

PCSHE Booklet

Topic 6 – Financial Decision Making

Name: _____

Class: _____

Teacher: _____

Year 7 Curriculum					
Topic 1: Resilience and Self-Esteem Personal identity, positive thinking, confidence, self-esteem and resilience.	Topic 2: Political Systems Political system in the UK, Parliament, voting and elections, liberty.	Topic 3: Diversity and Relationships Diversity, prejudice, and bullying	Topic 4: Your Changing Body Puberty, body image, unwanted contact, and FGM	Topic 5: Building relationships Self-worth and sexting, romance and friendships (including online) and relationship boundaries	Topic 6: Financial decision making Saving, borrowing, budgeting and making financial choices

If you need further support...

- Safeguarding team – Mr Ogden, Mrs Jones, Mrs Loveridge, Mrs Aston, Mr Hayward, Mrs Toulson
- Parents/Friends
- Tutor/Teachers

Outside organisations:

- Cifas – cifas.org.uk
- GetSafeOnline – getsafeonline.org
- Digital Wings – digital.wings.uk.Barclay
- <http://www.youngminds.org.uk/>
- www.begambleaware.org/NGTS.html

Knowledge Organiser

PCSHE – Year 7 Topic 6 – Financial Decision Making

<p>Key Terms:</p> <ul style="list-style-type: none"> Income Tax: Income tax is the money that individuals or businesses have to pay to the government based on the money they earn or the profits they make. Earnings: Earnings are the money or income that individuals or businesses receive from their work, businesses, or investments. Interest: the bank (or whoever) pays us for the chance to use our money Fixed cost: costs that are the same no matter how many people are involved. Income: The money you earn or are given Needs: essentials such as water and food Wants: things that we don't really need but like to keep up to date Expenditure: the money you have to pay to others or decide to spend. Savings account: an account for money you don't need instantly. Often you get paid interest on savings accounts. Budgets: Budgets are plans that help individuals or businesses keep track of their money. They show how much money is coming in (income) and how much is going out (expenditure), helping to control spending and save money. Disposable: Disposable refers to the income or money that individuals or households have left after paying taxes and essential expenses. It is the money available for spending or saving on non-essential items. Loan: A loan is an amount of money borrowed from a bank or lender. The borrower agrees to repay the loan over time, usually with interest added. Gambling: Gambling refers to playing games of chance or betting on uncertain outcomes, usually involving money. It involves taking a risk with the hope of winning more money or prizes. Value: Value refers to the worth or importance of something. It can be the monetary worth of an item or the significance or usefulness it holds. Debt: Debt refers to an amount of money that one party (person) owes to another Fraud: Fraud is a dishonest act carried out with the intention to gain an unfair advantage. It involves concealment (<i>hiding</i>) of information, or manipulation of facts for personal or financial gain. 	<p>KPI2: Saving and Budgeting</p> <p>Types of accounts:</p> <ul style="list-style-type: none"> Saving accounts: You can open a savings account yourself at 16. An adult can open a savings account for a child under 18. If you saved £10 a month for a year, at a yearly 1% interest rate, you should have £120.65 at the end of the year. They are specifically designed for you to save money in and are usually best for saving larger amounts. Current accounts: These help you to manage your day-to-day money, pay bills, receive incoming money. <p>Risk: Different types of savings and investments carry different types of risk. Some finances are high risk, that is, the chances of something bad happening are high; however, in return for taking that high risk, you might earn more money than someone who saves in a low-risk way. Putting your money in a piggy bank could be described as so low risk that it's virtually risk free, but therefore you get no extra money back. Normally, the higher the risk, the higher the possible return, but also the potential for a higher loss.</p> <p>Budgeting: Budgeting is the process of managing your money. It can be used to manage the balance between your income and your outgoings. It ensures that</p> <ul style="list-style-type: none"> - You have enough money to cover the necessities - You are spending on what really matters to you - You are putting money aside for the future - You have considered other things you might want to use your money for, such as giving to charity. 	<p>KPI3: Gambling</p> <p>Gambling is an activity that results in either a win or a loss. It is also known as betting, gaming or taking part in a lottery. All gambling is high risk – the chances of losing money are far greater than winning it. This is how organisations in the gambling industry make their money.</p> <p>There are several sectors where gambling activities take place</p> <ul style="list-style-type: none"> • Arcades • Betting • Bingo • Casino • Lotteries • Gaming machines • Social gambling <p>Impacts of gambling:</p> <ul style="list-style-type: none"> • Spending more than they want on gambling • Struggle to find money for bills • Take out loans to cover gambling debts. • Extreme emotions or mood swings • Stopping their other hobbies • Difficulty sleeping • Feeling depressed or anxious. 	<p>KPI4: Dealing with financial dilemmas</p> <p>Fraud: Fraud is when a person dishonestly and deliberately deceives a victim for personal gain of property or money.</p> <p>Identity theft: The act of a person illegally obtaining information about someone else.</p> <p>Phishing: By pretending to be financial institutions or companies, thieves can send fake emails or pop-up messages to get you to reveal your personal information. You should never click on links and should avoid responding to these emails.</p> <p>Vishing or phone scams: These typically involve fraudsters deceiving people into believing they are speaking to a member of a bank or a representative of another trusted company or agency. Usually, the fraudster will convince the person they have been a victim of fraud and will ask for personal and financial information to gain access to their account.</p> <p>Smishing (SMS phishing): This is when someone tries to trick you into giving them your private information via a text or SMS message. Many people tend to be more inclined to trust a text message or an email and people are less aware of the security risks involved with click on links in a text message.</p>
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Low Stake Quiz

