

CAR INSURANCE AND MODIFICATION

- ▼ SUCCESS
- ▼ CAR INSURANCE
- ▼ FINANCIALLY SMART
- ▼ CRITICAL THINKER
- ▼ WORRYING ABOUT MONEY
- ▼ ENTREPRENEURSHIP
- ▼ CAREER - STOCKBROKER
- ▼ FINANCIAL MINDSET
- ▼ EARN YOUR OWN FREE TRIP OVERSEAS
- ▼ STUDENT PERSPECTIVES

Preparing students for life after school

Upper Coomera branch



UPPER COOMERA STATE COLLEGE



IN THIS EDITION

WELCOME

Welcome to the first 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:

- financial success
- mindset
- being financially smart
- saving for a holiday
- entrepreneurship
- the benefits of cooking on a budget
- car modifications and insurance
- 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



NEIL SWAIN

Director

The Wealth Academy

Helping youth to become financially capable

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I WANT TO BE SUCCESSFUL!



Success takes effort, regardless of the road you are on

Sometimes success is visible. We see people who, through their efforts, have been successful in their career, sport, interests or family life. Sometimes people want to make their success obvious — but not always!

Sometimes success is invisible. We may not know if people are successful, perhaps because they keep their success to themselves. They are more private in what they share.

Most people have success in some parts of their life and are less successful in others. This is normal. No one can be successful in everything they do!

But something that people can always be successful at is — effort.

When a person tries consistently to do their best, they are successful!

When a person is consistently responsible, honest and caring, they are successful.

When a person manages their money well, resisting the urge to spend too much, too often, they are displaying success characteristics.

Unfortunately, some people cannot do this. Too often they spend all the money they have, even money they do not yet have. They live for now and are not planning for the future.

People who can resist all of the temptations to spend show great effort, character and discipline.

These people may not have the shiny car, or the modern house with flash furnishings. They may not wear the latest fashions, eat out regularly, go on regular holidays, but they are nevertheless successful.

These people know that the road to being financially successful may be long and, at times, bumpy, but their hard work and consistency of effort will lead to the rewards they want in the future.

It is wise for teenagers to look around themselves for those people who show great effort, a willingness to work hard, self-discipline and an eye on the future. These are good people to mix with. They will be successful; hang out with them, and you will be too! **T**

Success isn't always about greatness. It's about consistency. Consistent hard work leads to success. Greatness will come.

Dwayne Johnson

HOW FINANCIALLY SMART WILL YOU BE?



Everyone can be financially smart

PHONES

I will be financially smart if I:

- buy a phone that suits me
- choose a plan that suits my needs

I will NOT be financially smart if I:

- buy a phone based on what others are buying
- choose the most expensive plan, even if I don't use all the features
- don't keep a check on my usage
- don't look after it
- change phones before my current plan is complete



ALLOWANCE

I will be financially smart if I distribute my allowance into:

- spending
- saving – short term
- saving – long term
- investing
- giving

I will NOT be financially smart if I:

- spend it when I get it
- don't plan ahead and consider my future spending needs



FOOD

I will be financially smart if I:

- eat at home and make my own lunches most of the time
- eat healthily and in appropriate proportions

I will NOT be financially smart if I:

- eat out a lot
- eat foods that will make me unhealthy, causing me to spend more money to improve my health
- purchase take-away food too often, and not keep to a budget



CLOTHES

I will be financially smart if I:

- buy sensibly
- re-use clothing that is in good condition
- hire clothes for special occasions rather than spend too much

I will NOT be financially smart if I:

- shop till my funds are gone
- buy only new clothes
- buy clothes based on peer perceptions



CAR

I will be financially smart if I:

- purchase a car that matches both my needs and my budget
- buy fuel at its cheapest point during the week.

I will NOT be financially smart if I:

- purchase a car based on peer pressure or wanting to impress others
- purchase a car I cannot afford
- do not purchase car insurance
- buy fuel only when the tank is almost empty
- waste fuel by driving carelessly



ENTERTAINMENT

I will be financially smart if I:

- plan my entertainment expenses within a budget
- choose carefully which entertainment activities I will participate in.

I will NOT be financially smart if I:

- go out all of the time
- spend lots of money on entry fees, food, drinks and transportation



CAR MODIFICATIONS AND YOUR INSURANCE



Changing your car may change your car insurance premiums

Sometimes, it's nice to take something and make it your own. Sometimes, that thing you take and make your own is your car.

If you are contemplating souping-up your vehicle, regardless of whether the modification you want to make is a minor safety-minded addition or a full-on facelift, there are some important things you need to know and consider, both when it comes to the law and your car insurance.

So, if you feel compelled to customise your ride, make sure you do your due diligence. Although we can't help you paint those fun racing stripes on your car, we can help you with the aforementioned due diligence. Let's dive in and have a look at the modification-related things you need to know.

Important non-insurance considerations prior to making modifications

First and foremost, before you add to or change anything on your car, you need to be certain that what you plan to do is actually legal. All vehicles being driven on the roads need to be what is termed 'street-legal' — and there is every chance that your intended modifications may impact your vehicle's street-legal status.

To be on the safe side, always notify your relevant licensing authority before making any modifications to your car.

WHAT HAPPENS IF MY MODIFICATIONS ARE ILLEGAL?

If your modifications are not legal, typically a few of the following things will happen, all of which are pretty massive bums:

- you will face a significant fine
- your vehicle will be de-registered
- your vehicle will be impounded
- you will receive a defect notice.

HOW DO I KNOW IF MY MODIFICATIONS ARE LEGAL?

In Australia, modifications to your car need to be approved by your state or territory's motor vehicle licensing department, and they must comply with the following:

- Australian Design Rules (ADR)

National Code of Practice (NCOP) for Light Vehicle Construction and Modification

- road rules and regulations.

You absolutely need to notify your insurer if you plan to make changes to your car

WHAT SORTS OF MODIFICATION ARE USUALLY ALLOWED BY LAW?

Permissible vehicle modifications include, but are not limited to, the following:

- alarm systems
- roof racks
- stereo systems
- additional lighting
- body markings
- single-tone air horns
- air-conditioning
- stabiliser bars
- air shock-absorbers
- badge bars.

WHAT SORTS OF MODIFICATION ARE USUALLY ILLEGAL?

In general, the following are no-go zones:

- loud exhaust systems
- dark window tinting
- non-compliant modifications to the engine, chassis, tyres or suspension.

Important modification-related insurance considerations

Now that we have handled the legal stuff, let's look at what you need to be aware of when it comes to modified vehicles and car insurance.

DO I NEED TO NOTIFY MY INSURER?

Yes, you absolutely do need to notify your insurer if you plan to make changes to your car. It's as simple as that. Failing to notify your insurer of any modifications could lead to the cancellation or voiding of your policy and rejection of any claims you make.



In some circumstances, failure to notify your insurer about modifications may even lead to the warranty on your car being voided.

WHAT KINDS OF MODIFICATION WILL AND WON'T BE COVERED?

Although policies vary between individual insurers, when it comes to modifications, insurers deemed 'mainstream' will usually cover the following:

- chrome exhaust systems
- radio and stereo systems
- alarm systems
- alloy wheels
- driving lights
- bull bars
- bicycle racks.

The sorts of thing that these mainstream insurers usually won't cover include:

- nitro- or hydrogen fuel-equipped engines
- custom paint work
- turbocharged or supercharged engines
- racing harnesses
- roll bars
- roll cages.

WILL MODIFICATIONS AFFECT THE COST OF INSURANCE?

Typically, yes. Although some modifications are pretty benign and won't make a difference to your premium, other modifications — whether the effect on cost is positive or negative — will depend on what kind of modifications you are planning to make.



CAR MODIFICATIONS AND YOUR INSURANCE



... changes that impact performance and aesthetics (yes, even those fun racing stripes) usually carry a higher accident risk — and, therefore, a higher premium

If you have put an alarm system in your car, which lowers the risk of theft, or you have added safety features, which lower the risk of an accident, then your insurance premium may actually be lower.

