

Six ways to improve your financial health in 2023

Set a budget and plan ahead. One of the most important steps you can take in managing your money is to set a budget. You may want to do this weekly or monthly, depending on your circumstances. When you have a budget, and you write down exactly how much you're earning and spending, it's more likely you'll avoid unnecessary spending.

Set clear goals. You know it's important to save, but saving without a specific goal can be difficult. That's because it's often tough to motivate yourself to save if you don't know what you're saving for. Whether it's big or small, set yourself a clear goal. When you achieve it you'll feel a sense of accomplishment that'll help give you momentum on your saving journey. Write down your goals and put them up on the wall so they're visible or set up targets in your banking app.

Avoid using an overdraft. It's easy to see an overdraft as an extension of your bank account. But in reality, an overdraft is another form of debt. In fact, most accounts have 40% interest rates - double those of most credit cards. If you're in your overdraft, and you have the means to do so, think about using your savings to pay off your overdraft.

Plan for unexpected pay-outs. It's impossible to plan for everything, but having a pot of savings will help protect you from unexpected expenses. Ensure you have money aside to deal with things you simply can't predict, such as household repairs and problems with your vehicle.

Set up digital and paper filing systems. People tend to bury their heads further into the sand when they feel overwhelmed by something, and that's no different with finances. Which is why it's important to make managing your finances as simple as possible. Dedicate a little time to set up a filing system - one for physical paperwork and one for bills and the bank statements you receive on email.

Take stock of your self-esteem. You may feel your self-esteem is impacted if your finances aren't where you'd like them to be. Ensure you're reinforcing other aspects of yourself and your achievements to bring balance to your level of self-esteem.

Managing Debt



In recent months, debt charities have warned of a "new wave of people" being pushed into debt due to increasing rent costs and higher interest rates. A survey from YouGov has revealed 24% of people are finding it harder to make credit card or loan payments and 11% are using buy-now-pay-later loans more frequently.

In fact, the increase in the cost of living is now the most common reason for debt among the clients of debt charity, StepChange. It's not unusual for people in debt to feel helpless. If you feel this way, know that support is available and there are steps you can take to find a way out.

Three important things to know about debt.

Impartial help and advice is out there: StepChange, National Debtline, Christians Against Poverty and PayPlan all offer impartial advice on debt. They are not there to judge you, they are there to help guide you through the debt maze. Contacting one of these services is a positive step and will help you improve a difficult situation.

You are not alone: It may come as little surprise that the number of people with money worries has soared over the past 12 months. StepChange has revealed 45% of British adults found it difficult to keep up with household bills and loan repayments in the past few months, up from 30% a year ago.

There's no shame in debt: The truth is, people find themselves in debt for many reasons which are out of their control, including ill health, redundancy and bereavement. But it's still common for people to feel ashamed of their debt because of the stigma around it. For this reason, many people delay getting help. A study by the Financial Conduct Authority (FCA) showed that 42% of people who were struggling financially had ignored attempts by their lenders to get in contact about missed payments because they felt ashamed. As soon as you realise you could be in trouble with debt, take action to avoid the situation spiralling.