



A Registered Charity - Number 1095705

Teacher's Guidance Notes



The Money Diaries

Teacher's Guidance

What this guide contains

The guide begins with the **background to financial education**, which although not statutory at the moment, is being taught in more and more schools. It is expected that it will become a statutory part of the curriculum.

There follows a description of the **contents of *The Money Diaries***, including a brief synopsis of each. How the content fits the **national curriculum guidance for PSHE** is then dealt with, relating specific areas of the guidance to each of the diaries.

The guide concludes with suggested **follow-up classroom activities** for each of the diaries.

The Background to Financial Education

The current financial climate has highlighted the need for personal financial education to be addressed in schools. However, the need for such provision has been flagged up for a number of years

In 2006, as a result of a survey, the Financial Services Authority (FSA) identified five components of financial capability:

- Making ends meet
- Keeping track of your finances
- Planning ahead
- Choosing financial products
- Staying informed about financial matters

In January 2007, the government published a consultation document **Financial Capability: the Government's Long-Term Approach, in which it stated that** "all children and young people have access to a planned and coherent programme of personal finance education, so that they leave school with the skills and confidence to manage their money well".

More recently, a module has been designed by the **National PSHE Continuous Professional Development accredited programme which concentrates on Economic Well-Being and Financial Capability.**

Economic Well-Being is the fifth strand in the Government's Every Child Matters initiative.

More and more schools are now placing increasing emphasis on the teaching of financial capability within the curriculum at all key stages. As a result of this, teachers are looking for good well-

designed resources which will help them to deliver this important part of the curriculum. **The Money Diaries** is such a resource. It has been designed to raise the central issues of financial management (and mis-management) with young people, and provide case studies, through a series of diaries and other aids, to enable students to start confidently thinking about their own financial futures.

This guide will show how the components of **The Money Diaries** resource fit the suggested school curriculum at each of key stages 2 - 5 and suggests how teachers might make use of them, by supplying some suggested activities. It will also show how **The Money Diaries** and its support materials relate to strands of the PSHE curriculum in order to satisfy the curricular requirements.

Introduction to The Money Diaries

The Money Diaries, produced by the Debt Advice Foundation comprises three books, available both in hard copy and online. These are accompanied by a number of financial literacy guides which can be used in conjunction with the diaries.

This section briefly describes the content of each of the diaries and the support material, and lists the key financial issues covered. This is done in order to assist the teacher in assessing how best to use the resources.

Each publication has two diaries, which through well-written stories in diary form, illustrate important aspects of personal finance. The two diaries in each volume complement each other in that one shows the 'wrong' way of doing things and the other the 'right' way. Each book ends with a glossary of essential financial terms.

Birthday Blues (for Upper Primary, key stage 2)*

In **James' Diary**, James describes how his family's debt problems get increasingly more pressured, ending up with a visit from the bailiffs. There are also sobering facts and figures about debt in the UK.

In **Lauren's Diary**, Lauren explains how she turns over a new leaf and instead of wasting her money, comes to know the value of saving it.

The key financial topics covered are debt, credit card bills, the conflict between fast food and home cooking, peer pressure and the more serious consequences of debt, the essential difference between wants and needs, impulse buying, banks, savings accounts, interest.

The Price of Fame and Worldly Goods (for Lower Secondary, key stage 3)*

In **Santos' Diary**, Santos, a promising world-class footballer, tells a tragic tale of how his massive debt problems escalate out of control and ultimately threaten his career

In **Sally's Diary**, Sally, a professional musician on a world tour, relates how she resists the pressures to spend the money she is earning. Instead, she investigates mortgages and buys her own house.

The key financial topics covered are the dangers of ignoring potential debt situations, how to handle debt to lessen the effects, misuse of credit cards, sensible spending and avoiding impulse buying, house purchase, mortgages, savings.

University Challenge (for Middle Secondary, key stage 4)*

In **Emma's Diary**, Emma investigates and obtains a student loan, but mis-manages her money as an undergraduate and this affects her studies and her future.

In **Kai's Diary**, Kai, an undergraduate studying architecture, shows how money management at University should be done.

The key financial topics covered are student loans, tuition fees and living expenses, the need for careful budgeting at University, ways of saving money, the dangers of using a credit card in this situation, the effect of poor financial management on achievement, the consequences of debt, car purchase and shopping around for competitive insurance premiums, ways of saving money by cooking for oneself, flat sharing etc.

The three financial guides are

The Beginners Guide to Debt

The Beginners Guide to Managing Money and

The Financial Glossary

Please note, there is also a dedicated glossary of financial terms included in each of the Diaries.

*The designated key stages are a guide to where the materials can be used and relate to the age ranges they were used with, in the trials. There is flexibility in their use. For instance Birthday Blues, although designated for key stage 2 could be used with key stage 3, especially if differentiated material is required by the school. It could also be used with able children at the top of key stage 1. Similarly, University Challenge although marked for Middle Secondary (Key stage 3/4) has a great deal of relevance with key stage 5 (6th form).

