



# Developing Financial Futures

A financial education resource designed for those working with vulnerable young people



Arjun



Magda



Jess



Priya



Esme



Caleb



Lewis



# Introduction

## FINANCIAL EDUCATION

Being financially capable means having the confidence, skills and knowledge we need to manage our money well, now and in the future.

The development of financial capability is lifelong and includes the ability to adapt our approach to money management in response to changes in our personal and financial circumstances.

Experience of working with both practitioners and young people has highlighted the need for financial education and has shown that when it's delivered well, with appropriate resources, young people find learning about money issues an engaging topic for discussion.

Learning has been shown to be most effective when teaching contexts:

- focus on financial topics that are meaningful and relevant to young people;
- are linked to real life through the use of simulations and case studies; and
- use active learning strategies, not textbooks or worksheets.



When delivering any form of financial education there are certain areas of sensitivity to be aware of.

Discussions around any personal income, such as pocket money, can prove very divisive, and any direct comparisons between young people should be avoided. There are also faiths which have certain rules regarding the use of money and finance, such as Islamic Sharia Law, and in these cases, it is always useful to ensure that sessions are appropriate to the faith of the learners.

## FINANCIAL EDUCATION AND VULNERABLE YOUNG PEOPLE

Developing the knowledge, skills and confidence needed for personal finance and money management can be even more important for vulnerable young people due to the impact that poor financial choices can have.

Managing day to day personal finances successfully is often dependent upon making appropriate financial decisions. Many vulnerable young people have had limited experience in making such decisions. The delivery of financial education aims to provide the opportunities to develop these skills, enabling a more informed transition towards independent living and beyond.

The term 'vulnerable young person' covers an extremely wide range of need and ability. This resource, therefore, has been designed to enable facilitators to tailor the content according to the specific needs of the young people they work with.

# About The Resource

This resource has been developed to support the delivery of financial education to vulnerable young people and be flexible and adaptable to different settings.

Activity content and delivery methods have been developed in consultation with young people, and those who work with vulnerable young people. There are seven activities within the resource which all focus on different financial themes and topics. A summary of each activity and the themes they cover can be seen below.

Activity	Financial Theme	Big Question
Receiving a Windfall	Developing attitudes towards spending and saving.	What would you do with a lump sum of money?
Shopping Deals	Becoming a critical consumer and understanding how this can help everyday budgeting.	If there was something you wanted to buy would you wait a week for a good offer, or buy the product now at half price?
Moving on to Further Education or Training	Exploring the support available for 16-19 further education and training.	Should money come into the choices you make about your education?
A Place of my Own	Appreciating the additional costs of living independently.	How could you go about finding out the costs of living in a place of your own?
Taking Priority	Considering actions that families can take to ensure that they're in control of their household expenditure.	How can families plan their finances to allow for everyday spending and unexpected costs?
Debt and Borrowing	Developing thoughts on the different ways to borrow, including costs, and exploring attitudes towards borrowing.	Is borrowing money ever right?
Getting Advice	Providing examples of free financial advice and support.	Is paid for advice and guidance better quality than the free services which are available?

# Using The Resource

The resource has been developed so that activities can be selected and delivered independently as needed.

The activities have been designed to require as little preparation time as possible, and with the idea that they can be integrated into a variety of learning situations, such as 1-1 delivery, small group work or whole group sessions.

Each activity contains:

- **A short scenario** – this sets the scene and gives a situation for the learners to comment on.
- **Learning outcomes** – these provide guidance for whoever is delivering the session about the financial learning the young people will have achieved at the end of the activity.
- **A 'Big Question'** – a question that provides the focus for the activity. During their discussions learners will build a more informed answer to the 'Big Question'.
- **Discussion ideas** – a range of ideas and suggestions of areas that could be explored by learners in relation to the scenario.
- **Practical ideas** – for each activity several practical tasks have been suggested. These can be used to further develop and extend learning in a more practical way.
- **A 'Big Answer'** – this provides a suggested answer to the big question which could be used as a plenary to consolidate learning.
- **Practitioner notes** – brief background information about the financial content of the activity and guidance about running the activity.

The activities are intended to be as flexible as possible, enabling them to be used in multiple situations with learners of different ages and abilities. A suggested structure for delivering each of the activities is provided below; although this can be amended according to your requirements:

1. **Introduce the activity using the practitioner notes and the 'Big Question'**. Explain that learners will have a go at answering the 'Big Question' by the end of the activity.
2. **Read the scenario to the group, or hand it out for them to read.**
3. **Select appropriate topics for discussion from the 'Discussion ideas'**. Learners could discuss these individually, in pairs or as a group. Listen to their thoughts and try to address any misconceptions they may have.
4. **If time allows, and if they are appropriate for the learners, one of the tasks from the 'Practical ideas' could be delivered to extend the learning.**
5. **Return to the 'Big Question' and gather learner's thoughts and ideas.**
6. **Share the 'Big Answer' with learners and compare that to their own answers.**



A Scenarios Summary has been provided at the back of the resource with all of the seven scenarios in one place.

## ACTIVITY ONE

# Receiving a Windfall

Jess will be 18 next week. On turning 18 she knows that she will receive £500 from a fund that was set up by her long term foster carers.

