

Financial detox

December 2022

Andrew Skaife
Senior Workplace Education Consultant

Businesses of Marsh McLennan



Please remember:

- This is information only and not personal financial advice. If you require financial advice you should seek this from an authorised financial adviser.
- This presentation is based on our current understanding of legislation, taxation and HMRC practice which may change in the future.
- Past performance is no guarantee of future performance.
- The value of investments may go down as well as up and cannot be guaranteed.
- You may not get back the amount originally invested.
- The effects of inflation will reduce the future spending power of money.

1. Wellbeing and financial health
2. Budgeting and cash flow
3. Financial detox!
4. Next steps
5. Any questions?

Agenda

Wellbeing and financial health



Taking a holistic approach to wellbeing

Financial

health



Mental

health



Physical

health



Social

health



The four pillars of financial wellbeing*

Present

Future

Freedom



Control over the day-to-day

Not overspending income.
Debt and expenses are manageable.



Freedom to make choices in life

Ability to understand financial options
and make well informed decisions.

Security



Prepared for the unexpected

Having the capacity to absorb a
financial shock.



On track for the future

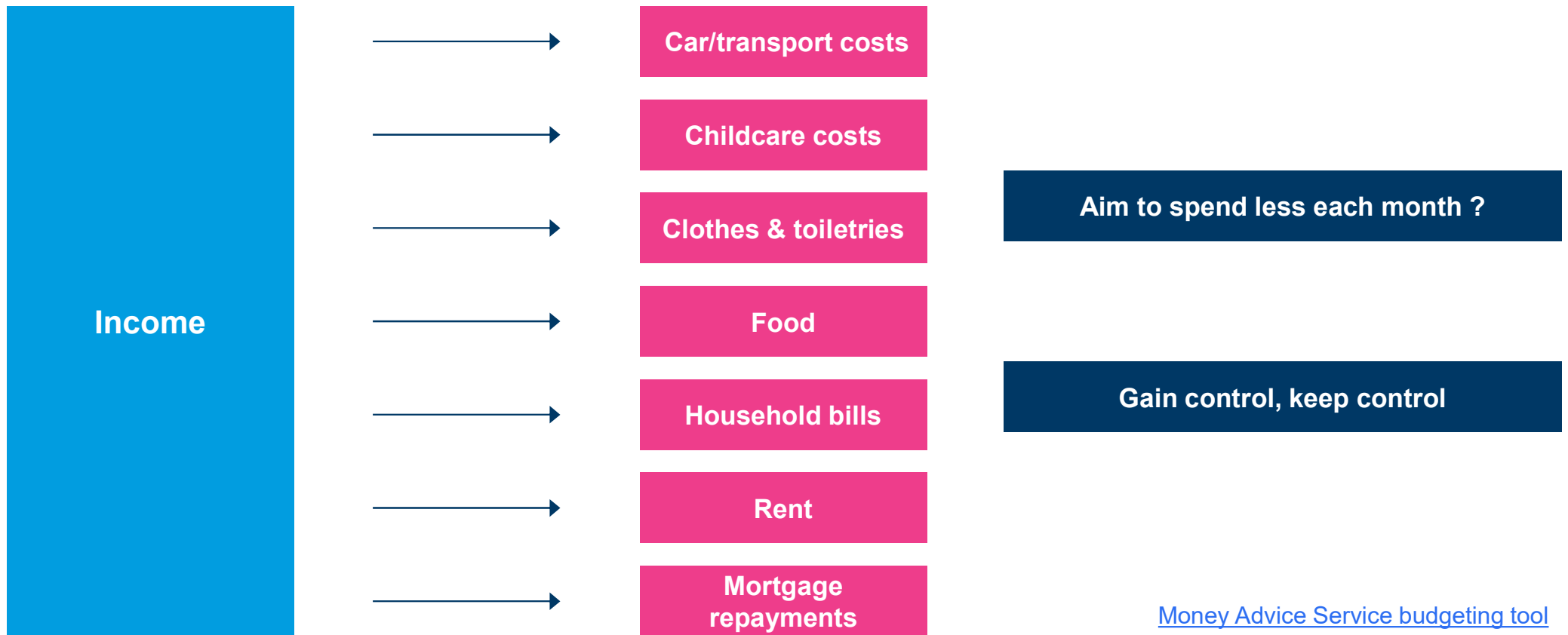
Having a plan for the future and being
able to measure progress towards it.

