

It's your Money...

December 2022

Welcome to the latest edition of 'It's Your Money' from the team at Maher Brownsword. We are living through a perfect storm of uncertainty: Climate Change. Geopolitics. Inflation. Recession. But with 28 years of running Maher Brownsword, backed by the expertise of Morningstar's Market Research, there is only one way through this storm. **Forward.**

Many of you have been working with me for over 25 years and during that period we have seen

- * Global pandemic
- * Technology boom and bust of the late '90's
- * several oil crises
- * The meltdown of the banking system from 2008.

And whilst it is all too easy to focus on the negatives (as that is all we seem to see in the press), it is really important to reflect on the positives. In the last 28 years I have :-

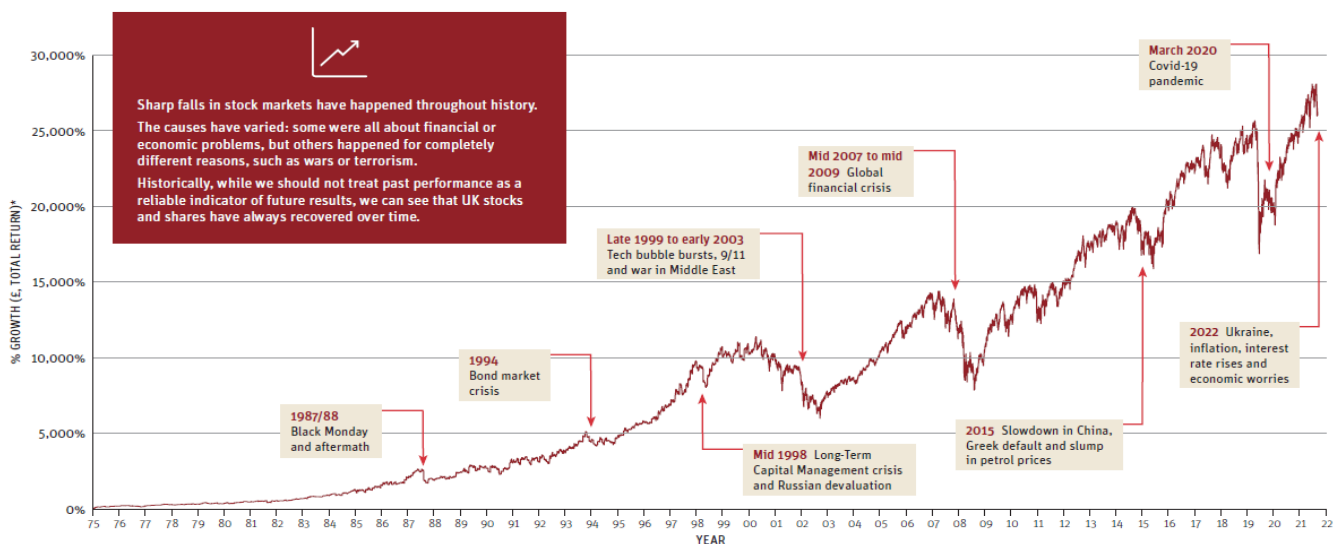
Helped over 400 people retire happy; arranged mortgages for over 2,000 people and seen many pay off their mortgages early.

Arranged over 1,000 investments that have allowed people to save for :-

- * Fabulous Holidays
- * Pay off their Mortgage
- * Funding their children's weddings
- * "Retire Happy"
- * Holiday Homes
- * Protect themselves & loved ones with Life Assurance, Critical illness cover and Long Term sickness plans

For it is in moments like this, the best purchasing opportunities often occur. Remember how worrying it was in 2020, at the height of Covid, when the stock markets were plummeting with all the uncertainty. Within a few short months how many of you had seen excellent returns, by being brave, sticking to the plan and actually increasing the contributions you were making. The following graph shows how resilient the markets are :-

WHAT CAN WE LEARN FROM UK EQUITY MARKET PERFORMANCE OVER TIME?



Source: Scottish Widows

The best way to measure your investing success is not by whether you're beating the market but by whether you've put in place a financial plan and behavioural discipline that are likely to get you where you want to go.

Benjamin Graham, The Intelligent Investor (1949)



Deadline to Breadline

The impact of cost of living.

A recent report by Legal and General suggests that around nine in ten people are concerned about the impact of rising costs over the next year. Regardless of age, household income and current debt level, the vast majority agree that they are adjusting their behaviour due to cost of living concerns.

The report states the average annual household income has increased by 11% to just over £38k since 2020, however, whilst income is up so are the costs of living, squeezing the disposable income of many. When looking at savings and debt this shows that UK households are even less financially resilient with the average UK household holding £2,431 in savings and debt (excluding mortgages and student loans) of £610. This means should the worst happen and they lose some or all of their income, they have approximately 19 days worth of savings to fall back on.



The average household has £700 left per month after paying for basic expenses, down £100 since 2020

Most people (67%) prefer to save for an unseen event, rather than insure. Only 39% of UK consumers have at least one protection policy. But based on current behaviour it would take households 3 years to save enough to feel secure, and 10 years to save their annual gross income.

