

On the Money



Personal finance for working women.

- Contents: Get on the Road to Financial Freedom; You've Got to Make a Budget; Bank Account Basics; Saving; Why Pensions are Free Money; We Need to Talk About Buy Now Pay Later Schemes; Sorting Out Debt; Side Hustles: What You Need to Know; Make Your Money Work for You; Shop Like a Pro; Bills, Bills, Bills; Payslips and Tax Codes; Buying a Home; Financial Wellbeing
- Author Charlotte Burns has worked with Martin Lewis, has won 'financial blog of the year' twice and writes for the UK government's Money Advice Service.
- The economy worldwide has taken a hit after the pandemic and making smart money decisions is more important than ever.
- Young working women are looking for money advice, as shown by the number of Instagram accounts set up and followed by women.

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1 GET ON THE ROAD TO FINANCIAL FREEDOM

Congratulations on one of the best investments you've made so far – buying this book! Who needs Bitcoin?

Is that statement too breezy? Well, I might be a bit biased but you're not going to regret it when you're living the life you want with total financial freedom. This book is my way of helping you get there.

Choosing to read this book tells me that you're smart enough to understand that when it comes to finances, you have to be proactive. Most people float through life without intention, hitting one unexpected financial problem after another. Often, and usually through no fault of their own, there's a lack of knowledge and zero strategy.

Let me throw some stats at you from research conducted by the Money and Pensions Service in 2021. I think they're pretty shocking.

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In the UK:

- 11.5 million people have less than £100 in savings.
- 9 million people have to borrow money to pay for food.
- 12 million people say they don't have the knowledge to plan for their retirement.

Big yikes, guys.

WHO AM I TO HELP YOU?

I've been a consumer writer and editor for over 10 years and am utterly obsessed with helping people to be better with their money because I know what it's like to have nothing and get back on my (financial) feet.

I graduated from university with a Law degree in 2008 as the financial crash happened. It was shit. People were losing their jobs, homes, life savings and, unbelievably, no one wanted to hire a plucky graduate with a talent for downing £1 pies of Soubise.

I moved to London right after graduating because I felt it was my best chance of getting a job and spent a good few years on benefits, before finding a risk being made redundant (twice) and then finding myself on benefits again. This all caused a decline in my mental health and after losing my job and flat, and sofa surfing for far too long, I was ready to give up until I spotted a job advert that changed my life.

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You see, while having no money – I'm talking sobbing and crying a storm at the bank because I went over my overdraft and the five would eat me – is my baseline level of no money – I became obsessed with finding ways to save money. It gave me back some of the control I had lost.

If I had free tickets to the cinema, or went out to restaurants and said that the item was discounted so I could buy it for free, or as close to free as possible, I became a pro and was seriously good at bargain hunting.

The job advert was for a debt hunter at Martin Lane's Money Saving Expert. At the job interview, they asked me why they should hire me as I had no professional experience. In my head I did an impression of Eric Burdon-style speech on how I had no relevant qualifications but there was no one who knew how to save on everyday stuff like me and they wouldn't meet anyone who cared as much as I do. It was probably integrity, but I'm not sure.

I worked there a few years before leaving to become editor at a leading student money website, then I went freelance and set up my blog, LottysEats, two-time winner of Financial Blog of the Year at the MoneyMatters Awards (the Oscars of the financial industry). I also started writing for national newspapers and magazines.

I'm currently the senior digital editor at the Money Advice Service, which is my dream job. I get to spend a lot of time figuring out what financial problems people really have, work out how they can be fixed and then come up with new and exciting ways to package up that information so it reaches the people who need it.

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WHY MIGHT WE BE A BIT RUBBISH WITH OUR FINANCES

The truth is, we probably have very similar money values and habits to our parents, whether we realise it or not. They got theirs from their parents, who got it from their parents and so on. It's a cycle and as with any family cycle, there can be really healthy aspects alongside ones you want to break. Figuring out where the problems are and then improving them is key.

On top of this, there is little to no financial education taught in schools. Sure, they teach you how to do Pythagoras theorem (I still no idea what it is) that the majority of us will never use in the real world, but not what taxes are and how they work, which we all need.

