



**LIFE SKILLS**

# FINANCIAL SERVICES: SAVING AND BORROWING >

Session plan

# AT A GLANCE >

This session will develop young people's understanding of the services banks and building societies offer. They will take a look at saving and borrowing and the implications of each. This content was made in partnership with Tesco.



## CURRICULUM LINKS

- ✓ PSHE and citizenship: Financial choices (England)
- ✓ Learning for life and work: Personal Development (Northern Ireland)
- ✓ Curriculum for excellence: Numeracy and social studies (Scotland)
- ✓ Area of learning and experience: Numeracy and wellbeing (Wales)



## LLN OPPORTUNITIES

- ✓ Presenting to a group
- ✓ Learning key terms



## MATERIALS

- ✓ Financial services PowerPoint presentation
- ✓ Financial advice organisations handout
- ✓ Alarm bells and Savings pledge worksheets
- ✓ Case studies worksheet (optional)



## QUALIFICATION OPPORTUNITIES

- ✓ Managing Money - LO: Saving and borrowing options

# LEARNING OUTCOMES >

- ✓ Identify the financial services provided by banks and building societies
- ✓ Understand the advantages of saving
- ✓ Understand the advantages and disadvantages of borrowing

# ACTIVITIES >

ACTIVITY	TIME	PAGE
<u>Icebreaker</u>	5 minutes	<u>03</u>
<u>Preventing debt</u>	20 minutes	<u>04</u>
<u>The joy of saving!</u>	10 minutes	<u>06</u>
<u>Borrowing money</u>	20 minutes	<u>07</u>
<u>Financial advice for teenagers</u>	Dependent	<u>09</u>
<u>Wrap up</u>	10 minutes	<u>11</u>

# ICEBREAKER >



## TIME REQUIRED

5 minutes



## MATERIALS

- ✓ Financial services PowerPoint presentation

# ACTIVITY STEPS >

1. Explain to the learners that, in this session, you will take a look at bank services and the advantages and disadvantages of borrowing and saving money.
2. To introduce the topic, run through the key terms listed on slide 2 of the Financial services presentation.
3. Assess the learners' understanding of debt through the quick-fire quiz on slide 3. You could do this as an informal class discussion.  
Answers:  
Q1. C (on a 3 year degree course - to cover accommodation and living expenses)  
Q2. D  
Q3. A



# PREVENTING DEBT >



## TIME REQUIRED

20 minutes



## MATERIALS

- ✓ Financial services PowerPoint presentation
- ✓ Flipchart/whiteboard
- ✓ Computers with internet access OR printouts (see step 4)
- ✓ Financial advice organisations handout



## QUALIFICATION OPPORTUNITIES

- ✓ Give examples of financial services provided by banks and building societies

# ACTIVITY STEPS >

1. Explain to the learners that one way to prevent debt is to focus on saving and controlling spending habits. Talk through the tips on slide 4 of the supporting presentation. Ask the learners:
  - Do you agree with these tips?
  - Can you think of anything else to include?
2. Ask the learners what the purpose of banks and building societies are. Explain that there are many services that banks and building societies offer, including offering incentives to save and lending money.
3. As a group, create a spider diagram/bullet point list of all the services banks and building societies offer that the learners can think of. You could do this on a whiteboard or flipchart.

Suggested answers:

- Mortgages
  - Saving accounts
  - Loans
  - Credit and debit cards
  - Tax advice
  - Investments
4. Ask the learners to now undertake some further research on 2-3 of these services. They should note down a short explanation of what each of the services they select mean. You could direct your learners to the suggested websites on the top of page 5.

Ideally, the research would be done using the internet, however, if your learners don't have access to the internet, you could print off some relevant pages for the session.

## SUGGESTED WEBSITES

Tesco Bank: <https://www.tescobank.com/> (scroll down to 'All products')

NatWest: <https://personal.natwest.com/personal.html> (scroll down to 'Our Products')

HSBC: <https://www.hsbc.co.uk/>

5. Explain to the learners that despite the financial services banks and building societies offer, people can still find themselves in debt. Sometimes, the services may actually lead to debt, if they are mismanaged, e.g. not paying back credit card debt or loans.
6. Talk through slide 5 of the supporting presentation, which offers advice on what someone should do if they find themselves in debt.
7. Explain that banks and building societies are not the only financial organisations that exist. Show them the organisations listed on slide 6 that offer help and advice to people in debt. You could also give the learners the Financial organisations handout that includes more information and contact details.

It may be worth explaining to older learners who are closer to employment age, that an increasing number of larger employers are introducing financial wellbeing strategies for their employees. They often work with external partners and experts to provide employees with free financial education, tools and resources, including Employee Assistance Programmes that provide financial education and help.

## OPTIONAL EXTENSION

If you have extra time and access to the internet, encourage pairs to have a look at each of the organisations mentioned in slide 6 and the handout. Get them to note down:

- What services do they provide?
- Is their information clear to access?
- Was the website easy to navigate and find advice?
- Was there anything different mentioned that you did not expect?