Although Jess is now working she has found it difficult to rent a flat of her own and is thinking about using the money as a deposit. She knows that is the sensible option, but some of her friends are going to Spain on holiday and the £500 would also cover the complete cost of the trip.

## PRACTITIONER NOTES

Many young people may have similar funds, such as a Junior ISA, which may have been opened on their behalf (in some cases by the government) which they will receive on their 18th birthday. It is important that they are aware of the choices they have for using this money, and any other windfall amounts they may receive throughout their lives, appropriately.

## BIG QUESTION

What would you do with a lump sum of money?

## LEARNING OUTCOMES

By the end of the activity learners will:

- Have considered what to do with any lump sums of money they may receive.
- Considered their own attitudes towards spending and saving.
- Understand the idea of having savings in case of an emergency.



Jess

## DISCUSSION IDEAS

Use one or more of the ideas below to stimulate discussion around the scenario.

Consider any other choices that Jess could make with the money.

- **Where else can income come from?** Whilst income from earnings is by far the most significant, other sources of income could come from; benefits, pocket money, gifts, selling things you own, gambling, savings and investments.
- **What choices would the young people in the group make?**
- **Why do some people always try and make sure they have some money saved?** Some people try to keep savings as a 'just in case' fund. If something unexpected happens, such as a car repair bill, there are savings to pay for it.
- **Should there always be a balance between spending and saving?**
- **How did the money get to be in the fund?** There can be many ways that contributions can be made. These can be from parents, carers, other relatives, the government, and even charities. A common fund for young people is a Junior ISA account (<https://www.gov.uk/junior-individual-savings-accounts>).

## PRACTICAL IDEAS

- **Ask the group to imagine they have been given £500 now, then £500 in five years time and then £500 in 15 years time.** What would they do with the money in each case? Explore whether there is a difference. You could also explore what they think may be happening in their lives at each stage that might require money.
- **Set the group a challenge of producing a mind map of all of the things that they could do with £500.** Once complete ask them to highlight in green any of the uses they think are 'good' uses and highlight in red the uses that they think may not be quite so good.



## BIG ANSWER

People will have different needs and wants, and different attitudes to money, so any lump sum would be used in very different ways by different people. Using a lump sum for something which gives you little in the longer term, like a holiday, may not be as helpful to your future as helping to pay for college costs. Most of the time there should be a balance between the two. Also remember that any lump sums do not have to be spent, and could be saved or invested for the future instead.

## ACTIVITY TWO

# Shopping Deals

It's Friday and Lewis has just been paid. He works at a local warehouse driving a forklift truck and his monthly income usually just about covers his expenses.

He has wanted a new pair of trainers, which cost £80, for a while and sets out to buy them. When he takes them to the checkout the assistant tells him that they know the trainers will have £30 off from next weekend. But that's a whole week later!

## PRACTITIONER NOTES

Young people are faced with an array of different offers on the goods and services which they buy. It can often be difficult to work out which offers are best for different products, as well as ensuring they don't fall into the marketing trap of buying a product just because it is on offer. There can often be an attitude amongst young people that buying a product on offer is being 'cheap' and not something they would want to be seen doing by their friends even if it does make them a saving.

## LEARNING OUTCOMES

By the end of the activity learners will:

- Understand the common deals that retailers offer and the reasons they offer them
- Have developed attitudes towards the way they use deals and offers
- Begin to consider the use of offers in their day to day budgeting

## BIG QUESTION

If there was something you wanted to buy, would you wait a week for a good offer or buy the product now at full price?



Lewis

## DISCUSSION IDEAS

Use one or more of the ideas below to stimulate discussion around the scenario:

- What does the group think Lewis should do? What would they do?
- What other offers and discounts are the group aware of when shopping? These could include money off, percentage discounts, buy one get one free (BOGOF), free gifts, buy one get one half price, loyalty cards and points, and online discount vouchers.
- Why do the group think companies offer all of these different discounts? Why not just have one price and stick to it? The offers are simply to encourage you to spend. Sometimes companies will give fantastic discount on some of their products in the hope that you'll spend more money on the other products they also sell. Having good offers is also a way of attracting customers away from competitors. Be careful not to fall into the marketing trap when it comes to offers. Ask yourself 'am I buying this because I need it, or just because it seems like a good deal'?
- What factors influence the decision process when deciding whether to buy something now or waiting a week for a good deal? The way

people approach these types of decisions depends on their own financial circumstances as well as their attitude towards money. There are online tools which can give young people an idea of their own attitudes towards money. There's a Barclay's LifeSkills Money Personality Quiz here <https://barclayslifeskills.com/i-want-to-get-to-grips-with-money-and-my-payslip/school/money-personality-quiz>.

- There will be some things that we will need to buy straight away though and waiting for a better deal just won't be an option – for example, a train ticket for a job interview. How soon we need an item may influence our decision process.
- What other factors influence the things that we buy? Advertising is an extremely powerful influence on people's spending, but there are other factors such as peer pressure, social media, level of disposable income and the 'feel good factor' amongst others which influence our spending. Being aware of these influences can help control unnecessary spending.

