MoneySkills

a financial and lifeskills activity pack
welcome to **MoneySkills**

Most young people agree that money is important. But many of them also feel that they are going out into the world without the skills they need to negotiate increasingly complex financial challenges.

These can be everyday challenges like sticking to a budget and keeping your money safe. Or they can be much longer term challenges, like understanding the financial implications of the life choices you are making about education, training or work. Increasingly, they involve interacting with financial services, perhaps to open a bank account to receive wages, benefit payments or tax credits.

These skills are critical at any age. When you’re in your teens or early twenties, dealing with a whole range of issues and perhaps unsure where to turn for help, they are critical. But it can be hard to see the relevance of training materials on financial capability, unless they relate to the things you are feeling and experiencing.

This is where **MoneySkills** comes in. At Barclays, we are working hard to combat financial exclusion and ensure that our financial services and expertise are accessible to everyone who can benefit from them. We are proud to present **MoneySkills** as part of our long-term commitment to financial inclusion. In **MoneySkills**, we have tried to create opportunities for developing financial skills and knowledge in a safe, creative forum using scenarios which are relevant to the needs and situations of young people who are dealing with a whole range of difficult issues.

We hope that you - and the young people you work with – find **MoneySkills** a useful and relevant financial capability resource, and that working with the pack makes a real addition to the skills and confidence that young people take with them out into the world.

**Martin Mosley**, Consumer and Community Affairs Director
Barclays PLC

---

**thanks**

We would like to thank all those who gave their time and expertise to help develop **moneychoices**, especially: Matt Lunney, Lancashire Youth and Community Service, Pendle; Hylda Mounsey, Fast Forward Project Cumbria; Anna Price, Southwark Connexions; Mark Joslin Williams, Summer Challenge, Wiltshire; Di Needham, Staffordshire Youth and Community Education Service, who suggested the E3 Challenge and Material World activities. Thanks also to Steve Stillwell and Gill Hind at the Financial Services Authority, and to the Department for Education and Skills and the Department for Work and Pensions for their input into earlier versions of this resource.
About MoneySkills  2
Using MoneySkills  3
Background notes  4
Activity 1: WHO WANTS TO BE A SQUILLIONAIRE? Icebreaker quiz  7
Activity 2: MONEY AND ME. Brainstorm: what money means to us  13
Activity 3: READY STEADY COOK. Real life budgeting and planning  14
Activity 4: MONEY IN YOUR POCKET. Roleplay: significance of money  17
Activity 5: CANNY CUSTOMER. Investigation: work out the best deals  21
Activity 6: CAPTAIN SENSIBLE. Roleplay: solve some money worries  23
Activity 7: LIFEGOALS. Action plan: personal goals and money issues  26
Activity 8: MONEYSKILLS REVIEW. Evaluation: what we’ve learnt  28

Resources  29

Factsheets:  
The factsheets at the back of the pack provide basic introductions to key aspects of finance in simple language. They are suitable for photocopying and distributing to young people, but they also contain useful background information for facilitators, plus additional resources and websites.

Factsheet 1: BUDGETING  31
Factsheet 2: CREDIT  33
Factsheet 3: DEBT  35
Factsheet 4: BANKING  37
Factsheet 5: LEARNING AND EARNING  39
Factsheet 6: BENEFITS  41
Factsheet 7: TAX AND NATIONAL INSURANCE  43
Factsheet 8: MONEYTALK  45

The pfeg Quality Mark shows that this resource meets the pfeg quality standards. At the time of issue the resource contains educational benefits and accurate financial information. Please visit www.pfeg.org for further information.
MoneySkills is aimed at vulnerable and excluded young people, for example those who are unemployed, disengaged from learning, leaving care or homeless. The core target audience is 16 to 19 year olds, but it will also be relevant to many young people you work with up to the age of 25.

The goals of MoneySkills are to help young people to:
- understand and use basic financial skills
- use and develop their broader personal and social skills, particularly life planning
- think about the financial skills, services and resources they might need in future
- think through the financial dimensions of their next steps in life, learning or employment

“Money management isn’t just important – it’s imperative, especially at this crucial time. I always say to young people, it’s not what you earn it’s what you spend. If your mate earns £200 a week and spends it all, and you earn £100, spend £50 and save the rest, who’s better off?” Matt Lunney, Lancashire Youth & Community Service, Pendle

The resource can be used in a range of settings, by practitioners who want to use groupwork to address basic financial capability issues, or to add another dimension to numeracy or lifeskills work. It may be particularly relevant if you are a:
- tutor in a further education college
- youth or community worker
- voluntary sector worker
- personal adviser
- youth offending team worker

The pack has been designed to help you run a series of short sessions, or a one-day or half-day workshop, on basic financial awareness and money management. It is informal and interactive, using quizzes, roleplays and discussion, and focusing on situations that young people will recognise. You can select the activities that will work best in the time you have available. If you have experience in working with young people and facilitating group discussions, running the activities shouldn’t require any special skills or knowledge on your part, and no preparation is required on the part of young people.

“When things go wrong financially, it can lead to other problems – with housing, relationships, self-esteem... That’s why it’s best to help young people avoid money problems in the first place by developing their financial awareness.” Anna Price, Connexions personal adviser, Southwark

MoneySkills has been developed as an extension and adaptation of moneychoices – an activity pack for upproject, the summer activities programme for school leavers which was run through Connexions partnerships from 2002 to 2004. Realising that a similar resource could be useful for organisations working with young people who are facing transitions into and out of the benefits system, as well as work, training and education, Barclays developed moneychoices as a basic introduction to financial awareness.
Before you begin:

- We recommend a group size of no more than 12 for most activities in the pack. If your group is larger than this, you may want to ask a colleague to help you run the programme
- Read background notes (page 4) for useful information and guidance to help your preparation
- Try to familiarise yourself with the materials you’ll be using before you start, and anticipate how your group will respond. You may decide to run the activities in a different order, or to try some of the variations suggested
- Check out the venue for your activities and make sure there is space for working in small groups
- Make sure you have all the resources you will need to hand. In most cases, you’ll need to photocopy some pages of the pack to distribute to the group. These pages have been marked with the following symbol to make them easier to find:

Further resources, including helplines and websites, are included on pages 29 and 30. This section is specifically for facilitators. The factsheets (page 31 to 46) have been produced for young people, and include helplines and websites.

During the activities:

- Be aware that dealing with money and personal finance may be a sensitive issue for some people in your group.
- Stay tuned to the needs of individuals when considering issues of social, cultural or personal identity. Young people’s views on money, charitable giving and gambling will differ according to their social or cultural background (see background notes)
- Encourage the group to establish groundrules about how they will behave towards each other and how sensitive issues will be dealt with. For example, agree to take turns and listen carefully to what everyone has to say. Value all contributions non-judgmentally so that young people from different financial backgrounds are able to contribute to discussions on an equal footing and with equal confidence. (If you don’t already have a set of groundrules, you could photocopy and enlarge the panel below)
- Judge when to allow for confidential discussion in small groups and when to lend support by listening in to group discussions
- Ensure that the group has access to balanced information and differing views to help clarify their own opinions of the information they are given (including contributions made by visitors)
- Consider how far you are prepared to express your own views, bearing in mind your position of influence within the group

Our groundrules

1. everyone has a valid opinion and should be listened to in full without interruptions.
2. everyone in the group should be encouraged to participate….
3. …but people have the right not to take part in any activity or discussion they don’t feel comfortable with.
4. any discussions about individual people and their circumstances must remain confidential and not be discussed outside the group.

Signed

After the activities:

- Look for further opportunities to build financial awareness, and keep emphasising the links between money management and other life skills and life choices
- Arrange access to follow-up support for any group member who needs it. This may be a one-to-one session, or a list of useful phone numbers and websites (many of these can be found on the factsheets)
You don’t need to be a financial expert to deliver MoneySkills. Far more important are your skills in facilitating groupwork and your sensitivity to the different needs and viewpoints of your group. However, you may find some of the following information helpful.

**Links with the Adult Financial Capability Framework**

There is now a recognised framework for the delivery of financial education to adults – the Adult Financial Capability Framework. It was published in 2003 by the Basic Skills Agency and the Financial Services Authority (FSA) and aims to bridge the gap between personal finance education in schools and the FSA adult learning programme ‘Learn on Line’ (see resources).

The framework describes three levels of learning:

1. **Basic understanding and developing confidence**
   - adults not engaged with financial services and requiring skills to make informed judgements about their finances and to use appropriate financial services.

2. **Developing confidence and competence**
   - adults with a basic understanding and competence in handling financial services and the knowledge to apply the skills to meet their needs.

3. **Extending competence and confidence**
   - adults requiring the skills and knowledge to understand the wider range of services to make informed decisions regarding their own personal circumstances.

MoneySkills aims to help young people develop the basic skills and confidence needed at the first level. The table on pages 5 and 6 shows how and where it addresses the different aspects of the framework.

**Basic skills issues**

This resource is aimed at young people who tend not to use financial services and who require skills to make informed judgements about their finances and to find and use appropriate services. Many of these young people are likely to also have literacy and numeracy needs, so this resource has been written and designed to be as accessible as possible. It aims to provide basic understanding and develop confidence in financial issues, in line with the ‘basic’ level of the Adult Financial Capability Framework (see above). The framework, which has been cross-referenced to the adult literacy and numeracy core curricula, suggests that the required literacy skills at this level are to be able to speak, listen, read and write at Entry Level 3 or above and that the required numeracy skills range from Entry Level 1 to Entry Level 3. As a rough guide, this is just below the level required for GCSE grades D to G, so it should encompass the needs of most young people using MoneySkills.

However, be alert to any problems that may come up, and discreetly intervene if necessary, perhaps by reading things out for the group or helping them calculate if necessary. If a young person appears to be having difficulties and is not already receiving basic skills support, you can, with their consent, arrange an assessment of their numeracy and literacy needs through your local further education college, or via the learndirect helpline (0800 100 900).

**Bank accounts and financial services**

All benefits are now paid directly into a person’s bank account or Post Office card account. As most wages are now paid into bank accounts too, it’s increasingly important that people feel confident about opening and maintaining an account (see activity 5 and factsheet 4). MoneySkills focuses on basic financial management skills, and does not go into detail on how to use different financial instruments like cheques and credit cards. See resources for follow-up activities around non-cash forms of money.
Cultural issues

The young people you work with may have differing attitudes towards money, charitable giving, gambling and banking systems, depending on their cultural and social background. For example, some Muslims take a firm line on the charging or earning of interest, and although many established Muslim banks operate in the same way as traditional European banks, informal systems of credit and loan may work differently among particular communities. In working with a diverse group of young people, it will be helpful for you to demonstrate that you are open to different ideas and interpretations of money issues. Try to encourage them to ask questions and state their own opinions on the different topics that come up. If you want to find out more information on cultural issues, it may be helpful to speak to your local education authority (LEA) or to local community leaders.

Getting money advice

Finally, if someone in your group needs some specialist advice which you can’t provide, you can help them to access a money adviser. Money advisers are based in a range of settings, including Citizens Advice Bureaux, independent advice centres and law centres. You may know which service it is best to access in your area. Otherwise some free, confidential helplines are listed in resources.

How MoneySkills fits with the Adult Financial Capability Framework

<table>
<thead>
<tr>
<th>Adult Financial Capability Framework (first level = basic understanding and developing confidence)</th>
<th>where in MoneySkills?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial knowledge and understanding – ability to make sense of and manipulate money in its different forms, uses and functions. Allows people to acquire the skills they need to deal with everyday financial matters and make the right choices for their needs</td>
<td>activities (A)</td>
</tr>
<tr>
<td>a) Different types of money/payments</td>
<td></td>
</tr>
<tr>
<td>1. Recognise notes and coins and understand the differences in value</td>
<td>A3, A4</td>
</tr>
<tr>
<td>2. Recognise there are different forms of money, e.g. cheques, plastic cards, coupons and vouchers</td>
<td>A1</td>
</tr>
<tr>
<td>3. Understand cash isn’t the only way to pay for goods/services</td>
<td>A1, A4</td>
</tr>
<tr>
<td>4. Understand different forms of exchange, e.g. money for goods/services, in-kind exchange etc</td>
<td>A1, A4</td>
</tr>
<tr>
<td>b) Income generation</td>
<td></td>
</tr>
<tr>
<td>1. Recognise there are regular and unpredictable sources of money and identify your sources of income</td>
<td>A4, A6</td>
</tr>
<tr>
<td>2. Understand money is available when there is no/insufficient work</td>
<td>A1, A6</td>
</tr>
<tr>
<td>3. Understand ways to increase income e.g. work opportunities, benefits etc</td>
<td>A6</td>
</tr>
<tr>
<td>c) Income disposal</td>
<td></td>
</tr>
<tr>
<td>1. Understand the difference between essential and non-essential spending</td>
<td>A3, A4, A6</td>
</tr>
<tr>
<td>2. Recognise household expenses and regular financial commitments</td>
<td>A4, A5, A6</td>
</tr>
<tr>
<td>3. Begin to understand the tax, pension and national insurance systems and how deductions are made</td>
<td>A1</td>
</tr>
</tbody>
</table>

