

Maths week 3 and 4 week beginning 20th April – financial education. Please supplement this work with work on telling the time and arithmetic work – either on paper or using the websites already suggested (classroom kids is great for the arithmetic questions). Try to have at least 1 session each work on arithmetic skills.

Financial education Key objectives:

- Understand the differences between needs and want
- Know what is meant by budgets/budgeting
- Know that there are other ways to pay for things apart from cash.
- Know that our choices about spending and saving money can be influenced by and have an impact on other people.
- Explain why we might want to borrow money and how this might make us feel.
- Understand that managing money is complex and that there are people we can go to if we need help.
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Sites to use to support general maths work:

Maths (pupils have passwords for these sites):

Prodigy - <https://www.prodigygame.com>

Maths shed - <https://play.edshed.com>

TT rockstars - <https://play.ttrockstars.com/auth/school/student>

Diagnostic questions - <https://diagnosticquestions.com>

Classroom secrets: <https://kids.classroomsecrets.co.uk>

No login required:

Whiterose maths homelearning: <https://whiterosemaths.com/homelearning/year-6/>

Session 1: understanding needs and wants

Watch:

https://www.youtube.com/watch?time_continue=9&v=g5W7YrIVU9Q&feature=emb_logo

<https://www.youtube.com/watch?v=-84Tvr4Bqfk&t=36s>

Task 1: read about needs and wants and complete the activity on both sheets.

Need versus want

A Need is something that is a basic requirement to live



A Want is something that you would like although it is not a basic requirement to live



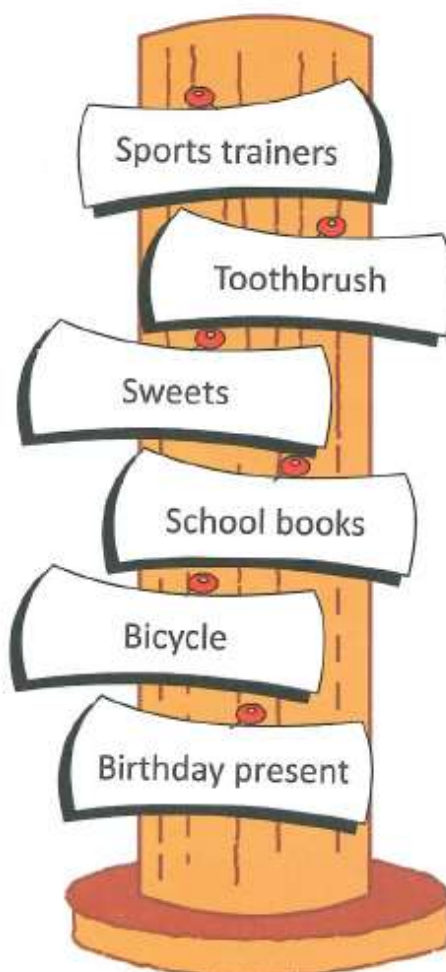
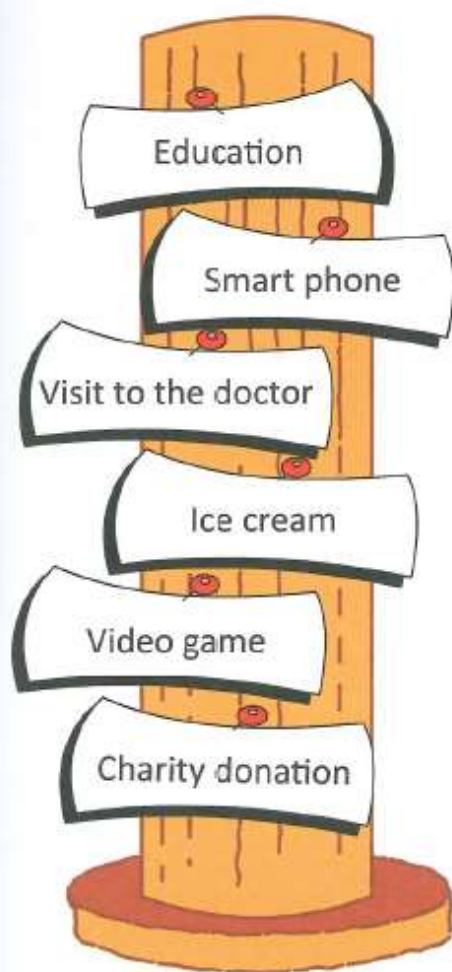
Activity

Can you name three things that can be either a need or a want depending on the situation and a person's perspective? Can something be both a need and a want?

Did you know?

To survive a shipwreck on a deserted island, ensure you find access to drinking water quickly, appropriate shelter and food sources including ants and worms. These are real needs!

Identify which is a need vs. a want



Activity

Can you name a few things where the distinction between a need and a want is not always clear?

Did you know?

The expression follow your "gut instinct" means to follow an instinctive feeling. Often, our gut instinct will lead us to the better answer when making a decision.

