



SIMPLE IS BETTER

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ISSUE - 1

Dear Friends,

I learn many things in my life and keep on learning much more. But one common thing which I learn is “Keep things simple”. We have many complications in our life and if not, then we create it. But according to me, keep things simple is actually more complex. My Guru always mentioned that “Simpler the things, more better it is.” From today (Auspicious day of starting of new Samvat 2073), I am going to start series of articles with title of “Simple is Better”.

I am dedicating My first issue of series “Simple is Better” to my Gurus and to all who having influence in my life directly or indirectly. So, that I am going to post my few of learnings from my Gurus in my first issue.

SIMPLE IS BETTER – ISSUE -1 – BASIC NEEDS V/S ESTEEM NEEDS

As a many people, I also have seen dreams to buy big home, car, other precious things and most important to achieve financial freedom from my childhood. This is a common dream of every common man. Many common men can't able to fulfil their common dreams and then argues that fulfilling our dreams are very difficult to impossible.

Is it really????

My answer is no; achieving our common dreams are not difficult or impossible; just it requires tons of discipline and patience with commitment to achieve dreams.

Many argue - are you stupid? Why doing time pass?

But my dear friends, I am not doing time pass. It is really easy to achieve our common dreams but as I suggest; it requires tons of discipline and patience with commitment to achieve dreams.

We can create good wealth such as by getting 10% to 20% returns. If you can't able to believe then check below tables.

Below table is indicating how much wealth we can able to create by investing fund with discipline and patience. Rs. 1000 per month investment for 25 years with 15% return will result in Rs. 32,43,530.

I think I have not shown anything special; this concept is known to everyone. Everyone knows power of compounding.

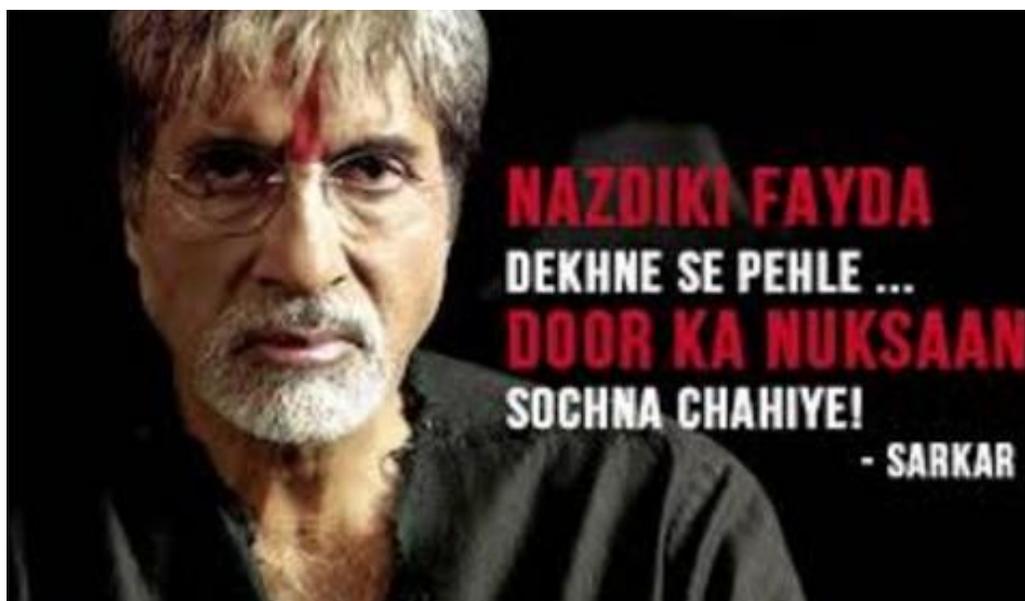
If many people aware with power of compounding, then why not able to fulfil their dreams.

Answer is lack of discipline and patience.

Just see below table for checking power of compounding for achieving common dreams.

Monthly Investment Amt. (Rs.)	Return %				Monthly Investment Amt. (Rs.)	Return %			
	10%					15%			
1000	204,845	414,470	759,369	1,326,833	1000	275,217	668,507	1,497,239	3,243,530
2000	409,690	828,941	1,518,738	2,653,667	2000	550,434	1,337,014	2,994,479	6,487,059
5000	1,024,225	2,072,352	3,796,844	6,634,167	5000	1,376,085	3,342,534	7,486,197	16,217,648
10000	2,048,450	4,144,703	7,593,688	13,268,334	10000	2,752,171	6,685,068	14,972,395	32,435,296
No. of years	10	15	20	25	No. of years	10	15	20	25
Monthly Investment Amt. (Rs.)	Return %				Monthly Investment Amt. (Rs.)	Return %			
	20%					25%			
1000	376,095	1,115,700	3,109,652	8,485,287	1000	521,931	1,915,871	6,719,114	23,270,147
2000	752,191	2,231,400	6,219,304	16,970,573	2000	1,043,862	3,831,742	13,438,227	46,540,294
5000	1,880,476	5,578,500	15,548,259	42,426,434	5000	2,609,655	9,579,354	33,595,569	116,350,734
10000	3,760,953	11,156,999	31,096,518	84,852,867	10000	5,219,311	19,158,708	67,191,137	232,701,469
No. of years	10	15	20	25	No. of years	10	15	20	25

Many of us aware with saving and investing but can't able to achieve desire dreams. That is due to fall in trap of short term pleasure; and for short term pleasure we breaking our discipline.



