

S JOHNSON WEALTH MANAGEMENT LLP

INVESTMENT SPECIALISTS

Risk & Return - Balanced Investing

Investment News

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Introduction

Money - Use it Wisely



Money is only useful for buying stuff, for security and for peace of mind; I start below with some basic principles for handling your money. In my postscript I look at a simple method for cutting expenditure.

Markets Commentary

Middle East / Oil / Brexit. Happy New Year

Money Rules (with a bit of Lifestyle commentary)

If there is something that worries you about money or about which you are uncertain, then make changes. There follow some simple guidelines to help you handle money, avoid stress and (hopefully) bankruptcy.

1. Knowledge is all, make a list of what you own and what you owe, what you earn and what you spend. If you are lucky you will earn more than you spend, if not then bad things will happen and you need to make changes, soon.
2. Tidy up your finances after making your lists; keep them simple and easy to check. Consider ditching any complicated stuff (taking into account tax implications). This will make it less daunting to check and review where you stand – you need to be able to do this easily at least monthly.
3. Target saving one quarter of your net income. Spend half on your living and enjoyment costs and the remaining quarter on personal improvement - consider charitable giving under this latter heading. Note use of word 'target'.
4. Pay in full for everything that is not likely to increase in value. If you have kids you will be used to paying in full, many times over.
5. Make sure you have at least six months essential expenditure in cash, with easy access. Not kept under the bed.
6. Use boring, reliable tax planning rather than 'sexy' tax planning. Trust me on this one.
7. Conserve your precious time by buying in people to do stuff that you don't want to – from servicing the car to painting and decorating; to accountants, financial advisors (particularly these) and lawyers.

SUMMARY

You can either worry about money or deal with it. Most of the time people worry about money because they view it as complex stuff that creeps up and bites them, or they have vague feelings of not being as involved as they should be. Knowledge almost always conquers fear. Follow the above guidelines and perhaps start with a piece of Charles Dickens - Google 'Mr Micawber'.

'Financial Medical'

Our offer of a free review of your existing investments or a strategy report for recipients of this newsletter is still open; call us if you would like a chat.

Help us, please -

We are seeking to grow and would be very grateful if those of you who have Google accounts could give us a (hopefully nice) Google review – just go onto Google and find our business and review it please. Many thanks to those of you who have already left reviews for us.

And finally...

Please continue the feedback – telephone us or send an email. In the next edition I look at global investment.

p.s.

How to control expenditure: Use real money. A £20 note feels to me like real money. Conversely a round of drinks costing £20 paid for by contactless card seems almost irrelevant, although the alcohol involved may have an effect. We are being pushed towards the cashless society to the extent now that when I am in a queue wanting to pay in cash those behind me get impatient. I think that going cashless obscures the cumulative effect of several small purchases (unlike running out of the money in your pocket and having to walk home), and of course paying by card removes the need for mental maths, leading to laziness. Professional beggars will presumably need to apply for card machines.



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