Task 2: think about your family. Can you write a list of the weekly needs in your home? Ask your family what their wants would be and complete a table showing needs and wants. Obviously, this might vary depending on your family circumstances and the time of the year (for example a new washing machine might be a want but if your original one breaks then it would move into a need).

Needs	Wants

Ext 1: You have £50 to plan a day out for your family once we are able to move around freely again. This needs to cover entertainment and food for the day. What can you come up with?

Ext 2: Estimate how much all your needs and wants would cost.

Session 2: understanding saving accounts

Watch:

https://www.youtube.com/watch?time_continue=73&v=aXcL5r7Sdao&feature=emb_logo

Task 1: read the information about your first savings account and complete the activity at the bottom of the page.

Your first savings account

- The best place to put your pocket money is in a bank
- A bank will take care of it for you
- Your money in the bank is very safe
- In fact, you can take it out (or “withdraw” it) whenever you want
- The easiest way to withdraw money from your bank account is by going to a cash machine on the high street
- The bank will send you a sheet of paper (a “statement”) to tell you how much you have saved each month



What is interest?

Interest is what a bank pays YOU for holding your money. The longer you keep it in the bank, the more *interest* the bank pays you



Activity

What are the benefits of saving your money in a bank account versus in a piggy bank? Take a look at a bank statement – can you understand it?

Did you know?

Under UK law, all bank accounts are protected up to £85,000. That means that no matter what happens to the bank, your money is always safe!

Task 2: can you work out the interest you would get? Think about how you work out 5%

Can you calculate interest?



- Your local bank is trying to attract new customers
- They want you to deposit your money with them and in return they will pay you interest
- In this case study, every year that you keep your money with the bank, you will be paid 5% in interest (in the real world today it is much less!)

What does a 5% interest rate really mean:

If you deposit this:

You will get this:

Example 1



Example 2



Example 3



Test yourself (5% interest)

If you deposit this:

What will you get?



Insert answer



Insert answer



Insert answer

Activity

How many high street banks can you name? Do a little internet research and see which banks pay the highest interest rate on savings accounts.

Did you know?

A recent study found that if you had deposited just £1 into a bank account 200 years ago, it would be worth about £1,000 today! Imagine if you deposited more than £1 a week...

Session 3: understanding budgets

https://www.youtube.com/watch?time_continue=40&v=TMdJuvRLKXM&feature=emb_logo

Don't be afraid to buy second hand


Find good deals


If it is too good to be true it probably isn't true




Always read reviews of the sellers


Do your research!

Do you really need the newest model



A friend needs to buy a scooter for their job but it is expensive!!  = £1,000

 BUDGET	 
Create a budget, save money and do extra work to speed it up	Apply for a bank loan or use a credit card
Will cost £1,000 ✓	Can buy it now ✓
No interest to be paid ✓	Interest <u>to be</u> paid ✗
Will take a few months ✗	Will cost more than £1,000 ✗



Saving for a "rainy day" means you put money aside for unexpected expenses

Activity

Rainy day funds are meant for special things. What sort of purchases would you consider spending your rainy day funds on?

Did you know?

Everybody needs to do a budget, even the UK Government. The Government's budget for 2018 was over £800 billion of which pensions, healthcare and defence make up the largest expenditures.

Activity answer:

Making a budget

Imagine you are keen to buy a scooter so you can race your friends home after school. After much research, you find a nearby store that sells a red one for £50.



Purchase price £50

Which type of budget would you choose from the examples below:

Example 1:

Save allowance week 1	£10
Save allowance week 2	£10
Save allowance week 3	£10
Save allowance week 4	£10
Save allowance week 5	£10

Buy scooter after **5** weeks

Example 2:

Save allowance week 1	£10
Save allowance week 2	£10
Save allowance week 3	£10
Save allowance week 4	£10
Do extra chores	+£10

Buy scooter after **4** weeks

Example 3:

Save allowance week 1	£10
Save allowance week 2	£10
Save allowance week 3	£10
Save allowance weeks 4-6	£30
Occasional sweets purchase	-£10

Buy scooter after **6** weeks

Example 4:

Save $\frac{1}{2}$ allowance week 1	£5
Save $\frac{1}{2}$ allowance week 2	£5
Save $\frac{1}{2}$ allowance week 3	£5
Save $\frac{1}{2}$ allowance weeks 4-10	£35

Buy scooter after **10** weeks

Activity

Can you list three things that can delay achieving your goal in a budget (such as the occasional sweets purchase)? What about three things that can accelerate achieving your goal?

Did you know?

A budget is just a big word for making a game plan. As with sports, a good game plan is the key to achieving success quickly. Stick with the plan and think of ways to speed up the timetable.

Activity answers:

Session 4: Applying your knowledge on making budgets

Select one of the following scenarios and try to make a budget for them.

Sammy has a pocket money allowance of £2 per week.

This month Sammy

Needs: some pencils for school, a birthday card for his sister

Wants: some sweets each Friday, a trip to the swimming pool with his friends and two comics

I need...



I want...



