

PAID TO PLAY eSCHOOL: 2 FEW FINANCIAL BITS



A few financial bits to sort out before going self employed

Mortgage and credit

This is the one thing that, under the current UK rules, you will have no control over for your first few years of self employment, no matter how much you earn.

You won't be able to get a mortgage or remortgage for 2 years if you are in the UK thanks to new restrictive rules that require 2 years' of self employed tax returns (and even then it's tricky).

Get a mortgage sorted if you are likely to really want to do so in the next 2-3 years. Remortgage if that will get you a better deal.

Also get any credit cards you need. (I don't advise going overboard here - I personally have never relied on credit cards and pay off everything in full every month if ever used- even when I was first starting out this was a solid rule. When just starting out credit cards are not a great income strategy! I just say sort out credit cards in case there's a better deal out there you've been wanting to get - now's the time).

3-6 months basic living costs

Now don't just think savings: this can include income from your new venture if you've already got it off the ground and are earning from it!

I recommend erring on the side of caution here with 6 months of basics covered at least. You are not 'giving yourself 6 months', you are covered in case things go wrong and it takes that long. A big mistake is to have 6 months of savings and think you're giving yourself a full 6 months - if you have 6 months of costs sorted, then you're giving yourself 3 months (with an extra 3 months as buffer).

Please keep in mind we are not financial advisers and the above are generic notes based on our experience. The list is not comprehensive or appropriate to everyone. Before making any life-changing decisions, consult a personal finance professional for advice tailored to you.