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The Wealth Academy

# TEENFINCA®

ISSUE 2 · 2020



## A FINANCIAL EDUCATION HELPING HAND

- ▼ BUILD YOUR FINANCIAL MUSCLE!
- ▼ MAKING IMPORTANT DECISIONS
- ▼ ENTREPRENEURIAL TEENS
- ▼ TEEN ANXIETY AND THE PANDEMIC
- ▼ FINANCIAL LITERACY AND INSURANCE
- ▼ BRAIN POWER: FINANCIAL LEARNING
- ▼ WANTS HAVE CONSEQUENCES!
- ▼ DON'T CALL IT A CLUB!
- ▼ ACTIVE MINDS, THINKING FINANCIALLY
- ▼ PRACTISING BAD PLASTIC HABITS

*Preparing students for life after school*



Australian Public Schools



# IN THIS EDITION

## WELCOME

Welcome to the second issue of Teenfinca® for 2020.

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 or financial wellbeing 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 wellbeing and teens
- being financially smart
- pandemics and wealth
- financial mindset
- how to use your time
- wants and their potential consequences
- teen entrepreneurship
- financial mathematics
- 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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## A FINANCIAL EDUCATION HELPING HAND



*Helping each other to be financially capable!*

Sometimes in life, you have to help yourself. Sometimes in your life, you have to help others.

We do this at school when we study in our bedroom for our exams and then share our learning with our friends. We do this in sport when we practise our football skills at home, but then play park footy with our mates. We do this in life when we try new things like rock climbing and then encourage our friends to join us.

It is always good to receive a helping hand and to give a helping hand to others, in all parts of your life.

Sometime in the near future you will have to recognise the importance of a financial education and realise how massively it can impact on your life. At the same time hopefully, you will realise that financial education is best achieved when many hands of support are involved.

### Who can give you a helping hand?

Most obviously, your parents and teachers can help you with this. However, history has shown that parents and teachers can only do so much.

While the basic principles of saving and spending are still the same, the financial ecosystem that surrounds those basic principles is changing

rapidly. For many parents and schools, the pace of that change is difficult to comprehend.

It seems contradictory, but the best people to help you understand the changing financial world is your peer group. It is you and your peer group that may need to take the lead, putting out your hands seeking the help you need.

As stated previously, sometimes in life you have to help yourself.

As a group of like-minded peers you have the power to ask for the support you need to improve your financial capability, to become regular financial learners, to invest in your future wealth and wellbeing.

By joining together you are helping yourself, and you are helping others. You are showing leadership of self and as a group.

Put your hand up at school for financial learning. Reach your hand out into the community, looking for experts who value financial education. Put your hands together to lift the bar on financial life skills learning in your suburb, town, district or region.

It is difficult to climb any mountain without the help of others. That includes the financial mountains you will encounter in your future. **T**

**We will need helping hands to climb the financial mountains in our life!**



## BUILD YOUR FINANCIAL MUSCLE!



### Exercise your mind

#### I will build financial muscle if I:

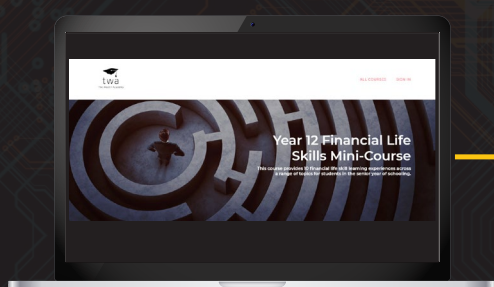
- read good books and magazines on basic financial concepts
- do online courses suited to my needs and interests
- talk finance with trusted friends and experts
- keep my mind and body healthy.

#### I will NOT build financial muscle if I:

- think I don't ever need help
- don't commit to lifelong learning
- refuse to participate in debate and discussion that makes me think deeply
- can't accept that a healthy mind and healthy body go together.



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1. A question of trust
2. The cost of a new or used car
3. No place to be (Youth debt)
4. Importance of financial life skills
5. Your financial future
6. Teenagers and contracts
7. Develop your networks
8. Scenarios
9. Online shopping
10. Intelligence and wealth



## Persistence

### I will build financial muscle if I persist in:

- my learning about the financial world
- spending less than I earn
- efforts to create trusted networks and identify mentors to support my financial learning
- managing money responsibly during the tough times
- my commitment to a savings plan.

### I will NOT build financial muscle if I:

- remain ignorant of the financial world
- don't commit to financial learning
- ignore the advice of experts
- spend money haphazardly and emotionally
- always mix with peers who are not aspirational.



## Discipline

### I will build financial muscle if I am disciplined in:

- my use of money
- my budgeting and planning
- thinking before spending
- learning financial life skills.

### I will NOT build financial muscle if I am undisciplined when:

- shopping in store or online
- following the behaviours and actions of my friends
- not taking the time to compare prices, research and review before spending
- committing to long-term goals.



## Think

### I will build financial muscle if I:

- think before I spend
- develop my critical thinking skills related to financial decisions
- think about the 'voices' behind online stores and messages
- think about which people are best to help me in my financial decision-making.

### I will NOT build financial muscle if I:

- don't think carefully about how I use my money
- show no interest in improving my financial habits and actions
- think briefly for 1 minute when 10 minutes or longer may be needed, to make an informed financial decision
- am lazy and careless in my thinking.



## Network

### I will build financial muscle if I network with:

- aspirational friends, in person and online
- knowledgeable, skilled and trusted experts, and
- industry groups and associations.

### I will NOT build financial muscle if I:

- don't appreciate and access the strength of expert networks
- fail to identify peers with interests in a wealthier future
- always act alone.





# THE IMPORTANCE OF FINANCIAL LITERACY AND INSURANCE



Financial Literacy is a subject you may have heard your teachers talk about in class. But how many of us truly understand the meaning of being Financially Literate?

While many of us might have a family member to help us manage finances, it is essential we understand Financial Literacy. COVID-19 has undoubtedly caused financial stress for many Australians, including young Australians who may be studying and only working part time.

The Household, Income and Labour Dynamics in Australia (HILDA) survey<sup>1</sup> - launched by the University of Melbourne in 2001 tracks more than 17,500

people in 9500 households, collecting valuable data to understand health, economic welfare and home life.

In 2018, it found young people in Australia under the age of 25 are the least financially literate. One in four Australian's under the age of 25 have a basic or limited understanding of financial understanding and literacy.

## What is financial literacy?

Financially Literacy is understanding how to make comprehensive financial choices so you can confidently manage income and expenses, and grow your money to achieve your short and long-term goals.

## Why is financial literacy important?

Having the knowledge and confidence to:

- Manage debt and understanding how to manage credit card payments and seeking the lowest interest rates when comparing loans.
- Understanding how to budget, track spending and expenses.
- Emergency fund – Setting aside money into an emergency account that you can use for unanticipated circumstances / expenses.
- Understanding how to set up a retirement plan and where to invest to get the most out of your income.

## Why does insurance matter?

Understanding Insurance and how it works is critical to providing you with the financial safety net to cover the risk of essential expenses.

'If your property is accidentally lost, stolen, damaged or destroyed, and you have a general insurance policy that covers the property for those risks, you can make a claim and draw on that pool of money to help pay for repairs or replacements costs.'<sup>2</sup>

**'Each insurer's policies have different rules about what the policy will cover. Exclusions may apply, so you should read your policy carefully and seek advice if you're not sure what your policy will cover.'**<sup>3</sup>

Taking out insurance policies such as life insurance, car insurance or income protection insurance all contribute to your financial safety net.

Want to know more about a Career in Insurance? Listen to the Insurance Matters Media Podcast.

