

How to Multiply your money step-by-step guide

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Abstract- This article/paper focuses on money multiplication as a crucial aspect of wealth creation, as it allows individuals to multiply their income and reap significant returns. It involves a whole-hearted approach, undivided effort, unwavering determination, and stepping out of your comfort zone. However, many people fall into the trap of lavish lifestyles, expenses that exceed income, and excessive borrowing, leading to bankruptcy. To build wealth, individuals should focus on efforts and hard work, make systematic investments from their income, and do proper money multiplication. The first rule of money multiplication is identifying one's dreams and responsibilities and listing one's goals and obligations. This aids in recognizing stress and irritability, helps identify stress and frustration, and allows individuals to fulfill their commitments without borrowing or funding them from earnings.

Keywords: wealth, savings, investments, responsibilities, income, planning etc.etc

I. INTRODUCTION

Ever wonder why few people are wealthy while few struggle with money throughout their lives? What is common between every rich Person?

Is there a formula to multiply your money multi-fold? A formula, that works fluently and erroneously, and shows remarkable results. Something that is proven, time-tested, and easy to follow?

Yes, there! In this article or papers, I will unveil it, but before I disclose the money multiplication methods, let me forewarn you that you need a few things for this to succeed – a whole-hearted approach, an undivided effort, unwavering determination, and stepping out of your comfort zones. This wealth creation journey is easy, but it may make you uneasy. It will shake up your pre-defined mental conditioning and beliefs about money multiplication. I have explored a new approach and new ways of wealth creation. Let me go step-by-step.

II. WHY MONEY MULTIPLICATION?

We all need money – be it our needs or our luxuries. We can't do without it.

Not going too much back in history, there are examples in the near past, one of which is the legendary, former world's no.1 and youngest tennis player who won Wimbledon at 17, who was ranked amongst the top 10 highest earners in tennis by Germany – Boris Becker.

From career earnings of over \$25 million (i.e. Rs.1.73 billion) to being declared as bankrupt, there are quiet many reasons to understand “Why Money Multiplication?” This fall didn't happen overnight. There lies a series of money mistakes for all of us to learn and stay prepared for – lavish lifestyles, expenses that shoot through the income, and excessive borrowing are but a few of those - that could lead to bankruptcy.

Now let's further understand this with two different scenarios -

Scenario #1

Ramesh Bhai is a good businessman. He developed his business with honesty and hard work. For the last 40 years, Ramesh Bhai has been doing it well. However, now Ramesh Bhai is planning to take retirement. Ramesh Bhai shared his thought with his two sons, Rajesh, and Mahesh.

Paying respect to their father's decision, both his sons showed preparedness to take over the charge of the family's responsibilities. Ramesh Bhai divided his business into two equivalent parts and handed it over to his sons. This was an incident in 1980.

Both sons took over the business and tried to manage it with their ability and hard work. Today, in 2023, let's see their company's condition.

Rajesh has multiplied his business by 20 times, and he is enjoying his life. He has taken voluntary retirement from his company. While in the case of Mahesh, his business was running smoothly in the initial phase, but later challenges multiplied. He went bankrupt in the year 2015. Mahesh was fed off life because of continuous financial challenges and committed suicide in 2016.

Both brothers were born and raised in the same family; they had equal opportunities and similar upbringing, but why two different ends of their life?

Scenario #2

Neeraj Bhai was a government employee. He starved himself but ensured world-class education for his sons Ajay and Vijay. He enabled them to obtain engineering degrees; and helped them get government jobs. This incident also occurred in the year 1980.

Both the sons were loyal. They honestly did their government jobs, settled down in their lives, and raised their kids. Today, in the year 2023, both of them have retired. Vijay is living his life lavishly. He is fulfilling all his dreams and goals, like international vacation trips now and then. On the contrary, Ajay is spending his life economically on a government pension.

Both brothers were born and raised in the same family; they got equal opportunities and similar upbringing, but why two different ends of their life?

Do you think these are imaginary case studies?

Well, No!