Amy has a pocket money allowance of £1.50 per week.

This month Amy

Needs: a small birthday present for her friend

Wants: a new set of felt pens and a note book; a trip to the park and an ice-cream

I need...



I want...



Tom has a pocket money allowance of £2.50 per week.

This month Tom

Needs: some food for his goldfish, a battery for his watch

Wants: £5 top up for his mobile phone, some Match Attack cards



I need...

I want...



Extension 1: imagine you have been given £2000 for a family holiday. Plan where you would go. Think about how you will pay for food, transport, accommodation and entertainment.

Extension 2: imagine you have moved out of home, got yourself a job, flat/house, car etc. After you have paid all your taxes/Ni (approximately 1/3 of your salary), you take home £2000 a month. Your rent/mortgage (money you pay the bank/building society to cover the cost of your house) is £600 a month. Essential bills (water, gas, electric, insurances etc.) is £100 a month. How much does this leave you per week? Can you balance your budget with the things you think you would need to buy in a week/month?

Session 5: understand where to get money from if you need it.

Understanding debt and credit.

Task 1: understanding the costs of items.

Have a think about the items in the list below. Try to estimate how much you think they would cost and then check the prices online. Look for the average prices as most items will have a huge range in price.

Item	Estimated cost	Actual average cost
TV		
XBOX		
Nike trainers		
Car (you can decide on the type - go for an average family car)		
House or flat		
Bed		
Washing machine		

If you needed to buy any of these items, where could you get the money from?

Help:



We can **save** until we have enough money to buy the item or we might **borrow** money to be able to have the item now and then pay back the money we have borrowed (a loan/credit) over a period of time.

- 1) Which method do you think is the best - saving or borrowing? Does it depend on the purchase? Explain your thinking.

Task 2: understanding debt and credit.

See the definition of credit and debt below. Can you explain these terms using examples?

Credit is borrowing a sum of money which is then paid back over a period of time. You will be charged interest which is the charge (or cost) for borrowing the money.

The longer you borrow the money for the more you will be charged.

Debt is the money you owe. You may have more than one debt.

Session 6: Comparing different types of debt.

Comparing different types of debt



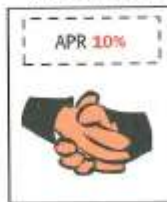
Debt is when you borrow money from someone which needs to be repaid

Used for large purchases like cars and houses/flats

BANK LOANS

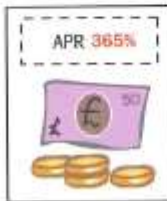


HIRE PURCHASE



Used to buy motor vehicles and large household appliances or furniture

PAYDAY LOANS



To be used with extreme caution or to be avoided given interest rate charged

CREDIT CARDS



Used for convenience to pay for everyday purchases



The annual percentage rate ("APR") is the annual rate charged by the lender on the amount you borrow. If you borrow £1,000 at a 10% APR, you will have to pay £100 each year in interest. Don't forget that you also need to repay back the original £1,000!!

Activity

Credit card features vary greatly. Research a selection of credit cards and look at the annual fees and interest rates they charge. Which one would you choose and why?

Did you know?

Before the UK Government stepped in, payday lenders could charge high amounts of interest on loans. If a person missed even one payment, the chance of being able to repay the loan was very low!

Difference between debit and credit cards



Things to know	Debit cards	Credit cards
Contactless?	Yes	Yes
Debt?	No	Yes
Money comes from where?	Bank account	Bank credit limit
Maximum that can be spent	Amount in bank account	Up to pre-agreed credit limit
Need to pay back?	Yes	Yes
Minimum age	11 yrs	18 yrs

Credit and debit cards look very similar and the way a consumer uses them to pay at the till is the same. But, what happens behind the scenes is very different! A debit card pulls money directly from your bank account. A credit card however uses money that the bank lends you up to a pre-agreed amount.



If you borrow money using a credit card, don't forget that you always have to pay back the amount borrowed plus interest.

Activity

Credit cards are very easy to use. However, they are very expensive to use if one does not pay the money back by the end of the month. Discuss the importance of always paying back debt promptly.









Did you know?

The first credit card was issued by Barclays Bank in 1966. The first cash machine in the world was installed in Enfield, Middlesex in 1967.

Task: Credit cards charges - what does this mean? Research the different amounts of interest paid on credit cards. Complete charges sheet. If you pay credit cards back in the month you spend the money then the interest doesn't get added on so sometimes using a credit card is a good way to purchase items you need. Sometimes you need to use a credit card to spread the cost of things over a period of time.

Session 7: Working out interest

Look at the items below. How much would they cost if you had to pay the interest on them?

Purchase	Cost	Interest
		10%
		How much will you pay in total? <input type="text"/>
		12%
		How much will you pay in total? <input type="text"/>
		17.9%
		How much will you pay in total? <input type="text"/>
		5000%
		How much will you pay in total? <input type="text"/>

Extension: look at the rates on different credit cards or loans. Work out how much you would pay back if you borrowed £1000.