Chanakya’s Thoughts for Financial Success

Abstract

This research paper aims to explore the financial principles espoused by Chanakya, an ancient Indian philosopher, and economist, and to apply them in a modern context to help individuals achieve financial success. The paper will examine Chanakya's teachings on disciplined spending, wise investment, and effective money management, and will explore how these principles can be adapted to suit the needs of contemporary individuals.

The paper will draw on a range of sources, including Chanakya's seminal work, the Arthashastra, Chanakya Neeti-shastra as well as modern studies on personal finance and wealth management. It will also provide practical recommendations on how to apply Chanakya's financial principles in a modern context, including tips on budgeting, saving, investing, and managing debt.

Ultimately, the paper will argue that Chanakya's financial philosophy is still relevant today and can provide valuable insights into how to achieve financial success. By adopting a disciplined and strategic approach to managing their finances, individuals can build long-term wealth, achieve their financial goals, and secure their financial future.

Introduction

Financial success principles are a set of practices, behaviours, and attitudes that can help individuals achieve greater financial stability, security, and prosperity. These principles are essential for anyone who wants to manage their money effectively and build long-term wealth. They include things like setting clear financial goals, living within one's means, saving and investing wisely, avoiding debt, and continually educating oneself about personal finance. Financial success principles are crucial because they enable individuals to achieve their life goals, such as buying a home, starting a business, or retiring comfortably, and to weather financial emergencies without undue stress or hardship. By following these principles, individuals can gain greater control over their finances and build a more secure financial future for themselves and their loved ones.

Chanakya's Background

Chanakya was an ancient Indian philosopher and economist who is widely regarded as one of the greatest minds in Indian history. He believed that financial success was achieved through a combination of disciplined spending, wise investment, and effective money management. According to Chanakya, financial success is not just about accumulating wealth but also about using that wealth wisely to achieve one's goals and to help others.

Chanakya emphasized the importance of living within one's means and avoiding debt. He also believed in the power of investing in assets that generate income and in diversifying one's investments to minimize risk. Chanakya also stressed the importance of saving for the future and being prepared for unexpected financial emergencies. For Chanakya, financial success was not just about accumulating wealth, but also about using it for the greater good and achieving a sense of financial security and independence (Kapadia,2022).

Instead, he severely abused him and expelled them from the court. Chanakya released his ponytail and promised never to tie it again until he had eliminated the Nanda Dynasty from existence after feeling cheated and insulted.

He embarked on a search for the likely contender for the perfect King after leaving the realm. And it was at that point that he met Chandragupta Maurya, a 20-year-old youth. He was taken under his wing as a pupil, and he was given political and military education. both political science and economics. Strong leadership with a bureaucratic approach.

Chandragupta Maurya, under his guidance, overthrew the Nanda Dynasty and founded the Maurya Dynasty, a dynasty that eventually grew to be the largest in historical India.

He wrote in Arthasastra and other manuscripts, a profound collection of principles he followed and the ideology he practiced throughout his life. Listed below are a few of the lessons that might help us in becoming better investors and financial planners

Chanakya’s Thoughts on Wealth; Interpretated as Financial Advice

1. Hardwork

Acquisition of wealth has its root in activity.

अर्थमूलौ धर्मकामौ || 91 ||

Figure: Maxim from Chanakya Sutra

Work is the root of wealth.

यदल्पप्रयत्नात् कार्यसिद्धिर्भवति || 93 ||

Source: Subramanian, 1980

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

Chanakya's quote "Acquisition of wealth has its root in activity", “ Work is the root of wealth” suggests that wealth creation is not a passive process. Instead, it requires active engagement, effort, and action. This quote has several implications for financial management and investment advice, which are discussed below.

1. ***Active Income Generation***: The first implication of this quote is that individuals need to engage in active income generation to acquire wealth. This means that they need to work hard, be productive, and find ways to earn income actively. Simply saving money is not enough; individuals must also focus on increasing their income streams by engaging in activities that generate revenue.

2. ***Importance of Investment***: Chanakya's quote also implies that merely earning income is not enough to accumulate wealth; individuals must also invest their income wisely. By investing in profitable ventures, individuals can generate passive income and grow their wealth over time. It is crucial to identify the right investment opportunities that align with one's financial goals, risk appetite, and investment horizon.

3. ***Need for Financial Planning***: To engage in active income generation and wise investment decisions, individuals need to plan their finances. They need to set clear financial goals, create a budget, track their expenses, and regularly review

their financial performance. Financial planning helps individuals to stay on track and make informed decisions about their finances.

4. ***Continuous Learning and Improvement***: Finally, Chanakya's quote highlights the importance of continuous learning and improvement in financial management and investment advice. To be successful in wealth creation, individuals must continually update their knowledge and skills about financial markets, investment strategies, and money management techniques. This requires a willingness to learn and an open mind to adapt to changing circumstances.

2. Power of Compounding

> Fortune follows human effort.
>
> दैव विनाऽतिप्रयत्नं करोति यत् तद् विफलम् ।। 99 ।।

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

The power of compounding is a crucial lesson in financial planning. From the moment we are born, we are inundated with life goals that require money to achieve, such as education, retirement planning, and purchasing a house or car. However, the temptation of a You Only Live Once (YOLO) lifestyle often distracts us from planning for these goals in advance.

