buy a bigger car each time.

3. While on that topic, you might wonder what car I own. I drive a second-hand, nearly new Volkswagen car that I picked up for half price. Driving a used car isn't a bad thing at all if you were to ask me. I mean, don't we stay in hotel rooms or dine with cutlery used by someone else?

In fact, I love it because I get the other guy (the first owner) to pay for the stiff taxes (20% in India now for higher segment cars) and also the immediate depreciation, which is precipitous!

By the way, Mr Warren Buffet drove a Lincoln Towncar (commonly used as taxi in the US) for many years.(You can call this the equivalent of Mukesh Ambani driving a Tata Indica in India) In fact, Azim Premji travels in a second-hand Mercedes, and Rajnikant still uses an Innova. These wealthy and wise men don't just give us a living example, but they also don't care about public opinion, while most other super-wealthy people drive Lamborghinis, Rolls Royce Phantoms and Maseratis.

4. Using the yardstick of money to measure everything in life. There are some things that can't be measured by money. For example, if you enjoy doing gardening or clay modelling as your hobby, it makes no sense when someone asks you "What do you gain from it monetarily?"

5. Expensive weddings : One of the main reasons for financial crisis happening in many families in India is the tradition of expensive weddings becoming established in society. One day's expense can wipe out hard earnings of several decades, and even create debt.

6. Expensive parties for every social occasion. Why? Because it costs a lot of money long-term, involves junk food, alcohol/tobacco/(even drugs), and creates fake 'friends' who love you only for your spending habits. For the super rich, though, it is a way of life, and for those in certain professions, it can be a part of conducting business.

7. For the non-professional, day trading or buying and selling stocks rapidly is a guaranteed method of losing your investment. It also adds psychological stress, an unhealthy attribute. Those who have consistently made money on shares (stocks) did so by buying shares of good companies at low prices (often when DJIA/ SP500/Sensex are riding low) and holding on for the long-term.

8. Going to the multiplex to see movies (I mean, habitually). OK, you think you can afford the entry ticket. Anyone recalls the price of a small box of popcorn at a multiplex? (and if you go in determined not to buy snacks, you won't have to wait long before your tummy starts growling for food once you hear the 'scrunch, scrunch/chomp, chomp' noises, and smell the aroma of the guy in the next seat feasting on chips, salsa and popcorn!)

9. Recreational shopping (shopping to kill boredom) : a trend I had observed in the US, where people flock to the malls in the evening after work (mainly due to the lack of ideas on productive family/recreational time), now catching on in India. Unfulfilled desires get generated of owning the latest fashions on display, money gets reluctantly spent on expensive kids' games, and a visit to the multiplex often follows. Such trips frequently climax with the gorging of expensive junk food from the food court at late hours.(confession: I have made one visit to Lulu mall in the past 12 months for shopping, only to buy their fine imported cheese I have a weakness for).

10. Browsing through advertisements in the paper, TV, Radio or the internet. In the US, the Sunday paper is filled with fliers listing all the commodities available in town. To the average reader, this is akin to a virtual tour of the mall, creating new needs and wants, followed often by unwarranted and irrational spending.

11. And the worst wealth habit, in my humble opinion, is this: **comparing one's material possessions with that of others.** Euphemistically referred to in the West as 'Keeping up with the Jones', this habit, along with clever advertising, drives consumer markets world-wide, and creates vast wealth for several companies, especially those located in China.

A famous quote nails the issue: **"the art of advertising is to convince people to buy things they don't need, using money they don't have, to impress people they don't like."**

Good wealth Habits

1. Self improvement : focusing on areas in and outside of one's professional expertise. Learning a few hobbies like photography, craft, gardening and art helps us create happiness without spending money each time.

2. Children's education : formal and informal: teaching them to think, rationalize, develop civic sense, showing them the basics of saving and investing.

3. Being generous in giving money away to needy people, especially for their kids education.

4. Aiming to **purchase some land of your own is a good investment** idea indeed.

5. Saving for retirement early in one's career : preferably investing the money through some automated savings plan BEFORE it reaches you. (It is harder to give up money once we get hold of it)

6. Avoiding scams : holding on to your money and not falling for scams is perhaps as important as earning money. The number of seemingly smart people who fall for "Get rich quick" "Double your money" fly-by-night schemes is staggering.

