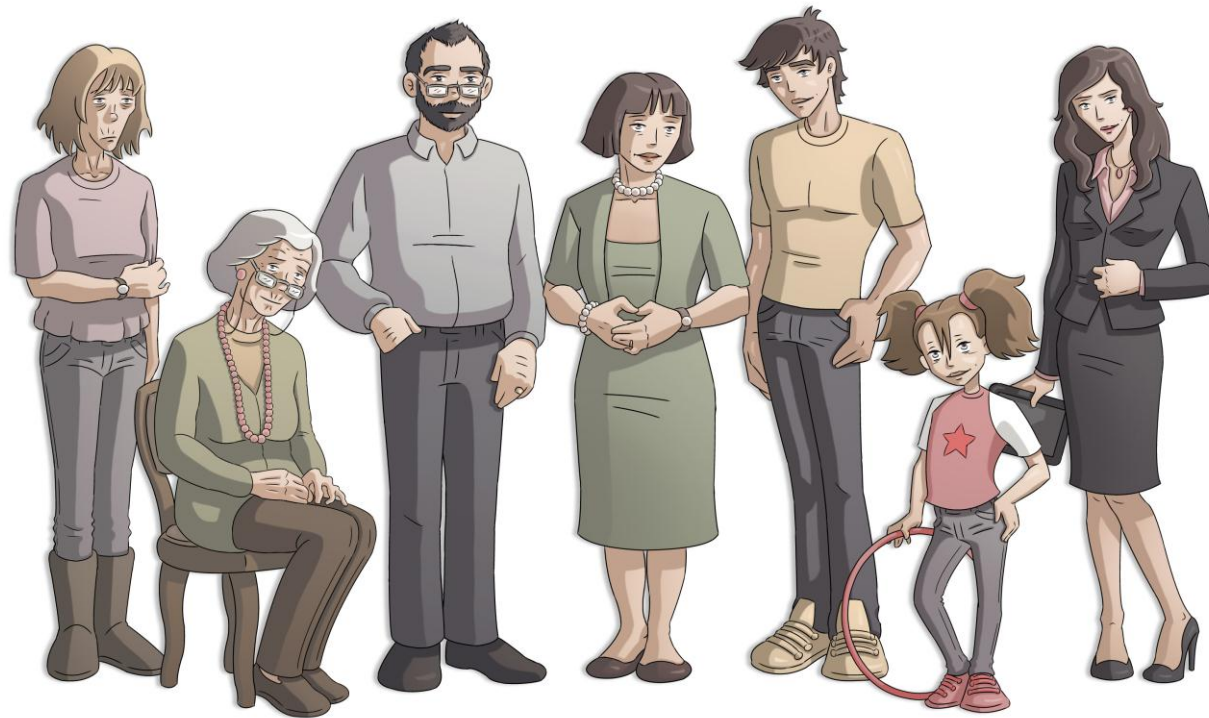


Money Talks: Family Finances

Money transactions

1 Income transactions



MONEY TRANSACTIONS

(1) Income transactions

- a) Salary/Wages
- b) Benefits /Grants
- c) Investments
- d) Gambling
- e) Inheritance/Gifts
- f) Entitlements
- g) Entrepreneurial activity
- h) Benefits in kind
- i) Formal borrowing

