

**Police
Mutual**

Let's Talk

Family Finances – August 2023

The support of our family is extremely important as it provides benefits to your physical, emotional, and mental health that is hard to find elsewhere.

For most people our families are the most important thing in our lives. It is therefore important to ensure we think about the health and happiness of our families and ensure it is protected financially.

Whatever stage you are at in your life this guide should be able to assist you.



Starting a family

There are lots of things to consider when thinking about starting a family and one of them needs to include your finances.

Children are expensive and most families will need to save and budget more than they used to before they had children. Here are some things to think about in the early years:

- Try to establish how much extra cash you'll need - this is especially important when you are taking parental leave, as your household income is likely to be lower. Check your employers maternity and paternity pay policies and then work out how much your net (after tax) household income will be. This information will give you an idea of how much money you may need to save before the baby is born. For more details on statutory maternity and paternity pay click [here](#).
- Don't buy something until you know you need it - you may think you need everything you can buy for your new-born before they are even born, but in reality, that isn't the case. Just buy the essentials to begin with.
- Buy second hand or borrow from a friend or family member - the quality of second-hand

baby clothes and other items is usually good, because they've probably had little use.

- Do your research when it comes to childcare - if you need childcare, find out as soon as you can how much local providers charge. The cost can have a bearing on whether you choose to return to work part-time or full-time.
- Make use of financial support - there is help available towards childcare costs, through the Government. For more details click [here](#).
- Get help from family - Grandparents or other family members, may offer with help towards childcare for you.

Ensure you are claiming for any benefit you are entitled to. For details on how to claim child benefits click [here](#). For more details on other benefits available, read our guide [here](#).

As your children get older and start school, your childcare costs will reduce, but you will still need to think about, before and after school clubs, the cost of uniform and school holiday clubs as well as thinking long term to helping towards paying for university costs.



Budgeting

By putting together a budget plan you'll have a clearer picture of what will be coming in each month and what's going out and your available spend. It's a good idea to start by working out your monthly income, outgoings, debts, discretionary spends and any large expenses you have coming up in the future. It is important to review your budget on a regular basis or at the very least when you have a change in circumstances to see where you can make savings and ensure that you are getting the best value for items such as your energy bills, car insurance and mortgage.

Work out your budget – what money do you have coming in, what do you need to pay for and what's left for paying off debt or savings. Use our budget calculator [here](#) to help you manage your money.

Your correctly produced budget is a very precise tool for analysing your finances. It will be able to answer 2 questions, 'Do I spend more than I earn?' and 'What can I afford to spend and save?'

With the increases in the current cost of living including, energy prices and food costs, it's more important than ever to understand your finances and budget accordingly. In order to still be able to afford everything you need and want you may need to cut back and spend less. For more details on how to spend less, read our guide [here](#).

With interest rates increasing, you may be worried about paying your mortgage if you are nearing the end of a fixed rate scheme. If this is a concern for you, read our house purchase guide [here](#).

For more details, read our Smart Budgeting guides [here](#).



Saving for the future

It's important to get into the habit of saving and this will help if you have your end goals in mind. So, step one is to think about your goals, both in the short and long term. Once you've decided on these aspirations, then set the timeframe for each of them. These may include buying your first home, saving for university fees for your children or your own retirement.

Teaching children about money

Whether you're a parent, grandparent or guardian, you can help the young people in your life to develop good financial habits from an early age. This can include good money habits such as budgeting, saving and responsible spending.

Talking to your children about money can help them develop the skills they need to thrive as adults. It can also help them develop a positive relationship with money and give them with the skills they'll need to make smart financial decisions for the rest of their lives.

Pocket money is a great way to start to teach children how to be responsible with their own money. They could even earn more money by helping out around the house.

MoneyHelper's research shows that children who have responsibility for their own spending and saving decisions show better understanding of the value of money. For more details on talking to children and young people about money, read the MoneyHelper guides [here](#).



House Purchase

Getting on the property ladder



Buying your first home may feel overwhelming especially with the current interest rates and the level of deposit needed. To get a good mortgage deal, you often need a big deposit. If you are

struggling to know where to start, read our saving for your first home guide [here](#).



Re-mortgaging

Interest rates on mortgages are higher than they've been for many years. So if your current rate is coming to an end in the next 6 months, then its

important to start looking at options as soon as you can. For more details click [here](#).

