

Hard work

Success

## ***HARD WORK MUST LEAD TO SUCCESS***

- ▼ PREPARE FOR TOMORROW
- ▼ JOB REFERENCES
- ▼ FINANCIALLY SMART
- ▼ CLIMATE CHANGE
- ▼ FOOTBALLERS AND FINANCE
- ▼ ENTREPRENEURSHIP
- ▼ CAREER - BANKING
- ▼ FINANCIAL MINDSET
- ▼ PERSONAL CAPABILITIES
- ▼ STUDENT PERSPECTIVES

*Preparing students for life after school*

## WELCOME

Welcome to the second issue of Teenfinca® for 2019.

Teenfinca® — Teenage financial capability — is for teenagers, and should be shared across the school and with families.

Its sole purpose is to help you understand the financial world in which you live. Teenfinca® is written by experienced teachers and financial specialists who are experts in topics related to personal and consumer finance.

Teenfinca® provides articles for you to read and think about individually, and discuss with your peers, teachers and parents. Several financial life skills are introduced in each edition. If your school has a financial capability program, your teachers have the option to use Teenfinca® as a resource within that program. Each issue is accompanied by a set of activities, available from The Wealth Academy website, that teachers may use.

This issue, as always, has a strong focus on financial decision-making and its relevance to everyday life. It includes articles about:

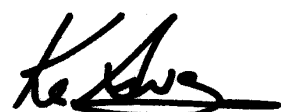
- hard work and success
- mindset
- being financially smart
- wants and their potential consequences
- entrepreneurship
- job readiness
- climate change and money
- student stories

and lots more.

Teenfinca® is an educational resource. It does not sell or promote financial products or services; rather, it is designed to help you understand such products and services, and the financial concepts on which they are based.

Remember, your financial future will be your responsibility when you are an adult. Start your learning journey now.

Kind regards



Ken Swan  
Director  
The Wealth Academy

*Helping youth to become financially capable*

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## **HARD WORK MUST LEAD TO SUCCESS!**



*Success takes effort, regardless of the road you are on*

It doesn't matter what path you take when you leave school, if you want to be successful you are going to have to put in the effort—usually a lot of effort.

You will have been told this already by your teachers and parents. All will have said to you that, to get the best results possible in school, you are going to have to show dedicated effort. This is a message they will have learned from their own life experiences.

### **Sport**

Can you image the best athletes in your favourite sport achieving the success they have earned without extreme effort over many years? There is extreme competition in sport, and athletes must be relentless in their effort to get to the top.

### **Music**

Can you imagine the best musicians or performers in the world getting their success through luck? They may have some good luck along the way, but to get to the top and stay there, they must work at their craft continually. They must always work hard, because there are so many others also trying to be successful in those fields.

### **Science**

Can you imagine the leading scientists not discovering new medicines or new ways to deal with climate change without significant effort? They must work hard to find new solutions to problems; it is a constant challenge.

### **Online Games**

Can you imagine the effort it would take to be one of the best online gamers? They have to practise their skills continually to compete at the highest level. Success comes from effort.

### **Business**

Success in business also comes from hard work. No business person would ever say they achieved success without doing the hard yards.

### **Personal Finance**

To be successful with your personal finances also requires hard work and effort. You need to learn to make good financial decisions, just as others have had to make good decisions in sport, music, science, gaming and business to be successful. Personal financial success is achieved through hard work. **T**

**The reason a lot of people do not recognize opportunity is because it usually goes around wearing overalls looking like hard work.**

**Thomas A. Edison**

## FINANCIALLY SMART DECISIONS

*I always try to be smart. I try to treat all the money I'm making like it's the last time I'm going to make it.*

**Eminem**



### FRIENDS

#### I will be financially smart if I:

- think carefully about what my friends suggest I should spend my money on
- do not just follow my friends' spending habits
- show my friends examples of my good financial decision-making
- mix with friends who have expertise in using money responsibly

#### I will NOT be financially smart if I:

- copy my friends' spending habits without thinking
- create personal financial habits based on my friends' poor habits
- heed advertisers who promote friendship groups spending together — e.g. gambling advertisements.



### SHOPPING

#### I will be financially smart if I shop:

- for needs, more often than wants
- as part of a budget
- by mixing online and in-store methods appropriately
- in a planned and efficient manner
- to purchase items at their lowest price and always ask for a discount.

#### I will NOT be financially smart if I shop:

- for wants more often than needs
- outside of budgetary planning
- and never look for the best price with the best value
- based on my emotions, rather than on logic.



## SOCIAL MEDIA

### I will be financially smart and safe on social media if I:

- do not share my personal details randomly
- check the credibility and validity of all online stores before providing any banking details
- keep too much money in bank accounts from which online payments are drawn
- share too much information about my spending habits.

### I will NOT be financially smart and safe if I:

- don't think carefully about what I share about myself online
- choose online stores that I have not checked for their credibility, location, reviews, policies and history
- don't keep an eye on my bank accounts after shopping online
- use social media to guide my shopping habits.



## REUSE, RECYCLE, REPURPOSE

### I will be financially smart and save money if I:

- reuse products more than once, hopefully many times
- repurpose items I have purchased, giving them other functions around the house
- recycle items and share them with friends and family.

### I will NOT be financially smart if I:

- keep buying items that cannot be repurposed, reused or recycled
- don't investigate ways to reuse, recycle and repurpose
- waste money on items that I do not look after and have potential for new use.



## TRAVEL

### I will be financially smart if I:

- make travel choices that are cheaper most, if not all of the time
- plan my travel well in advance so I can get the best deals
- car pool and share costs whenever convenient and possible
- purchase vehicles that are economical to run and service.

### I will NOT be financially smart if I:

- always choose comfort over price
- purchase a vehicle before I really need a vehicle
- don't include public transport in my travel options
- always choose transport options that have other financial impacts on our environment or economy.



## LEARNING

### I will be financially smart if I:

- commit to lifelong learning, always improving my knowledge and skills
- learn how to manage money responsibly to support myself and my family.

### I will NOT be financially smart if I:

- ignore opportunities to improve my knowledge and skills
- don't value the benefits of improving my financial capability and wellbeing.





# WHY IS HAVING A LINKEDIN PROFILE IMPORTANT?



*Connecting with a network of professional people benefits everyone*

If you don't have a LinkedIn account, we suggest that you make one. Since the inception of LinkedIn in 2003, students and professionals from all walks of life have been able to create and promote their very own online CV.

This networking platform has been a focal point for graduates looking for a career in their line of work, as well as for the 90% of recruiters who use the platform to source professionals. There are over 590 million LinkedIn users, and over 15 million job listings.

It's the reason why 40 million students and college graduates have signed up!

## Create Your Career Profile and Get Hired

Applying for jobs used to feel like a real struggle. Remember having to upload your CV, cover letter and personal profile to different job-searching platforms? This process was often extremely time-consuming, and required signing up with multiple accounts.

The worst thing about this process is that the likelihood of a recruiter finding you wasn't great at all...

With LinkedIn, you are able to create your own profile, photo, bio and résumé all in one. Visually, this system makes your biography much easier to read for recruiters who may have to go through hundreds of CVs a day.

A career profile allows you to showcase your voluntary experience and provide a detailed description of your role at your current and previous employers. You automatically become more employable, and your profile literally comes to life.

What do we mean by this? If you have a LinkedIn account, Google search your full name. You will find that your profile appears in the top 2–3 searches. This is important, as recruiters will often do a Google search of your name to find out more about you.

## Establish Professional Connections

Now that there is so much emphasis on creating a unique career profile, there is a higher demand to use LinkedIn as a resource to establish real connections.

While LinkedIn is used predominantly for recruitment, the shift in the past few years has seen an increase in creative content. Professionals have been sharing their creative content as a way to connect with other individuals in their industry. These relationships, once made, can lead to business sales, referrals and even career opportunities. **T**



# TIPS FOR PICKING GOOD JOB REFERENCES

There are many important things to consider when looking for a new job. Your cover letter needs to make you stand out from the competition; your résumé must be up to date; in the interview, you need to show that you're a good fit for the company. That's all, right? Unfortunately, no. Prospective candidates have lost positions due to receiving a poor reference.

## Are References Really That Important?

Yes! It is important when you're asked to provide two referees that you choose people who can talk about your accomplishments, your skill set, and how you made a difference in the workplace. We have some tips for choosing the right referees for you.