However, changes that impact performance and aesthetics (yes, even those fun racing stripes) usually carry a higher accident risk — and, therefore, a higher premium. Other changes that increase the value of your car — like stereo systems and custom parts — also increase its appeal to thieves, meaning such modifications also attract a higher premium.

HOW DOES MY BEING SUPER-YOUNG AND HOT AFFECT MY INSURANCE PROSPECTS IF I MODIFY MY CAR?

It's pretty simple: if you modify your vehicle (particularly in a manner that is linked to greater engine capacity and speed) and you are under 25 (and particularly if you are male), you may find yourself uninsurable, regardless of what type of insurer you try to acquire coverage with (i.e. mainstream or specialist).

WHO ARE THESE SPECIALIST INSURERS YOU JUST MENTIONED?

If the modifications you want to make to your vehicle will have mainstream insurers saying "NO" and showing you the door, you may have better luck with a specialist insurer.

Specialist insurers will often provide coverage to modified vehicles in circumstances where mainstream insurers won't. For example, specialist insurers will usually provide insurance coverage for enhancements or

alterations to suspension, engine or chassis (provided such changes are legally compliant).

However, bear in mind that younger drivers with modified vehicles will typically struggle to secure cover with a specialist insurer, and premiums with specialist insurers in general are not extremely competitive. They will provide you with insurance where other insurers will not; they will not provide you with cheap insurance.

The types of modification that carry higher premiums vary among specialist insurers, just as they do among mainstream insurers. Modifications that increase the power of your vehicle will usually attract a proportionate increase in premium with specialist insurers. For example, if the modification to your car increases its power by 15 per cent, then your insurance premium will also increase 15 per cent.

The overall message

Never make a modification to your car before doing your research about whether it's legal, and how such a modification will impact your insurance. Those racing stripes look way better on a vehicle that is both insured and not impounded. **T**

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 — Travel

I won't get to travel much when I am older. I will never have enough money. I will never have a job that allows me to travel. Even if I do travel it won't be often.

Growth mindset — Travel

I am looking forward to traveling. I may not have a high-paying job in the future, so I will set saving goals to travel by myself or with friends and family. I can do this!

OR

Fixed mindset — Health

I don't think I could improve my health and fitness. You need money to do that, and I will never have enough money to buy healthier food and get myself fit. It is easier hanging out with friends who are just happy being the way they are.

Growth mindset — Health

Improving my health and fitness will be a priority. It costs very little extra to buy healthy food and commit to a fitness plan. I just need to budget for this and set goals. I will be strong when others want to distract me.

EARN YOUR OWN 'FREE' TRIP OVERSEAS!



It may not be too difficult to take that overseas holiday!

Any adult can get what is virtually a free trip overseas each year based simply on their spending decisions. By making informed spending decisions an adult could save several thousand dollars to put towards an overseas holiday.

Imagine this scenario. You have just finished school and you are either working in a local retail store or attending TAFE or university, supplementing that study with some casual or part-time work. You are not earning a lot of money.

A return trip in off-peak season to Europe or North America costs approximately \$1600.

For many of us, having this amount of money after one year, to pay transport costs to and from your overseas destination, would seem out of reach.

It is quite easy actually. Imagine the following possibilities.

TRAVEL FACT

Science research shows why spending money on new experiences yields more happiness than spending it on new products.

READ MORE: <https://www.forbes.com/sites/hbsworkingknowledge/2013/08/05/want-to-buy-happiness-purchase-an-experience/#3d6f96641998>



ITEM	HABITS	SAVING PER YEAR (48 WEEKS)*
DRINKS	If you were in the habit of buying three of these per week, but instead bought only two, you would save about \$5 per week.	48 weeks x \$5 per week = \$240 saving
FOOD	If you were in the habit of buying three take-away meals per week, but instead bought only two, you would save about \$8 per week.	48 weeks x \$8 = \$384 saving
ENTERTAINMENT	Some teens like to go regularly to clubs, the movies, bowling etc. It would be easy to spend \$50 on these activities in a month. If these activities were halved then there would be a considerable saving.	11 months x \$25 = \$275 saving
CASUAL WORK	Finding an extra hour per week in your casual work can also contribute to increased income. Assume you are earning \$15/hour.	48 weeks x \$15 hr = \$720 extra income
ONLINE SHOPPING	Many teens like to shop online. While this is not always with their own money, let us assume that a teen was more prudent in their shopping and saved \$30/month.	11 months x \$30 = \$330 saving
HOME CHORES / STREET JOBS	Most teens can offer babysitting and other small jobs to people in their street e.g. mowing lawns, washing cars, etc. If a teen were to get 11 jobs (1 per month) at \$30 per hour, they would earn considerable money.	11 months x \$30 = \$330 extra income
		TOTAL SAVED/EARNED = \$2279

* Note: 48 weeks, based on the assumption the other 4 weeks of the year are for holidays.

As this table shows, a teen can quite easily earn enough money through careful spending and a few extra jobs to take that overseas trip.

With a little more effort, they would also have plenty of money to spend while overseas. **T**

TRAVEL FACT

Benefits of travel are almost immediate. After only a day or two, 89% of people experience significant drops in stress.

READ MORE: <http://articles.latimes.com/2013/dec/17/news/la-trb-travel-best-medicine-study-20131217>

ARE YOU A CRITICAL THINKER?

If you want to be financially smart, you must be both a critical and a creative thinker.

If you are a critical thinker, you may analyse the use of your money, ensuring you are getting the best value and not wasting it. If you are a creative thinker you may find creative ways to manage and build your wealth. Here are examples of how some people could think critically and creatively when making decisions about their money.

POSE QUESTIONS

People with good financial decision-making skills are good at posing questions. They will pose questions to:

- **retailers** to see if they can get a better deal on the items, they are purchasing
- **bank managers** to see if they can get a better interest rate on their loan
- **financial planners** about the types of insurance they need, and which level of cover they should have
- **accountants** about the best ways to legally minimise their tax obligations
- **realtors** to see if they can reduce the monthly fees on the house, they want to rent
- **car salespeople** about reducing the costs of the extras when buying a new car
- **travel agents** about the various accommodation options when on holiday overseas.

Good financial decision-makers are always asking questions. When they do not understand the answers, they will usually keep asking questions until they do understand.

This is a good habit for you to develop. **T**

Good financial decision-makers are always asking questions.

IDENTIFY AND CLARIFY INFORMATION

People with good financial decision-making skills are good at identifying and clarifying information. You want as much information as possible before making a decision that could involve millions of dollars, or just a few dollars. You may want to identify and clarify information with:

- **retailers** about the warranty conditions on the items you are purchasing
- **bank managers** about the fees that may occur if a loan is paid off early
- **financial planners** about the advantages and disadvantages of the various types of managed funds you could invest in
- **accountants** about the best business structure you should have if you want to start a business
- **realtors** about planned roadwork and other urban development to occur in the neighbourhood in which you hope to live
- **car salespeople** about towing limits of various model vehicles if you wish to pull a caravan
- **travel agents** about the various insurances needed when on holiday overseas.

All of this information will have an impact on your decision. If you do not identify and clarify such information then you may make the wrong decision. **T**

People with good financial decision-making skills are good at identifying and clarifying information.



CONSIDER ALTERNATIVES

People with good financial decision-making skills always consider the alternatives. When there is choice, then you can compare and contrast the options, which will help you make a good decision. You may look for alternatives when talking with:

- **retailers** to see if different smart television sets have various specifications and price points
- **bank managers** to see if changing the period of the loan will make a significant difference to their repayments
- **financial planners** about the various superannuation funds and the advantages and disadvantages of each
- **accountants** about the best way to employ and pay new staff
- **realtors** about the advantages and disadvantages of different rental properties for a business
- **car salespeople** about financing a new car
- **travel agents** about the various airlines and the benefits of their stopover destinations.

