

Delivering growth and equity through financial confidence

Xero Financial Confidence Taskforce, December 2025

1/ Introduction: the need for greater financial confidence

Small businesses are the champions of the economy. But too often, low financial confidence keeps owners from turning brilliant ideas into successful ventures.

Even worse, a lack of confidence can stop people from starting up at all. There is a stigma around asking for help.

We need an economy where everyone with a great idea can bring their talents to the table, regardless of their background.

Our [recent research](#) highlights the challenges facing businesses with 1-9 employees:

- 36% of small business owners don't know if their business was profitable last month
- 51% struggle with cash flow management
- 33% do not claim all the expenses they are eligible for
- 44% are caught off guard by unexpected costs
- 23% are not setting aside enough money to pay tax

This low confidence can also lead to missed opportunities. Small businesses often hold back from seeking the investment needed to grow because [they feel risk-averse](#).

The Financial Confidence Taskforce

That's why Xero brought together the Financial Confidence Taskforce: Experts from business, accountancy and education. We met to answer one clear question: **How can we do more to support our existing and future small business owners and entrepreneurs?**

We looked at four stages of personal and business development:

Education and growing up	Early career	Starting a small business	Running a small business
Increasing guidance on how to manage personal finances	Training and career development - as employees begin and develop their careers	Entrepreneurs typically need more support than they realise	Ensuring existing skills translate to financial confidence

The Financial Confidence Taskforce members

Tara Askham	Global finance trainer, published author, and an award-winning entrepreneur passionate about making finance accessible
Tim Barnes	Small business advocate and CEO, Centre for Entrepreneurs
Martin Bissett	Entrepreneur, business advisor and author
Grace Hardy	Accountant and lobbyist for financial literacy in schools
Kate Hayward	UK Managing Director, Xero
Sarah Porretta	CEO of Young Enterprise: social mobility and financial education
Graeme Tennick	Founder of Tennick Accountants and member of the Xero Partner Advisory Council
Zoe Whitman	Co-founder of The 6 Figure Bookkeeper, commercial training for bookkeepers
Philip Salter	Founder of the Entrepreneurs Network

2/ Greater financial confidence will deliver a more inclusive society and a stronger economy

Financial confidence has wide-ranging benefits for people, the economy, and society. Look at Finland (box below). Financial literacy is critical to so many aspects of daily life.

It relies on a blend of taught skills (theory) and real-world context (practical experience). It's not just an education issue for schools, it's a priority for everyone.

Louise Hill, CEO of GoHenry, the financial learning tool for young people, said, "46% are more likely to start a business if they had financial education, creating 125,000 new jobs, injecting £7 billion to the UK economy".

How financial confidence pays off

Citizens: Helping people have a better quality of life

- **Manage money better:** Budgeting, saving, fewer missed payments, easier access to debt advice – this can have a positive impact on family relationships
- **Make better choices:** Decisions on study, housing, family, retirement
- **Achieve more equitable outcomes** for vulnerable groups
- **Build resilient households** with a stronger savings culture

Economy: Improving business performance

- Boost **productivity and growth**: Families plan better, driving business performance
- **Smoother digital transition**: skills to adopt new products, payment methods and cut friction
- Fewer unnecessary business closures
- Stronger skills across all areas of the economy

Society: Delivering greater financial resilience

- **Lower social costs**: fewer payment defaults, social services, debt counselling
- Stronger consumer protection
- Narrowing the gap caused by digitalisation

Low financial confidence hinders informed decision making, healthy risk taking, access to capital, and leads to missed opportunities.

In Finland the goal to deliver the highest standards in financial literacy in the world means a cross-government approach:

- Bank of Finland originated and drives the national strategy
- Justice: Coordination, debt advice, over-indebtedness prevention
- Education and Culture: Curriculum and teacher support
- Economic Affairs and Employment: Workplace initiatives and entrepreneurship
- Finance: Policy and fiscal interfaces
- Social Affairs and Health: household wellbeing and vulnerability

3/ Financial confidence goes beyond “financial literacy” alone...

Financial confidence depends on financial literacy skills, **plus** an aspiration to be enterprising. It's hard to teach anyone something that they don't have a desire to learn. Helping people believe in their ability to start a business requires capability and ambition.

Goal 1: Capability

We need to give people the tools and support to act.

- Use easy and timely tools - what you need, when you want it
- Make better use of accountants and bookkeepers in building financial confidence among their small business clients
- Give people the freedom to ask - there are no stupid questions
- Compulsory school curriculum will help pave the way over time, but it is not the complete answer.