## Make Sure the Person Can Refer You

Some Human Resources (HR) departments no longer allow references to be given for employees. This is because they fear facing legal action due to the content of the reference. It is not illegal for a past employer to give you a bad reference; however, if they say something defamatory, they can be sued by you. Most of these companies will give a statement of employment; while this may not be ideal, it is better than not being provided with anything.

## Choose Suitable People

Choose people with whom you worked closely, preferably in a position superior to yours. Your past supervisor will know the quality of your work, how you developed in the position, and some of what you are capable of. If you are applying for your first job, a teacher or lecturer who knows you well may be a good alternative referee.

## Speak to the Person Before You Give Their Details

Make sure the person you want to act as referee for you knows that they will be contacted. While you may have had a great work relationship, not everyone will be comfortable giving a reference. Most people will be flattered, but better check first — just in case!

## Make Sure Their Details Are up to Date

The referee's name, job title, email address and telephone number must all be correct. Remember, giving incorrect details will slow down the job-offer process for you. Once asked to provide these details, you should do so promptly — preferably within one to two days.

## Make It Easy

Once they have agreed to act for you, tell your referee what job you have applied for, and what skills and qualities you would like them to discuss. A good idea is to give them a copy of your résumé to refresh their memory about the projects you worked on and what you achieved.

## Always Be Polite

If someone says no, thank them for their time and move on. You will find someone else who will be more than happy to act as a referee. You never know when you will come across this person again, so it is important to be professional. **T**



# CLIMATE CHANGE AND YOUR MONEY

It should be obvious that we spend money differently depending on the weather that we experience daily and the climate changes that we experience over many months across a year.

When the world's weather changes drastically and quickly, it can also affect our choices of what we spend our money on, and how much we spend.



## SHOPPING

Climate change is having an impact on our shopping habits.

- It saves fuel and transport costs to shop online. This saves you money and also puts less pollution into the air.
- In many regional communities, climate change is significantly affecting the incomes of people. They have less money to spend on education, food, holidays and so on. It is having a harmful effect on their lifestyle.

## TRANSPORTATION

Climate change is having an impact on how we travel and how much we spend on travel.

- People are buying environmentally friendlier cars in an effort to have less impact on the environment.
- Using public transport has less of an impact on both the bank account and the environment.
- Airline travel costs often include carbon offset options. That is, you can now pay an extra fee to offset the pollution generated by travelling overseas on a plane.

*Climate change can also change what is in the bank account!*

## INSURANCE

Climate change is having an impact on the insurance industry.

If you live in an area prone to flooding or bush fires, the house and contents insurance premiums you pay are likely to increase. Insurance companies believe that you are living in a higher risk area and will therefore charge a higher fee to cover that risk.

## ELECTRICITY

Climate change is having an impact on electricity prices.

- In areas where we are having longer and hotter summers more people want to operate air conditioning units in their homes and offices, and then have to pay large electricity bills.
- Many people are spending money on solar panels which generate their own household electricity, hopefully saving them money in the long term.

## WATER

Climate change is having an impact on water prices.

There is a constant shortage of water in most parts of Australia. Local councils are charging rate payers for the water they use, which causes many consumers to make financial decisions about how they use water at home. Washing the cars regularly, hosing the gardens, having long showers and cleaning the exterior walls of the house are now financial decisions because they use a lot of water.

## FOOD

Climate change is having an impact on food prices.

When fruit and vegetables are damaged by summer storms or not grown because of severe drought, then there is a shortage of those foods. This forces prices up so consumers have to pay more.



## WHAT IS YOUR FINANCIAL MINDSET – FIXED OR GROWTH?

### **FIXED MINDSET**

A fixed mindset means you think your abilities and potential are fixed or unchangeable.

It usually means that you do not think you can change your financial future. You may say “I am hopeless with saving,” or, “I have no will power when it comes to shopping.” Often a fixed mindset has a negative perspective.

### **GROWTH MINDSET**

A growth mindset means you think your abilities and potential are plastic — that is, they can be adjusted or improved.

It means that you believe you can change things about your financial future. You may say, “I am now a better saver of money,” or “I want to learn how to invest so I can make best use of my money.” Often a growth mindset has a positive perspective.

## *Are you fixed or growth mindset?*

OR

### *Fixed Mindset — House*

**"I won't ever be able to afford a nice house. I will never have a job that allows me to have enough for a deposit. Even if I do buy a house, I won't be able to improve it."**

### *Growth Mindset — House*

**"I am looking forward to buying a house. I will have to save and budget carefully so I can make my first step into housing. I can do this! In time, I will be able to buy an even better house."**

OR

### *Fixed Mindset — Work*

**"I doubt I will ever get a good job. There will always be applicants better than me going for the same jobs as I am. Even if I do get a job, I expect it will be too difficult to progress."**

### *Growth Mindset — Work*

**"I am looking forward to getting my first job. It will be the first of many jobs I will have, because I am going to keep improving and learning. In time, I will have a job that will give me the enjoyment and rewards that I am looking for."**

# FOOTBALLERS AND FINANCE: MATTHEW MACKAY



*Playing for Australia against England in 2016*

Matthew Graham McKay (born 11 January 1983) is a retired Australian professional footballer who last played for Australian A-League club Brisbane Roar, and previously with the Australian national team.

McKay currently holds the clubs record for league appearances, — 272. McKay played for Brisbane Roar since their first season in the A-League, and was their club captain until the 2010–11 season, in which he led Brisbane to their first ever A-League championship and premiership.

Following this triumphant victory McKay sought a new challenge in the first division of the Scottish Premiership with Rangers. McKay played an integral role in Australia's second placing in the 2011 AFC Asian Cup notably with a 30 metre cross to centre forward Harry Kewell.

He was also part of the Australian squad at the 2014 World Cup and 2015 AFC Asian Cup.

Matthew has 59 Socceroo caps.

## **DID YOU RECEIVE FINANCIAL LIFE SKILLS EDUCATION AT SCHOOL?**

If we did, it was through our mathematics classes.

## **WHAT DID IT INVOLVE?**

It was more about scenarios involving payments to solve mathematical problems.

## **DID IT PREPARE YOU FOR LIFE AFTER SCHOOL?**

No. I wish I had learned Economics at school. It would have prepared me for life more than some of the other subjects I chose.

## **WHAT FINANCIAL LIFE SKILLS WOULD YOU HAVE LIKED TO LEARN WHILE AT SCHOOL?**

I would have liked to learn about trading and investment. I also should have learnt more about superannuation and tax which are part of my daily life.

## **WHAT WERE YOUR PLANS WHEN YOU LEFT SCHOOL?**

I always wanted to be a footballer and went straight from school to the



Australian Institute of Sport. I loved football and always wanted to test myself against the best.

### **ONCE YOU BECAME A PROFESSIONAL FOOTBALLER, HOW DID YOU MANAGE YOUR LIFE FINANCIALLY? DID YOU HAVE A SYSTEM?**

I was very fortunate to be introduced to a financial planner when I was young and learned more about personal financial responsibility. It is important to find good people who can help you when you are young.

### **WERE THERE ANY FINANCIAL LIFE SKILL SURPRISES FOR YOU IN PROFESSIONAL FOOTBALL?**

For me, tax and foreign currency were the big ones.

### **WHAT PREPARATIONS DID YOU MAKE FOR LIFE AFTER FOOTBALL?**

I studied various courses in financial services, and degree courses, including teaching, to try to find what I liked most.

### **WERE THERE FINANCIAL BENEFITS TO BEING A PROFESSIONAL FOOTBALLER?**

Definitely. I was very fortunate to earn money from playing a sport I loved. The benefits were that I earned a lot of money in a short career span.

### **WHAT ARE THE POTENTIAL CHALLENGES FOR PROFESSIONAL ATHLETES FINANCIALLY?**

The challenge for any professional athlete is being ready for when it stops. The day you stop playing the wages stop. You have to be prepared for that. You must curb your spending to live within your means.

### **OVER YOUR SPORTING CAREER, WHAT WAS THE BIGGEST FINANCIAL LIFE SKILL REALITY CHECK?**

Being prepared for tax bills, and learning who are the right people to turn to for help.



### **DID PROFESSIONAL FOOTBALLERS GET TRAINING AND SUPPORT TO MANAGE THEIR FINANCIAL AFFAIRS?**

Yes, we get support from our Professional Players Association.

