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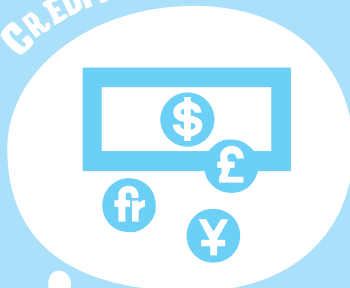
MANAGING YOUR MONEY



**WELSH GOVERNMENT**

# PERSONAL FINANCE TOOLKIT.

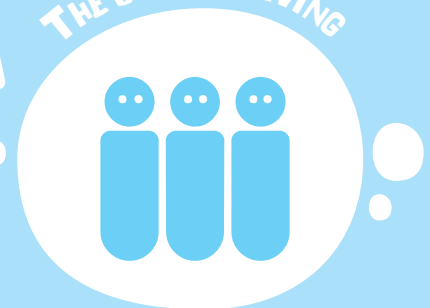
CREDIT AND DEBT



STAYING SAFE WITH MONEY



THE COST OF LIVING



Llywodraeth Cymru  
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Ewrop & Chymru: Buddsoddi yn eich Dyfodol  
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European Social Fund

## INTRODUCTION

# WHAT IS THE PERSONAL FINANCE TOOLKIT?



This Toolkit brings together **learning activities** that can help all **young people aged 11–19** gain better control of their **personal finances**. It is relevant for anyone who works with young people in both formal and informal settings, including teachers, lecturers, youth workers and Pupil Referral Unit staff.



The Toolkit is not a formal scheme of lessons but a highly flexible framework of short, informal activities that you can adapt to help all young people, appropriate to their age, life stage and needs, both as learners and in their financial lives.

The Toolkit structures learning across six topics. You can explore each topic in turn; use a topic or activity on its own; select activities to create your own lessons or scheme of work; and extend students' learning using the suggestions for extension activities and recommended teaching resources.

### Why has the Welsh Government produced the Toolkit?

**"FINANCIAL CAPABILITY IS NEEDED THROUGHOUT LIFE AS WE DEVELOP NOT ONLY AWARENESS AND UNDERSTANDING OF MONEY MATTERS. BUT ALSO THE SKILLS, CRITICAL JUDGEMENT AND RESOLVE TO MANAGE THEM."**

Personal Finance Education Group (pfeg)

Part-funded by the European Social Fund (ESF), this resource is part of a Welsh Government led suite of strategic projects designed to provide young people with skills that will help them to remain engaged or re-engage with employment, education and training.

It has been developed as a result of the Welsh Government adopting the United Nation Convention on the Rights of the Child (UNCRC) as the basis of all its policy making for children and young people (2004).

From this, a review was put in place of current policies. One of the areas identified for further development was young people's budgeting. The need for young people to be involved in budget decisions and gain the financial skills was highlighted as being in need of further development. This toolkit forms a key part of this change.

The topic of young people's budgeting also contributes and encourages the development of active citizenship of young people. The toolkit aims to contribute to developing the skills and knowledge that young people need to make more informed, long-term decisions about their finances. This will assist them in developing skills in managing their money more effectively in the future and can contribute to breaking the poverty cycle. →

## WHAT TOPICS DOES THE TOOLKIT COVER?

The Toolkit is packed with 20 activity sessions organised into six topic areas. There is also an introductory activity that helps establish what young people already know, understand and feel about money.

Section	Activity name	Activity content
<b>Introduction</b>	<ul style="list-style-type: none"> <li>How do I feel about money?</li> </ul>	<ul style="list-style-type: none"> <li>Explore knowledge, experiences and concerns</li> </ul>
<b>1 Spending wisely</b> 	<ul style="list-style-type: none"> <li>What should I buy?</li> <li>How can I pay for things?</li> <li>Opening an account</li> <li>The best place</li> <li>What should I do with...?</li> </ul>	<ul style="list-style-type: none"> <li>Needs, wants and buying decisions</li> <li>Forms of money and their pros / cons</li> <li>How to open the right current account</li> <li>Finding best value and lowest risk</li> <li>What to do with unexpected money</li> </ul>
<b>2 Saving for the future</b> 	<ul style="list-style-type: none"> <li>Did V.S Didn't</li> <li>Paying it in</li> <li>Interested in interest?</li> </ul>	<ul style="list-style-type: none"> <li>The benefits of saving</li> <li>Opening and using a savings account</li> <li>How interest helps money grow</li> </ul>
<b>3 Managing your money</b> 	<ul style="list-style-type: none"> <li>In and out</li> <li>Adding it up</li> <li>Getting paid</li> </ul>	<ul style="list-style-type: none"> <li>How money enters and leaves lives</li> <li>Making and balancing a budget</li> <li>Understanding payslips and deductions</li> </ul>
<b>4 Credit and debt</b> 	<ul style="list-style-type: none"> <li>What are credit and debt?</li> <li>Saying 'yes' or 'no' to debt</li> <li>That sinking feeling</li> </ul>	<ul style="list-style-type: none"> <li>Key terms, pros and cons of credit</li> <li>Making informed decisions about debt</li> <li>Getting help when debt is too much</li> </ul>
<b>5 Staying safe with money</b> 	<ul style="list-style-type: none"> <li>What would I do?</li> <li>Staying safe</li> </ul>	<ul style="list-style-type: none"> <li>Avoiding financial risk</li> <li>Safe online shopping</li> </ul>
<b>6 The cost of living</b> 	<ul style="list-style-type: none"> <li>Protecting what's important</li> <li>Saving for retirement</li> <li>Running a home</li> <li>The best buy</li> </ul>	<ul style="list-style-type: none"> <li>Choosing insurance</li> <li>Exploring pensions</li> <li>Costs and surprises of sharing a home</li> <li>Using comparison websites</li> </ul>

The table on page 9 shows how each activity links to the National Curriculum for Wales.

## GET STARTED IN FOUR STEPS

- 1** **How to deliver the activities – a general guide**  
Read 'How to deliver the activities – a general guide' (which follows next).
- 2** Choose the topics or individual activities that are most relevant to the young peoples' needs and the time you have available. Each one has its own guide with learning outcomes for 11-14, 14-16 and 16-19 year-olds.
- 3** Choose the right learning outcomes for each activity based on their needs and ability.
- 4** Adapt your delivery to suit your aims and the time you have available, using the ideas in the general guide to help you, and create your own scheme of work.

Remember to use the Introduction first: it breaks the ice, establishes some helpful ways to share ideas and information about money, and can help you plan how you'll deliver each topic or activity to best account for young peoples' learning needs.

## HOW TO DELIVER THE ACTIVITIES A GENERAL GUIDE

Each activity session has been designed to be flexible, so each one can meet your needs. There are learning outcomes for 11-14, 14-16 and 16-19 year-olds and you can condense or extend each activity to cover time periods from 30 minutes to over an hour. You can use each activity on its own or combine activities to create your own scheme of work.

### Where do I start?

**In each topic there is a balance of activities that includes:**

- Using stimulus images to help visual learners
- Discussion and role play to help auditory learners
- A practical or research activity to include kinaesthetic learners.

You can use the Toolkit as it stands, but it can be easily tailored to suit young people's specific needs, engaging them in relevant content throughout the topic. Each activity suggestion is a starting point for you to adapt and personalise: →

- Are there any colleagues you may need or want to involve in your planning? (Especially relevant if some or all of your young people are supported by multiple agencies.)
- How you can include all learners by catering for any specific needs? (This may also help you to plan how you will include the activities within or alongside your wider curriculum/programme.)
- Which topics and activities are most immediately relevant, taking into account the nature of your group and the young peoples' backgrounds? You may, of course, want to deliver all six topics.
- How can you adapt each activity to suit the group's age, life stage, needs and abilities?

Involve learners in your planning – use the introductory activity to identify what they already know and understand, their fears and uncertainties, and what they identify as priorities for learning. Use this information to further adapt your ideas for each activity and plan learning experiences that set suitable challenges, are responsive to young people's needs and backgrounds, and which can overcome any potential barriers to learning and to developing their financial capability.

### How can I use the activities with different age and ability groups?

Young peoples' financial capabilities need to progress as they grow older, as new opportunities open up for them to earn, save, spend and obtain credit. Other young people at the same stage of development may have very different needs and abilities.

The Toolkit provides support for this matrix of needs by providing learning outcomes at three levels and using a core delivery framework for each activity that, where appropriate. This allows the same topic to be made relevant for young people at different life stages by using different suggestions for scenarios and content.

#### The learning outcomes for each activity are cumulative and are organised as:

**All learners should...** The core learning outcomes for younger (e.g. 11–14) or less able students.

share some recent experiences of using and managing money.

**Most learners might...** Additional learning outcomes for mid-age (e.g. 14–16) or average ability students.

**Some learners** Additional learning outcomes for older (e.g. 16–19) or most able students.

You can find the learning outcomes at the start of each topic, organised by activity.

Select less challenging learning outcomes for younger students or for less able older learners whose priority is to gain short-term money management skills; select more challenging outcomes for older students or more able young learners who can think ahead to the money management skills they will need at a later stage in life.

These learning outcomes are suggestions only: remember that you should amend or add to them as you adapt each activity to suit your group, personalising your delivery, the contexts you use and the content you explore.

### How do I deliver a session?

Each activity comes with the following information to help you deliver a great session with young people:

- Learning outcomes (at the start of the topic) – after these you'll also find ideas for making the topic relevant to each age group using scenarios that reflect their age, independence and 'next steps' in life.
- Preparation – what to do before you start.
- Delivery – organized in three cumulative levels: with all young people; with older or more able young people; and with the oldest or most able. These also correspond to the three age levels of 11-14, 14-16 and 16-19.
- Extend – ideas for follow-up or additional activities.

This information will show how each activity unfolds, what young people will do and what they will learn.

Think about how much time you've got to explore the activity and what learning is most important.

Thinking about the age and ability of the group, identify which steps you want to include and which ones you want to miss out. You may be able to omit or speed through some earlier steps, so you can allow time for activities that are right for older or more able young people, or you may want to focus on the early steps to help younger or less able young people master the basics.

Remember to build in time to allow young people to reflect on their learning (see below).



**A 30-minute session could be structured as:**

<b>5 mins</b>	Starter	Choose and tailor one or two ideas from the Introduction to gauge young peoples' knowledge and confidence about your chosen topic.
<b>5 mins</b>	Whole-group introduction	Share your objectives and use the initial step(s) and related resource sheet to set the scene.
<b>10 mins</b>	Main activity	Young people work in small groups or pairs to complete a chosen activity from the delivery guide to the topic, using one or more subsequent steps and the related resource sheet(s).
<b>5 mins</b>	Plenary	Share and review young peoples' ideas and help them apply them in one or two new situations, using the final step.
<b>5 mins</b>	Reflect	Review what young people have achieved and identify what they might want to learn next.

**A 60-minute or longer session could be structured as:**

<b>5 mins</b>	Starter	Choose and tailor one or two ideas from the Introduction to gauge young peoples' knowledge and confidence about your chosen topic.
<b>5 mins</b>	Whole-group introduction	Share your objectives and use the initial ideas and related resource sheet to set the scene.
<b>10 mins or more</b>	First activity	Young people work in small groups or pairs to complete a chosen activity from the delivery guide to the topic, using one or more subsequent steps and the related resource sheet(s).
<b>20 mins or more, split between activities</b>	Development activity	Young people work in small groups or pairs on one or more subsequent activities, which may be for all learners or can include activities for older and more able, using one or more subsequent steps and the related resource sheet(s).

<b>10 mins</b>	Plenary	Share and review young peoples' ideas and help them apply them in one or two new situations, using the final step.
<b>5 mins</b>	Reflect	Review what young people have achieved and identify what they might want to learn next.