And yet a 40 year old non smoker could get 2 years of Income Protection (Sick Pay) at £2,000 per month (deferred for 13 weeks) for less than £20 per month.

When it comes to pensions nearly 17 million people aren't contributing to a pension, mainly because they believe they can't

Are you on Target to Retire Happy?

One of the best parts of my role is helping people plan for a happy Retirement—at a time that is right for them. Here are a few tips to help you check you are on track to meet your retirement goals:-

1. Spring clean your pensions—keep track of all your pensions, look at how much you have in total, track down lost pensions—even from jobs, every little bit helps; Review the investments. Over 10 years on a £100k pension pot a 1% better growth rate can add an additional £12,492 extra into your pension pot.
2. Think about when you might want to finish work. Do you want to fully retire or consider hybrid working or a career change? Semi-Retirement might be an option.
3. Work out how much income you're going to need. A Which survey in 2021, suggests that a single person needed £19,000 for a comfortable lifestyle, whilst a couple needed £26,000. For a "luxury lifestyle the figures were £31,000 & £41,000. Whilst you might want more in the early years of retirement for travelling; consider how much income you will need later in retirement. Do you have plans in place for care costs. We can model various scenarios on a Cashflow model for your individual circumstances.
4. Get to know your pension income options early. What type of pension do you have? Do you need a Cash Lump sum at the start of retirement, would you prefer a fixed income (annuity), is Drawdown the best option? Check all your pensions and what options are available
5. Think about how long your pension income needs to last. Currently life expectancy in the UK is around 83 years. If you are looking to retire at the earliest possible opportunity (55 –57) that is potentially 10 –12 years before you receive your State Pension and potentially 30+ years of Retirement. A pension pot of £500,000 would buy you an annuity of around £18k (with an annual increase of 3%).

Retirement is a blank sheet of paper. It is a chance to redesign your life into something new and different. Patrick Foley

Never make a permanent decision based on a temporary storm. No matter how raging the billows are today, remind yourself, this too shall pass“ T D Jakes

Phoenix from the Flames!

As you know, over 12 months ago one of our offices suffered a devastating fire. I am pleased to say that, finally, after an incredibly stressful time dealing with Insurers, Loss Adjusters and Contractors, the office is almost back up and running.

We would like to take this opportunity to thank everyone who offered support and assistance during this time.



2023 Here's what to expect from us!

We hope that you have enjoyed all your benefits and broadcasts this year.

Here's a taster of what we have planned for 2023.

- ◆ **Monthly podcasts**
- ◆ **Regular Newsletters**
 - ◆ **March:-** with top tips after the Budget.
 - ◆ **June-July:-** with a half time report on the world economies & market conditions.
 - ◆ **December:-** Newsletter in preparation for Christmas.
- **Valuations**
These will be sent out at the start of the year & then with your annual review. But if at any time you need an update, just let us know.
- **Webinars**
On request we are happy to arrange these on a small group basis or bespoke sessions for you.
- **Periodic market updates**—specifically in this time of acute change.

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money**

MAHERBROWNSWORD LTD
INDEPENDENT FINANCIAL ADVISERS

MaherBrownsword podcasts can be found at <https://maherbrownsword.podbean.com>

Recent episodes include:-

[Ep. 30: After The 'Fiscal Event'.](#)

[Ep. 31: Go Green and prosper? Inside ESG Investing](#)



**"When you're done saving for my education,
don't forget to start saving for my retire-**

To end on a positive note..



UKRAINE HUMANITARIAN APPEAL

This year we have continued to support the local Foodbank. We also continue to support "Just Small Change", a charity based in Stratford upon Avon that aims to help some of the world's poorest countries. The charity gives opportunities to groups and individuals to start their own micro-business and build a pathway out of poverty. Once set up and profitable, they then repay the loan to allow the funds to go back into the charity, enabling more individuals to benefit. Over the last 12 months, through their work with Tomolly, a further **£4,193** has been donated to this fantastic charity.

In February, we like many of you watched in horror at the invasion of the Ukraine. We have continued to support this appeal throughout the year, often matching £ for £, monies raised by my football team as well donations from clients, & friends raising over £1,300 .

As part of our aim to reduce our carbon footprint, we will be donating 50p per Christmas card to the Woodland Trust to offset any impact our annual Christmas mailout may have.

In total, in 2022, we have donated over £6,000 to these well deserved causes.

"We make a living by what we earn, but we make a life by what we give"

Contact

We will be in touch during 2023 with offers of Progress meetings, Newsletters, Podcasts, Market Updates and news of any seminars that we are running. But if YOU need us before we have been in touch, then please call. We are here to help.

The office will be closing on 23rd December at 1:30pm. We will re-open at 9:00am on Tuesday 3 January 2023. [If you need to contact us urgently, the office will be open briefly (between 11am-1pm on 29th December)]

We would like to thank all our marvellous clients for your continued support and to wish you and your loved ones – whether near or far, a Merry Christmas, And a prosperous New Year.

Normal office hours are 9-5 Monday to Thursday and 9-4.30 on Fridays.

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Dates

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