

# McClarence Financial Ltd

*Independent Financial Advice*



## January 2009

So, 2008 – what a year! You'd have to go back to 1973/4 to see a worse one (and by most criteria 73/74 was worse!) There can't be many people who will mourn its passing while many will regard 2009 with a mixture of uncertainty and perhaps anxiety.

Surprisingly most financial fund managers and pundits seem to be forecasting the FTSE 100 to end 2009 at between 4400 and 5000 but the truth is that no-one really knows;- a year ago nobody seems to have forecast that 2008 would have been such a shocker, so what value can we attach to the current crop of forecasts?

It is likely 2009 will be a year of re-assessments and a good idea might be to re-assess investment portfolios, especially your attitude to risk and reward.

## THAT WAS THE YEAR THAT WAS

A year like 2008 can produce a number of reactions among us all. We may end up very unsure about our money, our security and our situation generally and it is quite reasonable to wonder what, if anything we can do about it.

Surprisingly such a year can produce significant benefits for us not least because the shocks we've had and the uncertainty tend to make us review our situation and look to see what we can do about it. But what can we do? Here are some suggestions.

### **Review Income**

This is something we tend to be concerned about all the time but right now it could repay a closer view. Earned income is difficult to increase because it requires things like changing jobs, promotions, working longer etc, not easy and sometimes not possible. However reviewing savings and investment income, especially with the prospect of low or even 0 % interest rates, is always a good idea.

### **Review Expenditure**

Again this is an item we may think of at all times - but how often do we take action? I currently offer a programme which helps analyse expenditure and suggests savings. We are often encouraged to assess current suppliers and to consider switching utilities such as gas, phone/internet services and electricity suppliers. Usually there are real savings to be made. Time to switch?

On a similar theme why not use a "Smart Meter" to measure how much your TV and Fridge etc are costing you. A very old fridge might cost £200 plus each year to run whereas a new energy efficient one might run for say £50 pa. It's all money.

### **Insurances.**

Either compulsory or a necessary evil but if you've taken out a Life Assurance or Critical Illness policy or haven't reviewed your Home Insurance or Accident Sickness and Unemployment cover recently and would like to save money without compromising quality, contact me. Confused.com? You won't be.

McClarence Financial Ltd

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## Reply Slip

I would like to discuss the following topic(s) as ticked below. I understand that this request is without obligation.

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## GET OUT OF DEBT

How much of your after-tax income is yours and how much immediately belongs to the XYZ Card or Loan Company? In good times or bad, paying interest can seriously damage your wealth and happiness, sometimes with lifetime consequences. For example if you have a long-term balance of say £4,000 on a credit card with an APR of 15% pa, that balance is going to cost you £1,200 interest (out of post-tax and National Insurance income) over the next two years – and you still owe £4,000! Wouldn't it be better to have paid off the £4,000 some time ago and have that £1,200 in your bank account?

For some years now I have consulted for (existing clients only on request), about a step-by-step programme to get out of debt and helped them build a more solid savings and cash-based lifestyle. This does not involve borrowing more or avoiding obligations, rather it's about tackling loans in a robust fashion and developing a savings and loan repayment strategy that works for life. Not rocket science and it requires discipline. but it works.

### OPEN MARKET OPTIONS

And the last word....

If you are looking at your Pension Plans with a view to receiving the best Tax-Free Cash and Pension available, speak to me first. I have after all been a Pension Specialist for 30 years and am a Chartered Insurance Practitioner and a truly Independent Financial Adviser. If you want expert advice, speak to an expert – speak to me.

Investments may go down in value as well as up and you may not get back the full amount invested. Past performance should not be taken as a guide to the future. Levels and bases of reliefs from taxation are subject to change. The FSA does not regulate tax advice. ***This newsletter is provided strictly for general consideration only and is based on our understanding of law and HM Revenue & Customs practice as at June 2008 and the contents of the Finance Bill 2008, which could be subject to change.*** YOUR HOME COULD BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT. All advice is given in writing – if advice is not sought we cannot accept any responsibility for loss occasioned to any person acting or refraining from acting as a result of any material contained in this publication.

