



8 TIPS FOR MANAGING YOUR MONEY IN 2021

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FINANCIAL ADVISOR



BE

PREPARED

FOR 2021

A YEAR OF CHALLENGE AND OPPORTUNITY

In today's world, financial advice is more important than ever. The coronavirus pandemic has reminded us all of how unforeseen events can rock the foundations of a stable financial footing, whilst recent changes in pensions and financial regulation have placed more responsibility into the hands of individuals.

However, there remains a significant advice gap, with fewer than one in six people taking advice. This is due to a lack of awareness of the benefits and of how and where to find it. Many also believe that advice isn't affordable for them, however the majority of the time, this is not the case.

Under usual circumstances, people's lives are so busy that they don't have sufficient time to think about their finances. However, the present circumstances have presented an opportunity to do the research you need and speak to someone with the necessary expertise. You may have been thinking about finances and how to best organise these, but this may not have turned into action yet.

With the end of the pandemic now in sight, you may not get a better opportunity to make those changes.

Chris Cohen

Independent Financial Advisor





“The secret to getting ahead is getting started.”

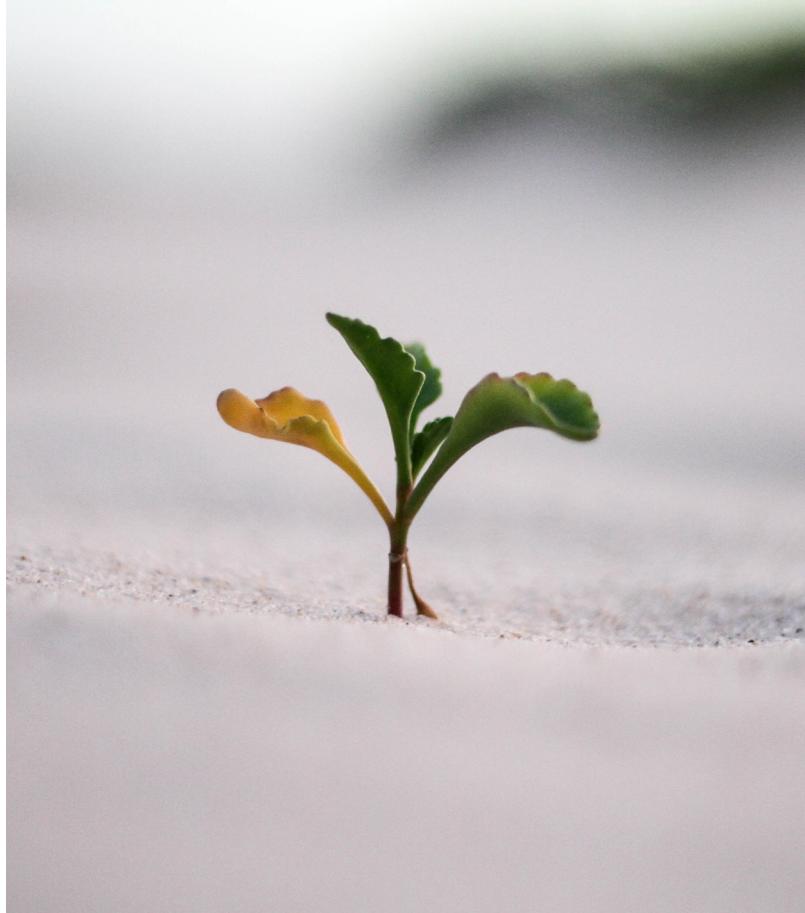
MARK TWAIN

TIP ONE: GET STARTED!

Taking your first steps can be one of the hardest parts of planning your finances. However the events of 2020 have brought into sharp focus financial issues that you may not have previously addressed. For instance, you may not have set a budget to give you greater control over your income and outgoings, put any funds aside for a rainy day, or have sufficient insurance in place.

Shorter term debts such as credit cards should be the first priority, even if it's just reducing the amount outstanding. If you are having difficulties paying debts, speak to your bank or lender, as providers are required to be as supportive as possible and can temporarily reduce payments and permit payment holidays.

