

In these uncertain
times the global
community of
financial planning
is here to help you

Jacqueline Lockie CFPTM
Chartered FCSI,
Head of Financial Planning, CISI

April 2020

Financial planning
in uncertain times

#covid19financialplanning
#CFP



Financial guide for the employed

Purpose of this guide

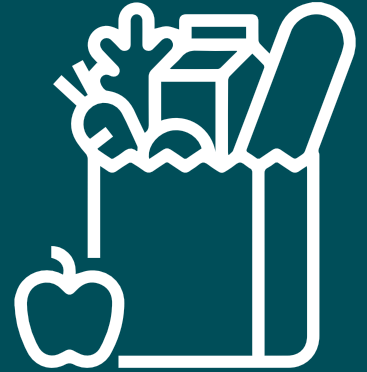
During this unprecedented time - this guide aims to help you think about your finances by highlighting the important factors that our community of leading Certified Financial Planner™ professionals think you should look at during this uncertain and challenging time. We hope this guide is useful. We have a community of highly qualified professional CFP professionals all over the UK who are ready to help you manage your finances and look to the future – please see www.financialplanning.org.uk to find one but in the meantime here are some helpful tips:

1) Managing cash for you and your family

Many families have seen a cut in their income each month. Some of you may have been made redundant and might now be claiming benefits or been furloughed.

A. Prepare a clear budget for food and other essential bills

- Write down what you need to spend each week. Can you cook more and save on more shop bought meals?
- Do a weekly food menu and only buy what you need to save wasting food.
- Write down all your other bills and when they are due.
- Cut back now on all non-essentials.
- Research online what state assistance or charity help you might be eligible to receive and apply.
- Avoid taking on significant loans with high interest rates.
- Talk to your mortgage lender and bank about what they might be able to do to help you in the short term or speak to your landlord now and suggest what if any rent you can afford.
- Check with your local authority if you can spread your council tax over 12 months.
- Cancel any travel tickets not now being used and sell unwanted items in your home such as old consoles and mobile phones that might be hidden away in drawers.
- Use food banks if you are in desperate need.
- If you have been made redundant check your total life cover provision and take out some extra life cover for a short term if your mortgage or other large debts if your family would be materially disadvantaged by your premature death.



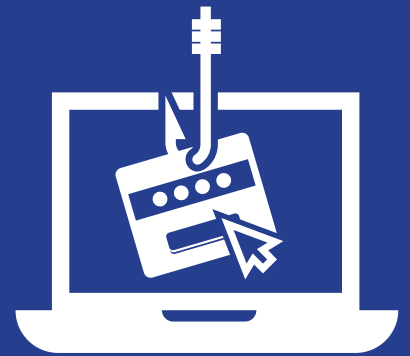
B. Stop all unwanted or forgotten direct debits and standing orders from your accounts

- Review your credit card statements and bank statements to ensure you are not paying out on unnecessary or forgotten regular payments.
- Do not cancel any insurance policies until you are certain what they are covering, as they may become more important longer term. However, if you have cover for individual items such as mobile phones or other electronic devices, check whether they are also covered on your home contents insurance and to what level.
- Check your utility bills to see if you can save money by switching provider.



C. Be aware of scams

- When you are rushing to secure your own financial situation, you might be more susceptible to falling victim of a scam.
- Do not answer texts or calls asking for bank details unless you are expecting the contact.
- Do not answer texts and calls that say you are due a refund on something e.g. from DVLA. If in doubt use the number on the back of your cards to contact your provider.
- Never give your bank or credit card details over the phone to cold callers no matter who they say they work for.



D. Get help early

- Don't wait until you have no money for essential items - ask for help from your local government, charities or other institutions now and try and plan ahead.
- If you know that you are going to struggle to pay your mortgage/rent, contact your lender/landlord now. Talk to them about mortgage payment holidays and other ways to reduce your mortgage payments. Make sure you understand the implications of taking a payment holiday – some mortgage terms will mean you still have to pay the interest on those payments, so your monthly payments may go up once you start paying again and it might take you longer to pay off your mortgage. Check with your lender that you will not be classed as being in arrears though.
- Consider switching to an interest only mortgage if you have a repayment loan. With interest rates currently low, this could make a significant difference to your monthly outgoings.



