LET'S TALK MONEY

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Our finances are something that massively influence our lives and conversations are critical to getting them in the best shape they can be.

Use this guide to see what we should all be thinking about to stay in good financial shape throughout our lives.

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Its unbiased product information, provided as Star Ratings, helps consumers, financial institutions and financial advisers make better informed decisions.

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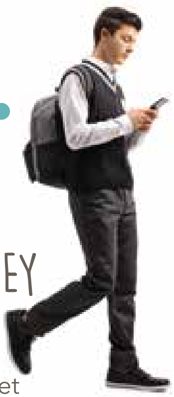


1.

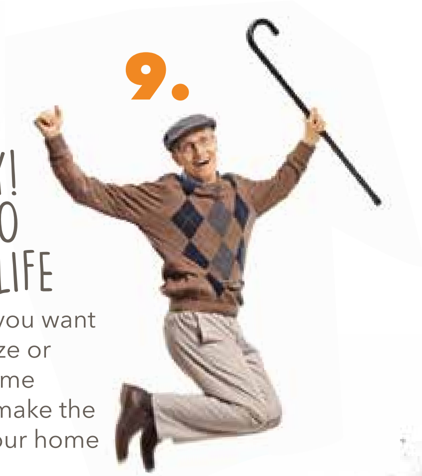
POCKET MONEY TO PROPER MONEY

Learn how to find your first bank account and budget

2.

DECISION TIME. COURSE OR CAREER?

Explore what you need to know about starting work or further education



9.

HOORAY! TIME TO ENJOY LIFE

Decide if you want to downsize or release some equity to make the most of your home

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8.

FOREVER YOUNG

Find the best ways of providing for your loved ones, even if you're not around

SORT YOUR 'FUTURE SELF'. NOW

3.

Get thinking about pensions, tax planning and investments

4.

FLYING THE NEST

Learn about renting, buying and managing your home

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TIME TO TOT UP

5.

Protect everything that you've accumulated

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TYING THE KNOT

Manage settling down and your finances

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HELLO WORLD

Prepare your child's financial future

POCKET MONEY TO PROPER MONEY

1.

bank account

Whatever you end up doing with your life, you're going to need a bank account to store and keep track of your money, but what do you need to consider when opening a bank account?

What type of bank should I use?

- High street bank?
- Bank owned by a retail group?
- Independent specialist bank?
- Local bank?
- Building societies?

TOP TIP

If you think you're going to need to regularly pop into a branch, make sure you choose a bank with a branch near home or work. Or if you think you'd rather do internet or app based banking, do some research into the platforms available to find one that's easy to use but with the services you need.

What offers should I be looking out for?

- Does it offer a debit card?
- Is there an overdraft available?
- Can I get a cheque book?
- Can I set up direct debits and standing orders?
- Do they offer additional extras at a cost? i.e. travel insurance
- Can I bank online?
- Do they have a branch locally?
- Will they help me switch accounts?
- Will they reward me for switching from another account?

What type of account do I need?

- Basic bank account – limited offers
- Standard current account – free of charge
- Packaged bank accounts – monthly or annual charge

What will I need to open an account?

You're likely to need two forms of identification – one to prove your identity and one to show your address

- Passport
- Driving licence
- ID card
- Utility bill
- Birth certificate

How much interest do they pay?

- Look at the Equivalent Annual Rate (AER)
- What overdraft facilities does the bank offer?

EVEN IF YOU'VE ALREADY GOT A BANK ACCOUNT SET UP, IT'S A GOOD IDEA TO CHECK YOU'VE STILL GOT THE BEST ACCOUNT FOR YOU.

Current account

A current account allows you to access a range of banking services which help you to manage your day-to-day money,
For example:

- Pay bills by direct debit or standing order
- Receive automated payments i.e. wage
- Gives you access to an overdraft (if authorised by your bank)
- Use a card to pay for things and withdraw money from the account
- Send money to other people, such as friends or family

Packaged account

There's also the option of a packaged account. This is essentially the same as a current account but for a small charge – usually £10 - £25 (1) a month – you can get some additional benefits.

These can include:

- Special offers such as preferential interest rates
- Breakdown cover
- Insurance cover e.g. for phone or travel

If you have low or poor credit history you may find that you can't open a current account, but don't fear! You'll still be able to open a basic account. This doesn't have an overdraft facility, but it does allow you to:

- Pay bills by direct debit or standing order
- Receive payments such as wages or benefits

IF YOU'RE CONSIDERING A PACKAGED ACCOUNT, BE SURE TO LOOK AT HOW MANY OF THE BENEFITS YOU GET AND WHETHER YOU WOULD ACTUALLY USE THEM. OTHERWISE, YOU MAY BE BEST STICKING WITH A STANDARD CURRENT ACCOUNT.

[1] https://www.telegraph.co.uk/finance/personalfinance/bank-accounts/11630332/Packaged-bank-accounts-could-you-get-a-1500-refund.html

Learning how to budget is incredibly important, because if you master it sooner rather than later you'll always have money for the things you need and are more likely to avoid getting into debt.

budget-

BUDGETING CAN BE SIMPLE IF YOU STICK TO THESE VERY SIMPLE RULES.
HOW TO BUDGET:

- SET YOURSELF A GOAL
- MOST IMPORTANT OF ALL – STICK TO IT!
- KNOW HOW MUCH COMES IN AND HOW MUCH GOES OUT
- PRIORITISE WHAT YOU NEED AND WHAT YOU WOULD YOU LIKE!
- WRITE DOWN YOUR BUDGET, AS A WRITTEN LIST, (OR IN A SPREADSHEET) OR THERE ARE PLENTY OF NIFTY MOBILE APPS AVAILABLE
- FACTOR IN THOSE SNEAKY ANNUAL COST THAT ARE EASILY FORGOTTEN (I.E. CAR SERVICE, BIRTHDAY PRESENTS OR CHRISTMAS)

