

# FINANCIAL FOCUS

||| OBJECTIVE  
WEALTH

## Leaving Education

*Phoebe Foden is working with Objective Wealth over the summer having completed her A Levels and in advance of starting at Exeter University. We feel very fortunate to have a younger person's perspective on finances and I know you will find Phoebe's insight very interesting.*

Navigating finances as a young person having left education is a cumbersome task. With a flawed education system with little to no sufficient teaching of all aspects of finance including tax, loans and mortgages, how can we expect young people to have the knowledge to support their futures? It's clear we are in a world of continuous change both economically and politically. Our generation is facing both benefits and consequences of new innovation most prominently technology, yet it can easily be forgotten the significance of financial understanding; a subject which holds importance in every child's life and proficiency that arguably could never be replaced by a computer.

The final year of your school life is an assortment of new experiences which can only really be described as organised chaos. UCAS applications, exams, personal statement writing is all overwhelming yet feels at last like a checklist. Having left school last year, I naively thought I knew it all, having university sorted for the following year, I finally had time away from education to focus on other aspects of life.

### THIS MONTH'S FEATURED ARTICLES

Leaving Education  
*A younger person's  
perspective*



I received my first payslip from my part-time job, to be slightly baffled at what it all meant. Tax codes, national insurance, this was all new and something I had not seen at depth during school. This was not an uncommon experience among people my age, underscoring the need for financial education to be added to the national curriculum.

Contestably the first notable financial decision for young people revolves around university and the hefty associated costs. September 2023 saw the biggest shift in student finance for decades with the introduction of Plan 5. There have been big headlines stating the new scheme will double the cost for nearly all graduates, with price tags as high as £60,000. While this price tag is not the cost as such given loans are only repaid when your yearly income succeeds £25,000 the new plan means you may be paying back as much as £71,500. Due to high interest rates, after graduating less than a quarter of graduates will pay off their student loans in full, meaning that graduates face an extra marginal tax of 9% into their fifties. Despite such, students do not get the teaching required to understand these subtle yet paradoxically huge changes.

With '90% of young people feeling uncomfortable talking about money', according to Citizens Advice, I felt disappointed in the lead-up to the election there was no talk from any party of finance and education in their manifestos. This election was the first opportunity the majority of school leaders have had to vote, it's clear many young people are worried about money – with the media stating the implications of events such as COVID-19 on taxation and the economy for the future, it's easy to feel helpless. With the rise of social media, there is a growing interest in self-education through online resources which highlights a great advantage of this new technological world. Financial literacy is crucial yet ultimately has inadequate coverage in traditional education. The young express a desire for more practical financial education, such as how to manage student loans, credit, savings, and investments.

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*90% of young people feeling uncomfortable talking about money...*

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## What do we need?

### Early Introduction to Financial Concepts

Financial education could be an easily build-able subject, one that should start early – even into primary school. John recently gave an introduction into finance to his daughter's Year 5/6 class concluding with an overwhelming feeling of intrigue. The children wanted to know more as the session finished, with each child having their own relationship with money – just as adults do within society. I feel that building a strong foundation in financial literacy from a young age can help alleviate the stress young people experience today graduating school and promote healthier financial habits.

### Financial education

Coming into the latter school years, loans, taxes, mortgages and investments are all key aspects of leading a stable financial life which are not currently covered, leaving graduates unprepared for real living responsibilities. Having proper education on student loans would allow students to make informed and empowered decisions in their future. By the popularity of financial influencers on social media it's clear there is an interest from young people – an interest which could also be considered a desperation to understand finances due to the education system failing. Technology and social media influencers could be a fantastic tool for schools to help teach finance in an engaging way and help demystify finance and reduce the stigma around financial struggles

### Integration into Existing Curriculums

Young people often advocate for integrating financial education into existing subjects rather than treating it as a standalone course. For example, math classes could include lessons on interest rates and loans, while PSHCE could cover the impact of economic policies on personal finance. Advocating for policy changes to ensure that financial education is a mandatory part of the school curriculum would be a start to encourage our new government. Without doubt this a critical life skill which should be prioritised to benefit all.

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## Accessibility and Inclusivity

There is a call for financial education to be accessible to all students, regardless of their socioeconomic background. Everyone should have the opportunity to learn about managing money, regardless of their starting point in life. Inclusivity in financial education also means addressing diverse financial situations and challenges, such as those faced by students from low-income families or those dealing with unique financial circumstances.

Since opening that first payslip I had a goal to widen my financial knowledge to try and put myself in the best position moving forward into my adult life, before starting university this September. Working at Objective Wealth has given me confidence in my own financial choices, I have learnt about the power of the changing economy and what that means for my financial future and that of my generation. I think this only proves how important the introduction of financial education into the curriculum would be – it would give children the confidence in their own choices from a reliable source. This integration is vital now more so than ever with the new opportunities, yet challenges, technology is opening up for our future.

Phoebe Foden

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*...give children the confidence in their own choices from a reliable source*

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