*As defined by the Consumer Financial Protection Bureau (CFPB) in the US

Budgeting and cash flow

2

Budgeting



Having visibility puts you in greater control!

	A	B	C	D	E	F	G	H	I
1									
2		Assets	Liabilities (debts)		Income		Expenditure		
3									
4		Property value	Mortgage		Net salary		Mortgage/rent	\$1,000.00	
5		\$250,000.00	\$200,000.00		\$2,500.00		Utilities	\$150.00	
6							Food	\$300.00	
7		Cash	Credit card		Other income		Travel	\$200.00	
8		Current Account	Loans				Entertainment	\$300.00	
9		\$4,000.00	\$3,000.00				Hobbies	\$150.00	
10		Emergency fund					Clothes	\$100.00	
11		\$15,000.00					Saving	\$250.00	
12		Cash savings	TOTAL LIABILITIES						
13		\$5,000.00	\$204,000.00				NET CASH FLOW		
14							\$50.00		
15		Investments	NET WORTH						
16		Stocks and Shares account	\$82,500.00						
17		\$10,000.00							
18		Company shares							
19		\$2,500.00							
20									
21		TOTAL ASSETS							
22		\$286,500.00							

At the moment it looks like you've got more going out than coming in.

But, don't worry - there are things you can do that can make a difference. You've already made the first step.

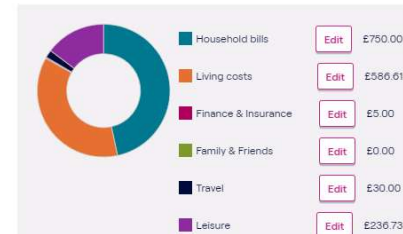
Below is a summary of everything you spend. Take a minute to check it over and see if there are any areas you could cut back on.

Scroll down for four steps you can take to get your finances back under control.

Summary total

Monthly summary total	
Income	£1,500.00
Spending	£1,608.33
Overspend	£108.33
reset the calculator	

Spending Breakdown

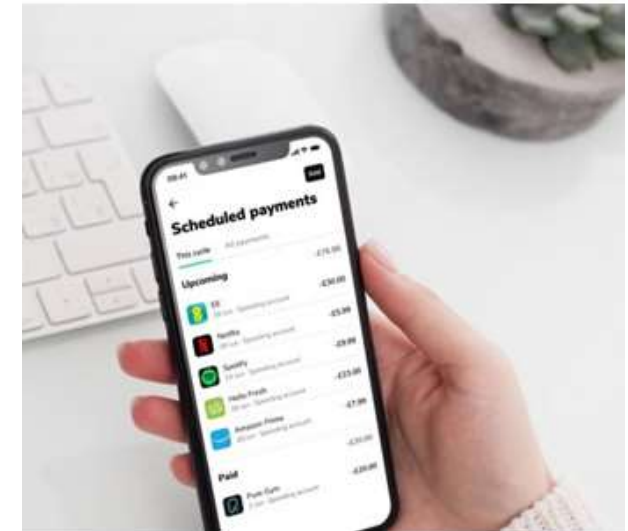


[Sign in to save budget plan](#)

[Email results](#)

[Print](#)

[Download Spreadsheet](#)