When you look for and analyse alternatives, you get a clearer picture of the correct decision to make. Financially smart people think about the alternatives. **T**

When you look for and analyse alternatives, you get a clearer picture of what is the correct decision.

SEEK SOLUTIONS AND PUT IDEAS INTO ACTION

People with good financial decision-making skills always seek solutions to problems and then put their ideas into action. You may do this when talking with:

- **internet retailers** about a service issue and then choosing which service is best for you
- **bank managers** from different banks about their mortgage services, and then choosing the best for your needs
- **financial planners** about various investment options, and then implementing the best option
- **accountants** about the most suitable bookkeeping software, and then implementing the best option for your business
- **realtors** about your housing requirements, then viewing the choices offered
- **car salespeople** about the types of car available for a growing family and at specific price points
- **travel agents** about choosing a cruise from those offered at a specific time of the year.

When you have a problem that requires an appropriate and informed solution you will often need the assistance of a specialist. Financially smart people use specialists to help them seek solutions and put ideas into action. **T**

Financially smart people use specialists to help them seek solutions and put ideas into action.

WHY COOKING ON A STUDENT BUDGET CAN ACTUALLY BE GOOD FOR YOU



The most efficient way to stretch your money when it comes to home-cooking on a budget is to meal prep, and the key here is in the planning.

Ramen noodles, loaves of white bread and student discounts at the local Thai restaurant on Wednesday nights is what typically springs to mind when we think about a uni student's diet.

Despite the increasing trend of people spending more money on takeaway or eating out¹, research by Forbes² comparing the cost of cooking at home versus eating out suggests that home cooking on average is five times cheaper and markedly healthier.

Cooking at home - even on a shoestring budget - can be an experience that supports our wellbeing and helps us thrive in our studies. Here are 5 reasons why cooking on a student budget can actually be good for you.

Save time and money by meal prepping

The most efficient way to stretch your money when it comes to home-cooking on a budget is to meal prep, and the key here is in the planning. Have fun dreaming up what you'd like to eat during the week, make a shopping list, and have fun with a weekly local farmers market or grocery store haul.

Eating Well³ recommends spending your Sundays engaging in a big cook up (made extra fun with a great playlist and friends) and storing your weekly meals in BPH-free storage containers or recycled mason jars. Taste⁴ offers an array of free healthy, budget-friendly recipes ranging from simple to extravagant - a great place to start if you're seeking inspiration.

1 <https://www.news.com.au/finance/business/aussie-households-spend-big-on-restaurant-and-takeaway-meals/news-story/37d3of7cc7ef71e1db2c339249634b7>

² <https://www.forbes.com/sites/priceconomics/2018/07/10/heres-how-much-money-do-you-save-by-cooking-at-home/#36262f9435e5>

3 <http://www.eatingwell.com/article/290775/how-to-meal-prep-a-week-of-healthy-lunches-for-less-than-20/>

4 <https://www.taste.com.au/healthy/galleries/healthy-dinners-budget/4qGChV5h?page=3>

Buy in season and in bulk

When you're at the grocery store or market, a great way to keep costs down is to buy seasonal produce and buy in bulk. It's actually healthier to eat food that aligns with the cycle of the seasons and nature will thank you too as eating seasonally promotes ecological balance⁵.

Based on supply and demand, food in season is inevitably cheaper than buying exotic items that have been imported from overseas. Most markets and grocery stores offer generous price reductions for items bought in bulk - a great trick is to check the price tag and compare the cost per weight between variations of the same item. Using olive oil for example, you'll find purchasing a 2L container is typically half the cost per 100g than buying a 500ml bottle.

Go for green and cook with friends

Research by Harvard University suggests that leafy greens support cognition thanks to high levels of vitamin K, folate and magnesium⁶.

On top of the nutritional benefit of buying fresh ingredients and preparing them at home, it has been suggested that the very act of cooking can stimulate and strengthen brain activity.

"A nourishing, home-cooked meal, shared with friends or family, is a familiar activity that exercises the brain," says Marwan Sabbagh, MD, Director of Cleveland Clinic Lou Ruvo Center for Brain Health⁷. "It provides the nutrition our bodies crave and encourages social interaction, all of which are critical to preserving cognitive fitness."

So next time you're cramming for an exam, and you feel the urge to order some takeaway, exercise your mental muscles laterally and do your back pocket a favour by having a cook-up with your friends instead.

The kitchen is your canvas

Creativity needn't be reserved to the philosophical musings of an arts student, but instead an innate part of us all that can easily be exercised over the stove.

Author of *Feeding the Hungry Ghost* Ellen Kanner suggests playing around with the flavours you're naturally drawn towards and experimenting with them in other dishes.

"Also, rather than dashing out to buy a long list of ingredients, be inspired by what you have on hand. It'll save you time, [money] and stress, both of which

... the cost of cooking at home versus eating out suggests that home cooking on average is five times cheaper and markedly healthier

tend to be barriers to creativity, and guess what? You'll have developed your own new recipe," says Kanner⁸.

Don't forget to relish in the feeling of accomplishment once you've cooked up your masterpiece. Self-rewarding for creative wins is a great confidence booster, so take that photo for your Instagram story!

Get grounded

No need for a meditation cushion, the act of cooking can provide endless opportunities to practice mindfulness according to Psychology Today⁹.

The food preparation journey - from washing fruits and vegetables to cutting, preparing and cooking - can be quite therapeutic. Like yoga and meditation, it involves a physical practice that can help you to get out of your own head, and focus on the task at hand.

"When you're focusing on the moment this way, you're not ruminating over past slights or worrying about future problems. Mindfulness also helps reduce stress and promotes greater gusto for life," the publication states.

T

⁸ <https://www.psychologytoday.com/us/blog/minding-the-body/201505/kitchen-therapy-cooking-mental-well-being>

⁹ *Ibid*

⁵ <http://www.naturesgardenexpress.com/blog/eat-seasonal-for-health/>

⁶ <https://www.health.harvard.edu/mind-and-mood/foods-linked-to-better-brainpower>

⁷ <https://health.clevelandclinic.org/cooking-for-cognition-why-making-a-meal-is-good-for-your-brain/>



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

This article first appeared on youunlimitedanz.com on 5 April 2019 and has been republished with permission.

I WANT TO BE A TEACHER

Teachers are wonderful people. Teaching is a challenging, inspirational and rewarding career. Helping young people to achieve their life goals is a great privilege.

Most people will not realise that teachers also need financial knowledge and skills that they use in their daily work. Having these skills will help teachers to better educate students.

Did you know that all curriculum areas now include a focus on financial literacy and numeracy? In teaching the Australian Curriculum, teachers are expected to integrate financial concepts into their teaching program.

All teachers also have to plan within a budget. They must plan and purchase resources based on the financial limitations of a budget.

When teachers become school administrators, their financial skills must be of a high level. Some schools have budgets that are several millions of dollars in size. That money has to be very carefully managed.

To financially manage a school successfully, a principal 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 programs are kept at the highest standard.

Any teacher who wants to become an effective school leader must learn how to manage the finances. **T**

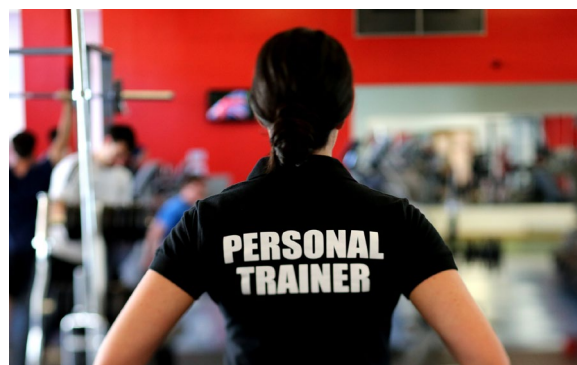
I WANT TO BE A FITNESS TRAINER

Many school leavers want to work in the fitness industry. Not only are they helping other people to become healthier, but they are also keeping themselves healthy and fit.

