

Getting your financial house in order

Women and investing



Financial wellbeing sits alongside your physical and mental health and means being in control of your finances.

Being financially well means having good foundations for your money. It also means having the building blocks to help you live the life you want, now and in the future.

Whatever you feel about the idea of investing, it can have a part to play on the path to improving your financial wellbeing over the longer-term.

Use our quick guide to check where you are on that path today and see how simple it is to take immediate action to help you on your way to a healthier financial future.



Julia Guy, Financial Planning Area Manager at Santander, says:

'We see financial wellbeing as being part of your mental health. If you have your finances in order and feel in control of your money, you can approach other areas of your life from a place of calm. For us, financial wellbeing is a core foundation to building wellbeing across the board.'

Budgeting

First and foremost, you need to get a clear view of where your money is going. The best way to work out how much you're spending, and what you're spending it on, is by drawing up a sensible budget.

By tracking and reviewing your income and outgoings on a regular basis, you can identify areas where you can trim unnecessary spending. This will help you take stock, get on top of your finances, review what you spend and reprioritise. This step could include switching to better deals, and cancelling any subscriptions you don't need.

Paying down debt

As a matter of priority, you need to focus on paying any expensive debt, such as credit cards and overdrafts with high interest rates.

When it comes to managing debt, it's important to understand the difference between 'good' debt and 'bad' debt. A good debt could be a personal loan you've carefully planned and budgeted for and are paying off regularly. A bad debt could be where you've borrowed too much without having a plan to pay it off. If you're not careful that could have a negative impact on your credit score, impacting your ability to take out credit in the future.

Bad debt could also have an impact on your mental health, so it's important to address issues as soon as possible.

Building an emergency fund

Having a safety net to fall back on in case of unforeseen costs, such as the boiler packing up or the car breaking down, can help reduce money worries. It could also help you stay financially afloat if you lost your job or with increased bills from the cost of living crisis.

Without a savings cushion, you could find yourself in a tricky situation. Building a buffer of cash savings, equivalent to between 3 and 6 months' worth of outgoings in an easy-access account, can give you peace of mind. If you're starting from scratch, begin by setting aside a small sum each month to slowly grow the amount you need.

Protecting yourself and your loved ones

Having insurance to cover you and those who depend on you in case the unexpected happens – such as you being made redundant, or finding yourself unable to work due to sickness – can make a real difference.

Different types of insurance such as income protection, critical illness cover and life insurance are there to protect you and your family in case things go wrong. This could give you peace of mind knowing that you and your loved ones are covered. The younger you are the cheaper it typically is to take out cover, so not putting this off could be worth your while.

Getting started with investing

You may think putting money away into savings is the best way to save for the future, but you need to remember that money could be impacted by inflation. This is when the price of everyday items goes up. If you hoard too much cash in savings over a long period of time, the spending power of your cash might drop.

A way to combat this inflation is to consider putting your money into investments - money that you can afford to put away for 5 years or more. That money can work harder for you. Markets go up and down, and you can get back less than you put in. But investing gives you potential to beat inflation.

Julia Guy, Financial Planning Area Manager at Santander, says:

'How to create financial stability in your life will mean different things to different people. If you decide to get help from a financial adviser, they will take the time to understand what's right for you. Investing is for the longer term, but in order to plan for the longer term you have to have a good handle on your day-to-day finances first.'

If you've never invested before, it may feel as though you're taking a huge step. But you can dip your toe into the water by setting up regular investments from as little as £20 a month to begin with.

Ignoring investing could mean missing out on the key to boosting your financial wellbeing, not only during tough economic times, but long after they are over.

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** and search Investment advice, to see how we can help you.