© Barclays Bank PLC 2005
### Adult Financial Capability Framework

<table>
<thead>
<tr>
<th>Financial skills and competence</th>
<th>where in MoneySkills?</th>
</tr>
</thead>
<tbody>
<tr>
<td>– ability to apply knowledge and understanding across a range of contexts, including both predictable and unexpected situations. Issues are identified and the necessary skills are available to plan, monitor, manage and resolve any financial problems or opportunities</td>
<td>activities (A)</td>
</tr>
<tr>
<td>d) Gathering financial information and record keeping</td>
<td>1. Recognise the need to keep money safe and the options available, e.g. at home, banks, credit unions etc</td>
</tr>
<tr>
<td></td>
<td>2. Understand the need to keep financial records including receipts, benefit claims, council tax payments etc</td>
</tr>
<tr>
<td></td>
<td>3. Appreciate the importance of bills etc as forms of identification needed for various transactions and to open accounts</td>
</tr>
<tr>
<td></td>
<td>4. Be able to keep a simple record of money coming in and going out</td>
</tr>
<tr>
<td>e) Financial planning - saving spending and budgeting</td>
<td>1. Begin to understand that saving can offer options for future spending</td>
</tr>
<tr>
<td></td>
<td>2. Begin to understand the different ways of saving</td>
</tr>
<tr>
<td></td>
<td>3. Be able to consider different possibilities for spending money</td>
</tr>
<tr>
<td></td>
<td>4. Identify items that may not be bought from regular income</td>
</tr>
<tr>
<td></td>
<td>5. Use simple budgets to plan and control spending – begin to plan ahead including considering long-term savings</td>
</tr>
<tr>
<td>f) Risk and return</td>
<td>1. Understand the consequences of losing money (e.g. through loss, theft, gambling or investment)</td>
</tr>
<tr>
<td></td>
<td>2. Understand that you need to pay to borrow money and will be paid money if you save money</td>
</tr>
</tbody>
</table>

### Financial responsibility

– ability to appreciate the wider impact of financial decisions both on personal circumstances, the family and the broader community and to consider social and ethical issues. Rights and responsibilities together with sources of advice/guidance are understood. Has skills/attitudes to plan, analyse, decide, evaluate and monitor financial decisions/choices

| g) Personal choices and the financial implications | 1. Balancing needs and wants, prioritising spending | A3, A4, A5, A6, A7 | F1 |
|  | 2. Begin to prioritise within the constraint of limited resources | A3, A4, A6 | F3 |
|  | 3. Begin to understand the implications of debt | A1, A6 | F3 |
|  | 4. Begin to be able to discuss how satisfaction from purchases can vary | A4 | F3 |
|  | 5. Begin to consider choices based on personal financial information gathering, identifying needs, what needs to be spent, and what is left, if any | A5, A6, A7 | F1 |
| h) Consumer rights, responsibilities, and sources of advice | 1. Begin to understand different sources of advice/information, how to access such information/advice and know some local contacts, including advice on managing debt | A5, A6, A7 | F1 - F7 |
|  | 2. Be able to identify product information and be aware of the purpose of such information | A5, A6 | F1 |
|  | 3. Know that consumers should expect to receive good service | A5, A6 | F1 |
|  | 4. Understand that consumers have rights and responsibility for paying for goods ordered | | |
| i) Implications of finance | 1. Begin to understand the consequences of having more or less money | A4 | F2, F3, F4 |
|  | 2. Begin to understand the roles of financial organisations | A5, A6 | |
activity pages

who wants to be a squillionaire?

What and why?
This is an ice-breaker to kick off the whole session. It's light hearted, but it will introduce some ideas that come up later in the session and get people thinking about money matters. The quiz will give the group a lightning tour of:

- financial issues facing young people
- financial services
- money in its broader context

Preparation
You can run this activity as a simple quiz, or follow all the steps below for a more complex and structured activity

- Choose two of the quiz sheets on pages 8 to 10. Keep the third quiz sheet in reserve in case there is a wrong answer and you need to ask a new question
- Make a large photocopy or draw a giant version of the prize ladder on page 13. As an alternative, you could draw your own blank ladder and ask the group to fill it in with graded prizes of increasing value
- Photocopy and cut out the lifeline cards on page 12. The group can use them for questions which they aren't sure how to answer

Aim of the game
To reach the top of the prize ladder by answering the questions correctly.

Time needed
20 to 45 minutes. You may need longer if you want to spend time discussing some of the individual questions.

Step by step
1. Divide the group into two teams and decide which team will go first.
2. Ask the first team member (or whole team) the first question on the quiz sheet.
3. If they answer correctly, move their team one rung up the prize ladder.
4. If they are unsure about a question, they can use one of their lifelines:
   - If they choose 2 out of 3, remove one wrong answer, and read out the correct answer plus the remaining wrong answer.
   - If they choose find a friend, they can ask anyone in the room to help them work out the correct answer.
   - If they get the answer wrong, or cannot answer, you can use the opportunity to say a bit more about that particular question, using the factsheets if these are helpful. On the next go, set the equivalent number question (i.e. the same number as the one answered incorrectly) from the spare quiz sheet.
5. Work your way through the questions. Each time a correct answer is given, mark it off on the prize ladder. If an incorrect answer is given, the team do not move up the prize ladder on that turn.
6. The aim is to reach the top of the prize ladder. You could allocate points for each correct answer and convert them into a real prize at the end, or include them as part of a wider reward system, if you operate one.
### quiz sheet 1

1. **How many pennies in a pound?**
   - A. 10
   - B. 50
   - C. **100**

2. **If you go to France, what money would you use?**
   - A. Franc
   - B. **Euro**
   - C. Dollar

3. **How old do you have to be to open a current account at the bank?**
   - A. 14
   - B. **16**
   - C. 18

4. **Which of these is not a form of money?**
   - A. A credit card
   - B. A money-off coupon at your local supermarket
   - C. A scratch card telling you to phone a premium-rate line to claim your prize

5. **What is an EMA?**
   - **A. Education Maintenance Allowance**
   - B. Early Morning Alarm
   - C. European Motor Association

   **Prompts:** Explain what EMAs are.
   See factsheet 5: learning and earning

6. **Why is direct debit a good way to pay your house bills?**
   - A. You save money
   - B. It's more convenient
   - C. **Both A & B are true**

   **Prompts:** Ask if people know what a direct debit is. Discuss the fact that you need to have a bank account first.
   See factsheet 3: debt and factsheet 8: moneytalk

7. **How much is a colour TV licence?**
   - A. Under £50
   - B. Between £50 and £100
   - C. **Over £100**

8. **Where does the Government get the money from to pay for public services?**
   - A. From the bank
   - B. **From tax payers**
   - C. On loan from other countries

9. **A company gives you 10% off your gas bill if you pay by direct debit. How much will you save if your bill is £30?**
   - A. 30p
   - B. **£3**
   - C. £10

10. **The cinema costs £6 every day except Monday when it is half price. How much would a group of 4 friends save by going on a Monday instead of a Thursday?**
    - A. **£3**
    - B. £6
    - C. £12
who wants to be a squillionaire?

quiz sheet 2

1. If you had a £50 note and you wanted to change it for £10 notes, how many would you get?
   A. 2 B. 3 C. 5

2. If you go to the United States of America what would the money you use be called?
   A. Dollar B. Euro C. Krona

3. How old do you have to be before you can apply for a credit card?
   A. 16 B. 18 C. 21

4. If you’re in debt, what’s the best thing to do?
   A. Ignore it B. Go on a shopping spree C. Face up to it and talk to someone
   Prompts: Why? What have you done before when you’ve been in debt? Who can you talk to?
   See factsheet 3: debt

5. When you open a bank account you usually get a PIN. What do these letters stand for?
   A. Personal identification number B. Police information network C. Private introduction number

6. If you buy a new TV ‘on credit’ have you:
   A. Paid for it in full B. Got it for nothing C. Got it, but still owe the full amount
   Prompts: Has anyone got a credit card, store card or catalogue account? What can happen if you buy things on credit, but haven’t actually got the money to pay for it?
   See factsheet 2: credit

7. If you want to avoid going overdrawn by mistake, what kind of bank account should you get?
   A. a Basic Bank Account B. a Current Account C. an Individual Savings Account (ISA)
   Prompts: Who has a bank account? Has anyone taken out a basic bank account?
   See factsheet 4: banking

8. You go to the supermarket and spend £8.45 on food. How much change do you get from £10?
   A. £1.55 B. £2.45 C. £2.55

9. What does the Government spend the most money on each year?
   A. Education B. Social security benefits C. Police and public safety
   See factsheet 7: tax and national insurance

10. You buy a CD player for £60 and the shop lets you pay for it on interest free credit for a year. How much will you pay back each month?
    A. £5 B. £6 C. £12
### quiz sheet 3

1. **What colour is a £20 note?**
   - A. Purple
   - B. Green
   - C. Blue

2. **If you go to Japan on holiday, what would the money you use be called?**
   - A. Hen
   - B. Yen
   - C. Pen

3. **If you live on your own, what's your biggest expenditure likely to be on?**
   - A. Rent
   - B. Going out
   - C. Clothes

4. **ATM is another word for a cashpoint – but what do the letters stand for?**
   - A. Automatic Tenner Maker
   - B. Automated Teller Machine
   - C. Advanced Traffic Monitor

5. **Which of these is a type of credit card?**
   - A. A supermarket loyalty card
   - B. A cashpoint card
   - C. A store card

   **Prompts:** you may need to give examples of different store cards. This is an opportunity to say how they work.

   See factsheet 2: credit

6. **If you are living on your own, how old do you have to be before you are liable to pay council tax?**
   - A. 16
   - B. 18
   - C. 21

7. **What does JSA stand for**
   - A. Jobseeker’s Association
   - B. Jobseeker’s Strategic Authority
   - C. Jobseeker’s Allowance

   See factsheet 6: learning and earning

8. **What are ‘gross earnings’?**
   - A. The amount you earn before tax is taken off
   - B. Really high earnings
   - C. Really low earnings

   See factsheet 8: moneytalk

9. **Paying National Insurance contributions builds up your entitlement to TWO things – which of these is NOT included?**
   - A. A state pension
   - B. Hospital fees
   - C. Benefits if you can’t work

10. **If a packet of 20 cigarettes costs a smoker £5 and they smoke a packet a day, how much would they spend in September (i.e. a month with 30 days)?**
    - A. £80
    - B. £100
    - C. £150
who wants to be a squillionaire?

lifeline cards

lifeline

2 out of 3

lifeline

Find a friend
who wants to be a squillionaire?

prize ladder

- a squillion pounds!
- get your dream job
- a brand new flat
- trip around Europe
- a new skill or qualification
- your debts are paid off
- a great night out with mates
- a month’s food shopping
- a weekly bus pass
- a bag of chips
money and me

What and why?
Brainstorm and discussion about what money means to the group, to set the scene for MoneySkills and reinforce why it’s important to be financially aware. This activity will help the group to:

• draw their own conclusions about the role of money in their lives
• think about their aspirations and worries
• work out what they need to find out more about

Preparation
• Each group member will need a few sticky notes and a pen
• You will also need some sticky-tack and three large sheets of paper with the following written on them:
  • On a scale of 1 to 10, money is this important to me…
  • The money issue I’m worried about at the moment is…
  • The money issue I feel most hopeful about at the moment is…

Aim of the game
• To generate lots of ideas about what money means to the group
• To establish that being financially aware can help people to deal with their money fears and have a better chance of achieving their hopes

Time needed
30 to 40 minutes

Step by step
1 Start by asking the group: “How important is money to you on scale of one to ten?”
2 Ask each person to write a number on a post-it note. Then, ask if they are prepared to share their response with the rest of the group. Work out an average, from all the responses you are given, and write this on the large sheet of paper.
3 You may want to follow this up with a general discussion such as:
  – if money is that important, what is more important?
  – what is less important?
  – does money feel more important when you don’t have any?
  – would money feel more important if you had loads?

You could record the key points from this on the same large sheet of paper.

4 Next, ask the group to spend five minutes in pairs discussing the statement “The money issue I’m worried about at the moment is….” They can write their ideas on a sticky note and put it on the ‘money issue’ paper.
5 Ask the group to repeat this process for the statement “The money issue I feel most hopeful about at the moment is….”
6 To wrap up the session, read out some of the hopes and worries. Ask the group what they think they need to do to realise the hopes and get rid of the worries (e.g. get qualifications; get training; don’t get into debt).
7 Explain that the common thread that emerges from the activity is the importance of thinking about how you manage your money and what the financial implications are of the different life choices you make.
8 To conclude, tell the group that their work on the MoneySkills pack will help give them skills and knowledge to manage their money and think about their financial plans.

Follow-up: It would be useful to save the three sheets of notes from this activity, and re-visit them with the group after completing your MoneySkills activities. This will help the group (and you) to evaluate learning and progress, and identify specific skills and knowledge that the group have gained.
ready steady cook

What and why?
On one level, this is a budgeting and planning activity. But it will also provide the opportunity to practise and develop other personal and social skills, for example negotiation, communication and establishing relationships. It is also a useful exercise for promoting independent living skills, by raising the issue of healthy eating and providing the opportunity to cook.

