

Wealth & Personal Finance



By **Angelina Villa**

As a study shows nearly a fifth of women have no idea how much their pension is worth...

I've finally decided to get my finances in order in my 50s. Here's what I've learned from the THREE WISE WOMEN

I'M neither terrible nor terribly good with money and have spent most of my adult life ticking along and getting by. The truth is, I'm not particularly well-versed when it comes to financial affairs. I can't remember the last time I checked the state of my pension, for instance, or shopped around for a better rate on my savings account.

It turns out that I'm not alone, with research by Standard Life showing that almost a fifth (17 per cent) of over-55s have never looked at their pension, with women more likely never to check their pension than men (10 per cent).

But having tipped into my 50s, I thought it was time to get my finances in order. So I sat down with a financial planner, a money coach and a pensions specialist to hear their top tips.

THE FINANCIAL PLANNER
EMMA STERLAND



CHIEF FINANCIAL PLANNING DIRECTOR AT EVELYN PARTNERS, A WEALTH MANAGEMENT COMPANY

'IT'S surprising, but many people over 50 – not just women – have no idea what state their finances are in,' says Emma. 'So, my first advice is to arm

yourself with the basic information on where you are. Start with any savings you may have, credit card debt and what you owe on a mortgage – and write it down. It becomes more real.'

Women, she adds, are often left out in the cold when it comes to financial planning because they are usually the ones who have taken career breaks to look after children or elderly parents. This can mean that the financial power has been given over to the man in the relationship.

In this scenario, making sure you are 'at the table' for financial

planning is of the utmost importance, says Emma, even if you are not necessarily contributing a lot to the family pot. 'It's very important that you have a grasp on your finances and have not over-delegated any joint debt to your partner,' she says. 'Have those important conversations early on. Ask how is any debt going to be reasonably paid off by the time we want to retire?' A financial planner like Emma is

regulated to give personalised financial advice. It prompted a deeper conversation with my husband about a small credit card debt and our mortgage.

I realised that I'd always had a vague notion that these 'will be paid off someday' but by having a conversation about timelines and amounts, and putting a plan in place, I erased the subliminal panic of paying off a huge sum, making me feel more in control.

Facing the credit card debt, in particular, and discussing it, made me start being more careful around spending, and incentivised me to pay it off in chunks when I could spare the cash.

Emma could have helped me on everything from retirement planning and pensions to tax efficiency, inheritance tax and estate planning (passing wealth on, gifting).

Pinpointing your financial goals is another step that she recom-

mends. 'What do you want to achieve with your money? What do you want to do after you stop working? It's surprising how many people have not thought about the specifics,' she says.

'With many parents, for instance, their goals are often tied up with their children. They may want to support them through university, or pay off their student debts. It is important to work out exactly how this is affordable.' A wealth man-

agement company such as Evelyn Partners, which has 29 offices across the UK for contact in person, by phone or on Zoom, might carry out some sort of forecasting to help with this, but, says Emma, a simple tool is to think visually about your money.

'If you have a small investment, or a savings pot, start thinking of it in real terms: 'That £10,000 will pay off my child's student loan' or 'That pot will cover three holidays after retirement.'

And ensure you don't over-commit. 'Make sure you are financially stable before anything else. It's like putting your own oxygen mask on first before helping others. You need to know that you will have enough to support your lifestyle before you promise to pay off your child's debt, for example.'

Objectives is a big word for Emma's style. 'People often say, "I want to travel when I retire." But my job is to ask "What does that look like"? Is it one trip a year, costing £10k, or three smaller trips, costing £2k each? Good financial planning is converting the dream into reality.'

Visualising my own finances like this made the future more tangible. I started to think how

one day I'd like to travel and stay in places for longer than a week or ten days, in order to write, and so I began to look into how much that would cost.

The next question, says Emma, is to look deeper into your finances, particularly your pension. 'If you took out your pension with your first job – some 30 years ago, say – and haven't looked at it since, it may not be appropriate now,' she says. She encourages everyone to check their state provision at gov.uk/check-state-pension.

It's actually very easy to do and something I found myself telling friends about later. A quick check shows you if you have all the years required to get a full state provision and if there are any gaps and it was reassuring to see it all in black and white. Finally, Emma says that it is important to build a relationship with a financial adviser as early as possible.

She adds: 'Find someone you are comfortable with and don't leave it until something dreadful happens – such as a death in the family. You won't be in the best place to make any decisions then.'

SESSION: FREE INITIAL MEETING, THEN WRITTEN PROPOSAL WITH FEES
●evelyn.com

THE FINANCIAL COACH
CATHERINE MORGAN



AUTHOR AND FINANCIAL COACH

PREVIOUSLY a financial adviser for 20 years, Catherine Morgan is on a mission to reduce anxiety and increase

financial empowerment for women, and offers financial coaching online that explores our emotional relationship with money.

