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PRABANDHAN MANTRA

A
Quarterly Newsletter

Editor's Desk

As an institution which believes in academic pursuits which have practical implications, B.I.T Durg has always been a forerunner in academic endeavors setting benchmarks in education and industry.

This News Letter aims at empowering professionals everywhere to lead more productive work lives by disseminating knowledge processed here at our campus.

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IMPORTANCE OF CYBERSECURITY FOR BANKS

Cybersecurity is important for every profit and non-profit making institutions. Banks and other financial institutions carry important information about the customers and the attackers know it, so it important for banks and financial institutions to have a robust cyber security in place.

Breaches can cost a bank its reputation

Data breaches are serious problems for banks because it leads to losing public trust, and causes customer insecurity. It occurs because of weak cybersecurity strategy and it is difficult to recover. It is the responsibility of the bank to communicate with their customer upfront about cybersecurity and other measures they must take to prevent and protect their personal data and private information. To gain the trust of consumers, it is important for a bank to have a strong cybersecurity plan.

Banks can incur penalties for FDIC non-compliance

Penalties for non-compliance can be abrupt for banks just not only financially but also in greatly increased oversight. Having compliance standard stimulates banks to focus on cybersecurity. When a bank stays compliant, it ensures that it is meeting consensus security and protecting the customer data.

Consumers can lose time and money

When a bank gets data breach, consumers lose time and money. A bank may recovery fraudulently spent money fully or partially but it does not work all the time. The action that occurs due to bank data breach is time-consuming, stressful, and full of pressure. Customers need to cancel the cards, check statements and keep their eyes open for complications in case of data breaches.

Consumer data is sensitive

It is difficult for consumers to handle data breaches as they know their data and information is in the wrong hands. Besides canceling the cards and letting down the frauds, a consumer cannot have a good night sleep as the personal information can be used against a person. After a consumer's private data gets stolen, it floats perilously out of control. So, a cybersecurity is more important to banks and financial institutions as they carry personal and private information of consumers.

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ESG INVESTING

ESG investing is becoming an increasingly important topic for investors and offers a number of benefits over traditional investments. ESG strategies focus on reducing the risk of negative impacts on society while increasing long-term returns. However, ESGs do come with risks that investors should be aware of just like any other investment.

ESGs require more research and ESG mutual funds have higher fees than traditional index ETFs or open-ended equity mutual funds. There are also risks associated with ESG ETFs so it is important for all ESG investors to understand how they work and the risks involved before getting started.

ESG investing is a growing trend in the stock market. ESG stands for environmental, social, and governance factors. ESG investors are concerned about the impact that companies have on people's lives as well as their planet. ESG investors also want to see how companies are governed internally with regard to transparency, accountability, and ethics. ESG investing has grown in popularity due to three reasons:

- Investors understand that ESG strategies can lead to better long-term returns
- The number of corporations using ESG strategies is increasing
- There is an increase in demand from institutional investors for ESG products

What is ESG investing and why should you care about it?

ESG strategies are primarily concerned with issues that affect people's lives as well their planet in the long-term. ESB investors want companies to be transparent by providing regular financial reports that include ESGs like sustainability, climate change, and human rights. They also want to make sure that companies are held accountable to their shareholders by having good governance policies in place like board independence, executive compensation, and disclosure of lobbying activities.

ESG investors are also concerned with how companies treat the environment by not doing things that harm it. ESG strategies typically have lower correlation to traditional investment products and thus ESGs can diversify a portfolio more effectively.

How do ESG factors impact a company's financial performance and stock price over the long term?

A study by MSCI found that companies with strong ESG practices (based on environmental, social and governance scores) delivered better risk-adjusted returns than those without ESG policies between 2010 and 2016.

Another study by Harvard Business School showed that ESG strategies can lead to higher returns over the long term. The study found that ESG investors typically have lower correlations with traditional investments. Thus ESGs can diversify portfolios more effectively while delivering better risk-adjusted returns in the long run (between 2004 and 2014).

ESGs are also good for corporate performance as it is a way for companies to attract and retain top talent. ESG investors are more likely to invest in corporations with ESG policies as it is seen as socially responsible investing that aligns well with their values.

ESGs can also help improve the bottom line by helping reduce costs associated with ESG factors such as environmental clean-up, lawsuits, and increased insurance premiums. ESGs can also help improve a company's reputation which may in turn lead to more sales over the long term (because customers will be drawn to their products).

