

M-FinBytes

This Children's Day,

Let's Talk to Children About Money

The first thing Rayan noticed was the sound.

Not the school bell, it had stopped ringing for him years ago, but the noise spilling out of the classrooms. Laughter. Running feet. Someone being told to stop talking. Someone else being told to start listening.

For a moment, Rayan Bhatia, now an equity research analyst, was sixteen again.

Beside him, Captain Vikram Sood smiled. "Funny how some places refuse to let you grow old."

The two friends had returned to St. Michael's Academy for Alumni Day after nearly a decade. They had planned to walk around for a few minutes before dinner.



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Instead, they found themselves surrounded by children.

“Sir, are you famous?” a boy asked Rayan.

“No,” Rayan laughed.

“What do you do?”

“I study companies and investments.”

The children looked unimpressed.

Vikram stepped in. “And I serve in the Army.”

That changed everything.

Within seconds, the children had questions about markets, money, battles, jobs and everything in between.





Their first stop was the economics classroom, where a group of students was arguing over a case study.

“Sir, what is the best investment?” a girl asked.

Rayan paused.

“That depends.”

“On what?”

“What you want.”

The room went quiet.

And so, between half-erased supply-and-demand curves, Rayan explained that investing doesn't begin with choosing a stock or mutual fund.

It begins with a more important question

What is this money meant to do?



Money needed for a child's education cannot be treated like money meant for retirement thirty years away.



An emergency fund has a different purpose from long-term wealth.



“Mission first,” Vikram said. **“In the Army, we define the mission before planning the operation.”**

“Exactly,” said Rayan. **“The goal comes first. The portfolio comes after.”**

They moved towards the mathematics classroom.

A boy pointed at a formula on the board.

“Sir, when will we ever use this?”

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Rayan picked up the chalk.

Real Return = Nominal Return – Inflation

"Maybe sooner than you think."

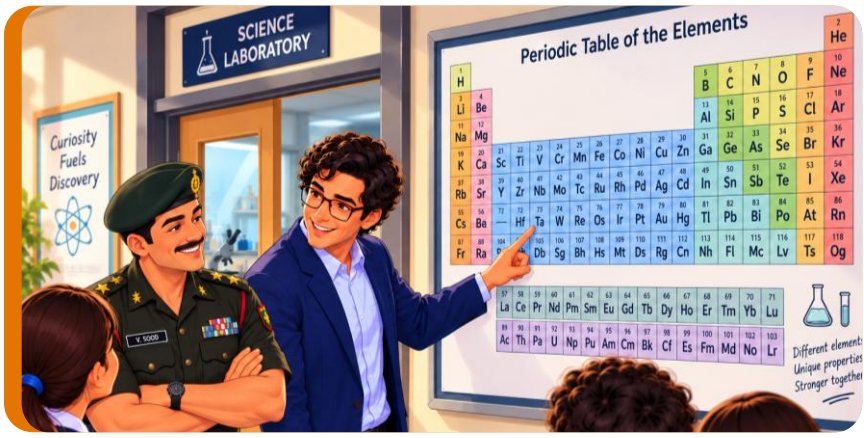
If money earns 6% while prices rise by 6%, the number in your account has grown, but your purchasing power hasn't.

"So saving is useless?" another child asked.

"Not at all," Rayan replied. "Saving protects you. Investing helps you grow."

A financial plan needs both: money that is accessible when life surprises you, and money invested for goals that are years away. The trick is knowing which money belongs where.





Outside the science laboratory, another question came.

"Are investments like chemicals?"

Vikram laughed. "Apparently, they are."

Rayan pointed to the different elements on the periodic table.

"Different investments behave differently too."

Equity can offer long-term growth but can be volatile.

Debt may provide greater stability.

Gold and real estate can play different roles.

The strength of a portfolio isn't necessarily in finding one perfect investment. It is in combining assets that don't all behave the same way.

"No single unit wins every battle alone," Vikram said.

"That's diversification," Rayan added.

By the time they reached the History classroom, the questions had become harder.

"Isn't risk just losing money?"

"That's one kind of risk," Rayan said.

Inflation is a risk. So is being unable to access money when you need it. Putting too much wealth into one company, one asset or even one source of income is a risk too.



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“The most dangerous risks aren't always the loudest,” he said. “Some sit quietly in the background.”



At the far end of the corridor, the children began racing towards the playground.

“Slow down!” Vikram called.

Then he turned to Rayan.

“Another lesson.”

“Preparation?”

Vikram nodded.

An investor can calculate risk, study markets and build a portfolio.
But none of that helps much if fear takes over when markets fall.

“The best time to decide what you'll do during a 30% fall,” Rayan said, “is before it happens.”

A written plan, periodic reviews and disciplined rebalancing can keep emotion from making decisions that logic would never make.

“A soldier doesn't wait for the battlefield to decide his next move,” Vikram said.

“Neither should an investor.”



The final bell rang.

Children rushed towards the door, but one boy stopped.

“Sir, what did this school actually teach you about money?”

Rayan looked around… the classrooms, chalkboards, library, playground, and smiled.

“Almost everything.”

The children laughed and disappeared into the evening.

Vikram watched them go.

“The knowledge was always here,” he said.

“Yes,” Rayan replied. “We just didn't know which questions to ask.”

Perhaps that is what we owe the next generation.

Not merely money to spend, save or inherit, but the ability to understand it.

This Children's Day, let us teach children to ask questions before chasing returns. To build a safety net before taking risks. To diversify instead of depending on one outcome. To understand that inflation, emotion and impatience can be as dangerous as a falling market.

And above all, let us teach them that financial wisdom doesn't begin when they start earning.

It begins the moment they start asking the right questions.

Happy Children's Day.

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