Goal 2: Ambition

We need to inspire people, especially young people, by celebrating entrepreneurship.

- Students are generally not taught to think of starting up businesses, so they're not aware of the opportunities open to them
- There is too much focus on getting a job, rather than starting and running a business
- Financial literacy and enterprise are often treated as different policy areas, but financial literacy is the cornerstone of business literacy
- Create a culture that values entrepreneurialism as aspirational

These two goals, ambition and capability, create a virtuous circle, with one fuelling the other.

4/ Taskforce Recommendations

To improve financial literacy and confidence we need to deliver practical experience beyond the classroom. We need to ensure that people “want it, know it, and do it” and therefore propose the following recommendations.

Want it

Making enterprise aspirational and using role models to show what's possible (people need to want to learn, and you can't be what you can't see).

Integrate business, enterprise and personal finances into school curriculum

- Encourage schools to facilitate commercial conversations and involve students in business decisions such as uniform pricing or fundraising.

Position enterprise as a social good

- Profile the contribution that small businesses make to their communities and in job creation
- Challenge assumptions that people only start businesses “to get rich”
- Encourage schools to portray starting a business as a worthwhile life goal

Promote inspiring role models

- Leverage social media and encourage school visits to highlight entrepreneurs who have overcome challenges.
- Focus on the questions people should ask before starting a business and as they grow

Know it

Giving people the confidence to be able to unlock their numbers.

Employers to drive financial training

- Encourage employers to provide early-career financial skills training
- Develop an assessment to analyse employees' financial skills and confidence and incorporate this into their annual review.

- Embed financial skills in induction and career reviews. Ask simple questions like: How does the company make money? What are our margins and how are they maintained? Why do payment terms matter for cash flow?
- Recognise financial confidence in “best employer” awards

Embed business into apprenticeships

- Prepare a module/content for apprentices that meets “off-the-job-training” requirements to focus on commercial and business understanding
- Roll this out nationally

Partner with accountants and bookkeepers

- Promote accountants and bookkeepers as “finance business partners” working alongside the business
- Run a national campaign encouraging small business owners to use accountants and bookkeepers as they start and grow the business

Do it

Real confidence comes from practice and repetition.

Ensure real-world experience

- Encourage schools to take advantage of existing real-world learning opportunities offered by charities, corporates, parents and volunteers
- Encourage small business owners to talk to schools and offer work experience

Create a national enterprise badge

Create an award that testifies to a young person’s practical financial and business experience.

- Give the award parity of esteem with schemes like the Duke of Edinburgh Award
- Present it as a career asset for CVs and LinkedIn, valued by employers

Build a business network

- Stress the importance of building long-term networks with advisors, accountants and bookkeepers, local groups and mentors
- Promote tools like WhatsApp and LinkedIn to stay connected

For the ‘want it, know it, do it’ approach to succeed, the Taskforce also recommends:

To remove silos and make government accountable

- Recognise the stake all government departments have in financial confidence
- Appoint one minister with overall responsibility to join up financial literacy across:
 - Treasury: Debt advice, debt prevention, policy and fiscal interfaces
 - Education: Curriculum and teacher support

- Housing, communities and local government: Community initiatives, citizens advice, civic involvement
- Business and trade: Entrepreneurship
- Work and Pensions: Workplace initiatives
- Home Office/Ministry of Justice: Relationship between financial confidence and reducing crime
- Health and Social Care: Household wellbeing and vulnerability

To simplify tax and regulations

- Tax, regulations and requirements for small businesses need to be as simple as possible
- Simplify the complex UK tax system. There are too many exemptions, allowances and cliff-edges which disincentivise small businesses and affect productivity.

Driving policy and growth

Xero's purpose is to make life better for people in small business. The findings of the Financial Confidence Taskforce highlight that the path to a stronger economy requires us to unlock the capability and ambition of current and future entrepreneurs. This report outlines key steps to embed financial confidence nationally, directly addressing the barriers that hold people back.

Xero is proud to submit these recommendations as evidence to [The Maple Review](#), the government-backed initiative aimed at identifying and removing barriers to entrepreneurship (spearheaded by Small Business Britain and sponsored by Xero). We'll continue to champion small businesses and advocate for these crucial recommendations, ensuring that entrepreneurial ambition, not financial anxiety, defines success across the UK.