MANNING & COMPANY
Independent Financial Advisers

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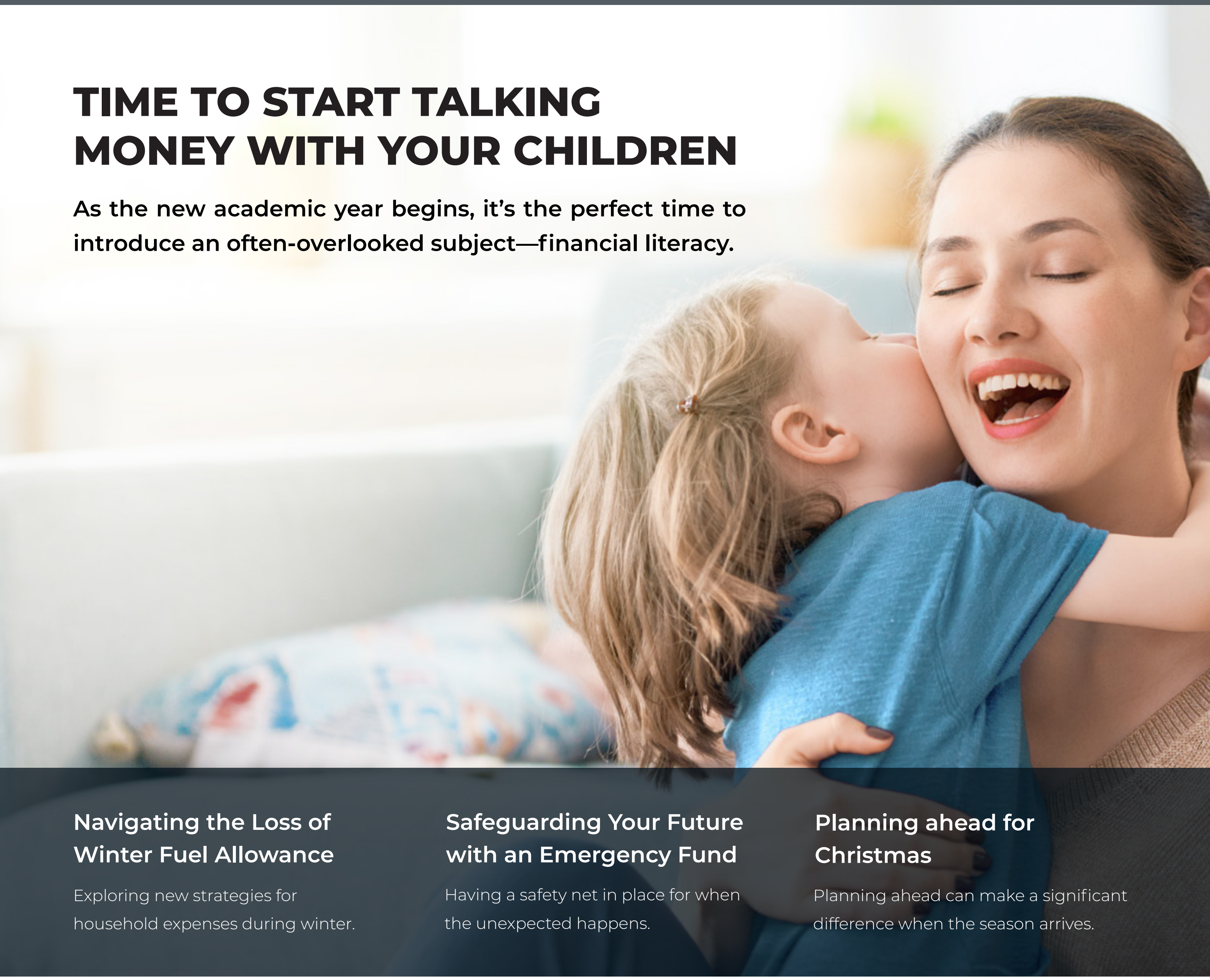

TIME TO START TALKING MONEY WITH YOUR CHILDREN

As the new academic year begins, it's the perfect time to introduce an often-overlooked subject—financial literacy.

Navigating the Loss of Winter Fuel Allowance

Exploring new strategies for household expenses during winter.

Safeguarding Your Future with an Emergency Fund

Having a safety net in place for when the unexpected happens.

Planning ahead for Christmas

Planning ahead can make a significant difference when the season arrives.