Preparation
- Decide how you want to divide the group up (groups of three or four may be best) and make one photocopy of the ingredients list on pages 15 and 16 for each small group. If you want to provide a fuller list of ingredients, or one that is customised to reflect the ingredients that you have available, you will need to draw up a list yourself (supermarket websites give their latest prices). Or you may wish to send groups out to make their own list of real ingredients and prices
- Each group will need pens and paper, and access to calculators
- If you decide to run the full activity, you will also need to provide the money to cover the cost of food to buy the ‘winning’ meal, as well as facilities to cook and eat it

Aim of the game
To work in teams to plan a meal for four people which costs £3 or less for the whole meal, and vote on which meal the group thinks is the best. You can extend the activity by enabling the group to actually buy, cook and eat the ‘winning’ meal.

Time needed
Introduction: 5 minutes
Planning meal: 30 minutes
Feedback: 15 minutes
Shopping and preparation: 1 to 2 hours

Step by step
1 Divide the group into teams.
2 Provide each team with the ingredients list (some rows have been left blank for you or the group to add additional ingredients).
3 Explain to the group that they have access to a basic store cupboard of salt, pepper and cooking oil so they don’t need to worry about those items.
4 Give each team 30 minutes to look at the ingredients list, discuss some meal options and come up with a meal for four people for a total of £3 or less.
5 Spend time with each team during the planning period, facilitating where necessary and giving some recipe ideas (you may want to think about these in advance).
6 When all the teams have come up with a menu, ask them to nominate one person from each group to describe the meal and how they would cook it.
7 Encourage a group discussion on the different menus, for example which are the healthiest or which are the best value. Then ask the whole group to vote for the ‘best’ meal (you may want some discussion about criteria for the ‘best’ meal – this could be drawn out now or later in broader discussions about how people make financial choices).
8 If you are running the full activity, you should then give the winning team enough money to go and buy the ingredients, and facilities for the whole group or nominated people to cook the meal for the group. You will probably need to carry out another activity with the rest of the group, while the winning team is shopping.
9 During the meal, you might want to draw out whether people feel aspects of this activity are relevant to other financial issues (e.g. how people make financial decisions, issues of trust and responsibility, how you plan and budget).
### ingredients list

<table>
<thead>
<tr>
<th>FOOD</th>
<th>AMOUNT</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter pounder burgers</td>
<td>4</td>
<td>£1.74</td>
</tr>
<tr>
<td>Beef mince</td>
<td>500g</td>
<td>88p</td>
</tr>
<tr>
<td>Beef casserole steak (diced)</td>
<td>500g</td>
<td>£3.44</td>
</tr>
<tr>
<td>Whole chicken (value price)</td>
<td>1.2kg</td>
<td>£2.04</td>
</tr>
<tr>
<td>Chicken breast fillets</td>
<td>2</td>
<td>£2.54</td>
</tr>
<tr>
<td>Sausages (value price)</td>
<td>8</td>
<td>65p</td>
</tr>
<tr>
<td>Sausages (healthy eating)</td>
<td>8</td>
<td>£1.38</td>
</tr>
<tr>
<td>Honey roast ham</td>
<td>250g</td>
<td>£1.98</td>
</tr>
<tr>
<td>Thin sliced ham (value price)</td>
<td>125g</td>
<td>54p</td>
</tr>
<tr>
<td>Skinless fish fillets (frozen)</td>
<td>4</td>
<td>£1.78</td>
</tr>
<tr>
<td>Fish fingers</td>
<td>10</td>
<td>86p</td>
</tr>
<tr>
<td>Tin tuna chunks</td>
<td>400g</td>
<td>92p</td>
</tr>
<tr>
<td>Tin sardines</td>
<td>120g</td>
<td>30p</td>
</tr>
<tr>
<td>Large white loaf (value price)</td>
<td>1</td>
<td>21p</td>
</tr>
<tr>
<td>Large white loaf</td>
<td>1</td>
<td>41p</td>
</tr>
<tr>
<td>Large wholemeal loaf</td>
<td>1</td>
<td>41p</td>
</tr>
<tr>
<td>Pizza base (packet mix)</td>
<td>1 packet</td>
<td>68p</td>
</tr>
<tr>
<td>Fudge brownies</td>
<td>4</td>
<td>98p</td>
</tr>
<tr>
<td>Butter</td>
<td>250g</td>
<td>58p</td>
</tr>
<tr>
<td>Olive oil spread</td>
<td>250g</td>
<td>46p</td>
</tr>
<tr>
<td>Fruit yoghurts (value price)</td>
<td>4</td>
<td>52p</td>
</tr>
<tr>
<td>Mature cheddar</td>
<td>250g</td>
<td>£1.22</td>
</tr>
<tr>
<td>Mild cheddar (value price)</td>
<td>250g</td>
<td>85p</td>
</tr>
<tr>
<td>Cheese spread triangles</td>
<td>6 single</td>
<td>52p</td>
</tr>
<tr>
<td>Milk</td>
<td>1 pint</td>
<td>32p</td>
</tr>
<tr>
<td>Tin tomatoes with herbs</td>
<td>400g</td>
<td>45p</td>
</tr>
<tr>
<td>Tin tomatoes (value price)</td>
<td>400g</td>
<td>27p</td>
</tr>
<tr>
<td>Tin chick peas</td>
<td>300g</td>
<td>34p</td>
</tr>
<tr>
<td>Tin chilli beans</td>
<td>300g</td>
<td>34p</td>
</tr>
<tr>
<td>Tin creamed mushrooms</td>
<td>300g</td>
<td>48p</td>
</tr>
<tr>
<td>Baked beans (large can)</td>
<td>400g</td>
<td>34p</td>
</tr>
</tbody>
</table>
### ingredients list (cont’d)

<table>
<thead>
<tr>
<th>FOOD</th>
<th>AMOUNT</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frozen mixed vegetables</td>
<td>500g</td>
<td>45p</td>
</tr>
<tr>
<td>Frozen peas (value price)</td>
<td>500g</td>
<td>30p</td>
</tr>
<tr>
<td>Mushrooms</td>
<td>250g</td>
<td>60p</td>
</tr>
<tr>
<td>Broccoli</td>
<td>500g</td>
<td>51p</td>
</tr>
<tr>
<td>Carrots</td>
<td>500g</td>
<td>25p</td>
</tr>
<tr>
<td>Apples</td>
<td>4</td>
<td>70p</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>6</td>
<td>66p</td>
</tr>
<tr>
<td>Onions</td>
<td>2</td>
<td>30p</td>
</tr>
<tr>
<td>Red / green pepper</td>
<td>1</td>
<td>60p</td>
</tr>
<tr>
<td>Baking potatoes</td>
<td>Pack of 4</td>
<td>62p</td>
</tr>
<tr>
<td>Potatoes</td>
<td>1 kg</td>
<td>60p</td>
</tr>
<tr>
<td>Spaghetti</td>
<td>500g</td>
<td>31p</td>
</tr>
<tr>
<td>Fusilli (pasta twists)</td>
<td>500g</td>
<td>39p</td>
</tr>
<tr>
<td>Tagliatelle (pasta ribbons)</td>
<td>500g</td>
<td>88p</td>
</tr>
<tr>
<td>Rice (easy cook)</td>
<td>500g</td>
<td>54p</td>
</tr>
<tr>
<td>Noodles</td>
<td>4 portions</td>
<td>89p</td>
</tr>
<tr>
<td>Individual pot noodles</td>
<td>4 x 90g</td>
<td>£2.48</td>
</tr>
<tr>
<td>Cook-in sauce (e.g. Indian/Chinese/Thai)</td>
<td>1 jar</td>
<td>£1.08</td>
</tr>
<tr>
<td>Garlic</td>
<td>1 bulb</td>
<td>21p</td>
</tr>
<tr>
<td>Mixed herbs</td>
<td>1 packet</td>
<td>48p</td>
</tr>
<tr>
<td>Chinese five spice flavour</td>
<td>1 jar</td>
<td>£1.24</td>
</tr>
<tr>
<td>Gravy granules</td>
<td>170g</td>
<td>52p</td>
</tr>
<tr>
<td>Stock cubes</td>
<td>Pack of 6</td>
<td>45p</td>
</tr>
<tr>
<td>Flour (value price)</td>
<td>1.5kg</td>
<td>35p</td>
</tr>
<tr>
<td>Sugar</td>
<td>500g</td>
<td>42p</td>
</tr>
<tr>
<td>Pizza (ready made)</td>
<td>12”</td>
<td>£2.49</td>
</tr>
<tr>
<td>Fish pie</td>
<td>Serves 2</td>
<td>£1.37</td>
</tr>
<tr>
<td>Chicken jalfrezi ready meal</td>
<td>For 2</td>
<td>£2.28</td>
</tr>
<tr>
<td>Chinese banquet ready meal</td>
<td>For 2</td>
<td>£2.67</td>
</tr>
<tr>
<td>Coleslaw and potato salad</td>
<td>500g</td>
<td>90p</td>
</tr>
<tr>
<td>Ham and pasta salad</td>
<td>250g</td>
<td>84p</td>
</tr>
<tr>
<td>Oven fries</td>
<td>1.8kg</td>
<td>96p</td>
</tr>
<tr>
<td>Coke</td>
<td>1.25 litre bottle</td>
<td>98p</td>
</tr>
<tr>
<td>Coke</td>
<td>1 can</td>
<td>37p</td>
</tr>
</tbody>
</table>
What and why?
This activity provides an opportunity to practise budgeting skills and financial roleplay in a variety of daily situations. By working with a range of different budgets – some of which will be familiar, some which will not – this can be an empowering and challenging exercise which helps to illustrate what money can and can’t do, and how money affects people’s sense of themselves and their place in the world. It will give the group experience of:

- working with different amounts of money
- prioritising within limited resources
- balancing needs and wants
- discussing how satisfaction from purchases can vary

Preparation
- Decide how you’re going to divide up the group (pairs or groups of four could be most convenient) and make up ‘fake money’ to the value of £500 for each team (including small denominations of £1, £2, 10p and 20p). You can either make photocopies using the money sheet on page 20, use fake money from a board game, photocopy real money, or use real money for some of the lower amounts (if appropriate)
- Photocopy enough situation cards on pages 18 and 19 so that each team has one set. Provide pens if teams are going to fill in their own suggestions in the blank boxes provided
- You will need a dice for each team, and separate spaces or tables for each team to work at

Variation
- This activity could be extended into a drama role play based on how it feels to have different amounts of money in different situations, and how other people respond

Aim of the game
To see what it feels like, and what choices are available, when you have a range of different budgets at your disposal.

Time needed
Allow 1 hour – including 5 minutes introduction and 15 minutes feedback and discussion.

Step by step
1. Divide the group into teams.
2. Give each team one copy of all four situation cards (you could suggest that teams fill in additional items and prices in the blank boxes provided).
3. Give each team a kitty of £500 (including lower denominations) and a dice.
4. Each roll of the dice has the following value (it may help to write this up on a large piece of paper for everyone to see):

   1 = £0  2 = £2  3 = £8  4 = £20  5 = £100  6 = £500

5. Explain that each team member will take a turn to roll the dice. Their throw will determine how much money they will have, which should be taken from the kitty. Their task will be to imagine themselves in one of the four situations shown (starting with situation 1: shopping centre), and to talk to the rest of the team about:

   - how they feel to have that amount of money in that situation
   - what they would spend it on, from the choices available
   - how they feel after ‘spending’ the money

6. They then return their money to the kitty for the next player, who rolls the dice and moves on to the next situation.
7. After working through each of the four situation cards (or when everyone has had a turn), gather the group together for discussion, which should focus on how a budget constrains or expands the choices you make, how this makes you feel in different situations, and what the activity has made them think about the value of money, and how it affects people’s lives and perceptions. It may also be helpful to look at what scope there is within a small budget for being innovative and making money go a long way – and at what scope there is for wasting large sums of money.
### money in your pocket

### situation cards

#### situation 1: walking into a shopping centre

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer game</td>
<td>£30</td>
</tr>
<tr>
<td>CD</td>
<td>£14</td>
</tr>
<tr>
<td>Magazine</td>
<td>£3</td>
</tr>
<tr>
<td>Tickets for a gig to see your favourite band</td>
<td>£15</td>
</tr>
<tr>
<td>mp3 player</td>
<td>£150</td>
</tr>
<tr>
<td>Pair of trousers</td>
<td>£25</td>
</tr>
<tr>
<td>Lunch</td>
<td>£2</td>
</tr>
<tr>
<td>Bus fare home</td>
<td>70p</td>
</tr>
<tr>
<td>Christmas presents</td>
<td>£50</td>
</tr>
<tr>
<td>T-shirt</td>
<td>£5</td>
</tr>
<tr>
<td>Put money in a charity box</td>
<td></td>
</tr>
<tr>
<td>Second hand book</td>
<td>50p</td>
</tr>
<tr>
<td>Suggestion box</td>
<td></td>
</tr>
<tr>
<td>Suggestion box</td>
<td></td>
</tr>
<tr>
<td>Suggestion box</td>
<td></td>
</tr>
<tr>
<td>Suggestion box</td>
<td></td>
</tr>
</tbody>
</table>

