

# Rising Cost of Living:

## Tips to maintain financial wellbeing

Wellbeing has never been so important, particularly with such a turbulent year - and it's extremely likely there is far more throughout 2023.

Money matters plays a big part in our feeling of wellbeing. Yet there are financial worries for households in all corners at the moment. Inflation means the cost of everything is soaring from groceries to energy bills, clothing to restaurant meals out, and holidays to home improvement works.

The rise in the cost of living is perhaps the main source of angst for many households. The latest data<sup>1</sup> shows that the Consumer Prices Index (CPI) rose by 10.4% in the 12 months to February 2023, slightly up from 10.1% in January 2022.

Meanwhile global stock markets are suffering which means that the value of our investments and pensions is currently less healthy. While savers will be seeing a better return on their money thanks to rising interest rates, those returns are still not keeping up with inflation.

The current economic environment could be triggering stress among many people. Getting in control of your money matters can be a huge step forward in gaining some clarity and peace of mind. In some circumstances, you can take steps to regain control and get yourself in a better financial position.



Here are five tips on how you can improve your financial wellbeing.

### 1. ENGAGING WITH FINANCES

Make managing money part of your routine - build it into your daily or weekly tasks whether that be monitoring your everyday spend, weekly outgoings, or organising monthly investment commitments.

### 2. IT PAYS TO TALK

Financial wellbeing is achievable when you feel confident and have a clear understanding of what your financial priorities are. Once you have an awareness of your financial position you should be able to identify any areas where you feel change is needed and who you may need to seek support and guidance from. The Talk Money campaign, run by the government's Money and Pensions Service, is one of many important ways in which financial wellness is being championed. It encourages being more open about money with friends and family and getting advice from experts if needed.

### 3. Plan for the future

The main benefit of financial planning is peace of mind through a detailed understanding of your finances now and getting a future plan in place. When you have a clear financial plan, it gives you a clear path to work towards and you may feel a stronger sense of financial stability.



#### 4. SEEK GUIDANCE FROM A PROFESSIONAL

Financial advice can go a long way to provide peace of mind that you are addressing the needs of you and your family. It can also help to have a professional on hand to talk through something that's troubling you. If you have investments that have a fallen in value, it might cause you stress. Remember that investing is a long-term commitment, and a financial adviser can offer support in ensuring that your portfolio still represents a solid way to reach your stated goals.

#### 5. KNOW WHEN TO GET HELP

There are circumstances where it will be necessary to enlist the help of a debt specialist. If you get to the stage where the cost of living crisis means that you are unable to repay debts and are perhaps borrowing to make repayments, its time to speak to an expert. Getting help from a debt charity is free and they can go a through your finances and advise you on the best path to becoming debt free. They can also deal with the bank on your behalf in some cases, sometimes getting them to freeze interest charges. Try [Stepchange.org](https://www.stepchange.org) or [Nationaldebtline.org](https://www.nationaldebtline.org). Many of those who get debt help have said what a huge relief it is to finally address the problem.

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#### Sources

<sup>1</sup><https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/february2023>

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