

Handbook for the Financial Wellness Journey

FinSteps



Introduction

Thank you for your interest in the FinStep program. Hope the program was insightful with many implementable take-aways.

Here is a Handbook which gives a glance into:

- Financial Resolutions for 2022
- Key Habits
- Next Steps
- Finsafe Tips

Resolution 1 – Save to Splurge



- **Maintain an expense tracker**
- **Stick to budgeting rule**
 - 30/30/40 vs lesser saving
 - Create a spending plan
 - ✓ Check Non essential expenses
 - ✓ Have penalties in place
 - ✓ Automate Savings & bills
 - ✓ Check employer provided benefit
- **Plan for big ticket expense**
 - Save monthly for school fees, vacation, etc.

Resolution 2 – Build higher financial security



Medical Emergency

- Make sure your medical insurance is up-to-date and covers you for major medical emergencies



- Create a fallback budget

The fallback budget should leave out the things you could cut back on or do without if necessary.

- ✓ This fallback will help you be ready in case you experience an unplanned financial event or a period of unemployment.

- **Do not rely on EPF**

- Create an **unexpected expenses fund**
- Have **25% of emergency Fund** in savings account

Resolution 3 – Increase in Net worth



- Focus on cash flows
- Regularly invest in inflation beating instruments as per risk
- How much in equities
 - Based on
 - ✓ Risk appetite
 - Aggressive, Moderate, Low
 - ✓ Goal period
 - Longer the period, higher the equity
 - Your ability and willingness for risk
 - Max your equity holding

Increase in Net worth – Golden Rules

- Diversify among asset classes
- Diversify between Largecap Vs Midcap Vs Smallcap
- Choose international exposure correctly
- Rebalance portfolio
- Stay away from products like Unit Linked Insurance Plans, cryptocurrencies, P2P lending, fractional property, etc
- Manage debt effectively

Key Habits to follow for 2022



January

- Set a New year resolution to save more
- Submit Tax proofs



February

- Work on financial goals
- Plan for school fees



March

- Advance tax payment for FY 21-22 due
- - 31st Mar last date for belated ITR filing



April

- Start Tax planning for new FY
- Portfolio Audit



May

- Invest bonuses as per financial goals



June

- Start gathering documents for tax filing
- advance tax due

Key Habits to follow for 2022



July

- Match AIS
- Tax filing



August

- Update Financial Repository
- Check nominations



September

- Advance tax due
- Plan for festival expenses



October

- **SPLURGE MONTH!!**



November

- Look for good vacation deals



December

- Advance tax due
- Portfolio cleanup

Next Steps

- Determine financial situation
- Create an essential and splurge budget
- ✓ • Set goals including for unexpected expenses as well
- Find out how much to invest towards each goal
- ✓ • Earmark existing investments to goals
- Choose right products to invest into

Learning Resources:

1) Link to Goal Planning Calculator -
<https://www.finsafe.in/financial-wellness/dream-calculator/>

Facebook Page:

[Finsafe India](#)

You Tube Channel:

[Finsafe India Private Ltd](#)

Twitter:

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Telegram :

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