



Create your own financial plan in 6 simple steps

CHECKLIST

Set personal goals

What do you want to achieve in the very short term (1-3 years), in the medium term (4-10 years), and in the long term (in 10 years or more)?

What will change over these periods? A simple list, noting & grouping your short, medium, and long-term goals will do. Make a rough estimate of how much money you need for each goal.

Short-term (1-3 years)

Examples: safety-net (e.g. when losing your job), buying a new car...



Medium-term (4-10 years)

Examples: buying a house, school-fee, travelling/sabbatical...



Long-term (10+ years)
Examples: pension, travelling...



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Understand your current financial situation

Take a look at your cash flow; you can determine it partly from your tax return, if you complete one yourself.

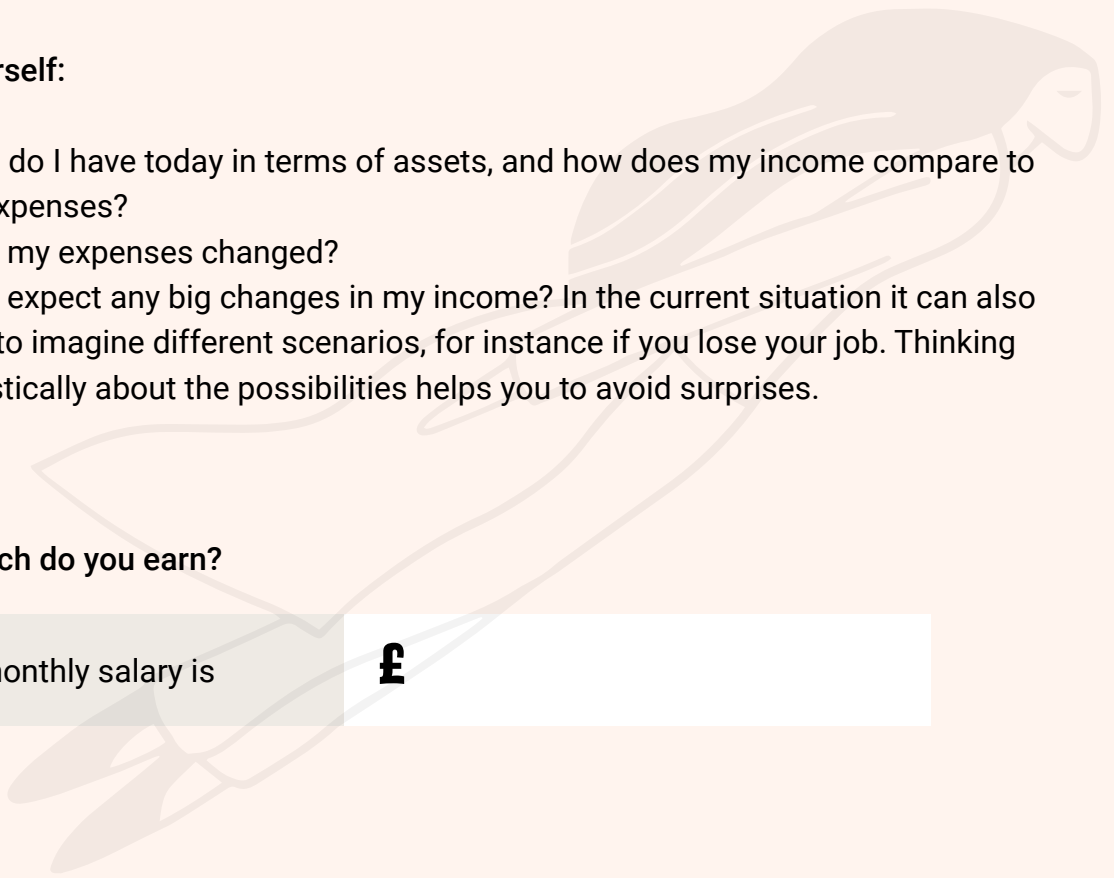
Ask yourself:

- What do I have today in terms of assets, and how does my income compare to my expenses?
- Have my expenses changed?
- Can I expect any big changes in my income? In the current situation it can also help to imagine different scenarios, for instance if you lose your job. Thinking realistically about the possibilities helps you to avoid surprises.

How much do you earn?

My monthly salary is

£



How much do you spend a month?

Fixed Expenses

£

(e.g. apartment, insurance, tax, 3a pillar etc.)

Variable Expenses

£

(e.g. dinner, vacation, clothes etc.)

See what's left:

	Income	£
-	Fixed Expenses	£
-	Variable Expenses	£
=	Available amount	£

What is left will be the money you can save and invest to fulfil your dreams and life-goals. The hard part is deciding how much goes in each pot.

Tools:

There are tools you can use to help, like a budget app or most e-banking applications. If you have a partner, it's best to discuss all this together.



Prepare or check your retirement and emergency funds

Ask yourself how much security you need:

How much money do you have available for emergencies? Do you need more?

