

Justin Urquhart Stewart: Let's stop pretending personal finance is hard

Whilst planning no career change of my own beyond my regular, if fleeting trips to secondary schools to talk about money, I've been enjoying reading Lucy Kellaway's FT updates on her first half term as a maths teacher. Kellaway is well known for her short shrift for maths illiteracy: "It is not cute. It is stupid, shameful and, if you have any position of responsibility at all, it is dangerous." Ouch!

Similarly, I came across a mathematics teaching [blog](#) by Tony Cotton this week. Cotton complained about the stories we tell about maths – that it's a hard subject, thereby somehow elevating those who do well to an almost unobtainable, elitist status.

I couldn't help but see parallels here with the financial services sector, whose capacity for jargon has not covered it in glory, but has certainly helped build some intimidating ivory towers – and almost cult like personalities - along the way. It all seems particularly relevant with Financial Capability Week just around the corner.

At heart, financial literacy all comes back down to numbers. So here's few of my own bugbears:

Stop pretending maths and personal finance are hard

Tony's right. If we don't challenge the myths about maths we perpetuate them – and the same is true of personal finance. In our survey earlier this year we found that one of the reasons people give for not planning for retirement properly is that they find it all too complicated: one in ten say they don't understand enough about pensions and it puts them off doing anything about it. It's the classic 'caught in the headlights' stuff. And it is dangerous.

If we pretend it's all some mystery that can only be understood by the privileged few, we dissuade millions of people from making the effort to build basic numeracy and financial capability skills that are vital for healthy living.

Teach financial literacy

Obviously that starts at school, but research from the Money Advice service earlier this year suggested that only 40% of children aged 7–17 say they have learned about managing money at school or college, and this is consistent across all age groups. This is shameful. I want kids to leave school able to understand how compound interest works but it's equally crucial to be able to budget and work out, say, the best value between two different-sized packs of soap powder on the supermarket shelf.

Given how poor we've been at teaching financial numeracy for so long, we need more adult education too. The recent FCA Financial Lives Survey showed that even at 55-64, only half the population have given any thought to how they will manage in retirement. Maybe employers should be offering financial literacy courses too. And we need to promote courses for the retired.

Build and promote smart technology

We can teach people basic skills and they'll take them a long way, but we can also offer them the tools to do the more complex stuff. We've done it by creating the free 7IMagine app, which uses modern gaming technology to bring your finances to life and help you estimate what you might need to do to help achieve your financial goals. It's the old 'carrot and stick' approach, rebooted for the digital age.

I want to see more creative apps that encourage consumers to understand their savings better.

Serious fun

The demise of final salary pension schemes and improving life expectancy mean that the generations to come will have to work much harder to save for retirement and their money will have to last longer. This is a challenge we can't ignore but millions do. We have to ensure they have the skills and understanding to recognise what they need to do.

For me, the secret to financial literacy is making maths and personal finance relevant and fun. And I'm deadly serious about that.

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