



Being responsible with our personal finances



Josh is careful with money. He saves what he can, never gambles and made a monthly budgeting plan. He was even able to save up for a cheap(ish) car. However, one thing Josh didn't plan for was his car breaking down on his way to work, on only its second journey.

Discuss: Josh has an emergency fund, but the car repairs may cost more. His family can't lend to him, and he needs the car to work. What are his options?



Why is it difficult sometimes to realistically plan our finances?
CLUES: *economy surprises legislation changes health*

Being responsible with our personal finances



Learning outcomes:

Describe ways we can avoid debt and stay financially savvy through case studies.

Analyse how poor financial circumstances can be avoided in the future by prudent financial planning in the present.



We have a lot of key terms today, some of which we have covered in previous years, or you may have covered in other subjects – for this reason, we’ll spend our first task today recapping on these.

Unfortunately, in life, there will be unexpected emergencies. A car breaking down is a very common one – especially if the car is already quite old when it was bought. Whether Josh has breakdown cover or not, he'll still have to pay for the car to be repaired. If the car repairs are more than Josh has in an 'emergencies' fund, and no relatives can lend him the money, he may start to look elsewhere – for example, at loans.



Did you know?

A third of Brits have less than £500 saved in an emergency fund, with 1 in 10 having no savings at all. This means many of us are just one car breakdown away from financial insecurity.

How can we be responsible when borrowing money?

<https://www.youtube.com/watch?v=fz5beYb88us>

1. What enables you to be able to borrow money quite easily?
2. What makes it harder to borrow money?
3. What is an overdraft?
4. How old do you have to be to get a loan or credit card?
5. When do you start paying back a student loan?
6. What happens if you don't pay your mortgage?
7. Why should we avoid short-term loans, such as payday lenders?



Watch the clips and complete your challenge questions. We will then go through the answers together so you can fill in any you've missed.



What enables you to be able to borrow money quite easily?

If you have a stable job and don't already owe loads of money.

What makes it harder to borrow money?

If you don't have a regular income and you've had money problems in the past.

What is an overdraft?

It's where a bank allows you to take out more money than you've got in your account

with the understanding that you'll pay it back. There are often charges for this.

How old do you have to be to get a loan or credit card?

Over 18

When do you start paying back a student loan?

**When you start earning over a certain amount
(this is determined by the year you take out the loan)**

What happens if you don't pay your mortgage?

The bank can re-claim the house and make you leave.

Why should we avoid short-term loans, such as pay-day lenders?

The interest rates are high so they can be very expensive to pay back.

Being responsible with our personal finances



In your booklets you have a source sheet which contains information about loans, advice and support that the British public are commonly presented with.

SILENT STUDY!

Read through the information carefully and if you have any questions about the sources, now is the time to ask them.

Source 4: From the national debt advice website:

How we can help you
National Debtline is a debt advice charity run by the Money Advice Trust. We are a free and confidential debt advice service for people in England, Wales and Northern Ireland. We help people who are struggling to deal with their debts, improve their financial situation and get back on track. Our debt advice is free and confidential. We offer support and advice about your debts.

On this site you can find out more about our services. There are letters to help you get advice by writing to us. Our debt advice is free and confidential.

Source 5: From a Samaritan financial crisis booklet:

At Samaritan financial crisis one in six. Although we important several in. For exam Relations person's Source

Source 1: From the government's money advice website:

What is a debt consolidation loan?

If you've got lots of different debts and you're struggling to keep up with repayments, you can merge them together into one loan to lower your monthly payments. You borrow enough money to pay off all your current debts and owe money to just one lender. There are two types of debt consolidation loan:

- Unsecured – where the lender has no claim on your other financial assets if you miss repayments
- Secured – where the amount you've borrowed is secured against an asset, usually your home. If you miss repayments, you could lose your home.

Source 2: From a money advice website:

Should I take out a student loan?

With headlines shouting about £60,000 student debt and interest rates on their loans set to increase again, it's safe to say many students and parents are scared by this huge sum – and worry about how they'll ever repay it.

But in essence that fear is misplaced. That's because the price tag of university is mostly irrelevant. What matters in practical terms is how much you have to repay – and that's a completely separate number from the total amount of tuition fees, maintenance loan and interest, because it all depends on what you would pay.

What you repay solely depends on what you earn after university. In effect this is, financially at least, a 'no win, no fee' education. Those who earn a lot after graduating or leaving university will repay a lot. Those who don't gain too much financially from going to university will repay little or nothing. Full-time students only need to start repaying these at the earliest in the April AFTER they graduate (or leave), no matter how long their course is.

Source 3: Short term advertisement in a shop window:

As a student for students

Representative 140.85% APR Representative example: £157 borrowed for 30 days. Loan fee of £12.50 per £50 borrowed. Interest rate 300% p.a. (fixed). Total loan fees of £39.25 apply on £157 borrowed. Total loan amount of loan fee and principal is £196.25 repayable in one instalment.



Source 1: From the government's money advice website: What is a debt consolidation loan?

If you've got lots of different debts and you're struggling to keep up with repayments, you can merge them together into one loan to lower your monthly payments.

You borrow enough money to pay off all your current debts and owe money to just one lender. There are two types of debt consolidation loan:

1. Unsecured – where the lender has no claim on your other financial assets if you miss repayments
2. Secured – where the amount you've borrowed is secured against an asset, usually your home. If you miss repayments, you could lose your home

Source 2: From a money advice website:

Should I take out a student loan?