## PRACTICAL IDEAS

- Take the group to a supermarket or ask them to look out next time they visit one and explore the variety of different offers there are available. Make a note of where most of the offers are located (these tend to be at the end of the aisles and at eye level along the aisles). Why do they think most of the offers are in these locations?
- Display some of the most common offers and discounts and then give out images of different products to the group. Which offer or discount provides the best deal for each of the different products you give them? For example, it might be better to buy a mobile phone with money off, than on a buy one get one half price.
- Provide a shopping list of items and ask the group to find the best offer online and to look out for additional costs including postage.



## BIG ANSWER

Offers can be a really useful way to buy the things you need at a lower price and help save some money. Many offers are publicised through the media and online and, if waiting just a little while can save you quite a bit of money, it can be well worth it.

## ACTIVITY THREE

# Moving On To Further Education Or Training

Caleb is 15 and still lives with his foster carers. Soon he will need to decide whether he stays on at school in the sixth form, moves to college or goes on to do an apprenticeship.

His preferred option is college, but this will end up costing him more because he'll have to get the bus every day and buy his own books and equipment. An apprenticeship would earn him a wage, and give him a skill at the end of it, but he's really not sure what he would want to do the apprenticeship in.

## PRACTITIONER NOTES

The choices young people make regarding further education and training are some of the most important of their lives. They may well influence the jobs they have in the future and the opportunities that are available to them. Whilst we would hope that young people can make these choices without also having to think about money this is not always the case, but there are bursaries and other support available for vulnerable young people aged 16-19 to enable them to make these decisions without the need to consider money.

## BIG QUESTION

Should money come into the choices you make about your education?

## LEARNING OUTCOMES

By the end of the activity learners will:

- Know that there may be bursaries and other financial support to help with their studies or training beyond the age of 16
- Be able to compare the financial incentives of the apprenticeship scheme with the options of college or sixth form



Caleb

## DISCUSSION IDEAS

Use one or more of the ideas below to stimulate discussion around the scenario:

- What choices would the young people in the group make?
- Do they know of any support that Caleb could receive to help with the costs of school, college or training? 16-19 bursaries of up to £1,200 are available for vulnerable students (<https://www.gov.uk/1619-bursary-fund/overview>) to help with costs such as books, clothing, travel and lunch. Free travel may also be available from the local authority.
- What would be a fair hourly wage for an apprentice? The national minimum hourly wage for an apprentice is £3.90 (Sept 2019). This can often strike young people as being relatively low. Consider the skills and experience which they will gain as well as the pay – do the skills and experience make up for the low hourly wage?
- What would the advantages and disadvantages be for each of the three options Caleb has? It can be really difficult for young people not to consider the costs involved when making this decision, but there is support available for vulnerable young people for all of the three options – school, college or training.
- Where could Caleb go for advice on his next steps? The National Careers Service is a careers helpline for young people, providing advice about jobs, careers and training. <https://www.gov.uk/careers-helpline-for-teenagers>.

## PRACTICAL IDEAS

- Explore the wide range of apprenticeships which learners may be able to access - these can be found on the apprenticeship website [www.apprenticeships.org.uk](http://www.apprenticeships.org.uk). Each role has a weekly wage associated with it. Ask learners to choose one and work out how much income they would receive each month and then each year. They could then use the weekly income to produce a budget showing how they would spend or save the income they received each week.
- The 16-19 bursary is up to £1,200 which can be used by vulnerable young people to help with the costs of school, college or training post 16. The education provider controls this budget and the young people apply to the school, college or training provider with details of how they need to use the money. Ask learners to mind map the kind of things they may be able to apply for funding for (clothes, travel costs, meals, equipment, transport etc).



### BIG ANSWER

Young people deciding what to do next may worry about the costs, but there is support available for all three options – school, college or training.

## ACTIVITY FOUR

# A Place Of My Own

Arjun and Aisha have a six-month-old baby and currently live with Aisha's parents. They have looked at their income and think they could afford to rent a place of their own.

Aisha is worried that whilst they might be able to afford the rent they might not be able to afford all of the other costs that go with living in a place of their own. She thinks it might be better to wait and build up some more savings. Arjun is less worried and thinks they should deal with the other costs once they move in. He says they'll only find out if they try.

## PRACTITIONER NOTES

Moving into a place of their own is a key aspiration for many vulnerable young people. The opportunity to live independently for the first time can be a significant motivation. As the rent is often the key expense some of the other costs associated with living independently can be forgotten and not considered in calculations about affordability. Along with this many young people can have significant misconceptions about everyday living costs.

## LEARNING OUTCOMES

By the end of the activity learners will:

- Be aware of the everyday living costs associated with living independently
- Have considered the importance of having a savings pot in case of emergencies
- Understand the potential consequences of underestimating living costs

## BIG QUESTION

How could you go about finding out the costs of living in a place of your own?



Arjun

## DISCUSSION IDEAS

Use one or more of the ideas below to stimulate discussion around the scenario

- What kind of costs might Arjun and Aisha face in a place of their own?
- Do you think there is a difference in the amount of risk the couple are willing to take? Different people will all have different attitudes towards risk. Aisha appears to be more risk averse whilst Arjun is far more willing to take a risk. People will make very different financial decisions based on the level of risk they are comfortable with. Attitudes towards risk may change as an individual's circumstances change.
- What are the advantages of taking Aisha's decision to wait and build up some savings before moving out? Are there any disadvantages?
- What could the consequences be of taking Arjun's decision to move first and deal with the costs as they come? Are there any advantages to this approach?

