



## The tide went out and some were found not wearing bathers

There is no doubt Covid has had an impact socially and financially but what it has highlighted is some serious underlying issues for individuals and businesses that have been festering not just for a few years but probably for decades.

Many of us are either approaching retirement in the next 10 years or in retirement. Our Grandparents were children of the Depression and world wars. These were times with very limited social safety nets. A time when the Australian spirit of get on with it came to prominence.

This developed a generation that saved for the future. There were no credit cards. Money was put into tins or bank accounts for specific purposes, clothes, holidays, a car and for retirement.

Businesses did similar things; cash was put aside to cover the unknowns that may occur for short periods of time.

Contrast this with what has happened during Covid, many do not have cash savings to last past a month. Thank goodness we have a government that can borrow to provide a safety net for the country.

The past also tells us that the way out of downturns in the economy is to provide jobs through the government and private sector undertaking new projects largely around infrastructure, something the government is now turning its attention to.

Many changes will come out of this. A focus on securing our countries supply chains will see Australia and other nations look to bring home jobs that went offshore for the last few decades. Our Agriculture and Resources will remain sort after worldwide. These factors along with spending on Infrastructure will only help to secure Australia into the future but individuals need to now look what changes they need to make.

Financial planning is more than just investing someone's money. Understanding Cash Flow to meet specific time frames and risks so that funds to be used is fundamental to peace of mind.

Australians need to stop getting caught with their pants down. Simply getting a budget, spend less than your income and having savings put away to cover at least 3 months of costs are simple things to say but it seems a lot of people need to have help doing this.



One thing is now apparent...

History is showing that these unpredictable events are going to happen every 10 years or so, and people need to do something now to ensure they don't get caught swimming naked when the tide goes out again. **If you know someone who may need to improve their life financially then please refer them to your Futuro/Insight adviser.**