

IS FINANCIAL INTELLIGENCE A MISSING X-FACTOR FOR SUCCESS?

I met a very smart mother recently who took out a Retirement Annuity for her daughter when she was just eight years old, paying a small amount monthly into that investment, increasing it by 10% each year and reinvesting the dividends. That same child is now in university and, at the age of 22, and she is about to take on the responsibility of paying the monthly investments herself. Her mum has taught her the magic of compound interest, and she has realised that she is in a stronger position to lead an **optional working life** in the future, than most adults who have been in the workplace for many years. It is an astounding way to set your child up for a life of financial freedom and choice in a fast-changing world of no guarantees.

As many of you know, I talk a lot about developing X-factors for success in your children that go beyond their school report card, to enable them not just to survive the future but to thrive in it. To date, there have been five of them:

- Creativity/innovative thinking/thinking out of the box
- Loving learning (they need to keep learning because a single qualification will not be relevant for an 80-year working life)
- Resilience (adaptability, resourcefulness, flexibility etc)
- Knowing oneself (to help them to plug in to life in areas that are of interest to them, as well as having values to live by)
- Relating to others/working in a team (both in the real and virtual worlds)

However, I am wondering if there isn't an X-factor missing from this list, the more I see how the world of work is changing and how young people are:

- Battling to find jobs after studying (world-wide)
- Having to reskill themselves very early on to find jobs, either through short courses or by going back to full time study (which is either costly to them or to us, as their parents)
- Having to take jobs that are barely related to what they studied or their field of interest, just get their foot in the door, even though they may have an honours or masters degree
- Finding themselves facing retrenchments a number of times within their first few years of employment because the world of work is changing so much
- Having to work a number of different jobs at the same time for both income and for experience
- Are developing a 'side hustle' which is a job on the side that feeds a passion of theirs beyond their day job (some of these side hustles can grow to become fully fledged businesses)
- Find themselves out of work for periods in between jobs must like Hollywood actors

All the above becomes pretty scary when you start relating it to money matters – yours and your child's. I am thinking that there is now a 6th X-factor necessary to

help our kids thrive and survive, and that is the development of financial intelligence, and like with the other X-factors, it starts with us.

Financial intelligence, learning how money works and putting it to work for you as early on in life as possible, is one of those things that can provide freedom of choice, security, additional money for extended studies, an optional working life in an era of uncertainty and no guarantees, and peace of mind for everyone.

If you start investing small, regular amounts early on in interest bearing financial vehicles for your children (and yourselves) and you don't touch those investments, they will grow. A little invested over a long time, makes a lot. We can no longer afford to wait, and investing and growing wealth is not the exclusive domain for the wealthy anymore. With freedom of access to information, we can all be on the journey to financial freedom. It starts with creating a new habit. And we owe it to our children to ensure they develop it.

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