As we age, the cost of achieving these goals increases, making it challenging to save a significant amount of money on a monthly basis. This is compounded by the fact that our consumption habits make it difficult to save and invest.

To overcome this, it is essential to start planning for our goals early in life and allocate a percentage of our monthly income towards them. By doing so, we can enjoy our present while preparing for our future needs and avoid the need to borrow when our goals approach.

To summarize, the power of compounding emphasizes the importance of starting early and taking small steps towards achieving our financial goals.

By doing so, we can make our money work for us and build a stable financial future. (Kapadia, 2022)

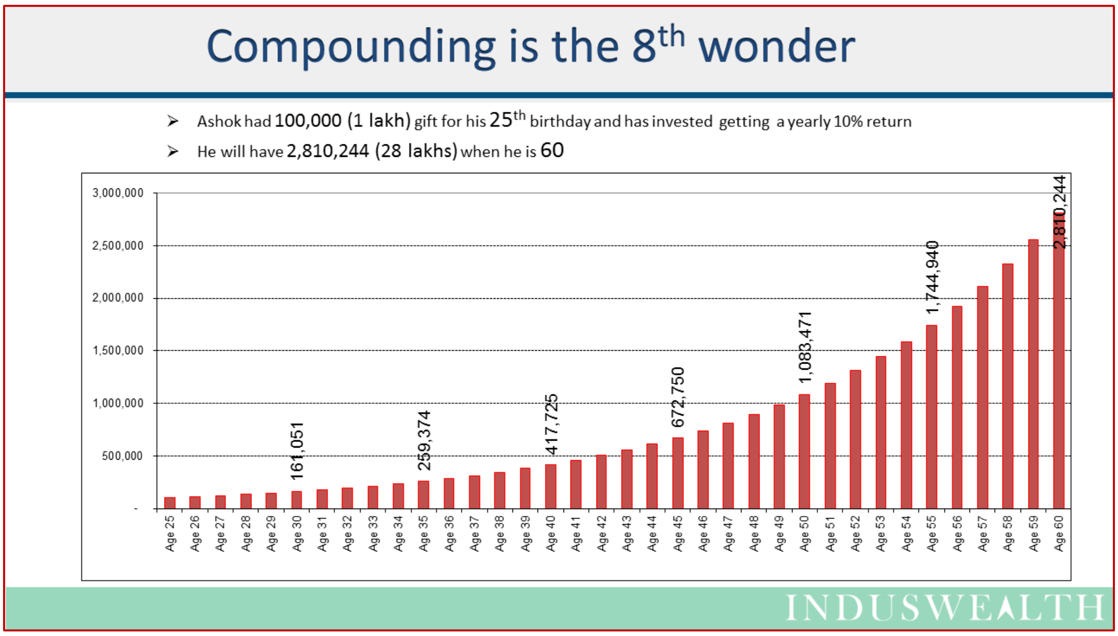

Figure: Power of Compounding
Source: (Kamalesh, 2016)

The ruler's riches grow little by little, like the anthill, honeycomb and the moon in the bright fortnight.

मक्षिका व्रणमिच्छन्ति धनमिच्छन्ति पार्थिवाः।
नीचाः कलहमिच्छन्ति शान्तिमिच्छन्ति साधवः ।। 67 ।।

Figure: Maxim from Chanakyarajanitisastra
Source: Subramanian, 1980

One can consider this as an extension of the first lesson. Although planning in advance really does help, at the same time, the monthly amount that requires to be invested becomes considerably low. Well, that is the miracle of compounding. With decades of time spared, compounding really turns a disciplined investment into a mammoth capital. However small it may be.

Consider this: The moment we receive our first paycheck, we can either consume 100% or 80% of it. The choice is truly ours. But if we allow a portion of it to build our retirement corpus, it can work wonders. The monthly investment amount to build a corpus of Rs.5 Crore turns out to be just Rs.4600. This is when we start at the age of 20.

If we delay it by 5 years and start at 25, the monthly contributions increase to 8100 per month. Plan to delay it further? Be ready to shell out Rs.14500 even at a small age of 30. If we get accustomed to living pay check-by-pay check and somehow get enlightened towards building a retirement fund at 45, will we find it easy to spare Rs.92000 on monthly basis? I believe most of us would say – No.

Start early. Plan goals in advance. Prefer not to live pay check-to-pay check. An early-stage foundation of investing a tiny amount will help us reach our goals in a smooth manner. As we grow in age, these tiny contributions compound. (Kapadia, 2022)

3. Emergency Fund

> Money should be saved for difficult days.
>
> साहसवतां प्रियं कर्तव्यम् ।। 538 ।।

Figure: Maxim from Chanakya Sutra

Source: Subramanian, 1980

A wise piece of advice by Chanakya. It's always better to build an emergency fund before we even start to invest. A reserve that can assist us in covering 8-12 months of monthly expenses. Better to cover 2 years of financial responsibilities.

But why? Can't we just ride the bulls, invest whatsoever we have in our bank account and pull out whenever the emergency arrives? Right?

