



✖ Employee Assistance Programme

Watching the Pennies

It's been an unprecedented few years, and economic instability looks set to continue for some time yet, impacting each and everyone of us to varying degrees. People's pockets have been hit hard recently with increasing energy bills and food prices. Within this article you'll find advice and guidance on how you can manage your finances as we move slowly into 2024.

Financial health check-up

You may have heard of the term financial wellbeing and wondered what it is and how people get good financial wellbeing. The most logical thought is that we need to really understand our finances in order to have good financial wellbeing. That includes:

- Looking at our budgets (the money we have coming in and going out)
- Maximising our incomes through understanding what benefits you can claim
- Learning how to get the best deals on utilities
- Understanding which are the most cost-effective shops

While all this financial education is vital, it does not automatically equal good financial health or wellbeing. Salary Finance has done some work recently on the myths of financial wellbeing, looking into the difference between behaviours that are driven by our knowledge and those driven by our hearts.

So what does that mean? Well I guess there are the practical things, saving for a house deposit, a car, work on the house and the "bigger" projects that most have at some time in our life.

There are the behavioural spending "habits" and, what might those be for you? Are they practical and affordable? What could you do to make them so?

Then there are the thing that "drive" our hearts.....the wishes, the dreams often vs the reality. For example travel, exotic holidays then the battle we often go through trying to decide if it is a "need" or a "want?"

For sure, the Pandemic has given us opportunity to consider what we really want, what we need and to look at the practical consequences of those things.

How do I improve my financial wellbeing?

This is almost the million-dollar question; and it doesn't just link to our finances. Think about everything that you know about making healthy food choices and how often you should exercise – do we always make the right choices?

Those choices will most likely change as other factors come into play. Those factors are that of the heart.

We may eat out when we're happy, sad, celebrating or commiserating. Exercise could take a back seat depending on the day that we've had, or the activities of the evening before. Life isn't straight forward, and nor should we pretend it ever could be. The same logic can be applied to our finances.

Yes, we should be arming ourselves with knowledge, we should be planning how much money we must spend on certain items – but we must also understand that this isn't a fool proof way to good financial wellbeing.

People may find that they spend more money when they are stressed, tired or sad. Equally, we may reward ourselves by spending when we've had good news – or for a special occasion.

Especially over the last few months, people may have found that they have spent more in certain areas to give themselves a sense of control. A good way to start controlling these emotional behaviours is to firstly be aware of them.

If you start to feel guilty when you spend money, take that as a cue to check in with yourself – what else is going on?

How does money make you feel?

Taboo around debt and money has long been a barrier for people getting the help and support that they need. But the interesting thing is that usually, the quicker that someone seeks help, then the less debt they could have built up.

Free debt advice provider, PayPlan, knows that a third of people wait on average three to four years before they seek help. Interestingly, the number one piece of feedback that PayPlan's experts get back is that 'I wish I'd got in touch sooner'.