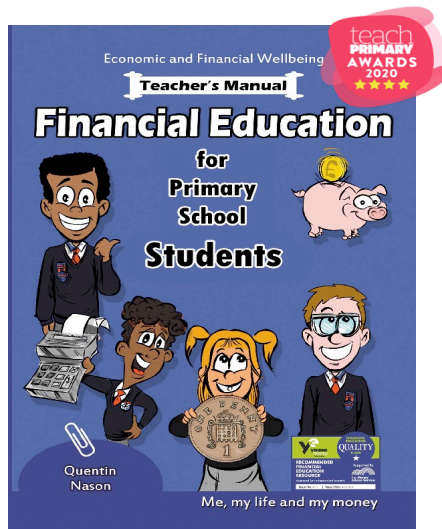


Financial Literacy Primary School Programme



Module 5 of 6





City Pay it Forward

About City Pay it Forward

We are a grassroots organisation made up of volunteers, finance professionals and leading educators that have come together to collaborate with schools to teach children the basics in financial literacy including savings, budgeting, borrowing and investing.

Most of us are also parents and we are all passionate about the importance of teaching young people financial literacy life skills and providing them with the grounding necessary to make educated decisions. We produce award-winning educational materials which are all available free of charge.

Our primary school financial literacy curriculum was delivered in 2020 to every primary school in the UK, all 21,000, free of charge. Visit our website for our Teacher's Manual (which also has a lot of interesting materials which can equally be used by parents) at www.citypayitforward.com.

**We have one objective and that is to make a positive impact
in our community, one student at a time**



Financial Literacy Programme

Instructions for parents

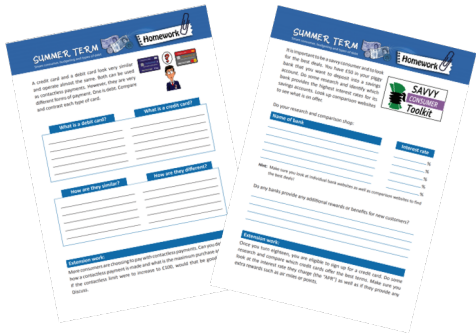
- There are six modules in our financial literacy curriculum each of which includes worksheets, handouts and a short animated videos.
- The course is primarily focused on children 9 to 12 years old but, with minor adjustments, it is certainly suitable for younger children. Equally, with older children, parents can choose a singular topic for open discussion during times together such as dinner or breakfast.
- The materials offer an opportunity for parents to engage in discussions with children around important financial literacy topics which are key life skills.
- Parents can work together with children on homework assignments as well as encourage them to independently look at the fun money facts and additional activities included in the handouts.
- We would suggest that parents undertake one module a week.
- If parents are interested in exploring additional financial literacy topics and educational materials, these can be found in our primary school curriculum at our website www.citypayitforward.com.
- A certificate of accomplishment is included which can be printed off and given to children as a reward for completing the course.

Module 5: Make a Budget



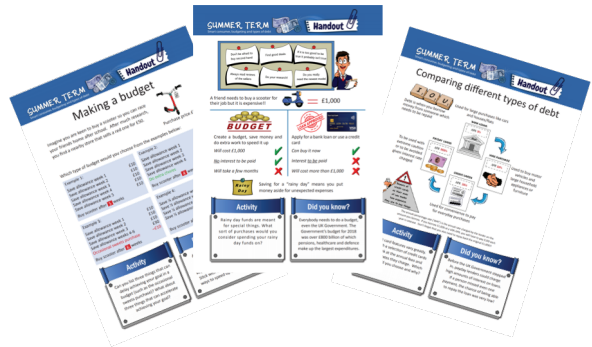
What's Included

Worksheets (x2)



Choose one (or both) and work with the child

Handouts (x3)



Have children explore fun facts and activities

Video



Watch with the child and discuss themes

Click here for video



Here

Module 5: Make a Budget



Worksheet

A credit card and a debit card look very similar and operate almost the same. Both can be used as contactless payments. However, they are very different forms of payment. One is debt. Compare and contrast each type of card.



What is a debit card?

What is a credit card?

How are they similar?

How are they different?

