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10 magical **life and money lessons** you can learn from Disney

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The Walt Disney Company is celebrating a huge milestone – its 100th anniversary.

On 16 October 1923, brothers Walt and Roy Disney set up Disney Brothers Cartoon Studio to produce films. From humble beginnings, the company has gone on to become one of the most recognisable brands in the world.

Over the last century, Disney films have become childhood staples. Even adults will have a favourite nostalgic Disney film or one that they love to watch with children or grandchildren.

There have been plenty of successes in the last 100 years – since its founding, the company has won an incredible 135 Academy Awards.

In 2022, Disney employed around 220,000 people and its revenue was more than $82.7 billion (£65.1 billion). In fact, the company ranked number 53 on the 2022 Fortune 500 list of biggest companies in the US by revenue.

To celebrate 100 years of Disney, here are 10 life and money lessons you can learn from the company and its films.

1. Follow Walt's lead and set long-term goals

There are plenty of heroes in Disney films that set out to achieve lofty goals, from Hercules seeking to take his place on Mount Olympus to Tiana dreaming about opening her own restaurant in *The Princess and the Frog*. And Walt Disney himself shows why thinking about your long-term goals could be useful.

The first highly anticipated Disney theme park opened in California in 1955. Yet, it wasn't long before Walt became frustrated about the lack of control he had over the surrounding area. So, he started thinking about his long-term plans.

To achieve his aim to build the "most magical place on Earth", he secretly bought more than 27,000 acres of land in Florida, far more than he needed for his initial plans.

The first theme park at Walt Disney World, Magic Kingdom, opened in 1971. Visitors to Disney World today have a choice of more than 30 hotels, four theme parks, two water parks, and a whole host of other facilities. Yet, around half of the land owned by the company is undeveloped.

Some of the unused land is set aside for conservation purposes, but there's still plenty that's earmarked for future projects. By planning for long-term growth, Disney World has far more freedom when it pursues new developments.

While building an iconic theme park may not be part of your ambitions, there's still an important lesson you can learn from Walt – using your assets with long-term goals in mind could provide you with more flexibility and freedom.

2. A back-up plan could be useful, even for superheroes

Life doesn't always turn out the way you plan – even for superheroes.

Bob Parr, aka Mr Incredible, is a superhero saving the world. But lawsuits and government regulations mean he's forced to stop using his powers and he needs a back-up plan. He takes a mundane job as a claims adjuster to support his family.

Fortunately for filmgoers, a new supervillain means *The Incredibles* has plenty of action as Bob Parr reclaims his old alter ego.

As a life lesson, Bob Parr's situation is a useful reminder that the unexpected does happen, and taking steps to prepare a safety net may be valuable.

From a financial perspective, if your income stopped or you faced an unexpected outgoing, how would you cope? There are steps you may take to provide security, including these two:

1. Having an **emergency fund** you could fall back on may be useful. It may mean you could continue to meet essential financial commitments if your income stops, or you would have cash readily available if you needed to pay an unexpected bill. An emergency fund could boost your financial resilience.
2. Depending on your circumstances, appropriate financial protection may also be useful. **Financial protection** would pay out a regular income or lump sum under certain conditions. For example, income protection may pay out a regular income if you were too ill to work.

Mickey Mouse might be synonymous with Disney, but he wasn't Walt's first success.

Oswald the Lucky Rabbit was featured in several short films in the 1920s and 1930s. However, after finding out Universal Studios owned the rights to develop the character, Walt set about creating a replacement, and Mickey Mouse was born. While Mickey might not have been part of Walt's original plan, he proves that the unexpected doesn't have to derail your goals.

Please note: Financial Protection plans typically have no cash in value at any time and cover will cease at the end of the term. If premiums stop, then cover will lapse. Cover is subject to terms and conditions and may have exclusions.

3. Diversify your assets like the Disney Company

When you think of Disney, it's probably the films that come to mind. But the company has become far more than its latest movie; from theme parks and cruise lines to merchandise and a streaming platform, the company's profits come from more places than you may expect.

By diversifying its business operations, success in one area could potentially balance out underperformance in another.

Thanks partly to diversifying, the company still made a profit in 2020, despite the Covid-19 pandemic forcing cinemas and theme parks to shut for months at a time. When compared to a year earlier, 2020 profits fell by 21.9%, but Disney's gross profit was still $21.5 billion (£16.9 billion) thanks to other revenue streams.

Much like Disney, diversifying your assets could help balance risk and potential dips.

For instance, if you're investing, holding shares in companies across a range of industries and locations could mean your overall portfolio experiences less volatility. That doesn't mean the value of your assets won't rise and fall, but it could help to smooth out the peaks and troughs.

Please note: Investments carry risks. The value of your investment (and any income from them) can go down as well as up and you may not get back the full amount you invested.

4. Recognise assets that could be valuable in the long term

Some of Disney's earliest creations are among the brand's most valuable assets. Mickey Mouse is the perfect example.

Over the years, the famous mouse has had a few makeovers to update his image, but even the first iteration is still recognisable. Mickey has become the company's mascot and his simple silhouette can be seen on everything from bags to rollercoasters.