#### situation 2: out for a night with friends

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clubbing</td>
<td>£30</td>
</tr>
<tr>
<td>Rent a video</td>
<td>£3</td>
</tr>
<tr>
<td>Round of drinks</td>
<td>£8</td>
</tr>
<tr>
<td>Tickets for a gig to see your favourite band</td>
<td>£15</td>
</tr>
<tr>
<td>Meal in a restaurant</td>
<td>£16</td>
</tr>
<tr>
<td>Meal in the best restaurant in town</td>
<td>£40</td>
</tr>
<tr>
<td>Bus fare home</td>
<td>70p</td>
</tr>
<tr>
<td>Taxi home</td>
<td>£10</td>
</tr>
<tr>
<td>Cinema</td>
<td>£3.50</td>
</tr>
<tr>
<td>Ingredients to cook pasta + sauce</td>
<td>£2</td>
</tr>
<tr>
<td>Stay overnight in hotel &amp; raid mini-bar</td>
<td>£150</td>
</tr>
<tr>
<td>Treat all your mates to a meal</td>
<td>£100</td>
</tr>
<tr>
<td>Suggestion box</td>
<td></td>
</tr>
<tr>
<td>Suggestion box</td>
<td></td>
</tr>
<tr>
<td>Suggestion box</td>
<td></td>
</tr>
<tr>
<td>Suggestion box</td>
<td></td>
</tr>
</tbody>
</table>
### money in your pocket (cont’d)

### situation cards (cont’d)

#### situation 3: getting things for your baby

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 'value price' disposable nappies</td>
<td>£1.80</td>
</tr>
<tr>
<td>30 top brand disposable nappies</td>
<td>£5.50</td>
</tr>
<tr>
<td>6 reusable terry nappies</td>
<td>£10</td>
</tr>
<tr>
<td>Top brand pram/pushchair</td>
<td>£200</td>
</tr>
<tr>
<td>Second-hand pushchair</td>
<td>£8</td>
</tr>
<tr>
<td>Mid-range pushchair</td>
<td>£35</td>
</tr>
<tr>
<td>New outfit</td>
<td>£10</td>
</tr>
<tr>
<td>5 Second-hand babygrows</td>
<td>£2</td>
</tr>
<tr>
<td>Mobile</td>
<td>£3</td>
</tr>
<tr>
<td>Start off a savings account</td>
<td>£___</td>
</tr>
<tr>
<td>Second hand story book</td>
<td>50p</td>
</tr>
<tr>
<td>Suggestion box</td>
<td></td>
</tr>
</tbody>
</table>

#### situation 4: going into a bank

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open a basic bank account</td>
<td>£0</td>
</tr>
<tr>
<td>Open bank account and put money in</td>
<td>£___</td>
</tr>
<tr>
<td>Invest in an off-shore account</td>
<td>£250 minimum</td>
</tr>
<tr>
<td>Make monthly payment into an ISA</td>
<td>£5</td>
</tr>
<tr>
<td>Take out foreign currency for next hols</td>
<td>£300</td>
</tr>
<tr>
<td>Pay charge on your unauthorised overdraft</td>
<td>£15</td>
</tr>
<tr>
<td>Withdraw some cash to treat yourself</td>
<td>£___</td>
</tr>
<tr>
<td>Open a savings account</td>
<td>£___</td>
</tr>
<tr>
<td>Suggestion box</td>
<td></td>
</tr>
</tbody>
</table>

© Barclays Bank PLC 2005
activity 4

money in your pocket

money sheet

£50
£20
£10
£5
£2
£2
£2
£1
£1
£1
£1
10p
10p
10p
10p
20p
20p
20p
20p
20p
20p
10p
10p
10p
10p
canny customer

What and why?
Assessment and discussion of different deals for mobile phones and basic bank accounts, to see which offers the best value. This activity is designed to give the group practice in looking at both the headline figures and the small print, and taking a step-by-step approach to problem-solving. It will give the group experience of:

- gathering financial information and record keeping
- considering sources of advice
- understanding product information and making appropriate choices
- thinking about some of the financial services on offer

Preparation
- Make enough photocopies of the deal sheets (see page 22) for each team to have one. To keep this activity up to date, and to give the group experience of working through real product literature, you could bring in leaflets from different providers. People could also practise enquiring about deals by phone, if appropriate
- Provide pen, paper and a calculator for each team

Aim of the game
To choose the best product to meet an individual’s personal needs and budget.

Time needed
40 minutes – allowing 15 minutes per ‘deal’ and 10 minutes for feedback.

Step by step
1 Start with product A. In pairs or small groups, give participants the task of finding the best phone deal. Tell them they have enough money to buy either mobile phone. They should then select someone to be the phone’s owner, and make their decisions about best value based on that person’s preferences and needs. If there is time, they could do this for each person in the group. You may want to use prompt questions such as:
   - do they want to avoid getting into debt? (Use pay-as-you-go instead of either deal)
   - do they want to text or talk?
   - do they need to use it during the day or mainly in the evenings/weekends?
   - are there advantages in using the same network as their family or mates?
2 Once they have been through the features, ask them to decide which phone would be best, and write down their choice along with their reasons for it. This will be fed back to the group later.
3 Before they start thinking about product B, ask the group to call out all the different ways they can think of to keep their money safe, for example:
   - put it in wallet
   - leave it at home
   - open a post office savings account
   - open a bank account
   - join a credit union (you will probably need to explain what this is – see factsheet 2: credit)
4 Having considered some of the benefits of opening an account of some kind (for example benefits now get paid straight into your account), ask the group to work in the same pairs or small teams to work on product B. You may want to use prompt questions such as:
   - do you have a bank account at the moment? If so, what kind is it?
   - would direct debits be useful for you? If so, why?
5 Bring everyone back together and ask for feedback. This could cover a range of issues:
   - how easy or difficult was it to decide which option was best?
   - how many people went for Deal 1 and how many for Deal 2, and what were their reasons?
   - what does this tell you about getting the best deal in different circumstances?
A. Which mobile phone?

<table>
<thead>
<tr>
<th>Deal 1: key features</th>
<th>Deal 2: key features</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Free handset worth £100</td>
<td>• Free handset worth £100</td>
</tr>
<tr>
<td>• 200 minutes talk time free per month – ANYTIME, ANY NETWORK*</td>
<td>• 25 minutes each month, anytime to any network, free</td>
</tr>
<tr>
<td>• 84 free text messages per month for first 12 months only</td>
<td>• Free voicemail</td>
</tr>
<tr>
<td>• Line rental = £30 per month</td>
<td>• 10p per text message</td>
</tr>
<tr>
<td>• Guaranteed refund if you return phone within 14 days</td>
<td>• Calls to landlines and mobiles on the same network = 10p per minute anytime</td>
</tr>
<tr>
<td>*other calls charged at 10p per minute peak time (5p per minute off-peak) to landlines and mobiles on the same network. Calls to other networks cost 35p per minute peak time (15p per minute off-peak).</td>
<td>• Calls to other networks = 25p per minute anytime</td>
</tr>
<tr>
<td></td>
<td>• £14.50 line rental per month</td>
</tr>
<tr>
<td></td>
<td>• Guaranteed refund if you return phone within 7 days</td>
</tr>
</tbody>
</table>

Is this the deal for you? YES / NO

Why?

B. Which basic bank account?

<table>
<thead>
<tr>
<th>Deal 1: key features</th>
<th>Deal 2: key features</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Minimum age 16</td>
<td>• Minimum age 18</td>
</tr>
<tr>
<td>• No minimum amount required to open account</td>
<td>• Minimum amount of £1 required to open account</td>
</tr>
<tr>
<td>• Cash machine card</td>
<td>• Cash machine card</td>
</tr>
<tr>
<td>• Free £10 buffer zone*</td>
<td>• Debit card – use it to pay for things in shops and online, as long as you have enough money in your account</td>
</tr>
<tr>
<td>• Set up direct debits and standing orders if required, so bills get paid automatically</td>
<td>• No buffer zone**</td>
</tr>
<tr>
<td>• £32 charge for any direct debit that is due to go out, if you don’t have the money in your account to pay for it</td>
<td>• Set up direct debits if required (but not standing orders)</td>
</tr>
<tr>
<td>• No debit card</td>
<td>• No charge on unpaid direct debits</td>
</tr>
<tr>
<td>• No cheque book</td>
<td>• No cheque book</td>
</tr>
<tr>
<td>*a free temporary overdraft, so you can take money from a cash machine even if there is less than £10 in your account</td>
<td>** if you have less than £10 in your account, you won’t be able to take out any cash from a cash machine, as the machines pay out a minimum of £10. However you can go to the counter and withdraw your remaining money</td>
</tr>
</tbody>
</table>

Is this the deal for you? YES / NO

Why?
What and why?
This activity encourages problem-solving and investigating how to deal with challenging financial situations, coupled with practice in some of the administrative tasks involved in managing your money. It provides experience in:

- identifying sources of income and recognising regular and unpredictable income
- recognising household expenses and regular financial commitments
- gathering financial information and record-keeping
- personal choices and financial implications
- consumer rights and responsibilities

Preparation
- Decide how you want to divide up the group and photocopy and cut up the problem page on page 24
  You will need one two or ‘problems’ for each team, depending on time
- Photocopy factsheets 1, 3 and 4 from the back of the pack for each team or pair
- Have copies of the replies from captain sensible on page 25 on hand to distribute at the end of the activity
- Provide pens and scrap paper

To complete the second part of the activity, teams will need paper, pens, and calculators and you will need to get copies of the following forms:

- **D. Desperate:** examples of sample letters for negotiating with creditors if you’re in debt
  (e.g. see www.adviceguide.org.uk/sample_debt_letters.pdf)
- **P. Panic:** application form for Jobseeker’s Allowance (available from jobcentres)
- **F. Fed Up:** application form for a Post Office Card account (available from your Post Office if you explain why you need it) or for a Basic Bank Account (available from a bank)
- **H. Hopeful:** application form for a bank or building society savings account

Aim of the game
**Stage 1:** To take on the role of Captain Sensible and give sound financial advice to people sending letters to the problem page.
**Stage 2:** To practise tasks such as negotiating with creditors and filling in benefits and application forms.

Time needed
**Introduction:** 5 minutes
**Stage 1:** up to an hour
**Stage 2:** 45 minutes

Step by step
Hand out one or more of the letters to the problem page to each team or pair, plus a set of factsheets.

**Stage 1:**
- EITHER ask teams to roleplay the situation of the person writing to Captain Sensible to explore how they might be feeling, and feed back their advice in the persona of Captain Sensible. OR ask each team to simply discuss the problem in the letter between themselves, develop their answer, and feed it back to the rest of the group. You may need to be on hand to help people develop their response from Captain Sensible. During discussion, encourage debate about whether the group feels the advice is accurate and helpful
- Then hand out the reply from captain sensible to see how this compares to the advice given by the team. Ask them to draw out any conclusions (e.g. that sometimes it’s helpful to get expert money advice)

**Stage 2:**
- Tell the group that they are going to carry out some of Captain Sensible’s advice and get some practice at filling in some forms to do with money.
- They could either stay with their character and fill in the relevant form, or alternatively you could give them forms which are particularly suited to their individual needs and circumstances. Be on hand to answer queries.
- Bring the group back together for feedback and discussion.
problem page

Dear Captain Sensible,

I'm in so much debt I don't know where to start. I owe my landlord £100 rent so he's threatening to kick me out. I've got a £30 water rates bill I haven't paid and today I had a final demand from the electricity company – they are going to cut me off if I don't pay them the £70 I owe them. But how can I think about paying them when I haven't even got enough food to eat? I'm going for a job interview next week, but that's the only good thing that's happened to me for ages.

What would you do in my situation?

D. Desperate, Leeds

Dear Captain Sensible,

I want to claim Jobseeker's Allowance. I've just got out of a Young Offenders' Institution and I haven't got a job yet – in fact I don't know how long that will take me. At first someone told me I couldn't claim it because I'm not 18. But once they found out I'd just done time they said I could, because the rules are different.

So eventually they gave me a really long form to fill in. I didn't want to tell anyone this but I don't understand it – it's so complicated! I keep putting it off, but I really need to get it done quickly so I can get some money.

What is the sensible thing to do please?

P. Panic, London

Dear Captain Sensible,

I had to leave home six months ago after a massive argument with my dad. I've got no qualifications and at the moment I'm on a training scheme and getting £40 a week. I'm really enjoying it and I think it will really improve my job prospects – but I'm fed up with the money side of things.

I get housing benefit, but my bills cost loads – about £10 a week. Now they're telling me I need to open a bank account to get my benefits paid in. It just seems like a lot of hassle to me. So now I'm wondering whether I should jack it in and get a proper job - I want some more money anyway and at least I could get paid cash in hand.

What would you do? Stick with the training course or try to get a job? And how on earth do I open a bank account?

Yours hopefully,

F. Fed Up, Devon

Dear Captain Sensible,

I've just started an Apprenticeship in catering. They told me I'd be earning £150 a week, but when I got my payslip at the end of the month I'd only got £125 a week. Why was there less than I was expecting? I mustn't grumble I suppose because it's still much more money than I had before. I'll need to give my mum £35 a week for food and bills and I need to put about £15 aside for travel and expenses. As well as going out and stuff, I also want to start saving some money so I can go on holiday for once. The only thing that's hanging over my head is that I owe my uncle £100 he lent me ages ago. I know he'll be wanting it back soon so what's the best way of sorting out my budget for the next three months?