**A series of sessions or scheme of work can cover a range of activities and topics, or it might allow you to progress through all three levels of learning outcome with a single group. For example, a series of sessions to explore all three levels in 'How can I pay for things?' might be structured as:**

<b>Introduction</b>	Use the Introduction activity in full to gauge young peoples' knowledge and confidence about your chosen topic.
<b>Stage 1</b>	Follow steps 1 – 6 to cover the learning outcomes for all young people and explore some strengths and limitations of different forms of payment.
<b>Stage 2</b>	Review learning from session 1. Follow steps 2 – 4 for older or more able young people, to build young peoples' understanding of the benefits of a bank account
<b>Stage 3</b>	Review learning from sessions 1 and 2. Follow steps 1 – 3 for the oldest or most able young people and explore how to distinguish between and use direct debits and standing orders. Help young people reflect on their learning.
<b>Stage 4 (optional)</b>	Use one or more extension ideas as an independent learning project, for example for young people to research credit reference agencies using the Internet and report back what they have learned about credit scoring. →

## What if I want to explore a topic in more detail?

Each activity includes a shortlist of extension activities, and the topic introduction includes suggestions for further online and printed resources you can use.

Choose extension activities as a further way to make learning relevant. Before you deliver a topic, look back at what the introductory activity told you about young people's needs – areas that they identified for themselves as being important and relevant – and any significant omissions. Use these to think of how you can adapt and extend each activity.

Think about whether you want extension activities to build young people's general skills in a topic, where one of the suggested resources may be the right choice, or whether you want to help young people use a general skill in contexts that are relevant to their needs. For example, some young people may want to learn more about using a particular area of knowledge (such as making an online purchase) in a specific context (such as buying a train ticket). Here, your own ideas – or theirs – may be most appropriate

## How can young people reflect on their learning progress?

Each topic includes a simple reflection sheet for each activity. You will find these after the resource sheets for the topic.

The reflection sheets list the learning outcomes for the activity in simple language and allow young people to record whether they have achieved each outcome or need to work at it some more. Young people can note some ideas to improve in the future.

Alternatively, use each sheet to support informal reflection as a group, for example using a show of hands to gauge young people's confidence about each learning outcome.

Remember to direct young people to only reflect on the learning outcomes that you have selected, using the learning outcomes tables at the start of each topic.

## HOW DOES THE TOOLKIT LINK TO THE NATIONAL CURRICULUM FOR WALES AND OTHER SPECIFICATIONS?

Since September 2008, financial education has been introduced into both the Mathematics framework and Personal and social education curriculum. The activities in the Toolkit support the following elements: See table opposite.

## Essential Skills Wales Financial Education

The activities in the Toolkit can contribute to young peoples' work towards the financial education contextualised units within the Essential Skills Wales (ESW) suite of qualifications. If you are teaching any of these units, make sure your delivery of any Toolkit activities is appropriate for the unit level and can achieve or contribute to the assessment criteria specified for the unit.

## Youth Achievement Award

The activities in the Toolkit can enable formal recognition and accreditation through the Youth Achievement Award (YAA). For practitioners wishing to accredit young people's engagement, the Toolkit's activities provides the necessary structure to undertake challenges linked to the YAA at Bronze Level. It could also be linked at Silver, Gold and Platinum Levels for those young people who plan, organise and lead sessions. [www.youthcymru.org.uk/YAA\\_Home.html](http://www.youthcymru.org.uk/YAA_Home.html)

## Agored Cymru

The activities in the toolkit can provide activities that map closely to specific units that form part of the NOCN Step UP Qualification. The activities can thereby enable the evidencing of achievement appropriate to specific required assessment criteria.

## NOCN Step Up Qualifications

### Entry 3 Level: Introduction to Personal Budgeting and Money Management M5005505

### Level 1: Personal Budgeting and Money Management H5005386

In order to accredit using these units please be aware of Agored Cymru's requirements for using these units:

- Learning organisations need to be a Recognised Centre or have partnership arrangements with one and be approved to use units within subject sectors.
- Recognised Centres need to inform the Agored Cymru Business Development Team of their intention to deliver the Step UP Qualifications.
- Agored Cymru need to provide a Step UP Qualification briefing session; the qualification cannot be delivered if this has not taken place.
- Learning organisations need to be registered with the Learning Records Service as a Learner Registration Body and have Unique Learner Numbers (ULN) for their learners.



TOPIC AREA	Introduction	1 Spending wisely					2 Saving for the future			3 Managing your money			4 Credit and debt			5 Staying safe with money		6 The cost of living			
		What should I buy?	How can I pay for things?	Opening an account	The best place	What should I do with...?	Did Vs. Didn't	Paying it in	Interested in interest?	In and out	Adding it up	Getting paid	What are credit and debt?	Saying 'yes' or 'no' to debt	That sinking feeling	What would I do?	Staying safe	Protecting what's important	Saving for retirement	Running a home	The best buy
<b>PERSONAL AND SOCIAL EDUCATION</b>																					
<b>11-14</b>																					
The economic and ethical consequences of personal financial decision-making as a consumer.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
How to become competent at managing personal finances and recognise that saving provides financial independence.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
<b>14-16</b>																					
Their rights as consumers and their responsibilities in terms of managing a budget.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
The importance of planning for their financial futures and how to access financial advice.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
<b>16-19</b>																					
Their increasing independence in terms of managing personal finances and accessing credit.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
<b>MATHEMATICS</b>																					
<b>11-14</b>																					
Understand and use the conventional way of recording money.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Calculate with money and solve problems related to budgeting, saving and spending, and currency exchange rates.				X	X													X	X	X	
<b>14-16</b>																					
Understand and use the conventional way of recording money.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Calculate with money and solve problems related to budgeting, saving and spending, including currency exchange rates, profit and loss, discount, hire purchase, best buys, household bills and compound interest.				X	X													X	X	X	

## INTRODUCTION

# HOW DO I FEEL ABOUT MONEY?

In this flexible starter activity, young people can do any of: check their understanding of words about money and how it enters and leaves their lives; think a bout how confident they are when using money; and build a list of things they would like to learn or practice, to help them manage their money better.

## INTRODUCTORY ACTIVITY

### About this activity

You should use this activity first.

#### The suggestions below will help you to identify:

- what young people already know and understand
- their fears and uncertainties
- what they identify as priorities for learning.

The ideas below work best when young people can be honest in recognising and sharing what they do and do not understand about personal finance.

- Consider any barriers to sharing and discussion within your group and how you might overcome these.
- Choose from and adapt the most appropriate ideas below.
- With any barriers to learning in mind, consider how you want young people to share their ideas, and how you will share your findings with the group at the end of the session.

## LEARNING OUTCOMES

**All learners should...** be able to identify some aspects of what they do and do not know about personal finance

share their overall level of confidence about money management

share some recent experiences of using and managing money.

**Most learners might...** identify goals for learning linked to their immediate or short-term money management needs, such as budgeting and saving.

**Some learners could also...** identify goals for learning linked to their long-term money management needs, such as saving for university, retirement and home ownership.

You can also use this introductory session to establish some simple group rules about how young people share information and ideas and respond to one another with respect.

## HOW TO DELIVER THE ACTIVITIES

This session can be as long or short as you wish. Use any combination of the following ideas. Explain that these activities are designed to involve the group in planning what they will explore in later sessions, so their honesty is important in making their future learning relevant and helpful to them.

### Financial vocabulary quiz

#### What's the balance in a young person's 'financial word bank'?

1. Add or remove words to **Resource sheet 1: Money words** template as appropriate for your group and the topics you intend to cover.
2. Read out each word:
  - What does this mean?
  - Where have you seen this word?
3. Use a show of hands for each one.
4. Alternatively, young people can complete a template by ticking one box for each word, using individual copies or by passing one template around the group.
5. Add up and share totals for how many young people do or don't understand each word and identify topics to explore.
6. If appropriate, briefly discuss some or all words to further explore young people's understanding and to ensure that the group has been realistic in their self-assessment. Modify your totals to give a more realistic picture.

### Share an experience

Use this activity to gain some insights into how money currently enters and leaves young people's lives, and to help young people see that others in the group may share their feelings about money matters.

1. Explain that you'd like young people to share one example of how money has come into or has gone out of their lives in the last week or month:
  - How have you earned or received it?
  - How have you spent it?
2. This could be something regular, like a wage or mobile phone top-up, or a one-off, such as a gift or special purchase. →

3. Young people share their ideas with a partner and then with the wider group by writing each transaction down on a Post-it note or card. Alternatively, more confident young people could share directly with the group, for example sitting in a circle.
4. Record the ideas on a whiteboard or flip chart and add to them through discussion, to build up a picture of how money generally enters and leaves young people's lives.
5. If appropriate, build on this by getting young people to share how they felt about these transactions:
  - Were you happy, confident, frustrated etc.?
6. Again, young people can share verbally or on Post-it notes/cards, and you could record young people's feelings on a whiteboard or flip chart and reflect on each word as a group:
  - Who else shares these feelings? Often, or from time to time? Why?
  - What skills or knowledge could help to turn your negative feelings about money into more positive feelings?

### Attitudes and confidence

This activity offers an alternative way to share young peoples' feelings about personal finance. You can circulate a single template; give young people individual copies, or draw a large version on a board or flip chart, for young people to come up and circle/mark. Modify the example concept map on the template to suit your group, as well as changing the subjects for the confidence lines to reflect what you already know about young people, or what topics you intend to cover.

1. Using **Resource sheet 2: How do I feel about money?** template, young people first circle the feelings that most accurately reflect how they feel about money most of the time.
2. Then, using **Resource sheet 3: How confident am I about...?**, young people then draw a cross on the confidence lines to indicate how confident they feel about some common money matters: more to the left if they are not confident, more to the right if they are very confident.
3. Share the results with the group to create a shared understanding of their feelings about – and confidence towards personal finance.

### Share a concern

Use this activity to build your understanding of young people's main concerns about personal finance.

For younger or more able groups, this might focus on day-to-day matters of money management and budgeting, while more able or older young people may want to focus on financial decisions related to later life stages, including further study, home ownership or retirement.

1. Give each young person two cards or Post-it notes.
  - Each young person writes down the two biggest concerns they have about money management – what are you most worried about?
2. Stick cards on a board or wall. You could organise cards under some simple headings, such as 'using money', 'budgeting', 'spending', 'saving', 'being safe with money' and 'planning for the future'.
3. Some groups may be comfortable with sharing their ideas verbally, or writing their concerns directly on a board/flip chart.
4. Share the ideas with the group, pointing out when more than one young person has shared a concern. You may need to identify concerns that are outside of the scope of these topics, such as getting a job.

### Final activity – build a learning list

Use this to thank young people for their honesty and contributions and use the end of your session to identify and share some of the most important things that you have learned.

1. Use some of the sentence ideas below to share your ideas:
 

**"We have learnt that:**

  - money enters our lives through...
  - it leaves our lives when we...
  - our feelings about money include...
  - we feel more confident about...
  - we feel less confident about...
  - our concerns about managing our money include...
  - to help us manage our money better, we'd like to learn more about..."
2. Explain that they have helped to ensure that future sessions will give them the knowledge, understanding, skills and confidence to help change any negative or unhelpful feelings about money into more positive and helpful feelings.



# HOW HAVE OTHERS BENEFITTED FROM PERSONAL FINANCE EDUCATION?



These case studies will help you build on the progress made and lessons learnt by other groups in Wales and the UK.

## LLAMAU (INFORMAL LEARNING ENVIRONMENT)

Llamau is an organisation that supports post-16 young people leaving care or in a homeless situation. The support offered focuses on first-time homing and furthering education and employability opportunities in order to develop the independence of the young people. Llamau has five sites across Wales and the Personal Finance Toolkit was used with learners in all sites to develop their independent living skills.

### Share an experience

- To provide financial skills and understanding around budgeting. (This is a key area for the circumstances of the majority of the young people at Llamau.)
- To promote independence by clarifying financial misconceptions in relation to living independently.
- To develop a sense of responsibility around money and finance.

