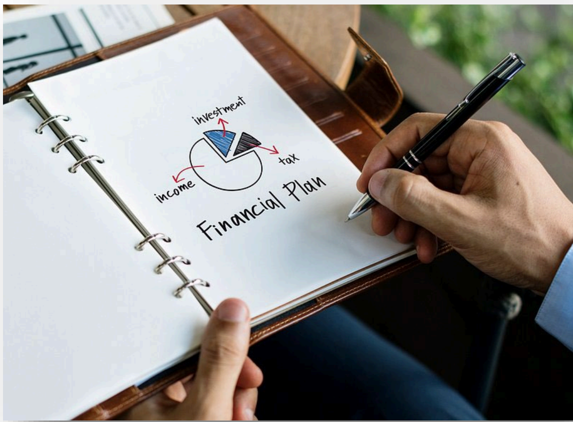
Building Financial Confidence for 2026 and Beyond.

Cost-of-living pressures persist across Irish households heading into 2026. Yet financial confidence stems not from reacting to events, but from maintaining a clear, structured plan that provides direction even when circumstances shift.

A well-constructed financial plan doesn't predict the future, it creates resilience and structures to protect your financial future. Sound planning should always begin with understanding precisely where you stand today.

Start With Clarity, Know Your Financial Position



Progress requires clarity around income, expenses, assets, liabilities, debts, savings and pensions, which are quite often viewed in isolation rather than as connected elements of one financial picture.

Before setting 2026 goals, you should establish:

- Monthly income flows
- Fixed and discretionary outgoings
- Complete asset and liability positions

This foundation supports every subsequent decision, as without it, intentions falter regardless of commitment.

Emergency Funds and Debt Management

Most households should prioritise establishing or strengthening an Emergency fund. A cash buffer covering approximately six months of essential expenses protects against illness, redundancy or urgent repairs whilst preventing short-term shocks from derailing long-term objectives. Crucially, it eliminates pressure to rely on expensive credit during crises or provides the necessary funds to be available, when an opportunity arises.

Irish consumer sentiment remains fragile as households absorb elevated everyday costs. So, once emergency funds are in place, attention should shift to debt reduction, particularly high-interest liabilities like credit cards and personal loans that erode cashflow. A structured approach targeting expensive debt first frees up monthly capacity for savings, pensions or investments aligned with longer-term goals.

Protecting Your Earning Capacity

Your ability to earn is likely your greatest financial asset, yet it receives the least protection. Many workers assume employer sick pay or State supports will suffice during illness or injury. This assumption is dangerous.

the average income protection claim lasted 7 years and 4 months, far exceeding most employer sick pay provisions, if any exists at all. State Illness Benefit currently pays just €244 weekly, an amount insufficient for most household budgets.

Income protection can replace up to 75% of gross income during illness or injury, with premiums fully tax-deductible. Incorporating this protection ensures that progress towards 2026 goals withstands events outside your control.

From Vague Intentions to SMART Financial Goals

Broad aspirations like "save more" or "spend less" fail through lack of structure. Financial plans work when intentions become SMART goals: Specific, Measurable, Achievable, Realistic, Time-bound.

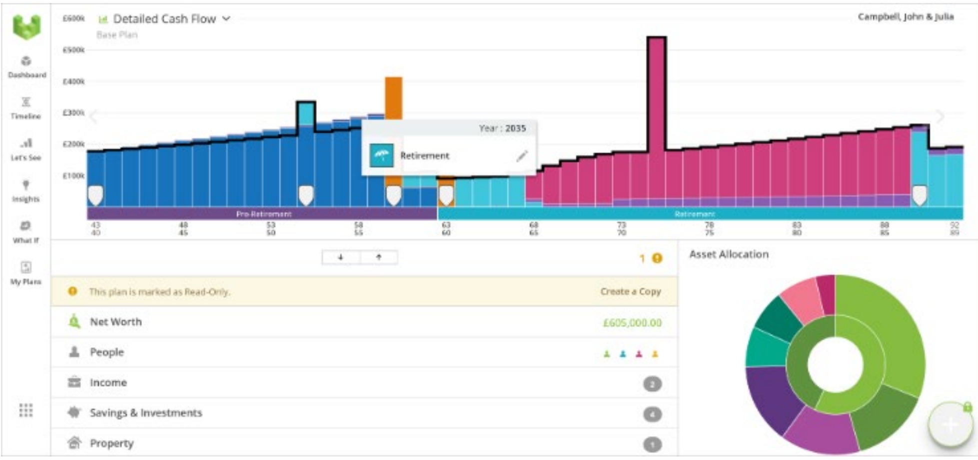
Effective examples include:

- Repay €10,000 of personal debt by September 2026
- Increase pension contributions by 5% before year-end
- Build a €15,000 emergency fund over 18 months

SMART goals create focus, enable progress measurement, and maintain momentum when motivation fades.

Cashflow Modelling

Beyond day-to-day budgeting, modern financial planning emphasises cashflow modelling. While DIY approaches beat doing nothing, many Financial Planners now use sophisticated financial planning software which projects income, spending, savings and assets years forward.



Cashflow modelling reveals "your number", the income or assets required to fund your desired lifestyle now and later. By visualising future outcomes, you can test decisions before implementing them, see the long-term impact of small changes, and identify opportunities to improve your future position through action today.

This transforms financial planning from estimation into informed decision-making, supporting financial freedom and peace of mind.

Business Owners: Year-End Pension Planning

For business owners and company directors with 31 December year-ends, the remaining 2025 window presents an important planning opportunity. Reviewing pension contribution limits before year-end enables company wealth to transfer into personal assets whilst reducing corporation tax liabilities.

These decisions work best when integrated into broader financial plans considering retirement goals, cashflow needs and long-term security, not as isolated tax exercises.

Auto-Enrolment and Pension Choices From 2026

From 1 January 2026, approximately 750,000 workers will be enrolled into the new auto-enrolment system, "My Future Fund". This represents progress in pension coverage, but won't suit everyone equally.

This is a critical consideration for workers paying tax at the 40% rate who will be tax-disadvantaged compared to existing Revenue-approved pension schemes, where payroll contributions attract full marginal rate tax relief. For higher-rate taxpayers whose employer already offers a pension scheme, joining that scheme is typically more tax-efficient than auto-enrolment.

Employers without schemes should consider establishing one promptly to support existing employees effectively and to attract and retain staff going forward.

Inflation Protection and Investment Strategy

Inflation erodes cash value over time. While holding cash for short-term needs and emergencies is essential, excessive purposeless cash undermines long-term purchasing power.

Financial plans should align savings and investment strategies with specific goals and time horizons, not short-term fear or market headlines. Diversification, appropriate risk alignment and staying invested through market cycles are critical for protecting wealth in real terms. A structured Financial Plan will help with all of the above.

Estate Planning

Estate planning isn't reserved for the wealthy or elderly, it ensures your wishes are clear and loved ones protected.

Regularly reviewing wills, beneficiary nominations and succession plans reduces uncertainty and family stress. Planning today retains control and provides reassurance that, whatever happens, those closest to you will be looked after.

The Value of Ongoing Advice

Financial planning isn't a one-off exercise. It's a living process evolving as personal circumstances, tax rules and regulations change. Regular reviews ensure strategies remain current, aligned with your goals and adapt to new challenges.

Here at Lifestyle Financial Planners, we partner with you to build plans that provide structure, accountability and professional guidance, helping you maintain focus during uncertainty.

Moving Forward

2026 offers opportunity, but only for those with clear, structured plans. By focusing on clarity, protection, cashflow, smart goal-setting and ongoing reviews, you can build lasting financial confidence and move forward with purpose, regardless of what the future holds.

If you would like to put your financial house in order, then please get in touch. Email info@lifestylefinancialplanners.ie or call 096-75951 to reserve your complimentary **Discovery Meeting**.