Many fitness trainers work in large health clubs and gyms, but many also create their own small business. In your community there may be several trainers who offer personal health and fitness services.

Fitness trainers who run a business, like many other business owners, have to make financial decisions. They must:

- determine if they want to take out a business loan from a bank to invest in and build their business
- manage any debt, including loan repayments
- understand how to manage their books to keep track of their finances
- purchase fitness equipment, at the best price, to use with clients
- consider purchasing or leasing a suitable vehicle to transport themselves and their equipment to where they will be training the client



- 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, fitness trainers need more than great training skills and contemporary equipment; they also need good money management skills. **T**

CELEBRITY ENTREPRENEURS

JADEN SMITH

Jaden Smith comes from a famous family. His father Will is a Hollywood heavyweight, appearing in dozens of high-profile movies. Jaden has also appeared in movies, created his own music and been a sought-after model, all by the age of 20.

Now Jaden has started **JUST Water**, a company he hopes will revolutionise the bottled water industry. He launched JUST Water in the USA in 2015 followed by the United Kingdom, and earlier this year launched it in Australia through both Woolworths and 7-Eleven stores.

The water is not bottled in plastic, but rather in containers made from 82 per cent renewable resources: the bottles are made from paper and the caps are derived from sugarcane. This results in a 74 per cent reduction in carbon emissions.

Jaden is making good use of his celebrity. He is trying to make a positive difference to the world in which we live.

'Ecopreneurship' is an increasingly popular activity, responding to many of the environmental issues the planet is now facing. We need more people like Jaden finding solutions to our environmental problems. **T**

Read more:

Business Insider: <https://www.businessinsider.com.au/jaden-smith-wants-to-be-elon-musk-of-bottled-water-2018-2?r=US&IR=T>

Honey Celebrity: <https://celebrity.nine.com.au/2019/03/17/16/21/jaden-smith-launches-just-water-brand-in-australia>

I decided to start my own bottled water company, so that I can be part of the solution and not be part of the problem

KYLIE JENNER

Kylie Jenner was initially famous for being part of the Kardashian-Jenner television show. She was a celebrity.

Now she is famous for using her celebrity to create a huge cosmetics empire called Kylie Cosmetics.

Investopedia reported, 'In January of 2015, her estimated net worth was \$5 million. In the summer of 2018, Forbes estimated her net worth at over \$900 million.'

Kylie has been very smart in the development of her business. This includes:

- following her interest in fashion and makeup to create her entrepreneurial difference
- using social media platforms to build her brand
- establishing over 100 million followers on Instagram
- identifying the teenage market segment i.e. her own age group as her focus
- collaborating with well-known companies, e.g. Adidas, to leverage her brand
- creating bundled packages e.g. Kylie's Valentine Edition, to attract teen interest.

Kylie will have a very experienced team of people managing her business and advising her, but she is no doubt a celebrity with great vision and enthusiasm. **T**

Read more:

Entrepreneur Asia Pacific <https://www.entrepreneur.com/article/317001>

Kylie is leveraging all aspects of social media marketing to stretch the boundaries of customer engagement.

MOTOR VEHICLE INSURANCE 101



Understanding car insurance is a necessary financial life skill.

A car or motorbike is often one of the most expensive things that you will own. The freedom of driving on the open road is difficult to match, but those open roads are varied in both location and condition.

Whether you own your vehicle outright, are paying off a loan, or someone else owns it and you are driving/riding it, appropriate risk management is very important. Not everyone has the same level of experience or care on the road. In many cases, it doesn't matter how good a driver you are, as your chances of being in a bingle are very high. According to the Australian Bureau of Statistics, there are over 600,000 road accidents in Australia each year, costing the economy an estimated \$27 billion annually.

But it's not just car crashes that you need to worry about, with statistics showing that 1 in every 9 cars is reported stolen each year.

So, as careful as you are with your pride and joy, there's always a chance that something will — not just could — go wrong, making motor vehicle insurance a must.

Compulsory Third Party insurance

Compulsory Third Party (CTP) insurance is the most basic level of cover; as the name suggests, it is compulsory by law. Depending on which state

you live in, it is generally covered by the government or is included in your vehicle registration fees. This type of insurance provides cover for death or injury to those involved in an accident — but NOT the driver.

Unfortunately, CTP insurance doesn't cover anything that happens to your vehicle, or any damage caused by it. For that you need some form of motor vehicle insurance.

Motor vehicle insurance: Different levels of cover

Motor vehicle insurance has different levels of cover and, as is the way with most insurance products, the more cover you take, the more it will cost.

THIRD PARTY PROPERTY DAMAGE

This type of insurance covers the legal costs and cost of damage caused to other people's property, but not damage to your vehicle. It includes items such as other cars, buildings, fences, lamp posts and traffic signals.

THIRD PARTY FIRE AND THEFT

Much like Third Party Property Damage, this type of insurance covers the cost of damage to other people's property, but will also cover you for

damage caused to your vehicle by fire or theft. It does not cover damage to the owner's car caused in a road accident.

COMPREHENSIVE

The name pretty much says it all — this insurance product covers you comprehensively. It covers the repair or replacement of your vehicle for events including theft, collision, fire, malicious damage and weather-related damage, such as hail or flooding.

Comprehensive insurance will also cover the cost of repairing damage to property and the cost of repairing or replacing any other vehicles that are damaged by your vehicle in an accident.

In many cases, depending on your policy, comprehensive car insurance may also cover damage to, or loss of, personal property in the car, death benefits, towing, legal costs, and even the cost of hire cars needed while repairs are being done. These are usually treated as optional extras, so make sure you talk to an insurance broker or your insurer about which type of policy is right for you.

Legal aspects

As with many aspects of living, the law has an effect on everybody; insurance is no different. Several legal aspects are discussed below:

DUTY OF DISCLOSURE

An insurance company asks potential policyholders a number of questions so that it can decide whether to provide insurance, and at what cost. The policyholder has a legal obligation to disclose all relevant information that may affect the terms of insurance. This information includes any modifications, such as body modifications and sound systems, made to a vehicle after the insurance policy is acquired. 'Hotted-up' cars can be insured, depending on a number of factors, but it is important to disclose all information relating to the modifications. Obviously, this may affect the cost. Some insurers choose not to insure cars that have been modified, while others specialise in this type of insurance.

PARENTS AND CHILDREN

Some parents insure the car of a young adult in their own name. This leads to a lower cost, assuming the parent has a reasonably sound driving record. This practice is, in fact, fraudulent, as it misleads the insurance company on the level of actual risk, and therefore the cost. If your children are of driving

Some parents insure the car of a young adult in their own name. This leads to a lower cost, assuming the parent has a reasonably sound driving record. This practice is, in fact, fraudulent as it misleads the insurance company ...

age and own their own vehicles, they should have their own policy. Ensure you inform your broker or your insurer if you have children of driving age who drive your vehicle; not doing so could void any claim you make.

How insurance companies assess your risk

The cost of motor vehicle insurance is determined by the level of cover — the more cover taken, the higher the cost will be, and the level of risk covered. When you buy motor vehicle insurance, the following factors are considered:

YOUR AGE

Your age at the time you get your insurance policy will affect the price of your premium. The younger you are, the more you will have to pay because, statistically, drivers under the age of 25 are more likely to have an accident. Once you pass that magical time of life called 25, the cost of your insurance can drop quite a lot. However, it will generally rise again when you are over 65 — because statistically, seniors, like younger drivers, have a higher accident rate.

YOUR GENDER

Sorry to say, guys, but studies have shown that men drive more aggressively than women, and are prone to have more accidents; the prices they are charged for insurance premiums reflect this. Overall, women pay 12% less than males with a similar age, location and driving history.

