

Why your financial wellbeing matters

Women and investing



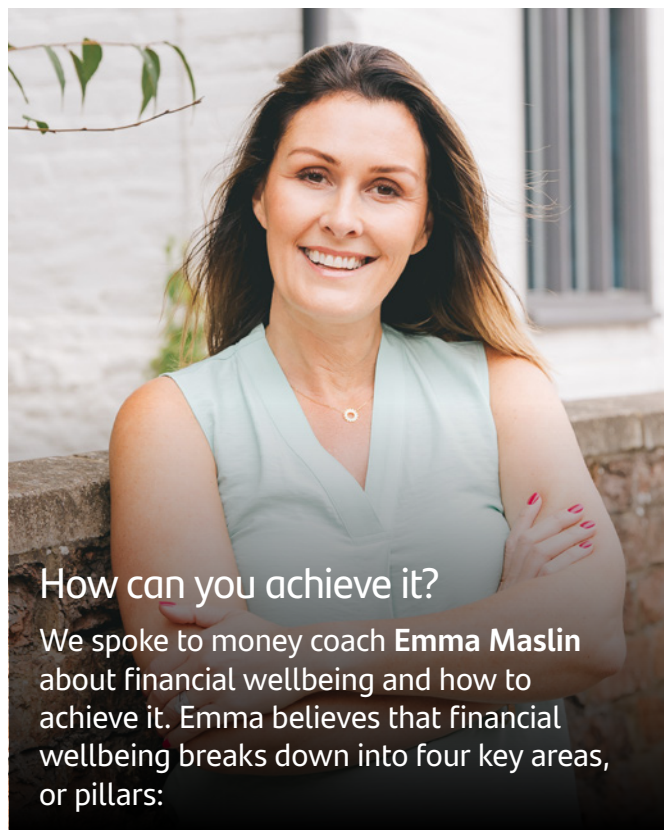
Our physical and mental health can have a big impact on our overall wellbeing. But what about our financial wellbeing?

What is financial wellbeing?

Financial wellbeing is about feeling secure and in control of your finances. This can have a positive impact on your overall health and happiness. Having a strong financial foundation can give you peace of mind, both for life in the here and now and for your future plans.

The path to financial wellbeing involves budgeting, managing debt, saving and investing. That doesn't sound very glamorous, but it all helps in getting to your life goals quicker. For example having a comfortable retirement, helping your family or planning the trip of a lifetime.

Having a sense of control over your finances and your financial future can be quite empowering. Especially in this uncertain world, as we've all experienced over the past couple of years.



How can you achieve it?

We spoke to money coach **Emma Maslin** about financial wellbeing and how to achieve it. Emma believes that financial wellbeing breaks down into four key areas, or pillars:

Pillar 1 Our money mindset

This is the way we think about money, and then how we behave as a result. How we feel about something tends to define how we interact with it, and money is no different. Financial wellbeing begins with having a positive mindset and beliefs around money and how it can impact your life in a positive way.

Pillar 2 Having a clear plan to achieve your financial goals

Having a plan gives you clarity and helps you pinpoint the actions you need to take to bring your plan to life. This is where matching savings or investments with your financial goals comes in, so investing for long-term goals and saving for short-term ones.

Pillar 3 Feeling in control of your day-to-day finances

It's worth understanding how much you're spending and on what. Start by putting systems in place to track your spending, then adjust where needed. That way, little by little you gain a sense of control. In time, you'll be better placed to make good financial decisions and can make sure your money is working as hard as possible so you can achieve your goals.

Pillar 4 Being able to cope with a financial shock

Having a financial cushion for an unexpected life event – be it redundancy, sickness which means you can't work, or the death of a loved one - can mean the difference between anxiety and panic and being able to carry on without unnecessary financial stress. This financial cushion might be in the form of insurance and an emergency savings pot.

Once these **four pillars** are in place, you have the freedom and confidence to make financial choices which allow you to enjoy life.

To save, or to invest?

One important factor Emma flags about the journey to financial wellbeing is whether saving or investing is the best approach to meet your goals.

Savings are better in the short term for purchases and emergencies. Easy access savings are good when you need to pay for an unexpected event like your car needing to go into the garage, a leaky roof or if you lose your job. It's always advisable to have an emergency fund of 3 to 6 months' worth of expenses.

Investing can be a smarter option than cash savings if you're working toward something you'll need the money for five years or more from now. That's because it has the potential to provide a higher return over longer terms. And that matters when higher inflation rears its ugly head.

With inflation, prices go up so money loses value in real terms. You can buy less with what you've got. If you're relying on cash savings it can take a large chunk out of the buying power of your money over time. You only have to look at how much the cost of a loaf of bread has gone up over the past ten and twenty years. Investing gives your money the potential to beat inflation or at least keep pace.

Are you reluctant to invest?

Our research report **Understanding women's relationship with investing**, found that women who invest seem less anxious and worried about money overall. 67% said they generally feel positive about their finances, compared to 48% of non-investors.

If you're reluctant to invest, could challenging yourself to reconsider be one key to increasing your financial wellbeing and changing your financial future for the better?

Explore more

Do you want to learn more about investing? Get inspired by other women's stories through our women and investing series. Including many articles, and our research report, **Understanding women's relationship with investing**.

If you're ready to think about investing, visit [santander.co.uk](https://www.santander.co.uk) and search Investment advice, to see how we can help you.