

Coping with Insecurity



By, Kaushal Mandalia

If you ever lost a job, or are you trapped in the feelings of Job Insecurity? The current global slowdown has forced us to accept this threat as a part of our daily life. This report will give you some insight of how to cope up with Job loss and what we can do in our good times to fight in tough times.

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It all started at USA – Fannie Mae, Freddie Mac, Subprime Crisis, Fall of Lehman, Takeover of Merrill Lynch and many more to announce. Companies across the globe freeze their recruitment and started layoffs. Inefficiency and poor regulation at one corner of the world has resulted across the globe and victims are executives and professionals struggling to meet the ends of life. Experts say that this slowdown is similar to the great depression of 1929 which lasted for almost 10 years. The current impact is straight on the heart of the economy – Financial Services and no sector left unaffected due to this. In effort to reduce cost burden and be profitable, organizations has no other option but to cut jobs. Though there are good sign like estimated GDP growth is 6.5% which anyway higher than 2001, Inflation again remained in single digit and assurance of government to take adequate steps, the fear of job loss and uncertainty ride on the mind of most of employees. This is the time to follow few guidelines and check your personal finance in order to avoid any Mis-happenings.

At any given point of time, you have two choices, Accept the Condition as they Exists, or have courage to Change them.

Losing a job is psychologically harmful. Some patients suffer from clinical depression, anxiety disorder or even become suicidal after experiencing job loss. This mostly happen with the person who is the only earning member in the family. Reaction to job loss differs from person to person. We can site three most common reactions like

- 1) Shock
- 2) Anger
- 3) Feeling of Worthlessness
- 4) Coming to the terms with reality

Third reaction is most crucial, if it prolongs it will result into depression. Let me address all these reactions in detail.

While holding onto your job may have been out of your control, your future is within your control. You don't have control on the external circumstances which is affecting you but you have control on the critical behavior which is your response to it.

We will evaluate current situation in two aspects

- 1) People who have lost their jobs
- 2) People who are living in the fear of losing jobs.

Negative shocking news like job cuts results in anger is most obvious. Few days back in India, Jet airways announced job cuts for thousands of its employees overnight and it resulted in chaos. Most of the employees gathered at the offices and shouted, cursed the company and its officials. Prolonged anger results in stressful family relations and that results into the feeling of worthlessness.

No person is worthless on the planet earth. We always try to judge anything and everything based on the current circumstances. We should discontinue this practice while we are judging ourselves. You might be facing this situation post Sept 2008. Just look at yourself five years back and yourself immediately preceding the job loss. Was it same? Don't you feel you have improved your wallet size during last five years?

The bottom line lies with the lifestyle. The current uncertainty paused a big question on the lifestyle you are living. Question is not about survival but about maintaining the present lifestyle. Before checking your worthiness or worthlessness, check your lifestyle and start making compromises. Talk about your present situation with your family and close friends. Don't hide your facts and don't shout on them. Be flexible. If we want to enjoy the good time we must equip ourselves to face the bad times. Ask one question, "What is the worst thing that may happen to me?" list down the outcomes (But don't think terminal outcomes please) and Accept them first. Be prepared to face all those outcomes be it, working for lower salaries, Working as freelance, do the business or job which you hate most or whatever it may be, JUST ACCEPT IT first. Accepting the Worst Outcome will give you some peace of mind.

Once you accept the worst outcome and got the peace of mind, list down all possible solution which gives you way to come out of the financial crunch. This should be treated as actual brain storming session. Without checking the feasibility of the solution, first list down all. Do this exercise for one or two days and then check the feasibility in terms of ease of getting income, efforts required, matching of opportunity with your current strengths & skill sets and acceptance of opportunity by your family member. Once you find the right solution then focus on it and make efforts in that direction only. Don't dilute your mind with so many other things. Being wealthy is an ART but coping up with downturn is SCIENCE.

Cope up with Job Loss

1. Control Your Anger

2. Stop Negative Thinking

3. Accept the Worst Outcome

4. Check Realistic Solutions

5. Make Efforts

Obviously you have been experiencing financial difficulties since you lost your job. You should not make any major financial moves during this period and you should try to find as many ways as possible to cut expenses. Let's review following tips which will help you to prepare to fight with current situation.

1) Don't panic

Panic does not solve the problem but it accelerates it. Your panic will affect your family member's mental wellbeing too.

2) Don't Make Hasty Financial Decision

Postpone your all decisions which requires huge sum of money to be invested. Don't look at the stock market to earn money during this time.

3) Start Looking for Work Soon

Talk to the people who require employees to join on immediate basis.

4) Reassess Your Career

If you worked in Aviation Industry especially in Cabin Crew, your skill set is desired by Hospitality Industry as well. Check such synergies and make efforts to get those assignments.

5) Maintain Health Insurance and Continue Life and Disability Insurance

Make sure that you make provisions to pay your health, life and disability insurance.

6) Prepare Spending Plan

Check your spending pattern and avoid unnecessary expense like hotel bills, holidays, cigarettes, alcohol, entertainments expense etc.

7) Check your Liabilities

If it requires selling off your car to reduce EMI Burden, Don't hesitate to do that. Forget your social image and focus on your own mental and physical wellbeing

8) Look for Part – Time Work

Part time work will ease out your finance and also keep your mind occupied positive and constructive thoughts.