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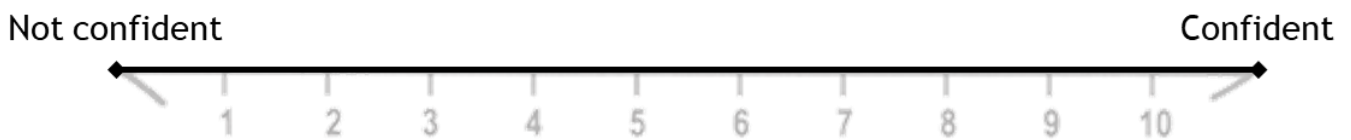
Sliding Scale – Lesson 1

Saving and Budgeting

Task: Complete the sliding scales below by circling a number to demonstrate your confidence level with each learning objective.

Sliding Scales

To be able to explain how managing their money can help them to save.



To be able to explain the benefits of saving



To be able to set up a budget and cope with the unexpected.



Key words: Saving, budgeting, spending, savings account, stocks and shares, income, fixed costs

People have very different attitudes to what they do with their money.

Task: In you booklet, there are three types of people.

Complete the table to outline the advantages and disadvantages of each character’s attitudes towards money.

Charac ter	Advantages	Disadvantages
Spend, spend, spend		
Save, save, save		
Spend some, save some		



A spend, spend, spend person



A save, save, save person



A spend some, save some person

Task: On way to balance our approach when it comes to spending is to think about our priorities. Below there are ten things that you might spend your money on. Rank them in order of priority. Remember you will have a limited amount to spend, so you will have to make some choices.

- ☐ Birthday presents for Mum or Dad
- ☐ Pizza and cinema with friends
- ☐ Donation to a charity collection box
- ☐ Latest fashion item of clothing
- ☐ Lend money to a friend who needs it
- ☐ New music download/Subscription to Spotify
- ☐ Snacks
- ☐ Add data/credit to mobile phone/pay for contract
- ☐ Latest computer game
- ☐ Make up/toiletries.

Extension: Explain why you have ranked them in this order.

Task: Look at the table. Sam is trying to work out how he can afford to go away on a camping trip. At present he spends all of his income each week he needs to save a total of £30 in the next ten weeks.

- 1. How much does he need to save per week?
- 2. How can Sam make savings on his weekly spending?
- 3. How can Sam increase his income?
- 4. Complete the table filling in the figures for him.

Current weekly income	£	Current weekly spending	£
Pocket money	5	Snacks	4
Money for chores	5	Subs	2
		Bus fares at weekend	4
TOTAL	10	TOTAL	10
New weekly income		New weekly spending	
		Weekly savings target	
TOTAL		TOTAL	

Task: Look at the table which shows how Sam and his three friends budget to go on a trip.

