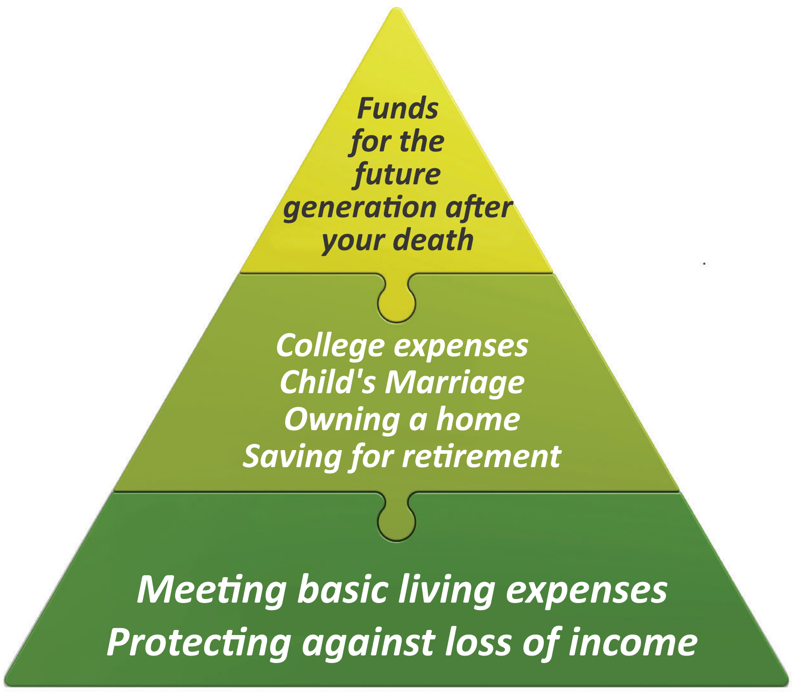
There are so many things you want as an individual and as a family. The objective of financial planning is to make sure you have the money to achieve it all. Having a good financial plan means resources have been allocated towards achieving your goals in a systematic manner.

1. Set goals and priorities

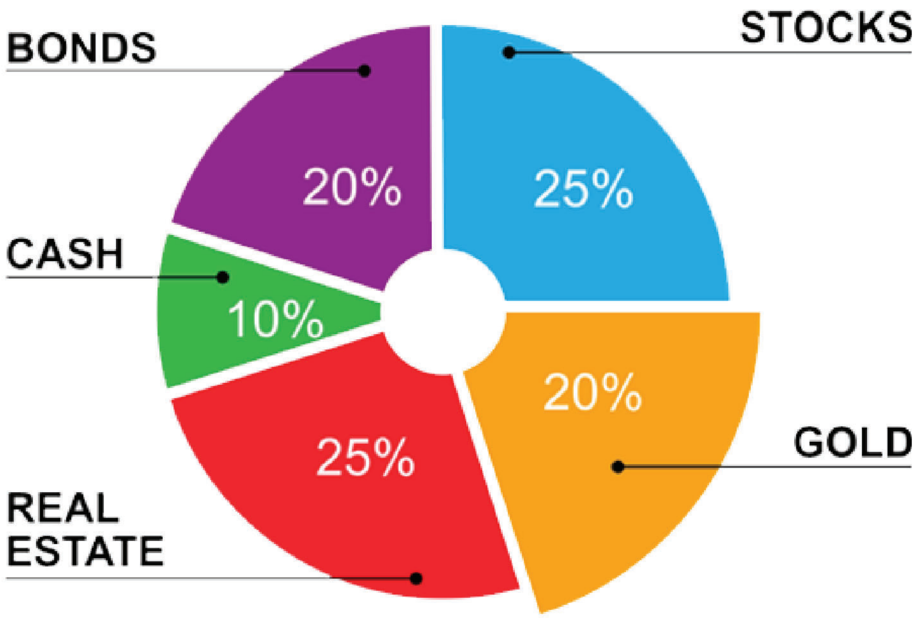
As a first step, write down your goals. Now, prioritize them. Families do not always have the budgets to fund several goals all together. A good financial plan can help you focus on one goal at a time.