Yours hopefully,

H. Hopeful, Stoke-on-Trent
repplies from Captain Sensible

Dear D. Desperate,
I suggest that you use the MoneySkills budget planner on factsheet 1 to work out your weekly budget. Then make an appointment to speak to someone at a Citizens Advice Bureau, or your youth worker or personal adviser if you have one. Take your budget along so they can see what position you are in. They should be able to help you get in touch with all the people you owe money to (your ‘creditors’) and help you work out a plan for paying them back. Remember that debts like gas and electricity should be a priority because you could be cut off if you don’t pay. If you make the first move, they will see that you are serious and might help you work out a way forward. But remember you need to stick to whatever you agree. And try to set up a direct debit to your creditors so your money goes out on time every month. Good luck – and remember, you can get through this.

Captain Sensible

Dear P. Panic,
I suggest that you make an appointment to see a personal adviser as quickly as possible (ring Connexions Direct on 080 800 13 2 19). It’s worth being honest with them and telling them that you’re finding it difficult to understand the forms – you might need some help with basic skills, which your personal adviser can help you sort out. This would also improve your chances of getting a job over the longer term. In the meantime, get hold of a Jobseeker’s Allowance application form and practise filling it in. It’s very long and complicated – but your personal adviser should be able to help you, or you could go through it with your mates. Good luck!

Captain Sensible

Dear F. Fed Up,
I suggest that you try to speak to your youth worker or personal adviser if you have one (if not call Connexions Direct on 080 800 13 2 19 to see if they can help). They can discuss how you’re feeling and go through some options with you. It would also help if you drew up a weekly budget so you can see where all your money is going (use the MoneySkills budget planner on factsheet 1 if you like). If you can stick with your training course you’ll probably be glad you did, because it will improve your long term job prospects. And opening a bank account isn’t such a hassle. All the main high street banks now have a Basic Bank Account. Or you could apply for a Post Office card account: to open one of these, you’ll need a Personal Invitation Document from your local jobcentre. This shows that you are receiving benefits that need to be paid into an account. Then you need to fill in an application form and take it to your local Post Office with one form of identification. It might sound daunting, but if you do it step by step, you’ll get there. Just one other thought – is there anything you can offer other people in exchange for something? Like you wash their car and they give you a lift to work? Little things like that might help if cash is a bit thin on the ground. Good luck!

Captain Sensible

Dear H. Hopeful,
The missing £25 has gone on income tax and national insurance. This is something everyone has to pay as soon as they are earning enough, and it goes to the government to spend on things like hospitals, pensions and other services. That means you’ve got £125 left in your pocket. If you give £35 to your mum and spend £15 on travel and lunch, that still leaves you with £75 to play with. I’d suggest you sort out your debts first. Ask your uncle if you can pay him back £10 a week. This means you should have paid him back his full £100 before three months are up. So now onto the remaining £65 a week. Do you think you could save £20 of that, if you’re a bit careful about how often you go out and where you go? Look for a bank or building society savings account that’s got a good interest rate, so that you earn more money while it’s tucked away. When you’ve paid your uncle back, you could add the £10 to this. Can you guess how much that means you’ll be able to save over a year? It’s actually £1,460, which would get you a pretty good holiday…

Captain Sensible
What and why?
Group discussion and individual action planning, to encourage each group member to think about their goals for the next year and for the longer term, and what the financial implications are. This activity will give the group experience of:

- making informed choices and setting action plans
- putting personal financial value on differing needs and wants
- assessing the financial implications of personal life choices
- knowing where to get advice and support

Preparation
- Each group member will need a photocopy of the personal action plan on page 27 and a pen
- The group may find it useful to have access to, or photocopies of, all the factsheets at the back of the pack. (They could keep any relevant factsheets for future reference, along with their personal action plan, after this activity)
- You’ll need a flipchart or large sheet of paper if the group wants to feed back ideas

Aim of the game
For everyone to think about what they have discussed in the session so far, and relate it back to their own situation. To identify their financial needs and other needs over an appropriate timescale, for example the next three, six or 12 months.

Time needed
Introduction: 5 minutes
Discussion: 15 minutes
Feedback: 15 minutes
Round-up: 10 minutes

Step by step
1. For this activity, you can ask group members to work alone, or you can divide the group into smaller discussion groups.
2. Ask each group member to think (either publicly or privately) about what their aims and goals are for the year ahead. (You can extend the activity and ask about plans for the longer term as well, if this is appropriate).
3. If you did not run activity 5: canny customer it would be helpful to have a quick session on different sources of advice and support on money issues. For example, ask the group they could/ would speak to, if they needed advice on the best thing to do, and ask them to weigh up the benefits and drawbacks of each (for example, how expert they are or how impartial they are likely to be):
   - friend or family
   - personal adviser or youth worker
   - Citizens Advice Bureau
   - someone in a bank or other financial organisation.
   They can draw on their conclusions when they fill in the personal action plan.
4. Hand out copies of the personal action plan and factsheets. Encourage the group to fill in the plan, using the factsheets to help identify any information they need.
5. Group members can then share their plan with the group, or use it as the basis for further discussion with their youth worker or personal adviser.
## personal action plan

<table>
<thead>
<tr>
<th>Name</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

By ______________ (insert date) I want to be:

<table>
<thead>
<tr>
<th>To get there, I need to:</th>
<th>By when?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>To get there, I need other people to help me to:</th>
<th>By when?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The money issues I need to sort out to achieve this are:

<table>
<thead>
<tr>
<th>I will need information on:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

The people/ places I can go to for help and advice are:

<table>
<thead>
<tr>
<th>I will review my plan on:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>
MoneySkills review

What and why?
An opportunity to review the skills that have been developed during the course of the activities, and evaluate the benefit of working on MoneySkills.

Preparation
If you ran the money and me activity, the list of money hopes and money worries could provide a useful starting point. You could pin these up on the wall.

Aim of the game
To consolidate the learning and skills that have been developed during the activities, and to check that the group feel more confident that there are ways of dealing with money concerns and solving a whole range of financial problems. This activity also provides an opportunity to reinforce the message that dealing with money issues means using the same skills that are important for other personal and social situations.

Time needed
15 to 30 minutes

Step by step
1. Read out a selection of more serious money worries from the money and me activity, or ask the group to brainstorm their main money worries.
2. Ask the group whether, having done the activities, they feel as concerned about these issues, and whether they would now approach them in a different way, and what that would be. You could ask each group member to draw up a list of specific things they feel they have learnt, and issues that they want more information and support on, and work together to address these on a one-to-one basis.
3. Return to the money hopes from the money and me activity, or ask the group to brainstorm some of the things they hope for in relation to money in the future. Ask whether people feel more confident of achieving these hopes and goals now, and what specific things they have learnt that they think could be useful in achieving their goals.
Money information sites for young people

www.bbc.co.uk/radio1/onelife/finance
Lots of financial information aimed at young people, including a budget calculator and FAQs.

www.thesite.org/homelawandmoney
Impartial information and advice on lots of subjects for young people. The money section deals with credit, debt, savings, benefits, tax, consumer issues and student finance.

www.youthinformation.com
Advice and information on issues affecting young people. The money section includes benefits, debt and managing money.

www.adviceguide.org.uk
Information and advice from the Citizens Advice Bureau, on benefits, employment, tax and debt.

Most of the major banks have developed websites which provide information for customers, as well as dedicated sections for young people. To find a bank, you can search by its name at www.google.co.uk

Dealing with money worries

Citizens Advice Bureau www.citizensadvice.org.uk
The Citizens Advice Bureau Service (CAB) offers free, independent advice on a wide range of issues. Advisers can help fill out forms, write letters, negotiate with creditors and represent clients at court or tribunal. Their website contains details of local CAB offices. You can also look up your local CAB in Yellow Pages under ‘Counselling & Advice’.

Consumer Credit Counselling Service: 0800 138 1111 (freephone) www.cccs.co.uk
Free helpline giving confidential counselling on personal budgeting, using credit and setting up debt management plans. Website has a handy ‘debt check’ as well as budgeting advice.

Credit Action www.creditaction.org.uk
Credit Action is a money education charity providing information and advice to help people avoid getting into debt. Includes an online self-help guide to dealing with debt.

Gamcare: 0845 6000 133 www.gamcare.org.uk
Gamcare provides information, advice and practical help on the social impact of gambling. The website has a section for young people, and the helpline provides advice and counselling.

National Debtline: 0808 808 4000 (freephone) www.nationaldebtline.co.uk
Free helpline giving confidential, independent help on dealing with debt. Can help callers set up debt management plans. The website contains information on a range of money management issues, and a wide range of resources like factsheets and sample letters.

The Samaritans: 08457 90 90 90 www.samaritans.org.uk
Confidential emotional support for people who are experiencing feelings of distress or despair, including those which may lead to suicide.

Education, training, benefits and work

Apprenticeships: 08000 150 600 (freephone) www.apprentices.org.uk
Apprenticeships provide work-based training opportunities for young people. The website contains background information on the scheme and you can submit an application form online.

Connexions Direct: 0800 13 2 19 (freephone) www.connexions-direct.com
Information and advice on any issue that is relevant to 13 to 19 year olds – not just education, training and benefits, but also housing, health and money. Chat to a personal adviser either by phone or online.

Jobcentre Plus www.jobcentreplus.co.uk
Jobcentre Plus deals with benefits and jobs. Operating nationwide from 2006, it offers help from personal advisers to make it easier to find out about work and benefits. Website has information on all benefits for young people.

learndirect: 0800 100 900 (freephone) www.learndirect-advice.co.uk
Free, confidential helpline and website for adults looking for information and advice on courses and careers.
Supplementary training and educational materials

Websites

www.fsa.gov.uk
The Financial Services Authority regulates the financial services industry and promotes public understanding of finance issues. Its website has a ‘Consumer Help’ section for people with good levels of financial literacy. You can also access the FSA adult learning programme ‘Learn on Line’, with learning modules to help you check how well you understand topics like savings and investment.

www.pfeg.org.uk
The Personal Finance Education Group helps teachers develop young people’s financial capability. Its site has access to a range of quality-stamped resources, including ones for 16 to 19 year olds.

www.money-bsa.org.uk
The Basic Skills Agency aims to help raise standards of numeracy, language and literacy, including financial literacy. This section on its financial capability work has an extensive resources section. It includes a series of Financial Products Resource Packs that are free to download. These may be useful in supplementing MoneySkills, as they provide the opportunity to look at specific themes in much greater depth, for example:

- bank accounts
- credit cards
- insurance
- savings and ISAs

www.redbox.gov.uk
This interactive government site provides an introduction to tax and public spending. There is a separate section for teachers and tutors, with downloadable resources. If you are based in a school, you can also send off for a teachers’ pack with video and posters.

www.bbc.co.uk/watchdog/guides_to/consumerlaw
Information on consumer law, focusing on two key areas – sales of goods and supply of services.

Publications and videos

Adult financial capability framework. An essential document for those working in the field of adult financial literacy and basic skills. It sets out skills, knowledge and understanding required by those learning financial capability. It also cross-references the underpinning adult literacy and numeracy skills required for each component. Phone 0870 600 2400 or download at www.money-bsa.org.uk

Financial literacy mapping material. Also produced by the Basic Skills Agency, this document is for people teaching literacy and numeracy in a financial context. It lists the different aspects of the adult literacy and numeracy core curricula and provides suggestions for addressing and developing these in financial capability work. As such, it provides a more detailed mapping against the literacy and numeracy curricula than that provided in the adult financial capability framework. Phone 0870 600 2400 or download at www.money-bsa.org.uk

Colossal cards. Set of giant cards to demonstrate non-cash types of money (store cards, credit cards etc), plus activity guide. Available from BEAM, £16.45 plus £3.53 postage and packing. Phone 020 7684 3330.


Looking after the pennies. Aimed at 11–16 year olds, this video series follows the Penney family as they face everyday financial situations. Available from Channel 4 Learning, £19.00. Phone 08701 246 444.

No bank account?: why it could pay you to have one. Useful leaflet produced by the Financial Services Authority. Up to 100 copies free. Phone 0845 606 1234 or download at www.fsa.gov.uk/consumer/pdfs/bank_account.pdf

Not just a PIN number – Young people, financial responsibility and exclusion. Research produced in 2001 by the New Policy Institute. See www.npi.org.uk

30 MoneySkills: financial and lifeskills activity pack

© Barclays Bank PLC 2005
budgeting:

A budget is a plan for how you are going to spend your money. It’s useful for making sure that you don’t spend too much at the start of each week or month, and then have nothing left at the end. Using a budget can help you stay out of debt, pay for the things you really need, and save for the things you really want.

Top tips for good budgeting:
1. Make sure you know how much money you’ve got coming in.
2. Put money aside for what you need, before you buy things you want.
3. Spend less than you earn, and you’ll never go over budget.

How to budget
Using our budget planner, write down all the things you will be spending your money on in the week ahead. Keep it real – think honestly about where your money will go. You could think about:
- regular commitments (things like rent and bills)
- everyday spending (like food, bus fares, magazines)
- occasional spending (like clothes, meals out and birthday presents).

Add up the cost of everything on the list. Is it more or less than the money coming in?
What if you had to budget for a longer period – like a month? Would other things come up?