It's because no one can predict the sentiments of the market. We may beat the index but not the emotions of the participants involved. No one knows when the bear cartel might get active. And start attacking with 100-degree power. And what if, on top of that, someone loses a high-paying job? The current economic climate has seen a rise in layoffs and job insecurity of 2 lakh IT workers (India Today, 2023). With companies downsizing and restructuring, many people are finding themselves unexpectedly out of work. This emphasizes the importance of having an emergency fund to fall back on during difficult times. An emergency fund can provide a cushion to cover expenses such as rent, utilities, and groceries, while job hunting or retraining for a new career. It is crucial to have an emergency fund that can cover at least three to six months of expenses to help weather any unexpected financial storms.

The need of the hour is to maintain a fund that can be converted into quick cash instantly. Savings Account. FDs. Liquid Funds. Never deploy it in lieu of multi-bagger returns. Use it only during emergencies while discarding a lavish lifestyle. A vacation to the Maldives can wait. Armani suits can wait. Royal Enfield can wait. Choose only basic necessities. And replenish the fund as soon as there is an extra surplus. Let it be our helping hand when everything else just falls apart. (Singh, 2023)

A letter written by Warren Buffett's grandfather to his children, emphasizes the importance of building cash-reserve for emergencies. A reserve that makes us avoid a situation where we are forced to liquidate our core holdings. The holdings that we buy to keep for long-term capital appreciation.

"For a number of years I have made it a point to keep a reserve. I have known people who have had to sacrifice some of their holdings in order to have money that was necessary at that time. Thus, I feel that everyone should have it," he wrote.

Dear Fred & Catherine:

Over a period of a good many years I have known a great many people who at some time or another have suffered in various ways simply because they did not have ready cash. I have known people who have had to sacrifice some of their holdings in order to have money that was necessary at that time.

For a good many years your grandfather kept a certain amount of money where he could put his hands on it in very short notice.

For a number of years I have made it a point to keep a reserve, should some occasion come up where I would need money quickly, without disturbing the money that I have in my business. There have been a couple occasions when I found it very convenient to go to this fund.

Thus, I feel that everyone should have a reserve. I hope it never happens to you, but the chances are that some day you will need money, and need it badly, and with this thought in view, I started a fund by placing $200.00 in an envelope,with your name on it, when you were married. Each year I hdded something to it, until there is now $1000.00 in the fund.

Ten years have elapsed since you were married, and this fund is now completed.

It is my wish that you place this envelope in your safety deposit box, and keep it for the purpose that it was created for. Should the time come when you need part, I wohld suggest that you use as little as possible, and replace it as soon as possible.

You might feel that this should be invested and bring you an income. Forget it -- the mental satisfaction of having $1000.00 laid away where you can put your hands on it, is worth more than what interest it might bring, especially if you have the investment in something that you could not realize on quickly.

If in after years you feel this has been a good idea, you might repeat it with your own children.

For your information, I might mention that there has never been a Buffett who ever left a very large estate, but there has never been one that did not leave something. They never spent all they made, but always saved part of what they made, and it has all worked out pretty well.

This letter is being written at the expiration of ten years after you were married.

"Dad"

Figure: Warren Buffet's grandfather's letter to grandchildren
Source: (Landes, 2022)

4. Stay Debt- Free

> Nothing should be allowed to remain in the case of: debts, enemies and disease. (There should be total extermination.)
>
> भृत्यानुवर्तनं पुरुषस्य रसायनम् ।। 436 ।।

Figure: Maxim from Chanakyarajanitisastra
Source: Subramanian, 1980

One of the most important aspects of financial planning is managing debt. Debt is an essential part of our financial lives, but it is crucial to understand the risks associated with excessive debt and how it can impact our financial stability.

Many people tend to accumulate debt over time, whether it's through credit cards, personal loans, or mortgages. While debt can help us achieve our goals and finance our dreams, it can quickly become overwhelming if left unchecked. High levels of debt can lead to financial stress, anxiety, and even impact our mental and physical health. (Henricks, 2021)

One of the best ways to manage debt is to pay it off quickly. When we carry debt over an extended period, we end up paying a significant amount of interest, which can make the debt burden even more substantial. By paying off debts quickly, we can reduce the interest we owe and ultimately save money in the long run (Dulin, 2022).

Paying off debts also allows us to free up money for other important things, such as saving for retirement, building an emergency fund, or investing in our future. When we have high levels of debt, it can be challenging to save for the future as we are constantly focused on paying off our debts.

Another reason why we should not keep piling up debt is that it can negatively impact our credit score. A low credit score can make it challenging to obtain credit in the future, and even if we do, we may be charged higher interest rates. By paying off debts quickly, we can improve our credit score and increase our chances of being approved for credit in the future (Staff, 2021).

Hence, managing debt is an essential part of financial planning. While debt can help us achieve our financial goals, it is crucial to understand the risks associated with excessive debt and take steps to pay it off quickly. By paying off debts, we can reduce financial stress, free up money for other important things, improve our credit score, and ultimately achieve financial stability and security.

5. Read, Read, and Read

Learning is wealth to the poor.

विद्या चौरैरपि न ग्राह्या || 296 ||

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

Prosperity depends on the intellect.

अग्नावग्निं न निक्षिपेत् || 410 ||

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

Chanakya always advocated reading about various disciplines and endorsed the idea of learning.. He never restricted himself to just one discipline.

Covering almost every aspect of life that one can really think of, one can get a sense of how deep his desire towards learning was. Not only he has just written about it. In fact, through his learnings from various disciplines, he helped 20-years old boy in establishing the Mauryan Empire.

