

Preparing young people who will receive a large sum of money

It is important that young people have a basic understanding of financial literacy and where to seek help before they leave care. This doesn't just apply to people in financial difficulty but also to those who have assets they need to manage or protect. Young people in care may also have money or other assets in trust, and need to be prepared for when they receive it.

Carers or caseworkers while undertaking leaving care or 'Future' planning are encouraged to discuss the below points with the young person:

- **Start the conversation early** – Have meaningful conversations with the young person when it is known they will receive money in trust, like a victims' recognition payment or non-financial assets such as inherited property.
- **Discuss setting goals** – Discuss how the money can be used for short-term goals like undertaking a course, and invested or saved for long-term goals like an extended holiday, a car, or even a house. In addition, discuss how to prioritise these goals while creating a financial plan that reflects the young person's wishes and needs.
- **Identify the obstacles** – No one wants to be financially taken advantage of and sometimes young people can be at risk of being pressured, manipulated or influenced by others who may not have their best interests at heart. For example, friends asking for loans, or scams that try to persuade them to transfer money or reveal account details or passwords. Vulnerable people can be an easy target for a manipulative person who may take advantage of being in a position of influence or power. You may want to discuss not sharing with others about obtaining a large sum of money to avoid these obstacles. Remember the young person needs to take time to make financial decisions and base those decisions on professional advice.

Help the young person to contact the [Taxation Office](#) and [Centrelink](#) to see if the award of funds will impact on their tax or benefits.

- **Build skills and capacity** – Help the young person understand basic financial decision making such as tax implications, how to save and to understand fees. Having fundamental financial skills helps young people make the right choices about how to manage, grow and protect a large sum of money. [Moneysmart.gov.au](https://www.moneysmart.gov.au) provides free resources that help teach young people how to manage money.

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- **Supported and substitute decision making** – If the young person has a decision-making disability, a supported or substitute decision might be required. Supporting a person to make their own decision could be as simple as using plain language or visual cues, or finding a quiet, comfortable space and giving them time so they don't feel pressured. A substitute decision can be made by a person appointed by the [NSW Civil and Administrative Tribunal \(NCAT\)](#) to act as a guardian or financial manager. Formal application for a substitute decision-maker is a last resort. A guardian can make decisions relating to health and lifestyle but not finances. A financial manager or attorney can make decisions relating to money and property. Watch [Supported Decision Making is a Human Right](#) to learn more about supported and substitute decision-making.
- **Resources** – Search the [moneysmart website](#) for free [financial counsellors](#), a guide to [investing and finding a financial advisor](#) and information on [how to spot a scam](#). The [Financial Counsellor's Association](#) of NSW provides free confidential, independent advice and guidance.