<sup>1</sup> [https://melbourneinstitute.unimelb.edu.au/\\_data/assets/pdf\\_file/0005/2839919/2018-HILDA-SR-for-web.pdf](https://melbourneinstitute.unimelb.edu.au/_data/assets/pdf_file/0005/2839919/2018-HILDA-SR-for-web.pdf)

<sup>2</sup> <https://understandinsurance.com.au/what-does-insurance-do>

<sup>3</sup> *ibid*



## Young people in Australia under the age of 25 are the least financially literate

### - Survey

Steps you can take right now:

#### 1. Read books about money management

Devote a few hours every week to read books about managing money and understanding finances. Here's a list of some favourites in 2020.

#### 2. Listen to podcasts

If you're not much of a reader perhaps Podcasts are your thing. Podcasts are great for when you are on the go and help provide expert guidance to set yourself up for success. The Australian Finance Podcast

#### 3. Cost management apps

- Your bank – [FREE]
- Pocketbook – Australian budgeting app securely connects to your bank to track your expenses and monthly spend. [FREE]
- Australian Taxation Office - The ATO app puts tax and super help in your hand, making it easier for you to conduct your tax and super affairs on the go.

**Disclaimer:** The information provided in the article above is general in nature and does not constitute professional financial product advice or take into consideration your personal financial situation. It is purely for use as an educational resource. **T**

## Funny insurance claims!

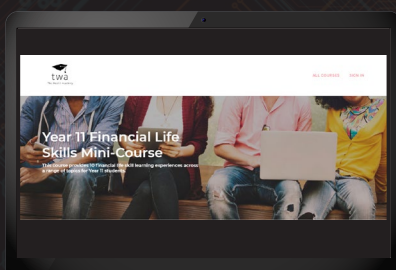
Listed below are some of the funny reasons real people gave for their insurance claim.

- A lamp-post bumped into my car, damaging it in two places.
- A pedestrian hit me and went under my car
- A truck backed through my windshield into my wife's face.
- After the accident a working gentleman offered to be a witness in my favour.
- An invisible car came out of nowhere, struck my car and vanished.
- As I approached an intersection a sign suddenly appeared in a place where no stop sign had ever appeared before.
- Coming home I drove into the wrong house and collided with a tree I haven't got.
- Cow wandered into my car. I was afterwards informed that the cow was half-witted.
- First car stopped suddenly, second car hit first car and a haggis ran into the rear of second car.
- Going to work at 7am this morning I drove out of my drive straight into a bus. The bus was 5 minutes early.
- I am responsible for the accident as I was miles away at the time.
- I am sure the old fellow would never make it to the other side of the road when I struck him.
- I blew my horn but it would not work as it was stolen.
- I bumped into a lamp-post which was obscured by human beings.
- I bumped into a shop window and sustained injuries to my wife.
- I left my car unattended for a minute, and whether by accident or design it ran away.
- I collided with a stationary tree. **T**

**Find more: Arcadia** <https://ackadia.com/general-interest/humour/top-100-funny-motor-insurance-claims/>



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1. Asking questions is the secret to managing money
2. How do I prepare a budget?
3. 'Tap and go' cards: Stop and think
4. Costs and benefits
5. Solving problems through entrepreneurship
6. We all should have a financial license
7. Insurance: Theft, viruses and rock n roll
8. How could I invest \$2000 (2)
9. What is tax?
10. It's super to know about 'super'



## HOW TO MAKE A FINANCIAL DECISION!

### 1. Identify the decision

You know that you will have to make a decision related to your finances.

#### Example 1: Buying new football boots

It is a new playing season and the old boots are too worn. I need to purchase new boots.

#### Example 2: Buying a new-used car

I need to find transport to university and public transport is not available. I can't afford a new car, so I need to purchase a reliable new-used car.

### 2. Gather information

Collect the relevant information before you make your decision: what information is needed, the best sources of information, and how to get it.

#### Example 1: Buying new football boots

Check for prices online and in-store. I will try boots on in-store as thenm I will know their level of comfort and can check quality.

#### Example 2: Buying a new-used car

I will work out what my vehicle needs are - size of car, seating, mileage etc. I will identify my preferences - blue tooth, air conditioning, multimedia, etc. I will work out my budget including running costs.

### 3. Identify alternatives

Identify the different options available.

#### Example 1: Buying new football boots

Options - online or instore; different brands have different characteristics - leather/vinyl, moulded / screw-in, lace/laceless,

#### Example 2: Buying a new-used car

Options: Manual or automatic; hatchback / sedan, diesel / unleaded; private seller or dealer; mileage (low, medium, high), 4 or 6 cylinder, ...

### 4. Weigh the evidence

Which of the options has the best benefits and advantages? Be logical, not emotional when checking the evidence.

#### Example 1: Buying new football boots

- Laced - Adidas Copa Mundial \$220, Nike Phantom \$190
- Laceless - Adidas Predator (\$150)

#### Example 2: Buying a new-used car

- Toyota Corolla Ascent - 90K km, hatch, 4cyl, 1.8L, auto, \$13,990
- Hyundai i30 - 110K km, hatch, 4 cyl, 1.8L, auto, \$13,450





## 5. Choose among alternatives

Which of the alternatives is best for you?

### Example 1: Buying new football boots

Adidas Copa Mundial, leather upper, very reliable, same model been around for 30 years, very comfortable prefer laces to ensure snug fit.

### Example 2: Buying a new-used car

Toyota Corolla (popular with spare part availability), \$500 more expensive than the other, but done 20K less km

## 6. Take action

Follow through on your choice and purchase.

### Example 1: Buying new football boots

Buy the boots from the store. I could have got them \$10 cheaper online, but I would prefer to give employment to local people, and I can be sure the fit is right at the time of purchase.

### Example 2: Buying a new-used car

Bought the Corolla, after going through another decision-making process to choose the best finance option.

## 7. Review the decision

What have been the outcomes of the decision? Has it been a good decision?

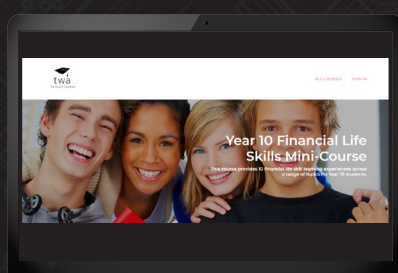
### Example 1: Buying new football boots

The boots have been great. No blisters at all. Very comfortable and despite being expensive are good value for money.

### Example 2: Buying a new-used car

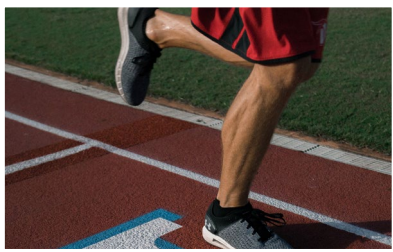
I should have got a mechanical check! I have had some engine issues. I need to remember to do the mechanical check when weighing the evidence in step 4. Cost me an extra \$800 to fix the problem!

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1. Managing money is worth celebrating
2. Choices: Using a budget
3. Credit or debit cards: The choice
4. The economics of 'today'
5. Benefits of entrepreneurial behaviour
6. Teenagers want to learn financial life skills
7. Goal setting is future thinking
8. How could I invest \$2000?
9. Wealth does not mean having a lot of money
10. Mobile 'phone shock'

## THE CHALLENGE OF KEEPING WEALTH



### Athletes who lost all their money

Sources: Grunge and In The Black

According to Sports Illustrated, "by the time they have been retired for two years, 78 percent of former NFL players have gone bankrupt or are under financial stress because of joblessness or divorce." And, no, it isn't just the NFL, folks. "Within five years of retirement, an estimated 60 percent of former NBA players are broke."

Those are some pretty stark numbers, considering most of these jock athletes earns tens, if not hundreds of millions of dollars during their careers.

---

With the temptation of lavish lifestyles and expensive entourages, wealthy sportspeople need to better manage their finances before their bodies burn out.

