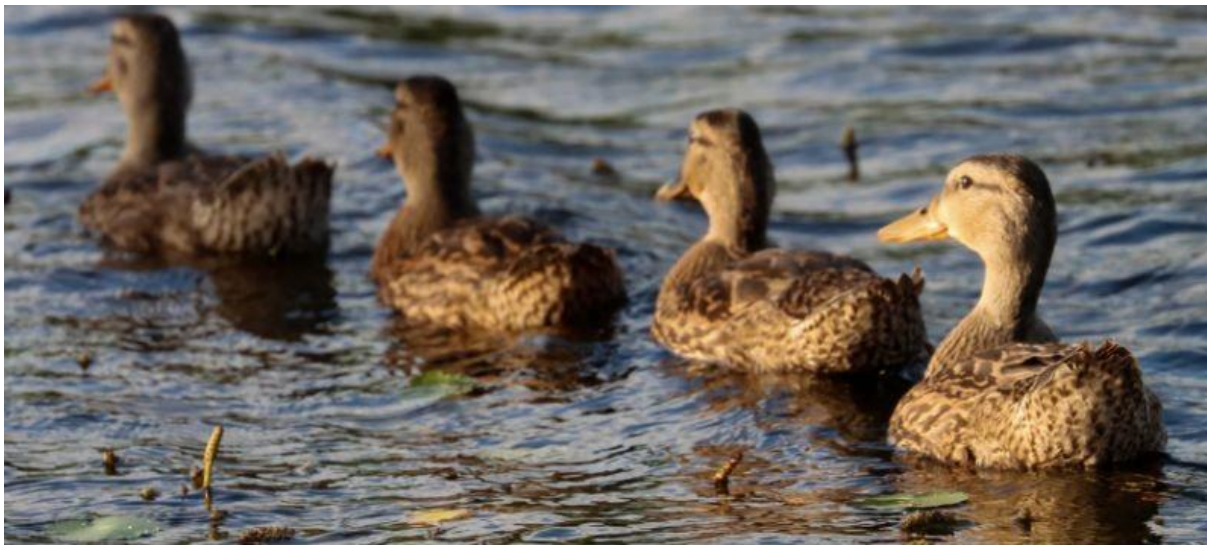


8 steps to organise my finances in 2025



The start of the year...that time when we're all just about recovering from the festive season and everyone is making and breaking New Year's resolutions.

You simply cannot escape seeing peoples plans for the next 12 months. Whether it's fitness, money, or business related, they are all around us.

So, what if your goal in 2025 is to get organised with your money but you don't know how to get your ducks in a row?

In this article we will talk through 8 steps, all within your control, to get you organised and well-structured with your finances.

What are your objectives?

Part of getting organised is knowing what you're aiming for.

Simply, you can't get what you want, if you don't know **what** you want.

Common objectives could be buying a house, saving for retirement, school fees, or the best strategy for surplus income.

Knowing your what, and why, will keep you motivated to make some changes.

Spend less than you earn

Living within your means is easier said than done in reality, but getting this right will set you up well for financial success.

Fundamentally you need to understand how much money is coming in (income), and how much is going out (expenditure).

Understanding how much you are spending is now easy to do with the improvement of modern bank apps.

Most banking apps have some sort of budgeting feature, and they'll quickly give a clear picture of how much you're spending, and on what.

As a starting point, a good budgeting method is the '50/30/20' method.

The method is to set aside 50% of your income on your monthly needs, 30% on wants, and 20% on savings.

Insure what's important

You wouldn't think twice about insuring your phone. Yet how many of us have **not** insured our biggest asset....

Ourselves!

Consider how much a 10, 20, or 30 year career is worth in income? I'd hazard a guess that its considerably more than a phone, yet often this is an insurance that is overlooked.

Now I'm not saying you shouldn't insure your phone. I am making the point that many people rely on their income to fund their life, build their wealth, and achieve their objectives, yet they overlook insuring themselves.

Making sure you have insurance protects you and your family, if you have one, from unexpected events derailing your financial future.

Have a 'safety net'

Build a pot of money, separate from your day-to-day banking, for smaller emergencies.

Life happens and you may have an unexpected expense pop up like car repairs or, recently for me, a leaky roof.

Having a pot of money for these situations gives you peace of mind you can meet the cost, without affecting your day-to-day finances.

What amount is suitable is subjective, but the general rule of thumb is to have 3-6 months of your expenditure as a savings pot.

Automate saving and investing

Let technology work for you!

Automate regular contributions each month via direct debit or standing order. Good practice is scheduling this the day after you get paid. When saving and investing becomes a 'set it and forget it' process, it's easier to build your wealth over time without much effort, or decision fatigue.

Use your tax allowances and exemptions

There aren't many who enjoy paying tax, and I've not yet met someone who was comfortable paying more tax than needed.

With a bit of strategy, you can optimise your financial structure to save a good chunk in tax which, importantly, keeps more money in your pocket.

The main three allowances in the UK to be aware of are the annual ISA allowance (£20,000), pension allowance (up to £60,000*), and capital gains exemption (£3,000).

Don't hold all your eggs in one basket

This timeless piece of advice is as valuable today as it was when it was first given.

In investing you will often hear this called diversification.

In practice, this is spreading your money across different asset classes (cash, property, bonds, stocks, etc.), industries, and geographical regions. This helps lower your investment's vulnerability to market fluctuations.

Diversification also applies to the **access** of your money.

You want to strike a balance between retaining access to your money, maximising tax allowances, as well as diversifying across asset classes.

Life happens

A financial planning structure is out of date as soon as it's written!

Life happens, plans change, and your financial structures need to adapt.

Regularly (once a year) reviewing your financial structure is sensible and keeps you on track. Remember, **the magic is in the planning, not the plan.**

Start now

Finally, a plan is only as good as its execution. Whilst it may look great on paper, it's worthless if it's not put into action.

Start now and take action.

Your future self will thank you for it.

**Your pension allowance may be different if you are a high earner. If unsure, always seek advice first from a qualified professional (i.e. just talk to me!).*

Risk Warning

This is not personal advice based upon your circumstances.

The tax treatment is dependent on individual circumstances and may be subject to change in future.

The value of units can fall as well as rise, and you may not get back all of your original investment.

Tax planning is not regulated by the Financial Conduct Authority

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