You must have experienced such occurrences in a society where one brother is rich while the other is poor. Have you ever considered why such incidents occur in the community? Like an ordinary layman, you too might think it's because of their destiny, karmas, Vastu dosh, luck, Kundali dosh, etc.

Now, let's look at it from a new perspective – one of the two brothers has learned the science of wealth creation and must have thoughtfully and systematically planned money multiplication. Resultantly, they are living a perfect lifestyle. While on the contrary, the other brother was unaware of the science of wealth creation and thus failed to become a millionaire (Dhan Nu Swami).

Which life would you prefer - Ajay's or Vijay's, Rajesh's, or Mahesh's?

So, it's essential to understand the science of wealth creation for a better life and a better future.

You can build wealth in two ways –

1. Through your efforts and hard work.
2. Make systematic investments from your income and do proper money multiplication. It will help you to multiply your money in the future and reap fantastic returns.

Most people work very hard and get so occupied with earning money that they do not realize how much they save and how much returns they get from their savings. They must adequately evaluate their portfolios and lead a life similar to Ajay and Mahesh.

A well-known wealth creator from the world of money multiplication Mr. Warren Buffett once said, "If you don't find a way to make money while you sleep, you will work until you die."

Wake up today itself. Thoughtfully plan your investments to get the ultimate crop, and your future brightens.

CHAPTER 2

MONEY MULTIPLICATION RULE NO #1

DETERMINE YOUR RESPONSIBILITY/DREAMS

Money multiplication is a similar concept to farming. It's a science. If you understand and follow the rule, then you can reap maximum crops from your money farming; let's know these rules. The first and foremost rule of money multiplication is to identify your dreams and responsibilities and write them on paper. You may be doing it for the first time, but there is no way out or an alternative to it. You have to do it, and that's it! Unclear responsibilities and dreams sometimes lead to stress and frustration. When you put your goals and responsibilities on a piece of paper, it will open your eyes. , Fill the given form with complete peace of mind, To add ease to this process-

You earn to fulfill your dreams and responsibilities from your income. You cannot escape from your commitments; you have to achieve them at any cost, whether you borrow money from someone or fund it from your earnings. Sometimes you may not have enough money to fulfill your dream, and you have to let go of dreams. If you do money multiplication by yourself and do money farming correctly, without anyone's help, you might be able to fulfill all your responsibilities and live your dreams.

Let's learn the process of money multiplication –

RESPONSIBILITIES/DREAMS FORM

Sr. No.	Responsibilities/Dreams	Year	Expense
1.	Family's cost of living	Per Year	50,000/-
2.	Family's Security		
3.	Children's Education		
4.	Buying A Dream House		
5.	Buying A Good Car		
6	Regular Family Vacations		
7.	Children's Wedding		
8.	Financially Supporting Parents		
9.	Donations/Charity		
10.	Passing on wealth to your next generation		

11.	International Vacations		
12.	Buying Luxurious Car		
13.	Others		
	TOTAL		

1. Did you fill out the form correctly? How was your experience? Since you have filled in the details, how much money do you need to fulfill your monthly responsibilities and dreams? How much money would you require to fund significant expenses?

2. Do you have enough money for these expenses, or have you already made the provisions for these expenses? If not, can you easily manage all the above-mentioned responsibilities and dreams? Will you be able to escape from your responsibilities, or will you borrow money to fulfill them? Will it be okay if you cannot meet your dreams?

3. Could you give it a thought?

MONEY MULTIPLICATION RULE #2

MAKE PROVISION FOR THE SEEDS OF MONEY MULTIPLICATION

In the previous chapter, you must have realized how much money you need to fulfill your responsibilities and dreams. You must obtain this money from your regular income or regular savings. To satisfy your duties and goals, you must increase your savings proportionately. It would help if you did money multiplication correctly to reap a corpus as and when required. Moreover, by doing so, you wouldn't need to borrow money to fulfill your responsibilities.

Do you have an idea of how much you earn? Do you know how much you save every month or every year? Do you know in which assets you are investing your money? If not, fill out this form.