HEAD OFFICE

Manning & Company
14 Fore Street
Ivybridge Devon
PL21 9AB

EMAIL

enquiries@manningandco.co.uk

PHONE

01752 837950

WORKING WITH **MANNING & COMPANY**

Since 1988, Manning and Company has been giving clients trustworthy, proven and personal financial advice.

Based in Ivybridge near Plymouth, we're a respected and well-established name in Plymouth and South Devon – but we also work with clients throughout the UK.

We provide financial guidance to individuals and businesses alike. We're completely independent of any financial institutions, and we offer financial products from across the whole of the market – so our clients always get fully-informed, impartial advice. We firmly believe good financial advice should be available to everyone, not just wealthy clients – and all our clients receive the same level of attention and respect.

From a first-time mortgage to a complex investment portfolio, we have the breadth and depth of experience to help.

– Manning & Company

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TIME TO START TALKING MONEY WITH YOUR CHILDREN

As the new academic year begins, it's the perfect time to introduce an often-overlooked subject, financial literacy. While schools focus on traditional subjects like maths, science, and literature, understanding how money works is equally essential for children and young adults. Teaching the next generation how to manage money from an early age sets them up for a more secure and stable financial future.

According to the Student Loans Company (SLC), the average student debt in the UK is £45,600 for students who started their course in 2022-23. Expected to lower to £42,900 for those starting in the reformed system for 2023-24. **[1]**

However, topics like debt credit scores, mortgages, and investments are rarely taught, making financial education a pressing concern across the country. This back-to-school season is an ideal time to engage with your children and instil strong money habits and financial literacy. From those in primary school to university students, financial education provides lifelong benefits.

WHY IS FINANCIAL LITERACY IMPORTANT?

Financial literacy is important because it equips young people with the knowledge to manage their money effectively, avoid negative debt, and make informed decisions. For some, the first major financial hurdle they encounter is student loans. However, this is only the beginning. Credit cards, overdrafts, and personal loans may soon follow, and understanding how to manage these financial commitments is key to avoiding long-term debt issues.

Beyond debt, teaching children to budget, save, and invest gives them the tools to achieve financial independence.

It also reduces stress, builds confidence, and helps them face adulthood with a sense of preparedness. Learning how to manage money early can also help them with future financial goals, such as buying a home or starting a family.

Additionally, instilling the principles of long-term financial planning, such as the benefits of early investing and the power of compound interest, can set children up for a more secure financial future. Life is full of uncertainties, and having the ability to manage resources wisely, maintain an emergency fund, and navigate unexpected challenges is a valuable life skill.

AN AGE-APPROPRIATE APPROACH
Teaching financial literacy should be done gradually, aligning with a child's age and understanding. Here are some ideas on how parents can teach financial lessons at various stages of their child's life:

PRIMARY SCHOOL: BUILDING THE BASICS
Start by introducing simple concepts, such as what money is and how it's earned. A great way to reinforce this is by giving your child pocket money in exchange for small chores.

This not only teaches the value of work but also lays the foundation for understanding earning and spending. Consider using child-friendly debit cards, which come with features designed to teach budgeting basics. These cards allow parents to set up automatic weekly allowances or reward children for completing tasks. They also offer real-time spending tracking, helping children manage their money while learning important financial habits in a safe, controlled environment. Explain the difference between needs and wants, helping them understand why it's important to prioritise their spending.

SECONDARY SCHOOL: DEVELOPING FINANCIAL AWARENESS
As children grow older, their financial understanding should become more sophisticated. Introduce them to basic banking concepts, such as savings accounts and how interest works. It's also essential to explain how credit cards and loans function, and the risks of accumulating debt.

At this stage, you can start teaching them about investing and how starting early can pay off in the long run. You can also discuss credit scores and how maintaining good credit is crucial for future financial independence.

EARLY ADULTHOOD: ACHIEVING FINANCIAL INDEPENDENCE
As young adults take charge of their finances, whether they're starting university, a career, or managing on their own, financial independence becomes a key focus.

- **BUDGETING AND SAVING:** Encourage creating and following a budget to track income and expenses, and stress the importance of an emergency fund to cover unexpected costs.
- **MANAGING DEBT:** Guide them on handling student loans and other debts wisely, exploring repayment options, and understanding interest impacts to prevent future stress.
- **INVESTING AND RETIREMENT:** Introduce them to basic investment options like ISAs and the concept of retirement planning. Starting early with small investments can lead to significant long-term benefits.
- **TAX AND INCOME:** Help them understand how taxation affects their earnings and how to manage their income efficiently, especially as they start part-time jobs or internships.

