Young Money Report

In association with

SESAME BANKHALL GROUP

Mouthy MONEY

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It’s time to get on their level

How do you reach young people and engage with them about money? It seems like a million-dollar question in financial services, and perhaps it is.

Young people have specific issues, goals and bugbears when it comes to money. We’ve brought together a panel of young financial influencers, professionals and media figures to discuss the critical issues young people are focused on.

Whether it’s pandering, lecturing or avoiding completely – financial providers seem to have a complicated relationship with the younger generation. How do you bridge this gap without alienating those who have a complex and tough environment to navigate?

The key to unlocking that puzzle is talking in a way that young people won’t find nauseating or insulting.

From work to saving and investing, what’s clear is that young people are more dynamic than you think. Money isn’t the taboo topic it once was, and social media is already the forum for this discussion, whether financial firms want to engage with it or not.

From financial challenges to the financial gap, our panel has ploughed through an important set of issues, which I hope you will agree, make for a compelling read.

MRM and Mouthy Money would like to extend a big thank you to our panellists for their superb interventions, and to our sponsor, Sesame Bankhall Group (SBG), for making this report possible.

Edmund Greaves
Head of Editorial
MRM

Young Money Roundtable participants

Hayley Millhouse
Managing Director at OpenMoney

Ola Majekodunmi
Founder of All Things Money

Holly Nardi
Investment Consultant at Redington and founder of Get Woke Not Broke

Sam North
Market Analyst at eToro and Co-host of eToro's Digest & Invest podcast

Laura Purkess
Money Mail Reporter at the Daily Mail

What are young people's biggest financial challenges?

Ola Majekodunmi

"People are feeling the pinch. Young people are looking at ways to stretch their finances - beyond traditional 'nine-to-five' jobs - online. It's a crucial topic people are keen to learn more about, along with how to invest.

With savings accounts not doing much, most people know that investing is an alternative but don't know how to go about it. Learning how to invest in the stock market is another crucial topical conversation."

Laura Purkess

"The focus for everyone is short-term and it's hard to get anyone to think about the long-term. People are pulling out of their pensions. They want to get their investment back even though they're doing badly because they need that cash right now.

We've written articles about not pulling the plug on your pension, but it's really hard to get them to care. And the response is: 'Yes, I know that, but right now I have to pay my energy bill and I don't have any money.'"

Hayley Millhouse

“One difficulty is that rent is now more expensive than a mortgage payment. This depletes their ability to save for a deposit. Getting on the property ladder is incredibly difficult. The consequences of what people do now and how that impacts their future when applying for a mortgage needs much greater education.

Another issue is investment markets are very volatile. If you're new to it and started this year, your portfolio will likely be in negative equity. That can put people off for life. Having someone with experience to speak to and reassure them is key. The crucial piece of the puzzle is what are your goals, what is it you want to achieve? Making sure that's always at the forefront of your mind is essential.”

Sam North

“People are more engaged. It's grown significantly over the last couple of years with the rise in retail investing - people want to take control of their finances. It's a tough time for young people especially, so we look to help in any way we can for free.

The eToro Academy offers loads of free education - and you don't even need to be a registered user to view it. We put on regular webinars just talking about what's going on in the market, have guides about different areas within investing and finance to try and help educate people.”

Holly Nardi

“People are opting out of their pensions because of the cost-of-living crisis. But it's still really difficult to buy a house, which makes saving into a pension even more important. Many young people aren't going to have a house to fall back on as an asset at retirement.

There's a big need for holistic education around money, and the trade-offs. But it can be quite patronising for some to be told: 'Oh, do you realise you're losing all of this money if you opt out of your pension?'

People are really feeling the pinch but finding a balance and looking at whether it's possible to reduce instead of stopping contributions and making sure that you're reassessing in a year's time is perhaps a better middle ground.”

How do you reach young people?

Ola Majekodunmi

"At the beginning, engagement on our [All Things Money] Facebook group was slow, but it's really picked up. People are coming together and sharing. When one person sees someone struggling, they can say: 'I'm actually in that same boat, too.'

It's hard because people will look online for information. But there are only so many savings tips you can share with someone. It gets to the point where everyone's cut everything they can cut. We can educate people, but the shift is really about how and where can people make extra income, either online or elsewhere."