### **IS TRUST AND ETHICS AN ISSUE FOR A PRO ATHLETE?**

Yes, but this is through all industry. When you employ someone, you want them working in your best interests.

### **THERE ARE MANY STORIES ABOUT PROFESSIONAL ATHLETES WHO SQUANDER OR LOSE ANY WEALTH THEY MAY HAVE GENERATED DURING THEIR SPORTING CAREER. WHAT IS YOUR ADVICE?**

As discussed, you have to prepare for when the payments stop. Also, you have to diversify; you can't be overly weighted in one asset class in case there is a downturn in that particular class.

### **WHAT ARE YOU DOING IN YOUR WORKING LIFE POST-FOOTBALL?**

I'm working for Ferguson Hyams Investment Management. We offer a wholesale alternate product which is non-correlated to the traditional long-only asset classes.

### **WHAT DO YOU THINK ARE THE CHALLENGES FOR TEENS TODAY RE FINANCIAL LIFE SKILLS?**

Budgeting and learning about financial products. They must have a plan for when they start earning.

### **WHAT DO YOU THINK ARE THE OPPORTUNITIES FOR TEENS TODAY REGARDING FINANCIAL LIFE SKILLS?**

Learn more about the financial industry and the relevant tax and saving issues they may face.

### **DO YOU HAVE ANY CONCERNS ABOUT GAMBLING IN SPORT AND ITS IMPACT ON KIDS?**

Gambling has its place in society. However, you must be controlled. I would never say stop gambling, but only gamble what you are prepared to lose. And think, you could be using that money to pay off your house, or pay for your children's education. That is exactly why I rarely gamble these days.

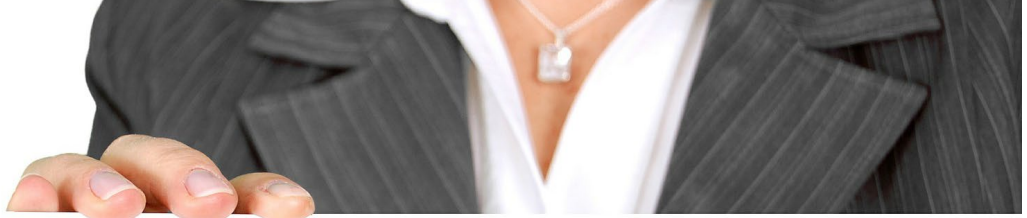
### **Matt's Key Messages**

Every school student should learn how to prepare a budget.

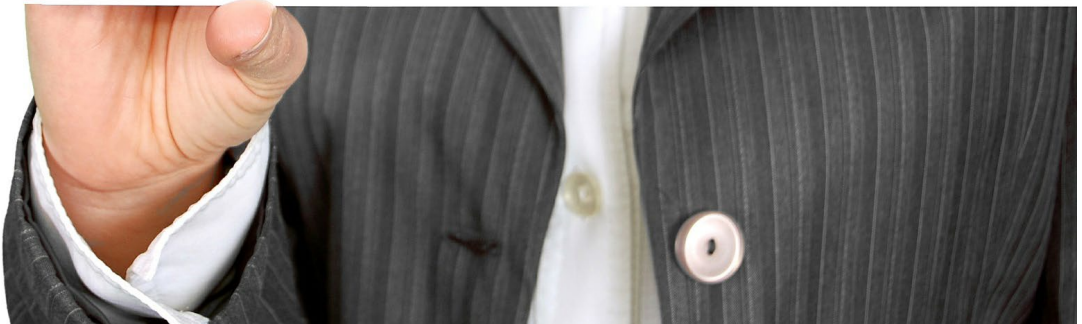
Financial life skills education should be considered a priority for everyone, because it is needed throughout your life no matter what income you are earning.



## HOW TO GET AN INVESTMENT PLAN GOING



*idea → plan → action*



*Saving money is a great start, but it isn't enough to achieve financial freedom!*

Saving money is a great start, but it isn't enough to achieve financial freedom. You have to make your money work for you.

Saving means putting money aside in a bank account (hopefully one that pays you high interest!) separate from the account from which you draw your regular living expenses. If you have a fair bit of money saved, you might consider putting it in a term deposit. Your savings are great to have — they provide you with some security and the means to cope financially in case of an emergency, but money sitting in a bank account isn't really working for you. In some cases, it may only be keeping ahead of regular cost of living increases, so its purchasing power in future may be a lot less.

Importantly, saving money and investing it are closely connected. In order to invest money, you first have to save some. That will take a lot less time than you think, and you can do it in very small steps. You should always have some savings ready for an emergency, but parking ALL your money in a bank account for the long term is NOT going to give you financial freedom in the future.

Investing in shares, though, can give your money the chance to earn more for you than you would get by leaving it in a bank account. Shares can increase in value over time (cash in the bank can't!) and some shares pay you an income (called dividends) which you can put back into buying more shares.

Using the income from an investment to buy more investments is called compounding. This concept really supercharges how your money can work harder for you, and is a fundamental component of wealth creation. By understanding just this one principle, you can make a significant difference to your financial situation over the long term. The power of compound interest is that you receive interest not only on your initial investment but also on the interest it earns, which is then added to your investment. Sounds simple, but not a lot of people understand how powerful it is, or how the total return grows exponentially the longer the investment is left to compound.

### Investment Plan

Whatever you decide to invest in, you will need an investing plan, otherwise you will tend to drift along from one decision to the next without any clear direction.

When you have a plan, it's easier to make financial decisions and maintain a disciplined approach to investing your money so that you stay on track. An investment plan provides a framework for your financial and investment decisions.

An investment plan:

- documents your 'net worth'

This is just the accounting term for your wealth, and basically means what you own minus what you owe. The Australian Securities & Investments Commission (ASIC) has a net worth calculator. As a teenager, your assets might not be more than some savings and maybe a car. But then hopefully, if you've been saving and spending carefully, you also don't have many liabilities (amounts that you owe)!

- captures your cashflow so you know how much you have to invest  
Cashflow is money coming in, which might be income from a part-time job, and money going out, which might include food, transportation, recreation/entertainment, and savings. You always need to make sure you have more coming in than going out! This is why you build a budget and stick to it.
- helps you set your goals into three time frames  
Goals should be realistic and measurable, and the time frames help you set specific courses of action.

— **Short-term** is one to three years, which might be paying off a credit card or saving for a holiday. A suitable investment product at this stage could be a term deposit.

— The **intermediate-term** is four to six years, which might be starting a share investment strategy utilising your savings. A suitable product could be a balanced investment option in a managed fund, or investment in an exchange-traded fund (ETF). A managed fund is where your money is pooled with money from other investors; the investment manager of the fund uses this money to buy and sell shares or other assets on your behalf. An ordinary ETF is 'passive' investment that tracks an asset or market index (for example, the ASX200 Australian share index). The ETF goes up or down in value in line with the index it is tracking. Don't forget you pay fees wherever you are not responsible for the investment decisions.

— The **long-term** is more than seven years, which might be generating sufficient wealth from your investments for a deposit on a house, or buying an investment property. Suitable products might be a growth or high-growth option in a managed fund, ETF, direct shares, or a listed investment company (LIC). An LIC operates like a managed fund, but is a company listed on the stock exchange in which you buy shares. The LIC invests in a range of other companies and so, with one purchase, you can immediately diversify your investments. Again, someone else is making the investment decisions, so you have to pay fees. Investors should learn to keep their investment fees low.

Allocating a time frame to each investment goal will enable you to think about how much you can afford to invest, and how long it will realistically take you to reach your goal. But you must consider your risk tolerance when deciding on what is right for you.



*Goals should be realistic and measurable, and the time frames help you set specific courses of action.*

You will often hear the word **risk** associated with investing. It is true that the majority of investments have some element of risk. Establishing your own risk profile means that you need to:

- understand what risk you can handle (your risk tolerance). For example — could you sleep at night if you had invested in shares and the share market fell 20%?
- consider investments that balance your risk tolerance with their capacity (the return they are going to give you over the long term) to reach your financial goals. **T**

**Judith Fox, CEO,  
Australian Shareholders' Association**



## ARE YOU AWARE HOW FINANCIAL DECISIONS ARE INFLUENCED BY YOUR PERSONAL CAPABILITIES?

If you want to be financially capable, you must become aware of the personal and social capabilities that you already have, and those you need to develop.

