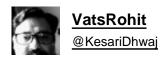
Twitter Thread by VatsRohit





This is a result of credit fueled big ticket purchases of which buying a home is a big component. No amount of saving will cover the housing EMIs payable over one year. To this, add EMIs of 1 or 2 cars, and you've monthly EMIs running into 1 Lakh+. Now, add monthly house-hold +

One thing I\u2019ve learnt from the Covid catastrophe is that the so many batch mates from engineering (and maybe b school) have no savings. So many people with like 20 years of really affluent work experience are two month\u2019s salary away from crowd funding to feed their families.

- Sidin (@sidin) July 9, 2021
- + expense, school fee and other sundry expenses and suddenly, you'll find a family unable to sustain itself w/o cash-flow for even 3-4 months. And most important of them all -

HAVING ASSETS IS NOT SAME AS HAVING CASH.

+

- + From personal experience, I think this is what you need to do:
- Maintain between Rs 1-2 Lakhs in emergency cash at all times.
- Use your Credit Cards wisely. They can be good source of large credit in an emergency.
- Work out your monthly house-hold expenses and EMIs

+

- Build a cash-reserve to cover your household expenses for a 6-month or 1-year period.
- Consider food, electricity, mobile/internet, your kids school fee, fuel, rent etc.
- Then work out your EMI obligations and see what level of reserves you can create for them.
- Maintain+
- + this back-up fund in cash/near cash assets.
- So, that you can utilize them as per requirement and are not subject to market forces.