Australians aren't exempt from this unfortunate fate, either. Former Socceroos captain Lucas Neill, who played in England's Premier League for 15 years, recently declared bankruptcy after a career that earned him an estimated A\$40 million. **T**

Read more:

- **Grunge** [www.grunge.com/105631/athletes-lost-money/](http://www.grunge.com/105631/athletes-lost-money/)
- **In The Black** [www.intheblack.com/articles/2016/05/23/could-finance-course-save-wealthy-athletes-from-themselves](http://www.intheblack.com/articles/2016/05/23/could-finance-course-save-wealthy-athletes-from-themselves)



### Lottery winners who lost every penny

Sources: Business Insider Australia and Yahoo News

Why do lottery winners go broke?

If you want to get academic about it, it's called Sudden Wealth Syndrome and is described as the distress that afflicts individuals who suddenly come into large sums of money.

The term was coined by US psychologist Dr Stephen Goldbart and is characterised by potential anxiety, guilt and a sense of isolation that can come with a sudden influx of wealth.

According to Dr Golbart, sufferers can become overwhelmed, grow suspicious of people around them, and make poor decisions such as overspending or lending money to family and friends causing strain on relationships.

----

While buying a ticket may seem tempting, the numbers suggest that it almost certainly isn't worth it.

But even if it does pan out, winning the lottery will not solve all of life's problems.

In fact, many people's lives became notably worse after they hit the jackpot, as you can see from the following cautionary tales. **T**

Read more:

- **Business Insider Australia:** [www.businessinsider.com.au/lottery-winners-lost-everything-2017-8?r=US&IR=T](http://www.businessinsider.com.au/lottery-winners-lost-everything-2017-8?r=US&IR=T)
- **Yahoo News:** *Why lottery winners often lost it all*

**Key message: Think first, then think again, then spend if needed!!!**



## I WANT TO BE A...



### Gardener

Gardeners provide an important service in our community.

Many of them are employees working for various organisations and government departments, but many are also self-employed business people.

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

Just like other adults they have to manage the finances at home, making sure they spend within a budget. Like everyone else they need to be wise financial decision-makers.

Many gardeners also start their own business. This requires a lot of business and financial skills. Usually these skills are not taught in 'gardening course', so they have to learn these skills themselves.

They will also employ specialists to help them with their financial decision-making. To financially manage a gardening business successfully, a gardener will need many skills, including how to:

- purchase equipment at the best price
- employ staff at the correct rate and under the right conditions
- develop budgets
- quote accurately on the work they will do for clients.

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



### Realtor

Some school leavers who want to work in the local community are interested in real estate as investors, homeowners or as agents, helping others to buy and sell houses.

Being a realtor is challenging but satisfying career, because they help people to achieve their dreams.

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

- rent a premise to undertake their business
- purchase equipment for their premises at the best price
- 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
- employ staff and pay them appropriately
- 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, realtors will need more than great selling skills; they will also need good money management skills. **T**

**Key message: Everyone needs financial life skills!**

## ENTREPRENEURIAL TEENS



Ben Pasternak

### 16-Year-Old Aussie Dropout Is CEO of Company Potentially Worth Millions

Sources: ABC News America and Peopill

Ben Pasternak, a high school dropout from Sydney, Australia, could be the next great titan of technology. Pasternak, 16, is the creator and CEO of Flogg, an app that allows users to buy and sell within their social network with just a swipe.

Benjamin Pasternak (born September 6, 1999) is an Australian entrepreneur. He is the co-founder and CEO of the American technology and social media company Monkey Inc., which he created with Isaiah Turner. He began his career while still in high school in Sydney, Australia creating two viral iOS games, Impossible Rush and Impossible Dial. Ben is recognized as the youngest person to receive a round of venture capital in technology, at just 15 years of age.

Fortune Magazine described Pasternak as a young innovator who is changing the world. Pasternak was included in Crain's New York Business Magazine '20 Under 20' list as a teen who cares about the world and wants to make his mark on it. He was also named one of TIME Magazine's Most Influential Teens of 2016. **T**

Read more:

- **Peopill** <https://peoplepill.com/people/ben-pasternak/>
- **ABC News USA** <https://www.youtube.com/watch?v=jAMZXv7TpUc>



### 13-Year-Old Clothing Designer For NBA Players & Rapper

Sources: Whistle and Aol

13-Year-Old Trey Brown created his OWN fashion line, 'Spergo', that's so successful, he was able to retire his mom!

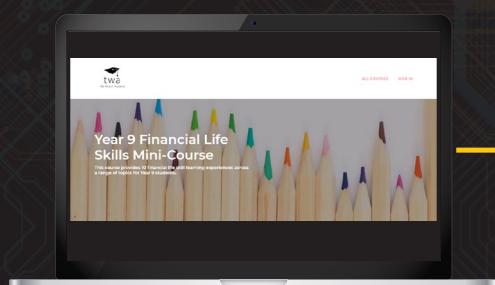
He is the CEO of his own clothing brand SPERGO, inspires his almost-30,000 Instagram followers daily with videos and quotes, has had his face on a billboard in Times Square, has chatted on the phone with celebrities and made enough money within the first year of launching his company that he helped his mom retire. Brown didn't anticipate any of these when he started SPERGO in Jan. 2018. He told In The Know that he turned to fashion designing after witnessing the violence going on around Philadelphia.

"There was kids killing kids. I just wanted to show the youth, look, you could do this. You could get on a jet without being violent, without touching any drugs," Brown said. "A lot of times in Philadelphia, where I come from, there's not a lot of possibility, and I want to show them that it's possible, you know, to do great things." **T**

Read more:

- **Whistle** <https://www.youtube.com/watch?v=Tl7GugzfEYO>
- **Aol** <https://www.aol.com/article/news/2019/11/21/13-year-old-trey-brown-is-on-a-mission-to-make-his-fashion-line-a-household-name/23865765/>

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1. Your habits make a difference
2. How do I prepare a budget?
3. You will be a 'business', like it or not!
4. Young entrepreneurs
5. Decisions have consequences
6. Self-directed learning matters
7. Teenagers, saving and spending
8. Money can cause problems
9. A gambling problem – Gaming machines
10. Gaining and keeping work



# ENTREPRENEURIAL TEENS

## Meet the teen tycoons making big money

### Teenage Entrepreneurs Making Millions

Sources: Pressreader and BBC News

WHEN SISTERS KATE and Annie Madden were 14 and 13, they entered BT'S Young Scientist competition. They thought it would be fun, and knew exactly what they wanted to focus on: horses. 'We pretty much grew up with horses,' says Kate.

The girls decided to develop a supplement to help horses who have gone off their feed. That meant testing over 100 flavours on 100 horses. After weeks of intense study, they worked out that horses really liked fenugreek. Their resulting product, Fenuhealth, won second place at the competition. But the real prize was a call from an Irish investor who flew them out days later to Germany to meet distributors. They went ('obviously our dad came with us') and sold their first 1,000 units to a racehorse breeder in Qatar.

'That was where it all started,' says Annie. 'We came back home with huge amounts of contacts for distributors.' They borrowed some money from their parents, and three years later, they have nine employees and clients in 15 countries, including five royal families (which they are not allowed to name). **T**

Read more:

- **Pressreader** <https://www.pressreader.com/uk/the-daily-telegraph-telegraph-magazine/20181013/282278141293726>
- **BBC News** <https://www.youtube.com/watch?v=AOGDNYWfjrE>



### Sisterpreneurs: Teen Sisters Sold \$20 MILLION OF Bath Bombs!

Sources: My Hustle and Money

You never know when the perfect business idea is going to hit you.

