



Cost of Living Newsletter

Cost of living - With increased costs often comes greater stress; here's how to cope this winter

British people are increasingly worried about the cost-of-living crisis. Inflation is at an all-time high and our energy bills are increasing dramatically despite the government's domestic price cap. Not only this, but the UK is now braced for a recession, which is set to hit households later in the year.

Not only are Brits worried but it seems that the cost-of-living crisis is actually the biggest cause of our stress right now too. A recent survey carried out by Benenden Health found that almost a third of the nation have experienced increased stress during the cost-of-living crisis. It also revealed that half of adults are already financially worse due to the cost-of-living crisis and a quarter of the UK population's mental health has worsened over this period of time.

Like any source of overwhelming stress, financial stress can take a huge toll on both our mental and physical health, and sadly the two can end up being in a bit of a never-ending cycle.

Financial stress can lead to....



Insomnia



Loneliness



Social withdrawal



Headaches



Weight gain (or loss)



Depression



Anxiety



Relationship difficulties



Gastrointestinal problems



High blood pressure



Unhealthy coping methods



Suicide

We often experience a vicious cycle between poor financial health and poor mental health with one impacting the other.

We've all seen how financial problems can adversely impact our mental health, but then on top of this, the decline in our mental health often makes it harder for us to manage money. When this happens, we often find it harder to concentrate on sorting out our money issues or pay those mounting bills. Or indeed, we may find that we are so stressed that we need to take some time off work, which will impact our finances too.

This often means we become trapped in a downward spiral of increasing money problems and declining mental health. We may then resort to unhealthy coping mechanisms, such as drinking or taking drugs. We may even start gambling or commit a fraud as we see no way out. And of course, in the worst circumstances, financial stress can even prompt thoughts of suicide.

But no matter how hopeless a situation seems, we must remember that there is always help available.

If you feel stressed right now due to the increased cost-of-living, here are six best practice tips to ease your anxiety and get you back on track.

1

Talk to someone. When you are facing money problems or worrying about an increase in your monthly outgoings, there's often a strong temptation to bottle everything up. Sadly, this will only make your financial stress worse. Instead, the answer is to talk about it. Not only is talking face-to-face with a trusted friend or loved one a proven means of stress relief, but speaking openly about your financial problems can also help you put things in perspective too. Remember the person you talk to doesn't need to be able to fix your issues, they just need to listen without judgement.

2

Get moving. You would be surprised at the toll financial stress can take on your physical health. Even a little regular exercise can help ease stress, boost your mood and energy, and improve your self-esteem. Aim for 30 minutes on most days, broken up into short 10-minute bursts if that's easier. Remember exercise doesn't have to mean paying a gym membership; a brisk walk or run is free.

3

Practice relaxation techniques daily. Take time to relax each day and give your mind a break from the constant worrying about how you will make ends meet. Meditating, breathing exercises, or other relaxation techniques like a nature walk or reading a book are excellent ways to relieve stress and restore some balance to your life.

4

Don't skimp on sleep. It can be hard enough to nod off at the best of times if we are worrying about our finances, but try to ensure you are getting a good night's sleep where possible. Feeling tired will increase your stress and negative thought patterns. Finding ways to improve your sleep will help both your mind and body. Try to avoid screens late at night and keep your bedroom dark and cool. Aim to keep your bedroom for sleeping only and ban any reminders of work or your stressors (such as unpaid bills) from your bedroom.

5

Boost your self-esteem. Rightly or wrongly, experiencing financial problems and worrying about increases in your outgoings, can cause you to feel like a failure and impact your self-esteem. But there are plenty of other, more rewarding ways to improve your sense of self-worth. Even when you're struggling yourself, helping others by volunteering can increase your confidence and ease stress, anger, and anxiety. You could also spend time in nature, learn a new skill, or enjoy the company of people who appreciate you for who you are, rather than for your bank balance.

6

Seek professional advice. Depending on where you live, there are several organisations that offer free counselling on dealing with financial problems and this will include helping you with your increasing monthly spend. Whether or not you have a friend or loved one to talk to for emotional support, getting practical advice from an expert is always a good idea. Remember, reaching out is not a sign of weakness and it doesn't mean that you've somehow failed as a provider, parent, or spouse, it just means that you're wise enough to recognise your financial situation needs addressing

Take control of your finances

PLAN: If you're struggling to make ends meet due to the increased cost-of-living, do not bury your head in the sand. It's essential to detail your income, debt, and spending over the course of at least one month so you have a full overview of where you stand. Make sure you include the following in the inventory; your income, your spending, and list out all your debts. Be honest and make sure to include everything.

BUDGET: Then create a monthly budget. Setting and following a monthly budget can really help keep you on track and regain your sense of control. Remember to include everyday expenses in your budget too, such as food, travel, bills and mortgage. When it comes to the larger bills that you pay annually, such as car insurance or council tax, divide them by 12 so you can set aside money each month. If possible, try to factor in any unexpected expenses too just in case. You may also wish to set up automatic payments to help ensure bills are paid on time and you avoid late payments or interest rate hikes.

WORK TOGETHER: Remember to make sure others in your household are on board with the plan. Enlist support from your spouse, partner or kids and make sure everyone in your household is pulling in the same direction and understands the financial goals you're working towards.

Try this: Switch up your exercise routine.

Exercise is central to living well, being healthy and indeed reducing any feelings of stress and anxiety. But you don't have to spend a fortune to stay in shape. Why not consider ending your gym membership and try running outside or exercising at home instead. There are many great workouts to try on online for free. Give it a go and see how much you can save without having to pay for a gym membership.