When I grew up, it's completely normal to have £1,000's worth of debt, live in a rented home and live pay cheque to pay cheque. And no one is breaking a sweat over this at all.

I work for a company that aims to help people with money management skills, sort problem debts and encourage people to make good pension decisions. We don't target people who are well off (though there is a lot of relevant information for them) and don't manually focus on people with hardly any cash but are doing well, because before me, people who are seriously short know exactly what money they have, where their next penny is coming from and what they need to spend it on.

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We spend a big chunk of our time trying to reach people who don't know they need help, which is a lot of people. So many people own expensive items, take yearly holidays, buy fancy cars or finance and so on. From the outside looking in, they seem comfortable, but the reality is that a lot of it is paid for on credit – they have no savings and the smallest thing could send them into a debt spiral.

And now we've had a pandemic to compound all that. The world is a tougher place now with uncertain employment, an increased cost of living and rising debt. People who didn't have to worry about money a couple of years ago are now paying for their supermarket shop on a credit card.

Getting on the housing ladder has become close to impossible for many, so it's easier if they just don't think about it. The same can be said when it comes to retirement plans.

I NEED YOU TO STOP COMPARING YOURSELF WITH OTHER PEOPLE

I've worked directly with hundreds of people who are struggling with money and if you're picturing some Oscar Tsao-style action or someone from The Money Girl Show, that's not always the case. It's often the people who wear nice clothes, have good jobs, a good education and are smart who are up the creek.

Don't believe what you see! You might have friends who have a nice car and a big house and wonder how on earth they can afford them.

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If you're. But the likelihood is they're up to their eyeballs in debt, have no savings and no retirement plan. And that's nothing to be jealous about.

So I need you to stop comparing yourselves with the people around you or on social media.

- I don't care if someone earns more than you, it doesn't mean they are, or will be, better off than you.
- I don't care if someone can go on fancy holidays and buy nice things, it's often debt.
- I don't care if someone has bought a house when you can't afford to. There are lots of bad mortgage deals out there and more often than not, money from family comes into play here.

Follow your own path and have trust in the financial strategies you are going to create. Being financially secure is a million times better than going the direction you are. Because here's the truth: you can't enjoy the things you buy if you can't afford them. Not really. There will always be some guilt and anxiety associated with them. Get them the right way.

BREAK THE BAD HABITS

Throughout this book, I'm going to help you break any bad money habits you may have inherited and educate you about money.

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management and planning. I'm going to tell you the truth and challenge some preconceptions.

I've been in this industry a very long time and have learned from the best. I'm not going to tell you to ask the universe for cash, invest in risky schemes or give you empty promises of becoming a millionaire.

I'm not one to sugarcoat things so let me be clear: the things I will ask you to do aren't always fun, and they aren't always (or ever) sexy but they are realistic and do-able, no matter where you are on your financial journey. You don't need a six-figure salary to have financial freedom but you do need to commit to making some changes.

If there's one thing I can promise, it's that if you do the things I suggest, you will be better with money and, therefore, you will have more of it. So buckle up!

MONEY MYTH BUSTING

Before we get stuck in, here are some common misconceptions about money that I want you to shake off:

- If you're rubbish with money, you'll always be rubbish with money.
- You can't gain control of your finances.
- A high income automatically makes you more wealthy.
- You can only save if you earn lots of money.
- It's too late to start saving.

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ACTIVITY

After each chapter, I'm going to set an activity based on what you've learned to help you in a practical way.

Before you go any further, I want you to visualise what you want to achieve by reading this book. The more specific your goals are, the better. For example, 'I want to buy a house' is a very general goal so it will be hard to mark your progress and keep focused. Something like 'I want to save £20,000 towards a deposit in three years' is better – it's specific and has a time frame attached so you can easily measure your progress.

When things get hard, having a clear goal to anchor you is really important. Keeping your goal in mind helps you to stay motivated and reminds you why you're doing what you're doing.

Visualisation techniques are used by the most successful people to help them reach their goals. Your brain is constantly using visualisation in the process of simulating future experiences. This happens naturally and you probably aren't aware of it (unless you have anxiety like me and a brain that likes to imagine every potential

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