'We look at someone's natural relationship with money, which is often based on the many influences they've had in their life – from their parents' views to how their peers handle money,' she says. 'We then look at the practical steps to help them feel better about this relationship.'

Financial coaches are not regulated, which means they cannot offer financial advice or tell you what to do with your money. Instead, they help you to address your relationship with money, providing advice on budgeting or help you set financial goals. First up is a money assessment where

your money 'personality' is revealed. Clients answer a series of questions online, such as how often do you spend money on others? Or if you won a pot of money, how would you spend it?

It turns out that I'm equally an 'architect' (someone who likes to feel safe around money) and an 'impulsive' (who may often overspend and feel guilty about it).

Being 'an architect' means that I am likely to have a strong work ethic and not the type of person to be attracted to 'get rich quick' schemes. The 'impulsive' believes that if you have money you should spend it. 'Most women in their 50s have had co-dependent relationships with money – whether that is with their parents or partners,' says Catherine.

THE result is that women can feel insecure about their financial position. One essential, says Catherine, is to make sure you have conversations about the future. 'Discuss things such as your wills and how to access money easily should something happen to one of you.'

'Financial security is not necessarily related to what's in your bank account or who earns the most in a partnership. It's often about how we feel. Women should always be able to access a pot of money should anything untoward happen. It will give peace of mind just knowing it is there.'

I implement it at once. With each payment from work, I start adding small amounts to a savings pot, to keep for a 'rainy day', and discover that Catherine is right. The odd £20 here and £50 there soon adds up and it feels good to have a sum of money 'just in case'.

After taking the assessment, clients receive a report. 'We give clients an emotional and practical tool kit based on their highest results,' says Catherine. 'So, for example, if they are an "enabler" [someone who spends on others but not on themselves] we might suggest creating an "impulsive pot" to give them the freedom to do something fun with it, which they wouldn't do normally.'

'So many emotions are wrapped around the conversation with money – shame, guilt, fear,' says Catherine. 'Shame is the hardest and is very common among women. We often don't feel deserving to have money in the first place. I'm on a mission to change that.'

SESSION: ONLINE, WORKSHOP AND EVENTS-BASED, FOR EXAMPLE: PENSIONS MADE SIMPLE – CREATE FINANCIAL SECURITY £49
●catherinemorgan.net

PENSIONS GURU
LAURA BURRELL

PENSIONS POLICY MANAGER, MONEYHELPER

AS PART of a free service set up by the Government, MoneyHelper is an independent and impartial organisation that offers pension guidance – but not advice – online or over the phone. The

phone lines are manned by people who have many years' experience in the pensions industry. Their aim is to put callers in a much more informed position so they can make those important decisions themselves.

'We ask people to do a little preparation before the appointment – such as find out where the pension is and how much is in it. We are then able to give guidance about what someone needs to consider on retirement, or if they are thinking about cashing that pension in,' says Laura Burrell, a pensions policy and propositions manager.

'A lot of the people ring up and say: 'I get a statement every year and I just put it in a drawer and don't read it. As they approach 55 onwards, they start to think, "I'm getting to the point where I want to finish working soon, and I have no idea what my pension is worth." There so much choice out there. What we're trying to do is to make people aware of all of the different options they have.'

Laura says that, on average, women are reaching retirement with about a third of the savings that men have. There's also a point in a woman's career when she is more likely to take on caring responsibilities, or go part-time, which can lead to gaps in her working life when she could be contributing to a pension.

'On top of that,' she adds, 'we know that in divorce cases, women tend to be slightly worse off when it comes to pensions. It can be complicated, but a pension is part of the assets which can be split, but a lot of people don't realise that. We actually offer a specific pensions and divorce service, which offers guidance on this.'

ANOTHER factor for women is the menopause, where some women decide to stop working because they are struggling with symptoms, and they may feel like they want to take their pension early.

'We'd say, if you are in that position, to give us a call before making any decisions. You can talk it through with somebody who is completely impartial and perhaps discover that there are other options – whether it is working from home for a while or maybe reducing your hours.'

'Stopping work early will have a big impact, not only on your income now, but also on your income for the rest of your life.'

My session prompted me to take stock of where I am with my own pension, particularly checking to see if I had any gaps when I wasn't working because of maternity leave. It did kickstart me into checking out where I was with my pension in real terms and what I would receive on a monthly basis.

As a free service, I mention it to family and friends. Being forewarned is forearmed, and an hour's appointment might shed light on any pension concerns.

For broader advice, MoneyHelper also offers a MoneyMidlife MoT, for those aged 45-65, and the Pension Wise service, aimed at those over the age of 50.

SESSION: FREE, ONE HOUR
●0800 011 3797; Moneyhelper.org.uk



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