What do you need to put aside for retirement? Do you need more? How much money you'll need in later life depends on factors like income, lifestyle, etc.

How much are you already saving, investing for retirement? Check your documents.

Most banks and insurance providers offer a pension planning tool to make rough calculations.

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Adjust your monthly budget

This should include all your essential outgoings - for example, think about your monthly contributions to the following:

Emergency fund;

Pension savings/investments;

Everything that you might spend for up to 10 years+ in the future.

Add additional amounts to your budget if needed.

Consider investing as a possibility, rather than just saving - even in uncertain times, investments can work for you if they are cheap, long-term and diversified.



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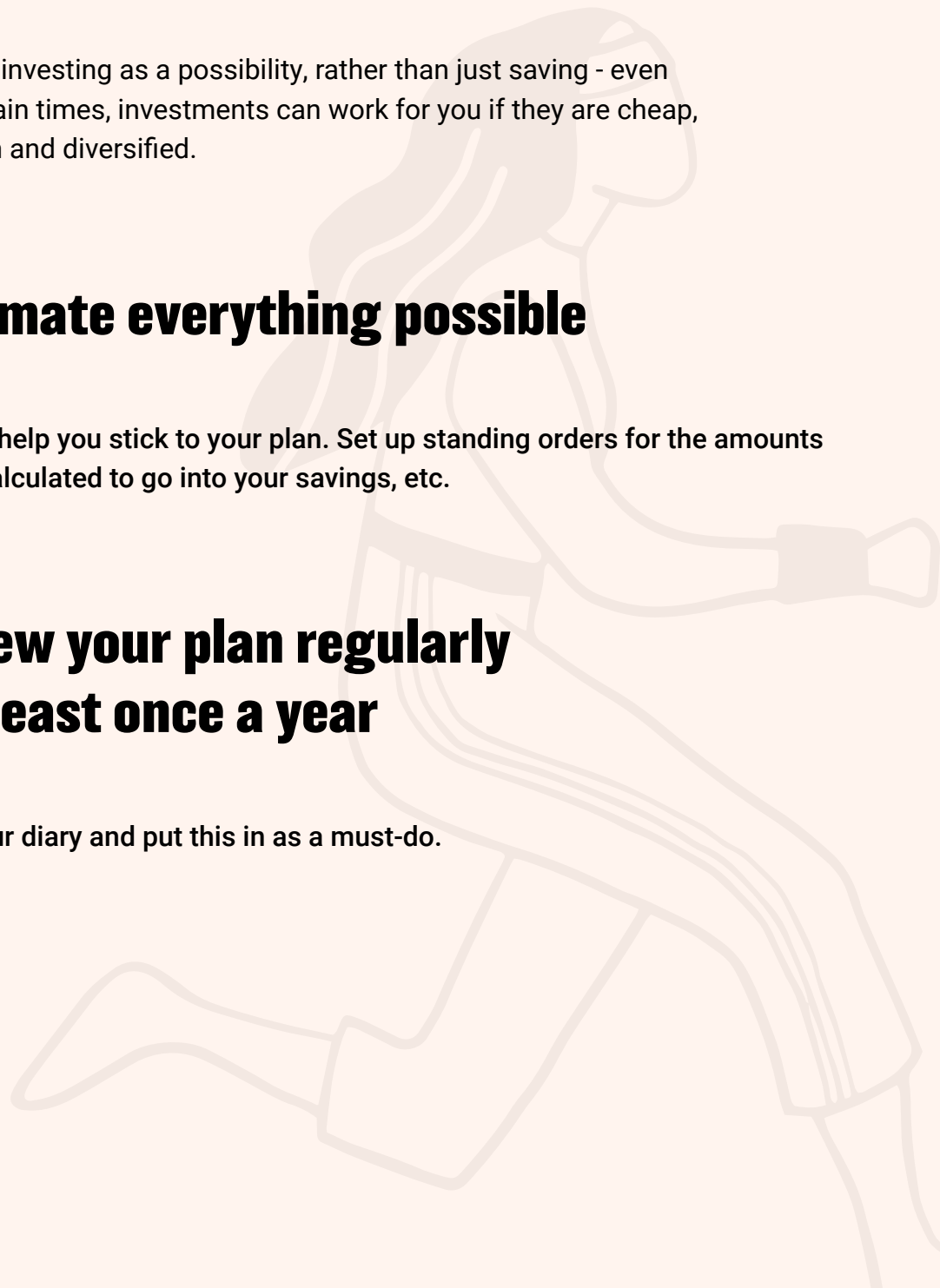
Automate everything possible

This will help you stick to your plan. Set up standing orders for the amounts you've calculated to go into your savings, etc.

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Review your plan regularly - at least once a year

Open your diary and put this in as a must-do.



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We'd love to hear your feedback,
suggestions, or content ideas!

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