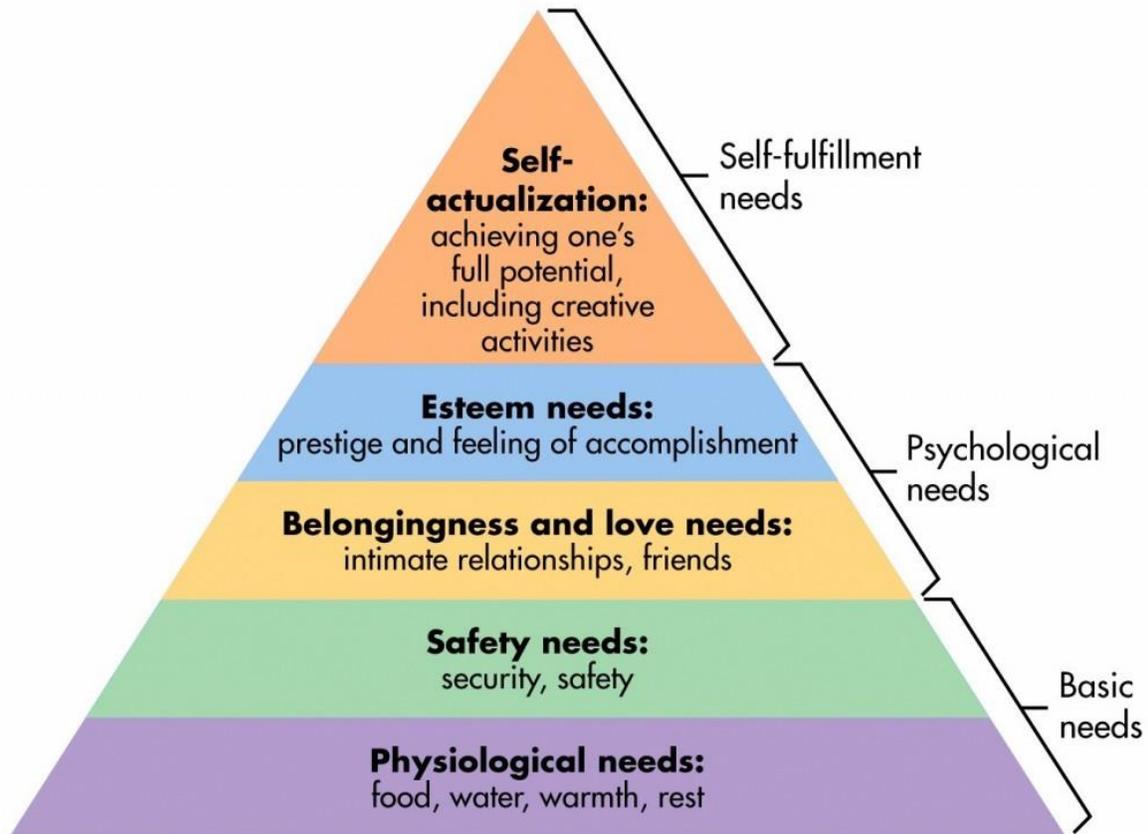
We should always analyse what will be our long-term loss when break our discipline for near/ short term pleasure. Short term pleasure always tempted us for breaking our discipline and it's up to us how we can handle this temptation. If we fall in trap of temptation of short term pleasure and break our discipline, then it's become difficult to impossible to achieve our common dreams.

Only one (Ethical) way to achieve our dreams is *saving* and *investing* with *discipline* and *patience*.

The main problem I observe for breaking out our discipline is, we are not treating our basic need as a basic need but we have make it esteem need.

What is basic needs?

As per Maslow need hierarchy, basic needs categories into two different needs which are – Physiological needs (Food, Water, Warmth, Rest) and Safety needs (Security, Safety). In simple terms, Roti (Food), Kapda (Cloth) aur (&) Makan (Shelter); These needs are important for our survival.

**And what is esteem needs?**

Esteem needs are those needs which connected with our psychological pleasure and by achieving these needs we feel prestige.

As per my observation, actually We have transform our basic needs into an esteem needs and we are not aware about it.

Let me try to explain it in a simple manner ---

1. Food

"A food is something that provides nutrients. Nutrients are substances that provide: energy for activity, growth, and all functions of the body such as breathing, digesting food, and keeping warm; materials for the growth and repair of the body, and for keeping the immune system healthy." – FAO Corporate Document Repository

We need a Food for survival that is our basic need but taking foods at branded hotel, resorts, restaurants are categories into an esteem need. Taking food at premium places just provide us a psychological pleasure; nothing else. Rather taking food at premium places, we can take healthy foods like vegetables, fruits etc. with lesser cost and can save money.

