

# Raise

## Ready to invest Teacher Guide



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# Background

## Further information on this topic for students

This guide can be used alongside our app, Raise, a resource designed to take you on a virtual journey spanning the next forty years of your life.

Investing your money over the longer term can seem confusing to start with, but it doesn't have to be complicated. Whether it's to start a business in the future or buy your own home, the money you save has a better chance of growing if it is allowed to grow for at least five years. The longer you leave it, the more growth gets reinvested and the cycle continues.

This is what is meant by compound growth.

Investing is a way of using the money you save for the future to potentially provide higher long-term growth than leaving your money in a savings account, especially when interest rates for savings accounts are low. However, investing has its downs as well as ups and there is a risk of getting back less than you put in. It is also really important to note that past performance is not a reliable indication of what might happen in the future.



### Know your stuff

Before making any decisions about how or where to invest, it is always good to do your homework. When you know more— you make better decisions.



### Set your goals

Have a plan which includes how long you will invest and what you would like to achieve at the end of it.



### Be true to yourself

If you don't want to take risks, don't get carried away with what everyone else is doing. Choose investments that suit you and what you are trying to achieve.



### Make a decision

At the end of the day, and as long as you've done your due diligence, you will need to make a choice. But don't be afraid of making the wrong one, as mistakes can be learned from.



### Be patient

Investing is more like a marathon and not a sprint! Investing will have its ups and downs, but remember, time is on your side.

## Before you start to look at how to invest your money, understanding some of the key terms will be useful.

A '**Share**' means ownership of part of a company. '**Stocks**' is more of a generic term that is often used to describe ownership of shares in one or more companies.

When a company in which you own stock or shares grows and makes money, the value of your investment generally goes up. The opposite is true as well. If a business isn't doing well, the value of your investment will go down.

Investing your money in a **Bond** means you're essentially loaning money to a business or the government in return for earning interest. Bonds are generally considered low-risk investments.

Some people prefer not to put all their eggs into one basket and invest in **Funds**, which are a mix of different types of investments such as Stocks, Shares, and Bonds. So, if one investment decreases in value (or loses altogether) not all your money is at risk.



## What is a Stocks & Shares Individual Savings Account (ISA)?

Everyone in the UK aged 18 or over has an annual ISA allowance – it's £20,000 for the 2021/22 tax year, which began on 6 April 2021.

You can use all or part of this ISA allowance to invest in a type of account called a Stocks & Shares ISA. Here, you can invest in funds (shares or bonds from various companies pooled into one investment), bonds (basically a loan to a company or a government), and shares in individual companies. The idea is that you don't pay a dividend, capital gains, or income tax on any gains or income from investments held in your Stocks & Shares ISA.

Source: Money Saving Expert

Find out more about taxes on savings interest here:  
[www.gov.uk/topic/personal-tax/savings-investment-tax](https://www.gov.uk/topic/personal-tax/savings-investment-tax)

### DID YOU KNOW?

Financial advisers look at your circumstances and your financial plans and recommend products to help you meet your needs. There are two types of financial advisers:



**Independent financial advisers** (IFAs) give unbiased advice about the whole range of financial products from all the different companies available



**Restricted advisers** advise on a limited range of products. They may specialise in one area, for example, pensions, or they may only offer advice on products offered by a limited number of companies.

It's usually best to get independent financial advice so that you can look at the widest range of advice and products available. Find out more here [Getting financial advice - Citizens Advice](#)

There are other types of Individual Savings Accounts (ISAs) to choose from, such as a Cash ISA and a Lifetime ISA. (More information can be found in our Teachers Guide – Saving to Buy a New Home.)

You can find out more about these here: [Individual Savings Accounts \(ISAs\): How ISAs work - GOV.UK \(www.gov.uk\)](#)

When you are ready to invest your money, there is a range of organisations that can offer you financial 'advice' or 'guidance'. Find out the difference between advice and guidance here: [Understanding 'advice' and 'guidance' on investments | FCA](#)

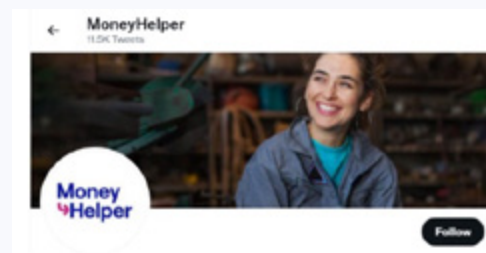
More info here:

**Free and impartial help with money,  
backed by the government | MoneyHelper**

**MoneyHelper**

@MoneyHelperUK

MoneyHelper is here to make your money and pension choices clearer. Backed by government.