# THE JOY OF SAVING! >



## TIME REQUIRED

10 minutes



## MATERIALS

- ✓ Financial services PowerPoint presentation



## QUALIFICATION OPPORTUNITIES

- ✓ Advantages of saving money

# ACTIVITY STEPS >

1. Explain to your learners that we all know we need money for essential items, but we also need it for unforeseen/unpredicted events. Planning and organising your money for 'tomorrow's events' will also allow you to afford the luxuries/desires, like a car or a holiday. That's why it is important that you allocate your money wisely and try to save. You're never too young to start saving!
2. In pairs, ask the learners to come up with reasons why saving is important and the advantages of saving. They could note their ideas down or just discuss them. Show them the prompts on slide 7 to help generate ideas.
3. Encourage the pairs to share their ideas. Suggested answers:
  - Safety net – Emergencies pop up where you may need money, e.g. you break your phone, public transport is cancelled so you need to get a taxi, etc. So if you have savings, they act as a safety net when you need to have some way of getting money. Having that safety net comes in handy!
  - Saving for a short-term goal - You may have a goal in mind, e.g. going on holiday or to a concert, so saving will help you do the things you like.
  - Saving for a rainy day – People put money aside to save for a future need, e.g. university, a wedding, retirement, etc. The options are open when you save money and you don't have to worry about problems arising.
  - Saving for peace of mind – If you do not have enough money for the things you need in life, then it can cause stress. If you know you have a safety net of savings, you are likely to feel less worried about money.
4. Explain that although saving is important, it can often be difficult for people if they have money constraints and/or they do not know the best ways to save. Talk through the saving tips on slides 8-9 of the supporting presentation.

If learners feel comfortable doing so, you could ask them to share whether they have tried any of these saving tips and whether they were effective or not.

# BORROWING MONEY >



## TIME REQUIRED

20 minutes



## MATERIALS

- ✓ Financial services PowerPoint presentation
- ✓ Alarm bells worksheet
- ✓ Case studies worksheet (optional)



## QUALIFICATION OPPORTUNITIES

- ✓ Advantages of borrowing money
- ✓ Disadvantages of borrowing money

# ACTIVITY STEPS >

1. If learners feel comfortable to share, ask if they have ever borrowed money from someone for a particular goal. It could be money from their parents/carers to pay for a concert ticket or new trainers. Or it could be some money from a friend until they get their weekly allowance or wage.

If learners don't feel comfortable discussing their personal experiences of borrowing, discuss hypothetical situations in which adults and teenagers would borrow money.

2. Look at slides 10-11 of the supporting presentation, which list the questions you should consider when deciding if the right approach is to borrow or save.

3. Applying the information from slides 10-11, encourage the learners to fill out what the correct response is for each scenario (to avoid being in debt) on the Alarm bells worksheet.

You may want to run through scenario A together as a group, before asking the group to respond to the other 2 scenarios in pairs.

SCENARIO	SUGGESTED RESPONSE
A	<p>Explain to the customer assistant that you are under 16 and not eligible for a store card. But if you were 16, questions to ask include:</p> <ul style="list-style-type: none"><li>• Would you have to pay off the full amount by the end of the 3 months?</li><li>• What happens after 3 months if you are unable to pay the amount?</li><li>• What is the APR (annual percentage rate of interest - the total cost of borrowing for a year) after the 3 months special offer?</li><li>• What is the process for cancelling the card?</li><li>• Is there a set timescale that you would need to have the card for?</li><li>• Would you need to get a parent/guardian to sign?</li></ul>

SCENARIO	SUGGESTED RESPONSE
B	<p>You would need to ask/follow up on the following questions:</p> <ul style="list-style-type: none"> <li>• Are the monthly mobile phone charges higher than or comparable to your current provider?</li> <li>• Is it a legitimate/real website? (Is it https://... etc.?)</li> <li>• Is the website secure (padlocked)?</li> <li>• What do the terms and conditions say?</li> <li>• Is there a minimum phone specification/type that would be covered in this promotion?</li> <li>• How long is the promotional offer for?</li> <li>• Does the phone need to be in good condition? What happens if the screen is broken – would it be accepted? Check the terms and conditions.</li> <li>• What is the process to do this? What is the timescale?</li> <li>• What documentation is required to upgrade?</li> <li>• Do they have a FAQ (frequently asked questions) section on the website?</li> <li>• How can you contact them if there is an issue?</li> <li>• Would you need permission from a parent/guardian/carer to access this promotion?</li> </ul>
C	<p>You would need to ask/follow up on the following questions:</p> <ul style="list-style-type: none"> <li>• How long is the promotion with 0% interest?</li> <li>• Do you need to pay a set amount every month to pay off the debt?</li> <li>• What will the APR (annual percentage rate of interest) be after the promotional time ends?</li> <li>• Will the credit card cover your loss if your holiday company goes bust, or if there is an emergency that prevents you from going?</li> </ul>

4. Encourage the learners to share their thoughts. Explain that the scenarios highlight the advantages and disadvantages of borrowing money. For example, if there is a low interest rate and you can afford to pay back the money you borrowed, then borrowing can allow you to do something you want, without having to save for a long time, i.e. going on holiday in scenario C. However, if you were unable to pay back the money you borrowed and there was a high interest rate, then you would end up owing more money than you initially borrowed, and it would have been a better decision to save.