- **Self-awareness:** Do you have self-awareness of how emotions are guiding your decision-making?
- **Self-management:** Can you effectively self-manage situations involving money?
- **Social awareness:** Can you recognise how others' feelings and emotions are affecting their financial decisions?

People who are good with money are good at managing their life in a variety of situations.



**Self-awareness:** Are you aware of how your emotions may be driving your spending decisions? Are you being caught up in the situation and buying things just because your friends are buying them?

People who learn from their financial mistakes and understand how emotions may have led to those mistakes are developing the self-awareness they will need to be successful in the future.

Your financial capability and wellbeing depend on your level of self-awareness!

**Self-management:** In situations with peers, there is potential peer pressure to spend, spend, spend. You need to manage this situation by sticking to your budget or shopping for only those things you need. This can be challenging!

Your financial capability and wellbeing depend on your self-management skills.

**Social awareness:** In situations with peers, there will be times when you think one of your friends is upset, unwell, unhappy, concerned or unsettled in some way. This can happen in shopping situations. Your friend may feel pressured or uncomfortable in the shopping situation.

Good friends can recognise these situations in others. They have the social awareness to know when a friend is not feeling quite right. A socially aware person would not allow their friend to overspend or to spend money for no good reason. Socially aware people look after their friends in all situations.



## IN THE NEWS



### ARE YOUNG AUSTRALIANS GOING TO BE WORSE OFF THAN THEIR PARENTS?

Source: **The Guardian**

The Generation Gap Report, published by the Grattan Institute, indicates that young Australians today are likely to be worse off than their parents. It is a startling claim.

Key points from the article that explores this report are:

- household wealth has nearly tripled in the past 30 years, but that growth has not reached everyone equally
- poorer young Australians have seen a downward trend in their wealth
- rising house prices, high debt, stagnant wages and under-employment all threaten young people's ability to progress as much as their parents did.

"If low wage growth and fewer working hours are the new normal in Australia, then we could have a generation emerge from young adulthood with lower incomes than the one before it at the same age," Grattan Institute's Danielle Wood warns.

**Comment:** Is this fair? How are young people, including teenagers, being prepared for their financial future?

**Read the article:** <https://www.theguardian.com/business/2019/aug/25/the-wealth-crisis-are-young-australians-really-going-to-be-worse-off-than-their-parents>. **T**

*... young Australians today are likely to be worse off than their parents.*

Grattan Institute



### IT'S ABOUT INDEPENDENCE

Source: **Teen Vogue** online

In this article, teenage author Margot Nelson claims that financial literacy is important because it is about personal independence.

Margot's key points are:

- she knew almost nothing about personal finance when she left high school
- women in America have lower financial literacy levels than men
- the need to control university debt
- personal finance is something you have to learn.

Margot dedicated 2018 as a year to improve her financial capability. She did this through lots of self-education, mainly through online sources. This is a great way to build a broad understanding of many financial life skill concepts.

**Comment:** It makes sense that the more financially literate a person is, the more independent they are likely to be. If he or she can manage their finances then he or she is less in need of support from others.

All teens should commit to financial learning!

**Read the article.** <https://www.teenvogue.com/story/why-financial-literacy-is-so-important> **T**

*Financial literacy is important because it is about personal independence.*

Margot Nelson

## 5 THINGS YOU CAN DO TODAY, TO PREPARE FOR YOUR CAREER TOMORROW



*A great career won't happen by chance. You have to make things happen!*

Careers are changing and will continue to change in the future.<sup>1</sup> Although there is a lot of uncertainty about what that future will look like, here are some practical suggestions to help you prepare:

### 1. Spend more time daydreaming

Yes, you read that correctly. Daydreaming could be good for your career prospects. That's the message from futurist Chris Riddell.

"In future, I think there will be more opportunities for people who can think of far-fetched ideas and what possibilities might be," says Riddell. "Technology such as virtual reality and augmented reality is breaking down the barrier between what is real and what is not. In the next few years, we may not be able to tell the difference between a virtual and a physical experience."

Riddell says daydreamers could be ideally suited to roles such as experience architects and experience designers. "These are jobs that we would never

have believed could exist, just a few years ago," he says.

### 2. Step out of your comfort zone

We may not know what the future holds, but the rate of technological advancements suggests that we can be certain of one thing: Changes will keep coming.

Futurist Mark Pesce says that, although it is human nature to want to be comfortable and safe, it is also natural to want to grow. "I recommend younger people put themselves in situations where they are constantly being challenged. Because if you're not a little bit uncomfortable that you can do a job then you're not developing."

This is where good mentoring can make all the difference, suggests Pesce. "It's much easier to survive that discomfort if there is someone you can turn to and say, 'I don't know how to do this' and talk it through. I think the best employers know this and will support mentoring arrangements, so seek them out."

<sup>1</sup> future[inc], "The Future of Talent: Opportunities Unlimited", date posted: 15/11/2017, accessible at: <https://www.charteredaccountantsanz.com/news-and-analysis/insights/future-inc/the-future-of-talent>

### 3. Seek out collaboration

In a recent survey by Chartered Accountants Australia and New Zealand and PwC, employers said 'collaboration' was one of the most important skills for the future. However, many employers (notably in the accounting profession) said they struggled to recruit and retain people with these skills.

"There are a few sides to collaboration," explains Natalie Francis, a workforce consultant at IBM. "The first is: Can I talk within my team and bring my unique point of view to the table? The second is: Can I also communicate my ideas more broadly and work across the organisation as well?"

"Then there is also collaboration with technology," says Francis. "Because technology alone will not drive organisations forward. It requires people and technology working together."

Francis says young people should look for workplaces where there is a genuine commitment to collaboration. A lot can be gleaned by researching potential employers and asking questions during interviews. "Look for signs about the organisation's culture. Is it genuinely okay for people to collaborate and bring new ideas to the table? Do people have access to the latest technology? How is the organisation using Artificial Intelligence (AI) to augment people's own intelligence?"

### 4. Embrace your inner entrepreneur

When parents ask futurist Chris Riddell how best to prepare young people for the careers of tomorrow, he suggests they encourage their kids' entrepreneurial streak.

"It's that whole lemonade-stand-in-the-front-garden philosophy," says Riddell. "If your children come up with an idea, then support them. Explain that failure isn't a bad thing and you should try, try and try again."

"Young people should challenge themselves to come up with new ideas and make them a reality. Along the way, they will develop broad qualities that could set them up for the future, such as resilience, creativity and adaptability."

### 5. Prepare for a lifetime of learning

First the good news: many young people can expect to live past the age

of 100 thanks to improved living standards and healthcare.<sup>2</sup> Now the bad: Living longer could mean working longer to pay for living expenses.<sup>3</sup>

Careers will involve an ongoing learning to adapt to new technology and new work, according to Mark Pesce: "My operating theory is that by 2030, we will spend about as much time learning the next thing we'll be doing [professionally] as we are doing our current work."

Pesce says employers will be seeking people who can learn fast, and help others to learn too. Blair Sheppard, Global Leader of Strategy and



Leadership Development at PwC, has this advice: "...to stay ahead, you need to focus on your ability to continuously adapt... For students, it's not just about acquiring knowledge, but about how to learn. For the rest of us, we should remember that intellectual complacency is not our friend and that learning — not just new things but new ways of thinking — is a lifelong endeavour."<sup>4</sup> **T**

Article by Andy McLean

<sup>2</sup> *The Guardian*, "Great expectations: today's babies are likely to live to 100, doctors predict", date posted: 2/10/2009, accessible at: <https://www.theguardian.com/society/2009/oct/02/babies-likely-to-live-to-100>

<sup>3</sup> *BBC News*, "Does living to 100 mean we'll work forever?" date posted: 18/01/2017, accessible at: <https://www.bbc.com/news/business-38652359>

<sup>4</sup> *futureinca*, "The Future of Talent: Opportunities Unlimited", date posted: 15/11/2017, accessible at: <https://www.charteredaccountantsanz.com/news-and-analysis/insights/future-inc/the-future-of-talent>

***I recommend younger people put themselves in situations where they are constantly being challenged***



*This article first appeared on youunlimitedanz.com on 8 March 2019 and has been republished with permission.*



## I WANT TO BE A DOCTOR

Doctors have an important role in our community. They keep people well, make them better and sometimes save lives. They have a challenging, often stressful and rewarding career. Most doctors are also very well paid for the work that they do.