These foundational skills will set them up for financial stability and success in their adult lives.

While we celebrate the return to classrooms, let us also celebrate and promote the importance of financial literacy. It's not just numbers, it's about equipping children and young adults with the ability to make informed decisions that will shape their lives for years to come. As we prepare uniforms, new textbooks and stationery this September, we should also take ownership of our children opening a new chapter of financial literacy.

Hm Revenue And Customs Practice And The Law Relating To Taxation Are Complex And Subject To Individual Circumstances And Changes Which Cannot Be Foreseen.

An Isa Is A Medium To Long-Term Investment, Which Aims To Increase The Value Of The Money You Invest For Growth Or Income, Or Both. The Value Of Your Investments And Any Income From Them Can Fall As Well As Rise. You May Not Get Back The Amount You Invested.

[1] Confused.com - Student finance facts and stats 2024 - July 2024

NAVIGATING THE LOSS OF WINTER FUEL ALLOWANCE

As of this autumn, approximately 10 million pensioners in England and Wales will no longer receive winter fuel payments. Under new plans, those who do not receive pension credit or other means-tested benefits will no longer be eligible for the annual payments, which have traditionally ranged from £100 to £300. **[1]**

For many pensioners, winter fuel payments have been a helpful way to manage heating costs during colder months. With this change, it's important to explore other strategies for managing household expenses during winter.

UNDERSTANDING THE IMPACT
The removal of the winter fuel allowance may create financial challenges for some households, especially where these payments have been a key source of help with energy bills. It's important for pensioners and their families to be aware of the changes and start preparing early to meet the potential additional costs.

EXPLORING ALTERNATIVE FINANCIAL SUPPORT
Although the winter fuel allowance may no longer be available to some pensioners, there are still ways to seek financial support:

- **CHECK ELIGIBILITY FOR OTHER BENEFITS:** Pension credit remains a means-tested benefit that can provide additional financial help. If you or a family member has not yet applied, it's worth checking if you're eligible. There are also other support options, like housing benefit or council tax reductions, that can help reduce overall household costs.
- **APPLY FOR OTHER MEANS-TESTED BENEFITS:** Ensure that all available benefits are being claimed. Other government support programs, depending on income and circumstances, could help alleviate some financial pressure.
- **CONSULT A FINANCIAL ADVISER:** Financial advice can offer helpful insight into managing your budget in light of these changes. A financial adviser can help explore ways to adjust finances and provide guidance on the best steps forward.

BUDGETING FOR INCREASED WINTER COSTS
Managing heating bills effectively becomes even more important when faced with increased expenses. Consider these steps:

- **REVIEW AND ADJUST YOUR BUDGET:** Re-evaluating your monthly budget can help you identify areas to cut back on non-essential expenses, making more room for heating costs. Even small changes in spending habits can make a difference over the winter months.
- **IMPLEMENT ENERGY-SAVING MEASURES:** Improving your home's energy efficiency can help lower bills. Installing better insulation, using energy-efficient appliances, and exploring energy-saving programs from energy providers can make a noticeable impact. Many energy companies offer free or reduced-cost services to improve energy efficiency at home.
- **FLEXIBLE PAYMENT PLANS:** Contact your energy provider to inquire about flexible payment options or plans that allow you to spread heating costs throughout the year. This can ease the financial burden of higher bills during colder months.

SUPPORT FOR FAMILIES AND CAREGIVERS
If you have a parent or other family members affected by these changes, there are ways to support the transition:

- **HELP THEM EXPLORE RESOURCES:** Assist them in identifying and applying for other benefits they may be entitled to. There are numerous local organisations and charities that also offer support for older individuals dealing with financial stress.
- **FINANCIAL ASSISTANCE:** If you're in a position to do so, offering some financial support can help ease the burden of higher heating bills. Even a small contribution could make a difference.
- **ADVOCATE ON THEIR BEHALF:** In some cases, helping elderly relatives by contacting agencies or organisations on their behalf can ensure they receive the assistance they need, particularly for those who may find navigating the system challenging.

PREPARING FOR THE WINTER MONTHS
While the loss of winter fuel payments may pose challenges, there are steps pensioners and their families can take to mitigate the impact. Exploring available benefits, adjusting household budgets, and implementing energy-saving measures can all help manage the increased expenses effectively.

As the colder season approaches, now is the time to take proactive steps to ensure financial stability and comfort throughout the winter.

HM Revenue and Customs practice, and the law relating to taxation, are complex and subject to individual circumstances and changes which cannot be foreseen.