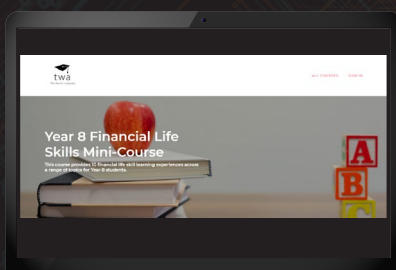
For Caroline and Isabel Bercaw, it was when they were 10 and 11 years old. During the summer of 2011, their parents picked up \$25 worth of ingredients to make homemade bath bombs as a science experiment. Little did their parents know that they were making a business investment that would turn into a multi-million dollar business.

Obsessed with the relaxing smells and vibrant colours of the bath bombs which bubble and fizz when dropped in hot water, Caroline and Isabel decided to make enough to sell at a local art fair near their home in Minneapolis. They borrowed around \$350 from their mom, Kimberly, making sure to keep all receipts to pay her back. After three months of trial and error, they made about 150 bath bombs. When the art fair arrived, they sold their entire stock the first day. **T**

Read more:

- **Money** <https://money.com/teenage-sisters-turned-a-25-science-experiment-into-a-successful-company-all-before-they-graduated-high-school/>
- **My hustle** <https://www.youtube.com/watch?v=xJA1epFgMV8>

Year 8 online courses: FREE for subscribed schools available at [www.the-wealth-academy.thinkific.com](http://www.the-wealth-academy.thinkific.com)



1. Attitudes make a difference
2. Future financial capability
3. In tune with money
4. Jobs: do's and don'ts
5. My financial learning
6. On the street, off the street
7. Self-made millionaire
8. Using a budget
9. What is wealth?
10. Yes, no, maybe



## 10 TIPS FOR IMPROVING YOUR EMPLOYABILITY



*Do everything in your power to make yourself the most impressive candidate you can be.*

You can't necessarily control whether or not a recruiter chooses you from a pile of job applications, but you can do everything in your power to make yourself the most impressive candidate you can be.

A report commissioned by the International Labour Organisation, *Global Employment Trends for Youth 2020: Technology and the future of jobs*, states "equipping young people with technical skills that are in high demand, together with life skills (e.g. communication, teamwork) that enhance their general employability, is crucial"<sup>1</sup>.

With this in mind, take a moment to reflect on where you are right now. Do you feel prepared to enter the workforce with confidence? Do you have the skills, knowledge and experience you need to land the job you want? Are there gaps in your skill set that you could fill to make you a more ideal candidate?

Here are ten simple ways you can improve your general employability, with resources and useful links to help you along the way.

### 1. Sharpen up your soft skills

With the constantly changing nature of work, soft skills - commonly referred to as the C-skills - are a must-have for today's students and graduates.

Developing those soft skills is just as critical to your personal and professional success as the technical knowledge and hard skills that you develop throughout your education.

Employers are looking for evidence of communication, creativity, curiosity, collaboration, cooperation and caring in the work that you have been involved in during your studies, as well as your extracurricular activities (i.e. community groups, hobbies, sport, etc).

### 2. Shine up your CV

Keeping your CV up to date is essential, as you never know when you may need it!<sup>1</sup>

<sup>1</sup> [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_737648.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_737648.pdf)



It is easy to forget what you have accomplished over a long period of time, so whenever you complete a training course, or take on more responsibilities in a current role, remember to add each accomplishment to your CV to showcase your skills and experience.

Employers will be looking for candidates who tick all the right boxes, so be sure to read the job description carefully and refer to the skills you have in your job application that fit the criteria. It is important to remember that transferable skills acquired during any activity - casual jobs, university projects or volunteer work - can be applicable to your next job application.

### 3. Seek trusted advice

While seeking career advice from friends or family might be a more comfortable and less confronting choice, it is important to recognise that career advisers are professionals who are trained to help you discover where your passions lie.

Seeking the advice of a career adviser over the course of your degree, or even as early during your high school years, can not only help you identify your strengths, interests and values and how they align with your job options, but establish a clear career path.

In addition to providing career advice and information, career advisers can also help in improving your employability, with services like helping you write your resume, updating your LinkedIn profile, or even teaching you how to prepare for an interview.

### 4. Direct your own learning

According to a study conducted by global staffing firm Robert Half, 84% of HR managers reported that their organisations are "open to hiring an employee whose skills can be developed through training".<sup>2</sup>

The ability to pick up new skills - and fast - is an essential one, with the willingness to learn new things being an important quality employers look for when hiring new employees.

As learning is a lifelong journey, taking a self-directed approach to learning highlights your dedication to growth providing you with an opportunity to stay on top of industry trends, and develop your skill set and knowledge base.

### 5. Spotlight your experiences

The Australian Jobs 2019 report revealed that 75% of employers require applicants to have workplace experience.<sup>3</sup>

Experience can be gained through part-time jobs, work experience placements, internships, volunteering and more.

Work experience is a great way to stand out to prospective employers, gain valuable insights about the organisation you work for, and get a feel for the industry you want to work in. No matter what kind of position you hold, you will learn skills that are vital to increasing your overall employability.

Work experience can also present some interesting and challenging opportunities that you wouldn't otherwise be exposed to and which you can then use to enhance future job applications or job interviews.

### 6. Build your (professional) social media profile

If a potential employer searched your name to find out more about you, what would they find?

LinkedIn operates as your online resume in a format that lets you showcase your education and work achievements to both your personal network and the public.

Having an up-to-date profile and active presence on LinkedIn is a way in which you can attract potential employers, network with industry professionals and discover work opportunities to help you get ahead in your career.

### 7. Become a better storyteller

Never underestimate the impact of a good story that is presented with confidence.

Whether you are looking for a new job or a promotion from your current role, learning how to become a storyteller - creating a narrative that will help sell your skills accurately and effectively - is a great way to get ahead.

Being able to discuss your career experiences, highlight your skills and articulate your plans for the future in a concise and emotionally engaging way could help you land your next job, as when their emotions are engaged your listeners are more likely to recall and retain what you've said.

### 8. Be prepared for any type of interview

If you get through to the later stages of interviews and assessment centres in the job application process, it is important to remember that you are there because the employer has seen potential in you and wants to find out more.

Whether it's your first interview, or you're a seasoned interviewee, it is important to learn how to highlight your strengths in-person, in a phone or video interview - and updating that approach over time as you gain new skills.

As every ideal recruitment candidate knows, it is important to be prepared for an interview by doing your due diligence - researching the organisation and familiarising yourself with their

<sup>2</sup> <http://rh-us.mediaroom.com/2019-03-19-Survey-42-Percent-Of-Job-Applicants-Dont-Meet-Skills-Requirements-But-Companies-Are-Willing-To-Train-Up>

<sup>3</sup> <https://docs.employment.gov.au/system/files/doc/other/australianjobs2019.pdf>

company culture. Effective preparation will make you feel more in control, so that you can make a first good impression.

## 9. Grow your professional network

According to Jobvite's 2019 Job Seeker Survey, even though most applicants apply for jobs through a job board or employer career site, 35% find job postings via social media, nearly 50% hear about jobs from friends, and 37% say they've also learnt about jobs from professional networks.<sup>4</sup>

Finding a job isn't just about what you know, it's also about 'who' you know.

If there's a particular industry or role you are interested in, begin to broaden your network by building connections both professionally and personally along those lines.

For example, if you're curious about finance roles in the sport industry, search for and follow finance professionals in the sport industry so you can observe what they do, gain their insights and even reach out to them with questions you might have.

You can also join online groups dedicated to certain industries, participate in networking events or attend the presentations held by companies you might be interested in working for.

## 10. Develop a growth mindset

If you're looking to be challenged in your career, a growth mindset is a tool that you can use to develop positive habits and behaviours that can lead to success and career advancement.

Developing a growth mindset allows you to become more curious and open to learning from your experiences and mistakes, which is essential in coping with change and thriving in today's ever-changing business environment.