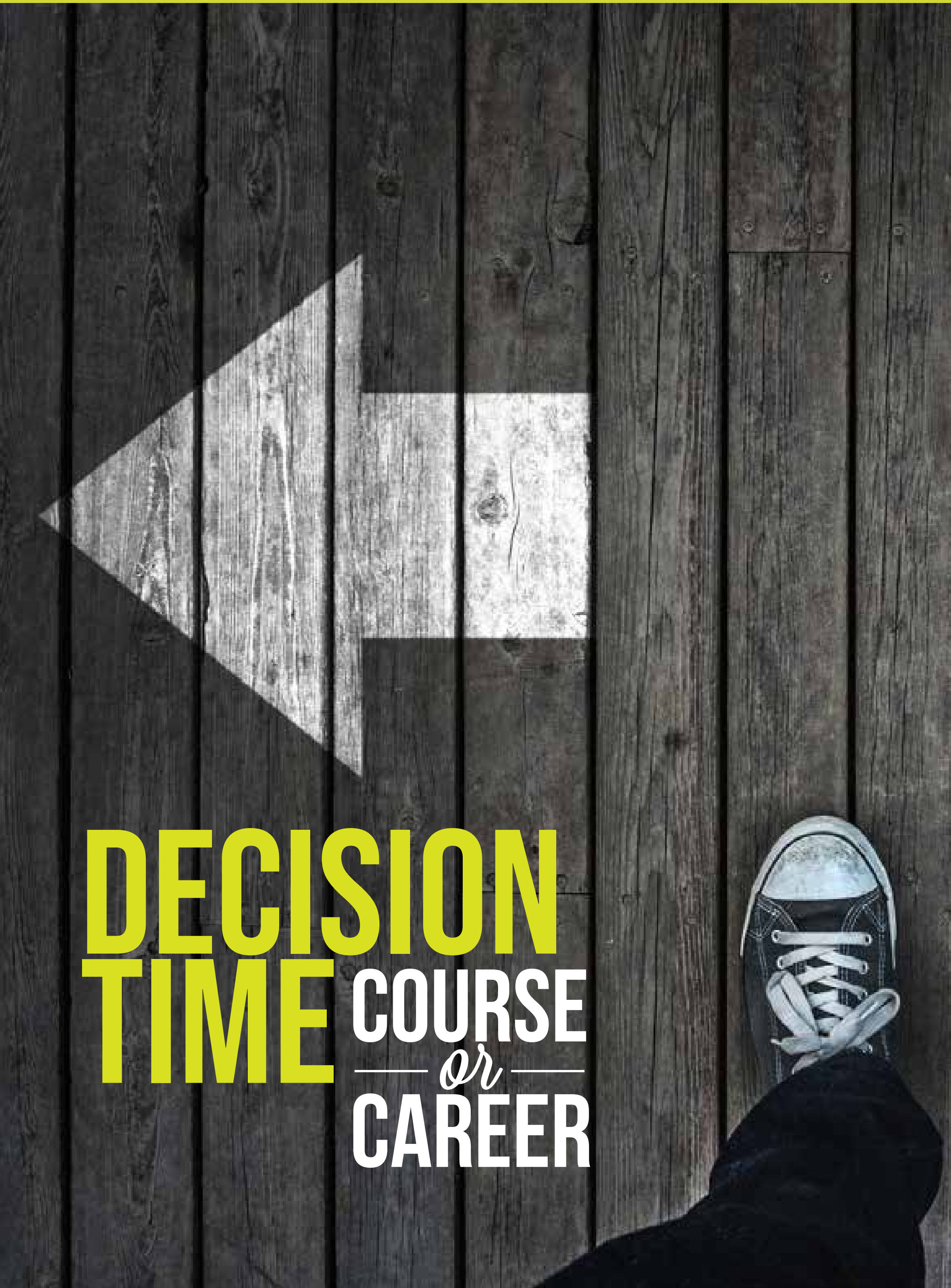
Your first step to setting a budget will be to outline all your regular expenses. There are a few ways to get an accurate idea of your expenses. It can be helpful to keep a spending diary each time you buy something to keep track over the whole month. Alternatively, if you regularly make card payments, you can look back through your bank statements to see exactly where your money's going. Once you've added up your costs, you'll need to see how they stack up against your total income each month – whether that's your salary, student loan or any other cash you have coming in.

HANDY MONTHLY OUTGOINGS GUIDE

	£
MONTHLY INCOME	
Rent or mortgage	
Household bills: Gas & electric Council tax Water TV licence Entertainment & internet Home insurance	
Food	
Travel (train, bus, petrol, taxis)	
Car (car service, road tax, car insurance)	
Mobile phone	
Fees (e.g. tuition)	
Loans	
Credit cards	
Subscriptions (e.g. Netflix, Spotify)	
Membership fees	
Clothing	
Groceries	
Leisure (e.g. hobbies, socialising, books & magazines)	
Events (Christmas, birthdays, holidays)	
Savings	
Other	
TOTAL MONTHLY OUTGOINGS	
REMAINING MONTHLY INCOME	

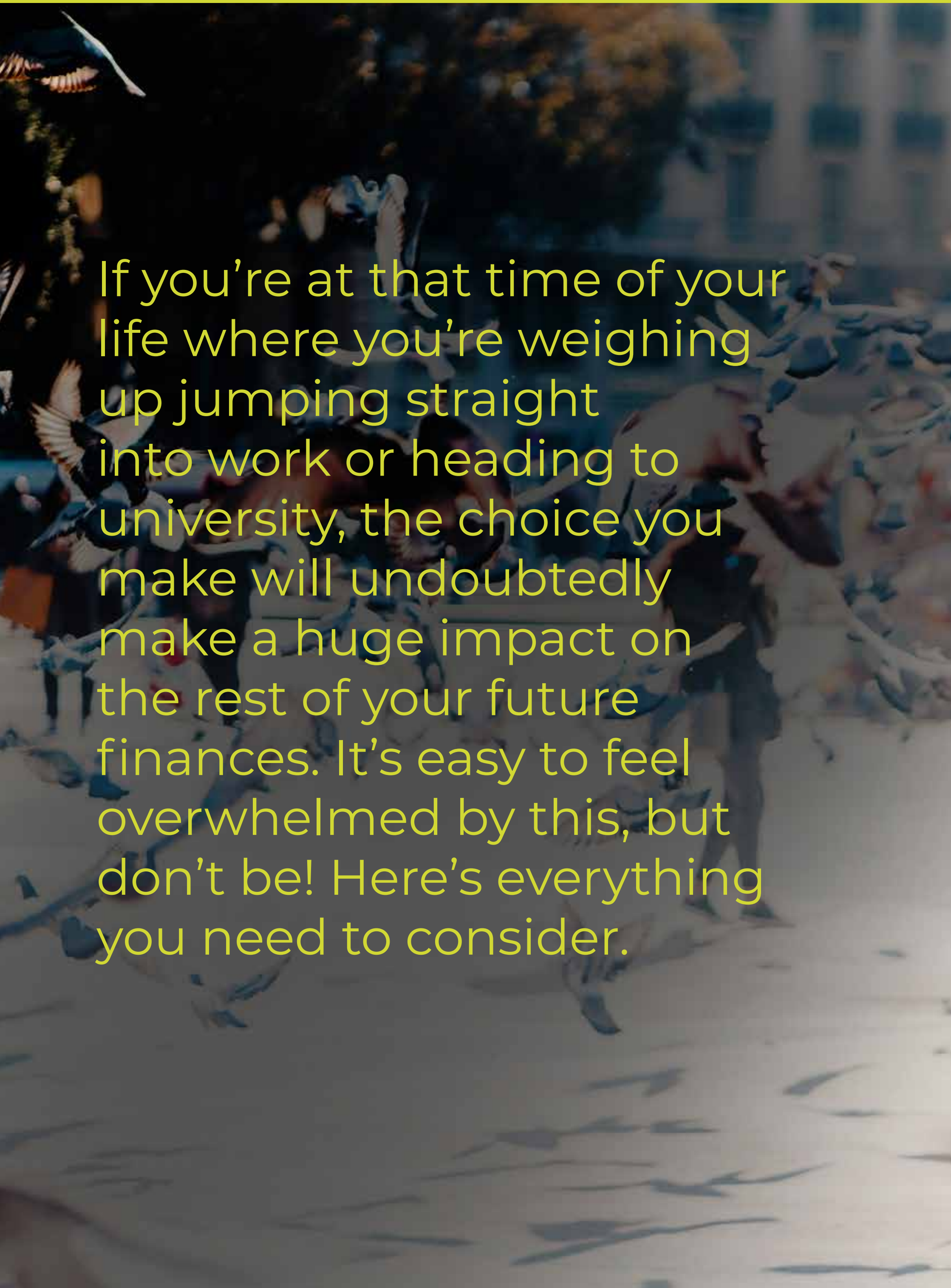
Finally, make sure you've got a clear picture of what you're trying to do with your money. Are you trying to make your cash last the month or save up?

