ROXTON WEALTH

THE LIFE & WEALTH SERIES

# Moving Into Six-Figure Income

*A bigger income creates bigger opportunities and bigger decisions.*

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Financial & mortgage advice, tailored to you

# A higher income can bring mixed feelings

A higher income can bring excitement. It can also bring pressure.

You may feel that you should now have everything sorted: a larger home, a better lifestyle, more savings, stronger investments, a bigger pension, family support, private education, more travel or a clearer route to financial independence.

A higher income can create opportunities to:

- Build stronger savings and emergency reserves
- Review pension contributions
- Consider longer-term investment planning where appropriate
- Reduce expensive borrowing

*But a higher income often comes with a more complicated financial life.*

Tax may become more significant. Bonuses may vary. Work may become more demanding. Lifestyle costs may rise. You may have more responsibility at home, at work or in business.

- Create more flexibility around work and family life
- Build a stronger property position
- Protect the people who rely on you
- Plan for future independence, not only current lifestyle

*Wealth is not only about what you earn. It is about what you keep, protect, build and use with purpose.*

# What changes at six figures?

## Tax

As income rises, tax can become a more visible part of financial planning. Your income may come from salary, bonuses, commission, dividends, rental income, business profits, share schemes or other sources.

## Lifestyle inflation

A higher income can quietly lead to higher fixed costs. A larger mortgage, private school fees, car finance, subscriptions, travel, and everyday spending can all increase without feeling dramatic at first.

## Investment opportunities

Higher income may create more capacity to invest for longer-term goals. But investing should always begin with a clear purpose, an appropriate timescale, and an understanding of risk.

## Property decisions

A higher income can increase borrowing capacity, but the biggest mortgage available is not always the mortgage that best supports your life.

## Retirement planning

Higher earnings may create an opportunity to review pension contributions and future retirement goals. The aim is to understand how pensions, investments, and property could work together.

*Roxton Wealth does not provide tax advice. Where appropriate, we can work alongside your accountant so decisions are considered in context.*

*More money creates more choices. A clear plan helps you decide which choices are worth taking.*

A WIDER PLAN



# Higher income needs a wider plan

### Income and reward

Salary, bonus, commission, share schemes, business income, dividends and benefits.

### Tax and cashflow

Understanding how income moves through your life and what is available after tax.

### Savings and resilience

Emergency funds, accessible cash, short-term goals and protection.

### Pensions and retirement

Workplace and personal pensions, employer contributions and long-term ambitions.

### Investments

Longer-term planning based on your goals, timescale and attitude to risk.

### Property and borrowing

Mortgage commitments, future property plans and the level of flexibility you want.

### Family and legacy

Supporting children, parents, a partner, family goals and charitable interests.

### Protection

Making sure the life you have built is not left exposed if illness or death affects your income.

*The strongest financial plans do not treat a salary as one number. They connect income to the life it needs to support.*

# Avoiding lifestyle creep

## Conscious spending

Lifestyle creep happens when spending rises every time income rises. Conscious spending means deciding where you want your money to go before it disappears into everyday life.

PRIORITIES TO CONSIDER

- ? What do I want this higher income to make possible?
- ? Which commitments will improve my life long term?
- ? Which costs are temporary and which are difficult to reduce later?
- ? Am I increasing spending because it matters to me, or because it feels expected?
- ? How much flexibility do I want to keep if my income changes?

## Long-term goals

- Build financial independence
- Move home
- Take a career break later
- Invest for the future
- Support children
- Grow a business
- Reduce working hours
- Retire earlier
- Create more security for your family

*The aim is not to live smaller. It is to make sure your lifestyle does not quietly become more expensive than your freedom.*



# Building wealth intentionally

> *Building wealth is not about chasing the latest investment trend. It is about giving your income a clear job to do.*

## Investments

Investment planning may be appropriate for long-term goals where you are comfortable with the possibility that values can rise and fall. The important questions are: What is the money for? When might I need it? How much risk am I comfortable taking?

## Pensions

Higher earnings can create an opportunity to review pension contributions. Pensions may be one of the most tax-efficient ways to save for retirement, but contribution limits and tapering can make this complex for higher earners.

## Protection

A higher income can also increase the financial impact if you cannot work. Income protection, life insurance and critical illness cover may be worth reviewing where a partner, children or lifestyle depends on your earnings.

## Property

Property can be an important part of long-term planning, but it should not become the only financial priority. A larger home or investment property may affect borrowing, cashflow, tax and future flexibility.