**T**

Article by Vinay Iswar CA, Managing Director of BetterCo

<sup>4</sup> [https://www.jobvite.com/wp-content/uploads/2019/04/2019\\_Job\\_Seeker\\_Nation.pdf](https://www.jobvite.com/wp-content/uploads/2019/04/2019_Job_Seeker_Nation.pdf)

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CHARTERED ACCOUNTANTS™  
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## 'Funny' money jokes

**Q. How can you be sure you have counterfeit money?**

**A. If it's a three-dollar bill, you can be sure.**

**Dad, would you like to save some money?  
I certainly would, son. Any suggestions?**

**Sure. Why not buy me a bike, then I won't wear my shoes out so fast.**

**The best way of saving money is to forget who you borrowed it from.**

**An English teacher asked her class to write an essay on what they'd do if they had a million dollars.**

**Alec handed in a blank sheet of paper.**

**"Alec! yelled the teacher, you've done nothing. Why?"**

**"Because if I had a million dollars, that's exactly what I would do!"**

**Little Johnny was crying one day, and his dad asked him why.**

**"I've lost five cents," sobbed Johnny.**

**"Don't worry," said his dad kindly. "Here's five more for you."**

**At this Johnny howled louder than ever.**

**"Now what is it?" asked his dad.**

**"I wish I'd said I'd lost ten cents!"**

**Why did Robin Hood steal money from the rich?**

**Because the poor didn't have any money!**



## TEEN ANXIETY AND THE PANDEMIC

### Teens out of work and out of money during COVID-19

A new survey has revealed teenagers have lost their jobs, pocket money and even their phones as a result of COVID-19.

The survey of 1,000 parents of teens, conducted by Financial Basics Foundation, found 13% of teenagers had lost their jobs during the pandemic and 15% had their hours cut.

Foundation chair Brigid Leishman said the economic shock from the pandemic varied between households.

"While 13% of parents admitted struggling to make ends meet since the crisis began, another 17% said they were able to spend less and save more during lockdown," Ms Leishman said.

"A quarter of respondents had completely overhauled their budget during COVID-19 and, for some, their teenagers have to miss out on pocket money or their mobile phone."

**Read more:** [Savings.com.au](https://www.savings.com.au/savings-accounts/teens-out-of-work-and-out-of-money-during-covid-19) [www.savings.com.au/savings-accounts/teens-out-of-work-and-out-of-money-during-covid-19](https://www.savings.com.au/savings-accounts/teens-out-of-work-and-out-of-money-during-covid-19)



### COVID-19: My parents lost their jobs

Financial stress is one of the main causes of distress and conflict in families.

Many families live pay cheque to pay cheque and might struggle to make ends meet.

If you find yourself on struggle street, especially due to job losses in your family, it's normal to feel a range of emotions, including fear/worry, anger, grief, shame/embarrassment.

"People who are struggling financially can feel ashamed, like they aren't good enough or even blame themselves for their situation. This might prevent them from asking for help.

Change is really hard without help, especially when you are already doing your best.

Every family deserves to be financially healthy. Getting help isn't about blame or judgement, it's about empowerment."

**Amanda, Kids Helpline Counsellor**

**Source: Kids Helpline** <https://kidshelpline.com.au/teens/issues/covid-19-my-parents-lost-their-jobs>

### More 18- 24-year-olds are anxious ... as coronavirus hits jobs and mental health

Raymond Christie is having sleepless nights. The 18-year-old is worrying about how difficult it will be to find work opportunities as he anticipates an upcoming recession. Christie left school at 16 with no qualifications and went into training on a construction scheme that went into administration during the pandemic. Since then, he has had to rely on his family for financial support. ...

**Read more: The Guardian** [www.theguardian.com/money/2020/aug/08/covid-financial-stress-young-people-coronavirus-jobs](https://www.theguardian.com/money/2020/aug/08/covid-financial-stress-young-people-coronavirus-jobs)

### This is the biggest money lesson kids will learn during the coronavirus pandemic

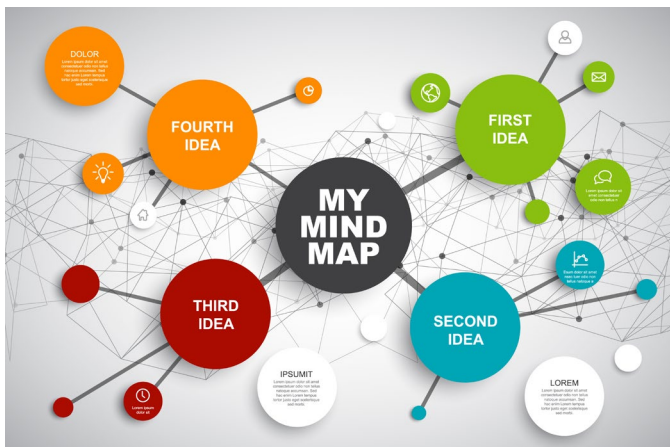
The financial hardships many Americans are now facing may have an unintended effect on their children — it may actually help their kids develop a money mindset very early.

Just like children of the Depression emerged as frugal spenders, those experiencing the coronavirus pandemic may also learn important financial lessons.

"Depending on their comprehension and age level, kids are going to come away with knowing the importance of planning and saving," said Deborah Goldberg, president of the National Association of State Treasurers and state treasurer of Massachusetts. Children are witnessing a pivotal moment in history.

**Source:** [www.cnn.com/2020/04/24/the-big-money-lesson-kids-will-learn-during-the-coronavirus-pandemic.html](https://www.cnn.com/2020/04/24/the-big-money-lesson-kids-will-learn-during-the-coronavirus-pandemic.html)

## BRAIN POWER: FINANCIAL LEARNING



### Mind maps

One of the best ways to organise your brain for learning is to use mind maps. A mind map is an easy way to visually structure your ideas to help with analysis and recall. A mind map can turn possibly boring information into a colourful, memorable and organised diagram that works in line with your brain's natural way of doing things.

You can do a mind map for moving out of home, budgeting your money, your financial learning priorities, travel budgeting and lots more. Try it! **T**

### Incremental training/learning

Incremental training is a process where you learn things bit by bit, adding more to your learning each time. Imagine learning the piano or a sport or how to solve a complex problem. A step by step approach is a good way for your brain to take on board each of these steps.

**An incremental approach is a good way to learn financial life skills. Take small steps and build your financial capability slowly but surely. **T****

### Massed practice

Massed practice is, as the name suggests, a lot of practice usually in a short time frame. Sometimes before students have to sit for an exam, they undertake massed practice which is a form of repetition. The more you repeat or practice, the more knowledge and skill will be retained in your brain.

**If you want to focus deeply on an aspect of your financial learning e.g. the share market, finding the best price, understanding loans, then massed practice can be an effective way to build memory (knowledge and skills) related to that topic. **T****

### Memory hooks

Imagine receiving a birthday gift from a grandparent wrapped in paper. If you opened that gift alone, in silence there is a chance you would remember that gift in 10 years in time.

But if the following things happened you would have a greater chance of remembering.

Each of these things is a memory 'hook' or a memory 'handle'.

- Smell - Was there a smell associated with the gift?
- Conversation - Was their chatter with other family members about the gift?
- Movement - Did you place the gift somewhere special, once you opened it?
- Emotion - Was there a story about the gift that created a strong emotion in you?

The more hooks, the greater the chance a person will remember.

**To learn financial concepts you want to remember, create memory hooks. Talk about what you are learning. Look at different types of media related to the topic. Listen to different perspectives. **T****

**To learn financial concepts, create memory hooks which will help with remembering.**



# WANTS HAVE CONSEQUENCES!

You have heard this before: *You can't always have what you want when 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 new clothes for summer

### CHOICES

- Spend some or all of your discretionary money on new clothes.
- Spend some or all of your discretionary money on new-used clothes.
- Make do with existing clothes.