With headlines shouting about £60,000 student debt and interest rates on their loans set to increase again, it's safe to say many students and parents are scared by this huge sum – and worry about how they'll ever repay it.

But in essence that fear is misplaced. That's because the price tag of university is mostly irrelevant. What matters in practical terms is how much you have to repay – and that's a completely separate number from the total amount of tuition fees, maintenance loan and interest, because it all depends on what you would pay.

What you repay solely depends on what you earn after university. In effect this is, financially at least, a 'no win, no fee' education. Those who earn a lot after graduating or leaving university will repay a lot. Those who don't gain too much financially from going to university will repay little or nothing. Full-time students only need to start repaying these at the earliest in the April AFTER they graduate (or leave), no matter how long their course is. As of 2023, for new students, the loan is paid back at 9% of your earnings over £27,000 a year. If you earn less than that, you don't pay anything until you do.

Source 3: Short term advertisement



Ask in store for details

Representative 1410.33% APR. Representative example: £157 borrowed for 30 days. Loan fee is fixed at a rate of £12.50 per £50 borrowed. Interest rate 300% p/a (fixed). Total loan fees of £39.25 apply on £157 borrowed. Total loan amount of loan fee and principal is £196.25 repayable in one instalment.

Follow us.

Follow us.

*Terms and Conditions apply. Cheque Centres Limited, Registration No. SC167595, The Forum, Bankhead Crossway North, Edinburgh EH8 4EP

and & receive money from here

in association with send & receive money from here

WESTERN UNION
MONEY TRANSFER

Source 4 (latest UK gambling statistics)



There are an estimated 168,149 'problem gamblers' in the UK, up by 50% from last year.

Those aged between 20-24 are the most likely to become 'problem gamblers'. Men are over 7 times more likely to become problem gamblers compared to women.

Gambling harms can negatively impact the life of the person gambling, or the life of those around them.

Source 5: From the national debt advice website:



How we can help you

National Debtline is a debt advice charity run by the **Money Advice Trust**. We are a free and confidential debt advice service for people in England, Wales and Scotland. We have helped millions of people deal with their debts. Our team of expert debt advisers care about improving your situation and will help you to take control of your debts.

On this site you will find all you need to get started on your debt free journey. There are guides, fact sheets, budgeting tools and sample letters to help you write to your creditors. You can also get debt advice by using our webchat service, emailing us or by calling our helpline.

Our debt advisers come from a variety of different backgrounds. All of them are dedicated to helping you tackle your debts.

"Nine out of ten people who get free debt advice from us say they feel more confident in tackling their debts and managing their money as a result."

Source 6: From the Samaritan's website:



At [Samaritans](#), we're aware that people are feeling under increasing pressure over money. At the start of the current financial crisis, one in 10 of our calls was about money, debt and related issues. Since then, this figure has risen to one in six.

We know that worries about debt or the threat of losing a home can cause stress and depression.

For example, years of worry over money and debt can easily take a toll on relationships with family and friends. Relationship breakdown is itself a major cause of depression and suicidal feelings. It is clear that however complex a person's issues might be, [there is an undeniable link between financial worries and poor mental health.](#)



Source 7: Short term loan advertised via text cold-calling

Being responsible with our personal finances



Useful helplines and charities:

[Young Minds](#). Child and adolescent mental health charity for teens struggling with any subject. Call: 0808 802 5544

[Teen Line | Teens Support hotline - Connect, talk, get help!](#) Teen Line's highly trained teen listeners provide support, resources and hope to any teen who is struggling.

<https://www.barclays.co.uk/moments/children-and-money/teaching-teens-about-money/>

Money help for teens and young adults

<https://www.moneysavingexpert.com/news/2021/04/free-guide-parents-kids-spending-money-online/>

Link to a free guide to budgeting and saving for teens and kids



Reporting a Concern at Thornden School

- It is important to us that all of you feel safe, happy and belong at Thornden.
- We also know that sometimes it is not as easy as simply telling a member of staff
- It could be:
 - A friend you are worried about
 - Someone being unkind to you
 - Something you have heard and think we should know



How can you report anything you are worried about?

- Speak to a member of staff or parent / carer
- Visit the Well Being Den or Head of Year area
- On Satchel each week you will be sent a link to a form to share any worries you have
- On our school website homepage there is a 'Report a Concern' link.
- In the Student Bulletin there is a 'Report a Concern' link
- On all school desktops there is a 'Report a Concern' logo to click and report anything

Need Support? You're Not Alone



If anything in today's lesson has affected you, or you want to talk to someone, there is help available.

Mental Health & Low Mood

YoungMinds – <https://www.youngminds.org.uk>

Kooth – <https://www.kooth.com>

Mind – <https://www.mind.org.uk>

Talk to Someone

Your Tutor or Head of Year – We're here to help.

Wellbeing Team and School Nurse

Report a Concern on Satchel

Safeguarding Team with the Purple lanyards

Healthy Lifestyle

NHS Every Mind Matters – <https://www.nhs.uk/every-mind-matters>

Change4Life – <https://www.nhs.uk/change4life>

Apps That Can Help

Calm – For mindfulness and sleep.

Headspace – Meditation and stress relief.

Clear Fear – Manage anxiety (designed for young people).

MeeTwo – Anonymously talk to other teens, moderated by experts.

Eating Concerns

Beat Eating Disorders –

<https://www.beateatingdisorders.org.uk>

NHS Live Well – Eating Disorders –

<https://www.nhs.uk/mental-health/conditions/eating-disorders/>