

Magenta

FINANCIAL PLANNING

Life after Lockdown

A guide to help you think about you and your family's future in the 'new normal'

Life after Lockdown

Do you like the slower pace of lockdown? Is this something you would like to build into your future life?

Would you like to know if you can retire earlier; whether you can work part time or take a career break?

Do you find lockdown too restrictive and boring? Do you want to spread your wings in search of adventure when this is all over? What will you be able to afford to do and when?

Has lockdown given you the space to think about new ideas – are you thinking of starting a new business or expanding an existing one? What do you need to get started?

Has living in lockdown made you realise that you no longer want to live with your partner? Are you worried about whether you can afford to live somewhere else and maybe start a new life?

Coronavirus has made us all think a bit more about our mortality. Are you certain that you have everything in place should the worst happen?

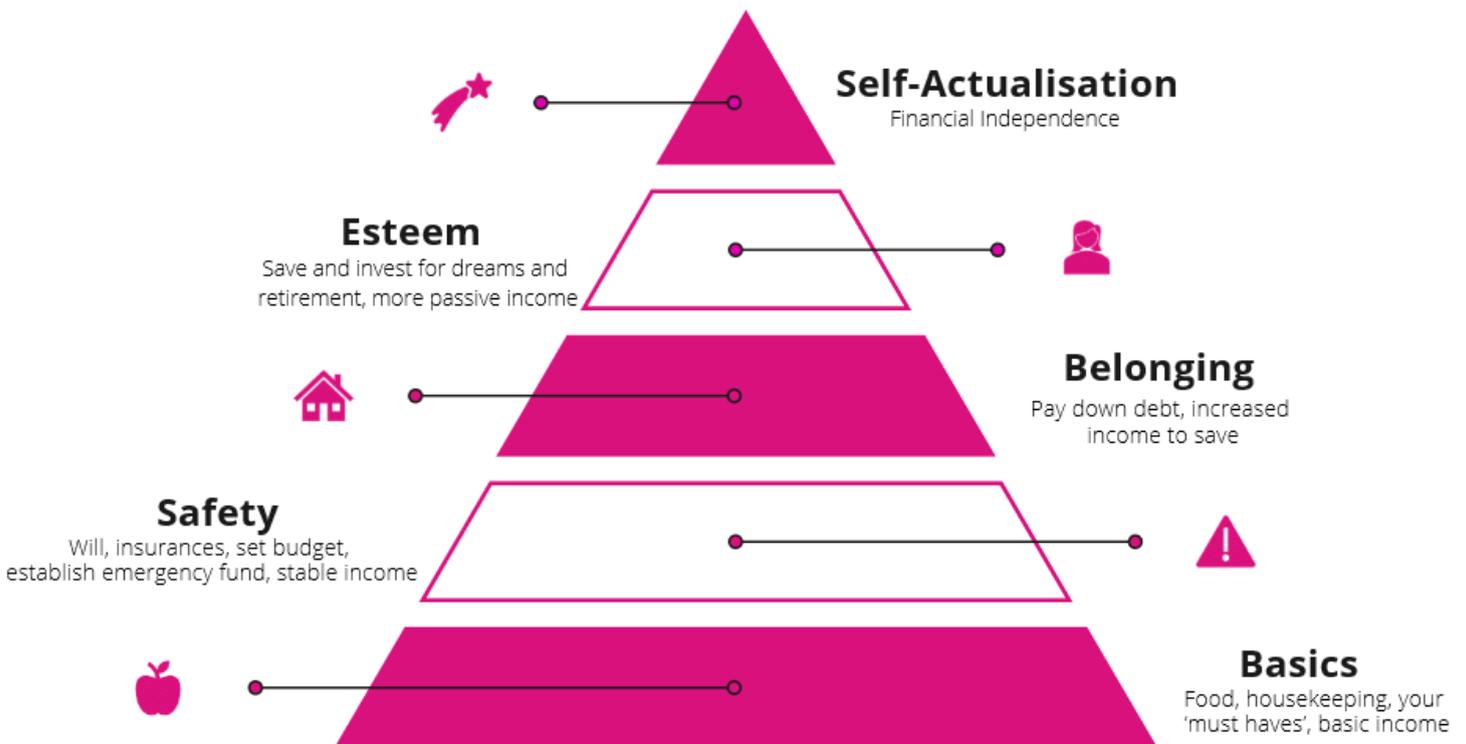
We can help with all these! We can help you to answer some of life's big questions, by working with you to design your future life plan and ensure your finances are properly organised to achieve it.