Many in the community will not realise that doctors also need financial knowledge and skills that they use in their home life.

Just like other adults they have to manage the finances at home, making sure they spend within a budget. Just because they earn a high salary does not mean they need not be wise financial decision-makers.

Many doctors also start their own medical practice; this requires a lot of business and financial skills. Usually these skills are not taught in medical school, so they have to learn these skills themselves.

They will also employ specialists to help them with their financial decision-making because this is not their area of specialist knowledge.

Setting up a medical practice could require investments of hundreds of thousands of dollars. Doctors may need to take out loans and buy insurance. They will need to ensure they have the cashflow from regular clients to repay the loan, and pay the staff they need to manage bookings and promote their business. This will be new to them.

To financially manage a medical practice successfully, a doctor or his/her office manager will need many skills, including how to:

- purchase resources at the best price
- employ staff at the correct rate and under the right conditions
- develop budgets to guide the distribution and management of all funds
- develop mid- and longer-term budgets to ensure facilities and treatment programs are kept at the highest standard.

Any doctor who wants to become an effective business person must learn how to manage the finances. **T**



## I WANT TO BE A FURNITURE MAKER

Many school leavers want to work with their hands. Many of them become tradespeople; some want to become designers and makers of furniture. It is an occupation that is highly skilled.

Furniture makers who run a business, like all other business owners, have to make financial decisions. They must:

- purchase equipment at the best price to design and make their furniture
- decide if they want to take out a business loan from a bank to invest in and build their business
- manage loan repayments
- understand how to manage their books to keep track of their finances
- consider purchasing or leasing a suitable vehicle to transport themselves and their furniture to where they will be delivering the furniture
- ensure they have appropriate insurance cover
- identify the most cost-effective way to market their services, to ensure they do not waste money

- pay themselves a salary (hopefully) which covers their personal living expenses.

To be successful, furniture makers will need more than great trade skills and contemporary equipment; they will also need good money management skills. **T**



# TEEN ENTREPRENEURS



## TEENBUSINESS

TeenBusiness is a news and information website for young entrepreneurs, investors, inventors and their parents/educators. The goals of the website include to:

- expose teens to entrepreneurship and other young people starting their own businesses and/or exploring their passions;
- explore the world of teen inventors and their motivations;
- teach young people how to become lifelong investors;
- help educators expose their students to basic economic and business concepts.

Information on the site includes:

- how to start a business
- social responsibility
- girl bosses
- investing
- information for parents
- videos and resources.

If you are looking to be a young entrepreneur, then this website gives you a lot of information for you to think about. It also provides many profiles of teens and their entrepreneurial activities. **T**

**Find out more: Teen Business:** <http://www.teenbusiness.com/>

*Young entrepreneurs have come a long way from running lemonade stands and delivering newspapers.*

## AUSSIE TEEN CLOTHING LABEL

Ryde Clothing is the entrepreneurial initiative of Nathan Woodrow. He started this venture aged 16, while still in high school and recovering from a sports injury.

"We created this design to represent this simple life, the simple things that we enjoy. Sometimes when we look around, we may seem to be complicating life too much, we think we need all these different things to be happy, when really, we find the most joy in life from the simple things, the little things, the 'Simple Joys'.

He decided to use a skateboard to represent this because, "when it comes down to it, it's just a piece of wood on wheels but it's something that can serve you infinite hours of joy!"

His shop sells tees, long sleeves, headwear, jumpers and hoods, shorts and also clothes for small kids.

Nathan understands the importance of marketing and has his own YouTube channel for Ryde Clothing. The channel shares and celebrates his business activities. **T**

### Read more:

- **Ryde Clothing:** <https://www.rydeclothing.co/>
- **YouTube:** <https://www.youtube.com/channel/UCNDNcUJvweduCwT2IeMeW5A>
- **ABC News: Teen entrepreneur rides wave of business success with own clothing label** <https://www.abc.net.au/news/2017-08-09/teen-rides-wave-of-business-success-after-clothing-label-launch/8788766>

*We created this design to represent this simple life, the simple things that we enjoy.*



## HOW ARE DRONES BEING USED IN THE INSURANCE INDUSTRY?



*Drones are an important tool being used in the insurance industry.*

We are living in a technological world that is forever evolving. Technology has paved the way for more practical and cost-effective processes, causing change in the insurance industry.

For a long time, compared to other industries, the insurance industry was using hundred-year-old processes. Now in 2019, insurance companies are catching up and continue to learn and adapt to a fast-changing consumer market.

### What is a Drone?

A drone is a pilotless aircraft that can be manually radio-controlled by an operator on the ground, or through uploaded GPS software with integrated flight plans. The use of drones for risk mitigation is on the rise, and we are likely to see more organisations adopt such AI technology to improve their products and services.

Here are four ways drones can be used in insurance:

### Natural Disasters

Drones have been used to assess damage caused by natural disasters. Authority regulations often prohibit Loss Adjusters from visiting affected sites immediately after a catastrophe. This is why drones are such an efficient tool, allowing Loss Adjusters to generate loss reports and process claims without entering the site and risking the safety of human workers.





## Agriculture

More and more farmers are using crop insurance to cover themselves against loss from crop and livestock damages. Underwriters have been able to use drones to evaluate a large-scale area in a short time frame, mitigating risk and providing a more accurate insurance policy and pricing for the customer.



## Roof Inspections

Did you know that a drone can take over 350 high quality images in 20 minutes? What does this mean for insurance Loss Assessors? It means that they can avoid of spending hours at the hazardous task of searching for water, fire and hail damage in roofs.



## Fraud Monitoring

Assessing damages can often be a lengthy process which can often increase the chances of insurance fraud. Without taking away the need for quality and care, speed is extremely important to mitigate the risk of fraud and speed up the claims process for all parties.

### What is fraud?

Wrongful or criminal deception intended to result in financial or personal gain.



### Five Benefits of Drones

1. Less fraud
2. More efficient claims processing and quicker damage assessments
3. Thousands of jobs to be created - Drone pilots
4. Reduced injuries and fatalities for Loss Adjusters
5. High volume of data. 

*.... speed is extremely important to mitigate the risk of fraud and speed up the claims process for all parties*



## UNDERSTANDING MY SPENDING TYPES

The money you spend as an adult will be either for fixed expenses or variable (discretionary) expenses.

You need to know the difference if you are going to manage your money effectively.

### FIXED SPENDING OR COSTS

When something is fixed it is stationary; it does not change.

Fixed expenses are therefore those expenses that adults have which stay the same.

Examples of fixed expenses are:

- mortgage repayments, which stay the same each month (although they can change in following months when the interest rate changes)
- rent, if you decide not to borrow money to buy a house
- car repayments which stay the same for the duration of the loan agreement
- most insurances — e.g. car, health, life insurance; although there may be an annual increase in premiums to cover inflation
- a food allowance — i.e. how much you spend on food each week, may be a fixed expense.

Your fixed expenses reflect some of the things in your life that you consider are essential. Having accommodation is essential. If you think owning a car is essential, then you may need to take a loan from a bank, which you then have to pay back, with interest, over your preferred time period.

If you think health insurance is essential, then you will pay for that each month.

It is always good to know what your fixed expenses are, as you can then determine what you have remaining from your wage for discretionary spending and saving!



*Car repayments are a fixed expense*

### DISCRETIONARY SPENDING OR COSTS

Discretionary costs are often referred to as variable costs.

These are usually the types of spending where you have lots of choice of not just what you spend your money on, but also how much you spend.

Examples of discretionary expenses are:

- **Food:** What types of food? Do you eat at restaurants or only at home? Does your spending change each month?
- **Clothes:** It is discretionary because your spending changes all of the time.
- **Recreation:** You may choose different recreational activities each month which have different costs associated with them.
- **Transportation:** You may decide to use different types of transportation (walk, bus, bicycle, car, ferry, train) depending on your needs or budget
- **Holidays:** You may choose to go on a holiday or not go. You may choose to holiday at home, or go interstate or overseas. All of these choices are variable.



*Holiday travel is a variable expense*

Discretionary expenses often give flavour to your life. They are the options that you choose to make your life enjoyable and interesting.

One of the most important discretionary expenses is 'saving'. You have the choice each month to put money away for the future.