YOUR DRIVING RECORD

If you have a spotless driving record, with not even the slightest scratch on your car, you will most likely pay a lower premium than someone who has had a few incidents. Some car insurance companies even reward safer drivers with 'safe driver discounts'.



Make sure you get plenty of quotes from different insurance companies or talk to a broker to find the policy that covers your needs at a price that suits you best.

YOUR CAR

Cars that cost more to repair cost more to insure; cars that have been modified or 'pimped out' cost more again. Cars with extra safety features will normally cost less to insure, because the safety features result in fewer claims and lower claim amounts. So, to avoid any unpleasant surprises, you might want to research the average prices for insurance for that make or model before buying a car.

YOUR NEIGHBOURHOOD

If you live in a neighbourhood that has a statistically high crime rate, you will have to pay a premium higher than that paid by someone of the same age, same driving record etc. who lives in a safer area. People who live in and near cities pay more than people who live in rural areas because there is more traffic with a bigger chance of having an accident.

When it comes to choosing your policy, it can be hard to figure out what is a reasonable price to pay. So, make sure you get plenty of quotes from different insurance companies, or talk to a broker to find the policy that covers your needs at a price that suits you best. It's also important to remember to read the conditions to see what is covered and what is not.

Vehicle value

In terms of how your vehicle is valued, most insurers will offer two choices — market value or agreed value.

- **Market value** — this is what your car would be sold for on the open market at any given point in time.
- **Agreed value** — this is a fixed value agreed between you and your insurer. **T**

CAN I REDUCE MY PREMIUM?

Insurance companies generally provide a lot of options for people to reduce the premiums they pay. You can actively do a lot of things to help keep the costs down. These include:

- Parking your car safely. Securely parking your vehicle (either off-street or in a lock-up garage) can reduce the risk of theft, vandalism, and flood or storm damage.
- Maintaining a good driving record reduces the risk of you making a claim. Many insurers offer sizeable discounts for drivers with good driving records.
- Buying a car fitted with safety and security devices, like alarms or immobilisers, to reduce the risk of theft and damage, or have them installed if this is feasible.
- Driving less often. Some insurers offer lower premiums for drivers who don't drive as much; the less time on the road, the lower the risk of an accident.
- Limiting the number of drivers you nominate on your policy, especially if drivers under 25.
- Choosing a higher excess. This is a good option if you think you are not going to need to make a claim. The higher the excess, the lower the premium.
- Choosing to insure for market value instead of nominated (agreed) value. For newer vehicles, this is usually not an issue, but as a vehicle's value depreciates quickly, the market value of your vehicle may not be enough.
- Bundling your car insurance with other types of insurance, such as home and contents, life, or travel insurance.
- As always, contact a broker or your insurer to check how these factors may be taken into account when calculating your premium.

Extras

As with most other types of insurance product, insurers will offer a range of extras that you may wish to consider. These include:

- protection of your no-claim bonus
- a rental car following an accident
- windscreen and glass damage cover
- exclusion of cover for drivers under 30 years of age
- cover for stolen work tools or stock
- roadside assistance.

Of course, there will be an additional cost for any extras you choose to add to your policy. **T**

WORRYING ABOUT MONEY

TEENAGERS MORE WORRIED ABOUT FINANCIAL SECURITY THAN THE ENVIRONMENT

A 28-year study has shown that money worries are increasingly keeping teenagers awake at night. In fact, financial stress is outweighing fears about the environment and global war.

In the 1980s, climate change and global conflict caused high levels of anxiety in youngsters. They also produced countless sleepless nights for teenagers and college students. However, these concerns now pale in comparison to financial security woes – which are seeing record numbers of insomniacs trying to map out their future.

According to a recent study conducted at Karlstad University, youngsters are now 92 per cent more likely to suffer sleep problems due to financial security concerns.

READ MORE: https://www.huffingtonpost.com/entry/teenagers-more-worried-about-financial-security-than_us_57dadc1fe4b053b1ccf2951f

COMMENT

It is not very often, if at all, that you hear the term 'financial health'. Most parents have not heard of it either.

When people do not have good financial health, it can negatively affect their physical health. One of the best ways to improve your financial health is to commit to financial learning. Education matters!

MENTAL HEALTH AND FINANCIAL WELL BEING

Based on findings of the 2015 Australian Psychological Society 'Stress and Wellbeing in Australia' survey, financial issues are considered the top cause of stress, and have been over the five years the survey was conducted.

On top of this, the 'Financial Stress' survey by CoreData and Financial Mindfulness found one in three Australians feels financially stressed.

READ MORE: <https://www.canstar.com.au/health-insurance/world-mental-health-day/>



COMMENT

When you are a teenager you have very little, if any control of the way money is spent in your home. Parents have this responsibility.

If money is a cause of stress you can talk to counsellors or guidance officers at your school, or people with similar qualifications in your church. There are also many charities in the community with counsellors who can talk to you about this issue.

THE CONNECTION BETWEEN FINANCIAL HEALTH AND PHYSICAL WELL-BEING

Most of us probably have a good sense of what it takes to improve our physical health; and, of course, there is a large number of approaches to achieving this.

We may be driven to competing in a big sporting event, invest in a gym membership, commit to weekly exercise with friends, become better informed about our food choices, or talk to experts in the fitness industry and be guided from there. It's no different when it comes to our financial health.

We should have available to us different approaches to improve our financial health! But do we? Goalsetting is one way to improve our financial health. Finding trusted experts is another.

READ MORE: <https://www.investblue.com.au/knowledge-centre/fact-sheets/the-connection-between-financial-health-physical-well-being/>

COMMENT

Why are financial issues considered the top cause of stress? Why are so many Australians feeling financially stressed? Why is it important for teenagers to know about this?

It is important for teenagers to prepare for the financial world in which we all live. The better your financial education, the less stress you will have later in life. Commit to financial learning.

MYTHS ABOUT PEOPLE WITH DISABILITY AND EMPLOYMENT

Did you know that 1 in 5 people in Australia has some form of disability? And that people with disability are twice as likely to be unemployed as a person without disability?

The reality is that people with disability have just as much to contribute to a workplace and the economy as anyone else — more often than not the only barrier standing in the way is other people's attitudes.

We all have a role to play in levelling the playing field for people with disability.

You can help break down these barriers by being aware of the myths and the facts about employing people with disability.

Myth: People with disability can do only simple jobs

Fact: People with disability are already successfully working in all kinds of jobs. People with disability usually have a pretty clear sense of their abilities and are more likely to want a career that plays to their strengths and passions.

Society's attitudes are the only thing that would stop a person who is an amputee from being a speech pathologist, or a person with hearing loss being an architect, or a person with Down syndrome owning a business.

Now that you know: Read more about Dr Dinesh Palipana, Queensland's first quadriplegic doctor <https://www.abc.net.au/news/2018-02-26/queenslands-quadreplegic-doctor-dinesh-palipana-australian-story/9462752>

Myth: People with disability need heaps of support

Fact: People with disability may need support, equipment, or changes to a workplace at the start, but they will be fine once those are in place.

We have been working with a guy on the autism spectrum who found he was getting distracted and couldn't concentrate at work because of all the talking, laughter, and millions of other sounds that happen in an office. Through the purchase of some noise-cancelling headphones, he can now stay focused and get 'in the zone'.

Now that you know: Think about any modifications that might have been made at your school for students with disability. Have you seen how they have helped that person?



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 (07) 3857 5085, email hello@epicassist.org or visit epicassist.org



Myth: Most people with disability use wheelchairs

Fact: That is just not true. In fact, only around 2% of Australians with disability use a wheelchair. Sometimes a person's disability may be visible, but other disabilities may be invisible. Think about people with mental health conditions, low vision or chronic pain.

Now that you know: Remember that just because you can't see it, it doesn't mean it doesn't exist. Just because someone may look perfectly healthy it's not up to you to decide if they are 'faking it'. Remember that parking spaces or accessible toilets are not only for wheelchair users — people with invisible disabilities might also need to use these spaces.

