

## **Finding the financial silver lining to the lockdown storm clouds**

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COVID-19 and adjusting to living in Level 4 lockdown has been a big change for us all. Up and down the country dining tables have been turned into workstations, coffee tables into classrooms and bedrooms into meeting rooms. We've all had to make major adjustments to the way we live, the way we work, the way we look after our kids, and the way we relax.

This period of intense change and economic uncertainty is unsettling and at times stressful. Many of us will be worrying if our jobs are safe, or if our kids' education will be suffering from being stuck at home, or about the impact weeks of lockdown might have on our mental health.

These are all real and genuine concerns but it's also important to recognise that some positives can also come out of this period.

Having a bit more time on our hands, allows us to reassess priorities and consider what's really important to us and what's not. It also gives us a unique perspective to have a look at our personal finances and hopefully learn some lessons for the better.

It's a chance to assess what spending is important, what is nice to have and what we can continue to live without to increase our long-term savings.

If you're lucky enough to retain your job or a steady source of income during this period, it's likely you will be spending less and saving more as your ability to shop or travel to anywhere other than a supermarket has significantly reduced. While I acknowledge that this situation is temporary and our spending will increase once we are out of lockdown, it doesn't mean that some of these savings can't continue.

It wasn't long ago that millennials were ridiculed for spending \$20 on avocado on toast – but without the ability to buy a \$5 coffee in the mornings, meet friends at a bar or go out for a café brunch in the weekends, we've all had to make do with the comforts of home and we seem to be surviving pretty well.

When we return to normality it will be nice to enjoy some of these luxuries again, and it will be important to support local businesses. However, you might find there are some new saving habits you can introduce to your new post-lockdown routine. This might mean making a coffee instead of buying one every second day or cooking a meal at home for the next family birthday, or just taking more time to understand if a purchase is a want, or a need. The savings from these small steps can soon add up to a significant boost for your bank balance.

The current economic and employment uncertainty has also further highlighted the importance of having a savings buffer, budgeting and the benefits of putting in place a personal financial plan that can withstand the inevitable stormy weather.

If you don't have a long-term financial plan, now is a good time to develop one. It doesn't need to be a complex or long document – in fact the simpler the better. If you need help [www.sorted.org.nz](http://www.sorted.org.nz) is a great place to start.

An effective plan helps to accelerate savings, gives you confidence and motivation to achieve your goals and improves your relationship with money.

Importantly, it will help give you financial peace of mind and ensure that in what is an increasingly uncertain world that you are in the best possible shape to weather any financial headwinds.

There is no doubt that this is a challenging time for all kiwis. If you are worried and need direct help I'd urge you to head to [www.covid19.govt.nz](http://www.covid19.govt.nz) for more information on the support options available. If though you are in a position of financial stability over this period take the opportunity to establish some positive spending and saving habits for the future. Now is as good as time as any to find the financial silver lining to the lockdown storm clouds.

**Here are five financial tips for lockdown:**

- Use the time to audit your own expenditure and be honest in your assessment.
- Prioritise what's most important to you and where your spending should best be going
- Identify any saving habits from lockdown that you can make permanent.
- Seek advice from a financial advisor if you need to.
- Develop a long-term financial plan or adjust your existing one.

**Ends**