Saving may be variable, but most would say it is essential. **T**

***Saving is an important discretionary expense!***



# WANTS HAVE CONSEQUENCES!

You have heard this before: *You can't always have what you want at the time that you want it!*

Usually people have to wait to save enough money to purchase some of the things that they want. If you don't wait there will always be financial consequences, some of which you may expect and others that may be unexpected. Here are two examples.

*Planning for unexpected financial consequences is important, although difficult!*

## I Want a New Car

### CHOICES

- Buy a used car. The prices will vary, but you can choose a price you can afford. You may need a loan.
- Buy a brand-new car. In most cases you will need to take out a loan and have to pay it back over a given time period.



### EXPECTED CONSEQUENCES

- Ongoing costs to maintain, insure and use a car.
- New and near new cars will have warranties.

### POSSIBLE UNEXPECTED CONSEQUENCES

- Impact on credit rating will depend on your commitment to loan repayments.
- Unexpected costs related to severe car maintenance issues.
- Depreciation of the vehicle — i.e. the car loses value over time.
- Significant increases in fuel, insurance and maintenance costs that may extend beyond your budget.

## I Want to Buy a House for \$500,000

### CHOICES

- You try to buy with the minimum deposit possible.
- You purchase with more savings than you need as a minimum deposit.
- You choose a less expensive house, or choose a cheaper apartment, townhouse or unit.



### EXPECTED CONSEQUENCES

- Ongoing mortgage repayments.
- Ongoing costs — rates, electricity, water, etc.
- Some home improvements.

### POSSIBLE UNEXPECTED CONSEQUENCES

- Cost of major repairs to house.
- Significant changes in interest rates and therefore loan repayments.
- Having to sell the house if you have to move away from the area for work.
- Losing your job and not being able to make loan repayments.

## GETTING READY FOR WORK

Getting your first job can be an exciting time. When applying for jobs is also important to ensure you have applied for the right documentation needed for employment. This checklist will help make sure you have everything you need along with some other helpful tips to ensure you are job-ready.

### ***Tax File Number***

A tax file number (TFN) is your unique number in the government's tax and superannuation systems. If you do not have a TFN, you will need to apply for one before you start your job. If you are an Australian resident you can complete an online form, then arrange for an interview at an Australia Post office. You will need to bring proof of identity documents with you to the interview.

You have one TFN for your whole life, so it's important that you keep it safe. Don't share it with friends.

You can visit [www.ato.gov.au](http://www.ato.gov.au) for more information



### ***Superannuation Choice Form***

Superannuation is money put aside by your employer over your working life for you to live on when you retire from work.

A superannuation choice form is used to advise your employer of your choice of super fund. You can choose to use the super fund offered by your employer, or you can choose your own. It is important to research the best super fund that suits your needs. You can download a superannuation choice form online.

You can visit [www.ato.gov.au](http://www.ato.gov.au) for more information

**SUPERANNUATION (OR "SUPER") IS A COMPULSORY SYSTEM OF PLACING A MINIMUM PERCENTAGE OF YOUR INCOME INTO A FUND TO SUPPORT YOUR FINANCIAL NEEDS IN RETIREMENT.**

**YOUR SUPER IS INVESTED IN A RANGE OF ASSETS TO HELP GROW YOUR BALANCE SO YOU CAN HAVE THE BEST POSSIBLE RETIREMENT OUTCOME.**

### ***Bank Account Details***

It is vital to open a bank account before you start work to ensure that your employer can pay you. It is important to research which bank and which account will suit you and your needs best.



EPIC Assist has over 70 offices across Australia. If you have a disability and you're looking for work, or you know someone that is, contact EPIC Assist on 3 37 42, email [hello@epicassist.org](mailto:hello@epicassist.org) or visit [epicassist.org](http://epicassist.org). EPIC believe that all people with disability have a right to meaningful employment and will do whatever it takes to help you find a job that you love.



## ***Licences or Photo Identification Card***

Some jobs will require you to have a valid driver's licence. Before you apply it is important to check your drivers licence card expiry. If it is expired or close to expiring, you can renew online or visit a Service Centre.

If you do not have your licence you still may need to provide some form of photo identification. The Photo Identification Card provides proof of age for people aged 15 years or older. It is an ideal form of photo identification for people who are not old enough to get a driver's licence, or who do not hold a driver's licence or passport. To apply you will have to visit a Service Centre or apply via mail if you live regionally.



## ***Uniform***

It's important to present yourself in a professional and confident manner, especially on your first day. Prior to starting work, you should contact your boss to see whether there is a uniform or a dress code you must stick to.

It is always better to dress more professionally than too casually if you are unsure of the exact dress code.

A good tip is to notice what your co-workers are wearing when you come into the workplace during the interview process.



## ***Emergency Contact Details***

When you get your job, your employer should request emergency contact details from you. The form will require the name, home phone, mobile number, home address and relationship of one or two people to contact in case of an emergency. This information will be kept confidential, shared only on a need-to-know basis and used only in an emergency.

## ***Practice Your Commute***

Feeling anxious or having first day jitters is completely normal. To reduce stress having a practice commute in the week leading up to your first day is a great idea.

Whether you are driving or using public transport the practice commute will give you a good indication of traffic conditions, parking options, platform layouts and walking distance between your work and the station.

It is important to do this practice commute at the time you would start work to ensure that the conditions will be similar.



## ***Visit the FairWork Website***

It is very helpful to visit the FairWork website to read more thoroughly about your rights at work. The website will have detailed information about pay, hours, leave, overtime and other employee entitlements. Its important to know and understand your rights to ensure you are being treated fairly by your employer. If you have any concerns about your employee entitlements, you can also contact FairWork directly for the answers.

<https://www.fairwork.gov.au/> 



## LEARNING FINANCIAL LIFE SKILLS FROM SPORT



*Boys from TGS sharing their thoughts on money and sport*

### WHAT ARE THE LINKS BETWEEN SPORT AND MONEY?

There are links. You need to buy things to play sport. You need to spend money to get to sporting venues?

There is also a lot of advertising involved in sport. When you watch television there is a lot of gambling advertisements and you see advertisements on the players' jerseys. A lot of gambling companies sponsor sporting teams.

### WHY DO GAMBLING COMPANIES SPONSOR SPORTING TEAMS?

Sport is popular. A lot of people play sport, and even more watch sport. Sports people are often held up as role models for younger kids, so if a sporting company presents a high-profile player as their representative, then they are sending a message that the player thinks gambling is good. A young person is more likely to start gambling if their hero supports gambling.

### ARE THERE ANY DANGERS ABOUT THIS? WHAT ARE THE RISKS?

They are trying to create an impression on young people. The clubs are allowing the companies to promote gambling through their players. Young kids can be very impressionable

The players have to be responsible in their own time even when not wearing the jersey.

### IS IT A FALSE MESSAGE THAT FOOTBALL ORGANISATIONS DO NOT ALLOW PLAYERS TO GAMBLE, BUT WILL NEVERTHELESS TAKE GAMBLING ADVERTISING?

The clubs are right to prohibit players from gambling, because to permit

them to gamble would open the way for corruption through players 'throwing' matches to win bets.

Whether gambling is morally right or wrong, the club is encouraging spectators to gamble through their company sponsor.

Indirectly, the players can get pulled into gambling if they are asked by the clubs to go to sponsor events.

### HOW MANY PLAYERS IN PROFESSIONAL SPORT EARN A LOT OF MONEY?

It is really only the very top teams that have players earning a lot of money. Most players do not earn a lot of money.

### IF YOU CAN EARN A LOT OF MONEY IN SPORT, WHY DO MANY PLAYERS WASTE IT?

Some have too expensive a lifestyle. It is a short career so they should look after their money better.

Many just go straight to the sport, so they haven't gone to university and studied to prepare for life after sport.

### WHAT SHOULD STUDENTS LEARN ABOUT MONEY AND SPORT?

Obviously a lot of kids want to be a professional athlete, but they need to focus on education as a priority.

The probability of becoming a professional athlete is not high. If young people do pursue sport as a career, they should also study. If one gets an injury it can just stop them in their tracks, because the clubs will probably no longer consider them. They are lots of other players to choose from.