[1] BBC News - Winter Fuel Payments Scrapped for Millions - July 2024

SAFEGUARDING YOUR FINANCIAL FUTURE WITH AN EMERGENCY FUND

Life is unpredictable, and financial shocks can strike when least expected. While much of financial advice focuses on growing wealth through investment strategies or optimising tax planning, the importance of having an emergency fund is often overlooked.

This isn't about chasing high returns or managing complex portfolios—it's about having a safety net in place for when the unexpected happens. An emergency fund serves as a financial buffer, providing you with peace of mind and the security to face life's sudden challenges without derailing your long-term financial goals.

WHY BUILD AN EMERGENCY FUND?
Peace of Mind in Uncertain Times
The peace of mind that comes from knowing you have financial resources available when an emergency strikes is invaluable. In moments of crisis, such as a sudden job loss or unexpected private medical expenses, the last thing you want is the added stress of worrying about how to cover bills.

An emergency fund helps remove that anxiety, allowing you to focus on addressing the issue at hand rather than scrambling to find financial solutions.

AVOIDING FINANCIALLY RISKY DECISIONS
Without an emergency fund, you may be forced to turn to options like high-interest loans or credit cards to cover sudden expenses, both of which can have long-term financial consequences. In some cases, people even resort to dipping into their retirement savings or investments, potentially incurring penalties or losing out on future growth. By having an emergency fund, you shield yourself from making these risky, knee-jerk decisions, preserving your financial health.

PROTECTING YOUR CREDIT SCORE
When an unexpected event occurs and you don't have a financial buffer, it's easy to fall behind on payments or max out credit cards, both of which can negatively affect your credit score. Poor credit can make future borrowing more expensive, potentially jeopardising access to loans for a home, car, or even higher education.

Having a robust emergency fund helps ensure you can keep up with your financial commitments, protecting your credit rating even in difficult times.

SUPPORTING RESPONSIBLE FINANCIAL BEHAVIOUR
Emergency funds don't just help during a crisis—they encourage better financial habits every day. By setting aside money specifically

for emergencies, you're practising disciplined saving and reducing the temptation to dip into these funds for non-essential spending. This kind of financial planning promotes long-term stability, reinforcing habits that protect your wealth over time.

HOW MUCH SHOULD YOU SAVE?
The size of your emergency fund will depend on your individual circumstances—monthly living costs, job security, and other financial commitments. Key factors to consider when determining the size of your emergency fund include:

- **JOB STABILITY:** If your income fluctuates or your job is at risk, a larger fund is crucial.
- **DEPENDENTS:** More dependents mean more responsibility, increasing the amount you'll need for essentials in case of an emergency.
- **DEBT LEVELS:** If you have significant ongoing debt payments (such as a mortgage or car loan), consider increasing the size of your emergency fund to cover these obligations.

MAKING YOUR EMERGENCY FUND A PRIORITY
It can be tempting to delay saving for an emergency fund, especially when other financial priorities like mortgage payments, retirement contributions, or saving for a child's education are on your radar. But think of your emergency fund as the foundation for all these other financial goals. Without it, even a small financial emergency can throw your entire financial plan into chaos.

Once you've established this crucial safety net, you can focus on other objectives with greater confidence, knowing that a short-term emergency won't derail your long-term plans.

ADJUSTING YOUR FUND OVER TIME
Life is not static, and your emergency fund shouldn't be either. As your circumstances change—whether it's buying a home, starting a family, or experiencing a change in income—your financial needs will shift.
It's important to review your fund periodically and adjust the amount to reflect your current situation.

For instance:

- **STARTING A FAMILY:** With additional dependents, it's wise to increase the fund to cover extra living costs.
- **BUYING A NEW HOME:** Owning a property introduces new expenses such as maintenance or unexpected repairs, which may require a larger fund.
- **CAREER CHANGES:** If you're moving into a more volatile industry or becoming self-employed, increasing the size of your fund can give you peace of mind.

TIPS FOR BUILDING YOUR EMERGENCY FUND

Start Small but Stay Consistent: Don't be discouraged if you can't set aside a large amount right away. Start with what you can and make regular contributions, even if they're small. Over time, these will add up.

- **AUTOMATE YOUR SAVINGS:** Setting up automatic transfers to a dedicated emergency fund account is one of the easiest ways to ensure it grows consistently. Consider allocating a portion of your salary each month to be deposited directly into this account.
- **USE WINDFALLS WISELY:** Whenever you receive an unexpected financial boost, such as a tax refund, bonus, or inheritance, consider allocating a portion (or all) of it to your emergency fund. This can significantly accelerate your savings.
- **KEEP IT ACCESSIBLE BUT SEPARATE:** Your emergency fund should be easy to access in times of need but separate enough from your day-to-day accounts to avoid unnecessary spending.