Likewise, investing is a game that is less about financials and more about knowing what is there in store for us as investors in other areas. Read. Just read. The more we learn about other sectors (pharma, automobile, IT, etc.), the more we put ourselves in a better position to find lucrative opportunities. The more we learn about human behavior, the more we make ourselves stay ahead in the game. Expand beyond what you already know. (Bubna, 2020)

In a recent interview with CNBC, 95-year-old billionaire Charlie Munger said, *"Without lifelong learning, you're not going to do very well. You are not going to get very far in life. Without Warren Buffett being a learning machine — a continuous learning machine, the record would have been absolutely impossible."*

Warren Buffett (below) is the 3rd richest human being on Earth. Why? Because he has pocketed a 20.9% annual return from 1965-2017. How? By reading 8-10 hours every day in his office in Omaha. By widening his circle of learning, he has invested in a diverse set of companies across numerous sectors. That is an unparalleled track record. Continuous learning really helps. (Team, 2022)

One who is aware of the works of Chanakya will know that his magnum opus Arthashastra did not talk about just one discipline. It was a book which spoke of politics, economy, daily duties of a king and the subjects, and so on. He has always encouraged his disciples to gather knowledge of more than one discipline to widen their knowledge base. This is similar in the case of financial management as well. (Team, 2022)

Much like your personal life, in financial life as well if you stop educating yourself your investments will get stagnant. It is always necessary to stay abreast of the happenings in the world of finance and investment so that by availing those opportunities you can take better benefit.

6. Risk-Appetite and Analysis

> Prosperity lasts long for one who acts after proper consideration.
>
> सर्वाश्च सम्पदः सर्वोपायेन परिग्रहेत् ।। 114 ।।

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

> Prosperity forsakes even a lucky one, if he acts without foresight.

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

This is one of the cardinal lessons of investing. Before you start investing, evaluate your risk capacity, your return requirement, your tax liabilities and your liquidity preferences. If you jump into investing without evaluating these four quadrants, it is a case of poor planning. As we have seen time and again; you start with poor planning in investments and you are bound to be disappointed. After all, if you do not know where you are headed, it really does not matter how fast you run! (*Chanakya Niti and Personal Finance*, n.d.)

It is always advised to chalk out a proper plan before taking up any work, this is applicable in terms of personal finance as well. According to the Chanakya , it is said that only if your work is well planned will you be able to earn good results. Similarly, even during bad markets, if you have a proper and well chalked out plan in place, you are likely to gain profit.

> Prosperity forsakes one who does things without proper examination.
>
> परीक्ष्य तार्या विपत्तिः ।। 134 ।।

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

We should never jump into a trade or into an instrument unless we are fully conscious of the downside risks. Do we have the financial and the mental capacity to bear these risks? Plan your investment strategy based on your risk-taking capacity; else you are likely to end up on the wrong side of returns**.**

This piece of advice is of great importance while planning our investment. Every person has their own sense of taking risks, some are alright with taking higher risks while others are timid. So, it is better to create a risk profile keeping in mind your preferences and capacity, instead of following blindly.

Today, there are a variety of investment options available in the market. So, select an option, which is stable and has a sustainable value or return. As mentioned previously, one must always examine the opportunities before investing. With customers being spoilt with choices, it is of utmost importance to gather knowledge of the options before you zero down on anything. But first, one must be sure of their financial goals before taking a step in the direction of investing, as a lot is dependent on it. Always invest with a motive and according to one's suitability, since it is better to invest the extra amount of your hard earned money instead of parking it in the savings bank account, which will deliver no return. (*10 Investment Lessons One Can Learn From Chanakya*, n.d.)

Therefore, your money will work for you if you invest in well-regulated asset classes like stocks, bonds, gold, etc. And trust products like Mutual Funds or NPS, where a team of qualified people manages your money. On the other hand, if you rely on hot-stock tips or unregulated risky asset classes, your hard-earned money will hardly help you when you need it the most.

Stock markets have corrected multiple times in the last 30 years. The reason for these corrections includes pandemics, scams, economic slowdowns, etc. But whatever may be the reason or how steep the fall may be, equity markets have always bounced back in the next few years. (Singh, 2023)

Many investors panic during phases of market corrections. Consequently, they redeem their investments at a loss and convert their loss on paper to actual losses. But those investors who have been patient enough to stay invested turned out to be the happiest. (Singh, 2023)

For instance, in the last 30 years, there have been 21 months when the SENSEX fell by more than 10%. Let’s assume there are two friends, Sudam and Suman. Both invested Rs. 10,000 a month through SIP in SENSEX for the last 30 years. While Sudam stayed invested throughout, Suman stopped investments whenever the SENSEX corrected by 10%. (Singh, 2023)

Benefit Of Continuing Investment		
	Sudam’s Investments	Suman’s Investments
Monthly SIP Amount	Rs. 10,000	Rs. 10,000
Investment Duration	30 years	30 years
Missed SIPs	0	21
Principal Investment	Rs. 36 lakh	Rs. 33.9 lakh
Final Corpus	Rs. 3.47 crore	Rs. 3.17 crore
SIP Missed = Rs. 2.1 lakh; Difference in final corpus = Rs. 30 lakh		

Figure: Benefits on Continuing Investment
Source: (Singh, 2023)

Because of stopping SIPs during the market correction, Suman earned Rs. 30 lakh less than Sudam. To put this in perspective, by not investing Rs. 2.1 lakh during market corrections, Suman missed the opportunity to accumulate as much as Rs. 30 lakh, nearly 9.5% of his final corpus. (Singh, 2023)

7. Diversification of Risk

All types of riches should be amassed by all means.