E. Wills and Lasting Powers of Attorney

Make sure you have Wills and Lasting Powers of attorney and give some thought to planning how to provide for your family and friends.



2) Now you've identified the savings you can make, what's next?

It is important to keep a close eye on your finances whilst we work through this global pandemic. Ignoring issues will only make matters significantly worse later on.

A. Revisit your budget regularly

and identify where you have been struggling. Tackle those areas with a calm attitude and seek professional help if needed.



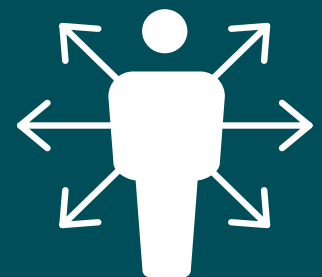
B. Be realistic

Cut down on luxuries but don't cut everything out unless your financial position really necessitates it.



C. Take small actions

to improve your financial situation. Is there any part-time work available? Are there things you can make from your own home that you can sell online? Can you do anything to help family, friends and local charities?



D. Look after you

- Set a daily routine for yourself, talk to loved ones via video links and ensure you get enough sleep.
- There are many free apps and other online resources for yoga, meditation, sleep and exercise.
- Being tired and worried can lead to poor decision making when dealing with your finances.



E. Try to stay positive

- Do not constantly watch or listen to the news, restrict your news updates to once a day.
- Plan out what you are going to do each day and you will feel a sense of achievement by completing those tasks.



3) Keep focused on the future

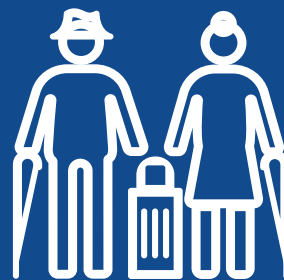
A. Stick to your financial plan

If you have a financial plan, your Certified Financial Planner will have identified your liabilities and recommended a cash reserve for unforeseen events. Use those reserves now.



B. Pensions, investments and rebalancing

- Do not look to sell equities at this time unless absolutely necessary.
- Falling investment values are only “losses” if they are actually crystallised otherwise they are just a daily pricing of what other investors would pay for them.
- This should be a short-term issue and the markets will recover; history shows us that. If you are worried please speak to a professional financial planner.



C. Try to plan for the future

When we get out the other side of this pandemic. Yes, we are going through very hard times right now but we will get through this. We need to stay focused on solutions to our financial issues and not continually focus on the pandemic. For example, what can you do at home? What can you plan for when curfews are lifted and we can all go about our daily lives again? Are there things that you have wanted to do but never had the time to do? Plan, plan, plan.

Create a financial plan for the future if you don't have one already. Review your situation and finances and think about what you want to achieve in the future and plan how to utilise your resources to make that happen. If you need help, seek a professional. If you have a financial plan you can alter it accordingly with your Certified Financial Planner™.



4) We're in this together

If you feel able, volunteer to help in your local community and NHS.



5) Here are some helpful sources of free help and Government support

Charities:

Mind mental health charity:

www.mind.org.uk <https://www.nhs.uk/conditions/stress-anxiety-depression/mental-health-helplines/>

Citizens Advice:

<https://www.citizensadvice.org.uk/>

<https://lookaftermybills.com/>

<https://flipper.community/>

<https://switchd.co.uk/>

Your local authority website

Guidance and financial information and links to claim financial support:

www.gov.uk

To claim Universal credit:

<https://www.gov.uk/apply-universal-credit>

<https://benefits-calculator.turn2us.org.uk/>

<https://capuk.org>

Volunteer to help the NHS:

<https://www.goodsamapp.org/NHS>

<https://www.cityoflondon.police.uk/advice/advice-and-information/fa/fraud/personal-fraud/>



www.financialplanning.org.uk

This guide has been brought to you from the UK community of CERTIFIED FINANCIAL PLANNER™ professionals.



CFP™, CERTIFIED FINANCIAL PLANNER™ and the CFP Logo are certification marks owned outside the U.S. by Financial Planning Standards Board Ltd. Chartered Institute for Securities & Investment is the marks licensing authority for the CFP™ marks in the United Kingdom, through agreement with FPSB.

CISI
CHARTERED INSTITUTE FOR
SECURITIES & INVESTMENT

cisi.org