Suddenly one friend drops out. Table 3 shows how this affects their finances. The petrol money and the campsite fees are ‘fixed costs’ that can’t be reduced even if there are fewer of people.

- 1. Work out the rest of the budget.
- 2. What effect does one person dropping out have on their budget?
- 3. What changes to the budget can you suggest to make it balance?

Original budget			
Income	£	Spending	£
Sam	30	Petrol money to and from campsite	30
Friend 1	30	Campsite fees	20
Friend 2	30	Food, etc. at £10 each	40
Friend 3	30	Entry money – local attraction at £6 each	24
		Ice creams at £1.50 each	6
TOTAL	120	TOTAL	120

Table 2 Sam’s and his friends’ budget for equally sharing the trip costs

Income	£	Spending	£
Sam	30	Petrol money to and from campsite	30
Friend 1	30	Campsite fees	20
Friend 2	30	Food, etc.	
		Entry money – local attraction at £6 each	
		Ice creams at £1.50 each	
TOTAL	90	TOTAL	

Table 3 Revised budget

Low Stake Quiz

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Sliding Scale – Lesson 2

What influences our spending?

Task: Complete the sliding scales below by circling a number to demonstrate your confidence level with each learning objective.

Sliding Scales

To be able to identify some of the reasons why you spend your money.



To be able to explain why you have chosen to support different kinds of shops.



To be able to suggest how price and competition affects your consumer decisions.



Key words: Spending, impulse purchases, consumer decisions, price, competition.

Task: Why do we spend money?

1. List all the things you've bought over the last month.
2. Discuss in pairs how much you needed the things, and whether they were luxury or impulse purchases.

[illegible]

Task:

1. Brainstorm all the different types of shops you can think of.
2. Now think about where you shop. Imagine you are a typical customer at each of the shops shown in the pictures. In pairs, list all the reasons why you'd choose to shop at each.



Task: Is price the most important factor which affects our decision as to where to shop?

If price is important, imagine what would happen if one supermarket chain slashed its prices for milk. In pairs, work out a possible chain reaction in answer to the questions...

- Would people buy more milk there?
- What would happen to milk sales at other supermarkets and at the small grocery shops?
- Would these other shops put their prices down too? If not, how could they compete?
- What impact would this have on the dairy farmers who supply the supermarket?
- Would the consumer pay more for local milk?
- What might make milk prices go back up again?

When shops complete with each other over price, there are winners and losers. Name all the possible winners and losers, giving an explanation for each one.

[illegible]

Task: List three things that you have learnt a shop can do to persuade you to buy its goods rather than those from another shop.

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Low Stake Quiz

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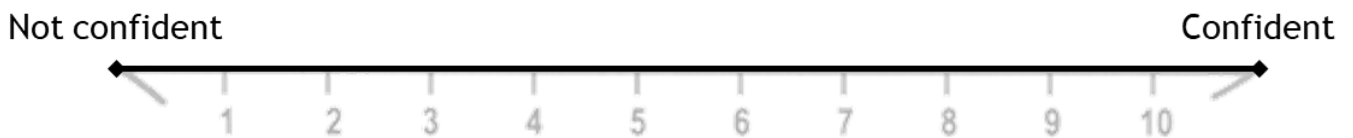
Sliding Scale – Lesson 3

How enterprising am I?

Task: Complete the sliding scales below by circling a number to demonstrate your confidence level with each learning objective.

Sliding Scales

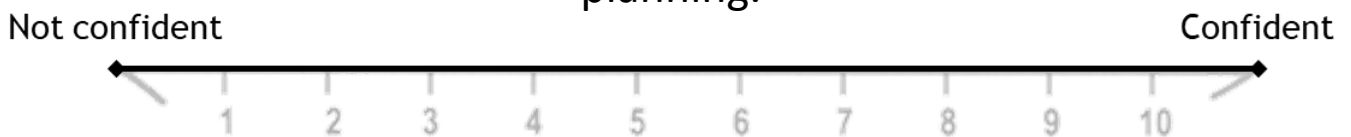
I am able to describe the skills involved in creating a new business.