Here are some essential goals and priorities that are most common to help you create your own list.



2. Build an investment portfolio

Goals cost money. To accumulate wealth, you first need an investment portfolio. We often feel we don't have money for investments. But if you put aside at least 10% of your income every month, you can invest to make your money grow.



A healthy portfolio has investments across equity, debt and cash so that you can have growth, stability and save tax. Mutual funds are a versatile way to make investing simple. A Systematic Investment Plan (SIP) lets you invest as little as Rs. 500 every month. So there is no excuse now to not invest.

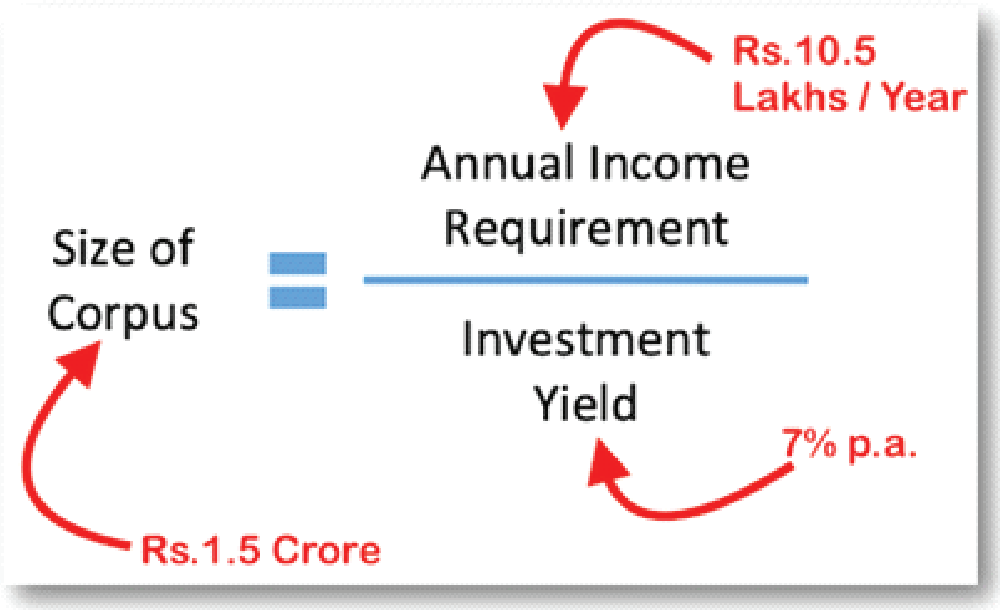
3. Manage Taxes

Tax planning is a way to make your earnings more tax efficient. So in this way you can save money on tax at end the financial year. An Equity Linked Savings Scheme (ELSS) with a short lock-in period of 3years makes for an ideal way to avail tax benefits under Section 80C of the IT ACT. As an added advantage, it offers growth. The combined effort of filing your tax exemptions and planning your investments, will make sure you get mazimum returns.

4. Take care of Health and Retirement

Compared to earlier generations-, though we're living longer, we're more prone to ailments and the consequent medical costs are higher. Any unfortunate health condition down the road could drain out a considerable part of your savings. Your financial plan needs to be well prepared for it. With good health insurance, you will not only be able to provide yourself but also your family the quality health care they need without breaking the bank.

When it comes to retirement, you need to start planning early to retire comfortably.



Calculate your retirement corpus with this formula

A good retirement plan will require you to decide when you plan to retire and how much you are going to need to meet your monthly expenses at retirement. In addition, make sure your life insurance is at least 10 times your annual income. Compare policies and get the one that is most affordable and meets your needs.

5. Keep monitoring

Market conditions are always changing and portfolios need to be reviewed accordingly. Review your portfolio at least once a year or whenever there is an important life change. It ensures your portfolio is adapting to your life and the financial environment around you.

Time is money. So start your financial planning early and you'll soon be on the path of security and growth.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.