Living on a tight budget
Are you finding it hard to make ends meet? See if anything on this list could help you make savings:
- Can you make a packed lunch to take to college or work, instead of buying sandwiches?
- Can you go shopping at cheaper shops or markets? Using money-off vouchers can also help
- Make sure that you’re not spending money on unnecessary things, for instance:
  - if you have a bank account, make sure you’re not being charged for basic services
  - if you’ve got a mobile phone, are you on the best deal?
  - can you walk or cycle instead of getting the bus or driving?
- Each week, however hard it is, try to save a little bit. This will give you a safety net if you need extra cash

Living on your own
Living away from home can be exciting, but it can also be expensive. If you’re thinking about it, work out how much money you are likely to need. The most expensive things will probably be rent, food and bills. But don’t forget things like going out, travel and mobile phone calls. The following things can be helpful to remember:
- are you getting the best deal on gas and electricity? See www.uswitch.com
- try to pay your bills by direct debit as it’s usually cheaper
- shop around for the best deal on contents and buildings insurance, if you need them
- if you need furniture, can you find anything second hand in local charity shops or online?

Know your rights
When money’s tight, it’s particularly important to make sure you get good value from the products and services you receive. Here are a few key things you need to know:
- When you buy something, the person who’s selling it to you should make sure the quality is satisfactory, that it lives up to what any advert says about it and that it ‘does what it says on the tin’. If it doesn’t meet these standards, you can get a refund (if you return it within their time limit)
- There are also rules about any services you receive – like a haircut or getting a car fixed. The person providing the service has what’s called a ‘duty of care’ towards you, so that the work must be done to a reasonable standard, at a reasonable cost. If you feel the service you get is unreasonable, you can negotiate with them to put the problem right or to pay less

If you have ordered goods or a service, and they are delivered in a satisfactory way, remember you have a responsibility to pay for them.

LINKS
www.thesite.org/info/homelawmoney – tips on managing a budget, plus other money info.
www.bbc.co.uk/watchdog/guides_to/consumerlaw – guide to your rights and responsibilities as a customer.
**Budget Planner**

Use this sheet to help you budget. Remember, you can do a budget for a week or a month. If you’re doing it for a week, you will need to work out the weekly cost of things like bills which come in every month or every three months. You could use a calendar or diary to help you work out and divide up your payments.

Budget from ________________ until ________________

### Money Coming In

<table>
<thead>
<tr>
<th>Income:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>Training allowance/EMA</td>
</tr>
<tr>
<td>JSA (job seekers allowance)</td>
<td>Income support</td>
</tr>
<tr>
<td>Housing benefit</td>
<td>Part-time job</td>
</tr>
<tr>
<td>Money from family or carers</td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td><strong>Total income</strong></td>
</tr>
</tbody>
</table>

### Money Going Out

<table>
<thead>
<tr>
<th>Regular commitments</th>
<th>Rent/housekeeping money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council tax</td>
<td>Gas bill</td>
</tr>
<tr>
<td>Electricity bill</td>
<td>Water bill</td>
</tr>
<tr>
<td>Insurance</td>
<td>Phone bill</td>
</tr>
<tr>
<td>Savings</td>
<td>Loans</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td><strong>Total spending</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Everyday spending</th>
<th>Travel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food shopping</td>
<td></td>
</tr>
<tr>
<td>Going out</td>
<td></td>
</tr>
<tr>
<td>Other entertainment (e.g. videos)</td>
<td></td>
</tr>
<tr>
<td>Toiletries</td>
<td></td>
</tr>
<tr>
<td>Books, magazines and newspapers</td>
<td></td>
</tr>
<tr>
<td>Sport (e.g. swimming/exercise class)</td>
<td></td>
</tr>
<tr>
<td>Cigarettes</td>
<td></td>
</tr>
<tr>
<td>Car maintenance and petrol</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total spending</strong></td>
</tr>
</tbody>
</table>

### Money Left

Subtract your **total spending** from your **total income**.

\[
\text{Money left} = \text{Total income} - \text{Total spending}
\]

Remember, if you end up with a minus number (e.g. -£20) you’ve gone OVER BUDGET. Work out where you can make cuts or how you can earn more money. If you’re in real budget trouble, have a look at factsheet 3.
You have to be over 18 to apply for any form of credit. This factsheet gives a quick introduction to how it works.

**What is credit?**
Credit is strange. If you have a bank account that’s ‘in credit’ it means that you have got money in your account that you can spend. But usually credit is a type of debt. If somebody gives you credit it could be through a:

- credit card or store card
- hire-purchase scheme or catalogue
- interest-free credit (for instance in electrical shops)

In all of these cases, it means that someone (for example, a bank or a credit company) has given you the money to spend. They have ‘credited’ you with their money, so it’s not actually your money – and of course, you have to pay it back. Usually, you have to pay an extra cost – called ‘interest’ – to the person or company who has loaned you the money.

**How do you get credit?**
There are different ways of getting credit. First of all, you need to have a good credit history. This usually means that you need to have had a bank account, and to show that you have regular money coming in and that you can manage your money. It can also include showing that you have paid back money that you have borrowed.

**What are the advantages?**
Credit is useful if you need to buy something quickly. This might be because it’s an emergency, or it might be because you’ve seen a fantastic bargain and will miss out on a good deal if you have to wait.

You usually pay credit back in monthly amounts (called instalments). This can sometimes help you manage your budget, because you can spread the cost out over a few months. This might be easier than paying for something all at once.

Sometimes you will see a deal for ‘interest-free credit’. This means that you only pay back the original cost – no interest payment is added on. This is a good type of credit to get if you can – as long as you are sure you can afford the repayments.

**What are the drawbacks?**
The first is that credit can tempt you to spend money you don’t have, or can’t afford to pay back. Always think carefully before getting credit or borrowing money – don’t ever do it on the spur of the moment and make sure you have a plan for paying it back.

The other main drawback with credit is that you usually have to pay interest. So, if you buy a TV for £100 and the company charges you 10% interest over one year, you will end up paying £110 for the TV in total. So it can make things more expensive.

**Different rates of interest?**
The amount you pay back will vary depending on the interest rate you are charged (this is known as the ‘Annual Percentage Rate’ or APR). All types of loans have an APR and you need to keep your eyes open to get the best deal:

- Ask somebody at your bank before you go overdrawn – if they say yes, you can agree an overdraft limit with them. This will be cheaper than just going overdrawn without the bank saying it’s OK. If you do this, they will charge you extra for having an ‘unauthorised’ overdraft
- A credit card will probably have a higher interest rate than a bank loan – so think about what you need the money for. For example, don’t put big one-off purchases on a credit card as it would probably be cheaper to get a bank loan

See over for a financial health warning!! >>
Credit unions
Another way of getting money on credit is to join a credit union. This is a financial organisation which is owned by its members and run by them, for their benefit. To join, you need to have a ‘common bond’ with other people in the union, for example you might belong to the same housing association or live and/or work in the same area. Each credit union has its own ‘common bond’. There are around 1,000 in the UK.

After you have joined a credit union, you have to save with them for a while – usually a few months – before you can borrow money. This proves to them that you can manage your money. Most people borrow money for small things like presents or repairs around the house. The maximum interest that can be charged is 1% a month, which is much cheaper than a loan shark and also than most credit card companies.

To find out if there is a credit union which you can join, ask your Citizens Advice Bureau (see links).

Financial Health Warning!
Credit can be tempting – and sometimes the less money you have, the more tempting it is. For some people, this can end up in a spiral where they are spending a lot of money paying off old credit bills – and then have to pay for new things on credit because they’ve got no cash left. The other temptation is to borrow money from people like ‘loan sharks’ to pay off your credit – but they can charge you a lot of interest. So take care! Always think carefully before you borrow money or buy things on credit. And remember you have a responsibility to pay it back, so make sure you can afford the repayments.

LINKS

Consumer Credit Counselling Service: 0800 138 1111   www.cccs.co.uk
Free helpline giving confidential counselling on personal budgeting, using credit and making realistic plans to repay debts.

Connexions Direct: 080 800 13219   www.connexions-direct.com
Speak in confidence to a personal adviser on any issue including money, or find out details about your local service.

www.citizensadvice.org.uk – get contact details for your local Citizens Advice Bureau, if you want advice about your personal financial situation or information about credit unions.

www.thesite.org/homelawandmoney – this site has a big section on credit and debt. It covers the main types of credit and has tips on how to improve your credit history if you have been refused credit.

www.fsa.gov.uk/consumer/pdfs/credit_unions.pdf – helpful leaflet on credit unions and how they operate
If you don’t stick to your budget you might find yourself in debt. If this happens to you, the most important thing is to face up to it immediately.

First, work out how you have got into debt. Is it:

A. Because you’ve had to spend a lot of money on a one-off item (like a mobile phone bill that got out of control)?
B. Because you’ve regularly been spending too much on smaller items like CDs or cigarettes?
C. Because you just don't have enough money to buy the basics to live on?

Until you know where the problem is, you won’t be able to tackle it. Once you’ve worked out the main problem, check out the steps below to tackle it:

A. One-off item:
If this is a bill of some kind, it’s worth trying to make a deal with whoever is charging you. Ask if you can spread the amount you owe over 6 to 12 months and pay a fixed amount each month. Try to pay by direct debit – this means the money goes out automatically (visit www.directdebit.co.uk). Then make sure you follow the step by step guide to tackling debt on the next page.

B. Regular spending on small things:
If you’ve run up a debt this way, the chances are it might have crept up on you. The only solution is to do a proper budget (see factsheet 1: budgeting) and stick to it. If you’ve run into debt with the bank or credit company, talk to them as soon as possible to explain the situation. Before you speak to them, make sure you have a plan to pay back what you owe. This will help them see you are taking the situation seriously. Then make sure you follow the step-by-step guide to tackling debt over the page.

C. Not enough to cover the essentials:
You will need to work out whether you can bring some more money in. Can you get a part-time job? Are you claiming all the benefits you are entitled to? It’s a difficult situation to be in, so try to talk it through with someone – perhaps a personal adviser or a youth worker. They might recommend that you call a helpline or make an appointment with a money adviser at the Citizens Advice Bureau (see links).

If you can’t afford basic living costs and this is a serious risk to your health or safety, you can apply for a Crisis Loan from the Social Fund. There is no set amount for the loan. What you get will depend on your circumstances. A Crisis Loan is an interest-free loan that you have to pay back, and you have to agree how you will pay it back before the money is given to you. To get an application form you need to contact your Jobcentre Plus office (see links).

If you are earning a wage and living away from home, and you really don’t have enough for rent, food and household bills, you might be entitled to some form of Income Support or benefit. (See factsheet 7: benefits for more info).

See over for a step by step guide to tackling debt >>
debt (cont’d):

Tackling debt step by step

1. Don’t take on any new debts.
2. Start budgeting (see factsheet 1: budgeting). Look at what’s going in and coming out and see if there is a way to cut down your spending.
3. Contact the people you owe money to and have a plan about how you are going to pay it back. Arrange regular payments but make sure you really can afford them. Try to spread out the payments over a long time – say 6 months or a year.
4. Some debts are more important than others, because the consequences of not paying them are more serious. Treat any of these debts as a priority:
   - hire purchase
   - rent arrears
   - council tax
   - gas or electricity
   - magistrat’s court fines
   - maintenance payments
   - income tax, national insurance or VAT arrears
5. If you need to borrow money, talk to your bank first of all (see factsheet 4: banking). You might also be able to apply for a Crisis Loan from the Social Fund (see links). Don’t borrow more than you can afford to pay back and don’t be tempted to borrow money from an unauthorised money lender (‘loan shark’). They charge very high interest rates and will probably end up making your debt problem worse.
6. If you are very worried about your situation, there are people you can talk to in confidence (see links).
7. If you’ve got a credit card, try to find a cheaper way of paying off the balance, then close your card and return it to the company that gave it to you.
8. Make a list of what you need to do – and do it.

Other forms of money

Whether you’re totally in the red, or have your savings well and truly sorted, don’t forget that cash and credit cards are not the only types of money. If you have any of the following, they could help ease the financial pressure a bit:

- gift vouchers
- money-off coupons for local supermarkets
- the opportunity to exchange goods or services in return for other products and services, for example
  - you paint someone’s lounge and they fix your bike
  - you babysit for someone and they give you their old DVD player.

LINKS

Citizens Advice Bureau – many CAB offices have money advisers. To find your local office, look in the business numbers section of the telephone directory, in Yellow Pages under ‘Counselling & Advice’ or on their website (www.citizensadvice.org.uk).

Connexions: 080 800 13 2 19 www.connexions-direct.com
Call or look online for help with money issues. If you are aged 16 to 19 and want to speak to a personal adviser face to face, you can also find out where your local service is.

Consumer Credit Counselling Service: 0800 138 1111 www.cccs.co.uk
Free helpline giving confidential counselling on personal budgeting, using credit and making realistic plans to repay debts. The website has a ‘debt check’ so you can check how serious your debt situation is.

Gamcare: 0845 6000 133 www.gamcare.org.uk
Helpline giving information, advice and practical help for people who have got into difficulties through gambling. Calls are charged at a local call rate, or you can look at their website.

National Debtsline: 0808 808 4000 www.nationaldebtsline.co.uk
Free helpline giving confidential, independent help on dealing with debt, including setting up a debt management plan. The website has lots of information on different aspects of money management.

www.jobcentreplus.co.uk – the website has information on all the benefits applicable to young people, including how to apply for a Crisis Loan from the Social Fund.
banking:

A bank account can help you to manage your money. It also saves you having to carry your cash with you wherever you go (or stashing it under the bed!)