Start prioritising your expenses to see where you might be able to reduce your spending, in order to achieve your goal. Could you make lunch at home instead of buying it ready-made each day? Do you have any subscriptions or memberships you don't need?



DECISION TIME
COURSE or CAREER


2.



If you're at that time of your life where you're weighing up jumping straight into work or heading to university, the choice you make will undoubtedly make a huge impact on the rest of your future finances. It's easy to feel overwhelmed by this, but don't be! Here's everything you need to consider.

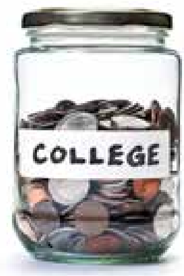
UNIVERSITY

studying

If you're considering university, you're going to have a whole host of new expenses to manage, potentially without much income to balance it out.

While your student loan will cover all of your tuition fees, the amount you'll receive from the Student Loans Company for living costs (your maintenance loan) is determined by your family's household income. You'll get more if your family has less income. However, you'll only begin to pay back the total cost of your loan after you graduate and earn over a certain amount.

Chances are you'll need to budget very tightly (many students offset this with part-time work) to make sure you have enough money to last throughout the year.



Take advantage of a Tuition Fee loan, as opposed to taking out a personal loan. Interest rates are lower; you only start paying it back after you've graduated and start earning over £26,575. In NI and Scotland the repayment threshold is £19,390.

FUNDING UNIVERSITY

There are a variety of options available when it comes to funding your University studies – from tuition loans, to scholarships and maintenance loans. Student finances might seem like a minefield, but here are some of the most important things you need to know:

- You're entitled to money to help towards tuition fees – capped at £9,250 per year for UK and EU students[1]
- Repayments are calculated at 9% per year of whatever you earn above the threshold and are paid back directly to the Student Loans Company. The amount of interest accrued after graduating is based on your earnings
- In addition, you may be entitled to a maintenance loan – this will be added to any tuition fees loan upon graduation to give you a total to repay (with interest)
- Maintenance loans help to cover living costs, such as accommodation, food, travel and going out. The amount you're eligible to borrow depends on several factors, including where you'll be studying and your family's household income
- Student finance can either be 'means tested' – when you need to disclose details of your family's household income to determine how much you're eligible for – or 'non-means tested' where you're not required to submit anything. It's important to note that all students are eligible for a basic rate of maintenance support, regardless of household income; this is based on where you live and study
- Consider part-time work, or summer jobs, to help supplement any loans/support you might receive and cover the cost of living at university
- Remember, if you're from a lower income family, you could be entitled to financial support from the university itself, in the form of a bursary or scholarship. This kind of finance, which can also be based on academic ability, extracurricular interests and even individual circumstances, does not need to be paid back and you should enquire directly with your university to find out more

[1] https://www.gov.uk/student-finance/new-fulltime-students


WORK

working

As soon as you're in a steady job, you should take the time to get to grips with the ins and outs of your finances so that you can make the most of your new income.

Revisit your budget and ask yourself the following questions:

Do I have any debt to pay off?

If you've racked up a bit of debt (maybe while studying), it's a good idea to prioritise paying it off first, since the interest you're paying on the money you owe is likely to be significantly higher than the interest you'd earn in a savings account.

How much can I afford to pay into a pension?

If you don't opt-out of your employer's pension scheme then you should consider if you can afford to pay more than the minimum percentage. Any increase in your pension contributions will impact your take-home pay so you'll need to look at your budget to check what you can afford.

TOP TIP

A good rule of thumb is to take the age you start your pension and halve it. Put this % of your pre-tax salary aside each year until you retire. Make sure you include your employer's contribution to that pension.

EVEN IF YOU'VE BEEN IN YOUR CURRENT JOB FOR A WHILE, YOU SHOULD REVIEW YOUR BUDGET REGULARLY TO CHECK YOU'RE MAKING THE MOST OF YOUR INCOME AND NOT PAYING OUT FOR THINGS YOU PROBABLY SHOULDN'T BE.

How much can I afford to save for a rainy day?

It might seem a little crazy, but once you've got a job you should also think about how you might keep up with your outgoings if you lost your job. One suggestion is that you should try and save at least enough money to allow you to keep on top of your main outgoings for 3 months, should you be made redundant or have an accident that means you can't continue to work.

YOU'LL BE WORKING HARD FOR YOUR MONEY AND YOU'RE LIKELY TO WANT TO PROTECT IT. SO, IT MAY BE WORTH CONSIDERING INCOME PROTECTION INSURANCE. FOR MORE INFO, SEE PAGE 44.

SORT YOUR ‘FUTURE SELF’ OUT. NOW

3.

Pensions, tax and investments might seem like they're a long way in the future, but it is something that we should be thinking about at every stage of life. When you start a pension plan and the changes that you make to it can make a huge difference to what you get when you retire. Trust us, if you think about it now your future self will owe you a huge high five!

