

WEEK 3 CASE STUDY

The Paralyzed Beginner

Wealth Pod discussion activity. 5 minutes individual reading, 10 minutes group discussion.

IMPORTANT, PLEASE READ FIRST

This case study is for educational discussion only. David is a fictional character. It is not personal financial advice.

Meet David

Age	29
Occupation	Marketing Coordinator at a tech startup
Annual salary	£38,000 (£2,533/month after tax)
Current savings	£5,000 in a current account at 0.5%
Emergency fund	None specifically set aside
Monthly expenses	£1,800 (rent, bills, food, transport)
Disposable income	Around £500 a month after expenses
Debt	None
Investment experience	Zero. Has never invested.

David's story

David has been meaning to start investing for over two years. He has read countless articles, watched hours of YouTube videos, downloaded three different investing apps, and even created accounts on two platforms. But he has never actually invested a single pound.

His £5,000 has been sitting in his current account earning 0.5% interest for two years. In that time, inflation has been 5 to 10% annually, meaning his money has actually **lost** purchasing power.

David's main fears

- "What if I pick the wrong thing and lose all my money?"
- "The market seems so complicated. I don't understand all the jargon."
- "I keep thinking I should wait for a better time to start. What if it crashes right after I invest?"
- "What if I need the money suddenly and it's tied up or worth less?"
- "I don't have enough money to make investing worthwhile."

The cost of waiting

If David had invested his £5,000 two years ago in a global index fund earning an average 7% return, it would be worth approximately **£5,725 today**. Instead, at 0.5% in his current account, his £5,000 is now worth £5,050, and after inflation, it buys less than it did two years ago.

His fear of losing money has actually cost him money.

Discussion questions

Spend 15 minutes discussing these questions together in your Wealth Pod. Capture your group's answers in the space below each question.

1. How would you address David's fear of "picking the wrong thing"? What investment approach minimises this risk?

2. Should David invest all £5,000 immediately, or take a different approach? What are the pros and cons of each?

3. Does David need an emergency fund before investing? If so, how much should he set aside from his £5,000?

4. What's one simple action David could take THIS WEEK to finally get started?

5. Can you relate to any of David's fears? How have you overcome (or are you working to overcome) them?

What would you recommend?

As a group, agree on a specific plan for David. Consider:

- How much should he keep as an emergency fund?

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- How much should he invest, and how (lump sum or gradually)?

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- What type of fund would suit a beginner like David?

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- Which platform would you suggest he use?

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- Should he set up a regular monthly investment from his £500 disposable income?
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Be ready to share: Each Wealth Pod will be asked to present their recommended plan in the next class.