# Lesson Plan

## Links to the Financial Education Planning Framework:

I can describe different sources of financial advice e.g., banks, CAB, independent financial advisers, including how they may differ in terms of independence and reliability. 16 - 19

I understand that people who are selling goods and services, including financial ones, do so to make money and that I have a responsibility to become as well informed as I can before making choices, e.g., by analysing the small print in agreements, or by using comparison websites. 16 - 19

## DID YOU KNOW?

One of the key findings from a Money Advice and Pensions Service review on Young people and money: a review of young people's use of online information and advice found: "Young people, families and relevant professionals want improved financial knowledge and skills. Young people want trustworthy advice that is tangible, holistic, comprehensive, and independent."

[MPS\\_Brand\\_implementation\\_Report template \(moneyandpensionsservice.org.uk\)](#)

The introduction of the Child Trust Fund scheme for children born in the UK between 1st September 2002 and 2nd January 2011 has created a generation of young people who now will be able to start adulthood with money of their own. It means that each month about 55,000 people who turn 18, and eventually a total of about 6.3 million people will be able to redeem their Child Trust Fund, invest it or continue to save, according to HM Revenue and Customs (HMRC).

These young people will need the support of parents, teachers, and guardians to help them make important decisions. There isn't a one-size-fits-all solution as every young person will have different;

- needs and wants,
- amounts to save and invest,
- timelines to achieve these needs and wants,
- risk tolerance based on their feelings, attitude, and circumstances.

The young people who didn't qualify for a Child Trust Fund may be curious about how they may start to accumulate their own funds. These activities should be relevant to all young people who hope to achieve financial independence in the future.

# Activity 1

This activity investigates the various sources of investment guidance and advice and how each of these compares against all the criteria. It aims to provide students with a broad range of sources.



**Time:**  
30 minutes



**Materials:**  
Student Worksheet – Ready to Invest, Internet, Pen.

## Step 1

Start this activity with a class discussion to come up with as many options for finding information, guidance, or advice on investing money. A suggested list is provided below.

## Step 2

Small group or pair activity - Allocate three sources from the list to each group. Ask students to decide which of the criteria they meet and give reasons for their answers.

Discuss their findings as a group.

Sources of investment information, guidance & advice	Reliable Do they know their stuff and can you trust them?	Unbiased What's in it for them? Are they trying to sell you something?	Up to date Is it current?	Suitable Is it right for you and your circumstances?	Complete Have you got the whole picture and not just snippets that could change the overall meaning?
<b>Family</b>	<b>Yes/No/Maybe</b> Dependant upon their knowledge and experience of investing.	<b>Yes</b> Family should have your interests at heart.	<b>Yes/No/Maybe</b> There may be new schemes available that they are unaware of. What worked for them in the past might not be available now.	<b>Yes/No/Maybe</b> Whilst your family will know you and your circumstances well, you will need to ensure that their solutions are suitable for you.	<b>Yes/No/Maybe</b> Once again, this depends on the depth of their knowledge and experience of investing.

Sources of investment information, guidance & advice	Reliable Do they know their stuff and can you trust them?	Unbiased What's in it for them? Are they trying to sell you something?	Up to date Is it current?	Suitable Is it right for you and your circumstances?	Complete Have you got the whole picture and not just snippets that could change the overall meaning?
<b>Friends</b>	<b>Yes/No/Maybe</b> Dependant upon their knowledge and experience of investing.	<b>Yes</b> Friends should have your interests at heart too.	<b>Yes/No/Maybe</b> They may not have a good understanding of what is available.	<b>Yes/No/Maybe</b> Whilst your friends will know you and your circumstances well, you will need to ensure that their solutions are suitable for you.	<b>Yes/No/Maybe</b> Once again, this depends on the depth of their knowledge and experience of investing.
<b>Direct from your bank</b>	<b>Yes</b> Banks and Building Societies have lots of information on their websites.	<b>Maybe/No</b> Most will offer their products, unless they offer an Independent Financial Adviser service.	<b>Yes</b> Staff will receive training. Some will be required to hold qualifications in their specific area. Their websites are updated regularly.	<b>Maybe/Yes</b> Most will offer information and guidance and you need to decide which is best for you. If they offer an Independent Financial Adviser service, this would be tailored to your needs.	<b>Maybe/Yes</b> You may have to take the time to find and read all the information.
<b>Social Media</b>	<b>Most likely no</b> They might appear to know their stuff. You would need to check if this is their area of expertise.	<b>Most likely no</b> Whilst some platforms have banned the recommendation of financial products, others may still be linked for commercial gain.	<b>Maybe</b> Content can still be available to view or read and you need to check for out-of-date information and changes.	<b>Most likely no/maybe</b> Tends to be all-purpose advice.	<b>Most likely no/maybe</b> Whilst 30 second soundbites are a good way of discovering something new, they won't tell you enough to make a financial decision.