### Process

- Training on the Toolkit was provided on site to a team of tutors.
- Tutors assessed the individual needs of the young people they work with to identify those for which budgeting for independence was most relevant.
- Due to the low literacy levels of many of the young people, tutors were careful in the activities from the Toolkit that they selected and, in some cases, differentiated specific activities.
- Delivered to the young people over a four-week period by tutors. This was done on an individual basis, as well as through group work.

### Outcomes and impact

- The activities delivered stimulated a very wide range of focused discussion.
- Through discussion, tutors were able to address misconceptions that the young people had in relation to living independently.
- Tutors found there were opportunities to develop other discrete skills during the activities, such as communication, team work and building confidence.
- Initial ideas provided from the Toolkit enabled tutors to expand on specific topic areas that were most relevant to the needs of individual learners.

### Key learning points

- The needs of young people will vary significantly depending on their circumstances. Activities from within the Toolkit should be selected based upon need and, if necessary, differentiated accordingly.
- Often the activity the young people participate in will lead to further discussion. This is a key learning opportunity and time should be factored into any delivery to allow for this.

- While the activities impart financial knowledge and skills the young people also engaged in some fundamental soft skills through their participation. Personal finance is a good medium for this as there is often no right or wrong, just decision-making and opinions based on different circumstances or choices.

## PEN Y DRE HIGH SCHOOL

Pen Y Dre is a mixed 11-18 school in Merthyr Tydfil. The school integrated activities from the personal finance toolkit into a Year 10 Business Studies BTEC course. This sat within the course unit on 'Managing Personal Finances'. It was delivered through normal lessons over a six week period.

### Aims

- Make links between business finance and personal finance.
- Increase the financial knowledge, skills and confidence of learners

### Process

- Teachers attended an initial training session on using the personal finance toolkit.
- Looked to link selected activities from the toolkit to the year 10 Business Studies BTEC qualification.
- Integrated the activities in the BTEC course through the 'Managing Personal Finances' unit.
- Some adaptations of the activities were required in order for them to fit with the course specification appropriately.
- Activities were delivered over a six week period through timetabled Business Studies lessons.

### Outcomes and impact

- Delivery of the activities highlighted the level of misunderstanding and misconception that the learners had, specifically around common financial products such as credit cards.
- Many of the activities were conducive for group work, and this helped develop communication skills as well as the targeted financial skill.
- The young people found the activities engaging due to the relevance they held to their own future lives.

### Key learning points

- The activities within the personal finance toolkit may not always integrate perfectly with delivery models, qualifications, or specific needs of the learners. In this case the activities within the toolkit can be adapted or differentiated as appropriate.
- There is potential for many of the activities within the toolkit to be used lower down in the school in order to create a foundation in personal finance that can be differentiated and built upon as the students progress.

**TOPIC 1****SPENDING WISELY**

In this topic, **five activities** explore the idea of **'needs'** vs. **'wants'** and how to make better decisions about what to buy; how young people can pay for things, including through a bank account; how to get best value and **minimise risks**; and how to use a gift or windfall wisely.

## LEARNING OUTCOMES

### What should I buy?

<b>All learners should...</b>	explain the difference between 'need' and a 'want'
	identify an appropriate product to meet their needs.
<b>Most learners might...</b>	identify helpful and unhelpful influences on buying decisions
	list some criteria for a product and sort products to identify the best
	think of alternative uses for their money.
<b>Some learners could also...</b>	link alternative uses for their money to long-term goals (e.g. saving not spending).

### How can I pay for things?

<b>All learners should...</b>	list the notes and coins used in UK currency
	list some other ways of paying for goods and services, including debit and credit cards, store cards, prepaid cards and cheques
	identify which forms of payment are available to them and where they can use these forms of payment.
<b>Most learners might...</b>	identify which forms of payment require a bank account.
<b>Some learners</b>	describe the difference between

**could also...** a direct debit and a standing order.

### Opening an account

<b>All learners should...</b>	explain the difference between a current and savings account
	identify some key differences between accounts offered by a bank
	describe what information and ID is needed to open a bank account.
<b>Most learners might...</b>	describe the differences between accounts, identifying limitations on withdrawing or spending or on overdrafts.
<b>Some learners could also...</b>	be able to compare suitable bank accounts to identify the best deal, for example accounts for 11–15 year-olds, 16–19 year-olds, for young people or working adults.

### The best place

<b>All learners should...</b>	identify a range of places where they can buy common items
	explain some risks and benefits when buying from different places
	select the best place to buy a range of items.
<b>Most learners might...</b>	describe how they might find out more about where to buy.
<b>Some learners could also...</b>	select the best place to buy a range of items according to a set of criteria.

### What should I do with ...?

<b>All learners should...</b>	justify a decision or spending choice to make best use of an unexpected sum.
<b>Most learners might...</b>	give an example of how a gift or windfall could contribute to a larger goal or purchase.
<b>Some learners could also...</b>	link the opportunity presented by a gift or windfall to longer-



term financial or buying goals.

## Make this topic relevant to your group of young people

It is interesting to use a combination of items at a variety of prices. This could include: a mobile phone or MP3 player, a winter coat, writing paper and pens, a takeaway lunch, a watch, a suit or outfit for a job or course interview. Choose items that are appropriate for your group's age and life stage, or which are relevant to their 'next steps' in learning or life:

### 11–14

Link to savings accounts and to scenarios and discussions about young people's every day and 'special' purchases: going out, music, films and magazines, toiletries, clothes and snacks; mobile phones, games consoles and games etc.

### 14–16

Link to current accounts and to young people's increasing independence in relation to socialising, travel and purchasing and perhaps making best use of a limited part-time income.

### 16–19

Link to scenarios of living at home or independent living in rented accommodation: buying household and electrical goods, furniture, food etc., while in education, part-time or full-time work or receiving housing or other benefits.

## Extend this topic with further resources

### RBS MONEYSense FOR SCHOOLS

Modules for 11–14 and 14–16 year-olds explore how banks work and how to open a bank account to pay for things.

[www.rbsmoneysense.co.uk/rbs/schools.asp](http://www.rbsmoneysense.co.uk/rbs/schools.asp)

### CUINSCHOOLS

Find out about opening an account with a credit union, and all about the services that locally-owned credit unions can offer.

[www.cuinschools.org](http://www.cuinschools.org)

### MONEY MADE CLEAR – EVERYDAY MONEY



## WHAT SHOULD I BUY?

### About this activity

In this activity, young people work in small groups to make and justify a purchase decision.

### Prepare

Identify appropriate products for your group of young people to research and discuss.

You will need a board or flip chart if you want to gather young people's ideas at each stage. If you want young people to research purchases using the internet, you will need access to appropriate ICT. Young people might also use copies of a 'catalogue shop' book to identify products at different price points.

### Deliver

#### With all young people:

1. Explain that young people are going to make a decision to buy something. They will need to explain their choice and why it is a good use of the purchase price.
2. Share the learning objectives you have chosen.
3. Introduce the idea that when we buy a product, we are faced with many different choices, and many things that try to influence our decisions to buy.
4. Discuss why some products cost more or less than

others, and how price might influence young people's choices.

- When and why might they pay more for a product, or less?
5. Discuss the idea of 'needs' vs. 'wants'.
    - Can young people give examples of each?
    - What about where a basic product might fulfil a 'need', but a more complex, high quality or expensive version would be better described as a 'want'?
  6. Split young people into small groups of 2–4. Assign each group an item from the list above, or items that you have chosen as relevant to your group of young people.
  7. Using the internet and their own knowledge, young people discuss and agree a budget, mid-price and expensive option and then decide which one they would be most likely to buy.
  8. Groups share their options, decision and reasons.
  9. Gather ideas for why young people chose, on the whole, the options that they did.

- What are they trying to do? Make the best use of money? Show off? Spend as little as possible?
- Why might this differ between types of item?

**With older or more able young people, also:**

1. Discuss what factors might influence how young people feel about the price of a product, and whether it is worth it.
  - How might advertising, brand image, word of mouth, peer pressure to conform or show status influence them?
  - How are these influences helpful or unhelpful?
2. Encourage young people to dig deeper during your discussions about price and 'needs' vs. 'wants'. In the latter case.
  - How do we make this distinction?
  - Whose opinion is correct, and why?
3. Challenge groups to come up with a short list of 3–5 criteria for their product, and to rate their three choices against these criteria in order to make their 'best' choice. Discuss how product criteria can help to identify the minimum acceptable product to meet their needs.
4. When they explain their choice, challenge young people to explain why they went for a budget/mid-price /expensive option in terms of how they might otherwise use the price difference.

**With the oldest or most able young people, also:**

1. Challenge groups to consider how they might do without or 'make do' with less if saving towards a long-term goal, or managing a limited budget.
2. Discuss how product criteria can help to identify the minimum acceptable product to meet their needs, enabling them to divert funds towards longer-term goals.
  - What goals would be important enough for them to compromise on their purchase?
  - In what circumstances would the short-term be more important?

**Extend**

- Compare the value for money in some real products.

- Feel, use or try on different items.
- Hold a taste test of different brands of a popular food or snack.

## HOW CAN I PAY FOR THINGS?

### About this activity

In this activity, young people consider different forms of money, including cash, debit cards, vouchers, credit cards, store cards, prepaid cards (e.g. from stores), cheques etc. They identify which forms are available to them now and which will be in the future, and consider in which situations they will use each form of payment.

### Prepare

Choose the number of forms of money that you consider, for example, spend time discussing denominations of coins and notes with less able young people. You may want to use copies of **Resource sheet 2: Forms of money** and **Resource sheet 3: Where can I use it?** stimulus cards with some or all young people. If you do not use the stimulus cards, you may want a flip chart or board to gather young people's ideas.

### Deliver

#### With all young people:

1. Explain that they are going to think about the different forms of money that they can use, and some of the pros and cons of these.
2. Share the learning objectives you have chosen.
3. One by one, share **Resource sheet 2: Forms of money** stimulus images and briefly discuss each one.



- Which forms are available to young people in your group, and which ones are not?
  - Are there things they cannot easily buy because of this?
4. Get young people to identify the forms of payment that require them to be 18; why this might be?
  5. Explain to the group that they are going to consider where they could use each form of money. One by one, share the **Resource sheet 3: Where can I use it?** stimulus images.
    - Which forms of money each place might accept?
  6. Review why we might use money in so many different forms: safety, convenience and ease of processing are some.
    - Which form might be best for different purchases?

#### With older or more able young people, also:

1. Instead of projecting or sharing stimulus images, get young people to create a shared list of forms of money.
2. Get young people to sort forms of payments into those that require a bank account, and those that do not.
3. As a group, think of some benefits of opening a bank account.
4. Discuss also why a bank account offers a safe place to store money for the future, instead of keeping cash at home or on your person.

#### With the oldest or most able young people, also:

1. Share the direct debit and standing order stimulus images.
2. Discuss the difference between them (see **Resource sheet 1: Facts, figures and websites**).
  - Can young people identify some examples of where a young person might pay for something using direct debit (e.g. a variable mobile phone bill each month) and standing order (a fixed subscription or utility bill)?
3. Link these back to the benefits of having a bank account.

### Extend

- Discuss and research credit scoring and credit histories and their effect on your ability to obtain a credit or store card, and the interest rate that you are offered.
- Research interest-free or 'buy now pay later' offers, such as in furniture stores.
- How are these offers factored into the prices people pay?

- Review some store card offers that offer 10% off your first purchase.
- Why is this offered?.
- Is it actually a good deal?

## OPENING AN ACCOUNT

### About this activity

In this activity young people use real information from banks to find out what accounts are available to them and how to open one. Young people can optionally compare deals for new account holders and practise filling in a bank account application form.

### Prepare

You will need copies of current account leaflets from a range of banks, or access to online current account information to project. Choose and review some accounts suitable for the age of your group. You may also want optional copies of the **Resource sheet 4: AnyBank application form** template.