भाग्यवन्तमपरीक्ष्यकारिणं श्रीः परित्यजति ।। 115 ।।

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

By undertaking all kinds of activities, the ways to profit develop.

नास्ति भीरोः कार्यचिन्ता || 138 ||

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

When it comes to financial planning, diversification of risk is an important strategy to consider. This means spreading your investments across different asset classes and types of investments, so that if one investment does poorly, the other investments may help balance out the loss.

Diversification can help to reduce the overall risk of your portfolio and protect you from potential losses. For example, if you invest all of your money in a single stock or sector and that stock or sector suffers a significant decline, you could lose a substantial portion of your wealth. However, if you spread your investments across multiple stocks or sectors, the impact of any single loss may be less severe. (McWhinney, 2021). Diversification can also help to capture the upside potential of different types of investments. For instance, some investments may perform better in a strong economy, while others may perform better in a weak economy. By diversifying your portfolio, you can benefit from the different performance characteristics of each investment. (Lioudis, 2022)

It's important to note that diversification does not guarantee profits or protect against all losses, but it can help to reduce risk and increase the likelihood of achieving your financial goals. It's also important to regularly review and rebalance your portfolio to ensure that your investments are still aligned with your goals and risk tolerance. (Segal, 2022)

Thus, diversification of risk is an essential strategy for financial planning. It helps to spread risk across different types of investments, reduce overall portfolio risk, and capture the potential upside of different investments. By incorporating diversification into your financial planning, you can help to protect your wealth and increase the likelihood of achieving your long-term financial goals.

8. Impulsive Spending

That which does not increase virtue and wealth is lust.

तद्विपरीतोऽनर्थसेवी || 158 ||

Acting against virtue and wealth is courting disaster.

ऋजुस्वभावपरो जनेषु दुर्लभः || 159 ||

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

Impulsive spending and other bad financial habits can have a significant impact on one's financial planning. These habits can lead to overspending, debt, and financial stress, all of which can hinder your ability to achieve your long-term financial goals.

For example, if you have a habit of impulse buying, you may find yourself regularly overspending on things that you don't need. This can lead to credit card debt, high-interest rates, and difficulty paying bills. Similarly, if you have a habit of procrastinating on paying bills or saving for retirement, you may find yourself constantly struggling to catch up and falling behind on your financial goals.

Moreover, bad financial habits can also lead to a lack of discipline and motivation when it comes to financial planning. This can make it difficult to establish and stick to a budget, save for emergencies, or invest for the future. In turn, this can make it challenging to achieve long-term financial goals, such as buying a home, paying for college, or retiring comfortably.

Overall, it's important to recognize and address bad financial habits to support successful financial planning. This may involve seeking help from a financial advisor, setting realistic goals, establishing a budget, and creating a plan for reducing debt and increasing savings. With discipline, consistency, and a commitment to good financial habits, it's possible to overcome financial challenges and achieve your long-term financial goals.

9. Financial Influencers

One should not be desirous of others' prosperity.

परविभवेष्यादरोऽपि नाशमूलम् ।। 267 ।।

Desire for others' prosperity is the root of destruction.

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

Wealth will desert the childish man who always consults the stars. Wealth is the (auspicious) star for wealth. What can stars (in the sky) do?

शास्त्राविदहष्टकर्मा कर्मसु विषादं गच्छेत् ।। 223 ।।

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

We learn from our experiences, especially mistakes. But time is a commodity that is available in limited quantities. Hence, a better and faster way to learn is to learn from others' mistakes.

Many legendary investors have documented their mistakes in their books or autobiographies. To begin your learning journey, you can start by reading various books such as autobiographies of successful investors, etc. But there is a problem.

In today's world, social media influencers and financial experts have a significant impact on how people think about their money and investments. It is common to see people blindly following the advice of these influencers or role models, hoping to replicate their success. However, it is crucial to remember that blindly following someone else's advice may not always work in your best interest. (Marketing Mag, 2022)

While it is true that influencers and financial experts have achieved success in their respective fields, it does not mean that their strategies and approaches will work for everyone. Each individual's financial situation is unique, and there are several factors to consider before making any investment decisions. Blindly following someone else's advice without analyzing the situation may lead to unfavorable outcomes. (Marketing Mag, 2022)

Instead of focusing on how certain influencers or role models have created their wealth, it is essential to concentrate on building your own knowledge and analysis of the financial market. Before making any investment decisions, it is crucial to understand your financial goals, risk tolerance, and investment horizon. Based on these factors, you can analyze the various investment options available and choose the one that aligns with your financial objectives.

Another essential aspect to consider is the credibility and authenticity of the financial expert or influencer providing the advice. While there are several genuine experts, there are also many self-proclaimed gurus who may provide biased or unreliable information. It is crucial to verify the credibility of the source before taking any advice. (Lake, 2023)

Thus, blindly following influencers or financial experts' advice may not always work in your best interest. It is essential to analyse your financial situation, build your own knowledge and understanding of the market, and make informed investment decisions based on your financial goals and risk tolerance. Rather than trying to replicate someone else's success, focus on building your own path towards financial success.

