**Finance Tutorials – Week 1**

**Activity 1; Salaries**

Before the lesson… print and cut out the salary cards and job titles together with an A3 version of the template sheet.

What this is… an engaging starter activity to make students think about and be aware of salaries of various job types. It is designed to prompt questions and to help students when completing activity 2.

Students are to… match up the salaries to the job title.

Quick hint… an obvious place to begin is to order the salaries, then it’s just a case of assigning the job titles.

Answers… are in the file, sheet labelled answers.

Extension / follow ups… use the links sheet within file to investigate the full list of jobs, top jobs, parliamentary, banking and armed forces jobs.

**Activity 2; Living Costs**

Before the lesson… print copies of the worksheet for each student.

What this is… a rich task for students to experience the process of personal financial planning. Students will most likely be surprised at various costs of living.

Students are to… create monthly budgets for various scenarios.

Quick hint… use internet to research realistic costs or relate real life stories to help students find typical costs.

Answers… there are no answers for this one as estimates are likely to vary considerably. In this activity there is no correct, or incorrect, answer. The important part is the journey!

Extension / follow ups… task 2 and task 3.

**Finance Tutorials – Week 2**

**Activity 1 – Income Tax, National Insurance, PAYE**

Before the lesson… read through the IncomeTax document. Print out several copies for students. Check that you can follow the IncomeTaxProcess flowchart.

What this is… explanation of how income tax and national insurance is calculated and collected.

Students are to… read, understand and be aware of how complicated the income tax system can be. Learn some ways to avoid (but not evade!) paying tax where possible.

Quick hint… try out some typical scenarios for different job types. You could use some of the salaries from the salaries exercise.

Answers… use the CreditCardsV3 (the *‘income tax’* tab) file to calculate answers.

Extension / follow ups… think about what proportion of our income we pay in tax in total, if including VAT paid on goods, stamp duty etc.

**Activity 2, 3, 4; Bank Statement, Payslip, Cards**

Before the lesson… nothing required.

What this is… prompts for discussions about the various aspects, terminology etc included on these financial documents.

Students are to… learn the meaning and significance of all terminology on each document.

Quick hint… include questions such as..

* What’s the difference between gross and net?
* What other deductions aside from tax?
* What is a sort code?
* What is PAYE?

Answers… are on second pages on each worksheet.

Extension / follow ups… investigate various income tax situations using the file CreditCardsV2.xls, see ‘income tax’ tab, investigate various credit cards using one of the comparison websites (and other tabs in the CreditCardsV2.xls file).

**Activity 5; TV Adverts (or save until next week)**

Before the lesson… check that the links in the file remain active, watch a couple of the adverts.

What this is… links to some of the payday lenders TV adverts, note the APR figures. Do students (and other adults) know the implications of these very high rates?

Students are to… understand why and how to avoid payday lenders.

Quick hint… payday lending companies are very easy to use, expensive, very short term loans. A typical rate of 800% means that for every £1 borrowed, you pay it back plus £8 more, were you to borrow if for a year! An easy way to avoid this is to arrange an overdraft with your bank, arrange a longer term personal loan or use a credit card (carefully).

Answers… there are no answers for this one as the discussion is the important part here.

Extension / follow ups… investigate costs of borrowing in various scenarios such as…

* £100 for 20 days
* £500 for 6 months
* £5000 for 3 years

**Finance Tutorials – Week 3**

**Activity 1; Personal Finance Products**

Before the lesson… print copies of the worksheet – page 1 only – for each student.

What this is… a task to teach students about the different types of financial products available to them. They have probably heard of most but do they know what they are, what they are intended to do and typical associated costs?

Students are to… work in pairs, groups etc to fill in as much detail of the table as possible.

Quick hint… for the taxed vs tax-free column, encourage students to think about whether the product is a cost or makes money.

Answers… are on page 2 of the document.

Extension / follow ups… plenty of opportunity here to extend students through probing questions such as;

* In what instances would a personal loan be more suitable than an overdraft?
* Why not just set up a savings account instead of making pension contributions?
* What are some examples of types of insurance that are available?
* Name some types of mortgage and state their key differences and/or benefits.

**Activity 2; Credit Cards**

Before the lesson… print, or be able to project, the set of questions – pages 1&2 only. Arrange for calculators and/or laptops to be available. We strongly suggest using the following excel file to avoid all the mathematics! (Assuming the main learning outcome is about students understanding costs or credit cards rather than the maths of how to work it out).

<http://www.colmanweb.co.uk/Assets/Resources/CreditCardsv2.xls>

What this is… an activity to emphasise and to learn about potential costs of using credit cards.

Students are to… work through the question set.

Quick hint… compound interest. To convert an annual APR to per month, use:

$$monthly apr= \left(1+annual apr\right)^{\frac{1}{12}}-1$$

Eg an annual APR of 17% becomes…

$$monthly apr= \left(1+0.17\right)^{\frac{1}{12}}-1$$

$$=\left(1.17\right)^{\frac{1}{12}}-1$$

$$=1.01317…-1$$

$$=0.01317$$

$$=1.317\%$$

To increase an amount by 1.317%, multiply it by 1.01317.

To continue increasing an amount by 1.317% keep multiplying it by 1.01317.

Answers… On pages 3 & 4 of document.

Extension / follow ups… see page 2 of the document.