

# **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 17<sup>th</sup> 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