*If we become financially educated we may minimise our risks and bad decisions.*

**Can everyone play sport? Yes**



**Can everyone spend money? Yes**

**Is everyone good at sport? No**

**How do you get better at sport? Practice and training. Some people have natural gifts. Access to facilities. Access to coaches**



**Is everyone good at managing money?** No. People need training.

**How do you get better at managing money?**

Practice and training. Practise decision-making. Learning from experience! (Hopefully the experience is not too bad!)

**If your parent was good at sport, does that make you good at sport?** Not necessarily. It is possible, but not likely. Even if you practise a lot you may not be as good as the parent in that particular sport.



**If your parent is good at managing money, does that make you good at managing money?**

Not necessarily. It will help if they show and teach you along the way. It is possible that some kids think that good money management will just happen and they become arrogant or careless. This could lead to mistakes.

Some kids may think that their parents are always going to support them financially and they do not have to worry about it. Kids need to learn to make financial decisions themselves.



**Do we have to learn financial life skills only from experience? Can we learn from other ways?**

We should learn from our life experiences but maybe not everyone does! Yes, we can learn in other ways. We can make an effort to get financially educated. If we get educated, we may minimise our risks and bad decisions. We would have a broader perspective. We could read books, ask experts and find mentors who know what they are doing.



*Financial education can happen formally and informally*



Thank you to the students from  
Toowoomba Grammar School for  
their time and insights.

*Kids need to learn to make financial decisions themselves.*

## EARNING WHILE YOUNG



*Many Pittsworth high school students are already entrepreneurs and involved in business activities.  
(L-R Back: Jordan, Ben, Riley, Ella, L-R Front: Ben and Bonnie)*

Pittsworth is a small regional community located 45 minutes' drive south-east of the regional town of Toowoomba. It is a close-knit community where the local secondary school and its students are heavily involved in sporting, cultural and enterprise events.

Several students share their views about their hopes for the future.

**Jordan:** Jordan is in Year 12 and hopes to study architecture and design. She also hopes to travel a lot.

Jordan is developing many long-term life skills as she undertakes a certificate in hospitality, which sees her working in a local café most afternoons of the week. Some of her responsibilities include serving and managing customers, working with other people, ordering ingredients for baking, making slices and coffees, appreciating the importance of manners, personal hygiene and timeliness. One of her key life skills is always putting on a happy face and providing good service. "If we do not provide good service in a small town, everyone will know about it and talk about it."

Financial mathematics is a necessary part of serving customers, taking their money and giving them change. Jordan said, "Serving customers has really improved my mental maths. I have to make sure I add up correctly and give the right change."

Jordan is thinking of her future and some of the challenges that may arise. Her main concerns are relocating to Brisbane next year, being able to pay rent and being independent. She knows she will have to find casual work to pay her weekly living expenses. She hopes her current traineeship will help her find work next year.

**Ben:** Ben is in Year 12. His family has a small farm on which they stock beef cattle and run a breeder program. Drought has had an impact on all farmers in his location. Ben is very aware of the impact of drought on his own family and the choices they have to make.

While still at school, Ben is developing his skills in other areas, specifically in the sport of rugby league. No, it is not as a player but rather as a referee. This activity provides great enjoyment, but also important revenue. Ben is a ref or linesperson 3 or 4 times per weekend. He is earning significant revenue every week of the playing season, which will become a sizeable



*Bonnie's concerns for the future include trying to achieve well when studying but also the need to earn an income. She believes this will be stressful.*

amount at the end of the year.

Ben hopes to pursue a career in paramedicine and perhaps also refereeing, giving him two possible sources of income. Having more than one source of income is always a good idea, especially when you are young and have fewer family responsibilities than when older.

Ben's biggest concerns for the future are becoming independent, moving away from family and paying for everything himself. Welcome to the real world of being an adult!

**Bonnie:** Bonnie is a seventh generation Pittsworth girl who keeps herself very busy outside of school. For three years she has worked casually in the local IGA store building her work skills and earning money. She is also a netball umpire, which brings further revenue. Having two sources of income from different areas of interest is helping her to broaden her life skills for the future.

Bonnie is also currently involved in a junior version of the Toowoomba Regional Council, in youth politics and is an ambassador in the Queensland Youth Parliament.

Bonnie hopes to eventually study law and psychology, but will start in political science.

Bonnie's concerns for the future include trying to achieve well when studying but also the need to earn an income. She believes this will be stressful. Trying to find a job after university will be very difficult as it is very competitive.

"I recently spoke with my father about having a second revenue stream, and the importance of having a solid financial base."

"A worry I see for young people is gambling. A lot of teens when they turn 18 download the gambling apps and start gambling with the money they have saved while working casually. They nearly always lose that money. It is a worry! It is not a healthy way to live."

Bonnie is also worried about being able to buy a house in the future. "I don't think older people realise how difficult it will be for us to buy a house."

**Rylie:** Rylie is in Year 10 and works at the local post office for two hours every afternoon as she undertakes a Certificate III in Retail. She also works in the local IGA store on weekends and is gaining experience in the bakery, delicatessen and customer service areas.

Rylie, like others in the group, is concerned about being able to pay for a house, car and other things when she is older. She thinks life is going to get tougher for adults in the future.

Because Rylie has two jobs, she is very busy outside of school and has to balance her school and work life.

Rylie also earns money from buying, raising and selling pigs for a profit. She is quite the entrepreneur.

Rylie hopes to become a veterinarian when she finishes school.

**Ella and Ben:** Ella and Ben are sister and brother. They earn money from selling pigs that they have bred. Male piglets are sold one month after weaning for about \$100 each. Females are sold after 2 months for \$200.



The females are older and bigger and have more meat on them, hence the increased price. "We take the pigs to the local abattoir to have them processed. We then sell the meat from the pigs to our friends in the community." **T**

### Different Kids, Different Financial Goals

**Bonnie would like to have enough money to be able to start a family by the age of 28. "It is a big thing for kids our age to being able to live a healthy lifestyle in the future." She wants to have less financial risk in the future.**

**Rylie would like to have enough money to start programs to help children in poor communities in Africa.**

**Ben's financial goals relate to his passion for rugby league refereeing and also interest in the ambulance service.**



**Thank you to the students from Pittsworth State High School for their time and insights.**

## ASPIRATIONAL THINKING AND WEALTH



*Morayfield student leaders share their thoughts on aspirational thinking and wealth*

Morayfield State High School is a co-educational school located 45 minutes north of Brisbane. Wealth is not a common conversation at this school, but the students have keen and well-informed opinions about aspiration and its relationship to wealth. They all have strong views that your mindset is important.

### WHAT DOES IT MEAN TO BE ASPIRATIONAL?

- Hopes and dreams. Is like a goal that you may want to reach.
- It is striving for something that you may want to achieve, — e.g. university entrance.

### WHAT SORT OF MINDSET DO YOU NEED TO BE ASPIRATIONAL?

- We need a growth mindset to be aspirational. You have ambition to reach something.
- You consider carefully your financial decisions. You think about the long-term consequences.

### WHAT IS A GROWTH MINDSET IN TERMS OF PERSONAL WEALTH?

- You consider carefully your financial decisions. You think about the long-term consequences of your decisions. Without the ability to grow

you can get stuck in your situation. A growth mindset is important for changing your circumstances including your wealth situation.

- People with a growth mindset learn from the difficulties and hardships they may face, so that they can improve decisions or situations in the future. We need to learn from our financial mistakes.

### DO STUDENTS IN DIFFERENT SOCIOECONOMIC AREAS HAVE DIFFERENT CONCEPTS OF WEALTH?

- There are misconceptions about wealth in society. It can mean different things to different people.
- If you live in a low socioeconomic area you can still have the mindset needed to achieve your wealth goals, leading a financially successful life.

*If you live in a low socio-economic area you can still have the mindset needed to achieve your wealth goals, leading a financially successful life.*



- People in poorer areas may have different things to think about than those in more affluent areas. In some families they may be wondering if there is enough money for bus fare, or to buy food for dinner. Kids in affluent areas may never have to think about those things. Perhaps when kids get out of school and have to live independently, the ones from the poorer areas may have more life skills which may serve them well.

### WHAT IS WEALTH?

- Wealth is education.
- Wealth goes beyond what you can physically attain. It is also about becoming better in life, learning from your struggles. It can be about wanting to improve life for yourself and your family.
- It is income and assets, but it is not necessarily having a lot of those things. It is having enough. Everyone has a form of wealth!
- Wealth does not have to be about material possessions. It can be about life style, a happy family, looking after children.