PENSIONS AND RETIREMENT CONTRIBUTIONS

Pensions are not just for older people. It's just a tax-free way of saving for your retirement, and the idea is, the sooner you start paying into a pension the more money you're likely to

have when you retire. Auto-enrolment rules mean that if you're an employee, your employer must offer you a pension scheme. Contributions are normally made up of a minimum percentage of your salary plus an additional percentage from your employer. You have the option to say 'no' if you don't want to join your employers pension scheme. But, if you don't tell them you don't want to be signed up then you'll be opted in. Although you can just pay the minimum contribution it's a good idea to pay more if you can. What's more, pensions are not the only form of retirement planning so it's a good idea to speak to a financial adviser who specialises in advice on pensions and investments to help you get the best return on your investment.

TAX PLANNING

Once you're in work, you'll generally be required to pay income tax and National Insurance on the money you're paid by an employer through the PAYE system.

If you're self-employed or lucky enough to have any other income streams, such as income from a property, money you've inherited or interest on savings and investments they will all also be taxed.

However, as the tax for these cannot be collect through the PAYE system you might need to complete a tax return. If you're in this situation having a conversation with a qualified accountant can be immensely valuable both to avoid penalties and reduce your tax bill.
You will normally need to complete an annual tax return for the HMRC if you:

- are self-employed
- are a company director (but not if you are a director of a not-for-profit company)
- have rental or other income from property (unless it is less than a certain amount and can be dealt with through a PAYE tax code)
- have other income which is not taxed before you get it and the tax cannot be collected through the PAYE system
- receive Child Benefit and someone in your household has a taxable income above £50,000.[1]

INVESTMENTS

One of the ways to build on your savings is through making investments, such as in shares of a company, property or in a specialist investment fund.
However, it's important to emphasise that investments are not risk free and could result in you making a loss. Therefore, many people will get in touch with investment advisers who'll manage their investments for them.

Here, a conversation about what you're looking for in your investment is key. Some funds offer fast-paced, high-risk reward, others will take a more cautious approach. There's no right or wrong tactic – it's all about what you hope to see from your investment.

[1] https://www.gov.uk/child-benefit-tax-charge


FLYING
THE
NEST

4.

When it's time to get your own place there are plenty of things to think about, whether you're renting or getting on the property ladder... aside from who's going to do your washing of course!

BE SURE TO SPEAK TO YOUR LETTING AGENT AND CHECK YOUR TENANCY AGREEMENT AND GET TO KNOW ANY FEES YOU MIGHT BE RESPONSIBLE FOR BEFORE YOU SIGN.

rent-

Renting a home

Renting rather than buying might be the best option for you, particularly if you don’t have the deposit needed to buy a property.

However, there can be lots more to fit into your budget than just the rent you’ll be paying each month, so make sure you’ve budgeted for all extra costs.

Typical costs

From 1 June 2019, letting agents across the UK are banned from charging their own administration fees and they will be the responsibility of the landlord. Which could mean more money in your pocket!

Even so, there are still a few things you’ll need to make sure you have budget set aside for.

Referencing

After you have agreed an offer, the tenancy will be subject to successful referencing. To pass you’ll need to meet a pre-set affordability criteria. This calculation normally requires your gross salary to be at least 2.5 times the monthly rent.

Your credit score will also be checked, and your employer will be contacted to confirm your salary and employment details. If you’re in your probation period it’s best to be upfront about this. If you’ve rented before your previous landlord will also be contacted to make sure that you kept up with previous payments.

Paying rent in advance
You're likely to be asked to pay between 1 – 2 months' rent upfront, before you move in. The actual amount you'll pay will be dependent on your landlord and written agreement.

Deposit a refundable deposit guaranteed by the Tenancy Deposit Scheme
Now this isn't to be confused with paying rent in advance. A landlord can ask you to pay a tenancy deposit when you start renting your home. If it's ever needed, this deposit will be used to cover unpaid rent or damage caused to the property. But if it's not used it will be refunded to you at the end of your tenancy.

Ongoing costs:
TV licence: you'll need a TV licence if you:

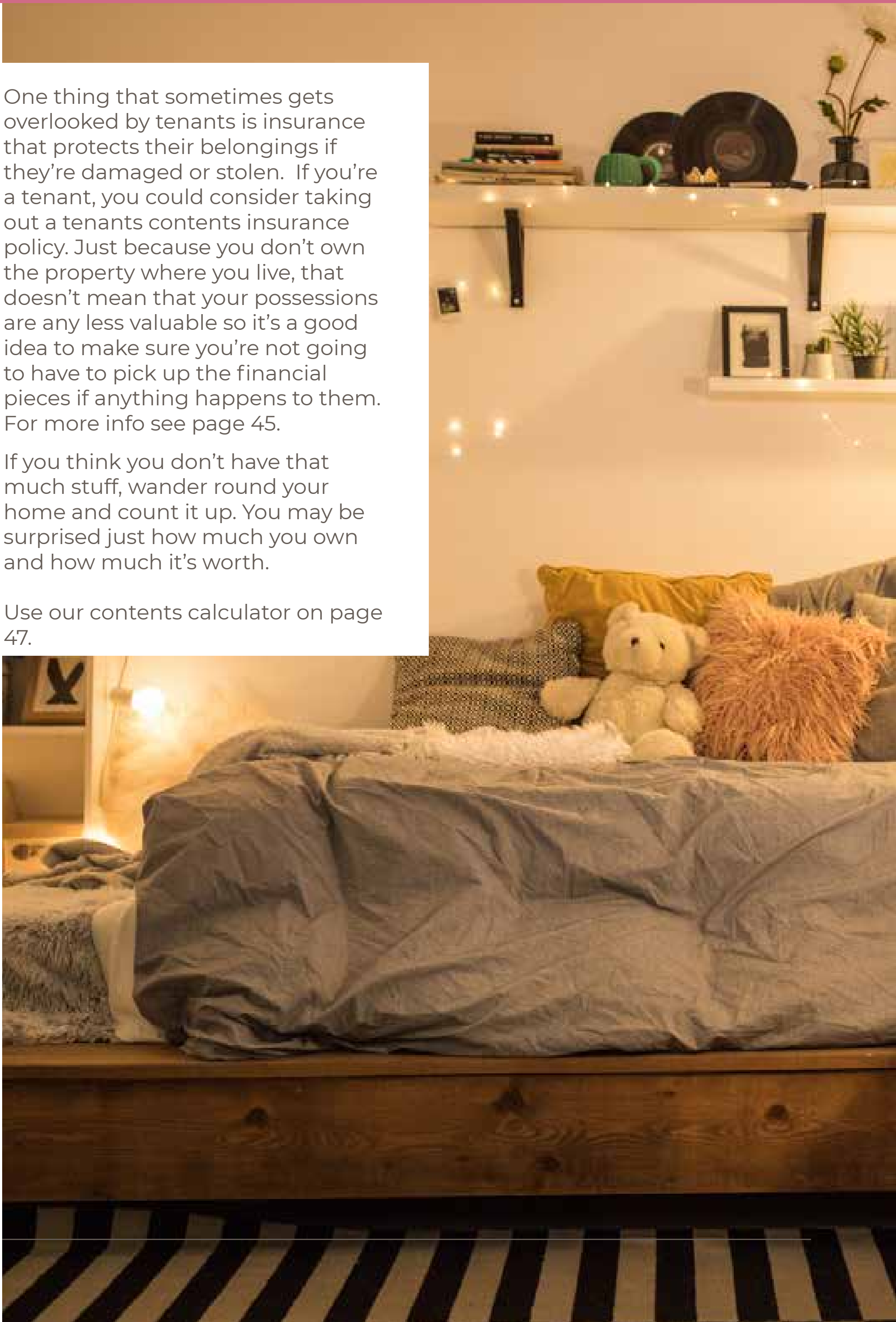
- watch or record programmes as they're being shown on TV
- or watch BBC programmes on the iPlayer, live, catch up or on demand on any other device.