I am able to identify ideas and methods to promote new business ideas.



I am able to demonstrate the skills of problem solving and action-planning.



Key words: Investment, business, target audience, business plan, product or service.

Some of you may have watched the TV programme *Dragon's Den*. In the programme, members of the public with ideas for new business ventures pitch for investment in the Den from the Dragons. These members of the public are enterprising people, that means they have used their creativity to develop new business ideas. The Dragon's are business people who are willing to invest their own money in exchange for a share of the new business.

Task: Look at the information below. It shows two enterprising and successful people who pitched in Dragon's Den with two very different products.

Have you ever wanted to invent anything? Share ideas with the person next to you.

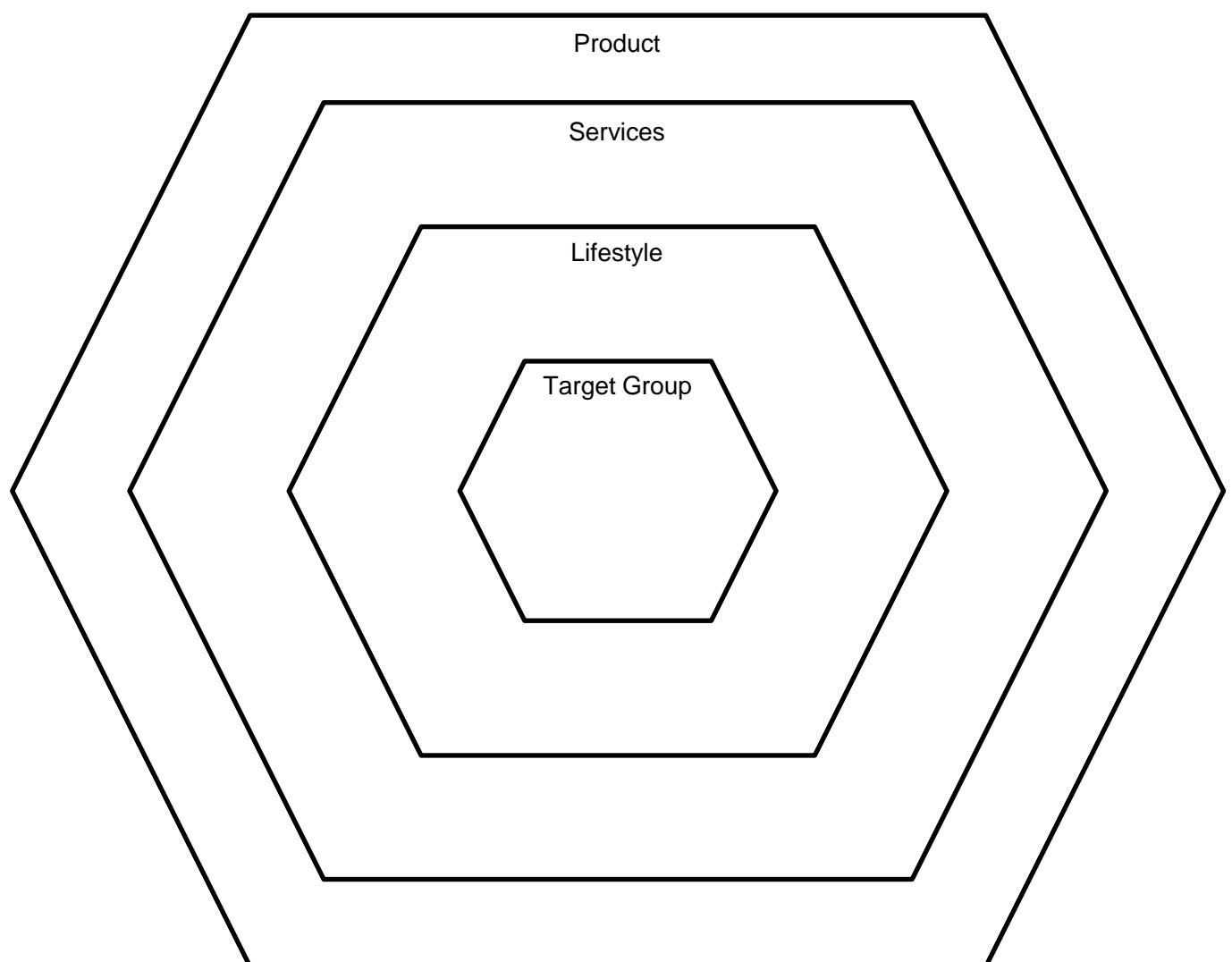
Name: Amy Wordsworth
Pitching: Good Bubble
Investment required: £60 000
Investment secured: £60 000 for 40% of the company
Brief description: Children's skincare