There are three main types of bank account:

- basic bank account
- current account
- savings account

Basic bank account

This is the most useful bank account for someone who is unemployed or not earning much. It is simple and easy to set up. All of the banks offering basic bank accounts provide a cashpoint card. This lets you get money out of any cash machine that accepts your card, as long as there is enough money in your account. To do this you will need to type in your PIN (Personal Identification Number). Some banks also provide a debit card, which means that you can use it in shops to buy things, as long as you have enough money in your account.

You can use a basic bank account to set up direct debits, so you can pay regular bills straight from your account – but you need to make sure that you have enough money in your account to cover any direct debits you set up (visit www.directdebit.co.uk).

Because basic bank accounts are designed to be simple, they usually do not provide chequebooks. This means that you can’t go overdrawn by writing cheques when you don’t have enough money in your account. But with some accounts you do get a buffer zone. This means, for example, that if you have £9 in your account you might still be able to take out a £10 note from the cashpoint – so you’ll have a very small overdraft until you next pay money in.

Lots of banks offer basic bank accounts. With some, the minimum age for opening a basic bank account is 16, with others it is 18. The kind of information you will need to open a basic bank account is on the next page.

Current account

You have to be 16 or over to open a current account. It’s called a current account because people use it for day to day (current) things like paying in their wages, paying bills and taking money out for shopping and going out.

If you open a current account you will get a cashpoint card which you can use at cash machines. You will also get a cheque book. This means you can pay for some things by cheque – for example any bill that is sent to your home address. But when you’re out and about you’ll find that most places won’t accept a cheque unless you’ve got a cheque guarantee card, which is set at a certain limit (for example £50). This means that you can write a cheque in a shop for up to £50 and the shop assistant will accept it because the bank has guaranteed that they will cash the cheque.

Because this system can lead to people writing cheques even though they don’t have the money in their account, you usually have to be with your bank for a little while before they will give you a cheque guarantee card. This makes sense for you and for the bank – it stops you getting into debt and it stops the bank losing money on customers who don’t pay back their debts.

Savings account

If you can put aside some money – even just a bit – it really is worth thinking about getting a savings account. Money in a savings account will earn you ‘interest’. This means that your money will grow by a certain percentage (the ‘interest rate’) even when you are not paying into the account.
Reminder...
If you don’t want to open a bank account, you can open a Post Office card account. This is a simple account that can only have benefit and tax credit payments paid into it. No credit checks are carried out when you open this account. You can take cash out free of charge at any Post Office branch. You need to take your plastic card and PIN to the counter to do this. You can also use your card and PIN to get a balance enquiry. But you don’t get a cheque book and you can’t get an overdraft or pay bills through your account.

Opening a basic bank account

Step 1: Decide which bank to use. You might want to go to the one nearest to you, or your friends might recommend one. But remember to look at the different things they are offering. The kind of things to look out for are:
- how old you have to be to open an account
- how much money you need to put in when you open it
- whether or not you get a debit card

Step 2: Get an application form. You can get this by calling into the bank and asking for one. Fill it in carefully. Each bank will have a different application form, but it will cover some or all of the following areas, so it’s worth making sure that you have all the information to hand before you start filling in the form.

<table>
<thead>
<tr>
<th>Title, surname and first name</th>
<th>Number of children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td>Type of housing you live in</td>
</tr>
<tr>
<td>Address and postcode</td>
<td>Previous address and type of housing</td>
</tr>
<tr>
<td>Length of time at this address</td>
<td>Monthly income (after tax)</td>
</tr>
<tr>
<td>Date of birth</td>
<td>Source of income (e.g. benefits, wage etc)</td>
</tr>
<tr>
<td>Country where you were born</td>
<td>Employment status (e.g. part-time, retired etc)</td>
</tr>
<tr>
<td>Country where you live</td>
<td>Type of employer and their name and address</td>
</tr>
<tr>
<td>Place of birth</td>
<td>Details of any other bank accounts</td>
</tr>
<tr>
<td>Mother’s maiden name</td>
<td>ID provided</td>
</tr>
<tr>
<td>Home, work and mobile phone numbers</td>
<td>Request for a cash card and PIN</td>
</tr>
</tbody>
</table>

Speak to someone if you need any help filling out the form, or need to check what information the different boxes are asking for. A personal adviser or youth worker might be helpful, or you could ask your tutor, employer, parents or mates.

Step 3: Get your ID together. To open an account, you usually need to show two or three forms of ID to confirm who you are. Examples include a passport, a driving licence, a giro or a council tax bill.

Step 4: Give the application form to the bank. If everything is OK, they will send you details of your new account, including a cashpoint card and PIN number if you asked for one.

LINKS

- [www.fsa.gov.uk/consumer/banking/index.html](http://www.fsa.gov.uk/consumer/banking/index.html) – this site helps you decide how to choose, open and run a bank account. It has online demonstrations and shows you how to fill in a lot of different things, like paying-in slips and cheques.
- [www.bbc.co.uk/radio1/onelife/finance](http://www.bbc.co.uk/radio1/onelife/finance) – lots of financial info, including sections on banking and savings.
- [www.thesite.org/homelawandmoney](http://www.thesite.org/homelawandmoney) – tips on choosing a bank and managing your cash as well as other money topics like benefits and insurance.

*No bank account? why it could pay you to have one.* This leaflet is produced by the Financial Services Authority. To order, phone 0845 606 1234 or you can download it at [www.fsa.gov.uk/consumer/consumer-publications/index.html](http://www.fsa.gov.uk/consumer/consumer-publications/index.html).

To find out about what different banks are offering, look at their websites or go into a local branch. To find out more about a Post Office card account, go into a local Post Office and ask for a leaflet, or visit [www.royalmail.co.uk](http://www.royalmail.co.uk)
learning and earning:

Going back to college might not sound as exciting as getting a job and proper money. But it could really help your long term prospects and, if you do go back into education and are aged between 16 and 19, you might get some financial help.

The main points to remember are:

- Your education will be free, if you are aged between 16 and 18 and you decide to go to a further education college or sixth form
- Your parents or carers will continue to get any child benefits, other benefits or tax credits they already receive for you, up to your 19th birthday
- You can apply for a Connexions Card. You collect points if you attend your course regularly, and these can be exchanged for rewards and discounts, including special offers from high street stores
- You might be able to get financial help. The main things to know about are:

**Education Maintenance Allowances (EMA):** Depending on your household income, EMAs pay up to £30 a week directly into your bank account if you stay on in education at school or college after your GCSEs. You need to fill in an application form to apply for one.

**Learner Support Funds:** These are to help with the costs of books, equipment and other things you need if you are having money difficulties or if your family has a low income. You might also get free transport or help towards fares.

**Help with childcare costs:** If you have a child and you are under 19 when your course starts, your childcare costs and any extra transport costs can be paid under the Care to Learn scheme.

**Help with studying away from home:** If you need to live away from home, for example to do a specialist agriculture, horticulture or art & design course, the college might help with your living costs.

**Help if you have a learning difficulty or disability:** You may be able to claim some benefits while you’re studying, and there may be help available through your college, or through trusts to help disabled students.

If you are 19 or over, the financial arrangements become a bit more complicated. If you are thinking of getting back into learning a good way to start is to call the [learndirect helpline](https://www.learndirect-advice.co.uk) (see links).

**LINKS**

- [www.dfes.gov.uk/financialhelp](http://www.dfes.gov.uk/financialhelp) – information on all the financial support available if you’re 16 to 19 and studying at sixth form or further education college, including EMAs.
- [www.waytolearn.co.uk](http://www.waytolearn.co.uk) – information for adults who would like to do a course or some other kind of learning but aren’t sure how to get back into it. Includes information on the sort of financial support available, and details of free courses run by learndirect.

**Connexions Direct:** 0800 800 13219 (freephone, 8am to 2am) [www.connexions-direct.com](http://www.connexions-direct.com)

If you are 19 or under you can speak to someone in confidence to get help and support on all aspects of learning, including financial support. Advisers can provide information on EMAs or put you in touch with your local service for face to face advice.

**learndirect:** 0800 100 900 (freephone) [www.learndirect-advice.co.uk](http://www.learndirect-advice.co.uk)

Free and confidential telephone helpline and website for adults looking for impartial information and advice on courses and careers.

**Skill:** 0800 328 5050 (freephone, Mon to Thurs 1.30pm to 4.30pm) [www.skill.org.uk](http://www.skill.org.uk)

The charity Skill runs an information and advice service to help people with learning difficulties and disabilities get on in learning, training and work. It can help with physical and financial issues.
learning and earning (cont’d):

You don’t have to stay on at school or go to college to carry on learning – you could try work-based learning, which means you’ll earn at the same time. Whatever you’re interested in doing, there’s probably a training scheme to suit you. Here’s some information on the main options available.

Apprenticeships
An Apprenticeship is a way of learning a skilled trade and earning money at the same time. Apprentices learn on the job, developing the knowledge and skills that are needed by employers in a particular field. They also get a qualification at the end of it.

Apprenticeships cover a range of skills, from business administration to beauty therapy or electrical engineering. Most Apprenticeships offer regular, full-time employment, and you can expect to be paid a wage. You can apply for an Apprenticeship if you are aged 16 to 24, living in England and not in education. The selection process is just like any other job application process. You might be asked to attend an interview or even to take tests to see if you’re the right person.

e2e
If you’re not ready or able to get straight on to an Apprenticeship or start a job, don’t worry. Entry to Employment (e2e) is a new flexible programme for 16 to 18 year olds who need help to get into the world of work.

In e2e, you will work with a personal adviser and a training provider who will help you work out what you need to do on the programme and come up with a plan of action that suits you and fits in with your career goals. Together you will make a plan of activities which could include reading and number work, taking part in work tasters and work experience and building your self-confidence and social skills. You will get a training allowance of £40 a week plus expenses while you are on e2e.

Financial help for those in work-based learning
If you are in financial difficulty, you might be able to get some additional funding to help you with travel costs or to buy equipment and clothing you may need for your training. This will depend on your household income. If you have a child and you are under 19, your childcare costs and any extra transport costs can be paid under the Care to Learn scheme.

Don’t know what to do?
If you don’t know what you want to do next, you could phone Connexions Direct if you are 19 or under or learndirect if you are over 19 (see links). They will be able to help you think through the options available.

LINKS

- www.dfes.gov.uk/financialhelp – information on the financial support available if you’re 16 to 19 and in work-based learning, including childcare costs.
- Apprenticeships: 08000 150 600 (freephone) www.apprentices.org.uk
  Apprenticeships provide work-based training opportunities for young people. The website contains background information on the scheme and you can submit an application form online.
- Connexions Direct: 080 800 13 2 19 (freephone) www.connexions-direct.com
  For information on e2e, or for a general chat about your options, call Connexions Direct to speak to an adviser or to find out where your local Connexions service is so you can talk to someone face to face.
- learndirect: 0800 100 900 (freephone) www.learndirect-advice.co.uk
  Free and confidential telephone helpline and website for adults looking for impartial information and advice on courses and careers.

This factsheet is only a short introduction to learning and earning. We recommend that you speak to Connexions or learndirect to get the information that is most relevant to you and find out who else you may need to speak to. This factsheet is accurate as of May 2005, to the best of our knowledge. Please visit the websites listed for the latest information.
benefits:

If you are on a low income or you are not in education, training or work, you may be entitled to benefits.

**The main benefits you need to know about are:**

- Jobseeker’s Allowance (JSA)
- Income Support
- Housing Benefit
- Council Tax Benefit (over-18s only)

**Other benefits that might be relevant are:**

- Help with Health Costs
- Cold Weather Payments
- Tax credits
- Benefits for careleavers
- Benefits if you have a baby

**Jobseeker’s Allowance**

Jobseeker’s allowance (or JSA for short) is for people who are fit to work and actively looking for work. It is normally for people aged 18 or over. Sometimes 16 and 17 year olds can claim it in special circumstances, for example:

- if you have been forced to live away from your parents or carer
- if you are a member of a couple with children
- if you would suffer severe hardship if JSA was not paid

To qualify for JSA you also need to show that:

- you are on a very low income, or
- you have paid enough National Insurance contributions in previous jobs

**If you are 16 or 17** and you want to claim JSA, you first need to register for training and work at your local Connexions Service. They will give you information and advice about different options and help you plan your career goals. They will then give you a form and any extra help you need to make a claim for JSA. After you have your New Jobseeker Interview, Connexions will help you to find a suitable training or employment opportunity as soon as possible.

**If you are aged 18 or over**, you should contact your local Jobcentre Plus or Jobcentre. As part of your claim you will have a New Jobseeker Interview with a personal adviser. You will be given claim forms to fill in, which you should bring to the interview. If you need help filling these in, people at the centre can help you. They will also give you any assistance you need in looking for work.

**Income Support**

If you are 16 or over and on a low income, and you are not required to be available for work, you might be able to claim Income Support. To do this you need to be working on average for less than 16 hours a week, or not working at all. If you live with a partner, they must be working for less than 24 hours a week, on average. Income support is not usually paid if you are a full-time student – though some full-time students, for instance lone parents or people with disabilities, might qualify for it. To claim Income Support you need to get a form from your local Jobcentre Plus or social security office.