You are responsible for paying for and obtaining your TV licence. Failure to produce a TV licence when requested by the licensing authority could incur a fine of up to £1,000.

One thing that sometimes gets overlooked by tenants is insurance that protects their belongings if they’re damaged or stolen. If you’re a tenant, you could consider taking out a tenants contents insurance policy. Just because you don’t own the property where you live, that doesn’t mean that your possessions are any less valuable so it’s a good idea to make sure you’re not going to have to pick up the financial pieces if anything happens to them. For more info see page 45.

If you think you don’t have that much stuff, wander round your home and count it up. You may be surprised just how much you own and how much it’s worth.

Use our contents calculator on page 47.



Bills

Are any of your bills included in the cost of rent, or will you have to arrange and pay for them yourself? If you're going to be paying them yourself, don't just take the offers you see at face value.

Utilities WHAT YOU MIGHT EXPECT TO PAY

	1-2 bed flat	3-4 bed flat	4-5 bed house
Gas	£45	£70	£80
	£55	£65	£85
Water	£35	£40	£45

Council tax

This covers the cost for local services such as rubbish collection, roads and street lighting, maintenance of parks and playgrounds, public leisure centres and contributes towards local police, fire and rescue services. It's an annual charge levied on every property and the amount charged is dependent on the size and value of your property; you have the option to pay one single lump sum or ten payments throughout the year. To give you some idea of what your annual Council Tax bills might be:

Council tax	1-2 bed flat between £1000 and £1700	3-4 beds between £1300 and £2300

buying

Buying a home

If you're thinking about buying your own home, then the first question you'll probably want to know is "can I afford it?".

There's lots of calculators out there to help you, one such tool is FirstMortgage.co.uk's Mortgage Repayment Calculator[1]. It can show you the approximate monthly cost of your mortgage. This will help you be realistic about what you can afford.

Making a deposit

Once you feel comfortable that you can keep up with your monthly mortgage payments the next thing you need to consider is how much will you need for the deposit. This is where having a conversation with an expert mortgage adviser can give you a distinct advantage in finding the right deal for your exact circumstances. Seeking the advice of somebody who works with different mortgage providers every day will ensure you're well informed about what you'll need to make your house purchase a reality. Once you know how much you're going to need, there are a range of government

[1] https://www.firstmortgage.co.uk/tools/mortgage-repayment-calculator

schemes for first-time and existing home buyers which you may want to discuss.

Right to buy/right to acquire

For those who rent their home from their local council.

This allows tenants who qualify, to buy their home at a discount. Usually tenants must have rented from the public sector for three years before they can buy under these schemes.

Shared ownership

This is where you buy a share of a home from the landlord. You need a mortgage to pay for your share, which can be between a quarter to three-quarters of the home's value. You then pay a reduced rent on the share that you don't own and can choose to buy a bigger share of the property in the future.


DON'T
FORGE

Don't forget

Legal fees

When it comes to buying a home, you'll generally need a specialist conveyancing solicitor to carry out the legal work involved. The Money Advice Service suggests that you can expect to pay around £850-£1,500 including 20% VAT. The conveyancer will also usually perform searches of the area to check for any problems, which could set you back another £250-300.

Stamp duty

Stamp Duty is a tax you'll have to pay on any property you buy in England or Northern Ireland (replaced by Land and Buildings Transaction Tax (LBTT) in Scotland or Land Transaction Tax (LTT) in Wales).

If you're a first-time buyer, you'll be exempt from paying any Stamp Duty on the first £300,000 of your property, as long as you're not paying more than £500,000 for the property in total.

Otherwise, if you've already bought a property in the past, you'll pay the following percentages on each portion of the property's cost:

Cost of the property	Stamp duty rate
Up to £125,000	0%
The next £125,000 (the portion from £125,001 to £250,000)	2%
The next £675,000 (the portion from £250,001 to £925,000)	5%
The next £575,000 (the portion from £925,001 to £1.5 million)	10%
The remaining amount (the portion above £1.5 million)	12%

You'll have to pay the amount you owe in Stamp Duty within 30 days of completing the purchase of your property, so make sure you're factoring in this extra amount when looking for a home.

So, you've got all of the admin and legal work out of the way, but have you budgeted for actually moving into your new home?

The exact costs of arranging for your belongings to be moved from one home to another can vary hugely depending on location, distance and how much stuff you've got to move. As such, it's important to search or ask around to get to know the costs in your area.

On top of that, how much are you going to need to spend to make your new house feel like home? Unless the property is brand new, you may need to set aside a budget for repairs, improvements and other adjustments once you've moved in, plus any hidden costs you might not have thought of.

& IMPROVING

WATCH OUT!!!

HIDDEN COSTS TO CONSIDER

- Land registry fee
- Buildings insurance
- Electronic transfer fee
- Property fraud fee
- Mortgage arrangement fee
- Moving costs e.g. boxes, tape, removal company, removal insurance, storage if needed

TIME TO TOT UP

5.

When you've settled into your new home, you should make sure you're protecting your investment and the things which matter to you, by getting the right types of insurance for your home, belongings and health.

MORTGAGE PROTECTION

Mortgage protection is insurance dedicated to helping you to fund your mortgage in the event of accident, sickness or unemployment, when you might not be able to earn the money you usually would.

