

Your guide to  
creating your own  
Financial Plan

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**Schroders**  
personalwealth



# What is a Financial Plan?

We believe financial planning can change lives.

Everybody’s circumstances are different and we each have different aspirations and goals. A Financial Plan could help you understand where you are today, work out where you want to be and how you aim to get there.

We’ve created this practical document containing some key activities to help you think about your current financial situation.

By using this approach you could be just 4 steps away from putting together your own financial plan, helping to give you confidence about your financial future.




# The 4 Steps:





# Step 1

## Complete the example life plan



To get started use the plan below to plot key life events that will require a financial commitment and at roughly what age you want to do each. Estimate the potential cost of each event and give consideration to how your financial plan aims to help make your goals a reality.



**Tip: Plot as much as you can**  
Dream big, so that all of your hopes and ambitions are included in your plan - you can always review this regularly as time changes.

### Life events to consider plotting on your plan:

Remember to consider financial expenditures not just for you but in relation to partners, children and even grandchildren.



Education costs



Weddings



Retirement age



Significant holidays



Significant birthdays or anniversaries



Vehicle changes



Property purchases and sales



Other goal



Complete the following income and expenditure tables, you can complete this for yourself, or jointly for yourself and your partner.

## Income

Income detail	You	Your Partner	Joint
<b>Wages/Salary</b>			
Base / Basic Salary			
Overtime			
Bonus			
<b>Pensions</b>			
State Pension			
Private or work Pension			
<b>Benefits</b>			
<b>Other income e.g. rental</b>			
TOTAL			

### What you could do:

**If your total income is greater than your total expenditure**

**As you’ve got some money spare each month you might consider:**

- Increasing your repayments if you’re paying off debts, so that they’re paid off quicker.
- Setting some money aside regularly.

This also means you could be less likely to get into debt should something in your life change and you have unexpected expenses.

**If your total income is less than your total expenditure**

**As your income isn’t covering your living costs, you might consider:**

- Looking at your income versus your outgoings.
- Using budgeting tools each time your money situation changes to keep on top of our spending.

If you’re really struggling with your money and have already accrued debt, you could seek help from your local Citizens Advice in England and Wales, Scotland or Northern Ireland.

## Expenditure

Expenditure detail	You	Your Partner	Joint
<b>Long Term Commitments</b>			
Mortgage			
Life Insurances			
Pension Contributions			
Regular Savings Plans			
Loan payments			
School Fees			
<b>Household Bills</b>			
House Insurance			
Gas/Electricity			
Gas maintenance			
Phone/Sky/Broadband			
Council Tax			
<b>General Expenses</b>			
Food			
Clothing			
Health Costs – BUPA/ Dentist/Optician etc			

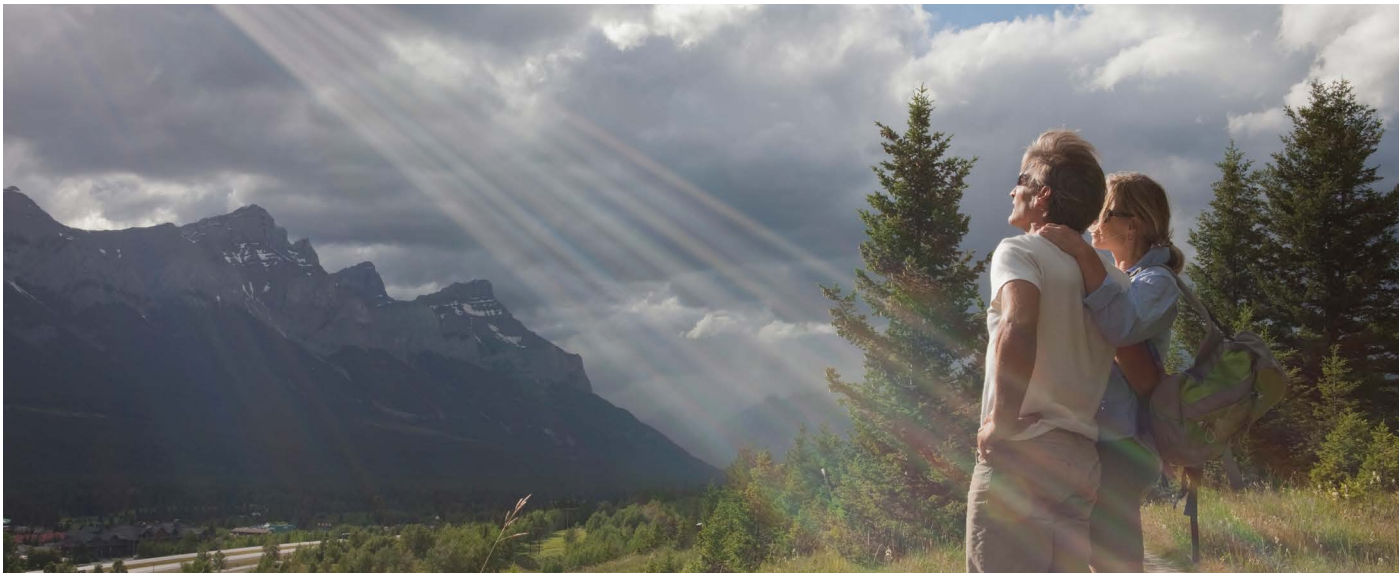
Expenditure detail	You	Your Partner	Joint
<b>Transport</b>			
Car Lease			
Fuel			
Road Tax			
Insurance			
Maintenance			
Public Transport			
<b>Leisure</b>			
Hobbies/Interests			
Entertainment			
Holidays			
TOTAL			



# Step 3

## Complete the financial action plan

Topic	Goal	Tip		Action	When	Who will do this?
1. Your emergency pot	To have an emergency pot that aims to protect you from financial shocks.	Keeping three month's expenditure aside as an emergency pot is a good rule of thumb.		Review your emergency pot – how much do you have and where is it saved?		
2. Protecting you and your loved ones	To have confidence that you and your loved ones have financial support should something happen to your health.	Protection can be the core to a financial plan – don't forget any existing benefits through your employer.		Review your existing Protection policies – are you covering the right areas? Do you have sufficient cover?		
3. Your savings, investments and pensions	To understand what you have and whether it's aligned to your objectives and goals.	Reviewing what you have each year will help you identify if you're on track or not - Don't forget your workplace pension.  Having everything in one place could make life easier for you.		Review your current savings, investments and pensions. How are they performing? How much are you paying? Do the investments match your objectives and risk levels?		
4. Passing on your wealth	To have the basics in place to ensure your money is passed on to who you wish.	Planning for when you're not around can make life considerably easier for your loved ones – don't forget each of your pensions will need an Expression of Wish completed.		Ensure your Will and Expressions of Wish are up to date and reflect who you want your money to pass to		





# Step 4

## Review your plan each year

You’ve now got a basic financial plan which should give you more confidence to know where you’re heading and if you’re on track to get there.

Reviewing this plan each year will help to make sure the plan is aligned with your goals and objectives throughout your life. Now is a good time to put a note in your diary to review this plan next year.

If you’d like an expert to review your plan, or if you’re struggling to take action and identify solutions, then we’re here to help.

It all starts with a free, no obligation conversation to understand if our service could help you. There are no hidden fees or charges, and you’ll only start to pay for our service if you decide to take forward the recommendations we present to you in your personalised financial plan.

To book a free initial consultation visit  
spw.com or call us on 0808 271 7258





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