

Preface

I was meeting my schoolmate Rajan after a very long time. He was passing by my city while vacationing in Himachal, and he decided to stay back for 1 day in Chandigarh.

I picked him and his family up from the airport and brought them home. After some chit chat while we were waiting for lunch, he asked me, “So where do you suggest one should invest these days?”

This is a very common question from people who know my profession or when I introduce myself as a financial planner to someone in general.

The question can be different depending on the person’s perception about the current investment market scenario, his beliefs and understanding. It was early 2017 and everything was going great and thus people asked me where to invest. Some even went further and ask specific questions on how to create a “Perfect Investment Portfolio”. Earlier in 2008-09, and even in 2018-19, when the scenario was bleak, people used to ask me if I thought one should invest these days or just keep the money in saving bank accounts or bank fixed deposits. Rather than growth, they were worried about the safety of their capital.

And my answer has always been – “I don’t know” or “Not sure” or “Maybe”.

People ask such questions as per their perception of the then investment market scenario. They believe that what is going on currently is the only reality, which will

continue in the future.

In behavioural finance we call it a “Recency Bias” or “Availability Bias”. This was the problem in 2003, in 2007, 2009, 2014 and 2018. In fact, every time you need to make any decision about the future, you consider the recent happenings as a base or even your past experiences and beliefs play a big role in whether you go ahead with your decision or not.

You decide based on your thoughts, what you expect or anticipate about the future. How has been your past experience? What is going on in your life at this moment? Your thoughts, your feelings all guide your decision making. As in stock markets, it is said that only 2 drivers drive the market - Fear and Greed.

When you feel happy, you are positive about the future and when you feel sad, your life looks dull and depressing. Your happiness or contentment with your decisions depends upon the outcome you are anticipating from it. Also why were you expecting that outcome...because of some bigger purpose in life or was it because of your feelings?

No one wants to get rich; everyone wants to get richer than others. A job promotion is good, but if your colleague has got a double promotion then your own happiness gets halved and you have all the reasons to justify why the boss made the wrong choice. Our education system has become such that it's no longer about your own good rank, it is more about having a better rank than others. Competition has become a way of life. And with this kind of a mindset and experience when you enter the money game, here again you start competing with others in terms of a big car, a big house, exotic travels, throwing parties, putting children in high end schools...and so on. Coming to my conversation with Rajan, “Goodu, I don't

advise on investments just like that” (Goodu is Rajan’s nickname).

“Oh, I thought you were into financial planning. Never mind, so what do you do for a living?”, he asked.

“I am a financial planner, but for living I do morning and evening walks, sometimes biking too, and if with friends we may go hiking/trekking. I love eating a variety of food and I make sure to explore a new food joint (dhaba, hotel or roadside vendor) every month, and if possible, in different cities too. I love to travel and explore new locations. I spend time with my parents and visit them every month. I am slowly developing a taste for reading and try to read one book every month...and yes I am into financial planning too, and help my clients organize their financials and live their life to the fullest.”

“Hey wait!! Seems you have an interesting life. But, the other activities besides your profession, does that make you money?” Goodu was looking bit confused.

I explained, “See, you asked about what I do for my living and this is how I live. For money, yes, I work as a consultant to many families but that is a part of life, as I enjoy doing it. See when you enjoy what you do, you need not separate work life and personal life. My clients are like my extended family and so my work is my extended life.”

“So, do you earn well?”, his confusion continued.

“Goodu my friend, life is not mathematics. When you look at it in terms of numbers you start doing maths around it. This is what happens when you consider money as the supreme necessity in life. You start looking for ways to multiply the money, believing that more is always better, and nothing looks enough to you. Numbers lead

to comparisons, and comparison results into so many different feelings. Such feelings don't let you pause and enjoy what you have. It does not let you look at your life holistically and you find yourself going deep into a rut. I've observed this in many people who number wise are doing well, but still are not happy in life.

All this happens when you do not live your true life and you spend your limited life energy in living like others... your own life becomes all about others. Now that doesn't mean that money has no role to play in your happiness. It does, but only to some extent. Beyond a point you need love, caring and togetherness, it's all about your wellness," I concluded.

This book is about aspects that stop you from living your life, about balancing your life and money. Money is not Life, but a part of Life; yet we spend most of our life energy to earning more and more money, and in the process forget to live Life.

I will discuss money too, as this is the thing that you are trading off your living years for and also ponder on aspects of "the perfect investment portfolio", "how much is enough?", risk, asset allocation etc. but only up to the point where you realize that the rest is all about process, where there is nothing much you can do.

Thus, do not consider this book as a "Get Rich Quick" primer or "Tips to make money faster".

Knowing - Learning - Understanding

Friends, Goodu is not a fictional character. It is you, a Good Side of You (U)!

Every one of us has a good side where we want to live our life to the fullest, do something for society, spend time

with our parents and kids and much more.

But since childhood you were told to behave in such a way that you look good to others. Behave properly; study to compete and get a better job than your friends, neighbours, and relatives; then earn more than others, so that you can buy a bigger house, drive a bigger car and lead a happier life.

Your work and income define your status in society...and many more such statements have corrupted our minds such that we have lost our own selves somewhere. All that we do may end up with us having a happier life, but after accumulating so much we forget to live life.

Money is no doubt an integral part of life, but how much is enough is to be seen.

Life is more important. Your life should not revolve around money, but money should be a medium to help you lead a good life. In fact, why just you, everyone has the right to lead a good life and since God has given you the power to earn, so your money should help and support the needy segment of society too. So, make others' life good too. Live good, Create good, Spread good.

This book is to bring out your Goodu! You know what is right and what is wrong, it's just that your mind and your circumstances that don't let you think that way.

Just Like Lord Hanuman was reminded by Jambavan about his powers to fly and cross the ocean to find out the whereabouts of Sita, I too am playing the role of Jambavan through this book to remind you that you too can be free from the clutches of money, and make money your true friend to make it work for your betterment. It should increase the life in you rather than taking the life out of you.

The whole book is divided into 3 sections:

1. Knowing – (Jaano) – Red
2. Learning – (Seekho) – Yellow
3. Understanding/Identifying – (Pehchano) – Green

Knowing is about knowing yourself and finding out the WHY part of your actions. The Learning section is related to money aspects as to how to look at the monetary areas in life and how well to manage it, and the Understanding section is the final impetus which gives you an idea on what is stopping you from moving ahead and how better to deal with it.

I am a strong believer in taking professional help. If something is not your core area of expertise then it's always wise to take an expert's help so that you may concentrate on what is more important. Although I will explain a few areas of money management, it is just to prepare you to ask the right questions and come up with the right problems when you seek professional help.