



Looking after your wellbeing during the cost of living crisis

www.westfieldhealth.com

 **Westfield**
Health

Contents

Introduction: Prioritising your wellbeing	<u>3</u>
What is the cost of living and why is it rising?	<u>4</u>
How is it calculated?	<u>4</u>
Why is it rising?	<u>5</u>
How rising costs can affect you	<u>6</u>
The relationship between money and wellbeing	<u>7</u>
Looking after your wellbeing during times of financial stress	<u>8</u>
Managing money worries	<u>9</u>
Tips for your money mindset	<u>10</u>
Understanding how finance makes you feel	<u>11</u>
Avoiding perfectionism and comparing yourself to others	<u>12</u>
Creating healthy money habits	<u>13</u>
Money myth-busting	<u>14</u>
What is the energy price cap?	<u>15</u>
What is inflation and the Bank of England interest rate?	<u>16</u>
What is a recession and how can I reduce anxiety about the economy?	<u>17</u>
How a health cash plan could help you	<u>18</u>
Making the most of your health cash plan	<u>19-20</u>
Useful links and resources	<u>21</u>



Prioritising your wellbeing

The cost of living crisis, and the anxiety it creates, makes it a particularly stressful time for everyone. The situation seems to be changing daily, and the constant uncertainty can have a negative impact on your health and wellbeing.

If you're looking for practical money saving tips, there are lots of helpful resources available — we've touched on some of these from [page 18](#).

The aim of this guide is to provide you with help and advice to ensure your wellbeing doesn't suffer as you navigate through this difficult time.

However, we recognise that for some people there's only so much this guidance can help. If you're in a position where the money you earn simply can't cover the cost of your outgoings, you can find further information on where to go for help from [Citizens Advice](#).

What is the cost of living and why is it rising?

What is the cost of living?

The 'cost of living' refers to the amount of money needed to cover a specific set of basic expenses.

It's often used to compare how expensive it is to live in different cities or countries and how that changes over time.

How is it calculated?

The cost of living is calculated by taking a selection of goods and services deemed 'essential' across categories including health care, food, housing and energy.

The cost of these goods and services is then added up and measured over time to analyse changes.





Why is the cost of living rising?

We're currently seeing a cost of living 'crisis' because the cost of essentials is rising a lot faster than wages. This makes it increasingly difficult for people to pay for their basic needs.

The situation is being exacerbated by several factors:

- The [Russia-Ukraine war](#) impacting gas prices leading to Ofgem, the energy regulator, increasing the energy price cap.
- [Disruptions to supply chains](#), with the impact of the COVID-19 pandemic and Brexit still being felt.
- These factors both [increase food production costs](#) and were further compounded by [hot weather across Europe](#) this summer.
- Brexit, amongst other factors, has [worsened labour shortages](#), increasing costs again.

For UK consumers, in 2023 we've also seen:

- Several rises in interest rates, increasing the cost of mortgages.
- High [rates of inflation](#).
- The [value of the pound remaining low](#) compared to other currencies, particularly the dollar.



How rising costs can affect you

The impact of the cost of living crisis will be felt in different ways across the country. Some people may find that cutting their costs by reducing bills or spending less on leisure activities will make ends meet, while others might struggle to pay their rent or mortgage, heat their homes or feed themselves and their families.

The rising cost of living is already [negatively impacting the health](#) of people across the country. Alongside the practicalities of money saving, it's also important to understand its impact on your wellbeing and the steps you can take to stay healthy.

The relationship between money and wellbeing

Economic security is closely related to our overall wellbeing.

When your wellbeing is suffering it can lead to a vicious cycle of financial troubles. People in debt are significantly more likely to experience poor mental health: [43% of people in problem debt also have a mental health problem.](#)

Having poor mental health can affect your ability to control your income and outgoings for various reasons. Depression could cause lack of motivation to keep track of money, or having to take extended leave from work may lead to a reduction in income. This can make you struggle more financially and therefore continue to contribute to poor mental health.



Looking after your wellbeing during times of financial stress

It's easy to let stress overwhelm you during times of financial worry, but it's important to remember your wellbeing. To break the cycle of poor financial circumstances having a detrimental impact on your wellbeing you need to make your mental health a priority.



Stick to a healthy routine

Often when you become overwhelmed it becomes easy to neglect a healthy daily routine. Try to ensure you have three meals a day, get at least seven hours of sleep at night and at least 30 minutes of active time each day. Skipping these steps can contribute to poor mental wellbeing, making it harder to deal with your financial stress.



Prioritise your spending

Having to cut back on essentials like heating and eating can significantly impact your mental health. With the average price of gas still high going into winter, it's crucial you prioritise spending on essentials. If, after budgeting, you still think you'll struggle, the earlier you can find help the better. [Citizens Advice](#) is the best place to start.