### EXPECTED CONSEQUENCES

- Bank account takes a hit!
- Had some fun shopping!

### POSSIBLE UNEXPECTED CONSEQUENCES

- The emotional high of buying the new clothes wears off very quickly.
- If you bought online, some clothes may not fit and may be less than impressive. Returning them costs postage.
- Potential credit card debt if not paid off on time.
- Impact on credit history if continued late payments.



## I want to update my bicycle

### CHOICES

- A new bicycle.
- A new-used bicycle.
- The features of the bicycle have different costs
- The amount of money to be spent.

### EXPECTED CONSEQUENCES

- Money will be spent. How much will depend on my choice above.
- Recurring costs regarding maintenance.
- Less fuel costs if a car is also owned.

### POSSIBLE UNEXPECTED CONSEQUENCES

- Do you need insurance cover? Depending on the cost of the bike you may need insurance.
- Associated costs e.g. helmet, clothing, safety, storage.
- Improved health benefits and less doctor visits, assuming no accidents or injuries.
- New friendships if you join a riding group, which may lead to new financial consequences!



## DON'T CALL IT A CLUB!



*The Southport School (TSS) is an Anglican day and boarding school on the Gold Coast for boys from Preschool (Kindergarten) to Year 12 with boarding available from Year 7.*

*TSS provides a balanced and holistic approach to boys' education, with integrated programs of academic and co-curricular with a low student-to-staff ratio.*

Boarders from The Southport School recently met to discuss the idea of starting a 'club' to talk about financial concepts that will impact on their future.

Here are some of their comments about what the club should look like, talk about and how it could be run.

At your school, would your students have similar perspectives?

### What should the club focus on?

The club should focus on those financial considerations we will have to face in the four years after we leave school, from age 18 to 22.

### What topics could this include?

Topics should include:

- How to open your own bank account
- Types of banks
- How to make a good financial decision
- Purchasing assets
- Basic investment ideas
- Saving money and budgeting
- Buying and looking after cars
- The do's and don'ts of loans
- Rent and bonds
- First job
- Insurance.



## How long should the 'club' session run for and how many times per term?

Each session should be no longer than one hour and there should only be two sessions per term? (We are busy!)

## How should each session be organized?

Each session should have:

- a topic that the boarders choose
- a topic that the teacher or our parents would think is important
- 5 minutes at the end to discuss and vote on a preferred student topic for the next session.

## Who should come to the club?

The boarders had mixed views on whether both year 11 and 12 students should attend or just year 12. They thought year 10 boarders may be too young for the topics they wanted to discuss!

They believe all boarders in the appropriate year level should be invited but that it must be optional.

## Other ideas

The boarders would like the sessions to be:

- interactive, involving multimedia
- not a lecture
- a bit of fun
- at the beginning of each term, away from exam periods.

## Do you think having these sessions is important?

We don't really know.

We do know that our parents would think this is very important. We know that our teachers would say it is important.

Because we haven't had to make many financial decisions before we just trust that our parents and teachers know what is best.

## What other comments can you make about these sessions?

Don't call it a club! Boarders won't come if it is called a club!

Until we can find a good name for it, we will call it 'After-School Finance'.

Don't give homework.

Make sure it relates to our lives in the near future. **T**

## TSS Snapshot

### What excites you about your financial future?

- Being successful in my job
- Being independent, being in control
- Having money

### What worries you about your financial future?

- Knowing what to do
- Not being able to find work.
- Relying on other people
- Going into debt, not having enough money

### What confuses you about the financial world?

- Share market, investing
- Taxation
- The impact of every day expenses

### What will stop you from reaching your financial goals?

- No financial education
- Distractions
- Making lots of mistakes
- Too many expenses and liabilities

### What support do you need to reach your financial goals?

- Family support
- Accountant, trusted advisers
- Someone teaching me along the way

### What is wealth?

- Number of assets
- Achieving your financial goal

*Thank you to the Year 11 boarders from The Southport School for sharing their views.*

## ACTIVE MINDS, THINKING FINANCIALLY



*Students from Craigslea State High School*

*Craigslea State High School provides a caring, safe and disciplined learning environment for Years 7 to 12. Founded in 1975, Craigslea State High School is an independent public school located on approximately 10 hectares.*

*Currently 1150 students enjoy extensive, well maintained facilities as well as the benefits of outdoor sport and recreation in native bushland. Students represent a wide diversity of cultures, characteristic of this global society.*

**Year 11 students from Craigslea SHS are tuned in to the financial world around them. They are excited about the potential of their financial future but also share many concerns about that future.**

**Here are some of their responses to questions asked of them recently.**

### **What excites you about your financial future?**

- I am excited by the challenge of learning new things about money and how to manage it.

- Freedom. I am looking forward to making my own decisions and being able to buy what I want.
- I want to own my own property.
- Being independent will be the best thing about my future.
- I want to travel in the future but know I will have to make a
- Saving for a house/car

### **What worries you about the financial world in which you will live?**

- These students are worried about:
- The instability of the business world where almost no job is 100% safe.
- How to go about getting their first job
- Overspending and saving money
- Being able to pay bills consistently
- Not being financially stable, and
- Not having enough income.

### **What confuses you about the financial world?**

These students are confused by:

- How to pay bills/taxes and how stocks work



- How to cope if your expenses are greater than your income
- How to balance saving and spending, getting the mix right
- Investment
- There are so many options with how to use money, which is best?
- The stock market
- Taxation
- Mortgages
- Having to pay for basic human rights!

### Are financial goals important?

Students made the following comments.

- All goals need to be SMART - are specific, measurable, attainable, relevant, time-based.
- People need to be determined and disciplined to achieve goals.
- If you aim low you will never be disappointed!

### What barriers are there for stopping you to achieve goals?

- If you have a lack of financial education it will limit your potential to achieve your goals.
- Some people have a lack of motivation as a personal barrier.
- Maintaining employment
- Overspending
- Too many bills to pay!
- Anxiety, worry, stress
- Difficult to save while going to university
- University debt.

### What support do you need to reach your goals?

- Learning how to manage money, including saving
- I need more knowledge about the financial world
- Family support
- Learning opportunities
- Losing a source of income

**If you have a lack of financial education it will limit your potential to achieve your goals.**

### What is wealth?

Different families and cultures have different views about the concept of wealth. Here are some ideas suggested by these students.

- Happiness, achievement, attitude
- The ability to look at what you have and be okay with it
- Being able to live comfortably, managing the mix of saving and spending
- Wealth is not money, but knowledge
- Having enough money to afford necessities but also afford personal wants
- Lifestyle, being able to afford the things you need

### Different students, different paths

If two teenagers with 'almost the same background' at age 17, have two different wealth futures, what could be the cause of that difference?

- Internal motivation: Different people can have different motivations
- Job loss: Sometimes external situations can impact on your life at critical times.
- Knowledge: One of the teens could have improved his/her knowledge of financial concepts and made less mistakes
- Confusion: Sometimes young people are confused by which path to take. The world is very complex.
- Proactivity: One teen may have been very proactive in seeking new opportunities, perhaps supported by his/her family.
- Personal satisfaction: One teenager may have been very comfortable living a humble life and was satisfied with his/her basic needs.

### How could your mindset influence your financial future?

If you have a growth mindset, you always want to better yourself and look for new opportunities. But sometimes a fixed view may also be wise if you are unsure of what could happen in the near future. **T**

**You can't afford it,  
if you can't afford it twice!**

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

## PRACTISING BAD PLASTIC HABITS: 45% OF AUSSIES HAVE UNSAFELY SHARED THEIR CREDIT CARD DETAILS



- *17% of Aussies have emailed, texted or messaged someone their credit card details*
- *44% have had their card details stolen or know someone who has*
- *81% haven't compared their credit card options or switched providers in the last year*

With owning a credit card comes great responsibility – from saving effectively, to paying off debt month-to-month, managing a card is a full time duty for many consumers. However, are we paying enough attention to the security aspects of our credit card and keeping our details safe both online and offline?