### Deliver

#### With all young people:

1. Explain that they are going to explore how to find and open a suitable bank account.
2. Share the learning objectives you have chosen.
3. Ask the group to name some different sorts of bank accounts that they might have heard of (e.g. current, savings, deposit).
  - What is the difference between a current account and other accounts?
4. Using leaflets or projected information, review some different bank accounts from a single bank.

- How old you must be to open the account?
- What does the account offer?
- Is any parental permission required (for example, for a debit card instead of a cash card)?

5. As a group, select an account that is most appropriate for a young person's needs.
6. Explain that young people need to provide ID when they open an account, usually one item to prove who they are, and one to prove where they live (which can be something addressed to a parent).
  - What could they use?
  - How they can make sure they take the right ID when they go to apply?
7. Review by asking young people to explain the steps they would take to go about opening an account.

#### With older or more able young people, also:

1. Get young people to identify what the accounts might not offer (e.g. an overdraft is only available to over-18s since it is a credit agreement).
2. Challenge them to put the selected accounts in order, with the most attractive first, explaining their decision.

#### With the oldest or most able young people, also:

3. Set young people an independent activity to identify and compare bank accounts for an upcoming or future life stage, such as when they are a student or as a working adult.

### Extend

- Review the **Resource sheet 4: AnyBank application form** template, which young people can practice completing.
- Young people could compare some 'premier' accounts with a monthly fee against basic

no-fee accounts.

- What benefits do the accounts with a monthly fee offer?
- Are these benefits worth it?

## THE BEST PLACE

### About this activity

In this activity young people consider a range of things they might buy and some options on where to buy them. They consider the risks and benefits of buying from each place and identify the best place to buy.

### Prepare

You will need to have copies of **Resource sheet 5: Items** stimulus images (one image per group), **Resource sheet 6: Shops** images (a complete set per group) and **Resource sheet 7: What's important?** cards (one or more per group). You may want a board or flip chart to capture ideas.

Consider how you can make best use of local knowledge to help young people, for example local shops, markets and department stores.

### Deliver

#### With all young people:

1. Explain that they are going to explore the risks and benefits of buying from different types of shops.
2. Share the learning objectives you have chosen.
3. If you have completed the *How can I pay for things?* activity, briefly review that one influence on where to buy is what forms of money the shop will accept.
4. Ask them to suggest some different types of shop or place from where they can buy things, locally and using the internet.
  - In general terms, what are the benefits and risks from using each one?
5. Split your group into smaller groups of 2–4 and share one item (from **Resource sheet 5: Items**) image per group along with a set of shops images (from **Resource sheet 6: Shops**).
  - What are the main things that might be important to them when buying that item?
6. Groups rank the shops, from best to worst place for this item.



7. Share one or more cards from **Resource sheet 7: What's important?** cards with each group.
  - Where would they buy their product, based on this criterion?
8. Groups share their ideas.
9. Review that there are risks and benefits when buying and that it is important to select a shop based on the right criteria, depending on product and circumstance.

#### With older or more able young people, also:

1. Get groups to list other items that are bought where their criterion (e.g. quality) is most important.
  - Where might be best to buy, based on this criterion, in general?
2. Discuss sources of information that can help young people to make a safe choice when buying.
  - Where could they get a personal recommendation?
  - Where are some online reviews?
  - How can they know these are reliable?

#### With the oldest or most able young people, also:

1. When ranking shops, groups rate each option in terms of how it might 'score' against each criterion, which could in addition be given different 'weightings', e.g. a rank of 1 – 5 and a weighting of 1 – 3.
2. Give groups all the **Resource sheet 7: What's important?** cards.
  - a. In what order would they rank these, for their item?

### Extend

- Review different forms of price comparison and consumer reviews online.
- What sources are most helpful and trustworthy?

## WHAT SHOULD I DO WITH...?

### About this activity

In this activity, young people compare what they might do with a windfall of £5, £10, £50 or £100 and explain their choices and decisions.

### Prepare

You may wish to choose different sums of money, or to



focus young people on a limited choice, for example to spend locally, spend online, buy an item or spend the money on an experience or service.

### Deliver

#### With all young people:

1. Explain that they are going to discuss and share ideas for what they might do with a gift or other unexpected sum of money.
2. Share the learning objectives you have chosen.
3. Explain that you are going to randomly assign small groups a sum of money. Each group needs to think of some options and then the best way in which they might spend this sum.
4. Split young people into groups. Assign a single amount to a group, or give each group the full range of amounts to consider.
5. Young people discuss what they would do and prepare to justify their decisions.
6. Share ideas and discuss why groups came to their decisions.
7. Discuss impulse buying and how a gift or windfall might prompt this.
  - What could young people do to avoid buying something they might soon regret?

#### With older or more able young people:

1. Ask young people for alternatives to spending the money straight away:
  - Why might waiting a while help them to make a better decision?
  - Challenge young people to think of a larger or deferred purchase (for example, something they are saving for, or would buy at a later date) to which they could put their windfall.

#### With the oldest or most able young people:

1. Challenge them to consider how their windfall might contribute to a longer-term financial goal, perhaps linked to their plans for further education or their transition towards independent living.
  - a. Is there a point where a sum becomes significant enough to 'count' towards these goals and therefore be worth saving instead of spending now?

**TOPIC 2****SAVING FOR  
THE FUTURE**

In this topic, **three activities** explore the **importance** of saving money now and for the future, how and where young people can save, and how **interest** can help preserve and grow their savings.

## Extend

There are no extensions for this activity.

## LEARNING OUTCOMES

### Did Vs. didn't

<b>All learners should...</b>	describe some risks associated with keeping money and the benefits of keeping it in a bank account
	describe some short and long-term benefits to saving.
<b>Most learners might...</b>	describe some pros and cons to saving
	explain the benefits of planning for the future.
<b>Some learners could also...</b>	link savings to needs at different life stages

link savings to goals in a formal plan.

### Paying it in

<b>All learners should...</b>	identify the main features of a savings account
	explain the steps necessary to open a savings account and to pay in money.
<b>Most learners might...</b>	describe some differences between savings and investment accounts
	identify an appropriate savings account to open.
<b>Some learners could also...</b>	identify an appropriate savings account to open for long-term security or greater gain at higher risk.

### Interested in interest?

<b>All learners should...</b>	identify that earning interest can help savings to grow.
<b>Most learners might...</b>	list some factors that affect the interest rate that they earn on their savings.
<b>Some learners could also...</b>	explain how interest can help savings to keep up with inflation



research interest rates and use an interest calculator.

## Make this topic relevant to your group of young people

### 11–14

Adapt the scenarios to reflect your group's age, maturity and life stage. Consider the contribution to savings of family gifts and the items that young people might want to purchase: a new phone, handheld or main games console, camera, 'status' item of clothing etc. Some young people may be thinking ahead to a first car or scooter, or save to fund a particular hobby or interest.

### 14–16

Adapt the scenarios to reflect your group's age, maturity and life stage. Consider the contribution to savings of regular income from a part-time job. Think about more independent uses for savings: a trip or holiday, a first car or scooter, or clothing for interviews and a first job. Some young people may think ahead towards further study and independent living.

### 16–19

Adapt the scenarios to reflect your group's age, maturity and life stage, including incomes from employment or benefits and the impact of having to fund independent living, including saving towards large household items or repairs and improvements.

## Extend this topic with further resources

### 2070 LAUNCH YOUR LIFE

Explore the importance of long-term financial planning. [www.2070launchyourlife.org/](http://www.2070launchyourlife.org/)

### YOUR MONEY AND YOUR LIFE

Module 5 deals with savings. [www.debtcred.org/materials.html](http://www.debtcred.org/materials.html)

You may also want to extend by using Topic 6

## HOW TO DELIVER THE ACTIVITIES

### DID VS. DIDN'T

#### About this activity

In this activity young people discuss or role-play three pairs of people who offer different perspectives on the benefits of saving. They link saving to planning for future life events and explore the balance between short and long-term benefits.

#### Prepare

You will need copies of the three pairs of **Resource sheet 1: Did vs. didn't** stimulus cards, trimmed or folded across to include the level of information you wish to use.

#### Deliver

##### With all young people:

1. Explain that they are going to explore savings, how to save and why savings can be important.
2. Share the learning objectives you have chosen.
3. Ask young peoples if anyone is saving up for anything.
  - What is it?
  - How are they saving?
  - How long might this take?
4. Introduce the three pairs of people from **Resource sheet 1: Did vs. didn't** stimulus cards, either by handing pairs to small groups, or by asking six young people to share the information on the cards by reading out or acting in character.
5. Discuss each pair of people in turn.
  - How has saving up helped the person who made the effort?

- What did the person who didn't save enjoy?
  - What did the 'saver' give up?
6. Discuss that choosing to save means giving up some uses of that money in the short term, knowing that you will benefit from the savings in the future.
    - What do young people think about this in their lives now?
  7. Ask young people to suggest ways to save.
    - What about putting the money in a 'safe place' at home?
    - What are some better options?
  8. Review how savings may require giving up something in the short-term, to enjoy a benefit in the longer term,



such as 'rainy day' savings that can even out fluctuations in income.

**With older or more able young people, also:**

1. Split the group into pairs. Ask young people to think of up to three advantages and three disadvantages of saving.
2. Highlight how each pair was saving towards a goal at a certain life stage. Ask young people to suggest other important stages or events, such as study, re-training, or retirement. Discuss how young people may need to save towards more than one thing at once.

**With the oldest or most able young people, also:**

1. Ask young people to identify and research one or more life stages or future goals and estimate a cost that they might bear.
  - a. How long do they have to save up?
  - b. Assuming zero interest (this is covered in a later activity), how much does this mean they must save each month or year, to reach their goal?

**Extend**

- Challenge young people to think of how much they might want to put aside in a 'rainy day' account.
- For example, how much might three or six months' expenditure be for them? For a family?
- Challenge young people to write a budget that shows multiple savings at one, for example with amounts going towards three savings goals, one

short, one medium and one long-term.

## PAYING IT IN

### About this activity

In this activity young people discuss or role-play (with you) opening a savings account and can practice filling a paying-in slip. They can identify the main features of a savings account and compare savings vs. investments, ISAs etc.

### Prepare

You will need account leaflets, adverts or printed online information for a range of saving accounts from several banks or other providers, appropriate for your group. Read **Resource sheet 3: Customer cards** – your choices for each pair will need to include one suitable savings account and two that are not suitable. To add challenge, provide information on both current and savings accounts, for young people to sort. For more able young people, online access will allow each pair to explore savings accounts from each bank.

You will need copies of **Resource sheet 2: AnyBank paying-in slip** to discuss or practice filling in. If you want to role-play opening an account, you may also want the **AnyBank application form** from Topic 1 (Resource sheet 4) and **Resource sheet 3: Customer cards** (you can cut or fold these to vary the level of information).

### Deliver

#### With all young people:

1. Explain that young people are going to learn how to identify and open a savings account and explore some features and differences.
2. Share the learning objectives you have chosen.
3. Share the savings account leaflets or mixture of leaflets among the group.
  - What makes a savings account different to a current account?
4. Review the main features of a savings account: it pays interest, but cannot be used for day-to-day payments.
5. Young people role-play or discuss choosing an account. In pairs, one young person plays the role of bank advisor, who has three different accounts to offer (using your choice of leaflets or online information from a single bank). Assign a card from **Resource sheet 3: Customer cards** (set 1) to the other young person. Each pair must identify a good account to open for the

‘customer’ and share their ideas. Alternatively, complete as a whole group discussion.

6. Optionally, share the **Resource sheet 3: AnyBank application form** from Topic 1 and discuss or practice filling it in, if you have not already. You could role-play this with a young person, checking their form and asking for ID.
7. Remind young people that the bank or ‘other providers’ can advise them on an appropriate account when they visit a branch to apply.

#### With older or more able young people, also:

1. Ask young people to sort these accounts into those that they might open, and those that they can’t (for example, due to a minimum amount to invest, or a minimum period before they can withdraw).