Name: Levi Roots
Pitching: Reggae Reggae Sauce
Investment required: £50 000 for 20% of the company
Investment secured: £50 000 for 40% of the company
Brief description: Hot spicy barbecue sauce and seasonings

Source 1 Two enterprising and successful people who pitched in *Dragons' Den*

We are now going to formulate ideas for a new business, but first we must understand our target audience.

1. Use the model example on the screen to complete your own hexagon.
2. Choose a new target group (for example, teenage boys, toddlers, retired people) and write it in the centre of your diagram.
3. You will need to think about the lifestyle of this group and add these aspects to your diagram.
4. For each lifestyle aspect, show the products and services that the people in your target market would find useful. How could these be developed into a new business idea?



Now you have an idea for a business, you need to write a business plan. An example of how to write one is given below...

This will show potential investors that the business is worth investing in. In *Dragon's Den* it is the product and the business plan together that form the pitch.

BUSINESS PLAN	
Business name:	
What will your business be called?	
Business idea:	
What is the product or service?	
What is its potential to be successful?	
What competition will there be from others?	
What risks are there and how can you limit them?	
How will the product/service be promoted?	
What will you charge?	
Target market:	
Whom is the product/service aimed at?	
Why are these customers likely to buy it?	
Finance:	
What will you need money for?	
Where might you get this money?	

Now that you have a product/service and business plan ready, you need to devise a pitch for funds to start running your business.

Task: Prepare a pitch that lasts no more than two minutes. You can use a variety of media to do this.

This image shows a full page of white paper with horizontal black ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Task: Working in a group of four. Choose one of the products or services from your *Dragon Den's ideas* that you thought was worth funding. Devise an advertising plan for promoting this product/service.

- 1 Choose the name of your product.
- 2 Define the USP (unique selling point) of your product – this should be the main message of the advert.
- 3 Know your target audience – what style of advert will appeal to them most? For example, a younger audience might be drawn to a 'busy' advert with lots of images and different fonts.
- 4 Choose the images that you want to appear in your advert – will they be of the product or of something else?
- 5 Decide where the images and text should go.

Source 4 Planning an advert to promote your product.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Task: Now that you have an advertising plan, in groups design and prepare the advert itself. You will need to ensure that you follow the plan closely. Remember to put your USP (Unique Selling Point) across to your audience effectively.

In this lesson you have been thinking about marketing. You have also had the opportunity to develop your group work skills.

Task: Complete the table below to demonstrate the skills you have used this lesson.

	Successful group work qualities	How did we do? Questions to ask ourselves	Self-assessment: score out of 5 5 = excellent 1 = poor
Working together	Doing my best Helping others to do their best Not giving up	How much did team members encourage each other? Did the team give up?	
Motivation	Using good communication skills Being supportive of each other all the time Using lots of different skills	Did we listen to each other? Did we discuss how to share the tasks? Did we remain supportive throughout?	
Thinking <ul style="list-style-type: none">•	Being creative Trying new ideas	Did we discuss various answers and solutions? Did we offer any new ideas?	
Completing the task	Seeing it through to the end Keeping focused on the task Everyone participating	Did we complete the task on time? Did we complete the task successfully? Did everyone contribute?	