10. Charity

Donation follows wealth.

पट्टुतरे तृष्णापरे सुलभमसितसन्धानम् ।। 225 ।।

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

It is not difficult for the rich to do good deeds.

नास्ति गतिश्रमो यानवताम ।। 355 ।।

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

It is no secret that financial security provides a sense of stability and comfort in one's life. When you are financially stable, you have the resources to cover your basic needs, pay your bills, and enjoy some of life's luxuries. However, financial security also enables you to pursue noble causes and donate to charities more easily.

When you are financially secure, you have the means to support causes that are important to you without having to worry about the impact it will have on your personal finances. For example, you can donate to your favorite charity without having to sacrifice your own well-being or that of your family. You can also contribute to causes that help others, such as funding medical research or supporting disaster relief efforts.

Moreover, financial security allows you to think beyond your immediate needs and consider the greater good. You can focus on making a positive impact on the world around you rather than simply surviving day to day. For instance, you can start your own nonprofit organization or invest in socially responsible companies that align with your values.

Having charity as a huge goal after attaining financial independence security is a wise decision. This is because financial independence provides you with the freedom to pursue your passions and interests. With financial security, you are no longer constrained by the need to earn a living or meet basic needs. Instead, you can channel your resources towards making a difference in the world.

So, financial security is a crucial factor in pursuing noble causes and charitable deeds. When you are financially stable, you have the freedom to support causes that are important to you without worrying about your personal finances. As such, it is important to make charity a significant goal after attaining financial independence security, so that you can make a positive impact on the world around you.

11. Malice

One’s fortune should not be linked to evil ones.

न कृतार्थेषु नीचेषु सम्बन्धः || 434 ||

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

The virtuous one despises prosperity attained through ignominy.

बहूनपि गुणानेको दोषो ग्रसति || 161 ||

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

Another’s wealth, even if it be husk, should not be stolen.

परद्रव्यापहरणमात्मद्रव्यनाशहेतुः || 269 ||

Stealing others’ wealth leads to loss of one’s own.

न चौर्यात्परं मृत्युपाशः || 270 ||

Figure: Maxim from Chanakya Sutra
Source: Subramanian, 1980

Wealth is an important factor in determining one's standard of living and financial stability. It is natural for individuals to aspire to become financially secure and achieve financial freedom. However, it is crucial to understand that wealth should never be acquired through illegal means or by harming others. Such actions can bring shame upon society and can lead to dire consequences.

When it comes to financial planning, investment, or any other means of acquiring wealth, it is essential to follow ethical practices. Investing in companies or businesses that engage in unethical practices, such as exploiting their workers, violating environmental regulations, or engaging in corrupt practices, is not only harmful but also illegal in many cases. Such investments not only bring financial losses but also cause harm to society and the environment.

Moreover, indulging in illegal means to acquire wealth such as fraud, embezzlement, or money laundering can lead to severe legal consequences, including imprisonment and hefty fines. Such actions not only bring shame to individuals but also tarnish the reputation of their families and the community they belong to. It also sets a bad example for future generations, promoting a culture of dishonesty and greed.

Therefore, it is crucial to understand that acquiring wealth through illegal means or by harming others is not a sustainable or ethical practice. Instead, individuals should focus on building their wealth through hard work, perseverance, and ethical practices. They should invest in businesses and companies that adhere to ethical standards and promote social well-being.

After amassing riches (which are impermanent), turn your mind to righteousness (which is permanent). Riches perish along with oneself in a moment.

सन्धो विरोधे दाने च यशः स्वात्मसुखोदये।
अपि मोक्षपरिप्राप्तावर्थो बन्धुर्महीभुजः ।। 44 ।।

From where does it come? Where does it go? It is impossible to know the path of wealth.

धनिन सुखिनो नित्यं निर्धना दुःखभागिनः।
धनिनां निर्धनानां च विभागः सुखदुःखयोः ।। 55 ।।

Figure: Maxim from Chanakyarajanitisastra
Source: Subramanian, 1980

In conclusion, financial planning is a critical aspect of achieving long-term financial stability and security. However, it is essential to remember that wealth is not static and is constantly in flux. Just as life is unpredictable, so is the economy, and financial markets are subject to various external factors that can affect our finances.

It is crucial to understand that wealth is fleeting, and financial planning is an ongoing process that requires flexibility, adaptability, and a willingness to adjust our strategies as needed. No financial plan is foolproof, and unexpected events can impact our finances in ways that we cannot predict. Therefore, it is essential to regularly review and adjust our financial plans to ensure they remain aligned with our goals and objectives.

Ultimately, financial planning is not just about accumulating wealth; it is also about building resilience and the ability to weather financial storms. By adopting a long-term perspective, focusing on our financial goals, and being disciplined in our financial habits, we can achieve financial stability and security, even in times of uncertainty. Financial planning is a journey, and like all journeys, it requires patience, determination, and a willingness to adapt to the changing landscape.