Myth: People with disability don't want to work

Fact: People with disability share the same life goals as everyone else, and that includes finding fulfilling work. A job brings a lot to a person's life: a sense of purpose, social interaction, self-esteem and greater financial independence.

When people with disability join the workforce, they become financially contributing members of society. Many people with disability look forward to a time when they will be working and paying taxes, so they can help support Australia's future. Working and paying taxes can evoke a sense of pride and belonging.

Now that you know: In the words of Uncle Ben to Spiderman: "With great power comes great responsibility." When you are earning money, you need to learn how to manage that money. This is true for everyone, not only people with disability. Saving money and learning about financial responsibility is a life skill that everyone must learn.



Myth: It will be hard to know how to act around a person with disability

Fact: We all have our differences. But it should never be hard to be respectful of other people. If you are not sure about meeting someone with disability, follow the same rules you would use when you meet anyone else. Make eye contact, smile and say "Hello". It really is that easy.

If you are unsure of a person's needs, the best thing you can do is ask them. They are the experts in their disability and will be able to tell you if there's anything they need.

Now that you know: Next time you meet anyone, whether or not they have disability, take the initiative to introduce yourself and say "Hello". **T**



STUDENTS ARE CONCERNED ABOUT THEIR FINANCIAL FUTURE



Students at Palm Beach Currumbin share their views about the importance of financial capability.

Our biggest financial worries in the future are:

- Being able to support ourselves and our family to live comfortably
- Being able to buy a home for our family
- The debt we will have when we finish our studies at university or college
- Going into unnecessary debt because we don't understand how to manage money
- Not being financially stable and the stress that it may create
- Understanding and choosing insurance
- Not being able to save
- Not investing properly and making mistakes
- Not having a nice car at some stage.

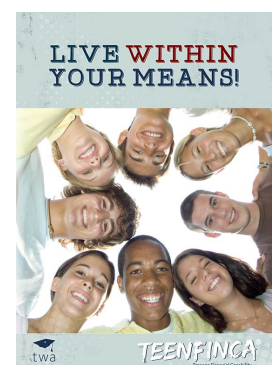
These students, like all others in Australian schools, are very aware of the financial challenges that may lie ahead in their life. They understand that they have a lot to learn about the financial world.

Living within your means

We believe this is very important.

It means that we should not spend too much money. Specifically, we should not spend more money than we earn, and that we should think about the future.

This applies to everyone regardless of income level.



Remember this:
You will be a
BUSINESS!



Remember this you will be a business

Every adult is in fact their own business.

They have income which they earn, and then they have to spend money just like a business. As adults earn and spend, they have to make financial decisions. If a business does not make good financial decisions, it will become bankrupt. If adults don't make good financial decisions, they also can go bankrupt.

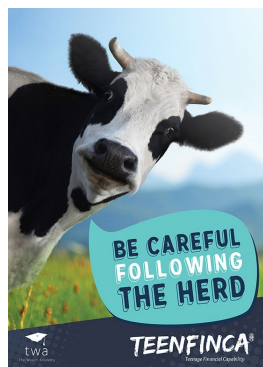
We have to learn to make good financial decisions so that we can look after ourselves and our families.

Being able to manage your money effectively is worth celebrating

Because it is private, most people keep their financial management to themselves — but they should be proud if they are managing their money properly. It is very difficult to do this, because there is a lot of pressure to spend, spend and spend. Managing money can be challenging.

Good management of money will lead to a better future for the individual and the family. We should all try to do this in the future.

Being able to manage
your money effectively
is worth **celebrating**



Be careful following the herd

The 'herd' could be our friends, or youth in the community, or youth as portrayed in advertising.

However, it can be dangerous to make financial decisions based on what others in the herd are doing. This is because your circumstances and priorities may be different to those of other people.

Sometimes it can also provide safety, but we must learn to make informed financial decisions based on our own situation. Too many of us just buy things to be popular with our peers! We need to be careful! It is okay to be an outlier and make your own decisions based on what is best for you.

Investing in your financial self makes 'cents'

We should take some responsibility for learning about the financial world; this is important.

We need to invest in ourselves. If we invest in ourselves, we will make better decisions, and hopefully we will make more money! It also means investing in our knowledge about saving, budgeting etc. By investing in yourself you are improving your financial capability.

Thank you to the students from Palm Beach Currumbin State High School. **T**

INVESTING IN YOUR
FINANCIAL SELF
— MAKES 'CENTS' —



OUR PARENTS WOULD SAY FINANCIAL EDUCATION IS VERY IMPORTANT



Year 10 students from The Gap State High School

Today's teenagers have lots of views about their financial future, which include many concerns. This is no different for students at The Gap State High School who have generously shared their perspectives. In this article we share a few of the majority views related to several questions and topics.

SHOULD SCHOOL STUDENTS LEARN ABOUT HOW TO MANAGE MONEY?

- Yes, we should. It is something that will impact on our life forever and help us to secure our future.
- The more that everyone knows how to manage money the greater the benefit to the economy.

- It will help set us up for when we leave home and enter the real world. Because we are still learning and developing who we are, we need to learn these skills to help us prepare for the future.

AGREE OR DISAGREE? WHEN YOU ARE YOUNG YOU HAVE THE OPPORTUNITY TO DEVELOP GOOD FINANCIAL HABITS!

- Agree. The earlier we learn good financial habits, the easier and more natural they will be in the future. We can learn from the experiences of losing money, wasting money, earning and saving money.
- If we have a casual job we are earning money which can help us to learn how to save money and make decisions.

CAN YOU TRUST YOUR FRIENDS TO GIVE YOU GOOD FINANCIAL ADVICE?

- No. Our friends all have different backgrounds, incomes and opinions

about spending money. Because we are all different, we should be very careful listening to other people's advice.

- Most friends have very little knowledge or experience in making good financial decisions. Why would we listen to them?
- Too many friends try to pressure others into buying things.

AGREE OR DISAGREE? YOUR FINANCIAL LIFE WILL JUST WORK ITSELF OUT. YOU DON'T NEED SUPPORT, HELP OR FINANCIAL EDUCATION!

- Disagree. Your financial life should involve some planning. You have to make decisions that are planned and informed.
- Financial education is extremely critical. Your future financial life will not be great if you don't have good financial knowledge and skills.
- Be proactive and research good financial practices. People have been managing money for centuries, so researching the practices of others makes sense.
- If you don't have the knowledge you are guessing. You might get the decision wrong.
- Everyone is different with their money and will need support at different times in their life. It is good to have financial education when young which can help you in the future.

BUILDING TRUST WITH FINANCIAL MENTORS WILL MAKE A DIFFERENCE TO MY LIFE.

- This is true. My mum studies this stuff and makes most of the decisions at home.
- Agree. Getting advice from someone with more knowledge and experience will help us. We should do this.
- People who have qualifications have the knowledge to offer good advice.
- If you are stressed or confused about your financials it helps to be able to ask questions without having bias.

WHAT DOES IT MEAN TO BE FINANCIALLY CAPABLE?

- It means you not only understand the financial world, but you are also able and confident to make good decisions which will have long-term positive impact.
- To be responsible with and in control of your money.
- To be able to save money, to pay your bills, to live comfortably without financial stress.

DO PARENTS THINK FINANCIAL EDUCATION IS IMPORTANT?

Our parents would think financial education is essential or very important.

Our parents want the best for us financially. They want us to be able to support ourselves. They would prefer us to make small mistakes now rather than big mistakes later. They would want us to learn about money management.

WHAT ATTITUDES, BEHAVIOURS AND ACTIONS LEAD PEOPLE TO BEING FINANCIALLY COMFORTABLE?