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TIP TWO: CREATE YOUR OWN INSURANCE BUFFER

Ask yourself what the financial implications would be for you and your family if you were unable to work due to ill health. What risks might you face? These are different for everyone, so you should consider your circumstances and those of your dependents to work out what you need.

It's useful to know that parents or grandparents can pay protection premiums for a younger member of the family, particularly if they are starting out on the property ladder. Critical Illness Cover or Income Protection are more expensive but can give you extra piece of mind.

TIP FOUR: UNDERSTAND EMPLOYER PENSION CONTRIBUTIONS

If you have an employer's pension scheme, this means you'll be receiving both government tax relief and contributions from your employer. Even if you are self-employed, starting or increasing your pension payments is perhaps the most tax-efficient way of boosting your long-term finances.

But to really get the most from your workplace pension, it's worth looking at the details. Start by checking how much you're putting in, whether you can afford to contribute more, where your funds are invested and how much more your employer would pay in if you wanted to increase your contributions. If you have your own Ltd company, pension contributions could count as a company expense, reducing your corporation tax liability.

TIP THREE: WORK OUT SPECIFIC GOALS

Nowadays, saving for the future is less about age and more about planning for objectives. You're saving for a purpose, with an end goal in mind. If you work backwards, that helps with working out what you need to do.

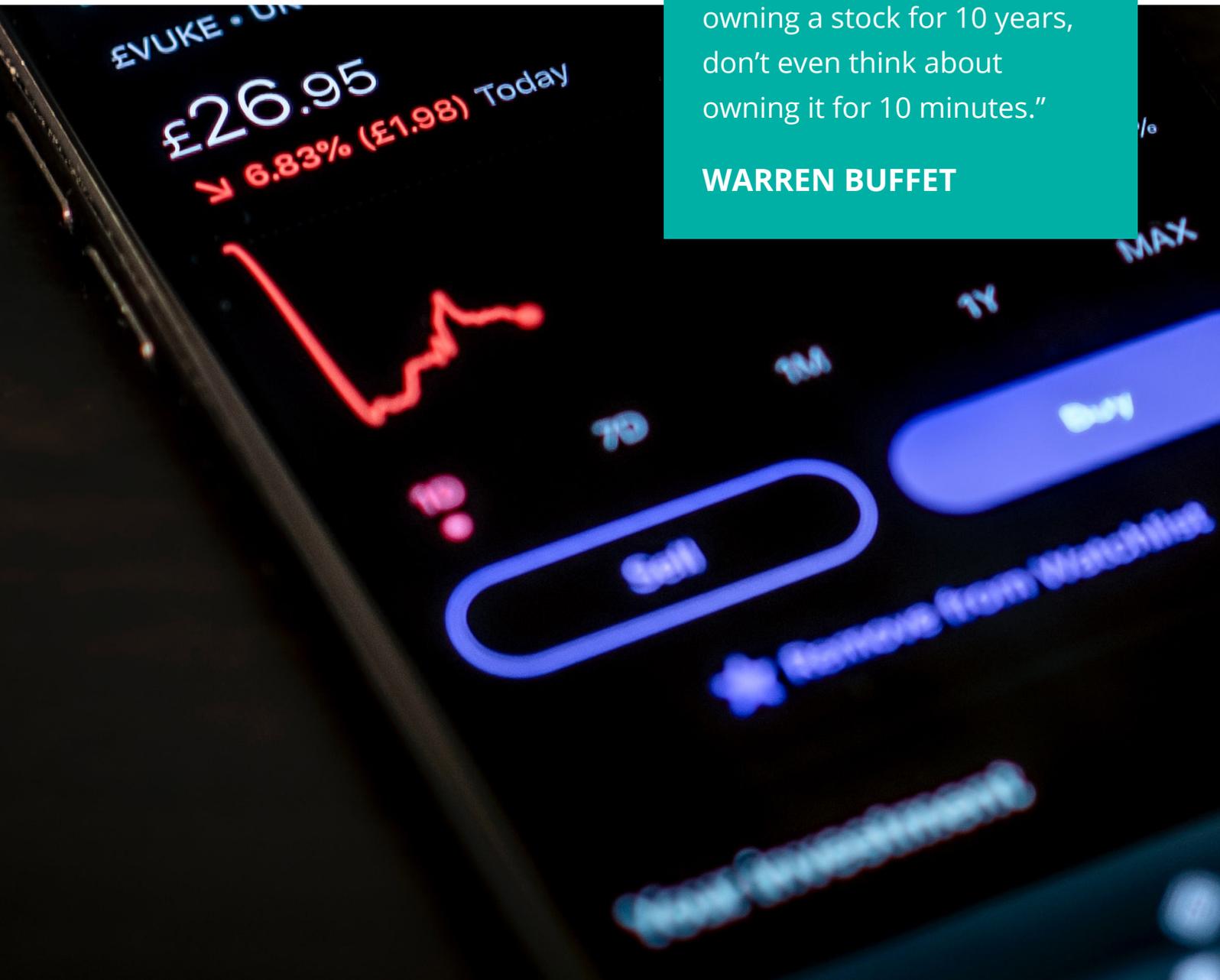
It can be hard to know exactly how much you need to save by a certain time, but an estimated figure can help. For instance, if you are thinking about retirement, one option is to think in terms of having saved multiples of your salary, or a percentage of your earnings.