Source 5 A self-assessment chart

Low Stake Quiz

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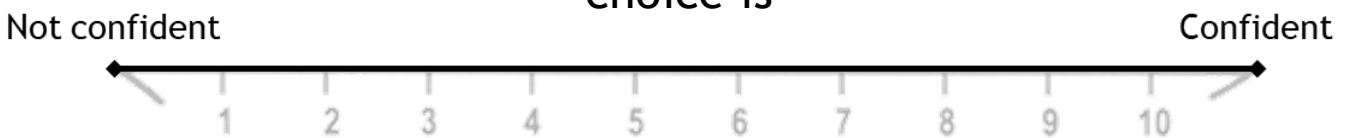
Sliding Scale – Lesson 4

Gambling

Task: Complete the sliding scales below by circling a number to demonstrate your confidence level with each learning objective.

Sliding Scales

I am able to understand what a responsible and irresponsible choice is



I am able to describe the different factors which influence choices



I am able to explain the different type of gambling and the related risks



Key words: risk, responsible choices, irresponsible choices, gambling, impacts

Being responsible means being **dependable**, **keeping promises** and **honoring our commitments**. It is accepting the consequences for what we say and do.



Task 1: Write a mind map about what affects our ability to make good choices.



When you have or show a lack of concern for the consequences of your own actions.

There are many influences on our choices. We can allow ourselves to be pressurized into behavior or situations that lead to us being riskier than we should be.

Risk is the possibility of taking an action when we cannot always predict what will happen and when there is the potential of losing something of value.



Task 2: Write your risk scores in your booklets



SCORE



SCORE



SCORE



SCORE

Gambling is a risk where money (or something else of value) is swapped in the hope of winning something better. Participants have no idea if they will win or lose.



Task 3: In your booklet write out as many gambling activities as you can



Task: Read Source 2, which gives facts on young people’s attitudes towards gambling and gamblers. Using the information, complete the table below to explain why some people gamble and some people choose not to.

Attitudes and influences (based on young people aged 11–16 living in Britain):

- 59% agree that gambling is dangerous and only 14% agree that it is OK for someone their age to gamble
- Almost half of young people (49%) said that someone had spoken to them about the problems gambling may lead to
- 66% of young people have seen gambling adverts on TV, 59% on social media and 53% on other websites
- 49% had seen or heard TV or radio programmes sponsored by a gambling company and 46% had encountered gambling sponsorships at sports venues
- 7% claimed that they had been prompted to gamble by a gambling advert or sponsorship
- More than one in ten young people (12%) follow gambling companies on social media

Source 2 From ‘Young people and gambling 2018’ by The Gambling Commission

Why do some people gamble?	Why do some people not gamble?

What is the impact of Gambling?

David is 21 years old and has started gambling for fun. He had some early wins. He kept playing in the hope he will win again and experience the same good feelings.

What are your concerns about David?

Impact on Finances	Impact on Mental Health



He plans to buy one of the named top players for £10 but then sees an offer to buy a mystery bundle containing three random players for the same price.

Max decides to spend the rest of his birthday money on four more mystery bundles, as he thinks they will have to contain more of the top players, but is even more disappointed when, for £50, he only gets one of the players he wanted.

Max's mum was annoyed that he had wasted his birthday money and told him that he shouldn't be gambling on mystery bundles.

- 1.** In your opinion, do you think this is a form of gambling? Explain your answer.
- 2.** What are the potential risks for young people playing for mystery bundles?
- 3.** Do you think that Max will be more or less likely to gamble in the future based on this outcome?
- 4.** If Max had got eight top players in his mystery bundles, do you think that he would be more or less likely to gamble in the future?
- 5.** Are there any similarities between these mystery bundles and other forms of gambling? Explain your answer.

[illegible]

Low Stake Quiz

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Sliding Scale – Lesson 5

Dealing with Financial Dilemmas

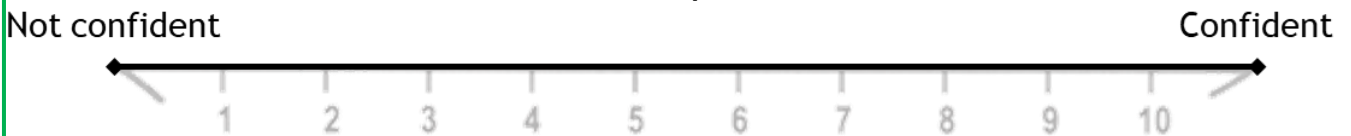
Task: Complete the sliding scales below by circling a number to demonstrate your confidence level with each learning objective.