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Lake, R. (2023, March 15). *Personal Finance Influencer Red Flags*. Investopedia. https://www.investopedia.com/financial-influencer-red-flags-5217694

Comprehensive overview of the literature that is referred and cited in the study:

1. Kapadia, S. (2022, April 9). *Chanakya Niti and Financial Success*. Money Excel - Personal Finance Blog. https://moneyexcel.com/chanakya-niti-financial-success/

About: The article explores the teachings of the ancient Indian philosopher and economist, Chanakya, and how they can be applied to achieve financial success. The article highlights some of Chanakya's key principles, such as the importance of investing in oneself, maintaining a frugal lifestyle, and seeking advice from experts, and discusses how these principles can be incorporated into modern personal finance practices.

2. Team, D. W. (2022, December 2). *Chanakya Niti: Achieve success in life by following these 5 principles*. DNA India. https://www.dnaindia.com/lifestyle/report-chanakya-niti-achieve-success-in-life-by-following-these-5-principles-3007364

About: The principles from Chanakya Niti, an ancient Indian treatise on politics, economics, and social issues, that can help individuals achieve success in life. The principles highlighted in the article include the importance of focusing on one's goals, learning from one's mistakes, being adaptable, building a strong network, and maintaining a disciplined lifestyle. The article provides a brief explanation of each principle and offers examples of how they can be applied in modern-day situations.

3. Bubna, V. (2020, October 15). *Hidden Advice For Entrepreneurs In Chanakya Neeti*. Entrepreneur. https://www.entrepreneur.com/en-in/entrepreneurs/hidden-advice-for-entrepreneurs-in-chanakya-neeti/357835

About: The explores the teachings of the ancient Indian philosopher Chanakya and how they can be applied to the world of entrepreneurship. The article highlights some of Chanakya's key principles, such as the importance of planning, taking calculated risks, building a strong team, and maintaining good relationships with stakeholders. The article discusses how these principles can be incorporated into modern entrepreneurship practices and offers examples of how successful entrepreneurs have applied them in their businesses.

4. Subramanian, V. K. (1980). *Maxims of Chanakya: Kautilya*. Abhinav Publications.

About:"Maxims of Chanakya: Kautilya" is a book by V.K. Subramanian that explores the teachings of Chanakya, an ancient Indian philosopher and economist, also known as Kautilya. The book is a compilation of Chanakya's maxims and principles from his famous treatise, the Arthashastra, which discusses politics, economics, and social issues. The book delves into Chanakya's philosophy on various topics such as governance, war, diplomacy, taxation, ethics, and personal conduct. The author provides explanations and interpretations of each maxim and their relevance in modern times. The book is considered a valuable resource for those interested in Indian history and philosophy, as well as those seeking practical advice for leadership, governance, and personal development.

5. *Chanakya Niti And Personal Finance*. (n.d.). https://www.outlookmoney.com/. https://www.outlookmoney.com/talking-money/chanakya-niti-and-personal-finance-3078

About: The article discusses how the teachings of Chanakya can be applied to personal finance. The article highlights some of Chanakya's principles, such as the importance of saving money, avoiding debt, and investing in assets that appreciate in value. The article discusses how these principles can be incorporated into modern personal finance practices, such as creating a budget, investing in mutual funds, and avoiding impulsive spending. The article also emphasizes the need for financial literacy and the importance of seeking advice from experts.

6. Singh, K. (2023, January 20). *Top 5 Investment Lessons From Chanakya For Financial Success*. ET Money Learn. https://www.etmoney.com/learn/personal-finance/5-investment-lessons-from-chanakya-to-achieve-financial-success/

About: The, explores the teachings of Chanakya, and how they can be applied to achieve financial success through investment. The article highlights some key principles, such as the importance of investing in a diversified portfolio, avoiding speculative investments, regularly monitoring and reviewing investments, maintaining a long-term investment horizon, and seeking advice from experts. The article discusses how these principles can be incorporated into modern investment practices and offers examples of how successful investors have applied them.

7. *10 Investment lessons one can learn from Chanakya*. (n.d.). MotilalOswal. https://www.motilaloswal.com/blog-details/10-Investment-lessons-one-can-learn-from-Chanakya../1557

About: The explores the teachings of Chanakya, , and how they can be applied to modern-day investment practices. The article highlights ten investment lessons derived from Chanakya's principles, such as investing in assets that appreciate in value, avoiding investments based on hearsay and speculation, diversifying the investment portfolio, being patient and disciplined, and seeking advice from experts. The article offers explanations of each lesson and provides examples of how these principles can be incorporated into modern investment practices.

8. Kamalesh, S. (2016, April 4). *Compounding is the 8th wonder of the world.* http://www.shamika.in/2016/04/compounding-is-8th-wonder-of-world.html

About: The article discusses the concept of compounding and its impact on personal finance. The author explains how compounding works, using examples to illustrate how

small investments can grow into significant sums over time. The article also emphasizes the importance of starting early and investing consistently to benefit from compounding. The author discusses the role of compounding in various investment options such as fixed deposits, mutual funds, and equities.

9. Landes, L. (2022, August 27). *50 Tips to Help Establish Your Emergency Fund*. Consumerism Commentary. https://www.consumerismcommentary.com/50-tips-to-help-establish-your-emergency-fund/

About: The, provides readers with practical tips for establishing and growing an emergency fund. The article begins by explaining the importance of an emergency fund, highlighting its role in providing financial security and preventing debt. The tips range from small adjustments, such as reducing subscription services, to more significant lifestyle changes, such as downsizing a home.