Similarly, *Snow White and the Seven Dwarfs* was Disney's first animated feature film. Despite being released in 1937, the characters are still beloved assets today. In fact, the film is being rereleased in cinemas to mark the 100th anniversary, and Snow White is often seen at character meet and greets and on merchandise.

Recognising your most valuable assets and keeping hold of them with a long-term view may be useful when managing your personal finances too.

Take investing, for instance. While it can be tempting to try and time the market, choosing appropriate investments and holding them for the long term could make sense for investors.

Investment returns cannot be guaranteed and you may not get back the full amount you invested, but, historically, markets have delivered returns over longer time frames.

The supercalifragilisticexpialidocious power of compounding

The compounding effect could help you get more out of your money. Surprisingly, it plays an important role in the storyline of *Mary Poppins Returns* too.

In the original *Mary Poppins*, Michael Banks's father, George, gives him a tuppence.

While young Michael is intent on using the money to buy bird feed, the banker sings: "If you invest your tuppence wisely in the bank, safe and sound, soon that tuppence safely invested in the bank will compound. And you'll achieve that sense of conquest as your affluence expands."

Despite Michael's protestations, Mr Dawes Sr. snatches the tuppence from him, and invests it on his behalf.

In the sequel, *Mary Poppins Returns*, the Banks children are grown and Michael has a family of his own, but he's facing financial challenges. Luckily, he left the tuppence invested, and as the returns went on to be invested themselves, the compounding effect means he has plenty of assets to save his family home.

5. Don't let Joy, Sadness, and Fear rule your decisions

Everyone is guilty of letting their emotions get the better of them from time to time.

Coming of age film *Inside Out* shows the mind of Riley, where five basic emotions – Joy, Sadness, Fear, Disgust, and Anger – affect her response to situations. Being ruled by emotions means Riley feels overwhelmed and makes decisions she later regrets.

While emotions can be useful in some cases, recognising when they could be influencing you is important.

In situations where you want to focus on facts and logic, including when you're making financial decisions, emotions could harm the outcomes.

If it appears that everyone is investing in a "must-have" company, it's natural to fear that you could be missing out. But does the investment align with your risk profile or goals?

Looking at the opportunity objectively, rather than responding to your fear, may help you make decisions that are right for you.

According to financial advisers, emotional decision-making could be costing investors at least 2% each year in forgone returns.

Source: *FTAdviser*

Please note: Investments should be considered over the longer term and should fit in with your overall attitude to risk and financial circumstances.

6. Don't fall for a scammer's promise of treasure

According to UK Finance, there were more than 3 million cases of fraud in the UK in 2022. In total, more than £1.2 billion was lost.

Scams can have a devastating effect on lives. As it's often difficult to recover losses, falling victim to fraud may affect your long-term plans and financial security.

Understanding what you're signing up for and being aware of the red flags when approached by someone with an opportunity is a lesson Aladdin learnt.

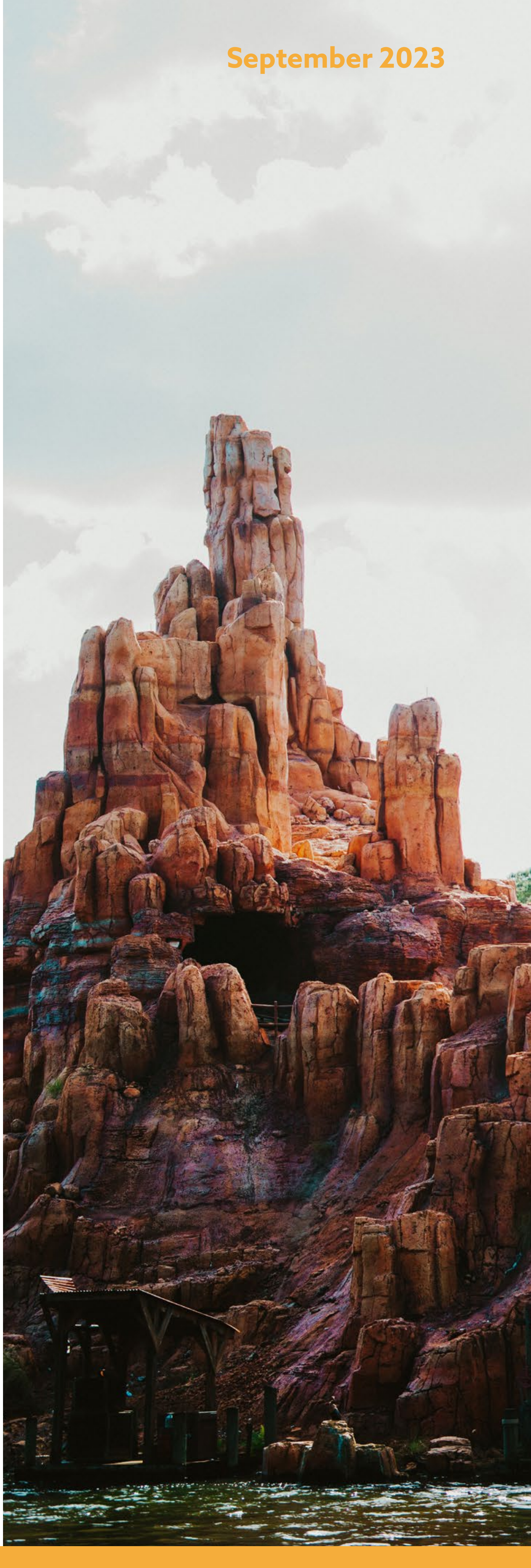
Villain Jafar tells Aladdin that, if he retrieves the magic lamp from the Cave of Wonders, he'll reward him. Of course, once Jafar believes he has what he wants, he tries to get rid of Aladdin for good.

