

HOW I WILL PAY FOR MY WEDDING, CHILDCARE

I am a 25-year-old woman. I don't plan to get married in the next 3 years, at least. But I started investing for my wedding and future child already.

Here's why:

❖ THE NEED

Wedding costs in Mumbai:
₹ 15 lakh to ₹ 20 lakh (easily)

Medical costs: ₹ 1 lakh (apprx.)

School fees: ₹ 2-5 lakh/year

Total school cost: ₹ 60 lakh

College fees: ₹ 20 lakh (apprx.)

My current salary: ₹ 6 lakh

Bottomline: I need savings.

❖ CANNOT BORROW

My parents have retired. They aren't ailing (thank god!). I'd prefer if they use their money for leisure.

Also, some day, when I have my own child, I shouldn't have to rely on my parents for support.

So, I started investing right from my first job.

❖ WHAT I DID

➔ **Get basics right:** First, I got my health and life insured.

➔ **Save enough Taxes:** It is a very important goal. So, I invest ₹ 2 lakh every year in Equity-Linked Savings Schemes (ELSS), Public Provident Fund (PPF) and National Pension Scheme (NPS).

➔ **Goal-setting:** Then, I set my goals - wedding (₹ 20 lakh), child's expenses (₹ 1 crore) and retirement (₹ 10 crore).

❖ MONTHLY INVESTMENTS

❖ FOR THE WEDDING

Monthly SIP: ₹ 10,000, increased 30% every year

Expected returns: 12%

Time-period: 5 years

Where: Mix of Balanced and Equity Funds, Stocks and FDs

Final corpus: ₹ 13 lakh. I'll use the past ELSS investments and salary to fund the balance.

❖ FOR FUTURE CHILD

Pre-natal and delivery charges: To be covered by Health Insurance

School Fees: Monthly SIP of ₹ 5,000, to be increased by 10% every year until the wedding. After the wedding, I can double my monthly investment amount. Within 10 years, I'd have at least ₹ 15 lakh - ₹ 20 lakh. The investments can continue until my child becomes financially independent.

❖ FOR RETIREMENT

Monthly SIP: ₹ 5,000 (after wedding, increased 10% every year)

Time-period: 30 years

Return expected: 12%

Where: Mix of Equity Funds and Stocks

Final corpus: ₹ 4 crore. The ELSS and PPF investments can fund the remaining amount.

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