Extension work:

More consumers are choosing to pay with contactless payments. Can you describe how a contactless payment is made and what is the maximum purchase amount? If the contactless limit were to increase to £100, would that be good or bad? Discuss.

Module 5: Make a Budget



Worksheet



It is important to be a savvy consumer and to look for the best deals. You have £50 in your piggy bank that you want to deposit into a savings account. Do some research and identify which bank provides the highest interest rates for its savings accounts. Look up comparison websites to see what is on offer.



Do your research and comparison shop:

Name of bank	Interest rate
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

Hint: Make sure you look at individual bank websites as well as comparison websites to find the best deals!

Do any banks provide any additional rewards or benefits for new customers?

Extension work:

Once you turn eighteen, you are eligible to sign up for a credit card. Do some research and compare which credit cards offer the best terms. Make sure you look at the interest rate they charge (the “APR”) as well as if they provide any extra rewards such as air miles or points.

Module 5: Make a Budget



Handout



A friend needs to buy a scooter for their job but it is expensive!!



== £1,000



Create a budget, save money and do extra work to speed it up

Will cost £1,000



No interest to be paid



Will take a few months



Apply for a bank loan or use a credit card

Can buy it now



Interest to be paid



Will cost more than £1,000



Saving for a "rainy day" means you put money aside for unexpected expenses

Activity

Rainy day funds are meant for special things. What sort of purchases would you consider spending your rainy day funds on?

Did you know?

Everybody needs to do a budget, even the UK Government. The Government's budget for 2018 was over £800 billion of which pensions, healthcare and defence make up the largest expenditures.



Making a budget

Imagine you are keen to buy a scooter so you can race your friends home after school. After much research, you find a nearby store that sells a red one for £50.



Purchase price £50

Which type of budget would you choose from the examples below:

Example 1:

Save allowance week 1	£10
Save allowance week 2	£10
Save allowance week 3	£10
Save allowance week 4	£10
Save allowance week 5	£10
Buy scooter after 5 weeks	

Example 2:

Save allowance week 1	£10
Save allowance week 2	£10
Save allowance week 3	£10
Save allowance week 4	£10
Do extra chores	+£10
Buy scooter after 4 weeks	

Example 3:

Save allowance week 1	£10
Save allowance week 2	£10
Save allowance week 3	£10
Save allowance weeks 4-6	£30
Occasional sweets purchase	-£10
Buy scooter after 6 weeks	

Example 4:

Save $\frac{1}{2}$ allowance week 1	£5
Save $\frac{1}{2}$ allowance week 2	£5
Save $\frac{1}{2}$ allowance week 3	£5
Save $\frac{1}{2}$ allowance weeks 4-10	£35
Buy scooter after 10 weeks	

Activity

Can you list three things that can delay achieving your goal in a budget (such as the occasional sweets purchase)? What about three things that can accelerate achieving your goal?

Did you know?

A budget is just a big word for making a game plan. As with sports, a good game plan is the key to achieving success quickly. Stick with the plan and think of ways to speed up the timetable.



Comparing different types of debt

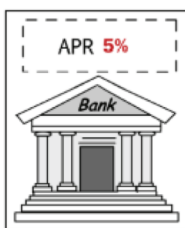


Used for large purchases like cars and houses/flats

Debt is when you borrow money from someone which needs to be repaid

BANK LOANS

APR 5%



HIRE PURCHASE

APR 10%



Used to buy motor vehicles and large household appliances or furniture

PAYDAY LOANS

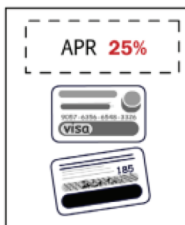
APR 365%



To be used with extreme caution or to be avoided given interest rate charged

CREDIT CARDS

APR 25%



Used for convenience to pay for everyday purchases



The annual percentage rate ("APR") is the annual rate charged by the lender on the amount you borrow. If you borrow £1,000 at a 10% APR, you will have to pay £100 each year in interest. Don't forget that you also need to repay back the original £1,000!!

Activity

Credit card features vary greatly. Research a selection of credit cards and look at the annual fees and interest rates they charge. Which one would you choose and why?

Did you know?

Before the UK Government stepped in, payday lenders could charge high amounts of interest on loans. If a person missed even one payment, the chance of being able to repay the loan was very low!