Bipolar Financing

By Dr. Linda Hancock

ABOUT THE AUTHOR

Dr. Hancock has written a regular weekly column entitled “All Psyched Up” for newspapers in two Canadian provinces for more than a dozen years. Over the years, her readers and clients have said that they have benefited from her common-sense solutions, wisdom, and sense of humour. Dr. Linda Hancock, the author of “Life is An Adventure…every step of the way” and “Open for Business Success” is a Registered Psychologist who has a private practice in Medicine Hat. She can be reached at 403-529-6877 or through email office@drlindahancock.com

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Bipolar Disorder is a condition that involves two opposite extreme moods that usually appear in unpredictable patterns. They are the result of chemical imbalances in the brain. Mania is the state which appears as a high and energized mood. Depression is the opposite and can be quite reach stages which are quite debilitating.

Often the person who is diagnosed with Bipolar Disorder has perceptions which are skewed and believe that the manic mood is actually "normal" and that "normal" is "depressed". They therefore wish to be in the high mood as much as possible - partly because it feels good and partly because they want to avoid the depressed state.

Unfortunately, many people have skewed perceptions about their money matters. They believe that their best financial times are "normal" and live to the fullest in those times. When oil and gas revenues are high and the economy is at a peak, they purchase the biggest house that the bank will allow them. Then they load up on the tools of life - vehicles, boats, quads, trailers, condos - and live like kings. They think that because they work hard, they deserve to live well.

The problem with this is that both life and the economy operate in cycles.

When the economy dips and incomes are reduced, the individuals who were used to living high become upset. They have not prepared mentally or practically for this and do not have a financial cushion on which to rest.

The mortgage payment becomes harder and harder to make and, when the bank threatens foreclosure, the individuals start to sell the "toys" at a fraction of their purchase price. But that only puts a temporary band aid on the situation and, within weeks, assets are depleted.

By this time the marriage/relationship has deteriorated and the children are placed in a chaotic and unstable environment that is full of stress and fighting.

And when the income goes, often the benefits disappear too. So, the family members are not able to get support that they could use to help them get back on track again.

Finally, with no sign of financial recovery in sight, the big decisions have to be made. Will it be the divorce courts where the spoils will likely be divided and subsequently paid to their lawyers or to the bankruptcy trustee (again)?

The saddest thing though is that none of this was necessary. Just because you have a good income doesn't mean that you need to spend it all. Stating that working hard justifies a lifestyle above what is necessary is irresponsible. Living by your feelings and buying what you want instead of what you need just sets you up for a fall. Could we call this the depression pole of a financial bipolar disorder?

Repeated bankruptcies are not the way to learn restraint and experiencing several divorces does not usually enhance one's relationship skills.

When I see clients, I frequently wish that they had come into my office sooner. You see it is far easier to work on a plan to prevent trouble than it is to clean up the mess after things have fallen apart.

Living without financial restraint can send families into poverty, misery and relationship disaster. More importantly, it can set up a cycle of trouble which is repeated in families for generations.

When we see this cycle of bipolar financing occurring in society we need to be concerned because one way of another, we are all affected by it.