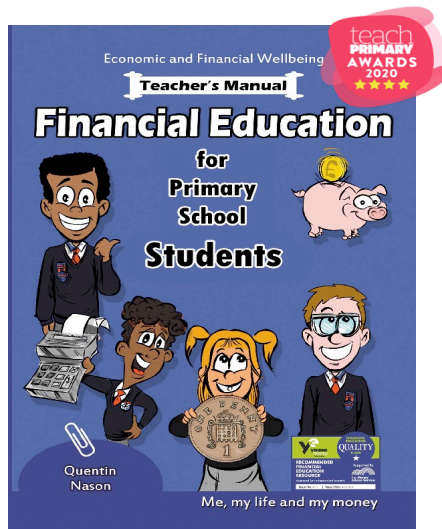


# Financial Literacy Primary School Programme



Module 4 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](http://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](http://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.

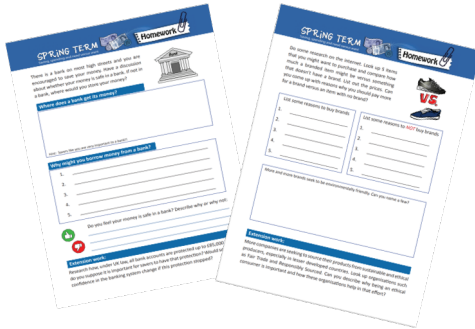
## Module 4: What is a Bank?



What's Included

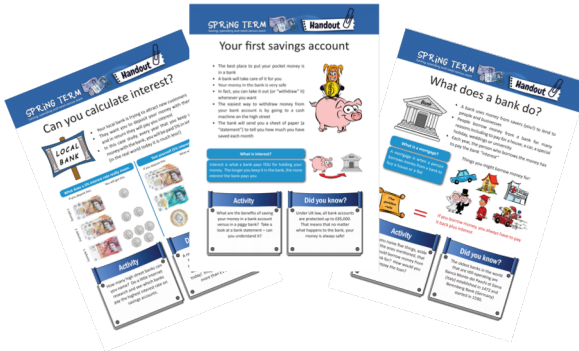


### Worksheets (x2)



*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 4: What is a Bank?



## Worksheet



There is a bank on most high streets and you are encouraged to save your money. Have a discussion about whether your money is safe in a bank. If not in a bank, where would you store your money?



### Where does a bank get its money?

Hint: Savers like you are very important to a bank!!

### Why might you borrow money from a bank?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_



Do you feel your money is safe in a bank? Describe why or why not:



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### Extension work:

Research how, under UK law, all bank accounts are protected up to £85,000. Why do you suppose it is important for savers to have that protection? Would society's confidence in the banking system change if this protection stopped?



Do some research on the internet. Look up 5 items that you might want to purchase and compare how much a branded item might be versus something that doesn't have a brand. List out the prices. Can you come up with reasons why you should pay more for a brand versus an item with no brand?



VS.



List some reasons to buy brands

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

List some reasons to **NOT** buy brands

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

More and more brands seek to be environmentally friendly. Can you name a few?

### Extension work:

More companies are seeking to source their products from sustainable and ethical producers, especially in lesser developed countries. Look up organisations such as Fair Trade and Responsibly Sourced. Can you describe why being an ethical consumer is important and how these organisations help in that effort?



# Your first savings account

- The best place to put your pocket money is in a bank
- A bank will take care of it for you
- Your money in the bank is very safe
- In fact, you can take it out (or “withdraw” it) whenever you want
- The easiest way to withdraw money from your bank account is by going to a cash machine on the high street
- The bank will send you a sheet of paper (a “statement”) to tell you how much you have saved each month



## What is interest?

Interest is what a bank pays YOU for holding your money. The longer you keep it in the bank, the more *interest* the bank pays you



## Activity

What are the benefits of saving your money in a bank account versus in a piggy bank? Take a look at a bank statement – can you understand it?

## Did you know?

Under UK law, all bank accounts are protected up to £85,000. That means that no matter what happens to the bank, your money is always safe!



# Can you calculate interest?



- Your local bank is trying to attract new customers
- They want you to deposit your money with them and in return they will pay you interest
- In this case study, every year that you keep your money with the bank, you will be paid 5% in interest (in the real world today it is much less!)

## What does a 5% interest rate really mean:

If you deposit this:

You will get this:

Example 1



Example 2



Example 3



## Test yourself (5% interest)

If you deposit this:

What will you get?



\_\_\_\_\_

Insert answer



\_\_\_\_\_

Insert answer



\_\_\_\_\_

Insert answer

## Activity

How many high street banks can you name? Do a little internet research and see which banks pay the highest interest rate on savings accounts.

## Did you know?

A recent study found that if you had deposited just £1 into a bank account 200 years ago, it would be worth about £1,000 today! Imagine if you deposited more than £1 a week...



# What does a bank do?



- A bank uses money from savers (you!) to lend to people and businesses
- People borrow money from a bank for many reasons including to pay for a house, a car, a special holiday, weddings or university
- Each year, the person who borrows the money has to pay the bank "interest"

## What is a mortgage?

A mortgage is when a person borrows money from a bank to buy a house or a flat

Things you might borrow money for:



If you borrow money, you always have to pay it back plus interest

## Activity

Can you name five things, aside from the ones mentioned, that you would borrow money from the bank for? How would you repay the loan?

## Did you know?

The oldest banks in the world that are still operating are Banca Monte dei Paschi di Siena (Italy) established in 1472 and Berenberg Bank (Germany) started in 1590.