5. Ask the learners to share any other advantages and disadvantages of borrowing that they can think of. These could be advantages and disadvantages of borrowing from alternative lenders, such as pawnbrokers, family and friends (e.g. if you can't pay back what you borrow, you may fall out with your friend) or payday loan companies (e.g. very high interest rates make the loans unmanageable to repay). If they have internet access, then they might want to research this further on websites, such as:

- <https://www.moneyhelper.org.uk/en/everyday-money/credit-and-purchases/should-you-borrow-from-family-or-friends?source=mas#>
- <https://personal.natwest.com/personal/borrowing-needs/ways-to-borrow.html>

## OPTIONAL EXTENSION

If your learners are aged 16+, you have some extra time and/or you think they would benefit from another activity that develops their money management skills, complete the Case studies activity.

Encourage your learners to read the case studies of Rosie and Callum and answer the questions on the Case studies worksheet. Discuss their responses to ensure they have a good understanding of how money could be managed in each situation.



# FINANCIAL ADVICE FOR TEENAGERS! >



## TIME REQUIRED

Dependent



## MATERIALS

- ✓ Financial services PowerPoint presentation
- ✓ Computer with internet access (optional)
- ✓ The resources for the selected activity in step 2



## QUALIFICATION OPPORTUNITIES

- ✓ Give examples of financial services provided by banks and building societies
- ✓ Advantages of saving money
- ✓ Advantages of borrowing money
- ✓ Disadvantages of borrowing money

# ACTIVITY STEPS >

1. Explain to the group that they are going to consolidate their learning from this session and create a financial advice start-up! Show them slide 12 of the presentation which also displays the instructions for this task.

Research has shown that young people are more likely to listen to their peers. So, there is a great opportunity for an organisation of young people to teach and inform teenagers about saving and borrowing money.

A top social entrepreneur has come to you to ask you to set up a charitable organisation that visits schools and colleges, and offers free financial advice to teenagers!

2. Their task, in groups of 3-4 or individually, is to create a lesson/presentation that their charitable organisation would deliver to a school or college.

This could take the form of:

- A PowerPoint or similar presentation
- A video (remember to get parental/appropriate consent if learners choose to do this)
- A speech/script with supporting materials (handouts/leaflets etc.)

3. Explain to the learners that their lesson/presentation needs to include the following information (also listed on slide 13 of the supporting presentation):
  - The name and purpose of their organisation (i.e. to give young people the knowledge they need to be financially savvy)
  - Examples of financial services banks and building societies offer
  - Why saving money is a good idea (i.e. the advantages)
  - Two different ways you can borrow money (i.e. banks, friends, etc.) and the advantages and disadvantages of each (what should young people watch out for?)

4. For your learners to complete this task, they can use their notes from this session and ideally, they should access the internet to undertake further research.
5. If you want your learners to practise their presentation skills, encourage them to share their presentations with the rest of the group. Try and generate discussions, feedback and a Q&A after each group/individual has presented. You could focus on:
  - What was effective about their presentation/lesson?
  - Would it engage other teenagers to learn about finance?
  - Did they present clearly and confidently?
  - Did it cover all of the essential criteria?

### ADVISER TIP

If your learners are working towards the qualification, then the PowerPoint presentation/video/script with supporting materials could be used to help evidence their understanding of the assessment criteria.



# WRAP UP >



## TIME REQUIRED

10 minutes



## MATERIALS

- ✓ Savings pledge worksheet
- ✓ Financial services PowerPoint presentation

# ACTIVITY STEPS >

1. Ask the group to reflect on what they have learnt and discussed in this session. Explain that one purpose of this session was to help them understand how to have good financial wellbeing.
2. Ask the learners what they think good financial wellbeing means. Explain that financial wellbeing is a term describing people's relationship with money and things that make their life enjoyable and meaningful. It's associated with a feeling of control over their financial future.
3. Show the learners the financial wellbeing scale on slide 14 of the supporting presentation. Explain that someone near 10 on the scale has:
  - Short, medium and long-term financial goals
  - Regular savings that are accessible and locked in to gain extra interest
  - A great understanding of all their outgoings and makes daily decisions about their future spending
  - An interest in researching finance-related topics they're not familiar withOn the other hand, someone near 1 on the scale:
  - Lives for the moment and is oblivious to what they are spending or saving
  - May be afraid to ask about finances and buries their head in the sand
  - May genuinely not consider money as important to their happiness and are inventive/creative with their day to day living
4. Tell the learners to help them be near 10 on the financial wellbeing scale, they could start making saving goals. Encourage them to fill out their savings goal and the steps to reach it on the Savings pledge worksheet.