



The Good Times May Not Last Forever

be prepared for future changes in circumstances

Progress is an aspect of life most people hope for and look forward to, especially on the home front. Improving one's finances is a juggling act that takes time to perfect, and early on it is rarely easy. Generally though, once approaching the age of thirty, the security of a steady job has been realised and living standards have reached the stage of satisfaction. This is when upgrades are considered. A new lounge suite, a more prestigious car, makeovers for the kitchen and bathroom have all waited long enough and can finally become a reality. Even a back-yard swimming pool isn't beyond the bounds of possibility. Hardly extravagant, these bonus improvements are thought of as rewards for years of penny-pinching; and they are affordable; at the moment. But how long will that moment last?

A regular and continuing income ought to provide the means; and even if an extended loan is necessary to ensure the extra expense doesn't impact too severely on the budget, the current financial stability can handle it comfortably. Decisions having been made, the implementation process is a joy. While shopping around for the new acquisitions, even the mentality of sensible adults can be reduced to that of kids in a candy store, and they may easily be swept away by the euphoria. This is when a previously-anticipated cost will only buy something barely adequate, which is a definite disappointment. However, for an extra \$200 or so, the next one up in the range is far more desirable; and such a small amount is really just a drop in the ocean. That, of course, might be the case if it is a one-off. Multiplied by the increased prices on a few more "better buys", the original budget has exploded.

No matter – with a bit of creative accounting, incomings still cover outgoings. Hopefully, the situation will improve over time. Salary increases have been forthcoming in the past and will ease the burden. But what if that doesn't eventuate? A worse-case scenario would be an employer downsizing and having to lay off staff. It does happen, frequently. What if you are the one to be dismissed? Should both partners be employed and contributing, the loss of one job might not be the end of the world; but it will make life extremely hard.

Another fly in the ointment could be industrial action, which can rear its ugly head at any time. Justified or not, union-backed employees striking for better pay and conditions place a heavy burden on all concerned. The picket-lines might not be manned by the entire workforce, but the majority is suddenly unemployed; and although the dispute may not take long to resolve, deprived of income for the period soon hits home. Loan companies aren't interested in reasons, just that premiums are late or unpaid. The household budget suffers. Having to economise on food is an immediate necessity, and the car would have

to be used sparingly because the price of fuel eats into the available cash. These matters are bad enough; but what might not have been considered are those utilities which continue to be used without a second thought as before and don't seem to be a problem. They will be, though, when the bills eventually come in; and if the financial situation hasn't improved by then, it becomes a case of robbing Peter to pay Paul. For anyone in this predicament, it seems the clock has turned back and they are having to start over again. Maybe the new lounge suite and marble-tiled bathroom weren't such a good idea after all. They are certainly cold comfort now.

Think about health – most people do. Some illnesses are seasonal and only the lucky ones escape colds and viruses. There are also accidents at home, and workplace injuries which necessitate taking sick leave. In these instances, time off with pay is hopefully covered in the salary package. Health insurance generally takes care of the medical bills, including the cost of extended stays in hospital; always assuming the premiums have been kept up to date. Unfortunately, what used to be may no longer be possible. Once the purse strings are tightened, insurance of any kind could become a luxury that has to go by the board.

I could go on, but I think I've already painted a pretty dismal picture which makes the point. Assuming that the good times will go on forever of their own accord is naive. Life is about put and take; and too much of the latter upsets the balance. Those who ignore the fact and the consequences of unwise financial practices are destined to receive an eventual shock from which they may never recover. The ones who continue to save enough and don't waste the excess can be fairly sure that, when the rains do come, their boat will stay afloat and will see them safely back to shore.

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