Your Life Journey

The famous psychologist Abraham Maslow created a hierarchy of needs in 1943, recognising that some things are more important to people than others.

Here is Magenta's financial version, designed to help people understand their priorities and explain why it is important to start at the bottom and work upwards.





Basics



You should have most of these covered, but are you earning enough to live the life you really want?

Here's some things to consider:

- **Income** - You could increase your income – read our blog '[5 ways to increase your income](#)'.
- **Home utilities** - You could make savings on your utility bills. You can use www.lookaftermybills.com to check.
- **Budgets** - All of us have discovered that actually we can live on less when we are not allowed to go shopping, to the pub or to the beauty salon. Make the most of this opportunity to work out future budgets based on what you NEED to spend, adding in discretionary spending on things you would LIKE to do. This will help you to be more effective with your money.

Consider keeping a spending diary (you can download Magenta's [here](#)) or using a simple budget planner may help (again use Magenta's [here](#)).

Try to set aside at least 10% of your income into a savings pot BEFORE the discretionary spending as this will help you build a secure and happy future.



Safety

The coronavirus situation has sadly shown us how poorly prepared many people have been for an emergency. In addition, the continuing uncertainty is leading people to feel anxious and worried about the future.

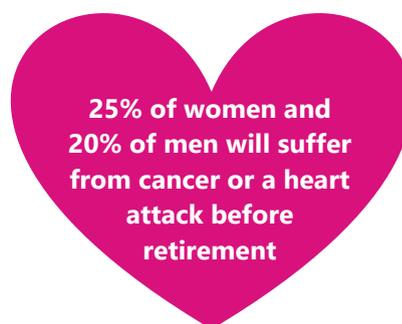
What practical things can you do to relieve some of the anxiety and create a more robust and worry free future?

- **Get organised!** Make lists and/or spreadsheets of all your personal and financial arrangements and make sure someone else knows where to find them in an emergency.

Our Magenta Manual has been designed to help you keep all this vital information in one place. Do call or [email us](#) if you would like a copy.



- **Old document review!** Paperwork is the bane of our lives! Find out what you need to keep and what you can throw away (or better still shred or burn to keep your information safe) [here](#).
- **Family protection** Are you certain that you would be able to maintain your current standard of living, if you or someone in your family were to die or fall ill? Take a look at [this article](#) help you understand why this is so important.



- **Wills and Lasting Powers of Attorney** Never has it been more important to ensure these are in place and up to date.

Read our recent blog [here](#) on the problems that can occur when they are not in place. We'd be happy to refer you to a local, friendly solicitor and many solicitors are able to witness signatures virtually now.

- **Emergency fund** This crisis has demonstrated that too many people have no savings to fall back on. Again, because we are generally spending less, it is a good idea to be setting money aside for emergencies. We recommend that you have at least 3 months, but preferably 6 months, regular expenditure in an emergency fund. Read more in this blog ['How long would your savings last'?](#)

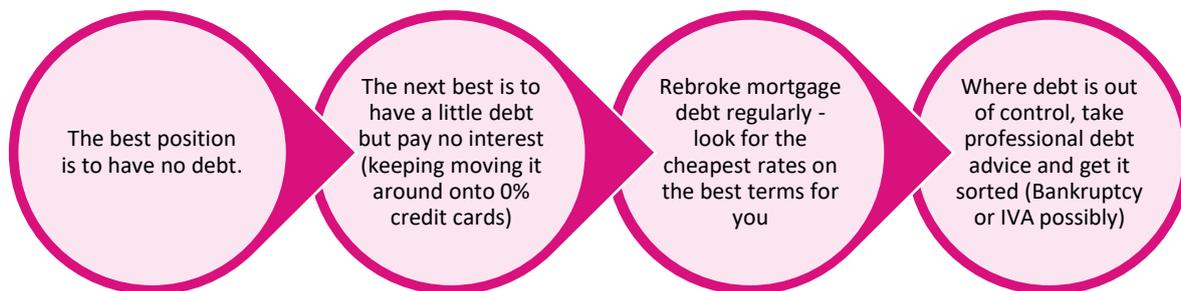


Belonging

Once you've established you have covered all the catastrophes that could occur and protected your family, the priority shifts to your future goals, paying down debt, career focus and how to generate higher income levels as your family grows.

It may seem strange to link debt with belonging, but in our experience, when people have paid off their debts, they feel free and open to wider experiences which they can usually now better afford to pursue.

Magenta does not specifically provide advice about debt, but generally we know that there is a debt hierarchy as follows:



There are great resources online via [Money Saving Expert](#) and the [Money Advice Service](#) for this.

