



Do you want to improve your work life balance?
Are you wondering if it's feasible to reduce your hours?

Our step by step process will help you find the answer.

Step One: Identify your current income and expenditure

i) **What does your individual and/or household income and expenditure look like?** For example how much do you spend on your weekly shop? Household bills?

You can download a template here to help you with this.

ii) Please identify any **large loans** you may have and when they come to an end e.g. your mortgage

Step Two: Identify the changes you want to make

i) How many days would you like to work for a better work life balance?

ii) What would your monthly income now be if you worked this amount?

Step Three: Recalculate your income and expenditure

i) What would your **income and expenditure look like under the reduced hours** you would like to work? You may have some changes in petrol costs, or daily expenditure on lunches.

It's interesting to see the costs associated with going to work each day.

ii) How does this **new expenditure** figure relate to the revised income figure you calculated in Step One? Is there a big difference?

Example

'Current salary £65k

Monthly Income

=£3,600

Monthly Expenditure

=£2,500'

'Mortgage ends 2029'

'3 days a week would be great'

Reduced to 3 days, salary around £2,600'

'Expenditure reduced slightly- would be £2,300'

'I can do it- and still have an extra £300!'

This will give you an idea of the short-term feasibility of the change you want to make. Do you have to curb your expenditure or are you still able to meet your spending requirements?

Step Four: Looking to the future.

In this section we look at how a reduction in hours will affect your longer terms financial plans e.g. Your Pension.

i) Firstly, ask yourself 'What kind of lifestyle do you want when you retire?'

How old will you be? Do you want to travel? How do you picture your future when you have left work and are on to the next chapter of your life?

You might want to do this over a cup a coffee and chat with your partner. Take your time and enjoy the process of imagining your future.

ii) Now you have a picture in your mind, as we did before, itemise your living costs. How much will this lifestyle cost you? i.e. what will your monthly expenditure be?

You might see some differences in big payments e.g. your mortgage payments. Will your mortgage be paid off by then? Will you have any other commitments?

iii) Your income streams.

Take stock of your assets. Have you any savings, property or investments? Include these in your spreadsheet and any monthly income instreams they may generate.

iv) What will the impact of reducing your hours on your future income be?

If you have a pension scheme you can contact your provider and ask for a revised projection. You can also contact us to do this.

If you have additional income streams and savings we can help you review these too. Simply give us a call.

'Retire when my mortgage ends- at 61.

Would love to travel and move house- somewhere near the sea and the country...Devon...that would be my dream....'

'Will downsize, and have no mortgage with new property, hopefully have enough to live on for my travel. Expenditure likely to be less as not in city and working..

Or maybe I could rent my property instead of selling?? That's an idea.'

'Not sure how to work this out....'

By taking these steps you will be better informed about your options for the future.

Sometimes the numbers may not add up and you think it's just not possible to make the change.

However, by making adjustments and efficiencies, with your assets and expenditure, together we might be able to make things happen for you.

You might also find that you can reduce your working hours and still be in a positive situation because you already have enough invested over the years. It's only by 'doing the numbers' that you can make an informed decision.

We are happy to help you work through the myriad of possibilities with you- as that's what we are trained to do!

Contact us today for a Financial Review at no cost to you

Email: jdavies@cliftonnash.co.uk

Tel: 07970 070659 (Due to Covid19 our advisers are working from home, hence the mobile number)

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