

Is Financial wellbeing the lost strand of mental health and what can we do to fix this?

The last couple of years has seen an increase in the awareness around mental health. Many businesses are placing mental health at the top of their wellbeing agendas and according to the 2019-2020 Business in the Community' Mental Health Report, 51% of employees are comfortable talking about mental health.

However, there is more to be done, especially around financial wellbeing. Research from Salary Finance showed that only 14% of employees felt comfortable talking openly about money, whilst 36% of UK adults say they worry about money every day.

“We believe that financial wellbeing cannot be looked at in isolation. Having a good level of financial wellbeing and feeling confident about your finances underpins all the other elements of wellbeing and they go hand in hand,” explains David Thomas, Head of Business Development at Schroders Personal Wealth, *“Financial wellbeing is almost like the lost strand of mental health, you have to question how you can have good mental health without good financial wellbeing? It is vital that we address this problem.”*

What is good financial wellbeing?

Financial wellbeing isn't about having the most money, it's about having enough money to enjoy the things in life that make you happy. It's also about being in control, having financial freedom and prioritising what's important to you.

“Money is the biggest cause of worry and stress in the UK ahead of relationships, career and health with 36% of UK adults saying that they worry about money every day. If you looked around at your family members, friends, colleagues would you be able to tell which third of them were worrying about money?”

The answer is likely to be no because as a nation we do not like talking about our personal finances,” says Thomas.

How can I improve my financial wellbeing?

Establishing an understanding of wellbeing and de-mystifying the subject of finances is the best place to start.

“The journey to financial wellbeing has different stages involving ever increasing levels of understanding and awareness, knowledge and engagement.” explains Thomas. *“People tend to avoid looking at their finances so the first step is to move away from this and instead start engaging with them. You should look to create a financial plan, this might seem overwhelming to start with and it may be that you’re in need of help from a professional if you don’t know where to start.”*

Once you have awareness of your financial position you should be able to identify any areas where you feel like change is needed and who you may need to seek support and guidance from. This could be as simple as realising you’ve been with the same energy provider for a number of years and that you need to shop around the market for a better deal. The key aspect here is that engaging with your finances allows simple changes that can relieve pressure incrementally and start to improve your overall wellbeing.

Once you’ve assessed your finances and started to make a plan you may feel a sense of financial stability. This stems from the fact that you have an understanding of most of your finances and even those complex issues now feel easier to engage with.

This engagement helps you to prepare for the unexpected in life and helps you to make the most of your money. This process starts to help you prioritise the things that are most important to you. These are often things like helping family or spending money on experiences rather than material possessions.

Financial wellbeing is ultimately achieved when you feel confident and have a clear understanding of what your financial priorities are.

At this stage you feel comfortable to engage regularly with your finances and you have systems in place to plan for the things that are most important to you.

“Financial wellbeing is something everyone can achieve,” says Thomas. *“Whether you engage with your finances on your own or seek support from a professional, we believe that the underlying process is the same. Understanding what’s important to you and your current situation is the cornerstone for creating a financial plan. It centres on you spending and giving money in alignment with your values and what makes you happy. Money can help with this but it isn’t everything.”*

Identifying the things that will bring you happiness and putting a plan in place to achieve them should be the end goal. When I have spoken to clients in the past the best conversations have centred on families, lifestyles, businesses and dream properties – these are the things that are personal and important to them and help them achieve a good sense of wellbeing.”

For further information, please contact:

Charlotte Banks – Senior PR Manager

charlotte.banks@schroderspw.co.uk / 07764 747818

Note to Editors:

Schroders Personal Wealth is a joint venture between Lloyds Banking Group and Schroders – two of the UK’s largest names in banking and asset management.

We were created to help more people across the UK benefit from financial advice. We have the advantage of solid foundations and a strong heritage. But we take a fresh, transparent and personal approach to financial planning.

We aim to provide clients with clarity and transparency in everything we do. This includes using technology to explain how long-term financial planning can add value to people’s lives; to give people access to information about their financial wellbeing; and to communicate with their adviser when it’s convenient for the client. Our heritage may be 400 years old, but our approach is built for the future.

For more information visit <https://www.spw.com/>

Schroders Personal Wealth is a trading name of Scottish Widows Schroder Personal Wealth Limited. Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England and Wales No. 11722983. Authorised and regulated by the Financial Conduct Authority