- Saving regularly and consistently. Save money now for the future.
- Have a positive relationship with money, don't be afraid.
- Think first before spending. Is it a need or a want? Think about the consequences.
- A positive attitude toward financial education.
- Self-discipline, persistent behaviours, responsible decisions.
- Have a budget and check it regularly.
- Ensure a sustainable income, consider multiple incomes.
- Learning about investment.

WHAT ARE THE THREE MAIN FINANCIAL WORRIES FOR STUDENTS WHEN THEY LOOK TO THEIR FUTURE?

- House affordability.
- Being able to afford moving out of home.
- Paying off a student loan, paying for further education
- Supporting the family.
- Being unemployed and not being able to support my family.
- Being overwhelmed by bills; not having enough money.
- Not having a good job with a good income.
- Won't have spending money; not being able to afford a nice car.

OUR PARENTS WOULD SAY FINANCIAL EDUCATION IS VERY IMPORTANT



WHAT FINANCIAL DANGERS LIE AHEAD FOR STUDENTS TODAY?

- Going into debt too young.
- Following the crowd; spending money on things just because others are doing it.
- Gambling, drugs, alcohol.
- Buying silly things that are unnecessary.
- Don't buy the latest x-box when the existing one works fine.
- Scams.
- Overuse online shopping for wants, not needs.
- People/friends asking for money.
- House prices increasing.
- Establishing bad habits while young.

IN MY FUTURE LIFE I WILL HAVE TO MAKE MANY FINANCIAL DECISIONS. THESE WILL INCLUDE:

- Buying a house, buying property.
- University fees and expenses.
- Investments, insurances.
- Holidays, travel.
- Grocery shopping, household bills.
- Cars, transport.
- Family costs.

If we have to make financial decisions in so many aspects of our daily life, it makes sense to have a financial education.

We agree with our parents that this is very important! **T**

ARE PERCENTAGE DISCOUNTS A BENEFIT FOR SHOPPERS?

We are all attracted to the **sale** and **discount** signs in the stores where we shop. They are there to entice us into the store to buy. Let's consider the possible benefits of discounts in the situation of a clothing store in your local shopping centre.

Why do stores place these signs in their shopfront?

Shop owners will have different reasons to offer discounts on their products.

1. Often the owner wants to get older stock out of the store so there is space for the new range of seasonal clothes. Discounted clothes may sell quicker, which is good for the business.
2. Sometimes an owner will just want to attract new customers into the store. Offering a discount may get a new shopper into the store for the first time. Now they have a chance to make a sale.
3. Sometimes, store managers have to reach sales targets set by the owner. Offering a discount may result in more sales so the targets can be achieved.
4. At other times, a store owner has to respond to local competition. If other stores selling similar products are discounting, then there is motivation to do similarly.
5. A lot of the time, the discounts apply only to a few items in the store. The discount is the 'bait' to get you in. The owner hopes that you may see other products that you like, and then pay full retail price for them.

Can we trust that the discount is real?

Often the discount is real. That is, it is a genuine discount off the normal retail price offered to customers. If the shirt normally cost \$50 and a 10% discount was offered then the new price is \$45 (10% of \$50 is \$5).

Most of the time, however, customers do not know the normal retail price. It may be that a store owner changes the tag on the clothing to indicate the



Can you always believe the discount sign?

normal retail price is \$60 and then offers a 10% discount. If a customer then buys this shirt at the discounted price of \$54 (10% of \$60 is \$6), then the customer has now paid more than the normal retail price. The customer has been tricked into paying more by the discount strategy of the store owner.

Are percentage discounts a benefit for shoppers?

The answer to this question is both 'yes' and 'no'.

Discounts do benefit shoppers when they are paying less than normal retail price, and:

- they are truly in need of that item, so it is not a whimsical purchase, and
- it is part of the spending plan within their budget.

There is not a lot of logic to just purchasing items because they are discounted. Are these items actually needed?

A good way to make best use of discounts is to incorporate them into birthday, Christmas and other gift-related celebrations. Planning ahead is a good financial decision-making strategy, so purchasing items as gifts for friends and family is a clever way to make best use of your money.

As with all financial decision-making, consider whether the discount is real and beneficial before spending your money. Be a smart shopper. **T**



FINANCIAL SERVICES IN YOUR FUTURE



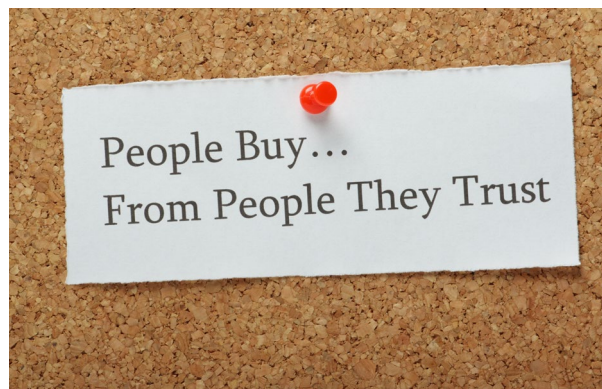
WHAT CAREER PATHS IN FINANCIAL SERVICES ARE STABLE?

Financial services are not something that will ever go away; we need those who have more knowledge about our finances, gained either through higher education or experience in the field. However, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was necessary to highlight the failings of the industry as a whole, and really gave airplay to those 1% or so of poor customer outcomes (and some were extreme outcomes!). But that doesn't mean the whole industry is 'bad', and I don't say that from a biased opinion because I work in the industry; I say that because I have been lucky enough to work with some fantastic people in my career, and have seen some really positive outcomes for clients. In fact, I've seen very, very few poor outcomes.

Given that, I think there will always be a demand for financial services professionals, but I think the clients' expectations of those professionals will be higher. Education requirements will increase, compliance will certainly increase, and probably pay and commission payments will become more transparent.

Technology will change the landscape even further (it will probably become unrecognisable in our lifetime). Where I see stability is in relationship-management. Forming a true relationship with your client, whether an individual, a family, a small business, or a large corporation, is the backbone of financial services, and I don't see it being replaced by artificial intelligence (AI) or any outcome of the Royal Commission; if anything, it is more relevant.

Some of the above reasons, particularly compliance costs, may make simpler financial advice more standardised, but a true relationship (which is based on human-to-human empathy as well as expert financial knowledge), will always have a place. **T**



HOW DO TEENS DEVELOP TRUST WITH FINANCIAL ADVISERS?

The earlier you can speak to someone about your finances the better.

I saw a relevant meme recently: 'Thank goodness I spent my high school years studying Pythagoras's theorem instead of how to do my taxes. It's really helped at Pythagoras time of year.'

I don't want to discount Pythagoras's theorem; truth be told, I actually use it more than ever I thought I would in school, but learning about your finances is absolutely crucial.

You don't need to spend big money and seek a professional adviser when you are working 18 hours a week and studying full-time at uni, but find someone you trust who knows something about the industry and seek their advice.

Once you move into full-time employment and start earning a stable wage, and want to either save for a house, a big OE, or to start a family, it might be time to think about who best can offer advice.

Even those of us who work in finance are not specialists in all fields; I personally have benefited from receiving financial advice in various forms over the years. **T**



Adam Crombie, Chair Young Finsia Queensland

The opinions expressed in these articles are those of the author.



IS THERE A GREATER NEED FOR FINANCIAL EDUCATION IN THE COMMUNITY?

YES. As simple as that.

Financial education doesn't need to be a multi-year tertiary qualification, but the financial decisions you make will impact every aspect of your life!

You don't need to be an expert, but you do need to understand the basics, know where to go for advice and know whom you can trust.

I put my car in for a service recently; the mechanic tried to sell me four brand-new tyres quoting, "the tyres you have are barely legal and frankly dangerous."

I know nothing about cars but, given he coupled this advice with 300 other expensive opinions, I decided I needed help and asked a friend who is a mechanic to look at my car.

Turns out my wife had replaced all four tyres less than a year prior; each had over 20,000 km left on them, or close to 3–4 years at the rate I drive that car.

