

Financial Wellbeing

Studies have shown that happiness in the workplace can have a direct link to productivity. A happy workforce is undoubtedly a more effective workforce. An essential part of ensuring a happy workforce is being aware of their financial wellbeing, as it's difficult for anyone to feel content at work, or at home, if they don't feel in control of their finances.

It makes sense for everyone to ensure that their expenses are kept to the minimum level in order to fund the lifestyle that they **need** right now and so it's worth spending a little time to get the best out of your money. Who wouldn't want a bit more cash in the bank each month?

*"**Annual income** twenty pounds, **annual expenditure** nineteen pounds, nineteen shillings and six pence, **result** happiness.*

***Annual income** twenty pounds, **annual expenditure** twenty pounds and six, **result** misery."*

– Charles Dickens, David Copperfield



There is no perfect solution to fit everyone when it comes to financial management. We all have different needs and desires, however there are some simple steps that everyone should take to maximise their cash balance each month.

1 Complete a budget planner to understand what your regular bills amount to.

2 Look at each of these and see if you need to pay as much as this or if there is a way of reducing each of them. For example switching suppliers and lenders, or consolidating loans.

3 Be aware of how much is needed to pay all bills and **necessary** living expenses

4 Understand how much is available to spend on lifestyle choices.

Reducing bill payments

Most people have access to online banking facilities today and so it's quite easy to analyse spending. Just download the last few month's statements to see exactly where your money went.

Separate the outgoings into various headings such as

- Regular household bills
- Necessary regular spending
- Lifestyle spending

Once you've done that, you may spot opportunities to save some money. If you have a mortgage, speak to an independent mortgage adviser to see if a better deal is available. Use a price comparison site such as [Uswitch.com](https://www.uswitch.com) to see if lower energy bills may be available. If you didn't switch your car or household insurances to a new insurer last time then make sure that you get quotes from a comparison website next time.

New customers often get the best deals!

Reduce interest charges on any loans

When borrowing money most people tend to look at three things.

- Who will lend me some money?
- Can I afford the payments?
- How easy is it to apply?

The problem with this approach is that the easiest application will usually be the most expensive which is why many people are paying much more interest to lenders than they need to.

	Typical APR	Payment	Interest Charged
Store Cards	29%	£93.41	£2,604.45
Credit Card	19%	£77.82	£1,669.30
Car HP	9%	£62.28	£736.50
Unsecured bank loan	7%	£59.40	£564.22
Secured lending (mortgage)	3%	£53.91	£234.36

This table shows the costs of borrowing **£3,000** over **five years** from typical sources.

Consolidation?

This is simply applying for one loan at the lowest rate possible and repaying all of the expensive loans. A good mortgage/finance broker will be able to produce a quote to show you the best loan available to you and how much you'll save. It cost nothing to find out and you could save thousands of pounds in unnecessary interest!

Financial difficulties

Sometimes however people find themselves in difficulties and feel that they don't have a solution or don't know where to turn. Unlike work related pressure, it's difficult for colleagues or managers to be aware of any financial problems people have as it's not generally discussed. It can be felt to be a personal failing and so pressure just builds up. It's also likely that people with financial problems will find work pressures more difficult to deal with which can compound the issues.

What people in this situation need to do first of all is to speak to someone who understands their problem and can make some helpful suggestions on how to find a resolution. The very act of just speaking to someone can lift a lot of weight off their shoulders. Once again, a good independent mortgage adviser can advise on whether a straight forward solution is possible or whether specialist debt counselling is needed.

For More Information

If you'd like assistance or any more information on anything discussed here please contact us at Hanson Wealth Management on **0191 495 2254** or email us at enquiries@hansonwealth.co.uk

Specialist Counselling

There are a number of free services that people can contact for advice and support when they feel things have become unmanageable.

Examples of these are:



A full debt help service in available across the UK.

Online support is also available via its Debt Remedy tool and vulnerable people (due to age, mental health or capacity) are able to get extra help support via the free advocacy service.



Full debt and consumer advice service.

Many bureaux have specialist caseworkers to deal with any type of debt, including repossessions and negotiation with creditors.



Free debt advice and solutions for those in financial difficulty.

Note that PayPlan is a for profit company, although the advice is free.

Home	Actual
Mortgage/rent	£
Utilities	£
Home telephone	£
Mobile telephone	£
Home/phone Insurances	£
Other	£
Totals	£

Transport	Actual
Fuel	£
Road tax & Insurance	£
Repairs	£
Car wash	£
Parking	£
Public transport/taxis	£
Totals	£

Holidays	Actual
Air fare	£
Accommodations	£
Food	£
Refreshments	£
Pet boarding	£
New clothes	£
Rental car	£
Totals	£

Personal	Actual
Clothing	£
Gifts	£
Salon/barber	£
Books	£
Music (CDs, etc.)	£
Totals	£

Recreation	Actual
Gym fees	£
Sports equipment	£
Team subscriptions	£
Toys/child equipment	£
Totals	£



HANSON
Wealth Management

If you're using the manual version you'll need to add up the totals to calculate your budget plan. The full version of the planner will calculate your budget plan for you. The full version can be found at

www.hansonwealth.co.uk/budget

Your NET figure in the Month Total box shows your personal financial balance each month. Now that you know this you should work on minimising all of your expenses each month.

Income	Actual
Wages 1	£
Wages 2	£
Other	£
Totals	£

Month Total	Actual
Starting Balance in bank	£
Total Income	£
Total Expenses	£
NET (Income - Expenses)	£
Projected End Balance	£

Living expenses	Actual
Groceries	£
Cleaning	£
Dry cleaning	£
Dining out/lunches	£
Leisure activities	£
Vet/pet insurance expenses	£
Other	£
Totals	£

Family Protection	Actual
Health Insurances	£
Mortgage Insurances	£
Life insurance	£
Totals	£

Subscriptions	Actual
Magazines	£
Newspapers	£
TV/Internet	£
Charity	£
Other	£
Totals	£

Financial obligations	Actual
Long-term savings	£
Personal loans	£
Credit card payments	£
Store card payments	£
Other obligations	£
Totals	£

Entertainment	Actual
Movies/plays	£
Concerts/clubs	£
Totals	£

Misc. payments	Actual
Christmas spending	£
Home Decoration	£
Other	£
Totals	£



Independent Financial Advisers & Personal Finance Advisers

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