your beneficiaries by putting it down on paper and educate your family about all your assets and loans. You'll save your family much worry if you tell them you've got enough to see them through.

December—Review your plan and rebalance your portfolio Focus on the overall allocation of funds across different asset classes so that assets that have become cheaper can be added to your portfolio, and expensive assets can be reduced. This simple strategy of rebalancing can make a significant difference to your overall portfolio returns. ■