EVALUATE YOUR INCOME

Sr. No.	SOURCE OF INCOME	INCOME
1.	Your Income	
2.	Your Wife's Income	
3.	Your Son's/Daughter's Income	
4.	Rent Income	
5.	Interest Income	
6.	Dividend Income	
7.	Other Income	

Total Income: _____

Total Savings: _____

You might have control over your income, but do you have control over your expenses? A general observation goes that when income increases simultaneously, payments increase. Most often, costs exceed revenue. So we are clueless and don't have any calculations about how much we can save- every month, what remains after expenses is savings.

Well, this method needs to be corrected. You can never become wealthy if you follow this method. We must determine how much to invest from your monthly income and then spend what remains.

$$\text{Income} - \text{Savings} = \text{Expenses}$$

If you follow this investment formula, you can quickly fulfill all your responsibilities and accomplish your dreams.

MONEY MULTIPLICATION RULE #3

DETERMINE THE RATIO OF YOUR SAVINGS

You must have realized in earlier chapters that you haven't determined any ratio for monthly savings or investments. To date, you have saved what seemed to be possible. But that's not the right way. To be wealthy and fulfill all your dreams, you must make systematic investments with unwavering passion and dedication. Let's consider an example, Raju completed his MBA and started working. He still lives with his parents. He has no family responsibilities to fulfill because; his father's income is sufficient to meet the entire family's cost of use to lifestyle and family expenses.

Let's assume that Raju earns Rs.50,000/- a month. Ideally, Raju must invest 80% of his monthly income, i.e., Rs.40,000/-.

After two years of marriage, he has to fulfill financial responsibilities towards his wife. In an ideal case, Raju must invest 60% of his income, supporting Rs.30,000/- per month. Further, after two more years, he must invest 40% of his income. Which means he must invest Rs.20,000/- from his monthly payment.

Again two years down the line, his 2nd child is born. At this stage, he must invest 20% of his monthly income of Rs.10,000/- every month. Obviously, the expenses will increase once his children start their educational journey. In this phase of life, he must invest 10% of his monthly income, i.e., Rs.5,000/- a month.

If he follows this pattern and ratio of investment for 25 – 30 years, he will be able to fulfill all responsibilities with ease, he will be able to plan for his golden age, and he will be able to accomplish his dreams as well.

25 to 30 years later, both his children will finish their education, earn and be stable in their careers. Once again, at this stage of life, Raju must increase the ratio of his investment to up to 80% every month, which should be maintained until Raju is working.

INVESTMENT RATIO CHART

Sr. No.	PHASES OF LIFE	INVESTMENT RATIO
1.	Early earning age	80%
2.	After Marriage	60%
3.	After the Birth of 1 st Child	40%
4.	After the Birth of 2 nd Child	20%
5.	When your children are in school/college	10%
6.	After your children are stable in Career	80%

If you follow this pattern of investment, you will be able to live a comfortable life throughout. You can also fulfill all your responsibilities and accomplish all your dreams without borrowing any money from others.

MONEY MULTIPLICATION RULE #4

UNDERSTAND THE DIFFERENCE BETWEEN NEEDS AND DESIRES

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If you want to follow the investing ratio mentioned in the previous chapter, then in this journey of money multiplication, you need to understand the difference between your needs and desires.

Food is your need, but eating in expensive restaurants is your desire.

Using cellular phones, with no doubt, is your need, but owning an iPhone is your desire.

Having a four-wheeler might be your need, but owning a Mercedes is your desire.

A vacation trip is your need, but going for an international trip is your desire.

Clothing is your need; however, wearing brands is your desire.

Living in a house might be your need, but living in a mansion or a villa is your desire.

As you begin this journey of money multiplication, you need to increase your ratio of investment (as mentioned in the previous chapter), and in doing so, you need to keep an intentional check over your desires. Once your investment portfolio exceeds your determined corpus, you can fulfill your wishes, dreams, and goals from the considerable corpus accumulated through your investments.

To quote the words of Warren Buffett –

“If you buy things, you do not need, soon you will have to sell things you need.”