WHEN TO USE YOUR EMERGENCY FUND

It's important to clearly define what constitutes an emergency before dipping into this reserve. Genuine emergencies include:

- Sudden job loss or significant reduction in income
- Unexpected private medical or dental bills not covered by insurance
- Urgent home repairs (e.g. boiler breakdown, roof damage)
- Necessary car repairs to maintain daily transportation
- Immediate family emergencies requiring unplanned travel

On the other hand, non-emergencies, such as luxury purchases or vacations, should be covered by your regular savings or discretionary income, not your emergency fund.

WORKING WITH A FINANCIAL ADVISER

Financial advisers play a critical role in helping you establish and maintain an emergency fund. They can assist you in setting a realistic savings target based on your personal circumstances, reviewing your budget to ensure you're contributing enough, and helping you balance this with other financial goals.

Moreover, an adviser can provide guidance on where to keep your emergency fund, ensuring it's both accessible and secure. Some may suggest a high-yield savings account or other low-risk liquid investments to help your money grow while still maintaining quick access in case of emergency.

An emergency fund is not just a financial safety net—it's a cornerstone of good financial planning. By having one in place, you not only gain the peace of mind that you're protected from life's inevitable surprises, but you also strengthen your ability to achieve other long-term financial goals.

In the world of investment portfolios, retirement savings, and tax efficiency, the humble emergency fund is often the unsung hero of financial stability. Financial advisers can ensure that this vital component of your financial plan receives the attention it deserves, keeping you on track no matter what life throws your way.

The value of investments and any income from them can fall as well as rise and you may not get back the original amount invested.

PLANNING AHEAD FOR CHRISTMAS

As September unfolds, the back-to-school buzz gradually gives way to the festive cheer that's already sneaking into shops across the UK. Christmas decorations and gifts are making early appearances on store shelves, signalling that the Christmas season is just around the corner. While it may seem early to start thinking about Christmas, planning ahead can make a significant difference to your financial wellbeing when the season arrives.

THE RISING COSTS OF CHRISTMAS

The cost of Christmas has been steadily climbing in recent years, and this year is no exception. Festive traditions, like visiting Santa, are increasingly pricey and popular children's gifts have hefty price tags. With these rising costs, it's understandable why many families find themselves scrambling to manage their Christmas budget.

THE BENEFITS OF EARLY PLANNING

If you haven't yet started saving for Christmas, now is the perfect time to begin. Early saving allows you to spread out the financial impact of the festive season, making it easier to manage your expenses without the stress of last-minute spending.

Here are some practical tips to help you get started:

- **SET A BUDGET:** Determine how much you can realistically save each month leading up to Christmas. Consider all potential expenses, from gifts and decorations to Christmas travel and special meals.
- **OPEN A CHRISTMAS SAVINGS ACCOUNT:** Consider opening a savings account for your Christmas funds. This helps keep your Christmas savings separate from your everyday spending and reduces the temptation to dip in.

- **CUT BACK ON NON-ESSENTIAL SPENDING:** Look for areas where you can reduce spending, such as dining out less frequently or cutting back on subscription services. Use the money saved to boost your Christmas fund.
- **TAKE ADVANTAGE OF EARLY BIRD DISCOUNTS:** Many family festive events offer early bird tickets at lower prices. Purchasing these tickets in advance can save you money and ensure you secure spots for popular events, like Santa visits or christmas-themed events.
- **TAKE ADVANTAGE OF DEALS AND DISCOUNTS:** As the festive season approaches, keep an eye out for early bird sales and discounts on gifts and supplies. Shopping in advance can help you avoid the rush and potentially save money. Black Friday and Cyber Monday are renowned for their significant discounts and deals. It's an excellent opportunity to purchase gifts and Christmas essentials at a lower cost. Keep an eye out for promotions and plan your shopping list to take full advantage of these sales.
- **BUY SLOWLY AND STRATEGICALLY:** Start buying non-perishable items and gifts gradually. It's a good tip to start buying Christmas food with long shelf lives in advance, spreading out the expense over several months and avoiding a large financial outlay in December.

By taking these steps, you'll be well-prepared for the Christmas season, allowing you to enjoy without the added stress of financial strain. So, as the first signs of Christmas begin to appear across the UK, use this time to plan and save, ensuring a joyful and financially stress-free Christmas.