#### With the oldest or most able young people, also:

1. Discuss the difference between ‘instant access’ accounts, those that require a minimum notice period, and those that tie up money for a fixed period.
2. Challenge young people to find out about other savings accounts, including ISAs and those that tie savings up for a fixed period.
  - a. How does the length of time that your money is ‘tied up’ change the interest rate?
  - b. When might it be a good or bad idea to use this sort of account?
3. Complete the role-play as above, using or adding **Resource sheet 3: Customer cards** (set 2).

### Extend

- Discuss the importance of paying in regularly: link this to when young people might receive money, from an allowance, job income or benefits, for example. Share **Resource sheet 2: AnyBank paying-in slip** and discuss or practice filling it in. Emphasise the importance of using pre-printed slips or ensuring the account number and sort code are correct.
- Young people research National Savings and Investments (NS&I) and share what they find out about the different types of accounts, including

Premium Bonds that use the interest to fund prizes.

## INTERESTED IN INTEREST?

### About this activity

In this activity young people explore how interest can help their money to grow.

### Prepare

You will need copies of **Resource sheet 4: Savings sorter cards** to share among groups; they may also want to use a calculator. You may want access to leaflets or online information on a range of savings accounts, so that young people can identify some factors that affect interest rates. More able young people will also need access to an online interest rate calculator – see the links in **Resource sheet 5: Facts, figures and websites**.

### Deliver

#### With all young people:

1. Explain that young people are going to explore how interest can help their money to grow.
2. Share the learning objectives you have chosen.
3. Tell young people to imagine that you had two lots of £500. You placed one lot in an envelope and hid it under your bed for a year. You paid the other £500 into a savings account and left it for a year. One lot had increased to £525 by the end of the year, while the other was still £500.
  - Which was which, and what had happened?
4. Share the three sets of **Resource sheet 4: Savings sorter cards** between groups (set 1 is easiest, sets 2 and 3 get harder). Ask groups to arrange and complete the cards in order and share what they discover about the amount of interest they earned:
  - In envelope: no interest
  - In account: interest increases in month
  - In account, withdrew £100: interest goes up and

then down again

5. Ask the group to use these ideas to come up with three ideas for getting the most from their ability to earn money from savings.

#### With older or more able young people, also:

- In groups, young people review some leaflets or online account information on the range of savings accounts from a single bank. Young people identify at least two things that can increase the interest rate that they could earn, and two things that could make it lower.

#### With the oldest or most able young people, also:

- Discuss the idea of inflation. If £500 is 'worth' £500 now, what might it be 'worth' in a year? (For example, it might then only buy goods with a current value of £496). Discuss how savings interest can help to offset the impact of inflation on savings.
- Young people can use an online interest rate calculator, in combination with interest rate information from banks, to find the best deal they could get for leaving £1,000 in a savings account for 12 months (or use different criteria of your own).

### Extend

- Make interest real by using real coins to demonstrate, using an exaggerated version of the cards. Show a pile of low-denomination coins (you will need 33). Give a young person 20 coins. The young person gives you a coin to represent a month's contribution to a savings account. Place the coin in a row. Repeat, and after five 'weeks', place an additional coin of your own onto the end of the row. After ten weeks add an additional two coins, four at 15 weeks and six at 20 weeks. Count together to show that they have saved 20 coins, and by earning increasing amounts of interest on the total, they have gained an additional 13 coins.

**TOPIC 3****MANAGING  
YOUR MONEY**

In this topic, **three activities** help young people to understand how money can enter their lives and how it can leave, plan and stick to a **budget**, and understand their income from part- or full-time **employment**.

## LEARNING OUTCOMES

### In and out

<b>All learners should...</b>	identify how money enters and leaves their lives
	state some essential and non-essential purchases
	explain why a budget needs to balance.
<b>Most learners might...</b>	describe how a budget could change given a change in circumstances.
<b>Some learners could also...</b>	identify how short-term spending decisions and habits affect longer-term financial goals.

### Adding it up

<b>All learners should...</b>	locate and prioritise items on a budget sheet.
<b>Most learners might...</b>	describe how a budget can control spending.
<b>Some learners could also...</b>	link a budget to a longer-term financial goal.

### Getting paid

<b>All learners should...</b>	distinguish take-home income from deductions on a payslip
	link the timing and amount of take-home pay to expenditure.
<b>Most learners might...</b>	describe the deductions that can be made from a payslip, including pension contributions
	use a payslip to calculate yearly gross and take-home pay.
<b>Some learners could also...</b>	identify tax codes and link these to personal tax allowances.

## Make this topic relevant to your group of young people

### 11–14

Consider income from pocket money, gifts and part-time work. Young people's spending priorities might include mobile phones, buying music, going to the cinema and other leisure attractions, toiletries, snacks and clothing.

### 14–16

Income might also include Education Maintenance Allowances (EMAs) and expenditure could include more independent travel and the cost of buying and owning a scooter.

### 16–19

Income might also come from full-time employment or benefits. Expenditure could include contributions if living at home, buying and owning a car, and the costs associated with independent living.

## Extend this topic with further resources

**These resources all explore budgeting and carry the pfeg quality mark:**

### LET'S GET FUNCTIONAL

A free resource to help aid teaching functional skills to young people aged 14–19 through personal finance contexts.  
[www.letsgetfunctional.org/](http://www.letsgetfunctional.org/)

### MONEY DIARIES

The books and financial literacy guides (all available online). [www.debtadvicefoundation.org/education/downloads](http://www.debtadvicefoundation.org/education/downloads)

### ADDING UP TO A LIFETIME

A web-based resource which can be used as an interactively online or downloaded. It supports the aims of the Every Child Matters agenda.  
[www.addinguptolifetime.org.uk/](http://www.addinguptolifetime.org.uk/)

Visit [www.pfeg.org](http://www.pfeg.org) and use the teaching resource search tool to find more resources suitable for your group of young people.

## HOW TO DELIVER THE ACTIVITIES

### IN AND OUT

#### About this activity

In this activity, young people discuss all the ways that money can enter their lives and how it can leave. They discuss the benefits of using a budget to track what goes in and out.

#### Prepare

Draw a large pair of traditional scales (or a see-saw) on a board or large sheet of paper, for example using coloured tape. You will also need blank cards, marker pens, sticky tack or tape. You might also want to use the **Sample personal budget**.

#### Deliver

##### With all young people:

1. Explain that young people are going to explore how money enters and leaves their lives, and how they might track and control this.
2. Share the learning objectives you have chosen.
3. Show young people the empty scales you have put on the wall.
  - Can they suggest how the scales might represent their personal finances?
4. Attach cards to each side to show 'money coming in' and 'money going out'.
5. Share cards among young people, either as a whole group, or splitting them into smaller groups. Young people write down their ideas for how money might come in and go out.

6. Young people share their ideas, explaining what they have written and adding their card to the correct side of the scales.
7. Discuss the 'big picture' that young people have created.
  - What about 'savings': which side should this go on?
8. Challenge young people to sort the cards, verbally or by getting them to come forward. Sort income into: 'regular and often' (e.g. a wage), 'regular but not often' (e.g. a birthday present), 'unexpected' (e.g. a prize). Sort expenditure into 'essential' and 'not essential'.
9. Discuss how expenditure depends on income.
  - Can sorting like this help make decisions?
  - Which expenditure can rely on regular, frequent income?
  - Which must wait for income that is less often or unexpected?
10. Discuss the idea of balancing the scales to balance your budget, using real scales if you have them.
  - What are the implications if young people spend more than they have coming in, or less?

##### With older or more able young people, also:

1. Discuss some ways in which the items on each side, and the amounts they represent, might change. You could create a new set of scales to cover a family to do this. Ideas include a pay rise, pay cut, change in benefits, redundancy; or changes in expenditure, such as increased travel costs for a new job.
  - How can young people use the idea of the scales, and how they sorted their ideas, to find ways to rebalance their budget?
2. Add or remove cards on each side to make this clear.
  - What does this mean in real life? →

### With the oldest or most able young people, also:

1. Make sure that saving is included in young people's original list of ideas.
  - Can the group think of some reasons to save money in the short (a holiday), medium (a car) and long term (for retirement) – or ideas more relevant to the group?
2. Add different savings cards to your scales to break this down. Discuss what this might mean for balancing the scales.
  - What is needed on the 'coming in' side, and what might have to go or get smaller on the 'going out' side?
3. Relate short-term spending habits to long-term goals and the idea of financial discipline.

### Extend

- Illustrate balancing a budget using a real set of traditional scales and weights, labelling different weights as 'wages', 'going out', 'mobile phone bill' etc.
- Challenge young people to record all their income and expenditure for a month or week and create a budget, on paper or using a spreadsheet or mobile app. Use the **Sample personal budget sheet** to help young people create their own.
- Ask young people to find out more about the items (NOT actual costs) for which their family needs to budget.



## ADDING IT UP

### About this activity

In this activity young people explore one or more of four budgeting scenarios and in groups make decisions on what to include, and what to drop, to balance a budget.

### Prepare

You will need copies of selected **Manage my cash cards** to share among groups. Decide which elements of the cards you will use, or adapt one or more cards to suit your group's ability and age.

### Deliver

#### With all young people:

1. Explain that young people are going to help someone decide how best to use the money they have coming in.
2. Share the learning objectives you have chosen.
3. Ask young people to share what they know about budgets.
  - What are their ideas for making a budget really work?
  - What information might they need to find out and record, and how could they do this?
4. Share your chosen profile from **Resource sheet 1: Manage my cash** sheets with young people, working in small groups. Review each section of the sheet(s).
5. Challenge young people to make notes on how they would change 'money in' (if they think that's possible) and 'money out', to help the person manage their budget and reach their goal.
  - What else might be in that person's budget?
6. Discuss how each person might feel about money.
  - How might having a budget help change how they feel?





**With older or more able young people, also:**

1. Ask young people to write and add up a balanced budget for one profile from **Resource sheet 1: Manage my cash**.
2. Ask each group to share one idea on how a budget can help their person. Encourage them to build on this and share ideas on how a budget might help them – the more specific they can be, the better.
3. Challenge groups to create a monthly or weekly budget for their person. What 'top tips' would they give to help that person make their budget work? (Think back to your earlier discussion.) Share tips as a group.

**With the oldest or most able young people, also:**

1. Ask young people what the next important step might be for one profile from **Resource sheet 1: Manage my cash**. For example, Raheem might wish to move into his own rented accommodation.
  - Can young people list and estimate that person's expenditure in this next stage of their life?
2. Share ideas as a group.
  - What changes are there in their budget?
  - How could this person plan ahead in their existing budget?

**Extend**

- Get young people to research some online tips for managing their money, using the suggested web links or their own research.
- Young people can use this information to create a folder, file or wall display to help them and their peers manage their everyday budgeting, for example using the top tips they created.
- Tailor this for young people thinking about or heading to college or university: what support and information is available for them, for example on university or college websites? →

## GETTING PAID

### About this activity

In this activity, young people explore mocked-up payslips to understand how tax and NI deductions (and perhaps a stakeholder pension) reduce their take-home pay, and discuss why it's important to know the amount and timing of take-home pay when budgeting.

### Prepare

You will need copies of the **Getting paid sample payslips** – choose one(s) that are realistic for your group's likely next steps. If appropriate, young people could bring in copies of their own to use as examples.

### Deliver

#### With all young people:

1. Explain that they are going to explore how to read a payslip and why this is important.
2. Share the learning objectives you have chosen.
3. Introduce a scenario: Harry gets a new job. He borrows £200 from a friend and promises to pay him back when he gets his first payslip. His wages are £1,000 a month, but when he looks, he's not received all of this. In fact, it's not enough to live on and repay his friend.
  - What's happened?
4. Establish that most people pay tax and national insurance on their wages or other income from employment.
  - How can we work out how much?
5. Share your chosen **Resource sheet 2: Getting paid sample payslips** among young people.
  - Can young people identify what each element tells them?
  - Where is their gross (total) pay and where is their net (take-home) pay?
6. Highlight yearly totals for pay, taxable pay, deductions etc.
7. Ask young people what this means for people who are paid weekly but have monthly expenses.
  - For example, how must someone with take-home pay of £200 a week budget for a monthly rent expense of £400? Make up more examples to suit your group.
8. Remind young people that it's important to keep their payslips.