A survey of an independent, nationally representative panel of 1,200 Australian credit card holders we commissioned<sup>1</sup>, asked respondents how they had shared

their credit card details in the past and the reasons behind their risky plastic habits.

Almost a fifth of respondents (17%) admitted to emailing, texting or messaging someone their credit card details, including their credit card number, name, expiry date and security code. A further 15% have taken a photo, scanned or photocopied their card information to share with someone else, and 13% have relayed their credit card details over the phone in a public place.

Of those that shared their sensitive banking information, over half (56%) said it was to purchase a product or service where an online store, PayPal or secure payment portal wasn't available. Another 48% said they shared their details for a friend or family member to purchase something on their behalf.

Worryingly, a whopping 44% of Aussies have had their credit card details stolen or know someone who has – this is up 2%<sup>2</sup> since 2017. With more technological advances across the banking space coming into effect, resulting in easier ways to transfer money and make payments, consumers may be overlooking the security risks that come with sharing details online. Aussies need to realise that ease doesn't necessarily mean safe.

<sup>1</sup> Conducted by Pure Profile – Jan 2020

<sup>2</sup> Conducted by Pure Profile in December 2017



In 2018, the total value of card transactions came in at a staggering \$789<sup>3</sup> million[3], which could mean a growing number of people aren't noticing any fraudulent activity taking place within their account. It's crucial for Aussies to become savvier and more aware of how to safely use their card. It can take weeks for stolen money to be refunded, so keeping vigilant from the get-go with sharing personal information is key.

It wasn't all bad news though as many Aussies were trying to break their unsafe plastic behaviours by applying various security measures to protect their banking information. Incredibly, 80% of people have cut up and discarded their expired credit card as soon as they received a new one.

On top of this, two thirds (67%) only purchased products and services online from secure websites, with the same proportion of respondents covering details with their hand when they entered their pin into an ATM or Eftpos machine. A further 49% of consumers have security features included within their credit card such as fraud detection, Verified by Visa and so on.

Interestingly though, a huge 81% hadn't compared their credit card options or switched providers in the last year.

- Just as credit cards offer different interest rates, fees and rewards, there is also a range of protection software in place to protect your bank details such as 24/7 account monitoring<sup>4</sup> or Fraudshield<sup>5</sup> (detection software of irregular transactions). It pays to compare, review other credit cards as you may find an option that could better suit your spending habits and back-pocket, with lower rates and interest-free periods too. Consider changing the way you use your credit card and find out if there's more on offer security-wise for your peace of mind.

## Our five ways consumers can safely use their credit card details and avoid common traps

**1. Only use secure websites:** Most information that you send or input, such as your credit card details, through a secured website, is encrypted and protected. However, this doesn't mean you're completely safe from any hackers. To mitigate the risk, make sure your malware protection on your computer is up-to-date and that you have anti-spyware software installed. Try to avoid clicking on any pop-up ads or suspicious links too.

**2. Understand who you're purchasing from:** If you decide to shop online or make a purchase over the phone, make sure you can trust the person you're speaking to. You never know how your credit card details could be used, so consider calling the seller back on a number you can find on their website and not just the number they called you on. Consider checking out the customer reviews on the online store you're buying from to make sure it's a genuine website too.

**3. Avoid the 'remember my details/password' option:** It may be tempting to save your information online without having to remember your credit card details each time however, this can be an especially dangerous practice. Your bank details and even username/password can still be hacked into, so avoid the easy option and keep your personal data safe.

**4. Watch out when using public Wi-Fi:** While using public Wi-Fi can be a free and convenient option, it's crucial to wise up on how you safely use it, especially when it comes to bank details. Connecting to the internet in a public place without a VPN (Virtual Private Network) opens yourself up to cyber criminals, who can create fake networks and steal your credit card details, passwords and any other personal information. Tread very carefully when using public Wi-Fi and try to avoid using your bank details if possible.

**5. Don't forget to logout when you're finished:** It's very important to sign out of your online banking account after you've finished your transaction, transfer or even after just checking your balance. Closing the browser doesn't mean you have automatically signed out – make sure you properly logout to avoid any issues or errors when you next hop online. This also lowers the risk of any outside parties getting access to your account and using your details while still logged in as you. **T**

By Hannah Twiggs



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<https://www.comparethemarket.com.au/news/45-percent-of-aussies-unsafely-shared-credit-card-details/>

<sup>3</sup> Australian Payment Card Fraud report 2019 – Australian Payments Network (figure rounded to the nearest million): [https://www.auspaynet.com.au/sites/default/files/2019-08/AustralianPaymentCardFraud2019\\_o.pdf](https://www.auspaynet.com.au/sites/default/files/2019-08/AustralianPaymentCardFraud2019_o.pdf)

<sup>4</sup> Bankwest – Account and card security, how we protect you: <https://www.bankwest.com.au/security-centre/account-card-security>

<sup>5</sup> Virgin Money – Credit card insurance and protection, Fraudshield: <https://virgin-money.com.au/credit-card/rewards-and-benefits/insurance-and-protection>

# ETFs— INTRODUCTION TO INTERNATIONAL INVESTING



If you are reading this article, it means you are thinking about investing but are unsure where to start.

You are already moving in the right direction: investing is one of the best ways to assure your financial security. Companies are growing fast; therefore, investing in the right company is likely to bring you high profits. But you must choose the sector carefully, and the company you are investing in; sometimes, this might be a problem.

However, there is good news for you: you do not have to be a business person to be able to invest successfully. Investing is made for everybody. It is just a matter of getting to know how the system works and letting it work for you.

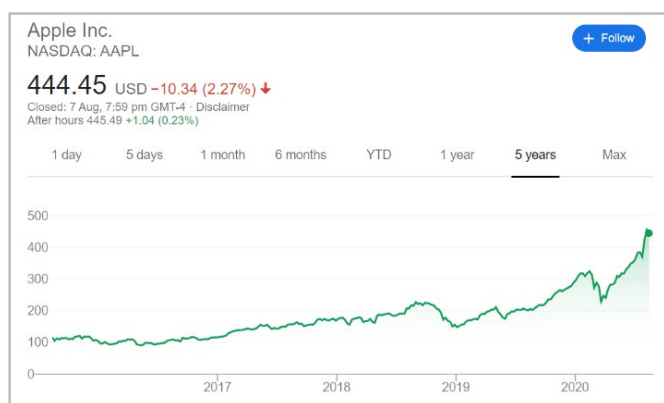
Having shares in Apple, Google, Facebook, L'Oréal, or Nike seems a dream for many of us —when looking at their share prices we suddenly get discouraged about investing in these companies. And this makes perfect sense: the price of each of these shares is extremely high.

You will have to pay \$1500 to own just one share in Google, or \$450 for an Apple share. This is way too much for a young person at the beginning of their investment journey.

But what if I tell you that it is possible to buy shares in these companies with only \$20?



Share price Google (Alphabet)



Share price Apple



## Have you ever heard about ETFs?

An Exchange Traded Fund is an investment vehicle traded on a stock exchange, much like listed shares. ETFs offer the possibility of buying a basket of shares in worldwide companies at a reasonable price.

One such ETF is **QLTY**: it is called 'Quality' because it comprises global brands that demonstrate quality characteristics. From a universe of 1800



stocks across the globe, the QLTY index identifies the top 150 each year that pass a series of quantitative tests and analyses. The key characteristics of QLTY investments are:

1. high return on equity
2. low debt-to-capital ratio
3. strong cash-flow generating ability
4. earnings stability.

Here are some of the top companies included in this ETF. They are global brands, known worldwide, with share prices which are typically very expensive. But with QLTY you can get them for just \$20!

