Thriving in Uncertainty: Building Wealth That Lasts

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In recent years, India has experienced a whirlwind of unpredictable events. From the eerie stillness of the first COVID-19 lockdown to repeated waves of the virus, and now global turbulence – AI disruptions, geopolitical tensions, inflation, layoffs – the world has shifted beneath our feet. This is the new normal: a volatile world where, if your money isn't working for you, it might just work against you.

Shiv Bidani- Co-founder of National Finance Olympiad

In conversations ranging from college students starting their first SIPs to founders of billion-dollar firms, one truth keeps surfacing: those who succeed long-term are those who respect the long term.

Let me explain with a story.

The $5 Billion Compounding Lesson
Not long ago, I had lunch with a legendary investor – promoter of a company valued at over $5 billion. I asked, *"What's one concept people think they understand but don't*"

Without pause, he replied, "**Compounding**." I laughed. "*But we all learned that in 8th grade*."

He smiled, "*We learned to calculate it, not understand or apply it*."

That stuck with me. The real power of compounding lies not in math, but in patience and discipline. In an age obsessed with speed – fast food, fast news, fast money – compounding rewards the slow, steady, and consistent.

Why It Matters More Than Ever
When markets tank, fear takes over. Investors stop SIPs, pull out funds, or freeze. But many of these reactions come not from logic, but from panic.

This is where true financial resilience matters. Not just surviving turbulence, but growing through it. Here's how:

1. **Talk About Money**
Many of us grew up hearing:
"*Don't talk about money at the table*."
"*Focus on studies – not finances*."

The result We're highly educated but often financially illiterate. Break the silence. Whether youre 18 or 48, it's never too late to learn. Understand the basics: budgeting, debt, interest, investments, taxes.

You don't need to become a finance expert – just an engaged and educated participant.

2. Think Long-Term
Zoom into an index market chart, and it looks chaotic. Zoom out 10-20 years – you see steady upward movement. The same applies to your goals:

- **Buying a home** Plan 5-10 years out.
- **Kids' education** Start SIPs early.
- **Retirement** The earlier you begin, the less stress later.

Exiting during downturns is sometimes wise – but only if you entered for the wrong reasons. Compounding only works when based on clarity and conviction, not speculation.

3. Expect and Plan for Drawdowns
I firmly believe, "*In equity, expect a 40% drawdown at least once in your life. If you cant handle it, reduce your exposure*." Volatility is inevitable. But if a market drop forces you to break investments to pay rent, the issue isnt the market; it's poor planning.

Design a balanced portfolio:

- **Equity**: Long-term growth, short-term risk.
- **Debt**: Stability and liquidity.
- **Gold**: Hedge against crises.
- **Real Estate**: Long-term asset with legal/liquidity risks.
- **Cash/Liquid Funds**: Emergency buffer.

Diversification isn't luxury – it's protection.

4. Review Finances Like You Review Health
We do annual checkups for health and cars, but what about our finances

Every year, ask yourself:

- Are my goals still aligned with my investments
- Has my income grown, but my savings haven't
- Are my insurances and emergency funds updated

Make it a yearly ritual to Review, Reflect and Rebalance.

5. Build Mental Strength for Financial Toughness
Morgan Housel wrote: Doing well with money has little to do with intelligence, and a lot to do with behaviour. That's spot

on. Emotional discipline is a huge part of wealth creation.

- Don’t check your portfolio daily- it creates anxiety.
- Stay calm during crashes – markets recover.
- Avoid comparing with others.
- Sometimes, the smartest move is doing nothing.

Simple in theory. Tough in practice but transformative over time.

6. Learn and Act in Tough Times
Every crisis hides a lesson and an opportunity.

- **COVID** Those who stayed invested or entered at lows saw huge returns.
- **AI layoffs** Those who reskilled found better jobs and remote options.

In turbulence, ask: What should I learn What should I let go of What should I invest in – be it in markets, skills, or habits

7. Real Assets Matter
In a digital world of apps, cryptos, and NFTs, don’t forget the value of tangible assets:

- A plot of land
- A family home
- Physical gold
- Even a small brick-and-mortar business

They may not rise fast, but they anchor your wealth in uncertain times.

8. Don’t Just Save – Build Income Streams
Most of us follow:
Income → Spend → Save what’s left.

Flip the script to:
Income → Save/Invest first → Spend the rest.

Go further and create alternate income sources:

- Freelance using your skills
- Teach, consult, or mentor
- Rent your space
- Start a small side business

The more income streams you have, the more resilient you become.

9. Share What You Learn
If youre reading this, you already care more than most. Go one step further.

- Teach a friend about SIPs
- Help your domestic worker open a bank account
- Start a money discussion circle

Financial literacy spreads like light – share it.

10. Run a Financial Fire Drill
Once or twice a year, live lean for a month. Cut non-essentials-track where the money leaks.

This “mock drill” does two things:

- Shows you where to optimise
- Prepares you mentally for real financial shocks

Its a powerful tool for building resilience.

Final Thoughts: The Compounding That Really Matters

A young software engineer I know quietly invests Rs. 40,000 a month in index funds. No gimmicks. No trading. Just disciplined, boring consistency.

In 10 years, that adds up to over Rs. 1 crore at modest returns. But more than the money, he’s built something bigger – a mindset.

Because the most powerful compounding isn’t financial – it’s behavioural.

It’s the habit of:

- Learning regularly
- Saving before spending
- Thinking in decades
- Reviewing without reacting
- Staying steady when others panic

That’s the real edge. In the marathon of wealth creation, its not the fastest who wins. Its the ones who stay consistent, calm, and curious – year after year.

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