Laura Purkess

"We have this discussion every week. We're running out of ways to tell people to cut money. What we try and do, through a mixture of news and guides, is 'how to save money on your pension' and things like that. But it's an exhausted topic. People want to know how they can earn more money now - thousands of pounds' worth. Cutting your coffee saves £2-£3.

Instead, we're now trying to investigate the regulatory aspect of financial education, to try and get to the regulator and have that dialogue. Regulators have not been great with issues such as advertising. Many breach rules, but regulators come back and say it's fine. Adverts that play on the cost-of-living crisis are evidently inappropriate. It feels like there is nowhere near enough oversight."

Hayley Millhouse

"The regulator needs to get up to speed with how people are getting their 'advice' because that's a huge concern. Like-minded communities are great and it's positive that the younger generation are listening to these voices on these platforms.

But we should be dedicated to making sure that the information being given is actually good. The desire for instant gratification, just wanting to do something right now, because of desperation - that vulnerability concerns me because it provokes people to make decisions that aren't always in their best interests. That is one of the biggest challenges for financial services, and particularly now because of the current crisis.

A regulated business has a large amount of red tape around financial promotions that want to genuinely help people. There are many gambling ads disguising themselves as an investment in which you can lose all your money which don't have the same level of scrutiny as genuine financial promotions. The proportionality of these things is completely off. This then becomes a barrier to entry for financial products that are genuinely there to help consumers, as it puts them off."

Do financial firms fear social media?

Ola Majekodunmi

"There is an awareness that a shift of focus has to happen. Many firms know they need to be on social media, but they just don't know how to approach it. That's why a lot of these companies now are looking at influencers to help promote their products and create the content for them instead. Most people that work for these companies probably aren't going to be the ones that are going to be relatable on TikTok. They are making that change and using influencers to promote their services and help educate about their platforms."

Laura Purkess

"A lot of companies do seem scared and possibly rightfully so. But instead of being risk-averse, they should involve young people who know how to not make those mistakes. Growing up with social media has taught them how to be relatable."

Holly Nardi

"Finance is a complex and potentially boring topic for a lot of people. Scattering financial content with words that need to be Googled to be understood doesn't help matters. People aren't going to bother to read or engage with it because they don't know what 'diversification' or 'yield' means. The finance industry does a fantastic job of making things sound so difficult, which is why social media is so popular – it's about speaking in the words that normal people are used to hearing."

Mind the (financial) gap

Ola Majekodunmi

"Young people are tired of constantly hearing we're worse off than older generations because of our spending habits on coffees and avocados – when realistically our circumstances are so different to theirs. There's a real disconnect.

Some are trying to bridge this gap and improve their situation. But there are many still pushing this narrative that young people are worse off because they're just not engaged enough. It isn't true. There's a real interest in learning more about finances, how they can improve their situation and become more financially literate.

When it comes to education, and especially educating young people, it's important that it comes from someone relatable, trustworthy and engaging. MyBnk is a charity that goes into schools and offers financial education from primary to secondary level. As a trustee, just seeing the people that they have been teaching is amazing.

You want the people that look like you, sound like you, talk like you. That's why social media is doing so well because it's an Average Joe talking about investing. It's much more relatable.

“Having diverse people in the education and financial industry matters hugely. When I started working around money, my aim was to teach anyone. But as a young black female my following has become 80% female. It just shows that there is a clear audience of women and that they want to learn how to improve their finances.”

Laura Purkess

“Giving guidance and making it relatable and jargon-free is important, but so is not dumbing it down and being patronising. A lot of providers fail on this. You should be able to explain finance without using jargon. Yet a lot of providers have guides on their website where you get to the end and think ‘I have no idea what you just said.’

When I was writing for advisors, I read a guide about tapered annual allowance on a provider’s website and I had no idea what it meant. I sent it to some advisors and asked if they understood it and they had no idea either. So, I made my own instead and got hundreds of advisors asking for it. They said they hadn’t managed to find one that actually explained the topic clearly.”

Holly Nardi

“Old-school firms appear to assume they know what language young people want to hear but they often get it wrong. It’s critical to involve young people.

Don’t try and bridge the gap yourself. Get someone who speaks the language. A lot of information is still very jargon-heavy, unless it comes from challenger banks and apps. Newer firms seem to get it right.

A financial firm recently came out with this fluffy mascot to advertise an app. I don’t know what they think young people want, but this isn’t it. I was put off as soon as I saw it. The platform in question is clearly very well respected and good value. It probably does everything a young person needs for investing. But it won’t capture young people’s attention with trivialization.

