

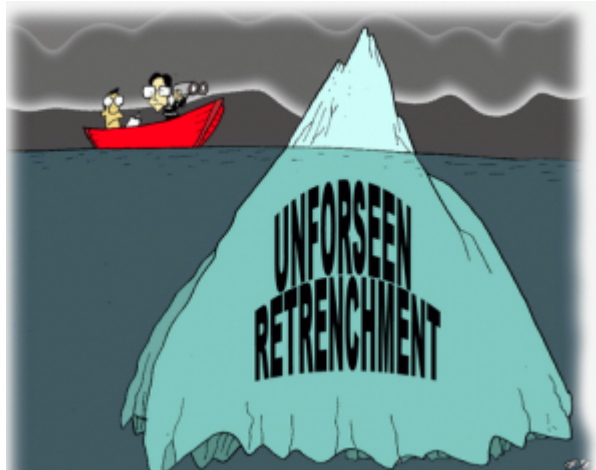
Being An Employee Isn't Enough To Make You Rich

Description



Some of you might have seen the article [“Highly trained, middle-aged and out of work”](#) yesterday. A friend sent me the link while I was backstage preparing for my performance, so I only managed to read it today.

What really stood out for me was the fact that a former GM (who earned \$15,000 a month) and a former Head of Asia Sales (earning over \$25,000 monthly) were unable to find jobs that would pay them the same which they used to draw at the peak of their careers.



Presuming you earn \$25,000 a month, you would have \$1 million after working for slightly over 3 years.

Even if you save only 25% of your income, that's still a lot of money!

However, the problem, as [BullytheBear](#) rightfully pointed out, is that for many people, higher earnings also leads to higher expenditures. I've personally experienced this myself as well. For just one month at my previous job, I took home a paycheck of about \$6000+. However, it was also in that job where I spent the most money due to stress-related expenses and purchases in the name of convenience. I

often ended up bringing my work home, as we were expected to do our research at home and prepare our materials for the next day's calls before getting into office. Weekends were also burnt trying to prepare more for the upcoming week so that I could still dance on weekday nights without having to worry too much about work. I slept at 3 – 4am on average and woke up at 7.15am to catch the morning express bus to work just so I could get a few more minutes of sleep. I spent \$3 each day on 2 cups of coffee – one in the morning, and one after lunch. On days where I overslept, I took a cab to work which costed me \$30+ for a single trip. I drank with colleagues on some Friday nights, which continued to add to my expenses.

My salary was higher then, but my savings were not necessarily increasing at the same rate.



If you lose your job today, how will you fund your expenses?

When I talk to my parents or relatives about investments, their advice is always to avoid the stock market (and they always use tales of the 2008 market crash to reinforce their point) and just focus on climbing up the corporate ladder. When I was younger, my parents wanted me to become either a lawyer or a doctor, in lieu of the financial security both professions gave. My relatives even called me after my 'A' Level results were out, telling me to study that instead of my chosen course.

But I don't believe in jobs providing full financial security. If I've learnt anything from the two interviewees yesterday, it is that you can never be too sure of your job security.



If you're an employee, it'll be extremely difficult for you to reach financial freedom.

Yes, if you work hard and become successful at your job, your salary will increase, but what next?

One of my former employers was rumoured to have an unwritten company policy where in choosing who to fire in times of financial difficulty, they had a list of the top 5 highest-paid employees in the company, and they would choose their target from that list.



If you think your employer is going to guarantee you a job forever, please wake up and talk to people who have lost their jobs. Maybe ask these two interviewees how that happened.

Budget Babe believes in cultivating multiple sources of income. Yes, I work pretty hard at my day job, but I also believe in saving and investing in the stock market so I can have a greater peace of mind.

What about you?

With love,
Budget Babe

Category

1. Family