

Financial Planning For Your Child's Marriage

Lil Wayne crashed the bitter truth when he said, *"The more time you spend contemplating what you should have done, the more you lose valuable time planning what you can and will do."*

Planning is the first thing we do when we have a set goal that we want to achieve. But, there is a difference between planning in your head and executing the plans to achieve that goal. While planning in your head is important, implementing them in actual lives will give you the desired results.

The arrival of your little one is accompanied by joy and celebration. But somewhere between that happiness and contentment, lingers a concern about your child's future. You are prepared for the small expenses that your child will demand, but what scares you the expenditures on their education and then their marriage.

Every parent wishes to gift their child the marriage of his dreams. And therefore, the pressure of organizing a lavish marriage can be overburdening at times. The marriage hall, decorations, sumptuous food and luxurious gifts; these are some of the expectations that the occasion of marriage entails. Worrying about expenses is natural; but not so much when you have planned things for the future.

Let us take an example to dive deep into understanding this. Aakash was the father of twin daughters who were in their high school. He started his financial planning for their marriage when his daughters turned 8 years old. That is the kind of strain a parent has when it comes to planning for their child's marriage. Here are some things he did to ensure that everything falls in place :

- He contemplated when he was ready to start investing for his daughter's wedding and started as soon as he could. He kept aside the amount that he wanted to invest, keeping in mind the changing demands and the rate of inflation.
- Starting early allowed him to take more risks as he invested in various equity mutual funds and gained high returns on some of them, one of them being the Systematic Investment Plan (SIP) which assured him of regular savings.
- He invested in asset allocation gauging the market condition, including gold which would not only come useful in uncertain times but could also be used for gifting purposes in the wedding.

Learning from Akash's story, you can also prepare for the grand and happy occasion in the following ways:

1. **Project the wedding cost and start early:** Start with approximating the budget for your kid's wedding and keep aside a fund to invest. Keep in mind the inflation rate and the new trends. Opt for the mutual funds that pay the best interest rate and allow you to invest little money for a regular period over many years.
2. **Figure out your asset mix and SIP:** 65% of exposure to equity mixed with 35% exposure to debt gives you an almost balanced fund to start putting together the money that you will require. You can choose the most viable combination for savings according to your budget. This kind of balanced fund gives you a return of 12%, which would give you good interest and a final sum depending on when you start with opting for it.
3. **Build the corpus:** Investing in equity mutual funds if the time span for the wedding of your kid is more than 5 years is a rational move. Apart from that, assets like gold can also come in handy when considering its liquidity and occasional inflation. Besides, gold mutual funds and EFTs are also viable alternatives.
4. **Leave your other funds alone:** Disturbing the funds and insurances that you invested in for other purposes like health, education or retirement is not a logical decision. They can land you in deeper trouble. Additionally, borrowing or taking a wedding loan also should be avoided to not create more liabilities than you have assets.

Hence in a nutshell, as a smart parent you should start planning early and allocate your funds efficiently. So what are you waiting for? Get ahead with your plan and step out to financially plan for robust and fulfilling results. Seek my expert to know more about the best insurance plan according to your requirements and budget. I will be happy to assist in the best possible way.