

GUIDE

Navigating a Cost-of-Living Crisis



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IMPORTANT INFORMATION

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Investments carry risk. The value of your investments (and income from them) can go down as well as up, and you may get back less than you invested. Past performance is not a reliable indicator of future results. Investments should be considered over the longer term and should fit in with your overall attitude to risk and financial circumstances.

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Introduction

Financial advisers play a crucial role in helping you to navigate through the immediate impacts of a cost-of-living crisis.

With rising housing costs and higher food and energy bills, financial resilience is tested, particularly for those just starting their careers, those on lower incomes and those nearing retirement.

Your financial adviser will provide tailored strategies unique to your circumstances and optimise your savings, ensuring that even with limited resources, your financial commitments, such as mortgage or rent payments and daily expenses, are sustainably managed.

Providing long-term financial security

Long-term financial security is a major concern during economic uncertainties. Financial advisers focus on comprehensive planning that includes retirement readiness and wealth management, ensuring that you maintain a good standard of living into retirement. By understanding your unique financial situation, advisers can offer customised advice on pension contributions and investment strategies, helping to mitigate the effects of volatile markets and economic downturns on your long-term goals.

Boosting client confidence through professional guidance

Maintaining confidence in your financial decisions is vital. Financial advisers not only serve as experts in managing wealth but also as confidants who provide reassurance and emotional support. By establishing a transparent and ongoing relationship with a financial adviser, you gain peace of mind knowing that your financial strategy is crafted to withstand economic challenges and capitalise on potential opportunities, ensuring that you are well-prepared for the future.

There are always steps that you can take independently to minimise unnecessary expenditure when required. However, utilising the support of a financial adviser to stay informed about the best strategies for your financial situation, will maximise your potential to handle economic hardships effectively.

Below are some practical examples of methods of saving and budgeting, which your financial adviser would want to support you with as and when you want to begin a partnership.

Start with budgeting and spending control

Set a detailed budget

The most important way to start by mapping out your income versus expenses is setting a detailed budget. Tools like [online budget planners](#) can be invaluable in tracking your financial activities and understanding where cuts can be made, especially in non-essential areas.

Cut unnecessary subscriptions

Review your recurring expenses such as streaming services and gym memberships. [£688m was spent on autorenewal subscriptions](#) without us realising last year so cancelling unwanted subscriptions can save you big money!

Smart shopping and service use

Evaluate monthly expenses like your phone contact, broadband and energy bills. Negotiating better deals or switching providers can significantly reduce your monthly costs.

Maximising income and benefits

Explore additional income opportunities

If you are struggling to manage on your current monthly income, you can look into securing a second job, undertake overtime work if it is offered or explore whether you can use a hobby to generate extra income. You can also discuss potential pay raises or promotions with your employer as a way to increase your financial inflow.

Claim available benefits

You need to ensure that you are receiving all of the benefits that you're entitled to, which can provide significant financial relief. You can use online free tools like [benefits calculators](#) to check your eligibility for additional support.

Seek professional advice

Contrary to popular belief, financial advisers are not just for the rich. They are for everyone who has money to manage. You should maintain a relationship with a financial adviser to stay informed about the best strategies for your financial situation, ensuring that you are well-prepared to handle economic hardships effectively.

The psychological benefits of financial advice

Reducing financial anxiety and stress

Financial anxiety often manifests through overwhelming stress about money management, impacting both mental and physical health. A financial adviser can significantly alleviate these stresses by providing clear and actionable advice tailored to your financial situation.

Regular consultations with a financial adviser ensure that you are not only aware of your financial status but are also prepared to handle unexpected financial challenges, thereby reducing the common symptoms of mental health such as sleep problems associated with financial worries.

Enhancing mental wellbeing through financial stability

Achieving financial stability is intricately linked to improved mental wellbeing. Financial advisers play a crucial role in this by equipping you with the tools and knowledge necessary for making informed financial decisions.

This empowerment leads to a sense of control over your finances, which is essential for mental peace. Moreover, open discussions about financial challenges with a trusted adviser can foster a supportive environment, making you feel less isolated and more confident in managing your financial life.

This proactive approach not only helps in navigating through immediate financial difficulties but also contributes to long-term mental health stability by preventing the stress and depression associated with financial insecurity.

Why regular financial check-ups are crucial

Staying on track with financial goals

Regular financial check-ups are essential for maintaining alignment with your financial goals. These check-ups provide an opportunity to assess your current financial health and ensure that your savings, investments and spending align with your long-term objectives. By reviewing your financial status periodically, you can make necessary adjustments to your budget or investment strategies, ensuring that you remain on course to meet your goals, whether they're related to retirement, buying a home or funding education.

Adapting to changing financial circumstances

Life is dynamic, and so are your financial needs and circumstances. Regular financial check-ups allow you to adapt your financial plan to any significant life changes, such as a new job, loss of job, marriage, divorce or the birth of a child. These sessions with your financial adviser help you to modify your financial strategies to accommodate these changes, ensuring that your financial plan remains robust and responsive. By staying flexible and adaptable, you're better prepared to handle unexpected expenses or economic shifts without compromising your financial goals.

Maintaining a transparent and ongoing relationship with a financial adviser through regular check-ups can significantly enhance your ability to navigate through financial uncertainties. This proactive approach not only secures your current financial status but also fortifies your financial future.

