Executive Summary - The facility of working from home is increasingly being provided by many organizations. Some individuals have their own business or profession that they run from home. It has many advantages like flexibility, lesser commute and easy set-up. But there are costs to watch out for like increased utilities bills, cost of office setup, loss of vacation time, maintenance issues and increased outsourcing.

Many companies offer employees the option of working from home. It is advantageous to the employee as it offers flexibility, less hours in traffic and less money spent on commute. It gives you a chance to have a work life balance. But there are some factors that can increase costs. You have to take care of them to ensure working from home is profitable for you from financial and personal aspects.

1) Higher Utilities Bills - When you are working from the office premises, the lighting, water etc. are taken care of by the office. When you are working from home, you will be using more of lighting, air conditioning, cooking gas for tea/coffee and water. This means you have to pay more in terms of utilities bills. It also means more of maintenance and upkeep of everything as there will be more usage.

2) Cost of Setup - If you are working from home, you need to make sure you have an office like space in the house. You should have a dedicated desk, chair and work equipment. It should be set up such that there are minimum disruptions. You should have good Internet connection and a phone network. If you need to have video conferences, you should have a webcam. If your work involves lot of documentation, creating stuff, then you will need a printer/copier/scanner. Setting up an office at home involves costs. You should consider that before you start working from home. If you try to scrimp on it, it might affect your productivity or you might have to modify/upgrade a few months down the line which will involve more expenses and time.

3) Maintenance Issues - In the office, there are people for support functions like network issues, hardware issues and software updates. Many companies provide a host of concierge services like
courier service, bill payments etc. for a nominal fee. Companies usually have stationery and office supplies that you can make use of. This convenience and availability of materials will not be available if you are working from home. You will have to handle hardware and networking issues yourself. It will be your responsibility to take care of software updates and anti-virus patch installations. You will have to purchase stationery, office supplies and office equipment.

4) Vacation Time/Sickness/ Holiday - When you have a day job in an office, your employment offer has vacation time and holidays integrated in the offer. You can take time out of work without losing income. When you are working on your own from your home office, a holiday means loss of business or income. If you are not willing to forego the income, you will have to plan your vacation and work such that you do more work ahead of time or compensate for the holidays.

5) Pay for outsourced jobs - Working from home is not easy. You might think since you are at home, you can manage the household as well without help. But that is not true. There will be the phone and the doorbell to attend to. If you are a parent, you will not be able to take care of the child and work. If you have your own business, you might need help from accountants or media managers. There will be a trade-off. You will have to outsource some of the tasks and pay for it.

There are other aspects as well. For example, it is easy to get distracted when working from home. You can easily start surfing the net or go on to online stores. There are no managers to keep a watch. Some people might start getting affected negatively by staying alone all the time without any colleagues around. The line between work time and personal time gets blurred. You have to be strict about your schedules. If there are family members or neighbours around, you can be distracted. Phone calls and meetings with background noise of other people is not professional and people working with you might form a negative opinion about your professionalism.

Working from home has its advantages but one has to manage certain factors properly so that it remains advantageous for you.

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