Mortgage advisers will normally be able to give you more information on mortgage protection and make a recommendation on the right policy for you.

INCOME PROTECTION

Income Protection can help you protect a percentage of your income if you're ever unable to work because of an accident or illness. There are plenty of different policies on the market. They are designed to cover you for long periods of illness, and you can tailor how much of your income you want to continue to receive and for how long.

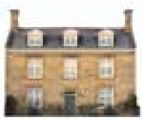
LIFE INSURANCE

Life insurance ensures that your family will receive money to support them financially in the event you pass away during the terms of your contract. Depending on the type of policy you get, it can either pay your family a lump sum which they could use to pay off your mortgage or it could provide regular payments.

IF YOUR FAMILY RECEIVE A PAY-OUT IT COULD AFFECT ANY MEANS TESTED BENEFITS THEY MIGHT OTHERWISE BE ELIGIBLE FOR.

HOME INSURANCE

Home insurance can cover lots of different things, so it's essential to double check exactly what is protected by any policy you take out. For example:



Buildings insurance

Buildings insurance will cover the property itself, in the case of an event like a fire, flood, storm, or other damage. You can usually add cover for accidental damage, such as drilling into a pipe, or putting your foot through a ceiling while in the loft.

IMAGINE PICKING UP YOUR HOUSE, TURNING IT UPSIDE DOWN AND SHAKING IT. MOST OF WHAT FALLS OUT IS WHAT CONTENTS INSURANCE IS FOR

Contents insurance

will protect your belongings which are not part of the building, e.g. any furniture, clothing, carpets, electronic devices or appliances.

Some home insurance policies will include both buildings and contents insurance. However, the small print in certain policies might mean they only pay out under very particular circumstances, meaning you might not get the cash you need.

TENANTS CONTENTS INSURANCE

Tenants contents insurance is designed to meet the specific needs of those living in a rented property. It can provide cover for a tenant's personal belongings and includes tenants' liability insurance, which means the tenant is protected should they need to cover the cost of any accidental damage to the landlord's fixtures and fittings.

Bear in mind that, while comparison sites can be useful for a broad overview on insurance deals, they often won't give the full picture on the deals available. Again, this is where speaking to an adviser, who can tailor a deal to your exact circumstances, can be especially valuable in ensuring you find the right insurance for you.

TIP Take a look at this contents calculator to help

HOW MUCH ARE ALL YOUR *things* WORTH?

Did you know the average value of contents in a three bedroom family home is estimated at £55,000[1]?

BEDROOMS

FURNITURE	£
TVS	£
SHOES AND CLOTHES	£
JEWELLERY AND WATCHES	£
CARPETS AND CURTAINS	£
SOFT FURNISHINGS	£
PICTURES AND ART	£
MIRRORS AND ORNAMENTS	£
ACCESSORIES	£
OTHER	£
TOTAL	£ ________

KITCHEN

FRIDGE FREEZER	£
FURNITURE	£
OVEN	£
WASHING MACHINE	£
TUMBLE DRYER	£
MICROWAVE	£
KETTLE & TOASTER	£
COFFEE MACHINE	£
BLENDER	£
POTS, PANS & UTENSILS	£
PICTURES, MIRRORS & ORNAMENTS	£
OTHER	£
TOTAL	£ ________

OUTDOORS

PATIO SET	£
GARDENING EQUIPMENT	£
TOOLS	£
BIKES	£
BBQ	£
OTHER	£
TOTAL	£ ________

LIVING ROOM

SOFAS AND CHAIRS	£
FURNITURE	£
TV, COMPUTERS AND LAPTOPS	£
STEREOS & SPEAKERS	£
GAMES CONSOLES	£
DVDS, VIDEO GAMES AND BOOKS	£
DIGITAL DOWNLOADS INC. MUSIC	£
CARPETS AND CURTAINS	£
SOFT FURNISHINGS	£
PICTURES AND ART	£
MIRRORS AND ORNAMENTS	£
OTHER	£
TOTAL	£ ________

DINING ROOM

FURNITURE	£
CARPETS AND CURTAINS	£
SOFT FURNISHINGS	£
PICTURES AND ART	£
MIRRORS AND ORNAMENTS	£
OTHER	£
TOTAL	£ ________

THE REST OF THE HOUSE

CABINETS AND SHELVES	£
SOFT FURNISHINGS	£
PHONES	£
TABLETS	£
MP3 PLAYERS	£
HANDHELD GAMES CONSOLES	£
E-READERS	£
CAMERAS	£
SAT NAVS	£
PRINTERS	£
TOYS	£
OTHER	£
TOTAL	£ ________

GRAND TOTAL: £ ____________

TYING THE KNOT

6.

By the time you're ready to settle down, you'll probably realise very quickly that what the romcoms forget to mention is how drastically falling in love can affect your finances!

Wedding budget

Even if you're only planning a small event, you're still going to need to save for it very carefully to avoid causing yourself financial issues later on.

Remember, a wedding is not too different to any other large purchase, in terms of budgeting. So, make sure you work hard to separate the financial reality (how romantic!) from the emotion of the occasion. Figure out each individual cost, shop around and do your research to find the best deal, and most importantly, only have a wedding on a scale you can afford.

A 2019 survey reported that the average cost of a wedding in the UK is an enormous £31,974.

Financial roles and goals

An often-overlooked part of starting a life together is having a full and honest conversation about what financial roles you'll each take in the relationship. There's no right or wrong way to arrange this and it's entirely down to what works for you and your partner.

For example, you may wish to open a joint bank account with your partner to allow you to manage your finances more co-operatively. This can be very helpful, in particular, for funding the expenses you're involved in together, such as your wedding, home or other day-to-day costs. However, you may decide to keep your finances separate. Bear in mind that if one of you has a low credit rating, opening a shared account could then affect both of your scores.

Other things to consider are whether you'll both need and/or want to work, how other responsibilities such as childcare will be managed alongside your working lives, and how your shared income matches up to your expenses in any of the arrangements you have in mind.

Wills and Powers of Attorney

Getting married has a huge impact on the laws around how inheritance works, so you should both either update your wills or set up your wills if you don't already have them in place.

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[1]https://www.hitched.co.uk/wedding-planning/organising-and-planning/national-wedding-survey-2019/


HELLO
WORLD

7.

Every parent knows that as wonderful as they are, 'little people' can be very expensive. So, teaching children from a young age that money is not an infinite resource, and the best ways to look after it, could serve you all well in the future.