Sliding Scales

I can explain the influences on our attitude towards money and how we form good and bad habits.



I can recognise common financial mistakes and threats and understand how to improve financial health



I can understand the different ways we can be affected by fraud and how to keep financial information safe.



Key words: Fraud, habits, financial mistakes , online scams, money mules, vishing.

Task 1: Answer the following questions in your booklet based on the previous video.

1. What pressures do the young people mention about money?
2. What tips are suggested to spend and save wisely?

Task 2: Answer the following questions in your booklet based on the previous video.

1. Who are the role models that are mentioned in the film?
2. Who are your role models when it comes to managing money?
3. What have the individuals in the video learnt from their role models?

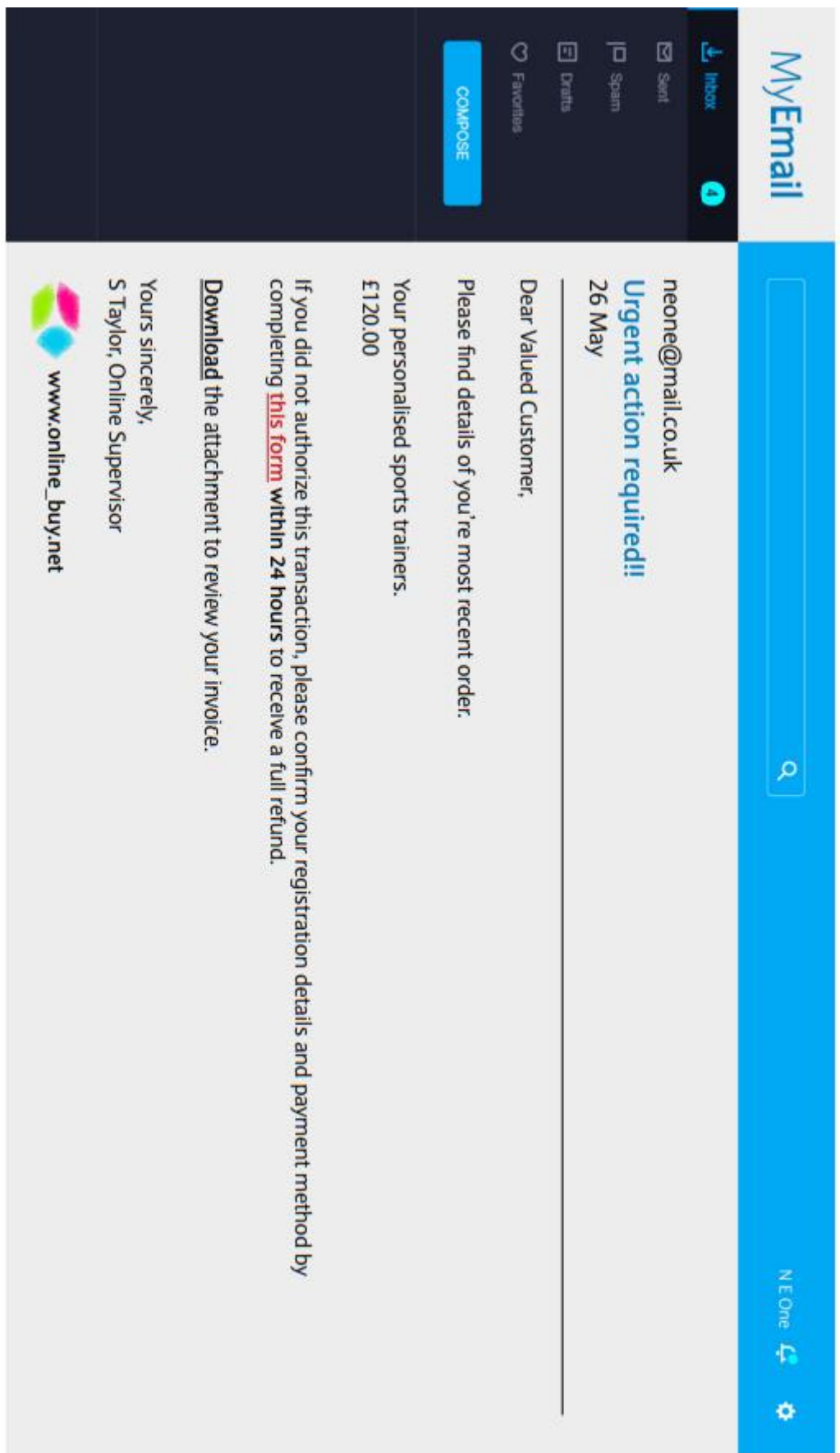
Task: Read Sam’s story and discuss the following questions.