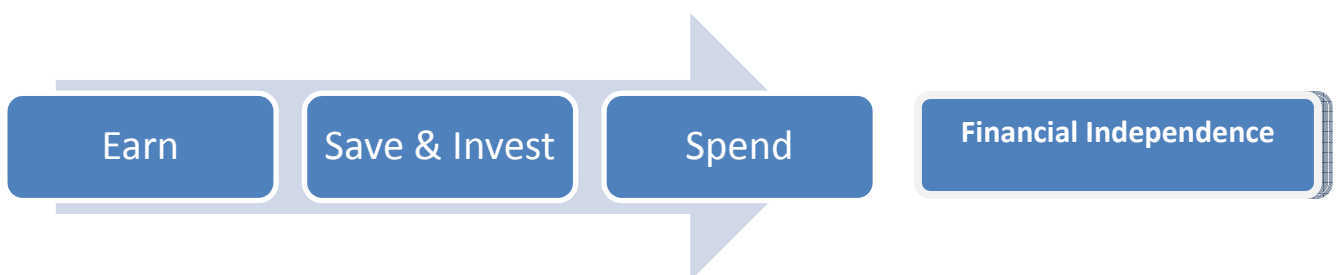
9) Consider your hobbies

I knew one man who was pretty much interested in FISH. Today he is selling aquariums and having turnover of \$100,000 a year. Check your hobbies – it may be profitable to work on it.

Change is the only permanent thing in this world. Tough time never last longer And Good Time is not Forever. Every day is not a SUNDAY.

An intelligent person learns from his mistake but the wise learns from others. If you are still working but having a fear of losing jobs, you still have some time to act on. Your destiny is in your hands and few little rules will help you to cope up with this FEAR.

Fear kills creativity, creativity is GOD and GOD has all answers to your problems. So, don't let this FEAR take on the control of your head. You still have time to reassess your present situation and make enough provision for future uncertainty.



Earn – Spend – Save results in Financial Dependence while Earn – Save – Invest and Spend is the rule of Financial Independence. Your savings must be at least 30% of your annual take home income while rest of the amount must be spent as per the priorities of your life. Fulfilling basic need (Food, Shelter and Clothes) should be the first priority and Spending on luxurious items must be kept as last priority. Watch your spending closely and cultivate the habit of recording it.

If you are still earning and set provisions for any future uncertainties you must know few critical success factors as listed below.

1. Reassess your Insurance

If you want to fight with the future uncertainties related to your job or business or Income, first you must cover three main uncertainties related to your Life, Health and Disabilities. If you have not taken term plan, Mediclaim and Accidental death and permanent disability insurance, take help of Certified Financial Planner and choose right product with right cover. For E.g. 20 Lacs Risk Cover along with 20 Lacs Accident and Disability cover won't cost you more than Rs 10,000 a Year for 30 yrs male.



2. Control your GREED and Avoid Short Term Risky Investment Decision

There is no shortcut to wealth creation. You can't be a millionaire in one night. So avoid temptation of easy money making tools. Avoid investment in avenues like Future and Options in Stock and Commodity market if you don't have enough risk appetite and knowledge.

3. Four Months Salary as Minimum Cash Balance

Have four months' salary as a minimum cash balance in your salary account after deducting your monthly expenses, investments, EMIs and other miscellaneous expenses. In case of tough time you don't have to disturb your regular investments and this cash balance can be utilized for your monthly budgeted expense and investments.

4. Check your EMIs

Make sure that the total EMI payment doesn't exceed 25% of your net monthly take home salary. If it exceeds this amount, make sure that those liabilities are not long term in nature. Take immediate corrective action otherwise situation

5. FREELANCING

Take freelancing assignments as and when it is available. This will help you to get associated with such organizations which provide these kinds of opportunities which can be utilized fully in your tough time.

6. Check your Miscellaneous Expense

Avoid unplanned expenses like purchasing from Malls without plan. Shopping can be fun but not at the cost of living in future. Remember Penny Saved is Penny Earned.

7. Networking – Are you taking enough Benefits from it?

Networking is very important and one can reap the benefits of it in good time as well as tough time. Apart from your current organizations and Friends there are few networking sites which help you to build professional networks. Few prominent players are listed below.

Most of these websites provides you an opportunity to interact with the people associated with your current and past organization. Most of this site offers facility to create groups or join groups where you can meet likeminded people and discuss on common topics. Even one can post job and one can find suitable openings in these network sites. On linkedin.com, there is a facility to recommend your colleagues or past colleagues which will help them to create their own brand in this web space. Take full advantage of these websites.

www.linkedin.com

www.xing.com

www.orkut.com

www.facebook.com

www.hi5.com

www.myspace.com

www.peerpower.com

www.brijj.com



www.blogger.com

www.blogspot.com

www.rediffiland.com

www.ibibo.com

8. Professional Web-Blog

Web-blogs have become so ubiquitous that many people use the term synonymous for a “Personal Website”. Unlike traditional Hypertext Markup Language (HTML) WebPages, blog offers the ability for the non programmer to communicate on a regular basis. It provides a standard user interface that does not require customization. It helps you to communicate your thoughts precisely and effectively to mass.

There are few websites which provides such opportunities of blogging. These are listed as below. You can register on these websites and post your blog frequently or add comments to other people’s blog. Blogging will help you to keep noticed by people. The current era of Jack of All trade and Master of some. Hence you must have an ability to express your thoughts and convincing power in any of the field related to your work or non related to your work.

If you wish to get things which you have never got yet, you have to do things which you have never done yet.

Every day we human beings are fighting with uncertainties be it, Premature Death, Accident, Disability, Sickness, or Unwanted Retirement. Job loss or Fear of Job loss is part of it now. These uncertainties are result of external factors which are beyond your control. What you can do is to set your priorities and make enough provisions so that you can fight with these uncertainties. Take help of Certified Financial Planner or a Counselor who can help you in this tough time. No time is permanent – Neither Good time nor the Tough Time.



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