

Level up their future: How to talk to your kids about investing this Youth Day

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Every year on 16 June, we mark Youth Day, a day of reflection and remembrance honouring the bravery of the youth of 1976 who stood up for justice and changed the course of South African history. It is a powerful reminder that young people have always held the potential to shape our future when they're supported, empowered, and given the right tools to succeed.

At M&G Investments, we believe that one of the most valuable tools we can offer today's youth is **financial literacy** — and more specifically, the ability to invest for the long term. But let's face it: terms like "unit trusts" or "compounding" can sound abstract, even intimidating, especially for young people who are still learning how money works.

This Youth Day, we want to help bridge that gap, starting with a simple idea: What if parents could explain investing in terms their kids already understand? Like gaming.

Investing is the long game — and you're earning XP

If your child plays Minecraft, or any popular game, you've probably heard them talk about "XP" (experience points), "levelling up," or "grinding" to unlock something special. In Minecraft, for example, players earn XP by mining, crafting, or defeating mobs. That XP can be used to enchant tools and gear, helping them advance faster and more efficiently.

Investing works in much the same way.

Each contribution to an investment, no matter how small, is like earning XP. Over time, with consistency and patience, those points add up. Thanks to the power of **compounding**, your money grows not just on what you put in, but also on the returns that investment generates. That growth accelerates over time. The same happens in the game where you build your base, gear up, and unlock new levels.

Though it's important to keep screen time in check, gaming often builds skills like strategic thinking, patience, and the value of working toward long-term goals. These are the same principles that underlie smart investing. You don't complete the game in one move. You build slowly, make trade-offs, collect rewards, and improve over time.

"Just like in Minecraft, where small actions build up to major progress, investing is about steady effort and delayed gratification that leads to long-term rewards."

Or put another way:

"Saving up in a game to unlock a new level or tool feels a lot like investing. You put away small amounts regularly to unlock something bigger later, like a trip, a side hustle, or even your first home down the line."

Side quests that lead to bigger wins

In Minecraft, 'side quests', like building a treehouse, taming a wolf, or exploring a new biome, are not part of the main storyline, but they are deeply rewarding. They teach new skills, offer fun discoveries, and build momentum toward bigger goals.

Financial habits work the same way. When a child saves for a school tour, a new device, or a birthday gift, they're completing real-life side quests. These small wins teach discipline and show that patience and consistency pay off. These are valuable lessons that they will carry into adulthood.

Bringing kids into the money conversation

You don't need to be a financial expert to talk to your child about money. What matters most is starting the conversation and making it relatable.

Try helping them divide their pocket money into three buckets: **spend**, **save**, and **invest**. Ask what they'd love to "unlock" in real life, for example, a trip, a laptop, maybe even their own business one day. Then show them how investing can help make those long-term goals a reality, just like working toward a win in a complex game.

If they understand how saving in a game brings future advantages, they're already halfway to understanding investing.

Tax-free investing: A real-world power-up

In South Africa, a **tax-free investment (TFI)** offers a practical way to help young people start building wealth. With no tax on interest, dividends, or capital gains, investing in a TFI acts like a financial "power-up". They give your investment more room to grow.

At M&G Investments, we offer TFI solutions that are simple to start, and designed to help families grow wealth steadily over time. They are ideal for parents looking to plant a financial seed early; one that quietly earns XP year after year, setting their children up for success.

Honouring the past, investing in the future

Youth Day is not just a commemoration of history, it is a call to action. Just as the youth of 1976 shaped a better tomorrow, today we can empower young people to build their own futures; with knowledge, resilience, and opportunity.

Helping them understand money in ways that connect to their world — through games, stories, and everyday decisions is one of the most valuable gifts we can offer.

Let's make sure they're ready to play the long game, earn XP, and level up for life.

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