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# KEY TO FINANCIAL INDEPENDENCE: Smartsavings and investment options

I remember when I had first started my professional career at a multi-national bank, getting a substantial amount of salary at the end of the month was something new to me and something very exciting. Prior to that, I was not financially independent and was happy with whatever pocket money my husband gave me.

After joining the workforce, two important things happened to me — I got my own identity and I got my own financial independence, at least up to an extent. It felt exhilarating! The only thing I forgot was that I needed to save.

My best friend in the bank was a female colleague; both of us had joined around the same time. After a couple of years of being assigned to different departments, we ended up sitting next to each other. Our friendship grew and we started sharing our experiences.

To my surprise, I discovered that she had saved a substantial amount from her monthly salary and I had not saved a penny. I was happily spending my money buying unnecessary stuff, eating out, etc. That was a day of awakening and a realisation that I could not squander away; there was a future and there could be a need or an emergency where money would be needed. I never looked back, saving became one of my top priorities.

Warren Buffet, the billionaire and one of the most renowned fundamental investors in the world, one said, "The biggest mistake is not learning the habit of saving properly. Do not save what is left after spending, but spend what is left after saving."

Here are some good savings schemes you can avail.

## Shanchaya Patras (SP)

The government savings instruments like the various shanchaya patras still remain the most attractive and I would strongly

recommend everyone who has not yet availed it to do so. The rate of interest is still one of the best, although previously it was much higher.

The following are some of the current SP saving schemes —

Poribar Shanchaya Patras (Family Government Instruments) for five years gives you a monthly return.

The three-year bonds give you a quarterly return.

Five-year bonds will give you a return at the completion of the full term. This is good for people who have idle-fund and can do without a monthly return.

Pensioner's Shanchaya Patras, also gives a lucrative return. This is valid for individuals who are entitled to a pension fund. A point to remember is that investing in Shanchaya Patras also gives you a tax rebate.



The maximum amount an individual can invest in SPs is Taka 50 Lakhs only.

**A few words of caution:** Do not be tempted by high interest rates; check out the market rates and the reputation of the financial institution. And, do not put all your eggs in one basket, spread out your savings.



## Fixed Income funds

Many of you may not have heard of this scheme, but it is a good, secure saving product.

Fixed-income funds are expertly managed by asset management companies and offer investors the prospect of a steady 7-8 per cent annual return with low associated risk. The funds primarily invest in fixed deposit schemes of AA and AAA rated banks as well as

government bonds ensuring a secure investment.

One notable advantage of Fixed Income Funds is their high liquidity, granting investors the flexibility to sell their units whenever desired. Furthermore, these funds often come with the added benefits of a tax rebate, making them an attractive option for risk-averse investors seeking stable returns and easy access to their investments.

## USD Investments

US Dollar Investment Bond (USDIB) is issued in favour of Foreign Currency (FC) account holder against the foreign remittance to the account. It is the only saving scheme in Bangladesh which has the special feature of principal as well as interest repatriation. USD dollar investments are available to wage earners or Bangladeshi Nationals



working overseas. The interest earned can either be in USD or Taka depending on what the customer wants.

## Gold Investments

As for gold investments, in my personal opinion, you can buy gold coins from jewellery shops when the price is low and sell them when the price increases. There is no interest income in this except the difference in the buying and selling.

**Photo: LS Archive / Sazzad Ibne Sayed**