While fraudsters won't use a cave filled with treasure to entice you, they may use similar tactics. Scammers might suggest that by investing through them, you can benefit from guaranteed or high returns. Or that they could help you unlock your pension early and access the money without paying taxes.

Remember, if it's too good to be true, it probably is.

If you're approached out of the blue or aren't sure about an opportunity, take a step back and give yourself time to think through your options and carry out some research.

If you think fraudsters have targeted you, you can contact Action Fraud to report it and seek advice.



7. Retirement is just the start of your next adventure

Most of the characters in Disney films are young heroes, but Carl Fredrickson in *Up* proves that retirement can be filled with adventure.

After being ordered to move to an assisted living facility, Carl attaches helium balloons to his house to escape. A storm propels him and young Wilderness Explorer Russell to South America and the start of an incredible adventure.

It's not just adventure Carl finds in *Up*. Once the duo returns home, he recognises what's important to him and starts to take greater joy in his everyday life.

Whether you want to explore the world or spend time with family in retirement, setting out what's important to you can help you get the most out of the next chapter of your life.

Preparing for retirement could provide more freedom too. Retirement planning could help you build the assets you need to fund the lifestyle you're looking forward to once you give up work – it's never too soon to start thinking about your retirement.

8. Learn from *Cinderella* and review your estate plan regularly

Cinderella is a classic rags-to-riches story. But the whole tale could have been avoided if her father had updated his estate plan.

Cinderella's father was wealthy and could have left his only daughter an inheritance that ensured she grew up in comfort. Instead, when he passed away, his estate passed to his second wife and Cinderella was left playing the role of servant to her stepmother and stepsisters.

Effective estate planning is something you may need to consider too, particularly if your family or wishes are complex.

Did you know your will is automatically revoked when you get married? Without a will, your estate would be distributed according to intestacy rules. It could mean you unintentionally disinherit loved ones.

As well as marriage, there are other reasons your estate plan may no longer be appropriate. Perhaps you've welcomed grandchildren and would like to pass on assets to them? Or maybe your wishes have simply changed since you wrote your will?

It's often a good idea to review your estate plan after life milestones, such as getting married or divorced, or every five years to ensure it continues to reflect your wishes.

In addition, reviewing your estate plan could mean you can take changes to your financial circumstances into consideration. For example, if the value of your assets has grown, you may want to consider if your estate could be liable for Inheritance Tax, and if there are steps you might take to reduce the bill.

Communication could reduce disputes about your estate

In *The Aristocats*, butler Edgar starts plotting when he discovers his mistress plans to leave the vast majority of her fortune to her cats. A survey suggests misunderstandings about inheritances could lead to tension and disputes in real life too.

According to a survey from JMW Solicitors, 60% of UK adults would consider contesting a will if they felt they'd been wrongfully excluded. Worryingly, 1 in 5 people said they anticipate being involved in a dispute in the future.

Having an open conversation about how you intend to pass on wealth could help your family understand your wishes and allow potential conflicts to be resolved sooner.

Please note: The Financial Conduct Authority does not regulate estate planning, tax planning, or will writing.

9. Pass on useful money lessons to your children

According to the Young Persons' Money Index 2022/23, 82% of young people want to learn more about money and finance in school. Learning about mortgages, credit cards and more could set your children or grandchildren on the right path to effectively manage their finances when they're independent.

So, allowing children to use money and passing on important financial lessons from a young age could be invaluable. There are examples of parents or guardians teaching children the financial basics they need to know in Disney films too.

6-year-old Lilo is given a financial responsibility when she borrows $2 to buy Stitch from the pound in *Lilo and Stitch*. And teenager Tiana diligently saves after her parents told her she had to work hard to achieve her dreams in *The Princess and the Frog*, with the outcome that she fulfils her goal of opening her own restaurant.

As well as passing on money lessons, you may also want to set aside assets to pass on to your family. You might want to create a nest egg that could be used to support them through university or to get on the property ladder.

Making your family part of your financial plan could improve their long-term financial security.

10. Recognise when you'd benefit from a guide

The protagonists of Disney films are often accompanied by a companion that leads the way and helps them through tricky situations. Pinocchio has Jiminy Cricket guiding him to make the right decisions. In *Ratatouille*, Linguini teams up with rat Remy as the pair become the finest chefs in France.

Recognising when you could benefit from support is an important lesson.

While we can't help you master the perfect ratatouille, we can offer support and expertise when you want to better understand your finances and create a plan with your goals in mind. Please contact us to arrange a meeting.

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