### HOW MANY LESSONS ABOUT WEALTH HAVE YOU HAD?

- We have had one lesson, in Economics It related to the distribution of wealth across a society.
- We have not had school lessons, but there are plenty of family life lessons about wealth. When a parent loses a job or gets injured and can't work, you get some quick life lessons about wealth.

### CAN EVERYONE IMPROVE THEIR WEALTH? HOW?

- Absolutely.
- Anybody can potentially improve their wealth, but it also comes down to opportunity. It can be difficult for people in poorer areas to access the resources they need to enable them to achieve their wealth goals.
- Firstly, you must have a job. But you must also seek knowledge.
- If you are just living off Centrelink then that is fixed. That is not growth. You need to have a job so that you can grow and better yourself. You have an income stream which you can then use to better yourself in other areas. However, even if you are living off Centrelink, you can still become a learner and invest in yourself.
- Ask people who can help. Find people who are experts or have experience in wealth development and management.
- You must have knowledge about wealth. You have to look for it! Search engines like Google can give you plenty of information, but you need to know what you are looking for and be able to understand it.

### HOW DO YOU LEARN ABOUT IMPROVING YOUR WEALTH?

- Search engines, books, mentors
- Find a good mentor. If you do not know anyone personally then ask

*It can be difficult for people in poorer areas to access the resources they need to enable them to achieve their wealth goals.*

teachers, and they may know someone.

- Look for the stories of famous people who have been through these experiences. Learn from their stories.
- Use people from the community.

### WHAT CAN STOP PEOPLE BEING ASPIRATIONAL?

- Some of the things we want to do are not near our school. We have limited access to our resources.
- There are not enough good role models about wealth in this community.
- A lot of people have the view they are just going to go on the dole. There can be peer pressure or family pressure to not go to university, or to not have multiple jobs, or to not be aspirational.
- In our family culture, we are expected to support the family first before satisfying any personal aspirations.

### HOW CAN PEER PRESSURE INFLUENCE YOUR SPENDING DECISIONS?

- A good example is schoolies. Peer pressure can force you to spend too much money on accommodation, clothes, clubbing and so on. You have to make good financial decisions. You can be pressured to spend money you don't have.
- Most people aren't prepared to talk about wealth concepts with each other. You should be able to talk with a friend who may have bad spending habits. We need to talk about this more with our peers.

### WHAT IS THE GREAT OPPORTUNITY NOW ABOUT WEALTH?

Education is available for everyone, which can give you a broad knowledge and skills to help you build your future.

### WHAT ARE GOOD FINANCIAL HABITS?

Saving and wanting to learn are very important habits to develop. **T**



Thank you to the students from Morayfield State High School for their time and insights.



## WORKING IN BANKING



*Jenna Nash (Young FINSIA member)*

### CAREER STEPS

- Relationship Executive: Sep 2019 – Present
- Corporate Analyst: May 2017 – Sep 2019
- Corporate Account Manager: Mar 2016 – May 2017
- Customer Service Specialist: Sep 2012 – Mar 2016

### CURRENT ROLE

I am a Relationship Executive managing a portfolio of highly valued corporate clients.

My role involves providing clients with a high level of professional service while gaining an insight into their key business drivers and recommending relevant and effective financial solutions to meet their specific requirements.

I focus on the corporate segment, managing businesses that typically turnover between \$50m and \$500m, delivering on a range of needs and requirements, including cash flow, capital, wealth, risk management and international trade. I develop and grow existing client relationships, as well as source new banking relationships for the bank.

### Did you receive financial life skills education at school? What did it involve?

As part of the personal development and work readiness programs, we were supported in setting up a TFN and understanding savings accounts. I also studied economics as one of my electives in senior school which while more macroeconomic focused, helped in developing my broader financial literacy and economic thinking skills.

### Did it prepare you for life after school?

While studying economics piqued my interest and enhanced my financial decision making, what had a bigger impact for me was that my Mum had a career in banking. The importance of setting goals and then working hard to save money and achieve them was impressed on me from a young age. While

I was very well supported during school and university studies, my parents also encouraged me to develop financial independence which provided a strong foundation for my future.

### What financial life skills would you have liked to learn while at school?

I would have loved to learn more about basic investing — how the stock market works and where to start — as well as longer-term financial planning skills like buying property and understanding superannuation and insurances.

### Every school student should learn ...

how to create and stick to a simple budget.



The professional  
excellence pathway

*When I started working, I struggled to understand tax and superannuation and how I could make the best long-term decisions.*



***I am lucky enough to work with some of Australia's largest and most successful companies and it is very rewarding being part of their journey***

### **Financial life skills education should be considered a priority because ...**

we need all Australians to be more informed about making better financial decisions.

### **What were your plans when you left school? Did you always want to work in the financial service industry?**

I had always planned to go to university but I wasn't clear on what career path I wanted to take. I went to university straight out of school and started studying a dual degree in Business Management and Arts (French), which was purely based on my interests at the time and without thinking of what job this may lead to. Halfway through my first year of university I decided to drop out of studying French and focus on Business Management, majoring in International Business.

At the same time, I applied for a part-time role in my local bank branch which I held for the next 4 years while I completed my degree. It wasn't until I graduated that I started to explore available jobs within the bank.

### **Once out of school, how did you manage your life financially? (work, studies, recreation, bills, support from family ...)**

I lived at home while studying at university which helped a lot; however I also worked part-time and saved for specific goals. This included a few holidays, buying a new car, and spending 6 months travelling and studying overseas. I funded my University studies through the Government's Higher Education Contribution Scheme (HECS) program.

### **Were there any financial life skill surprises for you?**

When I started working, I struggled to understand tax and superannuation and how I could make the best long-term decisions.

### **What is your job?**

I work as a Corporate Analyst for a large Australian bank

### **Is this your first job in financial services? How did you get to this position?**

I have worked with the same organisation for seven years, having originally started as a part-time bank teller while I studied at university. When I

graduated, I joined the Corporate Banking division which is where I have been working for the past four years across a number of roles.

### **What are your qualifications? Where / what did you study? Are you still involved in study or do you plan to continue?**

I have a Bachelor's Degree in Business Management (Major in International Business) from the University of Queensland. I am always focusing on continuing to develop and progress in my role and think it is so important to always seek opportunities to expand my skill set given the pace of change in our industry. This may include further formal study in the future.

### **What are the work challenges in your industry?**

One of the biggest challenges (and opportunities) is the disruption from technology and innovation, which has also led to the rise of neobanks. I think that over the next decade the banking industry will become almost unrecognisable from its current state; however, I think it will also see the industry become even more customer-centric.

### **What are the benefits working in your industry?**

Working for such a large organisation provides great training and development opportunities, and in my particular division in Corporate Banking, I am lucky enough to work with some of Australia's largest and most successful companies and it is very rewarding being part of their journey.

### **Benefits of being part of a professional association (i.e. FINSIA)**

As a young professional in my industry, being part of a professional community provides me with valuable opportunities to connect with and learn from industry peers and senior leaders, including via formal mentoring programs. It also provides me with access to networks and publications to gain new perspectives and industry insights to continue my professional development. **T**

*The opinions expressed in these articles are those of the author.  
Thank you Jenna.*



## LET'S COLLABORATE!

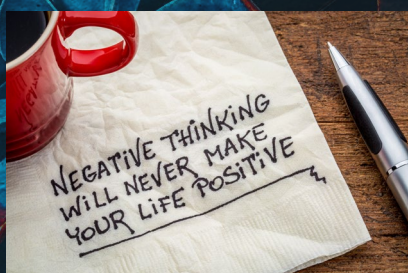
SEND US YOUR IDEAS



OFFER SOME PERSONAL STORIES



WANT TO DEVELOP A FINANCIAL GROWTH  
MINDSET IN YOUR COMMUNITY?  
TALK TO US



### USE OUR RESOURCES IN:

- Business Studies
- Work Studies
- Student Wellbeing / Pastoral Care
- Literacy / Numeracy
- Accounting
- Economics / Commerce
- Mathematics
- Student Leadership

### USE OUR RESOURCES:

- Across year levels
- On school camp
- At home
- In workplaces
- In the staffroom.

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**@The\_Wealth\_Acad**

### Publishing Schedule

2020: Teenfinca® Edition 1 - May