7. Shopping locally. I buy all of my grocery from the tiny neighbourhood shop, owned by a man whose wife recently died of cancer; his kids are still at school. They need my business. I don't give my grocery money to rich people.

8. Diversifying your investments by not putting all your eggs in one basket. The preferred mix of Cash deposits, Bonds, Stocks, Real estate, Commodities and others will vary depending on your age and risk tolerance, and is best discussed with a trained finance professional who does not harbour personal bias towards certain investment instruments.

9. Spending money on experiences rather than material acquisitions seems a wiser thing to do, at least in most cases. Many material acquisitions create only a moment's spike in happiness levels, which returns rapidly to baseline. Repeated material acquisitions- for example, the habitual receiving and giving of Christmas gifts, now a customary practice in the US, does not create lasting happiness. This is partly because the gift gets viewed as an 'expected' commodity, and can even cause disappointment due to the "did my gift this year beat expectations" factor.

Spontaneous gifts, however, hold better value because of the surprise element. Spending quality time with a child, I believe, is a better gift than giving yet another meaningless toy. Positive experiences, on the other hand, create memories that can be relived.

10. In summary, **wealth is no doubt helpful, but doesn't create lasting happiness unless combined with the Wheel of Life:** (please Google wheel of life for details) that is, balancing professional work with time reserved for recreation, time to take care of our health, family time, meditation, time for nature/environment around us, time for volunteering in society, standing up for a social cause (or two, even three), time for self improvement, time for friends, keeping time apart with your partner for romance, and, last but not least, quality solo time for yourself.

The subject is vast - granted that needs, attitudes, styles and cultures vary, and there cannot be a one-size-fits-all approach. I believe that these perspectives could however, help build wealth and happiness long-term for some. ■

I am grateful for the inputs I have received from my many friends in preparing for this lecture. (This post got viral on FB, with over 385 shares in a week, and was widely discussed in many forums and families all over the world. Many junior doctors and medical students also shared this. It is being published in Megaphone at Dr V Madhu's request).

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How to Make Less Money and Become Rich

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Recently, I was invited by All India Radio to speak on the topic of "Financial Outlook: a novel way of looking at money, a personal perspective" at the 3-day Financial management National level workshop for senior officials of All India Radio and Doordarshan from all over India on 5.1.16, organized by Prasar Bharati, Regional academy of Broadcasting and Multimedia.

The 90 minute lecture summarized my extensive reading on the topic, as well as my observations and experience on wealth management after living and working in four different countries. An excerpt is given below.

Having ridden a bicycle all the way from 9 thstandard till final year MD Medicine at CMC Vellore (that is 13 years) explains how strongly I feel about being 'self-made'.

After returning from UK and US upon completion of my training, I often got faced with these questions by apparent well wishers: "Why did you return to India? You were training for such a long time with almost no income! You could have made much more money by working in the US!" "Why don't you consult in five different hospitals instead of just one?" "Why didn't you opt for private practice?" "Why didn't you try Middle East?"

The following story would answer that question. Dr Jayant Thomas Mathew, Nephrologist, AmalaMedical College told me that story, which illustrates wealth-building in elegant terms.

Once, a millionaire businessman by the name of Bill, came across a fisherman lying down on a beach. He asked the fisherman "What are you doing?" The fisherman replied "I am Joe, and I am relaxing."

Bill: "Joe, don't you have any work? I mean, why are you wasting your time?"

Joe: "I am done for the day. I have caught two fish today. I cooked and ate one, and the other I've sold at the market. Now I am relaxing."

Bill thought to himself: "What a lazy idiot! Let me teach him about entrepreneurship and money" and said: "OK Joe. How about this deal. I can lend you my fishing yacht for free for a month, so you can catch more fish, and buy a larger boat, and hire a few assistants."

Joe: "Why should I do that?"

Bill: "So you can make more money and buy a fleet of boats."

Joe: "And then?"

Bill: "You could then buy off other small boating companies and own a large fishing corporation, get into international seafood trade and make lots of money."