**Housing Benefit**

Housing benefit is sometimes called ‘rent rebate’ or ‘rent allowance’. You might qualify for housing benefit if you are paying rent and you are entitled to JSA or Income Support, or you have a low income. The amount you get will depend on your circumstances, and there is a limit to the amount you will be paid each week – so it may not cover the full cost of your rent. Full-time students usually do not get housing benefit, unless they are disabled or have children. If you know that you are going to be moving into a new place and think you might be entitled to housing benefit, you can claim it up to 13 weeks beforehand. Usually, you will not receive any money before you move in, but it means you won’t have to wait for it to come through when you do move in.

See over for more details on benefits >>
benefits (cont’d):

Council Tax Benefit
You do not pay council tax if you are aged under 18. If you are aged 18 or over, on a low income and paying council tax, you may be able to claim Council Tax Benefit. You do not have to be receiving any other benefits to claim it. The amount of benefit you get depends on your circumstances, but it can be right up to the full value of your council tax.

Other benefits
• You may be able to claim Help with Health Costs (including free prescriptions and dental treatment) if you or your partner are getting Income Support or income-based Jobseeker’s Allowance
• You may be able to claim Cold Weather Payments if you or your partner are getting Income Support or income-based Jobseeker’s Allowance, and are disabled or have a child under 5
• There are two types of tax credits: Child Tax Credit and Working Tax Credit. You can apply for Child Tax Credit if you are responsible for a child under the age of 16. You can apply for Working Tax Credit if you are in low-paid work. The amount you receive will depend on your income each year. You need to apply direct to the Inland Revenue (see links below)
• If you have left care and you are aged 16 or 17, then you should speak to a personal adviser about your financial situation. There are new laws in place to make sure that care leavers have the support they need, both personally and financially
• If you are expecting a baby and are on a low income you could claim a Sure Start maternity grant of £500. When you are bringing up your child, you will be entitled to Child Benefit and may be able to claim Income Support. You will not be able to claim Maternity Allowance unless you’ve been working

LINKS

www.jobcentreplus.co.uk – straightforward information on most benefits, including JSA and Income Support.
You could also pick up leaflets from your local Jobcentre or Jobcentre Plus.

www.dwp.gov.uk/lifeevents/benefits – this site has information on Housing Benefit and Council Tax Benefit. Both of these benefits are paid by your local council. If you are claiming JSA or Income Support, you will get forms to claim Housing Benefit and Council Tax Benefit. If you are not claiming JSA or Income Support, you should contact your local council to get forms for Housing Benefit or Council Tax Benefit.

www.taxcredits.inlandrevenue.gov.uk – this site has information about tax credits. You can apply online, or visit your local Enquiry Centre (look under ‘Inland Revenue’ in the phone book for contact details and address).

www.carelaw.org.uk – information and advice for care leavers, including advice on financial support.

This factsheet is only a short introduction to benefits. We recommend that you speak to a personal adviser in Connexions (www.connexions-direct.com) or Jobcentre Plus (www.jobcentreplus.co.uk) to get the information that is most relevant to you and find out who else you need to speak to. This factsheet is accurate as of May 2005, to the best of our knowledge. Please visit the websites listed for the latest information.
tax and national insurance:

Who pays for schools, hospitals, benefits, pensions and libraries? The answer is we all do – once we're earning and paying tax. Here's a quick rundown of how it works.

When people earn over a certain amount of money, they start paying income tax and National Insurance. This money goes to the government, who spend it on key services that we all use.

**Income tax** is a tax on the money you earn. ‘Income’ includes your wage, but also any money you get from savings, investments or pensions.

**National Insurance** is used to pay for social security benefits like Jobseeker’s Allowance, Maternity Allowance, sick pay and the state pension. When you are earning over a certain amount, you pay National Insurance contributions which go on your account. These build up over time and, depending on how much you pay in, mean you can get benefits like the state pension when you need it.

When you are 16 you get a National Insurance number. This is your own personal account number. It makes sure that the National Insurance contributions and the tax you pay are properly recorded on your account.

**Did you know?** Income tax has been around for 200 years. It was first introduced in 1799, as a way of paying for the war against France, whose army was led by Napoleon. It continued to pay for soldiers and weapons until Napoleon was defeated in the Battle of Waterloo in 1815.

**How does the government get hold of the money?**
Income tax and National Insurance reach the government through a system called ‘pay as you earn’ or PAYE for short. This means that the money is automatically taken out of your pay packet before you even receive it. A certain amount is taken out (or ‘deducted’) for tax and a smaller amount is taken out for national insurance. Your wage slip will show you how much has been taken out.

**How much do people pay?**
The amount of tax and national insurance you pay depends on how much you earn.

**Income tax**: Everyone has a ‘personal allowance’, which is the amount of money you are allowed to earn each year without paying any tax. At the moment this is around £5,000 a year. After that, the amount of income tax you pay increases, the more you earn.
tax and national insurance (cont’d):

How does the government spend the money it raises?

How else does the government raise money?
Income tax and National Insurance are not the only ways that the government raises money for public services. There are other types of tax which people or companies might have to pay. The most common one is value added tax, or VAT, which is charged on most things you buy, like CDs, cinema tickets and computer games. But VAT isn’t charged on food, books, newspapers or children’s clothes.

Did you know? Today, over 50,000 people are employed directly by the Inland Revenue. And many more than that work in related areas – they include tax advisers, accountants, lawyers and their support staff.

LINKS

www.direct.gov.uk/money – quick introduction to how the tax system works
www.redbox.gov.uk – interactive site where you get to build and run The Square, with its own school, shops and a hospital. The only catch is that first you need to raise the money to pay for it.
Confused by the small print? Don't know your APR from your ATM? Bust through the finance jargon with this easy guide...

**APR:** is the ‘Annual Percentage Rate’. This tells you the interest you will pay on loans or credit, plus any other charges. This is shown as an annual rate, rather than a monthly rate, so you can easily compare the cost of one loan with another. A loan with an APR of 15% is more expensive than one with an APR of 11%.

**ATM:** an ‘Automated Teller Machine’ is a cash dispensing machine (or ‘hole in the wall’), which you find in many places including banks, shopping centres and railway stations. In order to be able to use an ATM you need a cashpoint card and a personal identification number (PIN). There is often a limit of, say, £250 per day on your withdrawals.

**Balance:** is the amount of money you have in your bank or other account at any time (or the amount you owe on your credit or store card). It will be shown on your statement, which you should be sent regularly. ‘Balance brought forward’ is the balance that was left at the end of the last month.

**Bank:** a company that provides a range of financial services, such as current and deposit accounts. Banks must be authorised to take your money.

**Bounced cheque:** if someone writes a cheque but does not have enough money in their account to cover it (or an agreed overdraft to cover it) the bank will return the cheque to the person who it was made out to, and they won’t cash it unless it is covered by a **cheque guarantee card**.

**Building society:** an organisation that is owned by its members, who are also its customers. They often offer a range of financial services and are similar to banks.

**Cash card/ cashpoint card:** a card that lets you use a cash machine (ATM/ ‘hole in the wall’) to withdraw money, check your balance or print a mini-statement.

**Cheque:** a written instruction to the bank to pay either yourself or someone else.

**Cheque guarantee card:** a plastic card that is issued by a bank or building society and guarantees that the amount of money on any cheque you write will be paid – whether or not there is enough money in the account. There is a limit to the amount that is guaranteed – £50 and £100 are common amounts.

**Clearing:** clearing is the time it takes for your bank to credit money into your account, for example if you have paid in a cheque. It usually takes three days, but can be longer – ask your bank for details.

**Credit:** an account that is ‘in credit’ means that there is some money in it that is available to spend. But if you get goods or services ‘on credit’ it means that someone (for example, a bank or credit institution) has given you the money to make the purchase – they have ‘credited’ you with the money, and you must pay it back. If you do not pay your credit card on time or have a history of not paying back other loans, this will be shown on your file held by a credit reference agency. When shops or banks check your ‘creditworthiness’ and see this information, you may find it very difficult to get a loan.

**Credit card:** a plastic card issued by a bank or building society that allows you to buy things now and pay for them later. Every month you will be sent a **statement** of your account, showing the minimum amount you must pay back. Interest will be charged on any money still owing. Your ‘credit limit’ is the maximum amount the credit company will lend you at any time. You have to be 18 or over to apply for a credit card.

**Credit reference agency:** an agency that holds information about people including things like ‘credit account information’ (such as your record of repaying loans, credit, mortgage, or hire purchase), as well as records of credit checks that have previously been made.

**Credit Union:** a savings association that makes loans to its members at a low interest rate. It does not make profits. All members have a common ‘bond’ such as belonging to the same housing association or live and/or work in the same area.

**Debit card:** a plastic card that can be used instead of cash (in shops, shopping by phone or on the internet). The amount you spend is taken automatically by computer from your account (‘debited’ from the account). Some cards (such as Switch and Delta) could let you spend money you don’t have in your account – it is not always checked at the time of purchase. Others (such as Solo and Electron) only let the purchase to go ahead if there is enough money in the account. Debit cards also let you get money out of a cashpoint.

See over for more moneytalk >>
Direct debit: an arrangement where the bank releases money from your account to pay bills automatically. The organisation you are paying can change the amount of a direct debit, but you are told in advance how much it will be. If you set up a direct debit to pay household bills you usually receive a discount, and it means that you don’t have to worry about sending off a cheque each month (visit www.directdebit.co.uk).

Gross pay: your pay before anything is taken away from it, like income tax and National Insurance contributions. Once these have been taken off it is known as ‘net pay’.

Hire purchase: an arrangement where you can take the goods (e.g. a car) away without having paid for them in full. You will probably have to make a deposit and will then make regular payments. After a set length of time, when the goods have been paid for, they are yours.

Income tax: you are allowed to earn a certain amount each year tax-free, but after that the Inland Revenue taxes your income. The money goes to pay for public services like health and education. The basic rate of income tax is currently 22%.

Interest: a proportion (or percentage) of money on top of an original amount. If you save money, you can often receive interest from the bank on the money you save. If you borrow money, you often have to pay interest on the money you’ve borrowed.

Interest rate: the percentage that is paid in interest on savings or loans. A savings account that was offering 8% interest would give you a better return (more money) than one that was offering 5%. Similarly borrowing money at 22% would cost more than borrowing at 18%.

ISA: ISA means ‘Individual Savings Account’. It is a savings account which pays you interest tax free.

Loan shark: someone who lends money but does not hold a ‘customer credit licence’. They often charge very high rates of interest.

National Insurance: National Insurance is a type of tax paid by most people in work. It helps to cover the cost of state benefits like pensions, sick pay, maternity pay and employment benefit.

Net pay: the pay you actually get after tax, national insurance and other deductions have been taken off. Also known as ‘take home pay’.

Overdraft: if you spend more money than you have in your account you will go ‘overdrawn’. To avoid this happening you need to ask the bank if they can lend you some money for a short time. This is known as an overdraft, for which you will pay an agreed rate of interest on the overdraft. If you go overdrawn without letting the bank know, they might refuse to pay your cheques and charge you a higher interest rate.

Pension: an income paid out after someone retires from work. Lots of people save for their own pension, so that they get more than the basic state pension when they retire. If you do this, you can save tax on the money you pay in. When you pay into a pension, you get interest on your payments – and then interest on the interest! If you want a personal pension it’s worth starting as early as you can to get the most out of it.

PIN: personal identification number – a secret number which you use with a cash machine card. You type it in and the cash machine checks that the card number and PIN are the same.

Priority debts: these are debts which are more important than others because the law lets the people you owe the money to take serious action against you. Priority debts include things like hire purchase and mortgages because the thing you’re paying for (like your car or home) could be taken away if you do not keep up your repayments.

Standing order: a way of paying regular amounts automatically which you set up yourself (as opposed to a direct debit which is set up by the organisation you are paying). Once set up, the bank will pay the agreed amount of money on a regular basis to a particular person or company.

Statement: a document from the bank or building society which shows all your recent payments into and withdrawals from your account. You should check it with your own records.

Store card: a plastic card issued by a shop which lets you buy goods at that store on credit. The APR can be quite high and you must pay something back each month.

Tax year: a 12 month period running from 6th April in one year to 5th April in the next year.

Tenant: someone who rents where they live.

Utility bills: the bills for electricity, water, gas and telephone.
MoneySkills

Money matters play a vital part in some of the most important decisions a young person will make, such as leaving home, or choosing whether to look for work in stay or education. Yet many young people face these decisions without the skills or knowledge to make an informed financial choice.

MoneySkills has been devised as an accessible resource on financial skills and decision-making for vulnerable and disadvantaged young people, for example those who have recently left the care system, who are homeless or who are unemployed. It can either be run as a series of short activities, or a one-day or half-day workshop, and contains instructions, activity sheets and factsheets to help young people to:

- understand and use basic financial skills
- use and develop their broader personal and social skills
- think about the financial skills, services and resources they might need in future
- think through the financial dimensions of their next steps in life, learning or employment.

It addresses the ‘basic level’ skills, knowledge and understanding outlined in the Adult Financial Capability Framework.

"Skills like budgeting, financial planning, and dealing with debt are important at any age. When you’re 16, unsure of your prospects and on the verge of independence, they can be critical. This is where MoneySkills comes in"  
Martin Mosley, Consumer and Community Affairs Director, Barclays Bank PLC