*The value of investments can fall as well as rise, and you may get back less than you invested.*

*Wealth is usually built through consistency, clarity and time. Not through one impressive salary or one dramatic decision.*

# Making smarter decisions with higher income

## Tax planning

Tax should be part of the conversation, but not the entire reason for the decision. Pension contributions, investment planning, business structures, bonuses, share schemes and property income can all create tax considerations. The right approach depends on your personal circumstances.

## Cashflow planning

Cashflow planning means understanding how money moves through your life. It can help answer practical questions: How much of my income is committed? What happens if my bonus is lower? What could I save without life feeling restrictive? How much flexibility do I want to retain?

## Financial independence

Financial independence means different things to different people. For some, it means being able to leave a demanding job. For others, it means working fewer hours, moving abroad, starting a business, supporting family, or simply knowing that a difficult period would not create immediate pressure.

*The purpose of higher income is not only to spend more. It is to create more choice over how you live and work.*

A higher income can still feel tight if spending, debt and fixed commitments rise at the same pace. A clear plan turns independence from an abstract ambition into practical decisions.


COMMON PITFALLS



# Common mistakes high earners make

01 **Building a lifestyle around variable income**

Bonuses, commission, dividends and business profits can be valuable. But they may not arrive every year. Using variable income to fund essential monthly costs can create pressure if the income changes or is delayed.

02 **Ignoring cash reserves**

A high income does not remove the need for accessible savings. If all available money is tied up in property, pensions, investments or business commitments, an unexpected event can still create financial pressure.

03 **Focusing only on tax**

Tax matters, especially as income rises. But a tax-led decision is not always a good life decision. A strategy should also consider flexibility, risk, family goals, protection and future income needs.

04 **Taking on too much property debt**

A larger mortgage may be affordable according to a lender's criteria. But it may reduce your freedom to save, invest, change careers, take time off or cope with a reduction in income.

05 **Treating pensions as something to deal with later**

Higher earners may have more complex pension considerations. Leaving decisions too late can reduce the time available to consider options carefully.

*Financial pressure is not always caused by low income. It can also come from high commitments, unclear priorities and decisions made without a wider plan.*

# Behavioural finance and success

A higher income may create confidence. That can be positive. But confidence can also create blind spots. Behavioural finance helps explain how emotions, habits, pressure and assumptions influence money management.

1 **Overconfidence**

Success in one area of life does not automatically mean every financial decision will be straightforward. A high income can make someone feel more comfortable taking risk than they truly are.

2 **Delayed planning**

High earners are often busy. A demanding career can mean pensions, protection and future planning are always pushed into "next month". Decisions become more complex the longer they are ignored.

3 **Decision fatigue**

When you make important decisions all day at work, it can be difficult to make thoughtful decisions about your own finances in the evening. A clear plan can reduce this pressure by creating structure.

*A higher income should give you more time to think, not more pressure to act quickly.*

FINANCIAL CONFIDENCE IS NOT ABOUT KNOWING EVERY ANSWER.





# Creating a long-term wealth strategy

A wealth strategy should not begin with a product. It should begin with the life you want your money to support.

Step 1 | **Understand your income**
Look at salary, bonuses, commission, business income, dividends and share schemes. Understand what is reliable and what may change.

Step 2 | **Protect the foundations**
Build accessible savings, manage borrowing, review protection and avoid fixed commitments that leave no room for change.

Step 3 | **Give money a purpose**
Separate immediate spending, emergency reserves, short-term goals, pension planning, investments and family support.

Step 4 | **Plan around the life you want**
Think beyond the next pay rise. What would you like your income to make possible in five, ten or twenty years?

Step 5 | **Review as life changes**
Career changes, business growth, family, tax rules, health and goals can all change the direction of your plan.

START A CONVERSATION

# Turn higher earnings into lasting wealth

Tell us what your higher income needs to make possible, what responsibilities you are carrying and where you would like more clarity. Together, we can explore the options available and build a plan that fits your life. At Roxton Wealth, we help clients connect financial planning, mortgage advice, protection, pensions, investment planning, retirement goals and family priorities where relevant.

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IMPORTANT INFORMATION

# Finance That Fits You.

This guide is for general information and education only. It does not constitute personal financial, mortgage, investment, pension, protection, tax or legal advice.

Any personal recommendation will be based on your individual circumstances, needs and objectives following a full assessment where required.

Tax treatment depends on individual circumstances and may change in the future. Roxton Wealth does not provide tax advice. Appropriate tax or accountancy advice should be sought where relevant.

Pension contribution limits, tax relief and annual allowance rules can be complex and may be affected by income, pension contributions, previous pension access and other circumstances.

The value of investments and pensions, and the income they produce, can fall as well as rise. You may get back less than you invested.

Your home may be repossessed if you do not keep up repayments on your mortgage.

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