The Money Diaries and the PSHE Curriculum

The quotes below are taken from the summaries of learning about financial capability at each key stage and for each element of PSHE.

Birthday Blues

Key Stage 1

Pupils learn about money in the context of their own lives and to make real choices about how to spend and save money sensibly, *and*

Pupils learn about the importance of looking after money and the consequences of losing money

Key Stage 2

Pupils learn to look after their money and realise that future wants and needs may be met through saving *and*

Pupils learn about making simple financial decisions involving small amounts of money and consider how to spend money including pocket money and contributions to charity

The Price of Fame and Worldly Goods

Key Stage 3

Pupils learn about what influences how we spend or save money and how to become competent at managing personal money in a range of situations including those beyond their personal experience *and* Pupils learn about insurance and to recognise and manage risk and about making safer choices about healthy lifestyles

University Challenge

Key Stages 4 and 5

Pupils learn about financial decision-making and to use a range of financial tools and services, including budgeting and saving, in managing personal money, and about the financial implications of post 16 options *and*

Pupils learn to assess the different risk and return of savings and investments

The following statements, taken from the Framework for PSHE and Citizenship illustrate how curriculum content can be met by using *The Money Diaries*. **The diary that specifically relates to each curriculum criteria and can help the class and teacher address it directly is italicised in brackets.**

Key Stage 2

- Begin to understand the concept of credit (*James' diary*)
- Recognise household expenses and regular financial commitments (*James' diary*)
- Understand keeping money safe by putting it into an account (*Lauren's diary*)
- Understand that we may need to save if there isn't enough money for everything we want to buy (*Lauren's diary*)
- Begin to be able to plan and think ahead (*Lauren's diary, Sally's diary*)
- Balancing needs and wants, and prioritizing what gets first call on a limited supply of money (*Lauren's diary*)
- Understand the difference between good debt (planned and manageable) and bad debt (unplanned or unmanageable) (*all diaries*)

Key Stages 3 and 4

The economic wellbeing and financial capability programmes of study for these key stages include the following statements relevant to ***The Money Diaries***:

Importance statement:

Education for economic wellbeing and financial capability aims to (enable young people to)...
Develop as questioning and informed customers and learn to manage their money and finances effectively.

Key concepts

Career:

- Understanding that everyone has a 'career' (and that this will affect personal finance) (*Santos' diary, Sally's diary, Emma's diary, Kai's diary*)

Capability:

- Learning how to manage money and personal finances (*all diaries*)
- Become critical consumers of goods and services (*Sally's diary, Kai's diary*)

Risk:

- Understanding risk in both positive and negative terms (*all diaries*)
- Understanding the need to manage risk in the context of financial and career choices (*Santos' diary, Sally's diary, Emma's diary, Kai's diary*)
- Taking risks and learning from mistakes (*Lauren's diary, Santos' diary, Emma's diary*)

Economic Understanding:

- Understanding the functions and uses of money (*all diaries*)

Key processes

Exploration:

- Identify, select and use a range of information sources to research, clarify and review options and choices in career and financial contexts relevant to their needs (*Sally's diary, Kai's diary*)

Financial Capability (*all diaries*):

(Students will be able to...)

- Manage their money
- Understand financial risk and reward
- Explain financial terms and products
- Identify how finance will play an important part in their lives and in achieving their aspirations

Range and Content

- Personal budgeting, wages, taxes, money management, (Credit, debt) and a range of financial products of services (*all diaries*)
- Risk and reward, and how money can make money through savings (*Lauren's diary, Sally's diary, Kai's diary*)
- Social and moral dilemmas about the use of money (*Santos' diary, Emma's diary*)

Comprehensive use of the diaries will ensure that all criteria are hit. If the school wishes to be more selective with the use of the resource, the diaries highlighted in italics above are those which will hit that particular criterion. The school will probably have the relevant DCSF documents (and their predecessor DfEE, but if not, the easiest way to access them is through the website of the Personal Finance Education Group (pfeg) which is www.pfeg.org Click on the link 'Curriculum and Policy'

FOLLOW UP ACTIVITIES FOR THE MONEY DIARIES

After the class have read and studied the diaries, either individually, in groups or as a class, the activities can be used in a variety of ways:

- As points for discussion
- As group work
- As a class project
- As written exercises to gauge how much the students have learnt from the diaries (i.e. assessment opportunities – see below)

Most of the activities are best carried out as group work, although selected tasks could be carried out individually by pupils so that the teacher can use the activity as an assessment opportunity. An assessment sheet follows the activities below.