## PRACTICAL IDEAS

- One of the biggest costs of moving into a first home can be the cost of the things needed to go into it. Give learners a fictional budget of £500 and a shopping catalogue. Ask them to try and find the main things they will need in a home of their own and keep the costs within the budget. If they struggled, see if they can come up with ideas on how they could get the same items but cheaper (boot fairs, online auctions and charity shops). Ask them to consider what the 'hidden costs' might be when buying large items e.g. costs to transport the items home, repair costs.
- Managing money for independent living can be a difficult task. Give learners the chance to plan their budget with the online resources from The Money Advice Service.  
<https://www.moneyadviceservice.org.uk/en/tools/budget-planner>.



## BIG ANSWER

It's not always possible to find out every single cost before you move into a place of your own, but you can have a go at estimating most of them. This is a good way of making sure that you can afford the rent as well as the other costs each month. It's better to plan ahead and make different choices if it looks like you can't afford it, otherwise you could find yourself getting into financial difficulties.

## ACTIVITY FIVE

# Taking Priority

Esme is 17 and is the main carer for her mum. Her younger sister, Alice, has been offered a training place at a local football club but Esme's not too sure if the family can afford to pay the monthly fee for her to attend.

Esme's mum has a range of health problems and so is unable to work. Esme helps with the day to day household chores, her mum's health needs and managing the household budget. She's in part-time education and receives the Young Carer's Allowance.

Alice loves playing football and has been offered a place on her local club's Shooting Stars programme which offers coaching and training all year and during school holidays, however there's a monthly fee to join. It's a wonderful opportunity for Alice, but Esme's just not sure how the family can afford this additional monthly cost alongside all the household priority bills.

## PRACTITIONER NOTES

Having a talent recognised and encouraged is a great motivator for young people. However, the expenses involved in nurturing a talent may impact on the family's ability to pay their bills and other household expenses. Young people don't always appreciate the need to budget and they're not always aware of how unexpected costs can impact on their ability to pay important household bills.

## LEARNING OUTCOMES

By the end of the activity learners will:

- Understand the importance of paying priority bills and the consequences when bills become debts
- Be aware of the need to budget for current and future financial circumstances
- Consider how to be proactive in managing money if circumstances change

## BIG QUESTION

How can families plan their finances to allow for everyday spending and unexpected costs?



Esme

## DISCUSSION IDEAS

Use one or more of the ideas below to stimulate discussion around the scenario

- Which bills are 'priority bills' and what are the consequences of not paying these bills? When managing our money, it's important to remember that some bills should be prioritised over others. Bills for rent, electricity & gas, TV licence and Council Tax are priority bills and should always be paid regularly. If you miss payments towards your priority bills you could receive a large fine, have your services cut off or even lose the right to make decisions about how your own money is managed.

Credit card, store card and water bills could be considered as lower priority, but there may still be serious consequences if these aren't paid (especially as high rates of interest on store and credit cards can quickly increase the amounts owed).

- What can families do to manage their household spending and plan for 'one off' unexpected expenses? Families can create a budget to help with tracking the money coming in and going

out each month. It's much easier to then identify the most important payments and ensure when possible, that these are paid first. Families can also consider managing their bills in a number of different ways including direct debits, paying in instalments and opening a bank account for household bills.

Unexpected costs, e.g. repairing a car to drive to work, fixing a boiler or covering the cost of a family opportunity like attending a training course, can arise. When they do, a family can refer to their budget to see whether, once all the important bills have been paid, they can afford to cover these additional needs or wants.

There are many tools to help families take control of their household spending. They calculate income and how much you spend every month. The Money Advice Service offers one <https://www.moneyadviceservice.org.uk/en/tools/budget-planner>

## PRACTICAL IDEAS

- Ask learners to suggest ways that the family could support Alice if they're unable to afford the fees for the Shooting Stars programme. Maybe joining a local football team, playing regularly with friends in the park or volunteering at the junior matches. Sometimes, giving time is far more valuable than gifts that cost money.
- Ask learners to look at what support could be available to families on low incomes and what support young carers can access? Families may qualify for financial support from the government and other grant giving charities. (<https://www.citizensadvice.org.uk/benefits/help-if-on-a-low-income/>) There's also plenty of organisations they can go to for help and advice on money management including their local Sure Start Centre, Citizens Advice, Credit Union etc. Young carers can access practical and emotional support from national and local charities, they may also be eligible for the Young Carers Allowance. (<https://www.actionforchildren.org.uk>) or (<https://www.barnardos.org.uk/what-we-do/helping-families/young-carers>)



### BIG ANSWER

Priority bills are just that - they need to be paid before other spending takes place. Knowing your monthly income and outgoings is the first step to taking control of your household budget. There's lots of help for young people and families on low incomes in managing their finances, prioritizing what they spend and saving for future events – whether they be large or small.

## ACTIVITY SIX

# Debt And Borrowing

Magda is 22 and works full time for a chain of dry cleaners. She has recently been offered a new job managing her own store.

This is a great opportunity and quite a big increase in income, but the only problem is that the store is 20 miles away from home and there is limited public transport. Magda has a driving licence but does not own a car. She would have to buy one but does not have any money saved so would need to borrow to pay for it.