Sam is 20 years old. He left school two years ago and has been working at a call centre, earning £13,000 per year. Pay day is the last Friday of the month and that night is always a celebration. Sam will take £100 from the cash machine when he leaves work and meets his friends, and usually has around £10 left on Saturday morning. Sometimes Sam will spend extra money that evening using his debit card but doesn’t keep his receipts or check his balance the next day to keep track of it. On the first Saturday after pay day Sam will make a trip to the shops and buy clothes on one of his credit cards without checking his statement to see how much money he already owes. Sam has given the same PIN to all of his debit and credit cards so it’s easy to remember – 1234. He also uses this as his passcode for his mobile banking app, just adding 56 as it needs to be six digits long. Sam has a laugh at friends who forget their PIN and will regularly tell them to keep it simple and use a number like his. He has multiple social media accounts, and low privacy settings as he likes everyone to know when his birthday is and when he’s going on holiday. Sam was putting his bank statements in the bin when they arrived in the post but has switched to paperless banking, so he doesn’t have to worry about them stacking up anymore. At the end of the month, Sam will pay the minimum amount necessary on each credit card. On a couple of occasions this has been a problem because Sam did not have enough left in the bank and hadn’t checked his bank account online to see what he had spent.”

What are Sam’s bad habits?	What are his good habits?

What actions could Sam take to adjust his money management and stay safe online?

Task: Find all the clues to spot that this email is a fake or may suggest a fraud risk.



Task: In your booklet you can see three case studies of fraud and identity theft. Read through both case studies and answer the following questions.

Case study 1: Priya had been looking for a job to earn some money, when she was approached outside her college by someone who offered her a way of making easy cash. They asked Priya to share her bank details so that money could be transferred into her account for a short period of time. She agreed when they said that whilst £500 would be transferred in, only £450 would be taken out and she could keep the rest.

Case study 2: Jake was keen to get tickets for a football match which had sold out. He found some advertised online cheaper than the original price, and paid for them using his debit card. Jake was sent a confirmation email straight away to say that the tickets would arrive within 10 days. Unfortunately, the tickets never arrived and when he made calls to the company they were ignored.

Case study 3: Mohammed was using his laptop when his phone rang. The caller was an IT specialist from his home internet provider, and they explained that there was a virus on his laptop and he would need to restore the settings with their help. They asked Mohammed to re-open his recently visited internet sites, which included his online banking. Mohammed provided some technical details which allowed them to gain remote access to his laptop, and was advised not to use the laptop for 24 hours following the software and protection update. The next day, Mohammed went to take money out of his bank account but his balance was zero.

Key terms:

- **Money mules:** a “witting” mule assists the crime by providing the bank account where the proceeds of any fraud or scams can be paid to. Fraudsters and scammers can open an account themselves using fake ID, or can convince someone who already has a bank account to receive money on their behalf. The mule has acted illegally, even if they didn’t know the extent of the fraudsters actions.
- **Online scams:** Scammers advertise goods or services that don’t exist or aren’t theirs to sell. They convince you to send the payment directly to their bank but the goods never arrive, or are not as advertised.
- **Vishing:** a phone call from a fraudster posing as an employee of a reputable company, who will come up with a plausible story to get you to share their financial/personal information.

- [illegible]

37

This image shows a full page of white paper with horizontal black ruling lines, typical of notebook paper. In the bottom right corner, there is a logo consisting of a green leaf icon next to the text "GREENSHAW LEARNING TRUST".

[illegible]

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.