Read our house purchase guide [here](#).

Thinking ahead

Thinking about how your family would manage if you weren't around may seem a little morbid. But with a little planning now you can make it easier for your loved ones after you've gone. Here are some things you may want to consider:

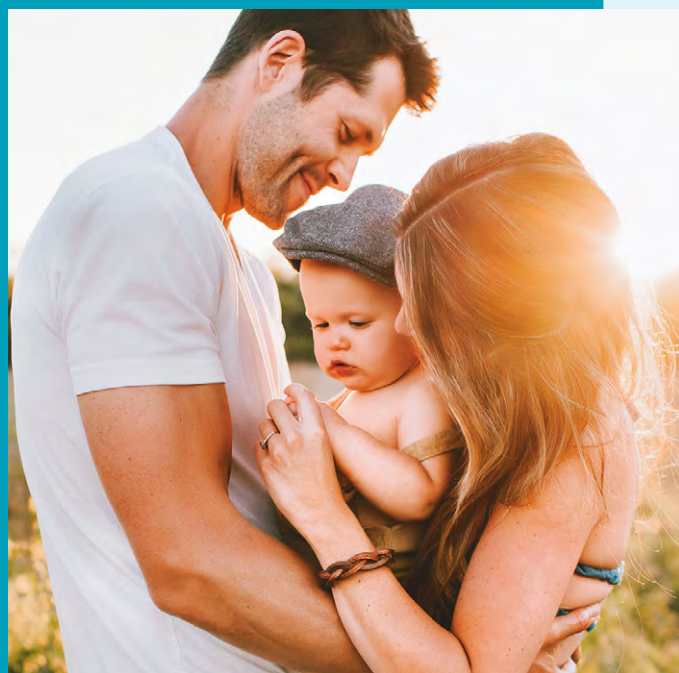


Make or update a Will - if you don't already have one, write a Will, if you have already got one, then make sure it's up to date. Without a Will, the Government decides how your estate should be distributed, with no regard for your wishes. A Will ensures your Estate goes to the people you want it to. For more details on writing a Will click [here](#).

Create a 'When I'm gone' document - pull together all your personal and financial information into a simple document to help your loved ones when you're gone. It can also include a section on your funeral wishes. Ensure your family are aware of where this document is stored.

Set up Powers of Attorney - regardless of your age, you can benefit from having a power of attorney (POA). If your health failed suddenly or you had a serious accident and were unable to make decisions, having a POA in place would help your relatives immensely at a difficult time. If you don't have a POA in place and you lose the ability to make your own decisions, your family or friends would need to go to court to get authority to make decisions on your behalf. This can be a costly, complicated, and time-consuming process. There are different types of POA in the various parts of the UK.

Protecting your family - if you have people who are dependent on you, children, or a partner, it's important to consider how they would manage financially if you were no longer around. Even if you don't earn a salary there may be additional costs, such as childcare, which would need to be covered. You may want to consider taking out life insurance which pays out a lump sum or regular income when you die.



Think about your Funeral - funerals are expensive, making a plan to pay for your funeral will mean your family won't have to find several thousand pounds at a difficult time. There are different ways of doing this. Ensure your family know what type of funeral you'd like.

Organ donation - decide if you want to be an organ donor and make sure your family knows your decision. Register your decision with the organ donation register where you live.

Organ donation register in:

