

# Swatantra Kumar Explains: Why to save for a rainy day

Financial storms can damage your finances. A strong emergency corpus can help you keep going with your financial goals. Here are the top 3 reasons why saving for a rainy day is essential:



## To save your savings from inflation



Inflation can wipe-out your savings. Do you recollect the time when the prices of groceries spiked? The value of money declines with inflation. Therefore, your savings will be ineffective in fighting inflation. To stay inflation-ready, you need investments that can give returns over and above inflation.

## To have the same lifestyle during financial emergencies

Financial emergencies can impact your daily lifestyle. Successful emergency planning can help you continue with your financial goals and lifestyle. You cannot avoid or stop uncertainties, but you can manage through them and have the same lifestyle.



## To be financially secure

Financial security is a feeling you derive when you are certain about your goals, as well as emergency-ready. One of the essential pre-condition for financial security is managing uncertainties. Therefore, Liquid-Fund SIPs (Systematic Investment Plan) should be an essential component of your portfolio.