Companies that are savvy with their branding and understand the language of young people will find it easier to capture that audience. Challenger banks have really led the way and now other financial services are trying to catch up. Most financial service companies have an app. Some of them are still not great, but at least they have one.

These firms need to move away from printers, to personalised notifications, artificial intelligence, gamification and other useful tech features. Plum, for example, has a feature to set a rule so if it rains, it puts away £5 for you. It’s this type of gamification that is really engaging and useful for those struggling to prioritise saving and investing while inflation is soaring.”

Hayley Millhouse

"Young people are the future, and when the industry talks about generational wealth, they are it.. What traditional advisors are going to find is younger people are engaging with less formal, more progressive ways of communication. They don't want a face-to-face appointment and to be charged a 5% initial fee and then a 1% ongoing fee. That world is disappearing.

Young people don't want advice by post. It's a great opportunity for those of us doing things differently. Some firms are going to have a reality check. They're realising that they're going to be left behind.

We need to get the message out there that regulated financial advice is not just for the wealthy. That's not the case. Now is the perfect time to start investing, particularly if you're going to start investing regularly. In this industry everybody has a responsibility to educate people to make informed choices."

The SBG View

Laura Martin-Jones, Head of Group Marketing & Events at Sesame Bankhall Group, comments:

"Personal finance is important to everybody, which is why it is encouraging to see how engaged young people are with their finances.

"The key here is to understand that while the needs of younger generations may be changing, many of their priorities remain the same. People just want to be able to engage with financial advice in a way that makes sense for them.

"We must continue to strive to make advice accessible for all, regardless of age or income. This means continuing to adapt our approach and the channels through which we operate, embracing new communication styles, and evolving the products and solutions we offer."

About Sesame Bankhall Group
Sesame Bankhall Group (SBG) brings together over 10,000 professional financial advisers. Together, we are one of the most influential voices in UK financial services.

We passionately believe in the power of quality financial advice and ensuring everyone has the access and education they need, to empower them to make informed financial decisions.

We are committed to providing exceptional service and support, going above and beyond to drive industry excellence, and continually striving to make advice accessible for all.

Money and social media

Sam North

“It’s massively important to be able to trust someone in a community people can go to and feel safe to share their ideas. It’s great that social networks exist to share those experiences because there will always be someone that’s gone through it before, or someone who’s going through that right now. Relatability is so important - it really drives community engagement.

While social media can be great, there are bad sides to it. In the trading world, you get cowboys that promise the Lamborghinis in a week. That mindset has to be avoided.

In an ideal world schools would be teaching about all these things. We all look back and wonder why we didn’t learn about taxes or pensions? Education is massively important. Not everyone has a family member working in finance who can help them along. The Government and business must help too.”

Holly Nardi

“It’s easy to bash ‘finfluencers’. A small number are trying to sell ‘get rich quick’ schemes, but there are others who are genuinely educating around debt and saving. These voices can be very powerful to help close the financial literacy gap and empower young people with their finances.

There’s a balance to be struck. Most young people in the UK use social media every day. That’s where they’re going, so that’s where you need to be..

I don’t have live TV at home. I think most people my age don’t watch it. We have Netflix and Amazon Prime, so we don’t see TV adverts. Firms are missing a trick if they’re not targeting where we’re viewing content.”

Laura Purkess

“I go to finfluencers a lot for comments - not necessarily for expert, regulated commentary - but for views on how they see the industry. Finfluencers have access to people and have an idea of what they are thinking.

There are some really good ones, but there are also people on TikTok giving out horrifying, terrifying advice. We want to largely make people aware that they shouldn’t be taking advice from TikTok. But like everything there is a middle ground, there are good and bad ones.

Sometimes on TikTok, it feels like finfluencers are not deliberately bad or misleading people, but they just don’t realise that you need to be regulated to give that advice. They’re talking about things that you should be seeing a regulated advisor for and that a regular person can’t advise you on.”

Ola Majekodunmi

"Large financial institutions are missing on social media. These institutions have a responsibility to be online to help the younger generation. Many people in the investing world know Vanguard, yet Vanguard is nowhere to be seen on social media in a meaningful way.

AJ Bell brought out a new app, but they've missed the boat when trying to capture a young audience. The likes of Wealthify and Nutmeg got there first. Many of these platforms have been so slow to move online, they've let down a generation that wants to learn how to save, wants to invest, want to know the best products to do that with."