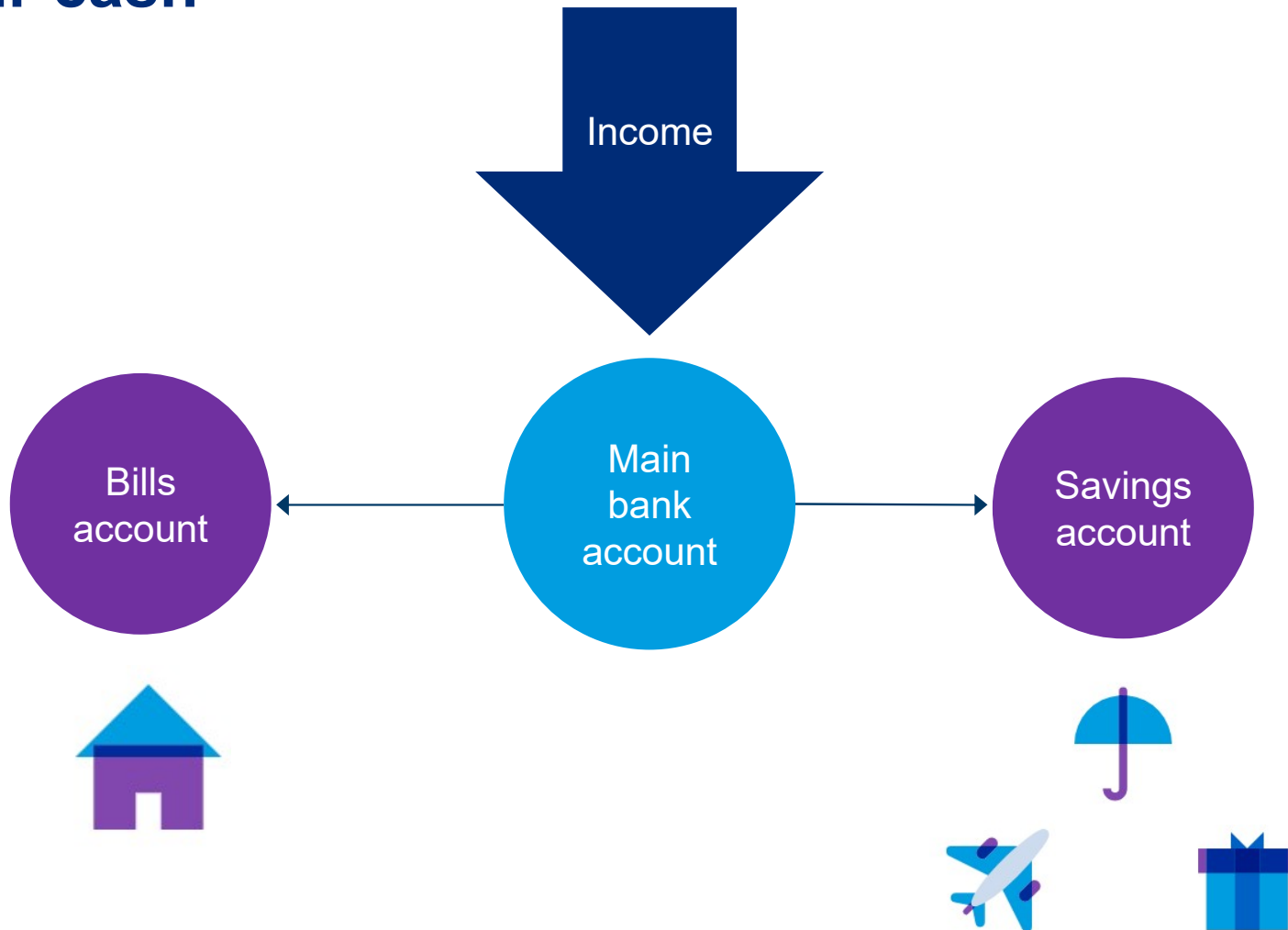
Find a method that works for you!

Reducing your outgoings

The screenshot shows the MoneySavingExpert.com website. The header includes navigation links for WEEKLY EMAIL, NEWS, BLOGS, MSE STUFF, STUDENTS, FINANCIAL ED, CONTACT US, and FORUM. A search bar is located on the right. The main navigation bar lists categories: CARDS & LOANS, RECLAIM £1,000s, UTILITIES & PHONES, BANKING & SAVING, DEALS & VOUCHERS, TRAVEL & MOTORING, INSURANCE, MORTGAGES & HOMES, SHOPPING, and INCOME & FAMILY. The main content area features several articles:

- Hot Sim cards incl HUGE 100GB data, untd mins & texts '£15/mth'**: Beat the mobile price hikes. Includes a link to Mobile Phone Guides.
- Top cash ISAs incl 1.5% easy access**: The earlier you save the more you'll earn. Includes a link to ISA Guides.
- 20% off code for The Book People**: Eg, Harry Potter Collection £24.
- Tricks payday loan sites use to entice borrowers revealed**: Researchers looked at how they are designed.
- Latest email. Free cash bank switch season is ending**: Plus cheap No7 etc.