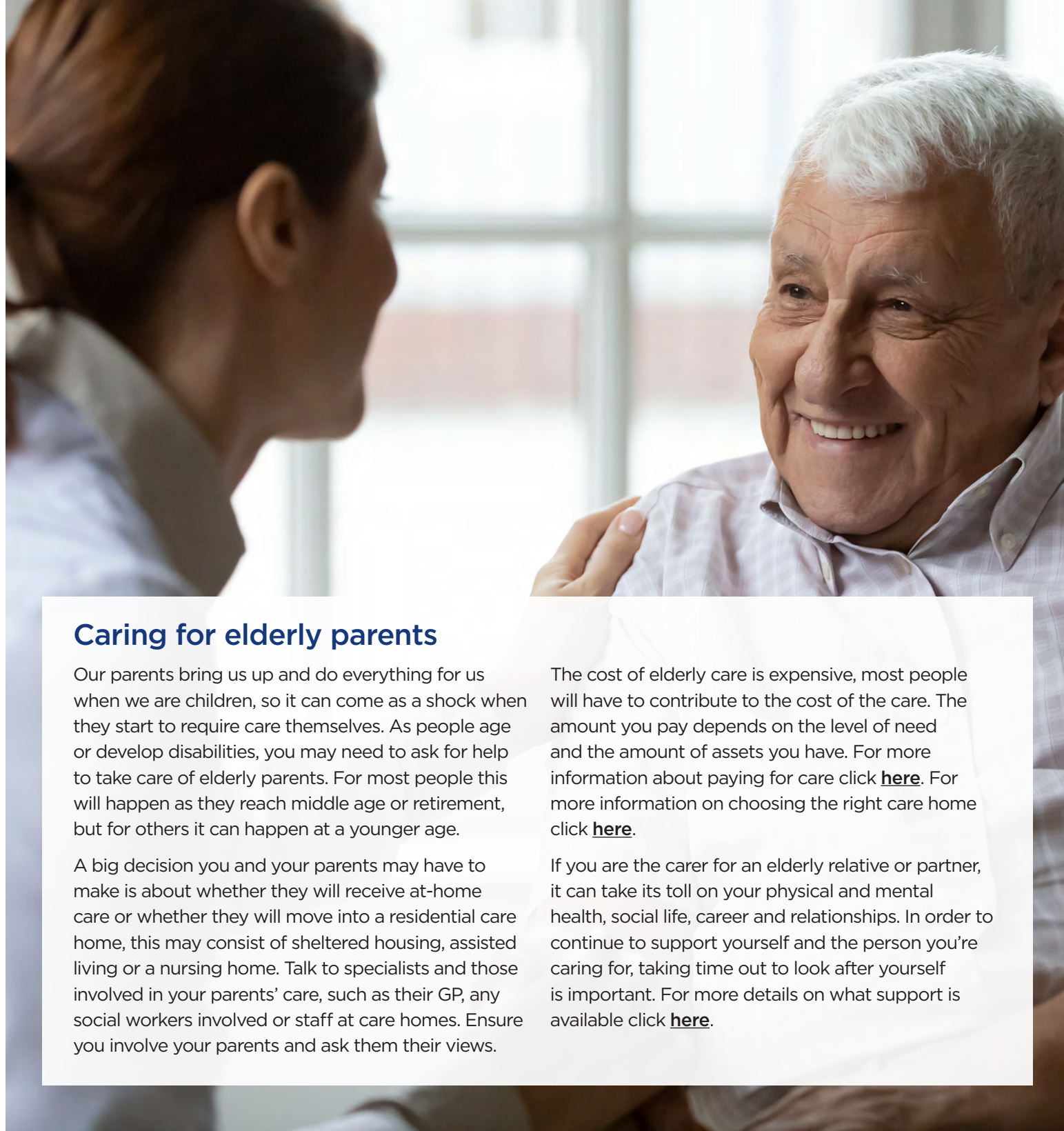
- [England](#)
- [Wales](#)
- [Scotland](#)
- [Northern Ireland](#)



Caring for your children -

if you have children under 18 it's important to decide on guardians, people who could look after them if you and your partner were no longer around. Think about who you would want for this role and ask them if they'd be happy to do so. Then appoint them as guardians in your Will.

For more details on making a Will, paying for your funeral or setting up a Power of Attorney click [here](#) to read our let's talk financial planning guide.



Caring for elderly parents

Our parents bring us up and do everything for us when we are children, so it can come as a shock when they start to require care themselves. As people age or develop disabilities, you may need to ask for help to take care of elderly parents. For most people this will happen as they reach middle age or retirement, but for others it can happen at a younger age.

A big decision you and your parents may have to make is about whether they will receive at-home care or whether they will move into a residential care home, this may consist of sheltered housing, assisted living or a nursing home. Talk to specialists and those involved in your parents' care, such as their GP, any social workers involved or staff at care homes. Ensure you involve your parents and ask them their views.

The cost of elderly care is expensive, most people will have to contribute to the cost of the care. The amount you pay depends on the level of need and the amount of assets you have. For more information about paying for care click [here](#). For more information on choosing the right care home click [here](#).

If you are the carer for an elderly relative or partner, it can take its toll on your physical and mental health, social life, career and relationships. In order to continue to support yourself and the person you're caring for, taking time out to look after yourself is important. For more details on what support is available click [here](#).



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