

FINANCIAL PLANNING

Save aggressively if you have a travelling job

The possibility of a shorter career span means you would require a larger retirement corpus

VISHAL DHAWAN

Until a few years ago, when one thought of professions that involve a significant amount of travelling, those that came to mind were mariners, pilots and airline crew, and people in sales roles. But today a significant number of individuals have jobs that involve managing global teams. Then there are entrepreneurs who have to undertake a lot of globetrotting because they are building large businesses spread across several countries. Thus, the need to deal with the business of life when one is constantly on the go has become a reality for many.

Such individuals need to man-

EMERGENCY FUND OPTIONS YOU MAY CONSIDER

Returns (%)

Liquid funds	1-year	3-year	5-year
Maximum	7.66	7.21	7.77
Average	6.97	6.81	7.34
Minimum	5.57	3.78	5.56
Ultra-short duration funds			
Maximum	14.76	9.70	9.44
Average	7.56	7.07	7.83
Minimum	-1.78	1.36	3.62

Returns are of direct funds. Source: mutualfundindia.com

Be prepared for shorter careers



age their money lives in a slightly different manner. Of course, they too need to plan for goals like retirement, children's education, and so on. But their peripatetic lifestyle means they need to deal with some aspects differently.

Double up on health coverage

Frequent travellers have to cope with early-morning and late-night flights, eating out frequently, the risks of being in unfamiliar territories, dealing with different time zones and its impact on the body clock. These individuals need to be very focused on their health and fitness for their bodies to be able to cope with the additional strain. Unfortunately, this may not always be the case. Therefore, it is critical that they have a higher level of health insurance coverage to deal with the extra risk they are exposed to. While many of them may have covers provided by their companies, these are sometimes inadequate. The cost of treating a serious health issue often goes beyond the company-provided cover, putting personal finances at risk. In addition, those who travel abroad extensively need to consider whether the insurance provided by their employer will cover them comprehensively if they fall ill in a foreign country.

Constantly being on the go exposes a person to the risk of burnout and possible career setbacks due to ill health. Such individuals, therefore, need to plan for an early retirement. Pilots, for instance, need to undergo regular tests. If they fail to pass any one of them, they could be grounded. Mariners may decide after a decade or two that they do not wish to stay away from their family for long periods. They may hence decide to retire early.

The bottom line is that while people in several other careers can plan for retirement when they turn 58 or 60, those whose jobs require a lot of travelling need to prepare for the possibility of retirement in their mid-forties or early fifties. An additional 10-15 years of retirement means such people need to have a significantly higher retirement corpus. They will need to begin saving for retirement early and they will also need to save and invest more aggressively during their working years.

Be wary of lifestyle inflation

Being on the go constantly can mean greater exposure to different cultures and possibly a higher standard of living, especially if one travels overseas regularly and stays at high-end hotels. Such individuals get accustomed to a



certain lifestyle during their official travels. This then spills over to the way they live when travelling on vacations and for personal reasons. Such lifestyle creep means that luxuries turn into necessities after a point. This needs to be controlled. While it may be possible to live in such style today due to the high current income, sustaining it after

retirement could prove difficult. International exposure increases the desire to send children to schools for higher education. International vacations become the norm for the family. All these expenses need to be planned for meticulously, and in advance, as all of them entail significantly higher costs.