

neyber

Worried about a recession?

Here's what (not) to do

There's a lot going on right now, and it's easy to get caught up in the day-to-day, fretting about what might happen next. We may be headed towards a recession, but planning ahead could help reduce the financial impact on you, as well as relieve some of the stress that comes with the uncertainty.

The whole world has been shaken by recent events, and you're not alone in the struggle. Thinking about your finances can be stressful even at the best of times, and the last thing you need is to stress out over something you can't control. If you have an emergency savings fund, you may find that you need to use some of it. If you do, remember that's not a reflection on you or your worth, or a failure - it's what an emergency fund is for.

To help you feel prepared, we've put together a quick checklist of top tips to think about to be more at ease with your finances in these turbulent times.



Things you can start doing:

Do Double check what's leaving your bank account

Check whether your utility providers are giving you the best offers right now. If you can spend less on bills, you'll feel more in control! According to This is Money, UK homeowners are overpaying their energy bills by an average of £220 a year! You can use our budget planner to figure out how to live within your means whilst still making steps towards the long-term.

You may also have other employee benefits, so make sure you're utilising everything you can:

Health insurance

Do you have dental or optical health support when you go for a checkup?

Gym memberships

You may not be using this right now, and if you can opt-out, you won't be taxed on it, either

Discounts

You might have an employee scheme that will help give you a discount at retailers, like Perks at Work, Perkbox, Vitality. If you don't, whenever you're buying something, make sure you do a quick search for discount codes or use online sites such as Quidco and TopCashback that could give you money back.

Do Pay off or consolidate your debt

It's not just your immediate bills (rent, utilities, phone) that you need to think about, but the money that could be piling up behind the scenes, too. If you have money owed on your overdraft, high interest credit cards or other forms of loans, paying off more than just the interest will do your future self a favour! The longer you put off paying off debt, the higher the interest owed on the money will be. If you have debt owed in several places, consider paying off your loans with one, lower-rate loan which could mean having less admin, less stress and more importantly, could result in a lower repayment in total.

If you think consolidating debt at a lower rate may be able to help you, Neyber may be able to help. Find out more here.

Do Build your emergency fund

saving as much as you can while you can is important, to ensure that you're ready for whatever life throws your way. Whether you're just starting out, or already putting aside a tidy amount, consider adding more to your rainy day savings. We've got a handy calculator to help you figure out what you might need and how you can start small to build a healthy savings habit.

Things to avoid doing

Don't jump into a discounted-rate mortgage.

As many interest rates and mortgage rates are at historic lows, it's tempting to borrow as much as you can to fund your dream house.

If you're already paying a mortgage check in with your mortgage broker to see if you can get a better rate but be wary of borrowing a higher amount than you need.

If you're just stepping into home ownership for the first time, consult a professional adviser before making a decision. Be wary of a deal that gives you a great rate for the first year or so, but could increase significantly long term. Whilst the starting interest rate might seem low now and very affordable, make sure that you could still afford it when the introductory interest rate expires. Just like bills, be cautious of being locked into a long term mortgage that could mean you miss out on more competitive rates in the future.

Don't Put your long term plans on pause

In the case of a recession it may be likely that you'd find yourself with less disposable income. On the basis that necessities come first, it's tempting in this situation to not put aside savings and just concentrate on what's happening now. But, no one knows what the future holds, or how long a recession might last, so the more you can put aside in savings, the better. Even if it's just an extra fiver a week in a simple savings account, putting something aside will help. Remember, money that goes towards your pension attracts a bonus from your employer and the government in the form of tax relief (up to £40,000 a tax year). As we're now in a new tax year, you can also save up to £20,000 tax-free in an ISA, but be sure to choose the right underlying investment between cash savings and more volatile investment funds. Longer term saving and investing might have slipped your mind with everything going on right now, but your future self will thank you for remembering.

Don't Make emotional decisions about existing investments

If you have money invested, and you're feeling anxious as stocks fluctuate, it's easy to think about cutting your losses and withdrawing everything. Before you do anything ask yourself three questions:

- **Why did I invest this money and is that still valid?**
- **Do I really need this money to meet an immediate need now?**
- **Have I spoken to a regulated financial adviser for personal advice?**

So, take a deep breath, put aside some time to plan and reflect on your next steps before diving in. There could be tough times ahead, but you'll feel better once you've sat down and thought about what you can do with your resources - if you imagine the worst case scenario and how you would handle it, it may help you to think things through and identify where you need to take action.

Neyber has plenty of resources to help you decide on your strategy for the future. Check [Neyber](#) out to find helpful articles, tools onsite and salary-linked products that could help you take control of your money.

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