Everything seems to be going up – including our energy costs. Here are 10 tips to reduce your energy spend



Turn off standby appliances. Turn all appliances that you are not using off at the plug. This could save you an average of £30 a year.



Turn down your thermostat. Almost half the money spent on energy bills is absorbed by heating and hot water costs. You might be surprised to learn that turning your heating down by just one degree could save up to £80 a year.



Wash clothes at 30. Washing at 30 degrees rather than 40 degrees can help reduce your energy usage.



Wear clothes more than once. Cutting out one wash cycle per week will reduce £5 off your annual energy bill. Try to get out of the habit of washing clothes after just one wear.



Use a washing up bowl in the sink. You can save around £25 a year by washing up in a bowl rather than using a running tap.



Shorten your showers. Try to limit the time you and your family spend in the shower. You could save up to £7 per person each year by cutting just one minute off every shower.



Draught proof your house. Seal cracks in your floors and skirting boards, line your letterbox, block any unused chimneys and put draught excluders in front of your external doorways. This could reduce your heating bills by up to £35 a year.



Turn off the lights. This may sound obvious, but make sure you don't have lights on unnecessarily or in rooms that you are not using. Porch and outdoor lights don't need to be on all the time.



Fit energy efficient bulbs. Replacing all the bulbs in your home with LED lights, could reduce your carbon dioxide emissions by up to 40kg a year and will help you save money too.



Pick your times wisely. Using electricity before 4 p.m. or after 9 p.m., when power on the grid is the cleanest and cheapest, can help reduce your energy bill and cut fossil fuel emissions.

Most people use the most energy between 6pm - 9pm with a peak in energy at 8pm.

Do you know the top energy guzzlers in your home?

Often, it's the not knowing that makes us feel extra anxious. Find out the top energy guzzling appliances in your house so you can start to control your spending.



Washing machines, dishwashers and tumble dryers are right up there in terms of the most energy guzzling appliances. Research from Uswitch.com suggests that drying three loads a week in your tumble dryer will cost about £223 a year. As such, avoid unnecessary washes, make sure you wash on 30 and dry your clothes on a line or heated airer instead.



Next on the list are fridges and freezers. These cold appliances account for approximately 13% of the average household's energy bill. Of course, we can't switch these appliances off, but there is a benefit to investing in an energy efficient fridge and freezer early on. Often the money spent on investing in a really good cold appliance is worth it in the long run.

Try this: Contact supplier

Don't forget. If you've tried to save energy by limiting your usage, but you are struggling to pay your bill, you should contact your supplier and see if they can help. You may be able to negotiate a payment plan if your energy bills are becoming too much. Reach out to them to see what they say.

Coping on a squeezed income

If you're living on a squeezed income, there may be a few simple changes you can make. Remember all the little things add up. So, ask yourself the following questions today:

Have you reviewed your TV and subscription entertainment packages recently? If you're on a small income, you may decide you can live without one or even all of your subscriptions. Take a look at what you have and make some cuts.

Have you been on the same phone and broadband tariff for years? Often loyalty isn't always the best option when it comes to phone and broadband suppliers as it can mean you might be missing out on some good deals. It's worthwhile contacting your provider to see where you could be saving money or use a competitor quote to haggle with your current supplier.

Are you on an insurance auto-renewal? Shopping around for your car insurance, home insurance or pet insurance is important. Avoid auto-renewals without doing your research first.

Do you make a shopping list? As much as possible, plan your meals and make a shopping list before heading to the supermarket. This will minimise the chances of buying unnecessary items and even reduce your food waste. If you're living on a budget, you could also try cooking a few vegetarian meals as meat tends to be more expensive.

Is your car efficient? Where possible aim to reduce your fuel consumption. You can do this by driving more economically by accelerating gently, ensuring your tyres are inflated to the right level and removing any excess weight on your vehicle like roof racks. Where possible make fewer trips, lift share with friends and walk or cycle whenever possible.

Try this: Help your children understand how to save money

It's really important that you get your children interested in money, and more specifically saving, from an early age. Instilling the habit of saving will benefit your children in the long-term and they'll be grateful you taught them as they get older and have to manage their own finances. Here are 2 ways to help them understand saving:



Let them watch you save: Children learn from watching what their parents do. It is important to show your child that there's more to money than just spending it. Show your child how you save and how important it is to work towards bigger purchases, rather than just spending at random.



Create a money jar: Let your children create their own money jar, ideally in a clear plastic container. This makes money saving far more visual and fun. Watching the number of coins build up to slowly is an exciting way for them to learn and understand the concept of saving.

And finally, our tip of the month; the one thing we ask you to do today if you do nothing else...

Focus on your own financial journey. Comparison, especially when it comes to what you can and can't afford, is rarely helpful to anyone. Trying to achieve someone else's goals or buy their way of life, rather than focusing on your own could leave you feeling deflated and like a failure. Try to be present on your own journey and focus on what you need to do right now for yourself and your family.

Support services for those dealing with heightened stress due to the cost-of-living crisis:

- For mental health support, try the NHS Better Health website.
- Access support alongside your GP if you are struggling using NHS 111 or [click here](#).
- If you or someone you know is struggling with high stress, depression or suicidal thoughts, please call the Samaritans on 116 123. They are available 24 hours a day, 7 days a week or text SHOUT to 85258 in the UK to text with a trained crisis volunteer.
- To get help with your debts contact PayPlan.
- If you are struggling to pay your energy bills, contact Citizen's Advice on 0808 223 1133.
- You can find advice on managing debt problems and budgeting through the Money Advice Service or National Debtline.

