

You shouldn't just stop at saving

Vivina Vishwanathan

■ Vivina.v@htlive.com

MUMBAI: We all know that we need to save our money to fulfil our future needs. However, saving money is not enough. Inflation and tax can eat into your savings, reducing the value of your savings over a period of time. On World Savings Day, four experts give you some basic strategies to not just save money, but to invest as well.

For Mumbai-based wealth manager Prateek Pant, co-founder and head products and solutions, Sanctum Wealth Management, saving money doesn't mean leaving it in the bank account. "For me, savings is all about being a disciplined investor. For instance, I have systematic investment plans (SIPs) for the past 15 years for all my goal-based needs. Also, it has to be goal based. For example, I had plans to send my daughter to the US for higher studies. Aligning to that plan, I have invested in US-based funds which could be used for her education," said Pant. He further points out that you should always keep an eye on your expenses and pay your credit card bills on time. "If you are using credit card, never revolve your credit. It has an extremely high interest rate which eats into your savings," said Pant.

Not everyone is a risk-taker when it comes to money. For R M Vishakha, managing director and chief executive officer, IndiaFirst Life Insurance Co Ltd, the investment options has to be aligned to your financial needs—goal and tenure-based. "Look at how corporates invest money — they look at asset-liability management. That is the exact same thing you should do for your personal finances. I am averse to risk. For certain requirements, I will create a first level of guarantee. And for everything above that, I will leave to earn extra. For instance, I bought a house before a

SAVE SMART, SAY EXPERTS

"For me, savings is all about being a disciplined investor. For instance, I have SIPs for the past 15 years for all my goal-based needs."



Prateek Pant, co-founder and head products and solutions, Sanctum Wealth Management

"Look at how corporates invest money — they look at asset-liability management. That is the exact same thing that you should do for your personal finances."



R M Vishakha, managing director and chief executive officer, IndiaFirst Life Insurance Co Ltd

"Savings is money set aside for meeting various goals in life through regular planning, including identified future big ticket expense."



Shanti Ekambaram, president – consumer banking, Kotak Mahindra Bank Ltd

"I don't like fixed deposits. I am a 100% risk-taker in my investment approach. I believe that keeping money only in fixed deposits is the worst thing that you can do to your money."



B Amrish Rau, chief executive officer, PayU India

car. I invested in provident fund and insurance before mutual funds and portfolio management services. The riskier option has always been later," said Vishakha.

For Shanti Ekambaram, president – consumer banking, Kotak Mahindra Bank Ltd, savings is all about putting some money away regularly for the future – building a nest egg that can be used later to meet any planned or unplanned expenditure. "It is money set aside for meeting various goals in life through regular planning, including identified future big-ticket expenses. A simple savings bank account plays an important role in instilling the savings habit in people," said Ekambaram.

Savings is not always about playing safe. If you have a high-risk appetite, there is no harm in taking calculated risk.

"Banking was created by the capitalist. For me, to create further wealth and savings, it is all about trying to invest in business ideas for which I do angel investing, direct stocks and mutual funds. I don't like fixed deposits. I am a 100% risk-taker in my investment approach. I believe that keeping money only in fixed deposits is the worst thing that you can do to your money," said B Amrish Rau, CEO, PayU India.

Whether you are a risk taker or risk averse, savings is paramount to take care of your future needs.