The key message: Never stop learning and find people you can trust.

You don't know what you don't know. The best thing you can do is arm yourself with enough knowledge to understand the basics; know when to reach out for professional advice, and when to seek a second opinion.

Learning some financial basics is important! **T**



The professional
excellence pathway

AFTERPAY AND SIMILAR SERVICES - DANGERS FOR YOUTH!

AfterPay is the new generation's 'lay-by'. This will come as a shock to many reading this article, but once upon a time when you wanted to pay for something across a few instalments, you didn't receive the product until you had paid for the entire thing!

This could take weeks or months, but the store kept that new outfit until you paid for it, even if that meant it went out of season. This gave you a reason to pay it off quicker so you could wear/use the product. I've got to be honest — I'm not actually old enough to remember this either, but I've been told this on good authority!

Today, though, you can Afterpay or ZipPay just about anything, which is fantastic for a lot of people. You can even Afterpay dentist and doctor fees in a lot of instances, which is really helpful for those who live pay cheque to pay cheque when they have unexpected expenses. There is a reason Afterpay shares have done so well this year, the platform has really taken off and benefited thousands.

But you **MUST** be responsible. Currently the regulation around this type of lending is very relaxed.

A bank certainly would not give out this sort of credit to just anyone with the sort of willingness these firms do. They profit on the fees from merchants and on the knowledge that over a big enough portfolio the losses are well diversified.

Individuals, though, will still easily get themselves in trouble. Retail spending has been largely propped up by Afterpay because young buyers see this as an endless source of credit to buy whatever they want, when they want it, without thinking about the future.

If you default, this can ruin your credit history for a very long time, and you may struggle to get so much as a phone or electricity plan, never mind a mortgage for a house one day.

If you borrow money, in any form, you have to pay it back, so make sure when buying on Afterpay that you have the incoming cash flow over the next four to eight weeks to pay it back — don't overextend yourself.

By all means buy that smashed avo, go on that holiday, enjoy yourself while young, but live within your means.

Your first job at Maccas probably won't be a stable income for years to come, and you'll move on quickly, so don't assume what money you have today will pay all Afterpay instalments into the future. **T**

BECOMING A STOCKBROKER



Brooke gardener: from country kid to working in the stockbroking industry

Brooke Gardener is from Eton, a small town in central Queensland. When she completed her secondary education, she moved to Brisbane to pursue tertiary studies in law and international relations.

Moving to Brisbane was a steep learning curve for Brooke, but with a lot of financial common sense instilled in her by her parents, she navigated those early years of combining study and work life with significant confidence.

Brooke has had an interesting career path in financial services already. She shares some of her story here so that others may learn.

Brooke is a young member of the Financial Services Institute of Australasia.

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

We did to a small extent. My high school was vocational oriented. We did some work in Year 10 on getting a tax file number, applying for a bank account, looking at interest rates, and basics of compounding in a wellbeing program.

Did it prepare you for life after school?

Slightly. I think my home experience was stronger. My parents were in business and were very realistic and didn't cushion me from the realities of life. I think it is hugely important that parents give their children a good start in their financial learning.

We can't keep expecting our education system to solve all of these problems. Parents do have to accept some responsibility!

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

For me, it would have been to learn about investing earlier. Teens must realise they are investors from the moment they start working and have money put into their superannuation account.

Should financial life skills education be considered a priority in our community?

Definitely. Our government is pushing us to take more responsibility for our financial decision-making, so we need to know how to make informed decisions.

Was there a need for you to work while at university?

When I moved from home to Brisbane, I didn't have the benefit of parents who could support me financially, so I had to use Austudy and casual work,



The professional excellence pathway

Teens must realise they are investors from the moment they start working and have money put aside into their superannuation account.

The main benefit of being a stockbroker is you get to help people build their wealth.

and then full-time work to get by.

I had to be forward looking to have savings so I could initially afford the basics like a bed, sheets etc but also the costs for text books which could be more than \$1000 a semester.

I regularly had in my mind the concept of a budget. I knew what I could afford, how much I had to save, what I had to spend my money on. I made a decision not to have a car for many years because of the associated costs.

What were your plans when you left school? Did they change?

I was very focused when I left school. I had clear goals about what I wanted to achieve by studying law. I started working in a law firm while I was studying. Toward the end of my degree however, I realised that law was perhaps not the career path I wanted.

I didn't want to rack up more HECS debt, but I decided to move into financial services. I started working as an assistant to the Chief Executive Officer in a start-up company that was setting up a bullion exchange; I did a lot of office management work. I then realised that the start-up did not give me a range of finance-related skills.

I wanted to deepen my involvement in a major finance-focused company so I looked for an opportunity to change employers.

I also wanted to find a firm in Brisbane that also had a great reputation for culture. This was important for me.

How did you create your opportunity to move to a stockbroking firm?

It was through someone I know. The more people you, and your parents and friends, know who can help you, the better it is for you. I have learnt that you have to build your networks.

What does a stockbroker do?

I am a retail stockbroker which means my clients range from mums and dads with some money to invest, to people with a lot of wealth who also want to make their money work harder. I invest in stocks on behalf of my clients. I have a broad depth of knowledge of the various investment options.

What are some of the terms you use with clients that they need to understand?

I talk to clients about many things, including:

- structuring their investment
- macroeconomics affecting domestic and international markets
- company performance and earnings
- company management teams
- share price and yield (dividends)
- company valuations and relative value.

What are the specialised skills or advantages you have which clients need?

The main advantage is that we have a vast variety of large, mid-size and small companies presenting to our network. These presentations provide insight into company operations and growth strategy. It also gives an opportunity to question performance of the company and management. We use this information to assess the quality of the company with peers in the industry / sector, which can assist us to advise our clients.

You also have to be critical and analytical. We also have a team of research analysts who cover over 200 ASX stocks and provide research recommendations (buy, hold, sell). As an adviser, we help our clients by cutting through all the noise in the news and media about companies, markets and macroeconomics. Our clients appreciate the expertise we have.

Can teenagers start investing in the share market?

Yes definitely. There are many ways for young people to start investing, some apps allow you to start with as little as \$5.

What qualifications do you need to become a stockbroker?

Historically, people come from a wide range of industries to become stockbrokers; however, new (as at 1 January 2019) education standards under the Financial Adviser Standards and Ethics Authority (FASEA) have set a minimum requirement for new and existing advisers. Going forward it will be a requirement for new entrants and existing entrants to have a degree equivalent qualification in an approved area (Financial Planning oriented), as well as undertaking ongoing continuing professional development, passing an industry exam and abiding by an industry Code of Ethics.

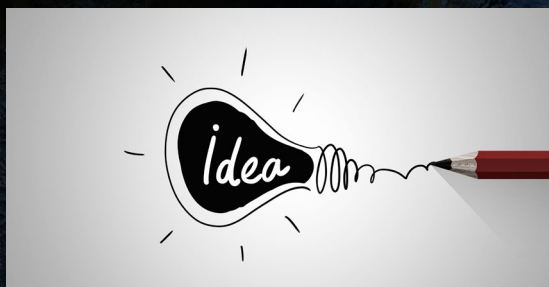
What are the benefits of working in your industry?

The main benefit is you get to help people build their wealth. I also personally benefit because I learn how to build my own wealth. **T**

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

LET'S COLLABORATE!

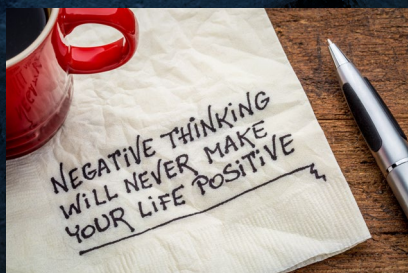
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OFFER SOME PERSONAL STORIES



WE CAN HELP YOU TO CHANGE NEGATIVE
THINKING IN YOUR COMMUNITY



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