## PRACTITIONER NOTES

Throughout most people's lives there are times when they may need to borrow money. It is the responsibility of both the lender and the customer to ensure that borrowing money is done in a responsible and affordable way. There are a very wide range of borrowing options available, from overdrafts and credit cards to payday loans. All of these will charge interest on the borrowed money but the amount can vary significantly from one type of borrowing to another.

## LEARNING OUTCOMES

By the end of the activity learners will:

- be aware that different ways to borrow can cost very different amounts
- begin to develop appropriate attitudes towards borrowing
- consider alternatives to borrowing

**BIG QUESTION**  
Is borrowing money ever right?



Magda

## DISCUSSION IDEAS

Use one or more of the ideas below to stimulate discussion around the scenario

- **Should Magda take the job in the first place?**  
What happens if she borrows money for the car but then does not enjoy the job? The issue here is that if Magda gives up the job she will not have the income to be able to repay the debt. She may choose to sell the car and use the money to repay the debt, but she would have to be careful as you can very rarely sell a car for the same amount for which you bought it.
- **What options might Magda have for borrowing the money if that is what she decided to do?**  
One of the most cost-effective methods would be for her to take out a personal loan and spread the cost over a period of between one and three years. Some car retailers will also offer relatively low interest loans for the cars they sell. There could be the option of borrowing on a credit card with 0% interest on purchases for a specified period of time. This would work out cheaper as there would be no interest at all to pay to start with; however, it is more risky because if Magda does not pay off all of the debt within the time period the interest charged would be much higher than a personal loan. Another form of borrowing could be from a local credit union. <https://www.moneysavingexpert.com/loans/credit-unions/#what>
- **How much should Magda be spending on her first car?**
- **What additional costs will there be for Magda, other than the initial cost of the car itself?**  
Costs would include road tax, insurance, MOT, servicing, repairs, fuel costs and car parking.
- **What other things do people borrow money for?**
- **Why do some people borrow from payday loan companies when they charge so much interest?**

## PRACTICAL IDEAS

- **Ask the group to explore the kind of interest rates (APR) you might find for different forms of borrowing, such as a credit card, a personal loan and a payday loan.** These can be found online but are also advertised on television. Once collected, compare the differences between them and what that might mean for the repayments. Online comparison sites give a very good idea of the rates for each type of borrowing.
- **Explore the other costs associated with driving and car ownership in a little more detail.** Take a look at different types of cars (a small hatchback, family saloon and a 4x4) to compare the differences in road tax and fuel efficiency. Ask learners to make a suggestion for what kind of car would suit Magda based on the information they have found out.
- **What other issues will affect Magda's decision?**  
Take a look at car sharing schemes and discuss other environmental topics such as reducing CO2 emissions and cutting congestion. <https://www.nidirect.gov.uk/articles/car-sharing>.



## BIG ANSWER

There will be times in most people's lives when they need to borrow money. The biggest priority is ensuring that they can afford to pay the money back. If not, the debt can increase very rapidly. Always question whether the borrowing is really needed. In some cases (for example, a holiday with friends) you may be able to save up the money rather than borrow.

## ACTIVITY SEVEN

# Getting Advice

Priya has taken out three mobile phone contracts over the last year. She thought that when she took out a new contract it would automatically cancel her last one.

Her bank has phoned her and told her she does not have enough money in her account to pay the three phone bills. The person from the bank suggested that Priya get some advice on what to do about the contracts. Priya has explored the help available and found that there is some which she can get for free and some which must be paid for.

## PRACTITIONER NOTES

Knowing where to go for financial support and guidance is crucial to young people who may well have questions and concerns. Much of the support available provides direct access to someone who can talk to them and guide them in the right direction. Having the confidence to use some of these services is a big step to overcome but can prove extremely helpful in the long run. Advice and guidance can come from a range of different sources. Many of these are free but some can charge for their services.

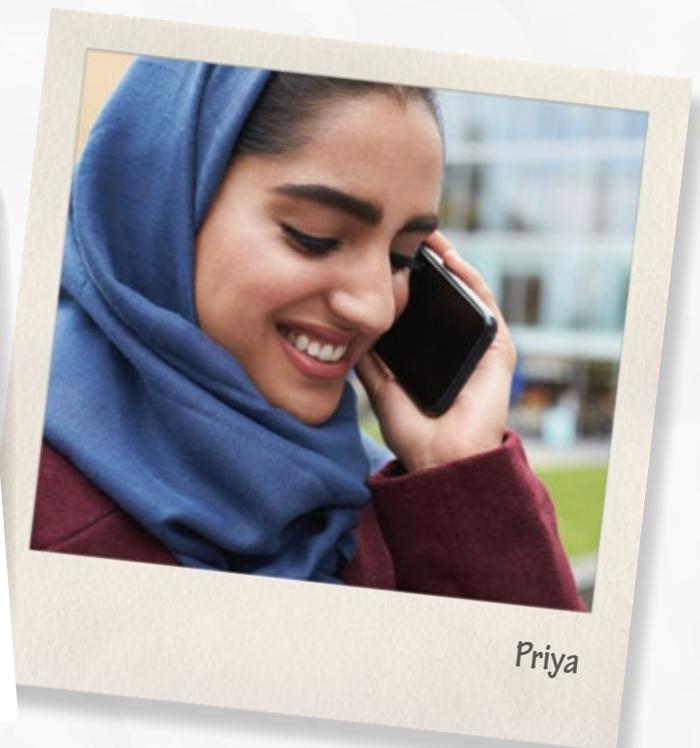
## LEARNING OUTCOMES

By the end of the activity learners will:

- know that there is a wide range of free financial advice and guidance available
- develop the confidence to seek help in the event of financial difficulties

## BIG QUESTION

Is paid for advice and guidance better quality than the free services which are available?