THE IMPORTANCE OF HAVING A WILL

Recent research has unveiled a surprising statistic: 51% of adults in the UK have neither penned a Will nor are they in the process of doing so. This includes 13% of individuals who have explicitly stated they have no intention of making a Will in the future. **[1]**

UNDERSTANDING THE NEED FOR A WILL

A Will is a crucial document that ensures your wishes are carried out after you pass away. It helps to designate how your assets should be distributed and who should manage your estate, providing clarity and reducing potential disputes among loved ones. Despite its importance, many people delay creating a Will due to various misconceptions and fears.

COMMON MISCONCEPTIONS AND FEARS

One common reason people avoid making a Will is the belief that it's only necessary for those with significant wealth. This misconception can lead to unnecessary complications for loved ones. Additionally, some individuals procrastinate, thinking that they have plenty of time to address this matter. The discomfort associated with discussing mortality or the perceived complexity and cost of drafting a Will can also deter people from taking action.

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THE CONSEQUENCES OF NOT HAVING A WILL

Not having a Will can lead to various challenges. Without a Will, your assets will be divided according to default legal rules, which may not align with your wishes. This can result in lengthy and potentially contentious legal processes for your family. Additionally, without clear instructions, your assets may not be distributed in the way you would have preferred, leading to potential disputes among relatives.

THE BENEFITS OF CREATING A WILL

Creating a Will provides peace of mind, knowing that your wishes will be followed and that you have minimised the burden on your loved ones. It allows you to specify how your assets should be distributed, choose guardians for your children, and designate an executor to manage your estate. Regularly reviewing and updating your Will is also essential, especially after significant life events like marriage, divorce, or the birth of a child, to ensure it reflects your current wishes.

STEPS TO CREATE AND MAINTAIN A WILL

- **ASSESS YOUR ASSETS:** Take stock of your assets, including property, savings, investments, and personal belongings. Understanding what you have will help you make informed decisions about how to distribute your estate.

- **CHOOSE AN EXECUTOR:** Select a trusted person to manage your estate and ensure your wishes are carried out. This person should be reliable and capable of handling financial and legal matters.
- **DECIDE ON BENEFICIARIES:** Determine who will receive your assets and in what proportions. Be clear about your intentions to avoid ambiguity and potential conflicts.
- **CONSIDER PROFESSIONAL HELP:** While some people choose to write their own Will, seeking professional legal advice can ensure that your Will is legally valid and accurately reflects your wishes. Solicitors can provide guidance on complex situations and ensure compliance with legal requirements.
- **REVIEW AND UPDATE REGULARLY:** Life circumstances change, so it's important to review your Will periodically and update it as needed. Significant life events, such as marriage, divorce, or the birth of a child, may necessitate changes to your Will.

THE ROLE OF TRUSTS IN ESTATE PLANNING

In addition to creating a Will, setting up a trust can be an effective way to manage and protect your assets. A trust allows you to place your assets into the care of a trustee, who manages them on behalf of your beneficiaries. Trusts can provide greater control over how and when your assets are distributed, offering flexibility and security.

For example, you can use a trust to:

- Provide for minor children until they reach a certain age
- Ensure assets are used for specific purposes, such as education or healthcare
- Protect assets from being accessed all at once by beneficiaries who may not be ready to manage a large inheritance

Trusts can also help reduce inheritance tax liabilities, depending on how they are structured. For complex estates, incorporating a trust alongside your Will provides an added layer of protection and control over your legacy.

TAKING ACTION TODAY

Don't leave your future to chance. Creating or updating your Will is a proactive step towards securing your legacy and ensuring your wishes are honoured. If you have questions or need assistance with drafting or revising your Will, professional advice is readily available to guide you through the process. Taking this step now can provide you with peace of mind and help protect your loved ones from unnecessary stress and complications.

The value of investments and any income from them can fall as well as rise, and you may not get back the original amount invested.

READY TO TAKE CONTROL OF YOUR FINANCIAL FUTURE?

At Manning and Company, we excel at providing expert guidance and support to our clients in navigating their complex financial landscape, regardless of how unique their situation may be. Allow us to assist you in reviewing your portfolio and exploring a wide range of options tailored to your specific needs. Get in touch with us today, and let's embark on a journey towards financial success together.

Email
enquiries@manningandco.co.uk

Phone
01752 837950

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211 Innovation Centre, Green Street, Northampton, NN1 1SY.