So, without wasting much time, start evaluating your expenses – write down everything you have spent to fulfill your desires to date. While you do so, be honest with yourself!

MONEY MULTIPLICATION RULE #5

START SAVING FROM TODAY ONWARDS

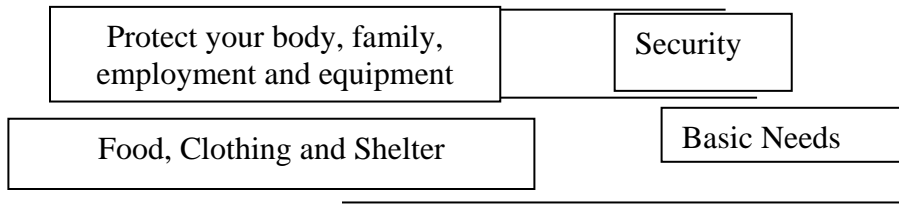
One of the thumbnail rules of Money Multiplication is, "Start Early, Drive Slowly, Reach Safely."

Warren Buffet initiated his journey of wealth creation at the age of 11 years. When a media person asked him in one of his interviews about one thing that he regrets, he answered, **“I regret that I started my wealth creation journey very late.”**

Returning to the point, think about when did you start your journey of wealth creation? My friend, the earlier you start your journey of money multiplication, the safer you drive and reach your destination.

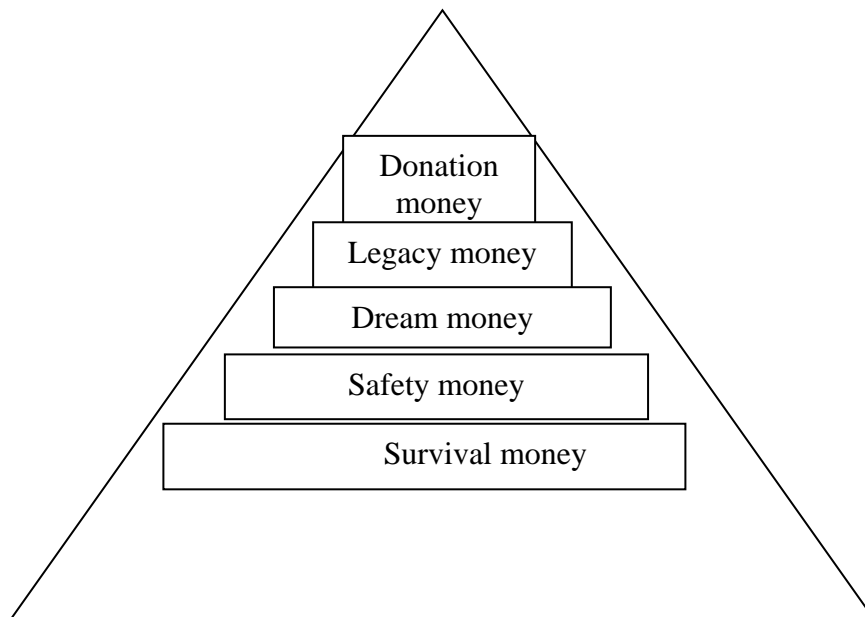
MONEY MULTIPLICATION RULE #6

CREATE A ROAD MAP OF YOUR FINANCIAL GOALS



Looking at this pyramid, you will realize why you need money? The foremost need for cash is to fulfill your basic needs (food, clothing, and shelter). Therefore, you need money to protect your family. After that, you need money to fulfill your dreams, desires, and hobbies. In the next stage, you need money to bequeath to your children. Once you have fulfilled your responsibilities towards your family, you need money for charity and donations to fulfill your more significant obligations towards your community and society.

You can divide your household into five sections. According to the pyramid drawn below, Survival Money forms the base of this pyramid. It is the money we require to fulfill our basic requirements daily basis. This money helps us survive in hard times and is considered the Safest Money. You need fund/money for unexpected times when your family might suddenly be in desperate need of money. This fund is called Safety Money. After that, we need funds to accomplish our desires and goals. This fund is called Dream Money. Then we must accumulate Legacy Money, the wealth we need to pass on to the next generation. And then, last but not the least, we need money to contribute to society using charity and donations. This fund is called Donation Money.