Stash your cash



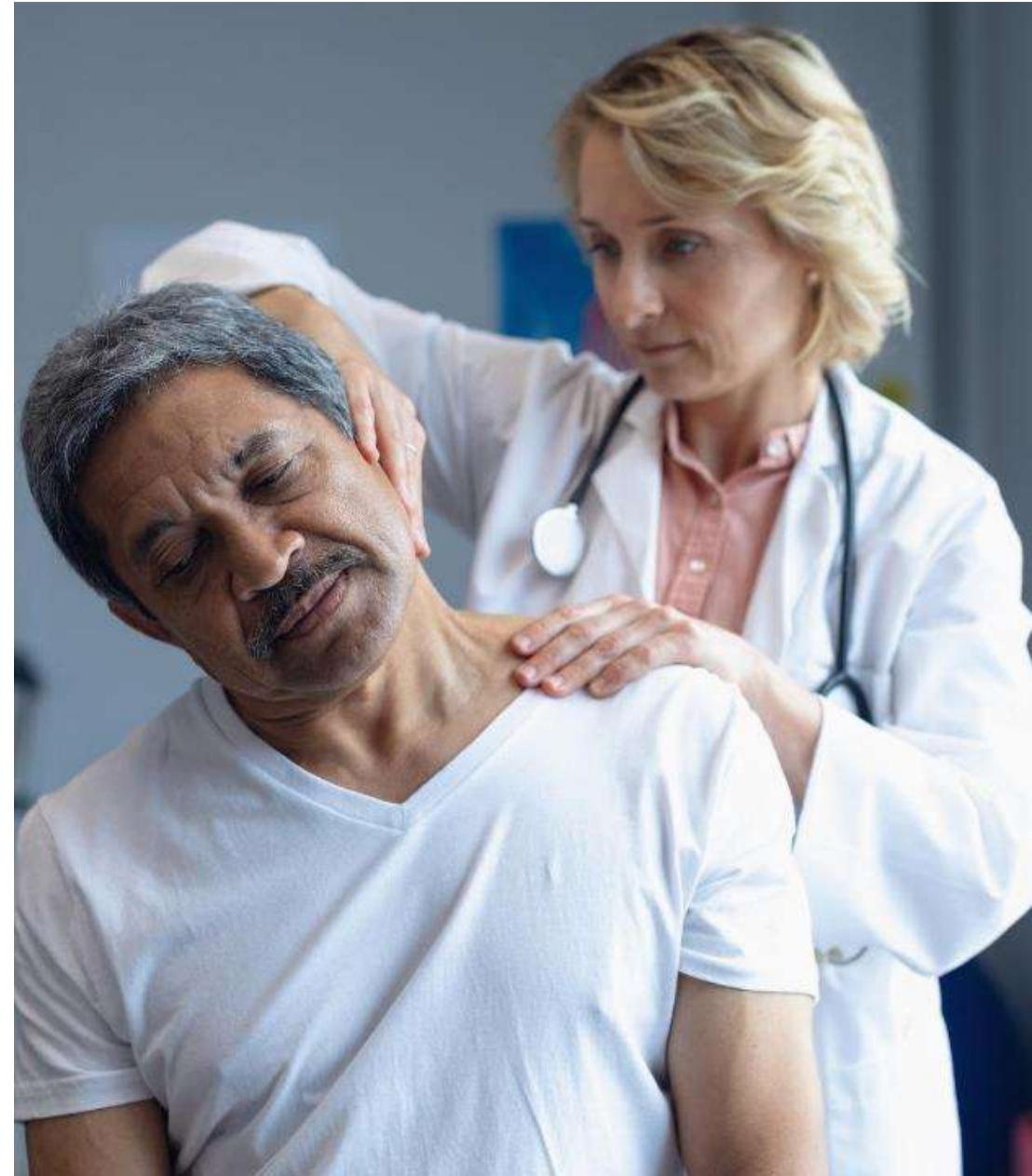
Security

Emergency funds:

- Protect against financial shocks
- Aim for 3-6 months expenses in an easy access cash account
- If you struggle to save, apps like **moneybox** can help you save automatically

Protection and Income Protection:

- Insure against bigger financial shocks
 - Life insurance
 - Critical illness
 - Income protection



Financial detox!

