



The only nationwide credit union exclusively for the **Police Family**

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## Building financial resilience

Financial resilience is your ability to survive unexpected financial shocks, such as a fall in income or an unexpected cost (e.g. car repairs).

Whether you have healthy financial resilience, or you're struggling to cope, there is always room to improve, and regardless of your situation, we recommend budget planning to help identify areas for improvement.

With the current cost-of-living crisis, it's important to ensure that your spending is all accounted for. Budget planning can help you to manage your finances in a more efficient way.



## Budget planning

Budget planning consists of three stages:

### Step 1

List your monthly income

### Step 2

List your monthly expenditure

### Step 3

Calculate your disposable income

[Download the interactive Budget Planner](#)

Can you use some of your disposable income to start an emergency fund? This is a really good way to strengthen your financial resilience.

# The purpose of saving

## What are your savings goals?

Everyone has different reasons for wanting to save. Some may save for the future or a rainy day, whilst others have a set goal in mind. What are you saving for?

Here are eight common reasons why our members save:

- 1 For an emergency fund
- 2 For retirement
- 3 For a mortgage deposit
- 4 For a holiday
- 5 For their family
- 6 For a new car/car maintenance
- 7 For home improvements
- 8 For special occasions

Now that you have used the budget planner to calculate your income and expenditure each month, you can start thinking about how much you can save and what you want to save for. It's time to put your savings plans into action, sit back and watch your savings grow.

If you're still not sure how much you want to save each month, our savings table could give you an idea of how much it could take to hit your savings goals.

What are you saving for?	If you saved...	Year 1	Year 3	Year 5
Rainy day savings fund	£25 per month	£300	£900	£1,500
Christmas	£30 per month	£360	£1,080	£1,800
Dream holiday	£50 per month	£600	£1,800	£3,000
New car	£150 per month	£1,800	£5,400	£9,000
Mortgage deposit	£500 per month	£6,000	£18,000	£30,000

# Instant access savings

Helping to build your financial resilience

## Member Account Helping you to save

- Save between £5 - £1,000 per month
- Instant access to your money
- Earn your share of our surplus profits in the form of a dividend
- Manage your account online or via our mobile app

## Building up a pot

When it comes to saving, it's important to have a pot of money that you can access as and when you need. As well as providing you with money to fall back on in cases of emergency, your savings could give you the freedom to enjoy the lifestyle you want, for yourself and your family. Saving helps to fund your goals, which could be a holiday, house deposit or a special occasion.

## Saving every month

Finances can become stretched at expensive times of the year, such as Christmas, birthdays and holidays. This is why we encourage people to save regularly throughout the year into an instant access savings account. If you save regularly and have access to your savings pot, this could help you avoid turning to high interest credit cards and loans, if an unexpected cost were to arise.

## What is an instant access savings account?

An instant access savings account, allows you to save regularly without being charged or penalised for withdrawing your money. This is different to a notice saving account, whereby you need to provide notice to withdraw your money in advance of doing so. It also differs from a fixed savings account, which normally incurs fees and penalties for withdrawing before the end of the fixed period.



**Join for free today!**

# Money saving

## Top tips to help you save some money

There are various ways that you can cut down your spending and save each month. Whether you are saving for your dream holiday or home improvements, you may be able to put some extra money aside to help you meet your savings goal.

- Cancel unused subscriptions - gym, subscription TV, magazines, music streaming services, mobile apps.
- Use price comparison sites to find the best deals for your utilities, car insurance and more.
- Turn down your heating and switch off any unused appliances or lights. By dropping 1°C, you could save around 10% per year on your energy bill (£250 on average, based on the October 2022 price cap).
- Use a refillable drinks bottle instead of buying drinks on the go.
- Cook at home and prepare meals to reduce the amount you spend on eating out.
- Consider car sharing where possible, and shop around for the cheapest fuel.
- Write a shopping list and stick to it (resist impulse buying).
- Have a cosy night in on the sofa instead of an expensive night out.
- If you have a regular prescription, you could save money with a Prescription Prepayment Certificate (PPC), as opposed to paying separately each time.
- The longer you have outstanding debts, the more interest you will be charged. The sooner you clear your debts, the more you will save in interest payments!



### **No1** top tip

If you were to buy a £3 takeaway coffee every day, it would cost you £1,095 each year. Can you justify the cost?

# Managing Debt

## Could you save money in interest?

We're here to help you manage your finances and consolidating your debts may help to improve your current situation. Debt consolidation is the process of combining your existing debts into a single loan. This can be done by applying for a new loan and using the funds to repay and close other financial accounts (e.g. credit cards, credit agreements, loans etc).

There are three main reasons that members consolidate their debts with us:

- 1** To reduce the total amount of interest paid over the duration of the debt.
- 2** To create more disposable income by reducing their monthly repayment amount.
- 3** To have a single repayment for all of their debts.

## Using the debt calculator

We have developed a debt calculator which allows you to list your current debts. It will then give you an idea of the average APR which you are currently paying and this can be used for comparison purposes.

- 1** Fill in the boxes with information about your current debts. You'll be asked for the name of the lender, the type of debt, the outstanding capital to be repaid, the APRs and the monthly repayment amounts.
- 2** Using the check boxes at the top of each debt, you can select which debts you would like to include in the calculation. You can tick and un-tick these at any time to give you an idea of which debts you may want to include in the consolidation process.
- 3** Your APR for comparison will then be calculated, which gives you an idea of the average APR of your existing debts combined, weighted against their outstanding balances. It will also show you your total monthly repayment amount, so you can see if consolidating could leave you with more disposable income each month.

[Try the debt calculator](#)