#### With older or more able young people, also:

1. Find the pension contribution on the second payslip.
  - a. Who is paying this?
  - b. If the employer makes a contribution, where will this show?
2. Review each deduction and what it is used for, for example linking national insurance contributions to the state pension and tax to government spending on public services.
3. Challenge young people to work out the yearly totals for the person receiving their payslip.
  - How much was their total gross and take-home pay?
  - How do young people feel about this difference?

#### With the oldest or most able young people, also:

1. Challenge young people to look up the tax code on the HMRC website.
  - Can they find out how this links to personal tax allowances?

### Extend

- What if there is a problem with a payslip? Discuss who young people should contact at their employer, and where else they can find advice and support (e.g. a line manager, HR department, trade union, Citizen's Advice Bureau).
- What if they are sick? Discuss sick pay. Young people can use the web links to find out more about their responsibilities and rights.
- What are tax allowances? Extend the activity to look at tax codes and challenge young people to find out the basic tax allowances using the web links.
- What other deductions might there be on a payslip? Discuss travel loans, childcare vouchers and Give As you Earn (GAYE) schemes.

**TOPIC 4****CREDIT  
AND DEBT**

In this topic, **three activities** explore the forms of **credit**; why credit can help and when it's not a good idea; and managing debt and how **problems** arise.

## LEARNING OUTCOMES

### What are credit and debt?

<b>All learners should...</b>	explain the meaning of 'borrowing', 'debt' and 'credit'
	consider saving as an alternative to borrowing.
<b>Most learners might...</b>	list some different forms of lending and debt
	identify advantages and disadvantages for some common forms of borrowing.
<b>Some learners could also...</b>	put different forms of lending and debt in order of risk
	suggest an appropriate form of borrowing for different situations.

### Saying yes or no to debt

<b>All learners should...</b>	describe some key questions to ask when considering taking on debt
	explain the difference between manageable and unmanageable debt.
<b>Most learners might...</b>	compare the cost of different loan options to choose the best deal.
<b>Some learners could also...</b>	identify instances of manageable and unmanageable debt
	describe the impact of a sudden drop in income on their ability to repay a loan.

### That sinking feeling

<b>All learners should...</b>	describe warning signs of unmanageable debt
	list steps to resolve a debt problem, including asking for help.
<b>Most learners might...</b>	identify a local source of help
	describe how they would take steps to understand their situation prior to asking for advice.
<b>Some learners could also...</b>	list and explain some of the options available when debt becomes unmanageable.

## Make this topic relevant to your group of young people

### 11–14

All young people will be ineligible for formal credit. Many may borrow small amounts informally to cover short-term needs, such as going out or smaller purchases.

### 14–16

All young people will be ineligible for formal credit. Some may live semi- or fully independently and may have purchase requirements that make borrowing an option or a necessity. Even if living at home, young people may have aspirations that make informal borrowing a temptation, which may include large amounts from friends, family or work colleagues.

### 16–19

Young people aged 18 and over may be eligible for credit but may be limited to higher-interest rate options due to the lack of a good credit history. Many may live semi- or fully independently and may have purchase requirements that make borrowing an option or a necessity.

## Extend this topic with further resources

### CREDIT WORTHY

A module exploring borrowing, debt and money lending, with videos and online activities.  
[www.moneysense.natwest.com/schools/students/](http://www.moneysense.natwest.com/schools/students/)

### THE CREDIT GUIDE (PDF)

A detailed set of lessons and student materials that explore all stages in the 'credit journey' to help learners make sense of credit and improve their credit rating.  
[www.pfeg.org/document.rm?id=425](http://www.pfeg.org/document.rm?id=425)

## HOW TO DELIVER THE ACTIVITIES

### WHAT ARE CREDIT AND DEBT?

#### About this activity

In this activity, young people discuss the meaning of some key terms, and the pros and cons of various forms of credit.

**Note:** that the issue of whether or not it is right decision to take on debt is explored in **Resource sheet 4: Saying yes or no to debt.**

#### Prepare

You will need copies of **Resource sheet 1: Credit and debt cards** and **Resource sheet 2: Stimulus cards** for each type of borrowing. You may also want to print one or more copies of **Resource sheet 3: APR table**.

You will also need to write, on cards, some suggested borrowing 'needs' appropriate for your young people. It's good to mix up necessities, luxuries and emergencies. Ideas could include:

- a mobile phone
- a car, scooter or bicycle (and a major repair)
- an interview outfit for a first job
- living expenses until payday
- a computer for coursework or gaming
- some designer clothing.



#### Deliver

**With all young people:**

1. Explain that they are going to explore borrowing, debt and credit.
2. Share the learning objectives you have chosen.
3. What do 'borrowing', 'lending', 'credit' and 'debt' mean? Discuss each term with the group. You may want to get young people to sort **Resource sheet 1: Credit and debt cards** into two ordered lists, to show what is happening when someone borrows money from a lender, or use the cards to guide a demonstration or role-play of a loan transaction using a volunteer and some real or mock money.
4. Ask young people if they recognise 'APR' and can explain what it means. Use **Resource sheet 3: APR table** to help your discussion.
  - How can APR be a guide to getting the best deal on debt?
  - How does APR affect the total repayable?
  - How does the repayment period affect the total repayable?
  - How might the amount repayable each week or month be affected, up or down?
5. Share **Resource sheet 2: Stimulus cards** between young people and discuss each one, including the example APR (**Resource sheet 3: APR table**). (Remember that these can vary.)
  - What do they know and feel about each form of lending?
  - Which forms might they think of using, and when?
  - Which ones they might wish to avoid, and why? →

6. Using the list above, your own ideas or young people's own ideas, share a number of possible purchases among groups of young people.
  - What might be the right form of borrowing for this item?
  - What might be some inappropriate forms?
7. Discuss young people's ideas about the circumstances surrounding borrowing and see if you can come up with some simple guidelines to help make an appropriate decision.



#### **With older or more able young people, also:**

1. Challenge young people to think of and share advantages and disadvantages to each form of lending, sharing **Resource sheet 2: Stimulus cards** between young people or small groups, or working through them one by one as a group.

#### **With the oldest or most able young people, also:**

1. Challenge young people in groups to organise **Resource sheet 2: Stimulus cards** into a possible order of risk, from 'safest way to borrow' to 'most risky way to borrow'.

#### **Extend**

- Discuss the idea of unsecured and secured lending (which is only available to borrowers over 18 and often only householders). What benefits and risks are there to a secured loan? Can young people identify from their stimulus cards the types of loan that might need to be secured against something they own?
- Young people gather credit or loan promotional materials from a range of sources: print ads, web, flyers and inserts, their recollections of radio and TV ads (the more obscure channels can be the best source for these). Discuss the wording in the ads.
  - Who are they aimed at?
  - What are they trying to do?
  - How should young people treat the messages they get from these ads?
- Discuss and list some reasons why one person might be offered a lower interest rate than another person. Using the web links for credit scoring agencies, review the idea of a credit score and discuss some actions or omissions that might affect it positively or adversely.

## SAYING YES OR NO TO DEBT

### About this activity

In this activity short role-plays help young people explore whether or not to take on debt and how they might make a more informed decision.

### Prepare

You will need copies of **Resource sheet 4: Saying yes or no to debt** resource sheets for the scenario(s) you want to explore. (Young people can read and discuss them if they are not comfortable with role-playing.) You might also want to create additional scenarios of your own.

### Deliver

#### With all young people:

1. Explain that they are going to consider some situations where someone is thinking of taking on debt (getting a loan) and must decide what that person should do.
2. Share the learning objectives you have chosen.
3. Review what young people have learnt about borrowing and debt.
4. Share the scenarios between small groups of young people. Each group should read out or role-play the scenario using the information on the cards to take on the role of the borrower and lenders.
  - Which lender represents the best option?
  - Could the borrower borrow less?
  - Could they save up, instead?
5. Groups share and discuss their role-play, key points and decisions.

6. As a group, create a shared list of some key questions to think of and answer when considering debt, including:
  - Can I afford to make the payments?
  - How do I know this?
  - What if my income was to change?
7. Raise the question that if someone can afford to repay a debt, they could afford instead to save towards that purchase. In general:
  - When might taking on debt be ok to get something 'now'?
  - What are some good reasons to wait and save instead?

#### With older or more able young people, also:

1. Ensure young people calculate the repayment totals for each lender option in their role-play, and use this in their decision-making.

#### With the oldest or most able young people, also:

1. Ask young people to share ideas for something they need or would like to purchase in the future. Is this a need or want – why? Would this put them in debt in the short, medium or long term? Challenge them to explain the steps they might take to ensure they take on manageable debt for this purchase and get a good deal. You could use examples of real loan information here or challenge young people to research their options online.
2. Ask young people to consider how they might respond to a drop in income, when faced with their debt repayments (bear in mind this is covered by the activity *That sinking feeling*). Link this to the key questions they considered in the main activity (which should have included identifying the need to have a written budget as part of their decision-making).

### Extend

- Consider budgeting for borrowing when your income is variable, for example from self-employment or casual work. How might a personal budget, kept up to date over a long period, help a person in this situation to make a good decision about taking on debt? →

# THAT SINKING FEELING

## About this activity

In this activity young people suggest warning signs: ways to spot when debt is out of control. They explore practical steps, legal issues and sources of help, and their rights and responsibilities towards people they owe money.

## Prepare

It will help for you to have an outline understanding of the main ways to manage debts, including debt management plans, debt relief orders, individual voluntary agreements, consolidation loans and bankruptcy. Use the web links for the National Debtline and Citizens Advice Bureau (Wales), which provide excellent overviews.

You may also want to have to hand reliable sources of local debt advice such as your Citizens' Advice Bureau office, and those that young people should avoid, such as debt management companies that claim to be able to 'wipe the slate clean'.

## Deliver

### With all young people:

1. Explain that they are going to consider ways to spot when debt is out of control and discuss some practical steps, legal issues and sources of help, and their rights and responsibilities.
2. Share the learning objectives you have chosen.
3. Review what young people have learnt about debt and when it may or may not be appropriate.
4. Share or create a simple scenario: explain that you have a number of debts, including a car loan, a credit card balance and an outstanding gas bill. You also owe a friend a small amount of money. You've also got your day-to-day expenses to cover, such as travel, food, other bills etc. Alternatively, ask young people to make suggestions for some debts and day-to-day expenses you might have.
5. Split the class into pairs. One young person in each pair thinks of signs that you can manage your debts, and the other thinks of some that you can't manage, e.g.
  - I can always ...,
  - I can't always ...
6. Create a shared list of 'healthy signs' and 'warning signs'. Discuss how young people might use these warning signs to spot early problems with debt and avoid these problems getting bigger (e.g. by taking on more debt). Link back to a real or fictitious 'budget' you shared or created in Topic 3.

7. In groups, ask young people to work with peers to come up with some actions they could take to help address a debt problem (assume this is the first signs that they can't repay something).
  - How can they use a budget to help them?
  - What changes can they make to their budget?
  - Who should they talk to? (E.g. creditors, sources of help.)
8. As a group, create an action plan of five 'first steps' to take when young people first spot one of their warning signs.
9. Ask young people 'Do we have to repay our debts when we can't afford them?' Establish that contrary to TV ads, people do in most cases. Briefly discuss how credit agreements and other debts are normally legally enforceable.