TIP FIVE: DON'T TIME THE MARKET. SPEND TIME IN IT

The pandemic has highlighted how investing inherently carries risk.

Periods of uncertainty heighten volatility in the market, which can see the value of your investments fluctuate. But over time, markets tend to regain their losses and, over the long-term, can generate significant returns.

This is why 'time in', instead of 'timing' the market is the best way to reach your long term financial goals.



"If you aren't thinking about owning a stock for 10 years, don't even think about owning it for 10 minutes."

WARREN BUFFET

“Educating young people about the advantages of budgeting, saving, investing and giving back is one of the most important lessons in life ”



TIP SIX: START SAVING FOR YOUR CHILDREN

Educating young people about the advantages of budgeting, saving, investing and giving back is one of the most important lessons in life that needs to be taught early on.

Taking small steps by investing little and often from an early age can make a dramatic difference to a young person's future, giving them a head start towards financial security.

if you were to invest £150 a month (£5 per day) into a pension for just the first 10 years, assuming a 7% growth rate per annum, this would lead to a £1.2 million investment by the time they reach age 65.

Or, by investing a smaller amount of 50p a day (£15 per month) up to the age of 10 could return £120,000 over the same period.

The important thing is to start investing early so that your money has plenty of time to grow. A little goes a long way!

TIP SEVEN: TAKE ACTION IF YOU'RE NEARING RETIREMENT

If you're already a bit older and don't have the advantage of starting early or you feel you can't afford to save enough each month, don't worry, there are still actions you can take.

Start by reviewing all your assets and savings, be it cash in savings accounts, property, any ISAs, together with your pensions and consider how all of these could 'work smarter' for you.

If you have any old workplace pensions, these can be consolidated into one, making it easy for you to administer and keep track of progress.



AND FINALLY...

GET THE RIGHT ADVICE

Your plans, circumstances and priorities may well have changed since this time last year. The ways in which most of us now plan our futures mean there is a fundamental difference between the actions needed to be taken now and what was expected in years gone by. There is no one-size-fits all anymore. Everyone's journey will be different, so everyone needs a plan.

Taking advice is a very good way of dealing with the uncertainty and working out a way forward. There are so many moving parts that it's very easy to make the wrong choices.

As we all have different views and objectives, it can make a huge difference to work with an expert who can map out a plan and help you keep it on track. The upheaval of recent months has meant the goals you had in place at the start of 2020 may no longer be fit for purpose and might, in some cases, need a more urgent review.

I may be able to help. If you feel that your financial wellbeing could be improved and would like a one-hour no-obligation chat to discuss your situation, please feel free to get in contact with me on [0117 919 2680](tel:01179192680) or by email at: chris.cohen@comeragroup.co.uk





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Chris is a Financial Adviser with considerable industry and practising experience. After graduating with a first class degree in Business and Management, Chris has spent over 10 years helping people to manage their finances.

Chris has specialist experience in all areas of wealth management. Building meaningful relationships is always his number one priority, so that he can understand what's important and help make your goals a reality.