2. Clothes

"Humans wear clothing for comfort and to guard against exposure to weather and other environmental elements. Humans lost excess body hair long before the Ice Age — without it, humans were susceptible to cold." – Reference.com

We need a cloth for protection from outside environment so that non-branded clothes also help to protect our body and guard us against external environment. It doesn't require premium branded clothes; non-branded clothes fulfil all above basic requirements.

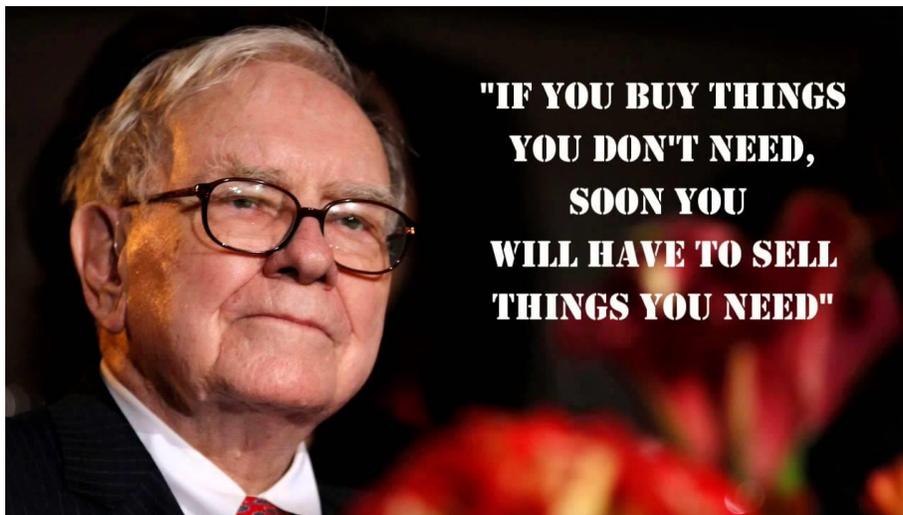
3. Shelter

"Human beings need shelter for protection against natural threats, such as extreme weather and dangerous creatures, and even as security against other human beings. Humans also use shelter to store goods and possessions that are necessary for daily survival and healthy participation in daily society such as food, clothing and tools, according to HistoryWorld." – Reference.com

We don't require 3BHK, 4BHK, raw house, villa for above needs. Our basic needs can be fulfilled with small and beautiful apartment flat also. Raw house, villa just provide us a psychological pleasure.

Knowingly or unknowingly we have transform our basic needs into an esteem needs and for that we are compromising our financial freedom. Actually, many a times we buy premium things not for us but for creating impression on others. We can save lots of money by just avoiding such unnecessary spending.

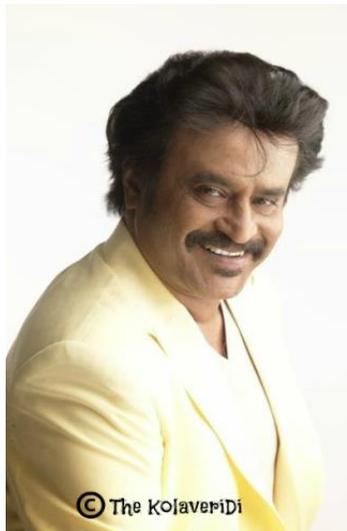
As Warren Buffett mentioned –



If we stop buying what is not really requires, we can able to save lots of money. And all those savings need to transform into an investing and that investing can help us to achieve our financial freedom.

If we buy a premium things or ordinary things, the purpose for using remains same. So, that we should focus on fulfilling real purpose rather than buying unnecessary things.

One of the best Quote for explaining my above thinking ---



Whether you have a Maruti or a BMW, The road remains the same.
Whether you travel economy class or business, Your destination doesn't change.
Whether you have a Titan or a Rolex, the time is the same.
There is nothing wrong in dreaming a Luxurious life. What needs to be taken care of is Not let the NEED become GREED. Because needs can always be met....but greed can never be fulfilled.

- Thalaivar Rajinikanth

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Needs	Basic Need	Esteem Need
Foods		
Clothes		
Shelter		



If we focus on fulfilling real purpose of our need then we can easily differentiate between basic and esteem needs. By avoiding unnecessary spending with remain discipline and keeping patience, we can achieve financial freedom.



Love to read again and again

- [The Problem With a Rat Race is That Even If You Win...](#)
- [10 Simple Rules that Brought Me Financial Nirvana](#)

Disclaimer

Above article is just my perception, and perception can be wrong. For me, my perception can be right but for others it might be wrong.

I am really grateful to - Mr. Neeraj Marathe Sir, Prof. Sanjay Bakshi Sir, Mr. Vishal Khandelwal Sir, Dr. Vijay Malik Sir, Mr. Rajeev Thakkar Sir, Mr. Raunak Onkar Sir, Mr. Vijay Kedia Sir, Mr. Howard Marks, Mr. Porinju Veliyath

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Please forgive me, if I forget to mention any person who have contributing value to my journey.

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*As a founder of Lucky Idiot; My mission through “**Lucky Idiot**” is to educate novice investors and to distribute learning to more and more people in a simple manner.*

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