

And a Happy Diwali to you

Financial Planning Lessons from Diwali



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In this week's segment we are taking a break from our Superannuation Series to talk about a festival that is celebrated by over a billion people all over the world - Diwali, the festival of lights. This year the festival will run from the 2nd - 4th November. During the festival Lakshmi, the goddess of wealth, is worshipped! Given we are literally celebrating wealth, what better festival than this to look at some key financial planning lessons to be learnt from.

Move from the darkness of ignorance to the light of knowledge

Diwali involves the lighting of lamps to remove the darkness around us. The lamp signifies knowledge, and when it comes to your finances and financial position, knowledge is key. An understanding of where you are now, where you want to be and possible routes to get there is key to a successful and secure financial future. This may often mean seeking the advice of experts and specialists to achieve this; think accountants, insurance brokers, financial advisers.

Remove the Clutter / Noise

In preparation for the arrival of Diwali, families begin spring cleaning their homes weeks in advance. This results in a lot of decluttering and ultimately a cleaner and less messy home and environment. You can also declutter your finances. Anything that is not in line with your investment philosophy or is not aligned to a goal is potential clutter and something for you to reconsider. Each aspect of your financial plan is like a vital component of your car engine and has its own role to play. Anything that sits outside of this is possibly only contributing to the clanking sound in your car!

Your way all the way!

Everyone who celebrates this festival has a different personal situation and so their celebration varies. Each family could have its own tradition and view on how they wish to celebrate, and it is all accepted. Similarly, your financial plan needs to be customised to cater to you and your needs and goals. There is no one size fits all solution, so be wary if anyone proposes a universal solution that works for all.

Now and the future

Diwali in its true sense (like all other festivals) is about time spent with near and dear ones, special memories created and wishing well-being and prosperity for all. The traditions and practices should never come in the way of you being able to truly enjoy this special time! In the same way your financial plan, while focusing on your medium to long-term goals, should not restrict you from being able to continue doing things and being with people that are most important to you in the present!

We will be back next week with our Superannuation Series. In the meantime, Diwali is an occasion to celebrate victory over defeat, light over darkness, awareness over ignorance, an occasion to celebrate life. May this auspicious occasion light up your life with happiness, joy and peace. Happy Diwali!