ESGs are becoming increasingly popular among high net-worth individuals who want portfolio diversification. ESG investing is a way to invest in companies that share your values and that also have the potential to provide strong financial returns over the long term.

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WAYS TO OVERCOME A FINANCIAL CRISIS

The fear of being hit with a miserable incident that could change your financial condition, like losing your job, impoverishment, or a sudden medical emergency, can be a nightmare for anyone. Such miserable events require you to make major changes in your life and the revitalization period is incredibly stressful. Often, it is the result of a lot of trifling constant worries building up to one huge breaking point, and then all of a sudden everything rushes through, constructing a tidal wave of anxiety and fear and stress.

However, your financial crisis can be remedied by regaining your self-control and taking solid actions. The financial benefits of dealing with financial crisis—saving more, paying down debt—will improve not just your self-confidence, but your overall mood as well. The less you worry about dealing with finances issues, the more you can enjoy life. You may consider your circumstances as unique, but many people around the world have walked this path before you. The road to financial revival is shabby but the steps to return after the financial disaster are well-proven.

some useful tips that will help you to get motivated to take control of your finances:

1. Identify the Problems

The first step to overcoming financial crisis is to identify the primary problem that is causing difficulties. Financial problems are generally an indication of a larger issue and to come up with long run solutions, you have to identify the actual cause of your financial troubles. The idea behind the importance of uncovering a specific problem is to come up with a permanent solution. Just like a leaky tap in your house; placing a bucket below it is a temporary solution. Fix the tap and the leak will stop permanently. Rather than dwelling on your stress, focus on resolving the problem that’s causing your financial problems.

2. Create a Budget

One of the best ways to deal with financial problems is creating a budget plan. A budget is a weekly, monthly or a yearly spending plan for your money that guides your spending decisions on important stuff for you. As you create your budget, it’s important to track your expenses for at least a couple of weeks (a month is best) to objectively see where and how much you are spending.

Once you are able to get realistic numbers from your budget, you can review your budget critically and seek out areas where you can save. Things like spending less on eating outside, spending less on entertainment or hobbies, taking lunch from home to work rather buying it are things that don’t make you miserly or restrict your budget. They just allow you to go after bigger things with less stress, like paying off your mortgage.

3. Set Financial Priorities

Determining your financial priorities is essential to overcome any financial crisis. These priorities help you to make tough financial decisions such as paying off your credit card bill, paying your mortgage or saving up for house repairs for your family; setting priorities will help you solve your money troubles and get back on track. Your financial priorities should include looking into new ways to have money coming in too, like a second job, downsizing your home, or even using assets you have like a mortgage to leverage financial flexibility for yourself.

4. Address the Problem

For most people, financial problems can be addressed by reducing expenses and increasing income, or a little combination of both, but it might be not be the ideal option for everyone. For humans, changing lifestyle is the most difficult task, but given the money crisis situation, we are forced to make changes.

So, to deal with it, take small steps to accomplish your goals because big changes are always much harder. For instance; if you’re running $50 short every month, then perhaps you should first pay off a small credit card debt that requires a $50 minimum payment each month. By taking small steps get the card paid off, and then permanently have $50 extra to use in your budget every month or use it for the payment of another debt, and get all of your debts paid off more quickly.

This methodology is called the “snowball effect”; putting all extra money towards one debt to pay it off faster and then use the extra amount towards eliminating the next debt. It is very useful method for paying debts off faster.

5. Develop a Plan and Track Progress

Once you have ideas to tackle your financial difficulties, come up with a realistic plan to accomplish your financial goals with a timeline of weeks, months or years and track your progress continuously. For example, if your goal is to pay off a $2,000 debt, make a plan and create a timeline with the amount of money you will pay every month so that you can pay it off within your desired time frame. Once you are on the road to achieve it, take a few minutes to review the progress. Evaluate and assess your plan, see if you are making progress toward your goals and be open to the possibility of fine-tuning the plan.

Unforeseen financial challenges are like uninvited guests and can strike at the most unfortunate times. For example, recent findings show that 6 in 10 Canadians will face some major life events that will change their prior financial plans. The key to overcome these financial challenges is to be flexible. Make and review your budget and make necessary changes.

Harishankar Sonkar

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Puzzle your Mind

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I	R	R	X	V	I	L	I	A	B	I	L	I	T	Y
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LEASE	INVESTOR	COMMERCE	EXPENSES
BUSINESS	PROFIT	INVESTMENT	DEBIT
AUDIT	LIABILITY	MONEY	BANK
CREDIT	ACCOUNTS	LOAN	DIVIDEND