Saving

It's never too early to start teaching children about saving. With the average university graduate's debt reported to be over £50,000 in 2017, finding this amount of money might be quite daunting if you don't get planning for the future.

One of the most consistent pieces of advice is to start saving as early as possible to allow as much interest as possible to accumulate by the time your child heads off to uni.

To help with that, there a few different types of saving funds you can set up, whether it's for their university degree or to help them buy a car or even their own home, so it's worth discussing with an expert what option would work best for your family.

Investing

On page 27, we talk about some of the pros and cons of placing your money in an investment fund, which is just one option for longer-term investment for your children.

There are options designed specifically for building a fund for children, such as a junior investment savings account (Junior ISA). Parents and guardians can invest a set amount each year which will gain returns free of tax, and only become accessible once the child turns 18.

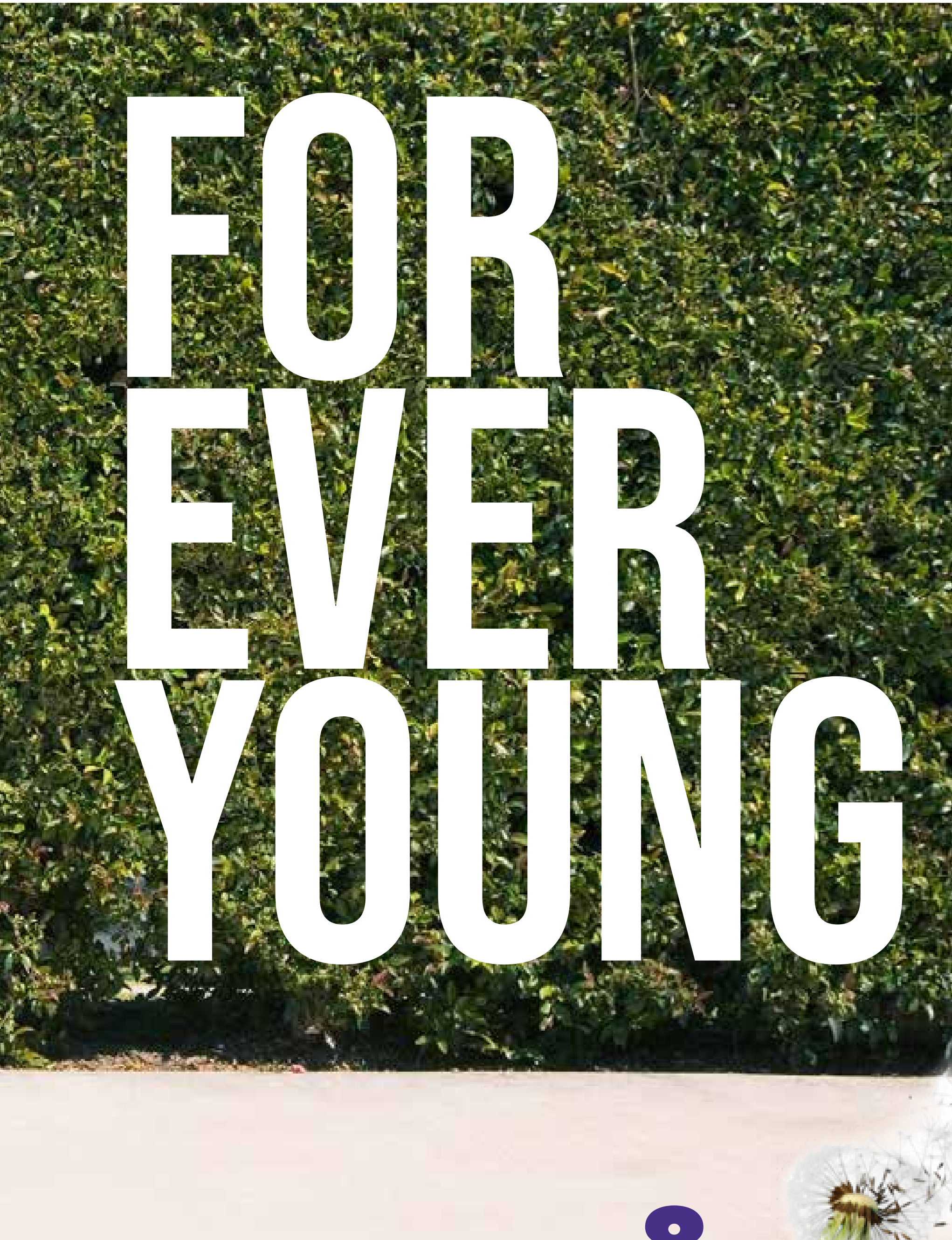
It's never too early to start learning

A simple but very effective way of teaching children about money is a piggy bank. It's a great practical tool that you can use to start conversations about money. You can use it to talk to them about the value of different coins and notes, and that bigger coins aren't necessarily more valuable.

You can also use a piggy bank to instil a sense of responsibility by letting them empty it at the weekends to pay for treats or keep what they've saved.

Never underestimate the power of the piggy bank!

Nobody wants to think about the possibility of not being around for their children, but unfortunately, it's something that could happen. So, make sure you have a will in place which outlines your wishes in terms of guardianship in your absence and seek advice around getting your finances in order to ensure your loved ones are always looked after.



FOR EVER YOUNG

8.

estate planning

You've reached that time of life, when you've accumulated lots of stuff... a beautiful home, a Volvo, a couple of kids, investment and pension plans galore and a pretty impressive collection of steak knives! So, now it's time to decide who exactly inherits your belongings when you pass away.