Priya

## DISCUSSION IDEAS

Use one or more of the ideas below to stimulate discussion around the scenario

- **How should Priya have known that her phone contracts would not normally be cancelled when she got a new phone?** The 'small print', which is the detail contained within the contract you sign, will give you all the information about how long the contract will last for and in what circumstances it can be cancelled. Priya could also have asked someone in the phone shop or called the phone companies support services. If the contract was arranged over the phone or online, Priya should have been offered a 14-day cooling off period. Citizens Advice provide information to help. <https://www.citizensadvice.org.uk/consumer/phone-internet-downloads-or-tv/cancelling-a-phone-tv-internet-or-mobile-contract/>.
- **What advice would you give to Priya?**
- **Where could Priya go to get some advice on her situation?** In the first instance she should try contacting the phone companies and explain the situation. In many cases they will help customers to resolve issues. If the problem continues there are many agencies which Priya can go to for help such as Citizens Advice, Money and Pensions Service and National Debtline. All of these are free services.
- **Do you think Priya needs to pay for financial advice for her situation?** There is so much free support and guidance for Priya that she does not need to pay for any. Generally, most people can access free financial support and guidance. Paid for services only really become relevant for very specialist services, for example pensions or savings and investments.
- **What might the consequences be if she does not pay the monthly bills?** The phone companies will send a letter or call (or both) to remind Priya to pay. Eventually they may add additional charges, disconnect her phone and try to recover their costs using debt collection agencies. Priya's bank may also charge a penalty to her account for having to administer a non-payment on her direct debits.

## PRACTICAL IDEAS

- Explore the Money Advice Service website ([www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)) for advice on taking out your next mobile phone. Is there any advice which learners did not already know? Allow them to look at other areas of the website for things that may also be relevant to them (there is a dedicated section for young people).
- Ask learners to mind map all their options for if they found themselves in financial difficulty. Once they have written as many ideas as possible, ask them to rank them in order of where they would go first. Discuss the answers as a group and ask for the reasons that some were placed near the top and others near the bottom. You could even look at the advantages and disadvantages of different options.



## BIG ANSWER

There is a very wide range of free financial advice and guidance available. For the vast majority of financial queries or guidance one or more of these free services will be able to help. Paid for advice and guidance is really only for more specialist financial enquiries. For mobile phone contracts you should be able to find all the answers you need for free.

# Scenarios Summary

All of the scenarios from each of the seven activities have been collated here for ease of regraphics.

## RECEIVING A WINDFALL

Jess will be 18 next week. On turning 18 she knows that she will receive £500 from a fund that was set up by her long-term foster carers. Although Jess is now working she has found it difficult to rent a flat of her own and is thinking about using the money as a deposit. She knows this is the sensible option, but some of her friends are going to Spain on holiday and the £500 would also cover the complete cost of the trip.

## SHOPPING DEALS

It's Friday, and Lewis has just been paid. He works at a local warehouse driving a forklift truck and his monthly income usually just about covers his expenses. He has wanted a new pair of trainers, which cost £80, for a while and sets out to buy them. When he takes them to the checkout the assistant tells him that the trainers will have £30 off from next weekend. But that's a whole week later!

## MOVING ON TO FURTHER EDUCATION OR TRAINING

Caleb is 15 and still lives with his foster carers. Soon he will need to decide whether he stays on at school in the sixth form, moves to college or goes on to do an apprenticeship. His preferred option is college, but this will end up costing him more because he'll have to get the bus every day and buy his own books and equipment. An apprenticeship would earn him a wage, and give him a skill at the end of it, but he's really not sure what he would want to do the apprenticeship in.

## A PLACE OF MY OWN

Arjun and Aisha have a six-month-old baby and currently live with Aisha's parents. They have looked at their income and think they could afford to rent a place of their own. Aisha is worried that whilst they might be able to afford the rent, they might not be able to afford all the other costs that go with living in a place of their own. She thinks it might be better to wait and build up some more savings. Arjun is less worried and thinks they should deal with the other costs once they move in. He says they'll only find out if they try.

## TAKING PRIORITY

Esme is 17 and is the main carer for her mum. Her younger sister, Alice, has been offered a training place at a local football club but Esme's not too sure if the family can afford to pay the monthly fee for her to attend. Esme's mum has a range of health problems and so is unable to work. Esme helps with the day to day household chores, her mum's health needs and managing the household budget. She's in part-time education and receives the Young Carer's Allowance.

Alice loves playing football and has been offered a place on her local club's Shooting Stars programme which offers coaching and training all year and during school holidays. However, there's a monthly fee to join. It's a wonderful opportunity for Alice, but Esme's just not sure how the family can afford this additional monthly cost alongside all the household priority bills.