Sources of investment information, guidance & advice	Reliable Do they know their stuff and can you trust them?	Unbiased What's in it for them? Are they trying to sell you something?	Up to date Is it current?	Suitable Is it right for you and your circumstances?	Complete Have you got the whole picture and not just snippets that could change the overall meaning?
<b>Internet/Price comparison websites</b>	<b>Maybe/No</b> They may not have all the providers for you to compare and make a decision.	<b>Maybe/No</b> They may be paid by providers they use to show comparisons.	<b>Yes</b> Their information should contain current offers only.	<b>No</b> It's up to you to make sure it suits your needs.	<b>No</b> Comparison websites show you a range of providers and products. You then need to explore these options in more detail.
<b>Money Helper (Government-backed organisations)</b>	<b>Yes</b> Well researched and written.	<b>Yes</b> A Government service offering free guidance and aims to inform you so you make the right decision.	<b>Yes</b> They hold current information.	<b>Maybe</b> They will provide information and guidance to help you make informed decisions. You need to make sure it is suitable for you.	<b>Yes</b> They will provide full information on each topic.
<b>Citizens Advice (charity/support organisations)</b>	<b>Yes</b> A national charity that offers a free service.	<b>Yes</b> They are independent.	<b>Yes</b> They provide current information.	<b>Maybe</b> They will provide information and guidance to help you make informed decisions. You need to make sure it is suitable for you.	<b>Yes</b> They will provide full information on each topic and signpost you to reliable websites.



Sources of investment information, guidance & advice	Reliable Do they know their stuff and can you trust them?	Unbiased What's in it for them? Are they trying to sell you something?	Up to date Is it current?	Suitable Is it right for you and your circumstances?	Complete Have you got the whole picture and not just snippets that could change the overall meaning?
<b>Independent Financial Adviser (IFA)</b>	<b>Yes</b> IFA's have to be qualified. They are also regulated by the Financial Conduct Authority.	<b>Yes</b> They can choose across a range of providers.	<b>Yes</b> They do this as part of their ongoing training.	<b>Maybe</b> They provide recommendations that are suited to you. There is a fee for this level of service.	<b>Yes</b> They simplify the information and tell you all you need to know about what they have recommended to you.
<b>Restricted Financial Adviser</b>	<b>Yes</b> As with an Independent Financial Adviser, they need to be qualified and are regulated by the Financial Conduct Authority.	<b>Maybe/No</b> 'Restricted' means they could be limited to certain providers or products.	<b>Yes</b> They do this as part of their ongoing training.	<b>Yes/Maybe</b> They can recommend based on your personal needs. However, there may be a product or provider which they do not offer, which might be more suitable. There is a fee for using this service.	<b>Yes/Maybe</b> They will offer full information and advice on the products and providers they work with. However, they cannot comment on the whole market.
<b>Newspapers/Magazines</b>	<b>Yes/No/Maybe</b> This depends on the knowledge of the writer.	<b>No</b> The newspaper or the writer could be conveying their views.	<b>Maybe/No</b> Articles, advertisements, and information can be out of date.	<b>Maybe/No</b> The information is meant for a wide audience and not your individual needs.	<b>No</b> You will still need to do your research.
<b>Other</b>					

**Key Learning Point:**

When making financial decisions young people must be equipped with the knowledge to do so and know where to find it. A combination of easily accessible sources, made up of platforms they already use and reputable websites, will help build a good foundation. Not all the sources are free and they need to weigh up any costs involved relative to the amount they wish to invest.

**Practical Ideas for use at home or in the classroom:**

Citizens Advice uses TikTok to help people make informed financial decisions and build awareness of financial scams. Use these bite-sized videos to start a conversation about money.

**Citizens Advice (@citizensadvice) Official TikTok**

**PLENARY:**

As a way of summarising this activity, ask students to agree on 3 sources of information which they would use. One of these should be one they have not used before. If time and resources permit, allow them time to access these to become familiar with the layout and content.