10. India Today. (2023, January 23). *Layoff scare | Around 2,00,000 IT employees lose jobs, Indians scramble for job options in the US*. https://www.indiatoday.in/education-today/news/story/layoff-scare-around-200000-it-employees-lose-jobs-indians-scramble-for-job-options-in-the-us-2325403-2023-01-23

About: The article talks about the layoffs have sparked concerns about the future of India's IT industry, which has been a major source of job creation in the country. The article highlights the impact of automation and artificial intelligence on the industry and the need for re-skilling and up-skilling of the workforce to remain competitive.

11. Henricks, M. (2021, June 3). *What Is A Debt Management Plan?* Forbes Advisor. https://www.forbes.com/advisor/debt-relief/what-is-a-debt-management-plan/

About: The article, explains what a debt management plan (DMP) is and how it can help people manage their debt. The article explains that a DMP is a repayment plan that is designed to help individuals pay off their unsecured debt, such as credit card debt, over a set period of time with reduced interest rates and fees. The article also discusses the pros and cons of a DMP, as well as what types of debt are eligible for the program.

12. Dulin, J. (2022, August 19). *8 Painless Tricks To Avoid Debt Forever - MoneySmartGuides.com*. MoneySmartGuides.com. https://www.moneysmartguides.com/avoid-debt

About: The, offers tips on how to avoid getting into debt. The article highlights the importance of living within one's means and not overspending, as well as tracking expenses and setting a budget. It also suggests avoiding high-interest debt, such as credit card debt, and paying off any outstanding balances as soon as possible.

13. Staff, F. (2021, April 16). *Tips for Avoiding Debt*. Findlaw. https://www.findlaw.com/bankruptcy/debt-relief/tips-for-avoiding-debt.html

About: The article provides suggestions on how to prevent getting into debt. It emphasizes the importance of creating a budget and sticking to it, avoiding unnecessary expenses, and prioritizing debt repayment. Additionally, the article advises individuals to be wary of high-interest loans and to consider saving for large purchases instead of relying on credit.

14. McWhinney, J. (2021, August 25). *The Many Ways to Achieve Investment Portfolio Diversification*. Investopedia. https://www.investopedia.com/articles/basics/05/diversification.asp

About: The article, discusses different strategies for achieving portfolio diversification. The article explains that diversification is important for reducing risk and improving returns, and offers various methods for diversifying investments, including investing in different asset classes, industries, and geographic regions. The article also explores the benefits and drawbacks of various investment vehicles, such as mutual funds, exchange-traded funds (ETFs), and individual stocks. Additionally, the article discusses the importance of rebalancing a portfolio regularly to maintain diversification and avoid overexposure to any one asset class or investment.

15. Lioudis, N. (2022, June 15). *The Importance of Diversification*. Investopedia. https://www.investopedia.com/investing/importance-diversification/

About: The article explains the concept of diversification and its importance in investing. The article highlights that diversification is a risk management strategy that involves spreading investments across different asset classes, sectors, and geographic regions to reduce the impact of any one investment on the overall portfolio. Additionally, the article discusses the impact of market conditions, such as volatility and economic cycles, on diversification and offers insights into how investors can adjust their portfolios to mitigate risk

16. Segal, T. (2022, August 13). *What Is Diversification? Definition as Investing Strategy*. Investopedia. https://www.investopedia.com/terms/d/diversification.asp

About: The article explains that diversification involves investing in a range of assets, such as stocks, bonds, and commodities, as well as across different sectors and geographic regions, to reduce the impact of any one investment on the overall portfolio. Additionally, the article discusses the potential drawbacks of overdiversification and the importance of understanding an individual's risk tolerance and investment goals.

17. BullionVault. (n.d.). *10 Problems All Investors Face (And Their Solutions) | Gold News*. https://www.bullionvault.com/gold-news/investment-problems-and-solutions-040420123

About: The article covers a range of issues, including market volatility, inflation, taxes, and diversification. It emphasizes the importance of creating a long-term investment strategy, diversifying investments across different asset classes, and monitoring investments regularly to stay informed about market conditions. It provides a comprehensive overview of common investment challenges and offers practical solutions to help investors manage risk and achieve their investment goals.

18. Marketing Mag. (2022, May 9). *Under the 'Finfluence': The pros and cons of influencer marketing in financial services*. https://www.marketingmag.com.au/social-digital/under-the-finfluence-the-pros-and-cons-of-influencer-marketing-in-financial-services/

About: It explores the use of influencer marketing in the financial services industry. The article discusses the benefits of influencer marketing, such as increased brand awareness, credibility, and engagement with younger audiences. However, the article also highlights potential risks and drawbacks, such as the risk of promoting inappropriate or misleading content and the potential negative impact on a company's reputation if an influencer behaves unethically. The article provides a balanced overview of the benefits and risks of influencer marketing in the financial services industry and offers valuable insights for companies looking to implement this marketing strategy.

19. Lake, R. (2023, March 15). *Personal Finance Influencer Red Flags*. Investopedia. https://www.investopedia.com/financial-influencer-red-flags-5217694

About: Article discusses red flags to watch out for when following personal finance influencers on social media. The article explains that while personal finance influencers can provide valuable insights and advice, some may also promote misleading or unethical content. The article highlights several red flags to be aware of, including influencers who promote get-rich-quick schemes, use fear tactics to promote their content, or engage in paid promotions without disclosing the relationship