## DEBT AND BORROWING

Magda is 22 and works full time for a chain of dry cleaners. She has recently been offered a new job managing her own store. This is a great opportunity for her and quite a big increase in her income, but the only problem is that the store is 20 miles away from home and there is no public transport. Magda has a driving licence but does not own a car. She would have to buy one, but does not have any money saved so would need to borrow to pay for it.

## GETTING ADVICE

Priya has taken out three mobile phone contracts over the last year. She thought that when she took out a new contract it would automatically cancel her last one. Her bank has phoned her and told her she does not have enough money in her account to pay the three phone bills. The person from the bank suggested that Priya get some advice on what to do about the contracts. Priya has explored the help available and found that there is some which is free and some which must be paid for. She is not sure which would be best for her.

# Glossary

The following glossary offers simple definitions of terms used in the activities. It can be used for reference by practitioners or alternatively, the tables can be turned into cards for word matching exercises with adults and children.

Financial Terms	Definitions
<b>Annual Percentage Rate (APR)</b>	The total cost of a loan, taking into account the interest you pay, any other charges and when the payments are due. Used as a way of comparing different borrowing products; the higher the APR, the more expensive the loan.
<b>Auction sites</b>	A commercial website where items are sold to the highest bidder. You can sell your own unwanted items or buy items on an auction site.
<b>Bank account</b>	A service from a bank or building society which lets you pay in money, get cash out and pay bills, etc. The bank keeps a record of all transactions.
<b>Bank charges and fees</b>	Payments a bank may charge, often if you spend more money than you have (go overdrawn).
<b>Benefits</b>	A government system that provides financial support to people who are eligible for it (e.g. universal credit).
<b>Bills</b>	Statement that shows how much money is owed for something (e.g. gas, electricity, phone).
<b>Borrowing</b>	Getting money from somewhere that you intend to pay back. You might borrow informally from friends and family or take out a formal loan, with a written agreement, from a bank or building society.
<b>Budget</b>	Shows how you plan what you are going to spend.
<b>Bursaries</b>	Cash award given to a student by a college or university towards the cost of their studies.
<b>Career</b>	A specific job or a profession that someone does for a long period of their life.
<b>Comparison site</b>	Websites which compare products or services e.g. mobile phones and then displays how much it will cost from different shops or providers.
<b>Consumer</b>	Someone who buys something.
<b>Contactless</b>	A way of making a payment by tapping or waving your contactless device (e.g. credit card, debit card, smartphone) on or near a contactless reader.
<b>Cooling-off period</b>	A period of time following a purchase when the purchaser may choose to cancel a purchase.
<b>Credit</b>	Having money in your account OR another word for borrowing.
<b>Credit card</b>	A small plastic card available to 18 year olds and older from most banks, which allows you to borrow money up to a certain limit. When you buy something with your credit card, the amount you spend is added to your total borrowing. Every month you are sent a statement to show how much you have borrowed and how much you need to repay. If you don't repay the full amount, you will start paying interest.

Financial Terms	Definitions
<b>Credit union</b>	A community-focused, non-profit making organisation that encourages saving and lends money to members at low interest rates.
<b>Debit card</b>	A small plastic card used to buy things in a shop or online without using cash or a cheque. When you make a payment or withdraw cash with your debit card, the money is taken straight out of your account electronically, if you have the money available to spend. You cannot borrow money on a debit card.
<b>Debt</b>	Money you owe to another person or organisation.
<b>Deductions</b>	Amounts taken from your gross pay directly by your employer (e.g. Income Tax, National Insurance contributions, pension contributions, student loan).
<b>Deposit</b>	Money paid into an account. Can also mean an initial payment that secures a purchase of something, normally a percentage of the total cost.
<b>Digital payment methods</b>	Any form of electronic payment (e.g. smartphone, contactless).
<b>Discount</b>	Money which is taken off the price of something.
<b>Disposable income</b>	The amount of money left at the end of each month once all your bills have been paid.
<b>Electronic payments</b>	Making a payment over a network using a computer or other electronic device.
<b>Employee</b>	Someone who is paid to work for an organisation, company or an individual.
<b>Employer</b>	Organisation, company or individual who pays someone else to work for them.
<b>Employment</b>	Having a paid job.
<b>Expenditure</b>	The amount of money you spend on goods or services.
<b>Expenses</b>	Things you need to spend money on in order to live (e.g. rent, bills, food).
<b>Gambling</b>	Betting money, which can result in either a win or a loss – for example, through playing the lottery, fruit machines or casino games.
<b>Grant</b>	Cash award usually given for a specific purpose.
<b>Gross pay</b>	The total income you receive before anything is taken away from it such as Income Tax and National Insurance contributions. Gross pay will always be bigger than net pay.
<b>Income</b>	Money that comes to you through earnings, gifts, selling things you own, from your parents, etc.

