It’s an ill wind that blows

Richard Lishman discusses the impact of the UK as it slips back into double recession

I
t is easy to be carried along on the tide of doom and gloom that has accompanied the news that the UK economy has slid, as many expected it would, into a double dip recession.

And the negative growth in our economy is running in parallel to a failed austerity plan in Holland, the recent electoral uncertainty in France, enormous Spanish unemployment and continued strife in Greece and Portugal.

Rosy outlook

Personally I think the outlook is quite rosy. If that sounds unexpected, or worse, it is important to remember that many business sectors exist in their own micro economies, and that these aren’t necessarily related that closely to the broader, national or international pictures.

True, some dentists have had a very difficult time over the last 18 to 24 months. But many more haven’t, and you do have to question whether this recession affects dentists in the same way it does for instance, engineers, retailers or builders.

I would argue that, relatively speaking, the well-paid dental profession has been cushioned from the worst of the downturn so far. That is not to say that no dentists have suffered at the hands of the wider economy; but, broadly speaking, dentists are income-rich rather than cash-rich, though the lucky ones can be both. This means they can be well placed to take advantage of change in other sectors.

Great opportunity

For dentists who are at the stage of their career when they plan to grow their operations, perhaps establishing or expanding a new practice or increasing their property portfolio, now is a time of great opportunity. Not only are property prices low, but so are interest rates. This means that saving money in, say, a bank account makes less sense than spending it on what will, eventually, be an appreciating asset such as a property, or investing in that expensive piece of equipment that could further increase your income.

While the next couple of years might still be very challenging, a lot of people in the dentistry sector stand to emerge having established themselves on a very good footing. The ability to move fast, taking advantage of a buyers market in property while interest rates are low, is a key strategic benefit.

Timing

Admittedly, those at the other end of their dental careers might be bemoaning their own timing. Delaying plans to sell up or retire might become a more appealing option than it was, and that is never a pleasant decision to make. But taking a close look at some other business sectors can quickly bring home how much worse things could be.

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