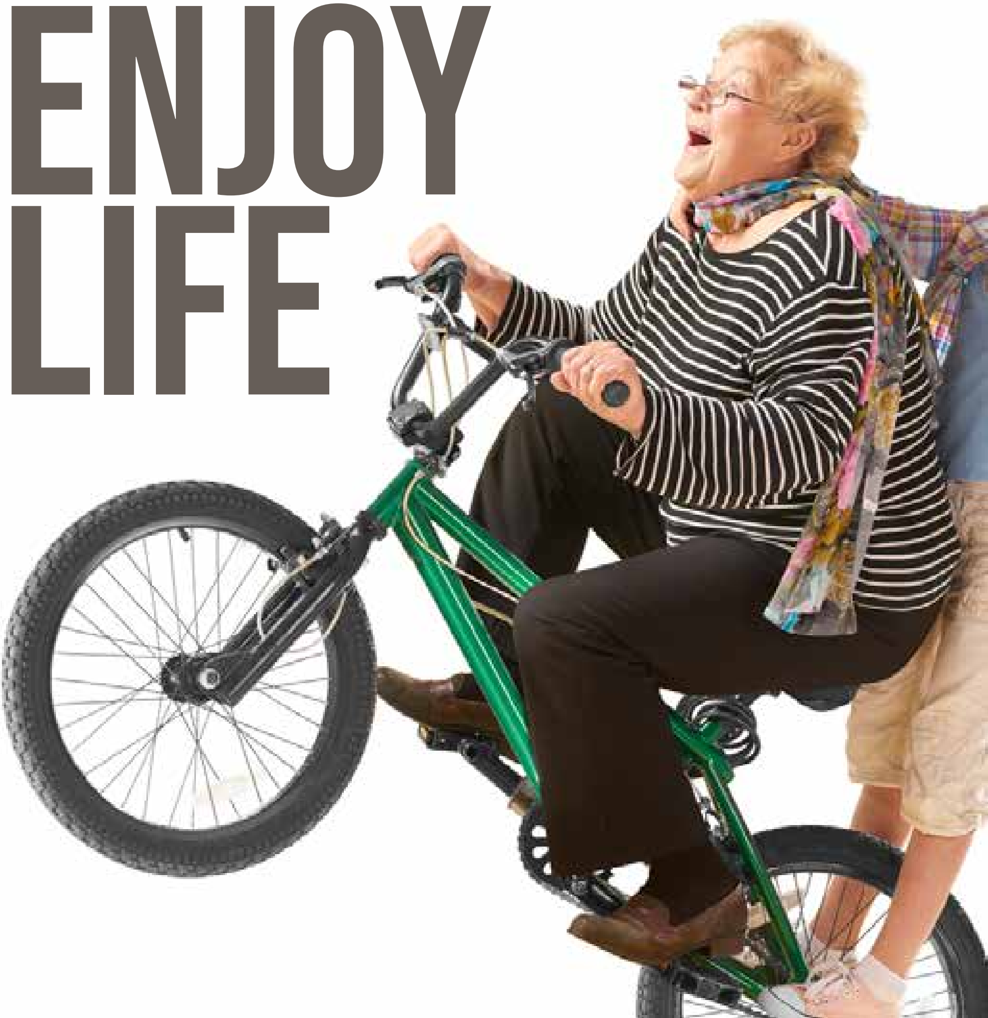
Anything you own – property, belongings, money or other assets – is part of your estate. But if you don't have an up-to-date will, ideally drafted by a solicitor or legal executive who specialises in wills, trusts and estates, divvying up your belongings can get very complicated.

If you have younger children, an important part of this is to name a personal guardian who will be responsible for taking care of your children if both parents aren't around and managing any inheritance they receive from you.

Similarly, you can avoid disputes in the future by having a conversation with a family lawyer about naming a lasting power of attorney – a person who would be responsible for your health, estate or finances if you become incapacitated or unable to look after your affairs.

SORRY THIS BIT IS A BIT OF A DOWNER,
BUT IT'S REALLY IMPORTANT

HOORAY! TIME TO ENJOY LIFE



INCOME IN RETIREMENT

The process of investing pension savings to produce an income in retirement is known as drawdown. Getting it right means making sure you have the income required for the rest of your life and your beneficiaries lives but getting it wrong can seriously impact your standard of living.

It requires considerable knowledge and skill to balance the positives and negatives of each of your income sources such as state benefits, cash, ISAs, pensions, equity release, stocks and shares alongside the need for access and control while selecting a flow of income that's appropriate from each asset and determining the timing of it.

THE COMMON PITFALLS YOU WANT TO AVOID ARE:

TAX ON WITHDRAWALS
TAX ON CONTRIBUTIONS
TAX ON SAVINGS
LOST CAPITAL
LOST INCOME
LOST PARTNER'S INCOME

That's why it's always best to seek professional advice about preparing for retirement as well as making sure your circumstances are reviewed on a regular basis.

When speaking to an adviser you'll need to provide them with an understanding of your outgoings as well as any future income needs and aspirational expenses.

To help your adviser understand your income needs consider categorising them as core v's lifestyle expenditure.

downsizing

One of the most common ways of freeing up a large sum of extra cash in retirement is to downsize your home, as often people find they don't need the space they once did. By moving to a smaller home, you can find a property which has the room you need, or is more convenient for your lifestyle in retirement, while having some extra money to enjoy your retirement more fully.

You could even be generous and gift some of your money to your children or grandchildren, perhaps giving them a helping hand on to the property ladder. But if you're not that way inclined, here's other ways you could spend the money.

- Clear existing debt
- Improve your home
- Pay off your existing mortgage

Equity release

Some retirees also explore equity release options. This is the process of borrowing a sum of money which is secured against your home. You'll receive a tax-free cash sum, and be able to continue living in the home for life. The money you borrow has interest added to it each year, but is repaid to the lender only when you die or go into long-term care and your house is sold. The exact terms of how these deals work can vary quite widely, and you will have to speak to a specialist financial adviser on how the options relate to your property and whether it could work for you.

9.

SEEKING PROFESSIONAL ADVICE

Hopefully we've given you some food for thought, but remember, this is just a guide to get you thinking and talking about money. If you're about to buy a house, purchase important insurance cover, enter the world of investments or start planning for retirement we strongly recommend having a conversation with a professional.

In case you're worried about how to find a good adviser, here's some things to find out before you take the plunge:

- **Who are they and what are their credentials?** It might sound obvious, but make sure the person you're speaking to has the right experience and expertise to guide you in the right direction. A good place to start is to ask family and friends if they have any recommendations. If not, it's good to ask about what they specialise in, who they've helped (examples and case studies are always a good sign), and how they can help you. You could even ask them to put you in touch with a previous customer so you can get some feedback on their experience.
- **Ask yourself if you've given them the full picture.** It's a good idea to make sure you tell the adviser as much as you can about your personal circumstances and what's important to you. The more information they have, the better informed their decision will be. *How much do you have in savings? What is your income and your outgoings (be honest)? What's your appetite for risk? What are your long-term goals?*
- **What products are available, and which are best suited to you?** Ask for a simple explanation of the range of products out there, how they differ, what they offer, and which ones fit your brief the best. Be sure to question what they mean if there's any words or terms you don't understand. The more information you have, the better informed you'll be when coming to a decision.
- **How do they work?** What methods do they use when helping you come to a decision and what kind of relationship will you need to establish – is one meeting sufficient? What kind of updates will you get? And how much contact will be made over the course of the agreement?
- **The all-important question: how much will it cost?** Find out how much the overall cost will be, including any costs for the advice you're receiving. You need to ensure that the product matches your requirements, so cheap isn't always the best route; however, the adviser should help you to make sure anything they recommend is something you can afford.