# Glossary Cont.

Financial Terms	Definitions
<b>Income tax</b>	A tax payable on almost all types of income, at various rates depending on the level of income.
<b>Insurance</b>	A way to protect yourself against the financial loss of something going wrong. Insurance provides a guarantee of compensation for specified loss, damage, illness, or death, in return for payment of a specified premium.
<b>Interest</b>	The reward you get for keeping your money with a bank or a building society. It is also the cost you pay when you borrow money through a loan or credit agreement.
<b>Investment</b>	Products that have the potential to grow in value, but they can also decrease in value, meaning you begin to lose money.
<b>ISA</b>	An account where you don't pay tax on interest earned. There is a set limit of how much you can save in an ISA each tax year.
<b>Loan</b>	A sum of money that you borrow from a person or organisation, usually with interest.
<b>Loyalty card</b>	Structured marketing strategies designed by retailers to encourage customers to continue to shop at or use their services.
<b>Lump sum</b>	A one-off payment.
<b>MOT</b>	An annual test of vehicle safety.
<b>National Insurance</b>	A government deduction from your wages used to pay for benefits that you might need to claim, and your state pension when you retire. A plastic card with your NI code is sent to all UK residents just before their 16th birthdays. Employers and employees both pay contributions.
<b>Need</b>	These are the absolute necessities; the things you really cannot do without.
<b>Net pay</b>	Your net income/pay is the total you earn in a week, month or year after any deductions have been made. Sometimes called take-home pay.
<b>Overdraft</b>	A way of borrowing money through your current account. Arranged overdrafts are set in advance and you can spend money up to the agreed overdraft amount.
<b>Overspending</b>	Spending more than you intended.
<b>Payday loan</b>	Money (loan) intended to be borrowed for a short time, usually at a very high rate of interest.
<b>Payment methods</b>	Refers to all the different ways you can pay for goods and services, e.g. cash, payment card, contactless, credit card etc.

Financial Terms	Definitions
<b>Payslip</b>	A document explaining how much you have earned during a given period of time.
<b>Pensions</b>	An income paid regularly by the government or a private company to a person who does not work anymore because they have reached retirement age.
<b>Personal loan</b>	Where money is borrowed for a non-specific and generally paid back in monthly instalments.
<b>Purchase</b>	To buy something.
<b>Rent</b>	Money paid to the owner of the property where you live.
<b>Repayment</b>	To pay back money you owe. Repayments are sums of money paid at regular intervals until the loan has been repaid.
<b>Risk</b>	Another name for chance or uncertainty e.g. the risk that you may become unemployed, or the risk that you do not have savings.
<b>Salary</b>	An amount of money paid to an employee for a job, usually paid directly into his or her bank account every month.
<b>Saving</b>	The act of putting money aside for future use. Saving can also mean reducing the amount you spend.
<b>Savings account</b>	Accounts specifically designed for you to save money in, usually best for saving larger amounts.
<b>Scam</b>	A trick to swindle you out of money/different ways to con people to get their money.
<b>Small print</b>	A product's terms and conditions, typically written in small print and should be read carefully.
<b>Spending</b>	To use the resources we have, especially money but also time, energy etc.
<b>Store card</b>	Store cards are like credit cards but are available from shops not banks. They can only be used to buy things from particular shops and anything you spend is borrowed money. If you do not pay off the full amount every month you will be charged interest.
<b>Tax</b>	A fee charged by a government on a product (VAT), income (Income Tax), or activity (road tax) to finance government expenditure on public goods and services, such as the police, the NHS, street lighting or street cleaning.
<b>Wages</b>	The amount you are paid on a weekly or monthly basis.
<b>Want</b>	These are the items, services or experiences you would like to buy if you had the money to do so.

# Notes

# Free Advice And Guidance

## ABOUT YOUNG MONEY

Young Money (formerly pfeg), supports all educators in developing the financial capability of the young people they work with. We are a trusted and valued provider of knowledge, resources and training to anyone teaching children and young people how to manage money.

Please visit us at [www.young-money.org.uk](http://www.young-money.org.uk) to get ideas, inspiration and advice and to access our full range of resources and services.



## FINANCIAL EDUCATION ADVISORY SERVICE

The Young Money Advisory Service offers free guidance for anyone involved in teaching children and young people about money. Specialist education consultants use their experience to give practical advice and guidance about any aspect of financial education. This can range from identifying appropriate teaching resources to providing ideas on how to deliver engaging and relevant financial education to your learners.

Get in touch with the Advisory Service for help and advice.

See, <https://www.young-money.org.uk/advisoryservice>, email [advisoryservice@y-e.org.uk](mailto:advisoryservice@y-e.org.uk) or call **0300 6660 127**.



Follow us on twitter@[YoungMoneyEdu](https://twitter.com/YoungMoneyEdu).

Young Enterprise Head Office, Yeoman House, Sekforde St, London, EC1R 0HF

Email: [info@y-m.org.uk](mailto:info@y-m.org.uk), Tel: **020 7330 470**

[y-m.org.uk](http://y-m.org.uk)

Young Money is a registered charity.

Registered number is 313697

Incorporated in England as a Company Limited by Guarantee No. 712260



Leicester  
City Council

This version of Developing Financial Futures has been produced thanks to the support of **Leicester City Council**.

### About Leicester City Council

Leicester City Council recognises the strengths that already exist in families and communities, which enable children and young people to grow up to be independent and resilient adults. It is vital that Early Help support is available and easily accessible to avoid crises developing that may need more specialist service involvement. Our vision is to improve children and young people's lives by working in partnership to support frontline staff and keyworkers to raise aspirations, build achievement and protect the most vulnerable.

Learn more at [www.leicester.gov.uk](http://www.leicester.gov.uk)

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Issue No. 0138 | Issue Date: November 2019