Joe: "Why should I do that? What would I do then?"

Bill (Getting frustrated): "Isn't it obvious? Then you can relax, like me!!"

Joe: "But, as I told you in the beginning, I am already relaxing."

(This cute story has a lot of depth. The needs and lifestyle of each person is different. More money doesn't necessarily bring happiness, unless one are clear about one's financial goals).

Financial goal? Being rich, obviously!

Many smart people I have met have no financial goal at all. They don't know the definition of being rich. All that they seem to want is a large monthly income to buy expensive things, but have no idea of the long term.

My definition of being rich (from various references, and from common sense) is the following:

"If you stopped working today, will your investments yield sufficient income to sustain your current lifestyle long-term, adjusting for inflation? In that case, you are rich."

Thus, being rich is not only about earning, making investments and clearing one's liabilities; it is about choosing a lifestyle which is not extravagant. In fact, if you were to ask me which one of the two variables we can control, I would say it is very difficult to increase one's earnings without breaking one's back. Besides, doing so will eat up all of your free time, which also means that you have no time left to enjoy your wealth. It is a lot more easy to choose a less expensive, but fulfilling lifestyle!

That leads us to the topic of Good Wealth Habits and Bad Wealth Habits. (Just like good and bad HEALTH habits, there are WEALTH habits too, which yield different outcomes in the long term).

Bad Wealth Habits

1. Living in a large house. Studies have shown that an increase of even 500 sq ft can increase your expenses by approximately Rs 30,00,000over a 10 year horizon. I define a large house as 10% liveable space(where we spend most of our time) and 90% dead space. We end up spending a lot of money to decorate and maintain this large space. Though I lived in a large home abroad, I live in a small house now, and have done up my own room nicely, so I feel comfortable in my personal space. To me, it creates the same satisfaction of living in a mansion. (This is my perspective, obviously people are different)

Not so long ago, many people in the US faced foreclosure of their homes because they got persuaded into buying larger homes than they could afford. Incidentally, Mr Warren Buffet, with $67 Billion net worth (That is Rs 4 followed by fifteen zeroes!), still lives in an average middle class home he bought in 1958 for $31,500 (Rs 1.5 Lakhs, per 1958 conversion rate).

For those who believe a large house is a 'good investment', consider this: even if the house appreciates well, will they ever sell it (like a piece of land or shares) just because the price went up? Unless they are relocating to another town, chances are, they won't, as it would be hard to buy a local substitute without spending more at that time. Besides, will such a person's ego allow him or her to downsize in order to free up some money? (After all, what will the neighbours think?)

2. Buying brand new luxury cars : I know you aren't going to like this one. Let me share my favourite Story of the Rs 1.23 Crore BMW. You might wonder: how could that car cost so much?? If you do the math, I will prove to you that a small BMW 320d in India will set you back by Rs 1.23 crore in five years time. (This applies to all luxury cars- not just BMW.)

This car, which sells for only Rs 22 Lakh in the US, retails for Rs 37.2 Lakh in India, costs Rs 45 Lakhon road after tax and then you add the following: 1. Lost interest from the paid amount (works out to Rs 67,000 per month, that is interest from Rs 45 Lakh compounded over 5 years) 2. The depreciation (Rs 30 Lakh in 5 years, only if you are lucky enough to get Rs 15 lakh when you sell) works out to Rs 50,000 per month 3. Basic maintenance costs 4. Insurance costs 5. Parts: Rs 6-15 lakhs (did you know that the headlamp of an Audi A6 costs Rs 3.5 lakhs to replace?) 6. Fuel costs 7. Body care, repairs, accessories 6. Subtract the much-hyped tax savings of depreciation (really not much, sorry to say), you will come up with Rs 1 crore over 5 years. Remember, the Rs 45 Lakh that you paid was 'after-tax' money from your own hard-earned income of Rs 68 Lakh, which means that the Government has already taken away Rs 23 Lakhas income tax before that money reached you. This sums up to a net money drain of Rs 1.23 crore!

And, it only gets worse from there. Once you show the world that you own a luxury car, you are expected by society to

(Contd. to Page 6)

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