

Personal Finance Products

Use the following headings to compare and contrast the listed financial products. Make notes in the spaces given.

	Tax free Vs Taxed	Short Term Vs Long Term	Cheap Vs Expensive	(Other Notes)
Savings				
Loans				
Payday Loans				
Overdraft				
Mortgage				
Credit Cards				
Insurance				
Pensions				

Personal Finance Products – Possible Answers

Use the following headings to compare and contrast the listed financial products. Make notes in the spaces given.

	Tax free Vs Taxed	Short Term Vs Long Term	Cheap Vs Expensive	(Other Notes)
Savings	Taxed (except ISA's)	Both	Low return, except stocks and shares which comes with risk.	Compare savings accounts, some current accounts, ISAs, bonds, stockmarket products etc.
Loans	Tax free (it's a cost and not a benefit)	Short term, 1-5 years	Expensive, typically 5-20%	Consider alongside overdrafts.
Payday Loans	Tax free (it's a cost and not a benefit)	Very short term, less than 1 year	Very expensive, typically 50-1000%	Avoid!
Overdraft	Tax free	Short – medium term	Relatively cheap so long as its arranged beforehand. (Student overdrafts are free)	Quick & easy to arrange. Consider before loans, payday loans, credit cards.
Mortgage	Tax free (it's a cost and not a benefit)	Long term, 5-30 years	Cheap, typically 2-6%	Compare types of mortgage
Credit Cards	Tax free (it's a cost and not a benefit)	Short term, 1 month+	Expensive, 15-20%	Compare with loans
Insurance	Tax free (it's a cost and not a benefit)	Most policies for 1 year	Risk vs loss if uninsured (if you can't afford to replace it, get insured)	
Pensions	Tax free when paying in, taxed when paying out	Long term, lifetime	Cheap. Pension contributions are not taxable.	