Managing money worries

While it's important to make sure financial stress doesn't have too big an impact on your wellbeing, it's not always easy in practise.

Managing money worries isn't about ignoring the problem. Instead, it's important to accept the issue while not letting it dictate your life.



Find the right balance

While keeping up to date with the state of the economy can be helpful, it can also be overwhelming and a constant reminder of financial stress. You need to find the right balance between knowing the circumstances but not overwhelming yourself.



Brush up on your financial knowledge

Often stress can arise when something is out of your control. While you can't control the rising cost of living, you can have some control over your own finances. Equip yourself with useful resources and guides on money saving and management, and spend your time understanding what you can do with your own finances instead of focusing on the economy. You can find some of these on page 21.



Talk to someone

The stigma around debt means that people often struggle to ask for help and talk to someone about it. When you stay silent and hide the extent of financial difficulties, you put immense strain on yourself and your relationships with those around you. Instead of holding all the stress to yourself, you can speak to someone close to you about your worries.

Alternatively, if you're uncomfortable with this, seek professional advice from a mental health specialist. You can find local support at [hubofhope.co.uk](https://www.hubofhope.co.uk).



Tips for your money mindset

You can't control what's happening in the economy, but with some simple changes to your money mindset you can shift how you feel about your own finances.



Understand how finance makes you feel

When you're worried about your finances it can be tempting to dive straight into budgeting, but it's important to look at your mindset before you change spending habits. This will help you identify any patterns in how you think about money and prevent you from repeating old behaviours.

Here are a few questions you might ask yourself. There are no right or wrong answers, but it can be useful to consider how ingrained thought patterns can impact our feelings about money today.

- What was your family's attitude to money when you were growing up?
- How do you talk about money in your current relationships?
- Do you tie your net worth to your self-worth?
- Do you admire 'hustle culture' — the idea that there's always more money to make if we work hard enough?
- How does watching or reading financial news make you feel?
- Do you believe having more money will make you happier?
- Do you believe it's important to put money aside for a rainy day?





Don't aim for perfection

Be honest with yourself about your spending habits and behaviours, but keep in mind there will always be aspects of your finances you can't control.

You might not be able to create your ideal budget, reach your savings goal or pay off your debt in the timeframe you'd hoped, but don't let it stop you from making a start.

Past mistakes can't be changed, but every positive decision will help you feel more in control of your finances, even in difficult circumstances.



Avoid comparing yourself to others

It can be tempting to compare your financial situation to that of your family, friends and neighbours, especially those who post on social media. But it's important to remember that you only see a small glimpse into people's lives.

Be wary of thought patterns that link financial success with your sense of self-worth.

We're often bombarded with images of people who choose to spend their cash on designer clothes, flashy cars and holidays, but it's important to remember that displaying wealth is not the same thing as being financially stable.





Create healthy money habits

Your daily habits are one of the main contributors to your overall sense of wellbeing, and our financial behaviours are no exception. Try these habits to help you build a healthy money mindset:

- Set yourself a SMART money goal. This could be something really simple, like reducing your spend on takeaways by £20 a month or changing your thermostat temperature and measuring the impact on your gas bill.

- Consider using a budgeting app to see where your money goes each month and adjust your priorities where possible.

- Practise communicating about money in your relationships. It can be really hard to talk about money, but it's important to be open and honest with those who you share financial ties with. Speaking up will help you face your money worries as a team.

- Don't be tempted by 'get rich quick' schemes — when times are tough, it's more important to get the basics right and keep a sense of control over your finances.

- Habits that are tied to our emotions can be the hardest to break. It might take a while to see the impact of your new habits on your bank balance, so be kind to yourself as you work towards your financial goals.



SMART goals are:

- Specific
- Measurable
- Achievable
- Relevant
- Time-bound



Money myth-busting

With the cost of living crisis taking over the media and newsfeeds, there's been a lot of terminology used that isn't self-explanatory. It can feel daunting when you don't know what they actually mean and can contribute to negative feelings around the situation. We've myth-busted some of the most common terms so you can understand them fully and help tackle some of the anxiety around the terms.

What is the energy price cap?

The energy price cap is set by Ofgem (the Office of Gas and Electricity Markets) to limit the rates an energy supplier can charge for their default tariffs. It doesn't apply to those on a fixed-term tariff or certain exempted green energy tariffs.

Due to the recent rise in wholesale gas and electricity prices, the price cap has been increased to reflect the true cost of the energy market.

How much will my energy bills cost?

While the media often report the yearly energy cost for an average home, it's important to remember that the price cap isn't a cap on your total bill. The amount you pay will depend on how much gas and electricity you use.



Your energy bill is made up of:

- Standing charge: a daily fixed amount that goes towards maintenance of the energy network, admin fees and government schemes.
- Usage charge: this charge reflects the amount of energy you use, measured in kWh (kilowatt hours).