3

Maximising your income

Whilst salary is most people's main income source, there are ways boost your income without earning more;

- Is your [tax code](#) correct? (1257L)
- Are you claiming [tax relief](#) where eligible?
- Can you make use of the [marriage allowance](#)?
- Are you entitled to any [State Benefits](#)?
- Your assets may generate income too

[*https://www.entitledto.co.uk/blog/2018/december/over-20-billion-still-unclaimed-in-means-tested-benefits/](https://www.entitledto.co.uk/blog/2018/december/over-20-billion-still-unclaimed-in-means-tested-benefits/)



Making the most of your cash

- **Earn up to £200** by [switching](#) your current account
- Could you earn more interest on your [saving](#)?
- Government help available for [low income savers](#), and [first time house buyers](#)

- Cash savings are protected by the [FSCS](#) (up to certain limits)
- If interest is likely to exceed the [Personal Savings Allowance](#), a Cash ISA may save you tax.



Property

Your home could generate income:

- [Rent-a-room scheme](#) offers tax free rental income.
- Could you rent out a [parking space](#), storage space, camping space?
- Animal lovers could get paid to look after someone else's [pets](#)

Mortgage or rent payments represent most peoples' largest monthly expense:

- Could you pay less rent? [50 tips for renters](#)
- When did you last review your mortgage? Is there a [better deal](#) out there?



Less-than-prized possessions

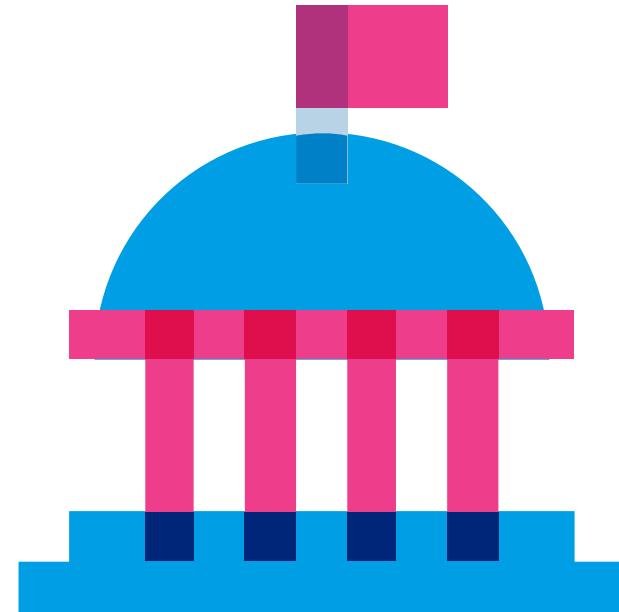
- Old phones, laptops & other tech + CDs, DVDs & books can all be easily sold
- 'Cash in the attic'
- Do you love it? If not chuck sell it!



Cost of living government help

- Council tax rebates
- Energy bills support scheme
- Energy prices have been capped until March 2023
- Cost of Living Payment

