



## TEACHING PERSONAL FINANCE

### Where Money Goes & What We Spend It On

#### REQUIRED RESOURCES

- Flipchart & Flipchart pad
- Markers
- Masking tape to hang the charts
- "Money I spent this month" worksheets (Included at the back of the lesson).

#### SUGGESTED KEY STAGES

KS2 & KS3

#### TIME

45 - 60 Minutes

#### OBJECTIVES

- To recognise household expenses and regular financial commitments e.g. find out about mortgages, rent, utility bills, credit card bills, insurance, etc.
- To begin to understand why money, such as Tax, National Insurance or pension contributions, is deducted from earnings e.g. discuss how money deducted as tax is used to pay for things like schools.

#### TEACHING SUGGESTION/PREPARATION

- It is a good idea to write the answers that your students give on a flipchart pad, so they can be referred to at different times during the lesson.
- You need to make enough copies of the "Money I spent this month" worksheet for the whole class.

Remember that talking about money and personal finance may be a very sensitive issue for some students in your group. You need to take account of the needs of your students when dealing with topics related to social, cultural or personal identity. For instance, your student's views on money may differ based on their social or cultural backgrounds.

#### TEACHING STEPS

**STEP 1:** Read through these pages first. Write on the flipchart pad:  
Who spends your money?



Who saves your money?

Therefore, who manages your money?

Think of this as the underlying basis of the lesson: getting the students to understand that they will ultimately manage and be responsible for their own money and financial decisions later on in life.

**STEP 2:** Introduce the session by asking the following questions:

**Discussion Questions**

- What do you spend money on?
- What do your parents, guardians or other adults you know spend money on? *(Answers should include the home/mortgage or rent, food, clothes, school fees, holidays, utilities, toys, presents, petrol, car etc)*
- What is a “**Need**”? *(Answers should include shelter, food, clothes-basic items that are essential to a person’s survival etc)*
- What is a “**Want**”? *(Answers should include holidays, toys et – items that are nice to have)*

**Group Activity A:** Copy the following list items onto the flipchart or whiteboard, go through each one and categorise the list of things people spend money on, into needs and wants. Once this exercise is complete, discuss which category, and then which items should be paid for first.

- 1) Clothes (Winter coat, shoes etc) – *Need*
- 2) Holiday to Spain - *Want*
- 3) Television – *Want* (Some homes do not have a TV)
- 4) Mortgage/Rent - *Need*
- 5) School fees – *Want* (mainly because there are non-fee paying schools, however getting an education is classified by many as a “Need”)
- 6) PS2/Nintendo DS - *Want*
- 7) Computer - *Want*
- 8) Books - *Want*
- 9) Sky subscription to sports & movie channels - *Want*
- 10) Gym membership - *Want*
- 11) School trip for Laura - *Want*
- 12) Food - *Need*

**Group Activity B:** Going through the list of **Needs** and **Wants**, ask the group to further categorise the items into fixed (regular monthly payments e.g., mortgage) and variable expenses (e.g. one-off purchases, holidays)



**STEP 3:** Discuss the use of our Tax, National Insurance and pension contributions by asking the following questions (This assumes a previous lesson or explanation of Tax and National Insurance. If this has not been covered, provide a recap on what taxes and national insurance are):

- *What do you think the tax that is deducted from people's payslips is used for?*
- *What do you think the National Insurance that is deducted from people's payslips is used for?*
- *Why do you think people make pension contributions?*
- *How old do you need to be to receive a pension?*

The depth and level of detail of this discussion will depend on the age range of your group. However, it is important for the students to understand other ways in which money via our tax is used to pay for things like schools etc.

**STEP 4:** If you have enough time left, distribute the "Money I spent this Month" worksheet to the students.

Ask them to think about and write down the different items they spend money on in the spaces indicated on the worksheet. They should use the letters "N" and "W" to indicate if the items are "Needs" or "Wants". Ask them to hold onto their worksheet, and use it as a tool for monitoring what they spend their money on over the next 30 days. It is always interesting for students to track what they spend their money on.

If you intend to teach further personal finance lessons, the lessons that the students learn about their spending habits or the spending habits of those around them, can feed into a lesson on budgeting, spending and saving.

**STEP 5:** Repeat the key questions in Step 1 of session 1 as a final exercise.

**Note for teachers:**

*If you would like to offer more personal finance lessons in line with the PSHE: Financial capability and economic wellbeing curriculum in your school, check out the **MoneySmart Money Management Classroom Guides for Key Stages 1-4 at MoneySmartWorld.com.***

*Developed in partnership with teachers and tested in schools, there are 4 separate key stage resources that offer full coverage of the PSHE personal finance and financial capability curriculum in a way that is easy for teachers to teach, time saving and fun for the students to learn. It comes with all you need for your lesson (i.e., lesson plans that include teaching scripts, activity sheets, presentation slides, assessment tests & more), so you don't need to be a financial guru or spend ages looking for material to support your lesson plans....*



**MONTH 1:** \_\_\_\_\_ **YEAR:** \_\_\_\_\_

**MONEY I HAVE SPENT THIS MONTH - PAGE 1**

DAYS/EXPENSES									DAILY TOTALS
1									
2									
3									
4									
5									
6									
7									
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10									
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ITEM SUB-TOTALS									
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MONTH 1: \_\_\_\_\_ YEAR: \_\_\_\_\_

**MONEY I HAVE SPENT THIS MONTH - PAGE 2**

DAYS/EXPENSES								DAILY TOTALS
17								
18								
19								
20								
21								
22								
23								
24								
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ITEM SUB-TOTALS								
<b>PAGE SUB-TOTAL</b>								<b>£</b>
<b>NOW ADD THE SUB-TOTAL FROM BOTH PAGES AND THIS IS HOW MUCH YOU HAVE SPENT THIS MONTH...</b>							→	<b>£</b>