

# Savings or Investments?

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**When People think about it .....**

# Questions behind Savings and Investments

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- ❑ Where do I save or Invest?
- ❑ What are the BEST avenues?
- ❑ How much return I will get from different avenues?
- ❑ What are the tax treatment on Savings & Investment?
- ❑ How much flexible options are there, in case if money require urgently?
- ❑ All this and much more.....

# When do we start thinking all this?

When will have surplus money in our hand or we have a cash flow planning....

BUT

THIS IS ONLY INVESTMENT PLANNING

SO

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WILL IT TAKES CARE OF ALL LIFE GOALS and DREAMS?

# Answer is NO

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## WHY?

- Investment planning is not a financial planning.
- **Financial planning is all about setting life goals and try to achieve it with a discipline approach.**
- **Lets look some diffrenciation which will make out thoughts more clear.**

# Difference beteween

## Investment Planning & Financial Planning

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- IP is a part of FP.
  - It's a money oriented process.
  - In IP people target return.
  
  - Before start IP One will always consider only best investment avenue.
  
  - People start thinking of reinvestment or utilising money when they receives return.
  - That means It's a single time process.
- FP is a broad concept.
  - It's a goal oriented process.
  - In FP people have to target requirements.
  
  - Before start FP One will have to consider all financial aspect like expenses, loans, other liabilities, taxes etc.
  
  - Planning base approch for spending money before start investments.
  
  - It means it's a continous process.

# Areas will have to consider for Financial Planning

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- **Risk Management** – 1<sup>st</sup> step require to evaluate all kind of risk faces during various life stages. All expenses and liabilities including loans and requirement of finances will have to consider.
- **Insurance Planning** – is a risk management process which requires for not to get over burden by paying unnecessary charges for premiums without knowing benefits of risk coverage.

# Areas will have to consider for Financial Planning

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- **Evaluate life stages and requirement of money during those stages** : All Investment Planning related ideas starts with this thinking. But before that setting life goals are must to get success in life.
- One will have to think realistic and will have to target about their goals rather than influence by brands or returns of the schemes.

# Areas will have to consider for Financial Planning

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- **Tax Planning** : Paying taxes will always have an extra advantage to the person but one will have to do it in a proper manner so that not to get overburden by paying unnecessary taxes.
- There are many kind of direct and indirect taxes. One should know the legality of those taxes which will make impact on life stages.

# Areas will have to consider for Financial Planning

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- **Estate Planning** : This is a very important area of Financial Planning which people always skips even though they know the importance. Eg: **WILL** which require by everyone. Because “LIFE IS UNCERTAIN & DEATH IS CERTAIN” and it’s a truth of life that every human will have to die on one day. When we are there to take care of our dear ones but we will have to make enough provisions so that they will not have to suffer after we didn’t alive. All heirs will get easy and undisputed contribution of estate
- So **WILL** is must.

•There are many areas where we have to approach multiple professionals like

Insurance	Agent Advisor	Will only give their companies product related advise
Investments	Banker Investment Advisor	Will mostly give advise where their target given.
Tax Planning	Accountant Chartered Accountant	Will always look tax aspect 1 <sup>st</sup> and give advise.
Estate Planning	Legal experts Lawyer	Will give advise on legal area only.

# Questions comes in mind.....

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- Then how can we club all this and who will give nutal advise.....
- Is there any professional who will cover all this area and will give advise on this
- YES “CERTIFIED FINANCIAL PLANNER”

# What Certified Financial Planner do?

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- Lets look at certain profession

E.g.

- Health we take advise of doctor
- Interior or contraction we insist advise of architech and engineers.
- Financial and wealth planning is equally important. So only a professional can guide you batter and CFP is perfect one who knows all the areas of Financial Planning.



# So are you ready to accept CFP as one of your family member.....

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- Because CFP is a professional who will assist you on your life goals and plan your all financial goals through your journey of life.

With all this I thank you all to share my views on the subject.

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