



ARE WE THERE YET?

Now that Australia is no longer considered to be in recession does that mean we can start spending more again?

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We got some great news when the March GDP figures were released and heard that Australia avoided going into a recession albeit by the barest of margins. 0.4% is no cause for celebration. Even our PM acknowledged that “we are not out of the woods”.

Times are tough and I expect them to remain tough for the next year. I really feel that our economy is not safe quite yet from future recession. There will be rainy days ahead especially when unemployment is predicted to rise to 8.5% over the next few years.

Once you have got your finances in order Louisa then by all means start spending and help stimulate the economy. But only do so after number one has been looked after first.

It is dreadfully important for you to remain diligent and really get on top of your finances. With interest rates at all-time lows and petrol being alot cheaper these days, there is an opportunity to get ahead by saving rather than spending.

If you have credit card or personal loan debt, then pay it off. If you have a mortgage, make extra payments and create a buffer. Help ease the stress should the unthinkable happen. Put simply, make hay whilst the sun shines.

Just as important is having a stash of emergency funds. That is, having savings to cover between three to six months of outgoings. Very few Australians have this sort of coverage. You need to prepare for that rainy day.

Also don't forget about life insurance cover and putting money aside into superannuation. You need to protect your family as well as your future.

For some people, they will say “what recession? Things couldn't be better!” And that may be true for some, but I know it won't be for all.