65% of the companies included in QLTY are headquartered in the US.



If speaking about 'sector allocation', Information Technology (33%) and Healthcare (27%) are at the top.

QLTY is always updating its investment portfolio; the set of 150 companies is chosen to bring maximum benefit.

## So why would you consider QLTY?

- To access the world's leading companies in one trade
- To own shares in companies that prove out-performance potential
- To have access to a wide range of sectors and regions
- To have a liquid, transparent and cost-effective investment.

If you think that it might be difficult for you to buy or sell your investment in QLTY, it is nothing like that. You can buy and sell units throughout the day like you would buy any share on the Australian Stock Exchange market, so it is very straightforward.

- No need to operate a separate trading account
- No minimum investment
- No additional paperwork
- No active management fees

But, of course, you should never trivialise risks. Any investment, whether big or small, always comprises some risk. Like everything in finance, everyone's idea about risk is different. Therefore, you should first think what your risks are, and then make a Plan B in case something unexpected happens. Because it is an ETF with global companies in various markets, sectors, and countries, it comes with less volatility than Australian shares.

All things considered, QLTY might be a good opportunity to start your investing, and learn how markets work. Make sure you do your own research first, including the size and period of your investment, and decide your 'risk appetite'. Understand what you are buying and what you expect to earn. Remember it is your responsibility to invest your money carefully.

By Camelia Saranciuc, former ASA Finance intern

For more information about ETFs: <https://moneysmart.gov.au/managed-funds-and-etfs/exchange-traded-funds-etfs>

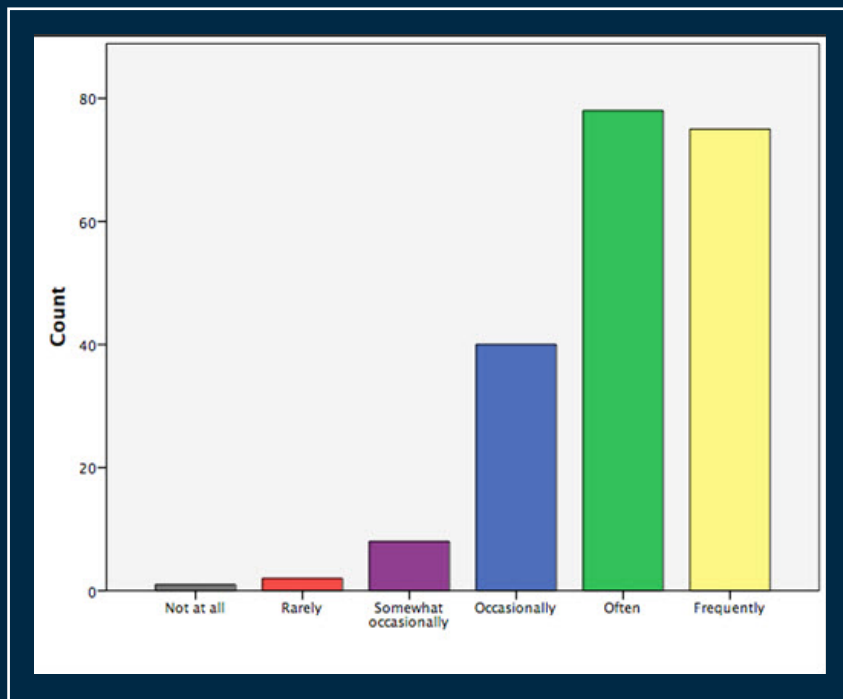
## About the author

Camelia Saranciuc is studying Economics at UTS in Sydney and was, until very recently, a finance intern at the Australian Shareholders' Association. Before her internship, Camelia had no knowledge of ETFs. She encourages all students to learn about ETFs and the various sectors and companies in which they invest.



# RESEARCH

In 2015, The Wealth Academy along with the Queensland University of Technology and University of Southern Queensland asked first year tertiary students about their financial future. .



## How often do you think about your financial future?

We asked this question because most schools and financial services do NOT ask this question.

We thought that first year tertiary students between the age of 17 and 20 would be thinking about their financial future.

The response, as shown in the graph, indicates that first-year tertiary students do regularly think about their financial future.

**If this question was asked of you, what would be your response?**

## Here are some comments offered by students when they responded to this question.

- I am worried about my financial future and it stresses me to think about moving out of home.
- Growing up in a poverty line family, survival was the main focus, looking past the next weeks food was not an option. .... there was no option for financial skills education in high school at the time. Consequently, once I got money, I had no idea what to do with it for many years.
- Efficient financial skills education is crucial to help us make responsible and appropriate decisions
- I would feel more comfortable and wouldn't be struggling as much as I currently am if I was taught more extensively about financial skills, especially now that I have moved to university and struggling to live each week. To have been taught much earlier how important saving can be etc etc or at least told how hard it is to live in current society, just coming out of school did not prepare me one bit.

**In the same survey, 83% of first year students said financial education is very important and quite important!**

**This is why The Wealth Academy has a commitment to supporting your financial education.**



# ONLINE COURSES

The Wealth Academy will soon make available to subscribed schools and the general community a series of online courses. While many courses will be available to access through the course website for the full year, most courses will only be made available for short durations of 1-2 months at a time.

## Subscribed schools

A selection of courses will be made available free to subscribed schools. This will include:

- teacher or facilitator led mini-courses for each year level from Year 6 to Year 12. Each of these courses will have 10 topics.
- student self-education courses from Year 6 to Year 12. (Students do the course at their own pace and perhaps in their own time.)

These courses will have alignment to Australia's curriculum.



## Career courses

The financial services industry is the largest employer in Australia, yet there are few resources for teachers to use to introduce students to the industry.

The Wealth Academy's industry partners have encouraged members to share their career steps and interests in financial services.

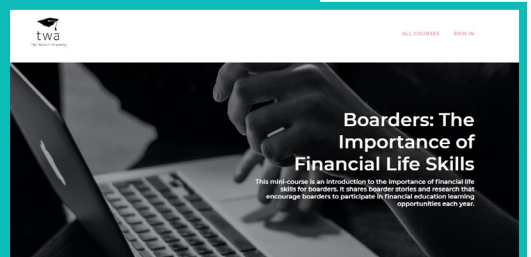
We will be including online course materials related to some of these industries -



## Boarding houses

Boarding houses subscribed to our resource library will have free access to the online resources available to subscribed schools, as well as boarding specific courses.

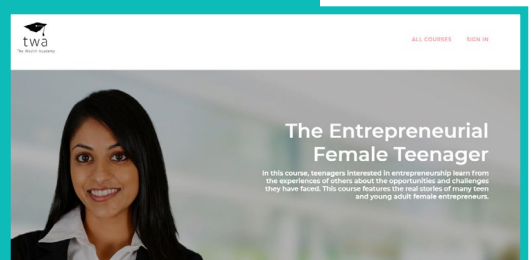
These will be made available from term 1, 2021.



## Special interest courses

We are committed to providing courses to match the needs for youth with various needs, backgrounds and interests.

Here is one course with a specific focus we are currently building.



Keep up to date on our online courses - <https://the-wealth-academy.thinkific.com/>





## LET'S COLLABORATE

SEND US YOUR IDEAS

OFFER SOME PERSONAL STORIES

WANT TO DEVELOP A FINANCIAL GROWTH  
MINDSET IN YOUR COMMUNITY?

**TALK TO US**

## ONLINE COURSES

Subscribe to our monthly newsletter on our website homepage.

This is the best way to keep up to date with our online course schedule and offering for students, parents, teachers and the financial service community.

## CONNECT WITH US



Follow Ken Swan, Director of The Wealth Academy on Twitter  
**@ The\_Wealth\_Acad**

Publishing Schedule - 2021: Teenfinca® Issue 1 - Term 1

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