

Plan for your child's wedding at birth, not at their engagement party



There is little doubt that a family wedding is one of the biggest events of the year. It's likely to be remembered, and discussed at future family gatherings. How you go about paying for it can take years of careful planning.

The more you're able to arrange in advance, the more you can relax on the day. And the earlier you start saving, the easier you should find it to meet the costs.

Planning for a wedding can be a major undertaking and involve the whole family. Decisions need to be made on everything from the location and guest list to the choice of jewellery and honeymoon destination.

An Indian wedding could cost approximately in the range of 30 to 80 lakh¹ – almost USD 41,000 to USD 100,000.

Weddings are an expensive business and having to fund one from income is unrealistic, even for very high earners. Weddings should be thought about and planned years in advance.

Start planning for your children's weddings at their birth and you can spread the cost over a number of years.

¹ <https://www.eventswedo.com/blog/wedding-cost-india-2019/>

The cost of delay

Let's assume that your child has just been born and you want to make provision for their wedding in say 20 years' time. In today's terms, the family wedding you have in mind would cost **USD 100,000** (INR 71.5 lakh). Assuming inflation at 3% per year, this figure would rise to **USD 180,611** (INR 1.29 crore) by the time they are 20 years old.

To achieve your target, you would need to invest a lump sum of **USD 68,070** (INR 48.6 lakh) today assuming 5% annual growth, net of fund and product charges. Alternatively, you would need to save **USD 5,202** (INR 3.7 lakh) every year, assuming you pay annual premiums in advance and a net annual growth rate of 5%.

If you were to delay starting to save until your child is five years old, you would need to invest substantially more to fund the wedding. Assuming 5% net annual growth, you would need to invest a lump sum of **USD 86,877** (INR 62.1 lakh) to pay for the wedding – an increase of **USD 18,807** (INR 13.4 lakh)

Alternatively, you'd need to pay **USD 7,971** (INR 5.7 lakh) – or an extra **USD 2,769** (INR 2 lakh) each year, assuming 5% net annual growth.

As you can see, the earlier you start saving for your children's weddings, the more manageable your financial planning will be.

Please remember that investment involves risk. Fund prices may go up and down and you could get back less than you paid in.

Start saving now to ensure your children have a truly memorable wedding, that won't break the bank.

You can secure your child's wedding by effecting life cover. Life cover of USD 180,611 (INR 1.29 crore) could cost as USD 31.90 (INR 2,281) per month for a 30 year old.

Whether you have a lump sum to invest now or you are planning to save regularly over the medium- to long-term, our financial planning solutions could help you meet the costs associated with a memorable family wedding.

If you have a lump sum to invest, you should consider investing in one of our single premium bonds. By setting funds aside early and investing them wisely, you could generate a substantial sum towards the cost of a wedding. These bonds are flexible and allow you to top up, in the future.

Or, you may prefer to save on a regular basis, with one of our regular savings plans. You can pay on a monthly, quarterly, half-yearly or annual basis and have the flexibility to make one-off lump sum payments, for example, if you receive a bonus.

If you start saving now, you could give your children – or even your grandchildren – a truly memorable start to their married life, and save yourself a significant sum in the process.

Securing the funding for your child's wedding

You should also consider safeguarding the funding of your child's wedding should anything happen to you, and you become unable to meet your financial obligations. Taking out a life insurance policy should enable your child to continue with his or her wedding as planned even if you are not able to be there in person to enjoy it with them.

For example, you could ensure that the **USD 180,611** (INR 1.29 crore) wedding fund would be covered in the event of your death and made available to your child. Life insurance with Total permanent disability cover for an insured sum of **USD 180,611** (INR 1.29 crore), for a 20 year term, would cost just **USD31.90** (INR2,281)² per month.

²Premiums are based on a level cover for a 30 year old Indian male expatriate, living in Dubai, 20 year term. Assumed exchange rate is 1 US Dollar (USD) equals 71.51 Indian Rupee (INR).



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Visit our website to learn more about our range of flexible savings, investment and protection plans.

Speak with your financial adviser to see how our products and services can help you plan the perfect family wedding.

About Friends Provident International

We are a leading financial services provider, with a reputation of trust, commitment and integrity, offering financial solutions to customers throughout their lives.

Friends Provident International has over 40 years of international experience and our heritage dates back over 180 years.

All currency conversions at October 2019.
All figures are rounded off to nearest zero.

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Please remember that investment involves risk. Fund prices may go up and down and you could get back less than you paid in.

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