

Raising awareness of finance and business among schoolchildren can reap long-term rewards, improving personal prosperity and helping nurture the accountants of the future. Amrit Saroya explains.

## making finance child's play

■ It is easy to see why 'financial literacy' is rising quickly up the agenda of governments and educators. Rising personal debt and poor pension planning are examples of worrying trends that could damage national economies. On a more positive note, many individuals now have greater freedom than ever before to invest and manage their own finances, but are unsure of how to maximise their investments.

Entrepreneurship is also growing. More people want to start their own business, but often admit to a poor understanding of basic accountancy and finance skills.

### proactive

Developing schoolchildren's financial and business skills is not a new concept. For many years, schools have built relationships with local employers and specialised organisations to help pupils develop their business acumen. Young Enterprise is such an organisation and one that ACCA is closely involved with. It offers a range of programmes for young people from as young as four through to post-university, aged around 25.

"We believe it's essential for every young person to have first-hand experience of business before they enter the world of work," says Michael Savory, Chief Executive of Young Enterprise. "Central to this is an understanding of how finances are managed in the real world. We introduce students to the financial decisions that people of all ages must make in life and the need to pay taxes in order to support the most vital services in our communities."

Based on the principle of 'learning by doing', Young Enterprise enlists the help of volunteer professionals – including ACCA members – who work with students to teach them more about how business works. Students get real exposure to accountancy skills as experienced professionals guide them through all aspects of business – such as raising finances, reporting to shareholders and managing company accounts.

### financial literacy

Schemes such as those run by Young Enterprise lay the foundations for better financial literacy, and are still considered an extra activity for schools to opt into. But given the growing importance of good personal financial management, governments now want to shift this emphasis and make financial education a core element of teaching and learning. This is a move which ACCA strongly supports.

As ACCA President Gillian Ball recently commented: "Educators and policy makers need to ensure that basic financial literacy is incorporated within the school curriculum so that pupils – at all stages in their education – are taught the importance of finance, including tax, savings, debt and pensions. A solid foundation of monetary awareness will empower them to attain higher levels of responsibility, more successful entrepreneurship, ultimately leading to better managed businesses and the individual's self-sufficiency in financial matters."

This interest is also echoed by the accountancy profession as a whole. With a growing shortage in finance professionals at all levels, companies are starting to look to schools for the next generation of new recruits. Accountancy firms want to encourage financial literacy at all levels, developing an awareness of technical skills as well as broader concepts, such as an



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ethical approach. This strategy will hopefully help pre-empt the predicted skills shortage by enabling those with an aptitude for accountancy to start developing their skills as early as possible. It is

also hoped that a better understanding of accountancy will encourage more school leavers to choose finance as a career.

Improving the financial literacy of schoolchildren is therefore seen as a way of priming this next generation of accountants, highlighting the opportunities the profession can offer, while also giving them a head start when it comes to their professional studies. ■

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For further information visit [www.young-enterprise.org.uk](http://www.young-enterprise.org.uk).