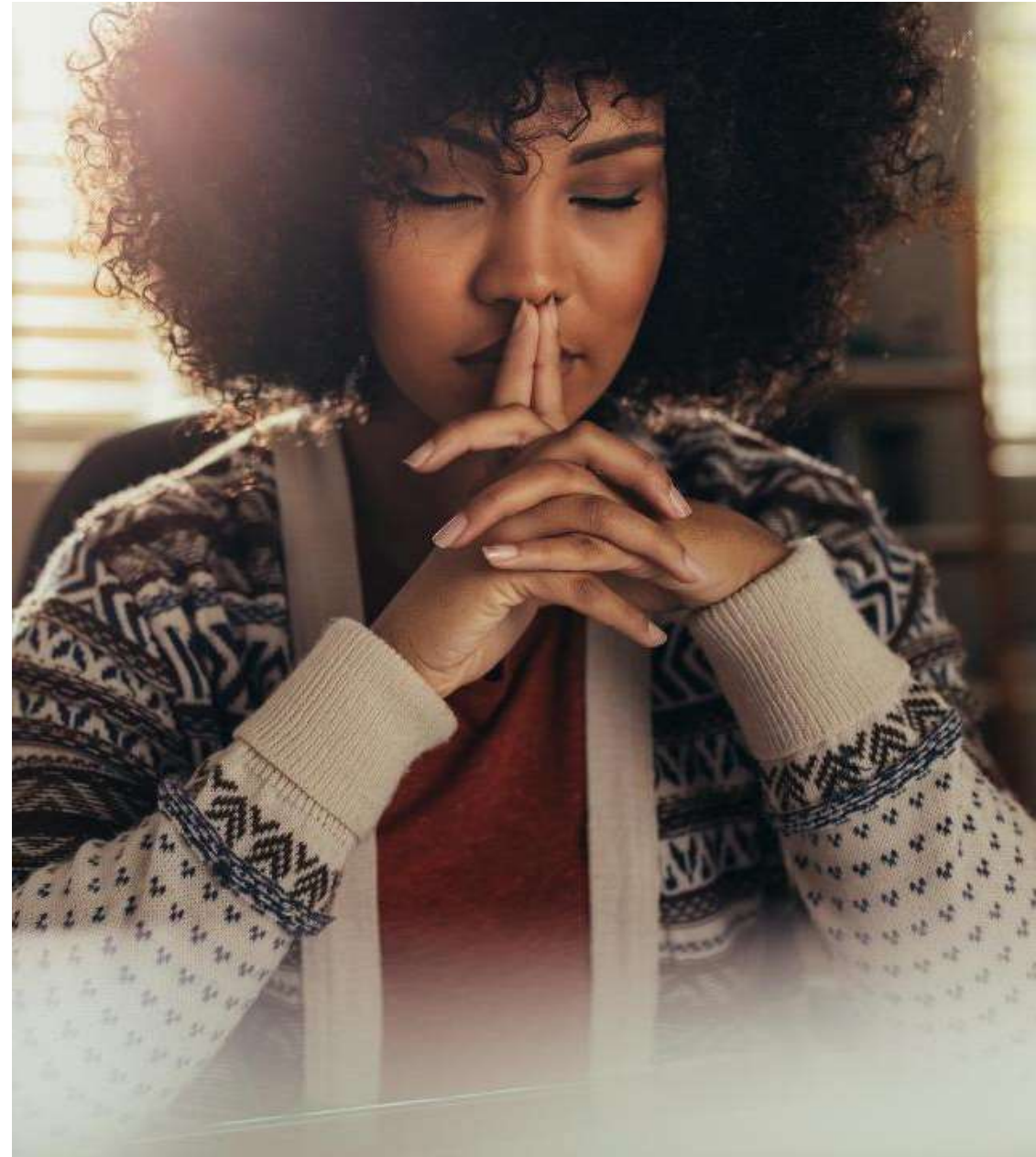
<https://helpforhouseholds.campaign.gov.uk/>



Debt repayments

Being in debt can be expensive, as debts must be serviced – by paying interest

- Consider [good vs bad debt](#)
- Get a free [credit score check](#)
- There are [many ways](#) to improve low scores
- Clearing bad debts could save you lots in interest, and so should be a top priority
- You could reduce credit card interest by doing a 0% [balance transfer](#)
- If you're struggling with debt, speak with a debt charity like Step Change



