



WHAT WE'VE LEARNT ABOUT MONEY

by working in financial services

We share the money tips we've learnt by working in financial services that could help other women like us.



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It's no secret that working in financial services can have its benefits – we're more exposed to the lingo and we spend most of our time talking money.

But that doesn't always mean we're all pros at investing.

It's given us a unique opportunity to learn about how we can help other women when it comes to their money.

I spoke to four colleagues at HL who shared their top tips they think all women can make the most of.

Remember this article is not personal advice. If you're not sure if something is right for you, ask for financial advice. Unlike the security offered by cash, all investments can fall as well as rise in value so you could make a loss.

IMPORTANT INFORMATION:

We've written this factsheet to give you useful information about finances in later life but it isn't personal advice. All investments rise and fall in value, so you could get back less than you invest. Tax rules can change and benefits depend on personal circumstances. If you are unsure of the right course of action or the suitability of an investment for your circumstances please seek advice. All information is correct as at 6 April 2020. Issued by Hargreaves Lansdown Advisory Services. Authorised and regulated by the Financial Conduct Authority, our register number is 189627. www.hl.co.uk



It also taught me that you didn't need to know everything to get started.

YOU DON'T HAVE TO BE A PRO

You might think that everyone who works in financial services chose to work in the industry because they already had an interest in investing.

I wish it were that easy for all of us.

Although working in finance gives us an insight that many might not have, it doesn't mean we all started out with perfect knowledge.

Sarah Coles, Personal Finance Analyst at HL, was a financial journalist for years and during her time would interview various individuals about their road to investing.

She says, "In the early days I interviewed investment clubs and made a really interesting discovery. There was a group of very clever maths students who picked shares using economic theory and charting.

There was also a group of new mums who decided to turn their antenatal group into an investment club! They didn't know anything about investing when they set up the club. They just started small and learned as they went along.

They each chose a product they liked, by reading company reports, doing their research on investment sites and reading the news about them. Then they'd chat and if there was something someone didn't understand, someone who did would explain it.

Both clubs did well.

But the maths students didn't do any better than the mums.

It taught me that you didn't have to be super-academic or understand incredibly complex investment theories. You can read clear research, talk to other informed people, and come to a conclusion.

It also taught me that you didn't need to know everything to get started."

ALWAYS HAVE SAVINGS FOR THE UNEXPECTED

Getting started can sometimes be one of the hardest things to do. It can feel overwhelming, especially when there's a lot of financial jargon around.

I spoke to HL's Events Manager, Sophie Thomas who said that it wasn't until

joining HL mid-way through the pandemic that she really started to think about her finances.

Sophie says, "Before joining HL, my knowledge of finance started and finished at having a current account.

I had less than one month's salary in savings and was shocked when I found out that HL thinks you should have at least 3-6 months of savings to prepare for the unexpected.

It makes sense, but I had never thought deeply about my financial situation and what would happen if my partner or I lost our jobs, if our car broke down, and we needed to buy a new one or simple things like an unexpected bill cropping up.

I was totally unprepared for the unexpected.

HL taught me that you don't have to be a total pro to prioritise your money.

In February, after firstly building my emergency cash pot, I took my first big financial step and opened a Stocks and Shares ISA.

I'm still a complete novice and understand that investments can go up and down. So, what I've done is, set up a direct debit of £50 each month. I only wanted to commit money that I felt I could live without and am willing to use this to learn to invest.

While I am not a pro, yet. I'm glad I have started the process because I know my future self will thank me.

I'm putting in the hard work now so I can reap the rewards in later life."

Remember, this is a case study and everyone's circumstances are different. Just because a certain action is right for one person doesn't mean it's right for you.

PLAN FOR YOUR FUTURE SELF

It's easy to focus on the now without looking to the future. Nobody has a crystal ball after all.

But the financial decisions you do make can positively impact the future you.

Women can face a unique set of hurdles compared to lots of men.

From career gaps, to pensions gaps – knowing how to navigate them to make the most out of our future wealth is important.

I spoke with Laura Burridge, one of HL's Financial Planning Writers, about the most important ways women can plan ahead and shelter their money for their future.

Laura says, "If you can, consider contributing the maximum into your workplace pension as your employer will often match it or even exceed it often up to certain limits.

If you're self-employed or you've taken a career gap, you can also set up a personal pension and pay into that every month.

You don't need to make one-off lump sums, you could even put away £25 a month into HL's Self-Invested Personal Pension (SIPP)."

Remember, you can't usually access the money in your pension until you're 55 (57 from 2028).



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You should try and engage with your pension as much as you can.

"It can be helpful for women who take a career gap, or who are planning to. By making a habit of contributing as much into your pension as you can, if you do decide to take a career break, you're effectively working on closing two gaps at once.

It can be tempting to stop contributing altogether if you take a break to have children for example. But it's better to keep putting in as much as you can, as your employer might still match or even exceed your contributions.

You should try and engage with your pension as much as you can.

WANT TO SHARE YOUR OWN FINANCIAL TIPS?

Be a part of shaping the future of money for women and share your own money story.

We want to raise up more women's voices to help us empower others.

From your best tips you've learnt along your financial journey, to the mistakes you've made and bounced back from, we'd love to hear from you.

Send your story into mystory@hl.co.uk.

This doesn't mean you have to log in and watch it daily, but every now and then pop in and have a look.

I'm usually pleasantly surprised."



STAY IN CONTROL OF YOUR FINANCES

Having oversight of your finances, including your pension and investments, is important when it comes to planning for your future financial goals.

But not everyone uses this strategy.

I spoke with Alana Fairfax, Pensions and Retirement Writer, who told me about the most important lesson she learned when it came to her money – always be in control.

Alana says, "I learnt to get involved with my own finances rather than leaving them to someone else.

According to a recent survey*, over half of people in a couple said that one of them tends to take charge of the day-to-day spending as well as the more long-term financial planning, and it was a common theme when I worked on HL's helpdesk.

Leaving finances to a partner is OK if they take more of an active interest. But I spoke to lots of women who couldn't even say how much they had in an account, let alone where it was invested.

If you're going to leave your finances to a partner, you should at least have an idea of what's going on.

Otherwise your partner could invest in things that might not be right for you individually.

Plus, you'll be in a difficult position if you ever split."

*HL survey of 2000 respondents conducted April 2021.

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community and find out more about how we're empowering women and how you can join the conversation. ➔