James' diary: things to talk about and do

- James does not realise at the beginning of his diary that there is a debt problem. List the ways that the debt problems affect James.
- Track the events that led to James' family being in so much debt; how could it have been avoided? (Assessment opportunity 1)
- Make up and act out a play in which James discovers from Mum that there is a debt problem
- Make up and act out a play about the visit from the bailiffs
- Design and create a poster about the family's debt problem
- Put together a news report using the facts and figures about debt (Assessment opportunity 2)
- What do you think the family should do now in order to help them out of debt? (Assessment opportunity 3)
- Make up a play or write a story about somebody else getting into serious debt

Lauren's diary: things to talk about and do

- Do you think Lauren was right or wrong to spend all her pocket money on sweets? Give your reasons.
- In class, discuss the statement 'Everybody should save some of their pocket money every week'. (Assessment opportunity 4)
- Use the diary to put together a step-by-step guide about savings and bank accounts. (Assessment opportunity 5)
- Make up and act out a play in which Mum and Dad discover the sweets
- Make a chart of the key words to do with money at the end of Lauren's diary (Assessment opportunity 6)
- Work out how much money you think you could save in a week, a month, a year? Make a list of things you would like to do with the money in each case
- Collect some information from banks and supermarkets etc. about savings accounts. Compare them and give a presentation on which looks the best (Assessment opportunity 7)

Santos' diary: things to talk about and do

- Santos was so proud when he scored his goal. Tell the class or write about a moment when you were really proud
- Go through Santos's diary and make a list of every financial mistake he makes, in order (Assessment opportunity 8)
- Write out versions of the letter that you think the bank sent Santos at various points. Each one should be a little stronger than the one before it
- Make up and act out a play in which Santos' credit card is refused at the jewellers
- Talk about the kind of advice you would give Santos to help him with his problem
- Design and create a poster about the dangers of credit cards (Assessment opportunity 9)
- You have been asked to interview Santos about his football career and financial problems for a radio or television programme. Write and/or act out the interview.

Sally's diary: things to talk about and do

- Sally collected souvenirs from all the countries she visited. Show and talk about some of the souvenirs you have brought back from places you have visited.
- Write a brief 'Guide to Buying A House' using the information in Sally's diary (Assessment opportunity 10)
- Design and give a presentation on the two different types of mortgages (Assessment opportunity 11)
- Go through Sally's diary and make a list of all the sensible things she does concerning her money (Assessment opportunity 12)
- Have a look in the property pages of your local newspaper. Cut out some of the adverts and use them to make a poster, showing the prices of various kinds of houses
- Design and create a poster about the money words at the end of Sally's diary (Assessment opportunity 13)
- Find out more about insurance. Why do people insure their houses? Find out the meanings of the words policy, premium and excess. (Assessment opportunity 14)
- Make up and act out a play in which Sally shows her two friends from the tour around her new house

Emma's diary and Kai's diary: things to talk about and do

- Go through Emma's diary and make a list of every financial mistake she makes, in order
- Make a list of the ways Emma could have saved money throughout her first year at University (Assessment opportunity 15)
- Design and create a poster using the facts and figures on debt at the end of Emma's diary (Assessment opportunity 16)
- Go through Kai's diary and make a list of all the sensible things he does concerning his money
- In groups, find out about student loans. The student loan website is www.slc.co.uk Further information can be found at www.direct.gov.uk/en/.../StudentFinance/index.htm (Assessment opportunity 17)

- Research the cost of flats in your local area and compare them with the prices in some university towns
- Design a meal you could cook for yourself and three friends for an 'evening in' at University. Discover what the smallest budget is you can do this for. Present your findings to the other group and see who has come up with tastiest meal on the best budget.
- Find out about travel concessions for students. Present your findings
- Give a presentation on 'Ways of budgeting as an undergraduate' (Assessment opportunity 18)

STUDENT ASSESSMENT SHEET

Use the relevant parts of this sheet according to which diaries you have read!

When you have completed each activity, tick the relevant assessment statement below and tell your teacher/tutor. S/he may ask you some questions to check your understanding and knowledge.

After this, s/he will sign your sheet to show you have mastered the knowledge from that activity.

Assessment Statements

Tick

Teacher
Signature

James' diary

1. I can identify events that will lead to a person having a severe debt problem
2. I can recognise facts and figures showing the extent of debt in the UK
3. I can suggest ways in which people can help solve their debt problems

Lauren's diary

4. I know why it is important to save some of my money each week
5. I can explain important features about savings and bank accounts
6. I understand the meanings of the keywords at the end of Lauren's diary
7. I can identify the good features of some high street bank accounts

Santos' diary

8. I can identify the kind of mistakes that are likely to lead to serious debt
9. I can explain the dangers of using a credit card

Sally's diary

10. I can outline the steps people have to take when buying a house
11. I know the difference between the two kinds of mortgage
12. I can list the sensible things to do when looking after your money
13. I understand the meanings of the keywords at the end of Sally's diary
14. I understand what insurance is and why people take out policies

Emma's diary and Kai's diary

- 15. I can make a list of ways students can save money while at university
- 16. I can recognise facts and figures which show the state of UK debt
- 17. I can access information about how to get a student loan
- 18. I can present information on how to budget as an undergraduate