Being smart with debt

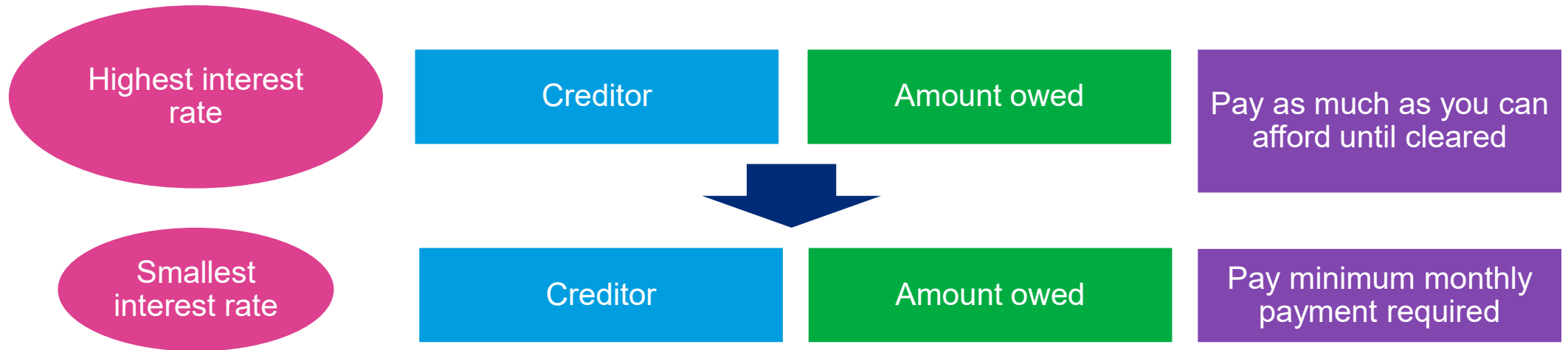
If you have lots of debts, you can use these methods to pay them all off:

Avalanche

vs

Snowball

Avalanche



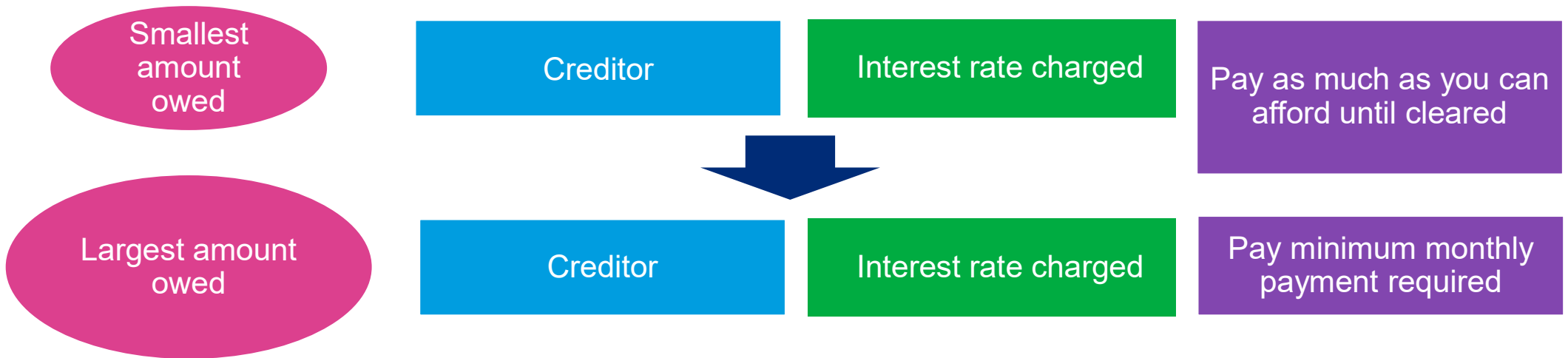
Avalanche

Pay off debts with the [highest interest first](#).

Order your debts from highest to lowest interest, and pay only the minimum payments on others. This is the cheaper option for the long term, as you pay less interest overall if you pay off highest interest debts first.

This is also quicker as when you don't pay off high interest debts, they continue to accrue and compound interest, increasing faster than lower interest debts would in the same amount of time.

Snowball



Snowball

Pay off **smaller** debts first, for quick wins

Provides momentum and motivation

Food

- Do you set a food budget?
- Where & when do you shop?
- [Compare prices](#), try the [downshift challenge](#)
- Do you have loyalty cards? Keep tidy with [Stocard](#).
Use coupons
- Reduce takeaway spend
- Grow your own!



Housing costs

- Could you save by installing a [water meter](#)?
- Home insurance: Do not auto-renew. Do you need add-ons? Don't over cover.
- Council tax: [Check your band](#)
- Home phone, broadband & TV services: Are these all must haves? Are there [better deals](#)?