### With older or more able young people, also:

1. Get young people to share ideas for the consequences of not paying debts (utilities cut off – not water, which is illegal), repossessions or bailiff confiscation, court order etc.)
2. Challenge young people to find a local, reliable source of free debt advice and to plan what they would do to gather information before phoning or calling in, so that their consultation is as helpful as it could be.

### With the oldest or most able young people, also:

1. Using **Resource sheet 5: What are my options?** cards, split young people into groups. Using the web links to the National Debtline and Citizens Advice Bureau (Wales), assign groups one option (e.g. a debt management plan). Young people research this option and report back to the main group on the main things to consider and when it may or not be possible or appropriate.

## Extend

- Using their ideas, work and printed information from local or online sources, young people create a display to share:
  - how to manage your debt
  - warning signs
  - action plan
  - sources of help
  - possible options.
- Young people can research the claims made by debt management companies and those that offer to combine debts into a single monthly repayment.
  - Knowing what they do about APR and loan term (and perhaps loan security), what might the problem be with rolling all debts into one?
  - Are the claims as good as they seem? More able young people can review a site's terms and conditions to see if there are any hidden 'traps'.



**TOPIC 5****STAYING SAFE  
WITH MONEY**

In this topic, **two activities** explore risk and help young people to make better **decisions** that **avoid** losing money to fraud, scams and poor choices, including when shopping online.

## LEARNING OUTCOMES

### What would I do?

**All learners should...** explain the idea that some financial habits and transactions are risky

describe some steps they can take to minimise risks when handling and using money.

**Most learners might...** list some sources of information to help them minimise financial risks.

**Some learners could also...** explain how some financial products, such as investments, can carry risk.

### Staying safe

**All learners should...** describe ways in which they can shop online

list some ways in which they can make sure a company or seller is reputable and use a safe way to pay.

**Most learners might...** describe some key steps to stay safe when banking online.

list some ways in which they might be targeted by scammers

**Some learners could also...** identify ways in which they might be vulnerable to identity theft and ways to protect their personal information online.

## Make this topic relevant to your group of young people

### 11–14

Consider and discuss street safety when carrying cash, debit cards, prepay cards and mobile phones. Some young people may need help to be safe when using an ATM or PIN terminal. Young people may shop online or use auction sites.

### 14–16

Young people are old enough to have a chequebook: include using and storing cheques safely. Discuss buying and paying for a second-hand scooter.

### 16–19

Older members of the group may have a credit card and be at risk of credit card fraud, especially if entering details online. Discuss buying and paying for a second-hand car.

## Extend this topic with other resources

**These resources include financial risks and safety and carry the pfeg quality mark.**

### FINANCE WORLD

[www.nationwideeducation.co.uk/finance-education/personal/students/16-18\\_finance-world/index.php](http://www.nationwideeducation.co.uk/finance-education/personal/students/16-18_finance-world/index.php)

Click on 'dossiers' for more information about fraud and scams.

Visit [www.pfeg.org](http://www.pfeg.org) and use the teaching resource search tool to find more resources suitable for your group of young people.

## HOW TO DELIVER THE ACTIVITIES

### WHAT WOULD I DO?

#### About this activity

In this activity young people discuss or role-play a range of scenarios where they may be at financial risk in some way, and share their ideas and decisions.

**Note: online safety is explored in Resource sheet 1: Staying safe.**

#### Prepare

Choose appropriate **Resource sheet 1: What would I do? scenarios** for your young people to use, and adapt or add to these using the ideas above to make them relevant. (Young people will also have a chance to come up with ideas of their own.)

#### Deliver

##### With all young people:

1. Explain that they are going to explore some money situations where there is a risk. They need to make the right decision to keep their money safe.
2. Share the learning objectives you have chosen.
3. Ask the group what they think 'risk' means in the context of money. If appropriate, ask for examples of where they know of someone who has lost money by taking a risk (young people could write down experiences for you to read out anonymously).
4. Introduce the idea that risk can be avoided by good decisions about money. Draw on any examples you have shared.
  - What might have been a better decision or action?
5. Share out the **Resource sheet 1: What would I do? scenarios** you have chosen. Either read them out, role-play each one, or get groups to discuss.
6. Ask young people to identify and share their ideas on:
  - What was the risk?
  - Why was there a risk?
  - What would be, or would have been, the right decision?
7. Bring together your ideas and see if the group can come up with some reasons why they might make a poor decision (haste, greed, pressure etc.) and how they might avoid these situations.

##### With older or more able young people, also:

1. Using the internet, ask young people to find sources of information that can help them to make better decisions, including financial product brochures, or to stay safe when using money in different forms.

##### With the oldest or most able young people, also:

1. Include in your scenarios investment-based products or ideas such as putting savings in a stock market-linked fund instead of an interest-bearing account.
  - a. Can young people explain the link between risk and timeframe: What if they needed their money soon?
  - b. What if they could leave it for a long period?
  - c. Can they reduce their risk by putting money in different forms of investment and saving?

#### Extend

1. Gather and share ideas for avoiding risky actions or decisions by creating a wall display.
2. Help younger or less able young people to use debit cards safely by role-playing using an ATM or PIN terminal safely. You can play the part of a person who is presenting a risk, and the group can offer ideas to help a volunteer young person be safe.
3. Note that it's illegal to enter a betting shop or gaming club if you're under 18. Discuss why people bet and in reality, whether betting is a 'winning' idea, given that these places are there to make money from gamblers.
4. Practise ways in which young people can resist and respond to peer pressure that may lead to a financial risk.
5. Using online and printed sources of advice, discuss consumer rights in relation to goods bought from a shop, and/or what may be counterfeit goods bought from a market or other informal seller.
6. For over-16s, review how to fill in a cheque and discuss ways to be safe when storing and handling cheques.
7. Discuss the importance of getting a receipt for important purchases or expenses, such as paying for rent.
8. Search for and share tips for buying cars and scooters with confidence. →

## STAYING SAFE

### About this activity

In this activity young people search the web, discuss and make top ten lists of ways to be safe when buying things online, using cards and avoiding fraud and scams. They can produce a poster, leaflet or presentation to give to their peers.

This is a broad topic. You may wish to narrow down the range of issues you cover in a single session of this activity.

### Prepare

Choose the **Resource sheet 2: Stay safe topics** you will share between groups. You will need to have access to the internet for each group to use the suggested web search terms or website and to explore web security, and A3/A2 card and marker pens for them to create and present their top ten list. You may also wish to download or otherwise obtain printed leaflets and factsheets about buying online, using online auctions, using a card safely and avoiding phishing, scams and online or phone fraud.

### Deliver

#### With all young people:

1. Explain that they are going to think about being safe when using a card or buying/banking online.
2. Share the learning objectives you have chosen.
3. Ask young people for their ideas on how people can be 'conned' when using money electronically.
  - Can young people come up with ideas for why people fall for online or mobile scams?
4. Split young people into groups. Assign a topic to each group. Optionally, hand out any printed materials you have obtained.
5. Ask each group to use the information to identify.
  - What are the main risks in their given activity?
  - How can people be safe?
  - What are their ten 'top tips' they could share to help the rest of the group be safe?
6. Groups research and write their ten top tips.
7. Ask each group to explain what they discovered and share their tips.

#### With older or more able young people, also:

1. Include phishing in your topics.
2. Ask more able young people to create a leaflet or short presentation.

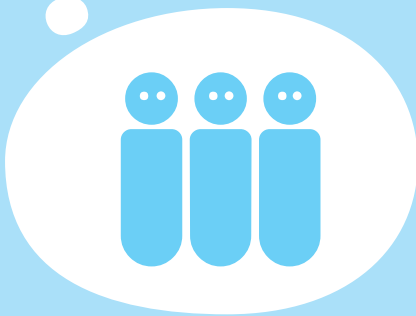
#### With the oldest or most able young people:

1. Include identify theft as a broad theme that cuts across all topics.
  - How can people obtain personal information?
  - What can they use it for?
  - How will this affect you?
  - What recourse do you have, and against who?
2. Challenge young people to present their ideas on any topic to their peers or some younger people.

### Extend

- Young people create and share role-plays to demonstrate good and poor decisions about using money safely online and keeping personal information safe.
- Using online and printed sources of advice, discuss consumer rights in relation to goods bought online.
- Explore the Action Fraud website. In their group research and discussions, young people include steps to take if young people think they may be a victim of online fraud.
- Print a large screen grab of a website and label it to show how young people can verify if a site can be trusted.
- Discuss 'lowest bid' or 'penny auction' websites where users bid to get something at the cheapest price, but must pre-pay into an account to do so.



**TOPIC 6****THE COST  
OF LIVING**

In this topic, **four activities** explore some of the costs of independent living and how to plan and budget for insurance, pensions and obligations like council tax, utilities etc. The activities can be used alongside Topic 3 for older members of the group for whom budgeting for independent living is relevant.

# LEARNING OUTCOMES

## Protecting what's important

<b>All learners should...</b>	explain how insurance can cover the costs that arise from loss or damage
	list some items or activities where insurance is legally required or financially responsible.
<b>Most learners might...</b>	describe different levels of insurance available
	describe how to find sources of insurance quotes.
<b>Some learners could also...</b>	consider the value of life insurance.

## Saving for retirement

<b>All learners should...</b>	explain that pensions are a source of income after retirement
	list sources of pension income, including state, employer and private pensions
	explain how pension planning should form a part of budgeting.
<b>Most learners might...</b>	explain why a good pension income depends on regular payments from an early age.
<b>Some learners could also...</b>	describe how to use a pension calculator to estimate the income required in retirement and payments needed to fund this income.

## Running a home

<b>All learners should...</b>	list some of the main household expenses
	list how the main types of expense might be paid (direct debit, standing order, cash, debit card)
	sort expenses into weekly, monthly and yearly categories.
<b>Most learners might...</b>	explain how they can budget for expenses with different time intervals.
<b>Some learners could also...</b>	calculate the proportion of income spent in different household categories

## The best buy

<b>All learners should...</b>	identify some price comparison websites linked to insurance, utilities, products and other financial products
	explain how price comparison websites can help to get a better deal.
<b>Most learners might...</b>	compare prices on a household product using price comparisons from a web search.
<b>Some learners could also...</b>	compare prices for a financial product such as a loan using a comparison website.

## Make this topic relevant to your group of young peoples

### 11–14

Consider items that young people might have covered by their parent /guardian's insurance, and how they might be covered by family travel insurance. How would they feel if these people did not have insurance? How do they feel about getting into a car with a driver who is not insured?

### 14–16

As above. Consider also more independent travel. Would young people buy travel insurance themselves? Could they get covered through family policies? Consider insurance if driving a scooter.

### 16–19

As above. Consider different responsibilities for insurance if living at home vs. living independently. Driving a car or other vehicle. Employment-related insurance including liability and to cover equipment etc.



## Extend this topic with further resources

### Insurance

#### DOUGHUK

[www.doughuk.com/6\\_insurance\\_list.cfm](http://www.doughuk.com/6_insurance_list.cfm)

A checklist to help young people understand what insurance they need and how to get it.

### Pensions

#### 2070 LAUNCH YOUR LIFE

[www.2070launchyourlife.org/](http://www.2070launchyourlife.org/)

Explore the importance of long-term financial planning.

#### MONEY MADE CLEAR

[www.moneymadeclear.org.uk/hubs/home\\_pensions.html](http://www.moneymadeclear.org.uk/hubs/home_pensions.html)

Pensions information and pension calculator tools.

### Independent living expenses

#### LET'S GET FUNCTIONAL

[www.letsgetfunctional.org](http://www.letsgetfunctional.org)

A free resource to help aid teaching functional skills to young people aged 14-19 through personal finance contexts. Context 3 includes a simulation of a comparison website, ideal to use with 'The best buy'.

#### FINCAP

[www.mymoneyonline.org/fincap](http://www.mymoneyonline.org/fincap)

An innovative tool for assessing young people's personal finance knowledge, skills and attitudes using a comic book format.

