



ROBERTS MACKIE WINSTANLEY
INDEPENDENT FINANCIAL ADVISERS

5 healthy financial habits you shouldn't ignore

How to get your finances in order to make more of your money

Do you feel like your financial life has been turned upside down during the coronavirus (COVID-19) pandemic? Or, has the start of the new year focused you on getting your finances in order to make more of your money? Whatever the answer is, it's important to adopt healthy financial habits.

But just as bad habits can get you into financial trouble, good habits can help keep you out of it – and help you spend wisely, save well and, most importantly, reach your biggest financial goals faster.

To help kick-start this process, we've put together five habits for you to consider.

1. PAY YOURSELF FIRST

Before you pay any bills, develop a habit of paying yourself first. That means saving and investing a portion of your earnings before you do anything else with your money. In the book *The Richest Man in Babylon*, written by George S. Clason, the parables are told by a fictional Babylonian character called Arkad, a poor scribe who became the richest man in Babylon. How did he achieve this? By following the first law of wealth: 'Save at least 10% of everything you earn first and do not confuse your necessary expenses with your desires.'

It's great to start somewhere – saving something is better than nothing. The important thing is that you're building a new habit around making some of your hard-earned money work for you, as opposed to someone else. After you've paid yourself, the

rest of your earnings can then be used to pay bills and purchase the things you need.

2. SPENDING LESS THAN YOU EARN

The problem is that if you routinely spend more than you earn, you could be building up more and more debt. In many cases, that may mean turning to a credit card and not paying off the balance each month, leaving you with potentially exorbitant fees and interest rates that can take years to pay off. When considering spending on something you want – always ask yourself if you genuinely need it.

3. EMOTIONS SHOULD NOT AFFECT YOUR FINANCIAL DECISIONS

For many people, money habits are tied to emotions and how we feel. It's easy to fall into the trap of spending money when we're disappointed, or angry, or even happy. While emotions are important, they aren't helpful when it comes to making financial decisions. Develop a habit of taking your time and making level-

headed, rational decisions about money rather than allowing spending, saving and investing habits to be dictated by the way you're feeling at a moment in time.

4. CONTROL YOUR DEBT

Debt is not necessarily always a negative, in some cases debt can be a positive stepping stone to help get you closer to a more prosperous future. For example, although a mortgage is a form of debt, purchasing a home could be a necessity for you. Similarly, borrowing money to enhance your education could allow you to get a better paid job. You might even be borrowing money to set up a business.

On the other hand, using credit cards, for example, to cover extra spending is generally considered a bad use of debt, as the repayment terms and interest payments can often be onerous as well as expensive if it's not paid back on time. It's generally considered good practice to avoid carrying a credit card balance over from one month to the next, as over the longer term this can often become very expensive, very quickly.



Roberts Mackie Winstanley

Jonathan Scott Hall, Thorpe Road, Norwich NR1 1UH

T: 01603 628403 F: 01603 661223 E: enquiries@robertsmackie.co.uk W: www.rmw-ifa.co.uk

Partners: Andrew Mackie • Iain Mackie

Authorised and regulated by the Financial Conduct Authority





ROBERTS MACKIE WINSTANLEY

INDEPENDENT FINANCIAL ADVISERS

5. SPEAK TO YOUR PROFESSIONAL FINANCIAL ADVISER

When it comes to managing your money, planning to build wealth, securing your future, and, above all else, drawing up an effective plan for fulfilling your objectives, talk to us. We will provide a wealth of knowledge, qualifications and experience that is difficult or impossible to achieve yourself.

Perhaps the main benefit, more so than any other, is the chance for relaxation. You can properly relax, safe in the knowledge that we are taking care of a wide range of challenges and questions that you would otherwise have to deal with. And if you do have any questions or concerns, you know you can easily contact us to get answers in a timely manner.

Soon enough, these good habits will become hard to break.

HOW TO BUILD NEW HABITS INTO YOUR DAILY LIFE

- Know your why – what's your reason for making the changes?
- Set realistic, measurable goals that are achievable
- Break up bigger goals into smaller actions
- Don't make too many changes at once

- Use rewards as a motivator (within reason) to treat yourself once you meet your goals ■

NEED HELP DEVELOPING BETTER FINANCIAL HABITS IN 2021?

Making the right decisions now can bring peace of mind by offering a clearer future for you and your family. Together, we'll create a wealth plan that goes beyond simply finances, taking care of what really matters in every aspect of your life. To discuss your situation, we're here to listen.

THAT SUCH INFORMATION IS ACCURATE AS OF THE DATE IT IS RECEIVED OR THAT IT WILL CONTINUE TO BE ACCURATE IN THE FUTURE. NO INDIVIDUAL OR COMPANY SHOULD ACT UPON SUCH INFORMATION WITHOUT RECEIVING APPROPRIATE PROFESSIONAL ADVICE AFTER A THOROUGH REVIEW OF THEIR PARTICULAR SITUATION. WE CANNOT ACCEPT RESPONSIBILITY FOR ANY LOSS AS A RESULT OF ACTS OR OMISSIONS.

INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS. ANY LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION ARE SUBJECT TO CHANGE. TAX TREATMENT IS BASED ON INDIVIDUAL CIRCUMSTANCES AND MAY BE SUBJECT TO CHANGE IN THE FUTURE. ALTHOUGH ENDEAVOURS HAVE BEEN MADE TO PROVIDE ACCURATE AND TIMELY INFORMATION, WE CANNOT GUARANTEE



Roberts Mackie Winstanley

Jonathan Scott Hall, Thorpe Road, Norwich NR1 1UH

T: 01603 628403 F: 01603 661223 E: enquiries@robertsmackie.co.uk W: www.rmw-ifa.co.uk

Partners: Andrew Mackie • Iain Mackie

Authorised and regulated by the Financial Conduct Authority

