London's investor scene and financial education

by Susanne Teufel

I have been going to the Croydon UKSA meetings for about a year now and really enjoy learning more about the wider issues of shareholder rights, accountancy malpractice, amongst other topics concerning investors. I feel inspired by members wanting to contribute to society, rather than just being interested in managing their own portfolios.

As the meetings are during the day, I thought about restarting a group for UKSA members who are working in central London. Most investors – which UKSA is probably representing – seem to be 50/60+ year-old males, probably because this age group has accumulated enough money to make it worth its while actually spending time and energy managing it. I concluded that it might be difficult to find enough working age UKSA members interested in coming to an evening group. So I started attending other investor meetings to see how things are run and what age groups are attending those sessions.

The international FIRE (Financially Independent Retire Early) movement that got started in the 1980s – many of the ideas of FIRE are set out in the bestselling book "Your Money or Your Life" by Vicki Robin and Joe Dominguez – seems to be popular among millennials. The FIRE blogger Mr. Money Mustache (Peter Adeney) has quite a large following and makes for some interesting reading. The London FIRE group (with a very mixed-age membership) has an active Facebook page, where people discuss many aspects of investing and occasionally meet in a pub to chat. A frugal way of life is often part of this movement.

A group I have got involved with is the London Value Investor Club run by a young 'fintech' (financial technology) entrepreneur, Ruzbeh Bacha, whose company CityFALCON provides customised information to investors. This group meets once a month and has presentations on various subjects by group members, mostly attended by quite serious investors, and often fairly technical. As I am very interested in financial education and suggested some sessions geared towards budding investors, I have been asked to run a monthly 'newbies' group. The first session was attended by around 30 people, mainly consisting of young men (around 75%), mostly of Asian origin, as well as some women.

Many people seem to have a kind of apathy towards managing their money or not enough knowledge or confidence to want to spend the time and energy on managing the financial aspects of their lives. However, quite a few of them expressed a wish to talk about money (even if they are not ready to take action yet).

For many, money is still a bit of a taboo and sensitive subject and there seem to be widely different approaches and generational differences towards money.

It is fairly clear that most people would benefit from financial education early on in their lives. Although financial education is part of the national curriculum, there is more that parents (and grandparents) can do to encourage younger people to be more financially literate in later life.

Financial education has many forms. For example, if you come across budding entrepreneurs or teenagers wanting to cut lawns, wash cars and so on, this might be a way to engage with them on matters around money. When she was five years old, my daughter and her friend went to neighbouring houses to earn money by painting people's nails. One neighbour commented that she was also offered the service of taking the nail varnish off for an additional fee. She did not really want to pay for that service (given that the original job was perhaps not the most professional), but she was impressed by the idea.

"Little Acorns" by Alan Gardner – themed around investing ideas and delayed gratification – might make a nice present for some children. The author is also involved in financial education at primary school level.

The Bank of England's museum (which includes some interactive games for children) is worth a visit. I have been to a few workshops there with my children and a visit to the Bank of England could be part of a day out in London with family members.

For me, taking practical action by investing in a Junior ISA and SIPP for my two teenage children – the oldest being 18 later on this year and about to have control over this money – or engaging in discussions or groups when possible, is hopefully a step in the right direction.

But there is no clear plan on how to get the wider public interested in money matters, and financial education remains very much in its infancy. There is more than enough information available on how to manage or save money. However, getting people more engaged with financial matters remains the big question.