What are young people's money goals?

The discussion came to a clear agreement on young people and money – they are engaged, but not in the places you might expect, or even want, them to be.

Finfluencers are rising in prominence and are a gateway for financial firms to social media.

But the messages need to be delivered in a way that doesn't speak down and engages with their real goals.

So, what are those goals? Our panel was unanimous:

Holly Nardi

"We're used to having the whole world in the palm of our hands. We want relatable, jargon free, seamless integrated services. We have busy lives. We don't want to be running around reading stuff in one place, a bank somewhere else and a pension over there. Companies combining services together, such as Plum and Moneybox - who do savings, investing and pensions in one place - will likely reap rewards in the future."

Hayley Millhouse

"I see more happening around coaching, looking at young people's situations, concentrating on their goals and then directing them to ways to achieve those goals. Ultimately, they should have a financial plan with the caveat that it should be ever-changing. That's where open banking and access to all their finances in one place is really going to come into it."

Sam North

"Young people want to get to a point where in later life they're going to be comfortable. It's helping them on that journey but deciding how to get those goals in order. This means helping them to understand why investing to build wealth over time and beat inflation matters. It has to be an education, it has to be seamless, it has to be easy to digest. Companies have a responsibility to lead that. We can help people start that journey, so they understand the importance of those goals."

Laura Purkess

“Young people want financial security. They want it sooner rather than later. Part of the ‘great resignation’ movement is young people recognising that nine-to-five is not something they want forever. They don’t want to keep chasing their tails. Young people are told at every step to cut the avocados and cups of coffee - then mortgage rates go up by 70% leaving them constantly behind. They’re looking at these other avenues so as to not get left behind.”

Ola Majekodunmi

“Young people want to know that they’re not working in vain. Many now feel they’re endlessly working constantly without any tangible rewards. There is an issue of instant gratification - we can’t achieve those goals overnight. There is still a desire for guidance on how to make more money. And there is a desire for optimism despite the cost-of-living crisis. Optimism that it isn’t going to last forever and that markets do recover.”

Young Money Roundtable – Who’s Who

Hayley Millhouse

Managing Director at OpenMoney

Hayley has 19 years’ experience working in the financial services industry and is a Chartered Financial Planner. She has worked in various roles including training and leadership before becoming a financial adviser herself, joining OpenMoney in 2017.

Hayley is passionate that financial services should be accessible and affordable, educating on the importance of financial wellbeing and empowering people to reach their goals and secure their financial future.

Holly Nardi

Investment Consultant and Content Creator at Redington and Author of Get Woke Not Broke

Voted one of Brummell Magazine’s 30 Ones to Watch in the City 2022, Women in Investment’s Marketing Influencer of the Year for 2021 and Women in Pension’s Rising Star of 2020, Holly is a Vice President, Investment Consultant and Content Creator at Redington.

Alongside this, she founded Get Woke Not Broke, a blog and social media platform aimed at helping young people get their financial s*!t together. In doing this, she’s received over 100k likes on social media, been featured on podcasts and national TV and has worked with companies such as PensionBee and First Home Coach.

Laura Purkess

Money Mail reporter at The Daily Mail

Laura Purkess is an experienced financial journalist, currently a reporter on the Money Mail desk at the Daily Mail where she covers all things personal finance. Previously she served as news editor of Citywire's New Model Adviser magazine.

Sam North

Market Analyst at eToro

Sam North is a Market Analyst at eToro and Co-host of eToro's Digest & Invest podcast. He also delivers virtual and in-person events to help educate people on financial markets.

Sam started his trading career as a Futures Trader at Amplify Trading over seven years ago. He then went on to hold a variety of different positions from Analyst to Associate to Head of Trader Development.

Sam is passionate about helping others develop their own financial knowledge and build wealth. He spends much of his time visiting universities, associations and the sport teams eToro sponsors, teaching aspiring investors how to trade and invest.

Ola Majekodunmi

Founder of All Things Money

Ola Majekodunmi is the Founder of All Things Money, an online platform designed to provide young adults with some of the financial tools needed to help navigate the adulting world.

All Things Money offers a wide range of personal finance tips and information from topics such as budgeting, saving, investing, mortgages and much more!

Since founding All Things Money two years ago, the community has since grown to over 15,000 young adults.

GET IN TOUCH

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