

# Financial Wellbeing Takes Effort

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Managing your finances takes time and energy, something we mostly learn as a life skill as we progress through our careers. Unfortunately, financial wellbeing is still a subject most people in the workplace were never taught or received guidance on; we simply learnt from our parents or developed it from experience and our mistakes. In our early working years, we move from one payday to the next, occasionally wondering why we have run out of money a week before we get paid.

That is why managing money and finances takes effort and yet we all suffer from a little laziness from time to time. Having a financial plan requires just as much effort as keeping fit or mentally looking after ourselves. In fact, money issues and worries can have a detrimental effect on our mental wellbeing and vice versa, which is why it is important to continually learn and develop our financial skills.

So back to my original point, that financial wellbeing takes effort. If you wanted to get fit, would you not take the time to join a club and start to build up your training? Finances are no different – there are many online resources that could be your 'club'. Being financially sound is not about how much money you have; it is about making the best use of what you have and the continual learning you undertake and put into practice.

In the exceptional times in which we live, I can see why people might worry about pensions and investments, market conditions and global commerce. There are endless news articles with real or potential worries and threats; however, I believe there are three simple, basic steps we can all take that will help us improve our financial fitness and financial wellbeing:

## Budget

It does not matter how much money you have or how much you earn, if you do not have any plan in place then you are unable to plan ahead. All it takes is a spreadsheet or a budgeting app and you can start to take control. A budget is becoming essential for our financial lives, as many financial decisions are based on our ability to repay and our disposable income. It is not just about covering the bills and whatever is left is spending money; we need to allocate a budget for everything from rent or mortgages through to food, clothing and socialising. Having control over money is an essential step to creating financial security.

## **Emergency funds**

Many UK workers do not have anything to fall back on should the worst happen. Most are still moving from payday to payday without putting anything aside. There are many opinions on how much you need, ranging from two months' to six months' worth of salary, but it starts with having an element of savings in your monthly budget. An emergency fund needs to be there when you need it but not readily spendable. So, invest this fund in a bank or building society savings account that can be accessed through a branch or an online transfer, but NOT in your regular bank account (where you will spend it!).

## **Try not to worry**

This one is always counterintuitive as we naturally worry when things start to get out of control or if we experience any financial difficulties. Rest assured, there are ALWAYS solutions to every financial problem you might have. The financial services industry and the Government really do wish to treat people fairly and with compassion, to find a solution to any issue a person has. If it is debt, there are charities and Citizens Advice with multiple solutions; if it is income, then your employer and your local council can help; if it is savings and investments, then speak to advisers and/or your bank. If you just put your hand up, you will find help is very forthcoming.

So, having good financial wellbeing is not hard; it just means we need to spend time and effort to make things better for ourselves. Taking time to manage the money in and the money out is essential and starting the savings journey will help greatly with our financial security. Seeking help is essential – we all need a helping hand from time to time.