## HOW TO DELIVER THE ACTIVITIES

### PROTECTING WHAT'S IMPORTANT

#### About this activity

In this activity young people develop and share an explanation of what insurance is using real insurance ads and leaflets. They suggest the right insurance for three people and can explore the importance of obtaining the right cover for their needs.

#### Prepare

You will need copies of **Resource sheet 1: What protection?** cards to share. Gather together a range of insurance leaflets and adverts from magazines and newspapers. You could also visit some insurance company or comparison websites during the session.

#### Deliver

##### With all young people:

1. Explain that they are going to explore what insurance is and why it is sometimes necessary, and sometimes helpful to have.
2. Share the learning objectives you have chosen.
3. Split the class into pairs or small groups and ask each group to come up with its own explanation of insurance. Young people share their ideas.
4. Introduce, if young people have not, the idea of risk. In their groups.
  - What are some of the risks people or their possessions might face?
  - What insurance products can protect against each risk?



5. Share leaflets and ads at this point to help expand young people's ideas.
6. Young people sort insurance into 'must haves' (e.g. it's a legal requirement, such as motor insurance or buildings insurance for a mortgaged house) and 'useful to have'. If there are any that young people don't think they should have, explore their reasons.
7. Share **Resource sheet 1: What protection?** cards between groups. Ask young people to come up with the right insurance for each person – that they need and that it might be useful to have. Discuss young people's ideas.
8. Review the idea that insurance is where someone else takes on the risk of having to pay, if something happens. Briefly discuss how this can help someone to be more financially secure.



**With older or more able young people, also:**

1. Use **Resource sheet 1: What protection?** cards and the leaflets you gathered to discuss different levels of cover.
  - Why do companies offer these?
  - How does cheaper cover differ from a more expensive policy?
2. Consider one of the people as they apply for insurance
  - Why must they provide the right details?
  - What might happen if they don't, and something happens? (Think about information that is wrong, and information that they might omit.)

**With the oldest or most able young people, also:**

1. Research life insurance on the internet and/or discuss what this can provide for in the event of someone's death.
  - Might either of the homeowners might want life insurance, and why?
  - How much cover (e.g. the amount that is paid out) might they want, given their circumstances?

**Extend**

- Discuss how young people can find the right cover for their needs: sources of information and quotes – you could visit a price comparison site. See also the last activity in this topic. →



## SAVING FOR RETIREMENT

(use also to extend topic 2)

### About this activity

In this activity young people discuss the difference between people who took or will take different decisions about saving for their retirement and identify the best choice for someone to make.

### Prepare

You will need **Resource sheet 2: Saving for retirement** cards. You may also want access to an online pension calculator – see the suggested websites – and some news reports about poverty among the elderly and predictions of low retirement income for present generations.



### Deliver

#### With all young people:

1. Explain that they are going to explore the importance of saving for retirement.
2. Share the learning objectives you have chosen.
3. Ask young people what ways we can save for when we retire.
  - What is a pension?
  - How do they 'get' one?
  - Who pays into it?
4. Briefly discuss some differences between state, employer and private pensions.
5. Ask young people what age they might retire at (it will be at least 67).
  - When do they think they need to start paying into a pension?
6. Ask some young people to read out the first three cards from **Resource sheet 2: Saving for retirement** cards and discuss each person's life story.
  - What are the differences in what they did, and their position?
7. Discuss some news stories about pensions if you wish, to add context.
8. Emphasise the importance of providing for retirement from an early age. What might be the situation if young people don't do this?

**With older or more able young people, also:**

1. Discuss in more detail how if they both retire at 67, Dennis could end up with much, much more than Richard, because he started twenty years earlier. He'll have earned interest (or made gains) on what he put in during those first twenty years, during the next 47 years.
2. Use **Resource sheet 3: Pension pot chart** to illustrate and discuss the impact of starting earlier.

**With the oldest or most able young people, also:**

1. Young people use an online pension calculator to estimate the pension pot they might require and what monthly contribution they will need.

**Extend**

- Young people research one form of pension and create a poster or presentation to share what they find out (e.g. state, private, stakeholder and occupational/ employer).
- Young people review a range of stakeholder pensions and consider one that appeals to them.
- Discuss the impact of fees on pensions and how one way to select a pension is based on low fees. Young people review a range of pensions and identify the fee structure.
- Discuss different investment strategies for pensions and how risk Vs. returns must be balanced throughout the 'life' of the pension. Include the idea of 'tapering' (a gradual conversion away from volatile investments towards bonds, other fixed interest and cash investments).

**RUNNING A HOME****About this activity**

In this activity young peoples role-play or discuss renting a shared house and must anticipate the costs they might need to budget for and share. They must respond to a series of chance cards that throw up some financial surprises.

**Prepare**

You will need a set of cards from **Resource sheet 4: House cards** for each group and one or more sets of cards from **Resource sheet 5: Chance cards** to share (each group will need 2–4 of these).

Modify, reduce or extend the range of cards to suit your group.

**Deliver****With all young people:**

1. Explain that they are going to explore the costs of renting a shared house.
2. Share the learning objectives you have chosen.
3. Ask young people how they might need to do this in the future, such as when they leave home, enter employment or go to university.
  - What costs are they going to need to budget for?
4. Ask young people to list some things they would need to budget for and/or get groups to sort the house cards into shared expenses (relevant here) and personal expenses (which they should discard for now).
5. Young people write on each card how each item would be paid for (direct debit, standing order, debit card, cash etc.) →

6. Get young people to write on each card whether this expense would be weekly, monthly or yearly, or unexpected, and sort cards into groups.
7. Discuss the importance of a contribution to the shared house budget within a personal budget (refer to the discarded cards and young peoples ideas for other personal expenses, if this helps).
8. Young people add up their shared house budget and work out each person's monthly share.
  - What if people earn different amounts? Does this matter?
9. Distribute chance cards among groups. Young people discuss and agree how they would account for these and share their ideas.

**With older or more able young people, also:**

1. Discuss how a regular contribution to house expenses might be affected by whether someone is paid weekly or monthly.
  - How they could account for this in a personal budget?
2. Young people can write new cards to represent weekly or monthly contributions to a whole house budget, or parts of it.

**With the oldest or most able young people, also:**

1. Ask young people to calculate and/or represent the proportion of their total income spent on each aspect of running their shared house, splitting items into useful categories of expenditure.

2. Discuss how managing a shared budget can track how expenses vary over time.

**Extend**

- Using the final activity in this topic, young people can research some real costs of living, for example by drawing up a list and researching the cost of a week's shopping by visiting a supermarket; researching the costs of local transport; finding the best phone or broadband package; researching council tax and utilities, and more.



## THE BEST BUY

### About this activity

In this activity young people consider how online comparison websites can help to find the best price for a product, insurance quote, utility or loan.

### Prepare

You will need internet access for young people to use. Think of some suitable products for young people to research. You could link this to the previous activity on home expenses and use a specific make and model of a fridge/freezer, TV, or home theatre speakers, for example, or link to their current life stage. You may need to set up a 'throwaway' email address to use some comparison websites, which you should delete or deactivate after this session.

You may optionally want to explore insurance comparison websites. Bear in mind that a quote requires detailed personal information and an email address so this is unlikely to be an appropriate activity to complete online.

Alternatively you can use a simulation, like the one in Context 3 of Let's Get Functional: [www.letsgetfunctional.org/](http://www.letsgetfunctional.org/)

### Deliver

#### With all young people:

1. Explain that they are going to explore how price comparison websites can help them to make better financial decisions and identify some pitfalls to be aware of.
2. Share the learning objectives you have chosen.
3. Ask the group to name some comparison websites.
  - What do they offer?
  - Where they have heard of them first?
4. Discuss how the web can also help to find the best price on a product.
  - Have young people bought online?
  - How did they choose where they bought from – and what?

5. Ask young people to consider some pitfalls associated with the 'best' price, such as not being in stock, a different price when you go to the website, or high shipping costs.
6. Split young people into groups and give each group your chosen products to search for. Make sure young people click through to the seller's site to check the real price, stock level and delivery charges.
  - Do all groups come up with the same place and best price?
  - What did they find helpful or annoying?
7. Discuss how young people can use other comparison websites in the future.
  - What information might they need with them to obtain the right insurance quote for their needs? A loan? Utility or broadband deal?

#### With older or more able young people, also:

1. Choose products linked to their next steps in life.
2. Discuss the legal and financial implications of entering incorrect information in order to get a cheaper deal, for example on insurance.

#### With the oldest or most able young people:

1. Young people could optionally enter their personal information to get a quote for a utility or broadband deal, optionally using a throwaway email address that is deleted after the activity. They will need to bring in simple home information such as their last year's electricity and gas usage in units (there is no need to include financial information from their bill).

### Extend

There are no extensions to this activity.

## SIGNPOSTING

### EXPLORE THE WEB LINKS BELOW FOR IDEAS OF HOW TO SUPPORT YOUR TEACHING OF PERSONAL FINANCE.

**pfeg (Personal Finance Education Group)** has a host of resources to support these topics. You can view the resources below and more at [www.pfeg.org](http://www.pfeg.org)

#### Topic 1

- **Needs V wants**
  - My Money Post-16 | Spending
- **Spending**
  - My Money Post-16 | Spending
- **Ways to pay**
  - Money Works: It's your business | Level One | Topic 2
  - Money Works: It's your business | Level Two | Topic 1
- **Bank accounts**
  - Money Works: It's your business | Level One | Topic 1
  - Money Works: It's your business | Level Two | Topic 1
- **Risks**
  - Risk | My Money activity bank
  - My Money Post-16 | Planning for the future
  - Money Works: It's your business | Level Three | Topic 4

#### Topic 2

- **Saving (why and different types of accounts)**
  - My Money Post-16 | Saving
  - Money Works: It's your business | Level Three | Topic 4
- **Investments**
  - My Money Post-16 | Saving
  - Money Works: It's your business | Level Two | Topic 2
- **Interest**
  - My Money Post-16 | Borrowing money
  - My Money Post-16 | Saving
  - Money Works: It's your business | Level Two | Topic 1
  - Money Works: It's your business | Level Three | Topic 1

#### Topic 3

- **Managing your money**
  - Money Works: It's your business | Level Two | Topic 1
  - Budgets – creating, working to etc.

- Planning a trip to a theme park | My Money activity bank
- Planning and budgeting for fun activities during the summer holidays | My Money activity bank
- The College Game – My Money activity bank
- My Money Post-16 | Budgeting
- Money Works: It's your business | Level One | Topic 2
- Money Works: It's your business | Level Two | Topic 1
- Money Works: It's your business | Level Three | Topic 1

- **Income/expenditure**

- My Money Post-16 | Working

- **Working/payslips**

- My Money Post-16 | Working
- Money Works: It's your business | Level Two | Topic 4
- Money Works: It's your business | Level Three | Topic 3

#### Topic 4

- **Credit**

- My Money Post-16 | Borrowing money

- **Debt/debt management**

- My Money Post-16 | Borrowing money
- Money Works: It's your business | Level Two | Topic 1
- Money Works: It's your business | Level Three | Topic 1

#### Topic 5

- **Risk**

- Risk | My Money activity bank
- My Money Post-16 | Planning for the future
- Money Works: It's your business | Level Three | Topic 4

- Shopping online/staying safe online

- My Money Post-16 | Spending
- Money Works: It's your business | Level One | Topic 3

- **Fraud**

- [http://www.teach-ict.com/gcse/theory/fraud/teacher/fraud\\_lessonideas.htm](http://www.teach-ict.com/gcse/theory/fraud/teacher/fraud_lessonideas.htm)
- Money Works: It's your business | Level One | Topic 3

- **Getting a bargain**

- My Money Post-16 | Spending

#### Topic 6

- **The cost of living**

- My Money Post-16 | Budgeting for a place to live
- My Money Post-16 | Planning for the future
- My Money Post-16 | Your first car
- Money Works: It's your business | Level Two | Topic 4







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