Other must haves

- **Mobile phone:**
 - [Always renegotiate](#), don't just accept upgrade!
 - Consider handset upfront and SIM only contract
 - Save with a refurbished handset
- **Child care:**
 - Claim [state benefits](#) if eligible
 - [Tax free child care](#)



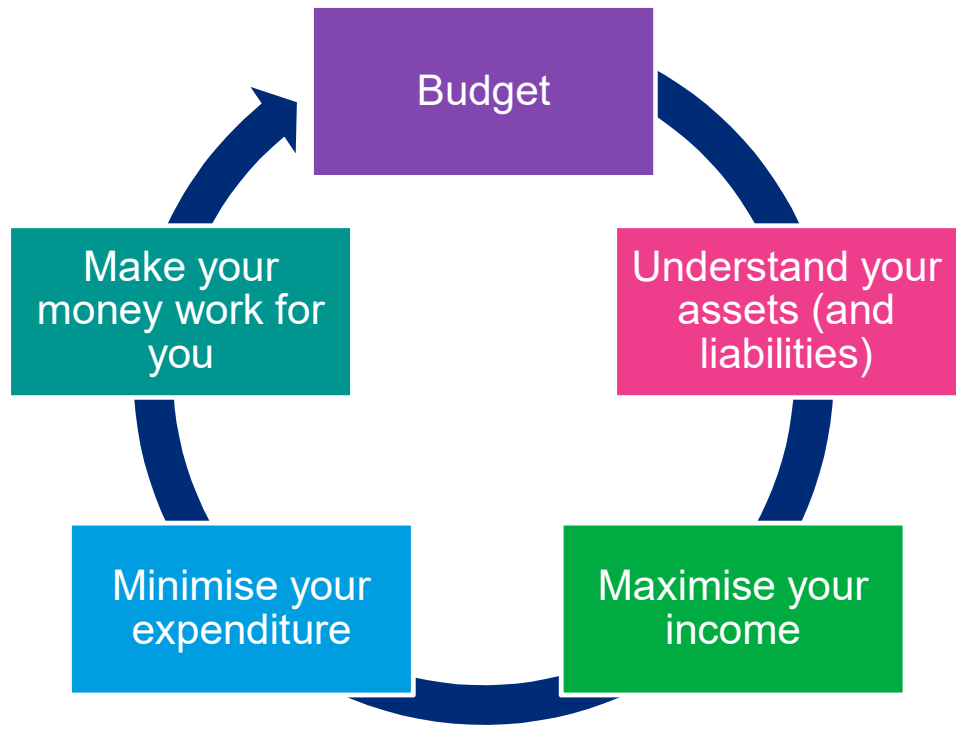
Some other quick wins

- Car insurance (Start looking for quotes 20-25 days before renewal date)
- Consider your other regular subscriptions?
- Cash back credit card? (beware risks)
- Cash back websites & discount codes?



Next steps?

4



Further help

Money Helper:

<https://www.moneyhelper.org.uk/en>

More money saving tips:

<https://www.moneysavingexpert.com/>

Help with debt:

<https://www.stepchange.org/about-us.aspx>

Help for households:

<https://helpforhouseholds.campaign.gov.uk>



Any questions?

5



Mercer Marsh Benefits is a trading name used by Mercer Limited who are authorised and regulated by the Financial Conduct Authority. Mercer Limited is registered in England and Wales. No. 984275.
Registered Office: 1 Tower Place West, Tower Place, London, EC3R 5BU.

Important Notices

NB: This document is for information only and is not personal financial advice. If you require financial advice you should seek this from an authorised financial adviser.

This document is based on our current understanding of legislation, taxation and HMRC practice, which may change in the future. Please also note that we are not lawyers or tax advisers and nothing in this document should be construed as legal or tax advice or relied on for this purpose. We strongly recommend that you seek appropriate advice in relation to matters of law and taxation.

The value of investments depends on market fluctuations and fund values can go down as well as up. Past performance is no indicator of future performance.

Investments in funds that invest in overseas assets will also have their value affected by fluctuations in currency exchange rates.

This presentation contains confidential and proprietary information of Mercer Marsh Benefits and is intended for the exclusive use of the parties to whom it was provided by Mercer Marsh Benefits. Its content may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity, without the prior written permission of Mercer Marsh Benefits.

Information contained herein has been obtained from a range of third party sources and may change in the future. While the information is believed to be reliable, Mercer Marsh Benefits has not sought to verify it independently. As such, Mercer Marsh Benefits makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy in the data supplied by any third party.