

# FIVE STEPS TO FINANCIAL WELLBEING

With a bit of planning and some practical know-how, you can start saving for your financial goals. Hargreaves Lansdown (HL) provides jargon-free guides, research and tools so investors can look after their money and make well-informed decisions with confidence. By going through this **five step plan**, you can start looking after your own money without having to pay for advice. If after looking through the information, you're not sure or aren't confident in making your own decisions, you should consider getting financial advice.

## 1 Gathering information

**Start a 'fact find' to get an idea of your:**

- Monthly income
- Essential monthly costs (e.g. rent, food)
- Regular spending (e.g. haircuts)
- Monthly spending on non-essential treats (e.g. meals out)
- Existing debts
- Existing savings and investments

## 2 Think about your financial situation

**To set yourself an achievable budget, use the information from your 'fact find'. Think about:**

- Your non-essential spending (e.g. meals out) to see where you can cut back.
- Use the [HL online budget planner](#) to see how much you'll be able to save each month.

**Think about whether your existing savings and investments are right for you.**

**Consider what would happen financially if you:**

- Lost your job
- Couldn't work due to ill health
- Passed away

## 3 Start making a plan

**Set and prioritise your financial goals.**

- Consider paying off expensive debt first, then building up a rainy day fund for emergencies.
- Give yourself timeframes to achieve your financial goals. Use your budget to guide you.
- Think about the level of risk you're happy with. You'll need cash for short term needs. But for money you won't touch for 5 years or more, you could think about investing.

**Think about what you'll need in place for if the worst should happen.**

- Check your company benefits, consider covering any gaps
- Nominate a pension beneficiary
- Think about drawing up a Will and a power of attorney

## 4 Put your plan into action

**Think about the best way to achieve your goals:**

- Cash savings and investments
- Tax-efficient accounts
- Set up direct debits

For cash savings, think about using your personal savings allowance. Basic-rate tax payers can receive £1,000 of interest on their savings before they're liable for tax. For higher-rate tax payers it's £500, and there's no allowance if you're an additional-rate tax payer.

## 5 Keeping an eye on things

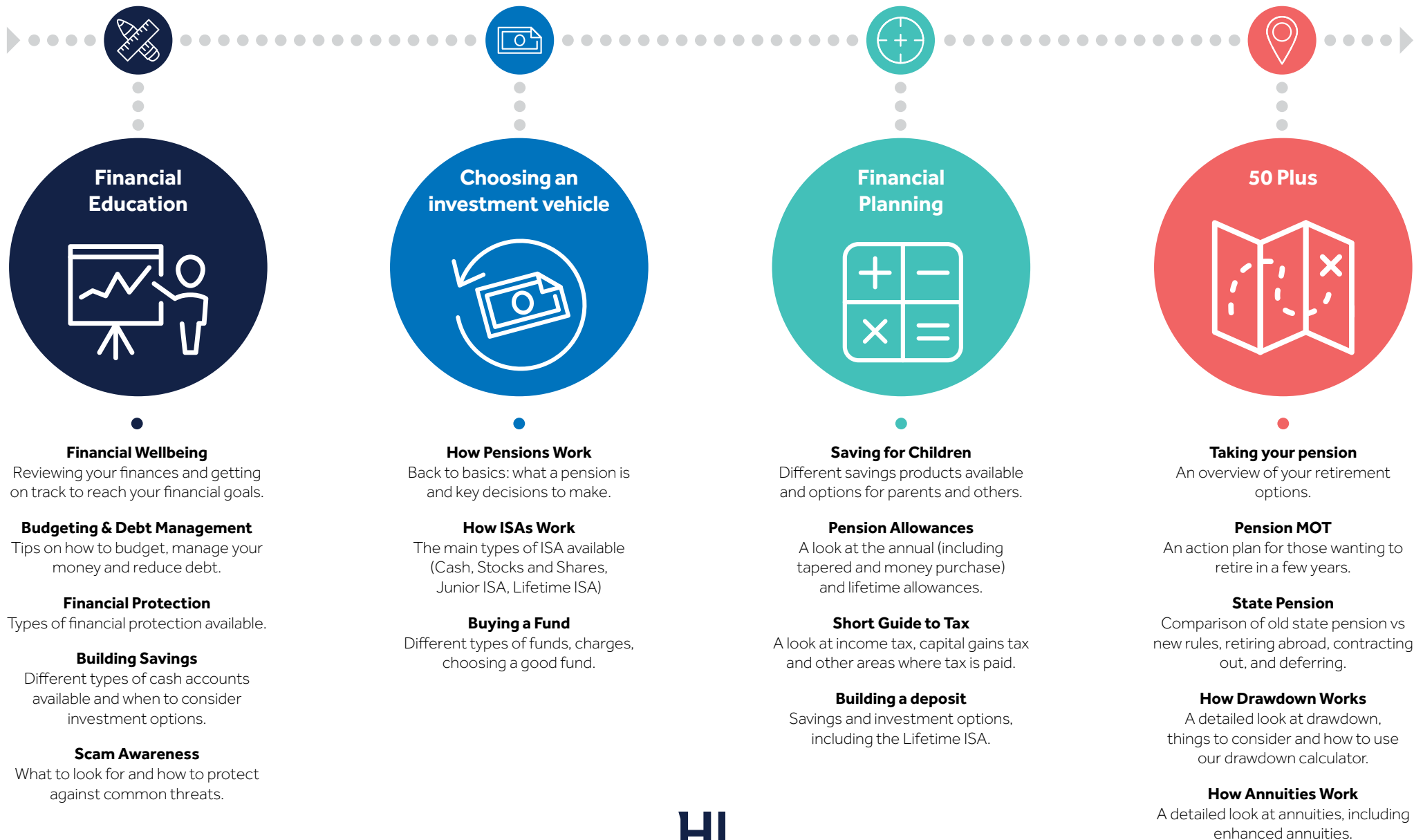
It's a good idea to review your finances and investments every six months or so. Think about whether your investments have performed as you expected. But do remember they are meant to be held for the long term and past performance isn't a guide to the future.

Remember that your situation will change as time goes on. So you should review your finances if your employment or lifestyle changes.

## Don't forget

The information provided by Hargreaves Lansdown can help you make your own informed decisions, but this is not personal advice. If you're not sure, you should see whether financial advice is right for you. Unlike cash, the value of investments can fall as well as rise so you could get back less than you invest. Tax rules change and their benefits depend on your circumstances.

# HL FINANCIAL WELLBEING – AT A GLANCE



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