



WEALTH CHECK ESTHER SHAW

THE PATIENT

Shrimoyee Chakraborty from north London works as a self-employed marketing consultant and food blogger and has dreams of starting her own food pop-up outlet.

She would also like to go travelling more, and hopes to take her first step on to the property ladder within the next few years. The 25-year-old currently earns around £50,000 a year.

"I have a food blog, Eatwithmehrimoyee.com, and have quite a few followers so am keen to build on that," she says. "I have also been on a food-related television show, which prompted a lot of people to suggest I have my own food pop-up. As I already host a lot of supper clubs and dinner parties, I'm keen to take this to the next level."

Alongside this, she would like to set up a food app.

"I want to support the pop-up with an app based on the concept of 'cooking without having to go shopping'. The idea is all about helping people to cook with whatever they have at home. The app will target busy working professionals who have little time; it will also promote a healthy-eating lifestyle."

Shrimoyee currently lives in a two-bedroom flat in Islington with a live-in landlord. "I started renting five years ago in a flat-share in Manchester, and then moved to London for work and continued to rent," she says. "I pay £800 per month including bills."

While she is happy to rent for now, she would ideally like to buy her own place. "The key for me is working out where I want to settle."

Shrimoyee is in the fortunate position of having no debts, and has managed to squirrel £3,000 away in a savings account with the Halifax.

"I would love to have enough money saved to be able to go on lots of food-based travels abroad," she says. "I'm about to head to the US for a month, and would ideally like to do more trips like this where I spend a few weeks filming videos in different parts of the world, such as South America, and discovering their cuisines. The problem is, these kinds of projects need a lot of money."

Shrimoyee has no money in investments, no protection policies and does not pay into a pension. "Saving for retirement is not something I'm thinking about just yet."

THE CURE

Our panel of advisers agree that Shrimoyee is in a good position as she has no debts, a good income and some money saved. But they urge her to get into a savings habit to help her realise her goals – and not to ignore pension planning.

Build savings

With so many aspirations, the key for Shrimoyee is to save regularly, according to Adam Carolan from Xentum. "It could be hugely beneficial further down the line."

As a matter of priority, Danny Cox from Hargreaves Lansdown



MICHA THEINER

I want to have as much on my plate as possible

Shrimoyee Chakraborty dreams of launching a food pop-up and app, seeing the world and buying a home. Can her finances keep up with her energy?

urges her to move the savings she has into a cash Isa. "As a higher-rate taxpayer she will be paying 40 per cent tax on the interest she receives on a normal account. By contrast, with an Isa, the interest is tax-free."

Exercise caution when setting up a business

Mr Carolan advises Shrimoyee to think very carefully before pursuing her dream of having her own pop-up. "Setting up a new business can be quite risky and very demanding," he says. "That said, it can also be rewarding in terms of both income and lifestyle. Shrimoyee needs to understand both the personal and financial

implications of running her own business before deciding on that course of action."

Mr Cox adds that if she does decide to press ahead with her venture, she could look into securing a business loan from a bank to help her fund those plans.

"As an alternative, she should investigate alternatives such as peer-to-peer lending and crowd-funding," he says. "She should also find out whether there are any grants available for this kind of -start up."

Think housebuying through

While Shrimoyee hopes to get on to the ladder in five years' time, Mr

Carolan suggests it may be unrealistic to do this at the same time as trying to fund a business venture and go travelling. "Buying a property will require a sizeable deposit, and particularly in London."

This is a view shared by Matt Hutchinson from the flat and house-share website Spareroom.co.uk: "Shrimoyee may struggle to pull together the necessary deposit if she ploughs her savings into travelling and her food pop-up."

"If she doesn't have the luxury of the 'bank of mum and dad' to call upon, she needs to start building cash savings now so she can amass a big enough deposit to secure a mortgage in five years' time."

Mr Hutchinson adds: "Equally, when she does start to think about buying, she may need to think about going in with another person and looking outside London to make costs more affordable."

Once in a property of her own, he suggests she thinks about taking in a lodger. "This could help cover the mortgage repayments," he says. "Alternatively, it could give her some disposable income which she could use to help pay for her travels."

Don't ignore pension planning

While retirement may seem a lifetime away, even saving a modest amount in a pension now will provide a firm foundation for the future, according to John Fox at the pensions provider Liberty SIPP. "Shrimoyee has big plans to set up a business and go travelling, but she must not put pension planning to the bottom of the pile. Even small sums contributed at her age can grow into a sizeable pot over the decades."

Mr Fox also points to the big changes in pension rules coming into force in 2015. "From April, anyone over 55 will be able to access the money in their pension. This should stop people seeing it as 'dead money' that can't be touched until retirement – and more as a long-term savings account."

Mr Cox adds that while there are many benefits to being self-employed, one of the downsides is that Shrimoyee will not benefit from a company pension scheme or employer contributions. "This means she will have to do all her saving for retirement herself."

Look into investing further down the line

Our advisers agree that when Shrimoyee does start to focus on saving for the longer term, she should consider investing, rather than keeping money in cash accounts. "Over a period of more than five years, the stock market should provide a better return than cash savings," says Mr Cox. "Once the time is right, she could consider putting money in a stocks and shares Isa."

Review protection

As Shrimoyee has no debts or dependants, life insurance is not a priority at this point in her life. "However, she may want to look at the implications of losing her sole income through illness," says Mr Carolan. "With this in mind, she could consider getting some form of income protection."



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