

AGENDA

The getting of (financial) wisdom can start at a young age, writes **Blair Richards**

EARNING a wage packet is a milestone for most teenagers, but experts fear many young people lack the knowledge and skills to properly manage money.

Hobart financial adviser Charles Badenach, who has won national industry awards for his work, says too many teenagers are financially "illiterate".

Mr Badenach believes financial literacy should be elevated in the curriculums of the state's schools.

"It [financial literacy] should be right up there with maths and science," he told the *Sunday Tasmanian*.

"It makes sense because if you're going to prepare people for life, you need to prepare them for some of the decisions they are going to make in life.

"[Money] is only one aspect of life, but it's important."

Tasmanian Principals Association president Rob Banfield said he agreed with Mr Badenach's comments on the importance of finance issues being taught in schools.

However, he said the topic was already taught as part of maths, starting at upper primary level.

"We deal with things like interest rates, credit cards, compound interest and those types of issues," Dr Banfield said.

"It is seen as an important part of the numeracy curriculum ... especially in this modern society where we have many versions of finance."

Mr Badenach said many people learned about money from family members, who may themselves have poor financial literacy, given a general lack of financial know-how in the wider population.

"A lot of people listen to well-meaning friends, colleagues and acquaintances, but if 80 per cent of people don't understand the basic concepts, why would you listen to them?" he said.

Mr Badenach said many teenagers were burdened by significant financial commitments, such as signing up to costly mobile phone plans and entering "buy-now pay-later" arrangements for expensive items that lost value.



Invaluable life lessons

He said in many cases they were forced to pay large amounts in interest, and therefore it was imperative they learned more about money at school.

"This is where a lot of them fall down, this concept of affluenza, of

wanting tomorrow's lifestyle today," he said.

Mr Badenach runs a financial literacy course for migrants and speaks at schools to get teenagers thinking about how to manage their money.

He said most people's eyes "glazed

over" when talk turned to finances, so it was important to relate money to everyday experiences.

Mr Badenach has also published *Old Head on Young Shoulders*, a new book offering financial tips for young Tasmanians. He wants to donate a



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— CHARLES BADENACH

copy to every school library in an effort to get teenagers and teachers talking more about financial issues.

"It's something I'm passionate about because I see so many people stuff it up," Mr Badenach said.

"The younger you are, the more you get out of it. The earlier you start, the bigger difference it makes."

The federal financial regulator ASIC offers extensive advice to under-25s through its website MoneySmart.

Go to <http://www.moneysmart.gov.au/> and click on the button that says Information for Under 25s.

● **Old Head on Young Shoulders: How to Ensure Financial Security for Life**, by Charles Badenach, A&A Publishing, \$29.95. Available in hard copy and ebook from oldheadyoungshoulders.com.au