It is essential to make financial arrangements, as shown in the financial pyramid above.
Have you made such a financial arrangement so far?

MONEY MULTIPLICATION RULE #8

UNDERSTAND THE RISK INVOLVED BEFORE INVESTING

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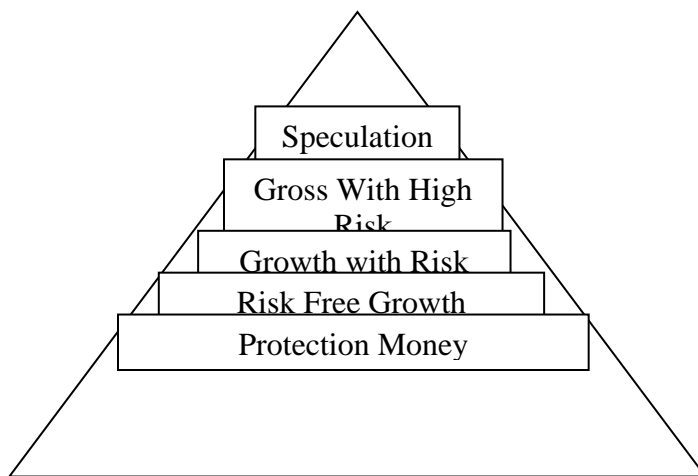
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Before you implement your money multiplication strategy, understanding the significance of the risk involved is essential. There is always an associated risk with investments, be it big or small. Before you make an investment, study, and analyze it. One of the thumb rules of investment is, "Higher the returns, the higher is the risk involved". Ideally, investing in instruments ensures approximately 10% to 12% returns on your investments. It will help you multiply your wealth to match the inflation rate, usually estimated at 7%, and successfully fund your goals at the estimated stage of life.

Hence, while money multiplication, it is of utmost importance to evaluate both the returns and risk involved with the investment vehicle, as shown in the financial pyramid below. It will help you to reap higher returns through higher investing instruments. Now, it isn't as simple as it sounds. It will help to diversify your portfolio To maximize your returns and lower the risk. You must thoughtfully invest in 5 instruments that ensure 5% to 40% returns on your investment. By doing so, your average rate of returns will be 10% to 12%.

FIG. OF FINANCIAL PYRAMID



To begin with, we should focus on investing instruments to protect ourselves financially. Protection Money ensures 5% to 7% returns. No risk is involved in this investment, which is 100% safe. We should invest in instruments where our money will grow without any risk. It is called Risk Free Growth. These investing instruments guarantee 8% to 9% return, and the risk is negligible. This wealth can be optimized in an emergency. Thereafter, comes the next stage of money multiplication, Growth With Risk. These are the investing instruments with the moderate risk involved. Although these instruments have associated risks, it ensures approx.- 10% to 15% returns. You can fulfill your dreams with this investment.

The next type of investment ensures high growth at high risk. These instruments are categorized as Growth with High Risk. With this investing instrument, you can aim for 15% to 20% returns. These investing instruments involve higher risk than the earlier-mentioned investments. However, the risk decreases when you plan a long-term investment. You can accumulate enough corpus to pass on a legacy to the next generation.

The next type of investing instrument is Equities, also called Speculation. Although this investing instrument ensures a 20% to 40% return, the risk involved with this investing instrument is very high.

Investing in all the types of instruments, as mentioned above, is not essential. It is always suggested to choose investing instruments keeping your age and goals in mind because as your age increases, so does the risk involve.

II. CONCLUSUON

Money is indispensable; it's everyone's birthright to prosper and flourish, to enjoy and multiply their wealth. Ignorance and "adoring your comfort zone" can only create unconscious mental blocks between "what you want and desire" and "realizing your aspirations and goals." So, to summarize, determine your financial goals, pen it down on paper, plan it, execute it, and stick to it.

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