To increase your income, have a look at the links above under “Basics” and start to think about changing your career, taking further qualifications and whether this is financially possible. You can consider online qualifications with the Open University for example.



Esteem

When you feel you have covered the basics, have everything organised, your family protected in the event of emergencies and your debts and career under control, you will then have the headspace to think about the future. When you are clear about what and who is most important to you, you can then really start to think about what will make you happy and how you can pursue your passions in life.

Give yourself time to think about what you would like to do with the rest of your life and discuss this with your life partner. **We've included an exercise at the end of this document, which may help you to prioritise and put things into perspective.**

It maybe that lockdown has made you realise that you can no longer live with your partner. If this is the case, you will need specific advice, but we have a [Divorce Planning Toolkit](#) you could look at first to ensure you don't make any mistakes when moving forward on this path.

With everything else properly organised, you can now start to invest properly for your future and build up funds for the next stage of financial independence. Make the most of tax efficient investments like ISAs and pensions and ensure you use all available tax allowances e.g. your capital gains tax allowance.

If you are new to investing this [Beginners Guide](#) might help and for tax efficient investing and how to make use of all your personal tax allowances read our recent blog about how to [Use it or Lose it!](#)



Self Actualisation



You made it! Financial independence – the time when you can stop working to earn money if you want to, and spend what you have accumulated on things that give you joy and/or on the people you love.

You'll be able to spend more time travelling, enjoying hobbies and maybe even learning new skills.

The problem now is that we don't know how long we have to live and whether the money we have will last longer than we will.

Other questions will arise too - Will I be able to continue spending at the same rate? Will I have enough to pay for good nursing care when I get old? Shall I give some money away to my children/grandchildren to help them along? And what about inheritance tax?

Some of the answers to these questions can be found in the following....

- **Talking about Inheritance Tax**

It's important that families talk about inheritance so they can plan ahead. Not only will everyone be clear on what to expect, which can prevent family conflict further down the line, but it means as much of your hard-earned money as possible is passed on to loved ones. Make sure you read our blog [here](#) about this topic and also refer to our [Estate Planning Toolkit](#).

- **How about learning a new skill?**

This usually involves membership of a new group or community and possibly leads to new friends. [This article](#) by the Independent has some great ideas about some of the new things you can learn.

- **Adopt an adventure mindset!**

"Adventure" is one of those words that is very subjective and conjures up different pictures in the minds of different people. Whilst some people think of safaris and mountain climbing, others consider a trip to the supermarket with the children to be adventurous enough! A lot depends on age, life stage, physical/mental health and experience. Read our blog about this [here](#).

We hope you have found something of interest here, feel positive and can see what stage you are at on your journey.

If you would like to explore any of the issues discussed and want help in building your personal financial and life plans you can book a time for a friendly chat easily by clicking below.

[Book a call with Magenta](#)

Exercise

Money is the fundamental ingredient of many of our ambitions, so effective planning and management of it is critical to the successful achievement of our goals. Have a think about the following questions.

- What 5 things do you want to achieve in the next 5-10 years?
- Have these goals been affected by the lockdown?
- What might prevent you from achieving your goals? What would it take to get back on track?
- When you have achieved your goals, what will you do then?
- Who would you like to benefit from your wealth when you die?
- If you only had 6 months left to live, what would you do differently?
- What would you like your obituary to say?

A good Financial Plan will consider the essential relationship between your money and your life and will provide you with the solid infrastructure necessary to build a successful and happy future.

[Book a call with Magenta](#)

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 Magenta Financial Planning

Important Information

This document is not providing any financial advice, just guidance.

Magenta offers independent financial advice and is regulated by the Financial Conduct Authority. This means that we consider a wide range of financial strategies and solutions. We are constantly reviewing the market to ensure that the services and products we offer are appropriate for our clients.

We offer both initial and ongoing services. Any solutions we arrange for you will only be kept under review as part of an agreed ongoing service for which you agree to pay.

Any advice or recommendation that we offer to you, will only be given after we have considered a number of factors and assessed your needs. We will assess your financial objectives and how much risk you are prepared to accept and how much of a drop-in capital value you could withstand without compromising your plans. We will also take into account any restrictions that you wish to place on the type of solutions you would be willing to consider.

We cannot adequately perform our duties and responsibilities to you unless we receive your full co-operation. You therefore agree to promptly provide such information as Magenta needs to be able to provide the agreed service, to discuss needs and objectives candidly and to keep us informed of any changes in your situation.