If you're struggling to pay your energy bills, try [Ofgem's help with energy bills guide](#) to access the support you need.





What is inflation?

Inflation simply means a rise in prices. The inflation rate reflects how much prices of everyday items (known as the Consumer Prices Index or CPI) are rising over the course of a year.

A bit of inflation is healthy for the economy, so the Government's inflation rate target is set at 2% per year. Inflation has recently reached over 10% which has made prices unpredictable and people are finding their money doesn't go as far.

What is the Bank of England interest rate?

The Bank of England (BoE) is responsible for keeping inflation rates low and stable, and to do this they set the Bank Rate — also known as the base rate.

When the BoE raises the base rate, banks will usually increase how much they charge on loans and the interest they offer. Increasing the base rate is expected to reduce borrowing and increase saving.

Changing the base rate is one technique the BoE uses to help stabilise the economy.



What is a recession?

A recession is when the gross domestic product (GDP) growth rate of a country is negative for two consecutive quarters (around six months) or more.

The GDP is the total value of goods produced and services provided in a country during one year.

Essentially, a recession is when the country's economy stops growing.

Recessions are often associated with higher unemployment, lower wages and less consumer spending.



How can I reduce my anxiety about the economy?

With the ever-changing state of the economy, nobody knows what the long-term outcome will be. The possibility of a recession might make you feel anxious, but remember that no-one can predict the future.

While it can be easy to feel like you're glued to the news, it's better to focus your energy on the here and now. Educating yourself is important, but don't let financial fear overwhelm you.

Try to focus on the things you can control, like your own budget and financial goals, and reduce your consumption of negative news stories.

How a health cash plan could help you

A health cash plan allows you to claim money back on essential health care, up to set limits, and gives you access to some valuable health and wellbeing services. You can find more information on our Good4you cash plan [on our website](#).

With a range of benefits included, there are a variety of ways you could use them to save money. Read on to find out how to make the most of yours.



Making the most of your health cash plan



Claim money back, up to set limits

With our Good4you cash plan, you can claim cash back on everyday health expenses, up to the limits of your plan. See how much you could save annually with our online [Savings Calculator](#).



Cover for children

The costs of your kids' essential healthcare can add up, especially if they need glasses. With our Good4you cash plan they're covered by the optical, dental and dental accident benefits at no extra cost.



Westfield Rewards

Westfield Rewards is our discounts platform that gives you cashback and offers at hundreds of retailers, restaurants and destinations, including money off your weekly shop:

- 4% Asda online and in-store
- 5% Sainsbury's online and in-store
- 4% Tesco in-store
- 5% Morrisons in-store
- 7% B&M in-store

Plus money saving and cashback on other everyday expenses like insurance, clothing, DIY, broadband, phone contracts and more. (Savings correct as of September 2023).





DoctorLine

Our 24 Hour GP phone line can get you a timely telephone or webcam appointment with a doctor without having to worry about the cost of transport or parking.



Gym Discounts

If you're thinking of joining a gym you can save up to 30% on a membership with Gym Discounts — you could even get a discount on your existing membership.



24-hour Advice and Information Line

Get advice on a range of issues including money worries, tax information and housing concerns from trained counsellors and legal advisors.

If you don't have a cash plan, you can see the prices and apply today at [westfieldhealth.com/health-cash-plan](https://www.westfieldhealth.com/health-cash-plan).



Useful links and resources

Money advice

[Money Saving Expert](#)

Help and advice on how to save money.

[Entitled to](#)

Benefit calculator to work out what you're entitled to.

[Stepchange](#)

Expert debt advice and fee-free debt management.

[YNAB](#)

'You need a budget' app to help organise your finances.

Government resources

[Citizens Advice](#)

Help with debt, benefits, understanding money and using a food bank

[Gov.uk](#)

Information on government support available.

[Help for households](#)

Information on the energy price guarantee.

[Local government association](#)

Information about the cost of living from local governments.

Mental health

[Money and mental health](#)

Exploring the link between money and mental health.

[Mind.org.uk](#)

Mental health advice, including a list of [crisis services](#).

[NHS — Financial worries](#)

Practical advice to manage financial stress.

[Money helper](#)

Expert advice on coping with mental health during financial stress.

[Hub of Hope](#)

Find mental health support in your local area.





Get in touch today

0114 250 2000

enquiries@westfieldhealth.com

www.westfieldhealth.com

Westfield Contributory Health Scheme Ltd (company number 303523), Westfield Health & Wellbeing Ltd (company number 9871093) and Westfield Employment Services Ltd (company number 9870326) are collectively referred to as Westfield Health and are registered in England & Wales.

Additionally Westfield Contributory Health Scheme Ltd is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our financial services registration number is 202609.

Registered address: Westfield House, 60 Charter Row, Sheffield, S1 3FZ.

This is a marketing communication