Also see separate **(2) Expenditure transactions** sheet

Resources: Curriculum for Excellence levels

Black= unclassified

Green= 2nd/ 3rd level

Purple= 3rd/ 4th level

Orange= 4th level

Income				
Transaction	Big Questions	Possible issues to explore/activities/experiences	Useful Resources	
			Pupil ready resources	Other resources
Earned Income Salary/Wages (income from a job)	What could I be/earn?	Relationship between different types of jobs and levels of income; Situations vacant	www.addinguptoalifetime.org.uk <u>Life as a student:</u> Daniel's finances-part-time job <u>Working Life:</u> Finding a job -Holly finds a job Salary and Wages – Introduction/how much do I earn? Salary and Wages – wage slips/income tax/national insurance/pensions	World of Work Quiz available online American website for parents with suggestions for ways for young people to make money American lesson plans themed around earning and making money An explanation of the range of flexible working options from flexibility.co.uk
	When would I work?	Part-time/full time/ shift work/flexible working		
	Who benefits from my salary/wages?	Tax and NI	Taxmatters (HMRC) (<i>Income Tax module</i>)	
	How do I check my pay is correct?	Pay Slips; gross versus net pay; Other deductions (talk about why) Tax codes, P60 and P45	World of Work Online Resource from Education Scotland Spending Sense (Glow login required) Especially Activity 8 (payday)	‘Check your payslip’ by Dawn Norton
	Why should I work for a living?	Job satisfaction; contributing as a citizen to society	Contact recruitment agencies, e.g., Microcom http://www.microcomtraining.com/	130+ job specific American videos giving the inside scoop on various careers from Junior Achievement Worldwide Advice on finding the right careers from direct.gov.uk

Income				
Transaction	Big Questions	Possible issues to explore/activities/experiences	Useful Resources	
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a) Benefits /Grants (wider definition of benefits i.e. including free NHS, education etc as well as financial payments)	Who is eligible for benefits?	Universal and means tested benefits; discussion of eligibility criteria e.g. asylum seekers and some other foreign nationals	Spending Sense (Glow login required) Especially Activities 9 (Benefits), 12 (Windfall) and 18 (Help!) Tackling Debt Especially Wilma's story Small Change Especially sessions 3 and 4 www.addinguptolifetime.org.uk Active retirement: Pension options – state pension State pension - task BBC Bitesize information on the origins of the Welfare State followed by a quiz to test retention of information.	International comparisons of different welfare states in graphics from the BBC Find information about business grants available in Scotland here Scotsman newspaper article ' Woman on benefits gave out £100 bundles to neighbours ' BBC's Breadline Britain website charting the progress of the Welfare State after 60 years BBC Welfare State Quiz A list of Modern Studies text books which refer extensively to the Welfare State can be found at the MSA Scotland website The Citizens' Advice Bureau website has helpful information.
	What are benefits?	Explanation of the Welfare State		A website offering information on your rights to various benefits Turn2us exists to help people access the money available to them through benefits, grants and other financial help
	When my life changes what happens with benefits? When are people eligible for 'top up' support from the government or other agencies?	Examples of criteria which make individual automatically eligible for benefit (e.g. Child Benefit, state pension, EMA); Issues around benefit fraud and non-disclosure of work (poverty trap); Examples of changes could be positive and negative – life journey, entitlement to emergency grants from charities e.g. TICKLE Cancer grants	Beginner's guide to benefits or from direct.gov.uk Taxmatters (HMRC) (<i>Tax and Society and National Insurance modules</i>)	
	How can people apply for benefits?	Interviews (possibly role play); completing application forms; places where individuals can get help and advice		
	Why should we contribute taxes so that others receive benefits?	Discussion of rights and responsibilities as a UK Citizen; Identifying benefits which you may receive throughout your life and benefits that everyone uses (NHS)		

Income				
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b) Investments Possibilities include electronic transfers from; <ul style="list-style-type: none"> • Payment of rent from a property the person owns (would have to include a corresponding mortgage payment) • Dividends from investments 	What is investment? What is a dividend? What are the risks of investing?	Shares, stock market, IFS virtual stock market, person to person lending	www.addinguptolifetime.org.uk New Life Finance – investments Active Retirement Savings – risk and return Saving – investment types – stocks and shares	Find out more about the British cooperative movement at www.co-operative.coop Find out more about the UK person-to-person lending market at http://uk.zopa.com/ Even younger pupils could get involved with lending to entrepreneurs across the world using the KIVA and DEKI website among others.
	How do investments differ? How would you decide where to invest your money?	High – low risk factors Cash ISA, bonds etc Essential bills and expenditure Rates for different banks, high risk v safe, long term investment, buy-to-let	The online Stock Market Challenge resource transforms trading on the financial markets into an accessible and enjoyable learning experience and an effective tool for teachers (free trial available) Cheers for Credit Unions! could be used to help young people set up their own C.U. (This resource will be available in late 2010) Another (American) tool for learning about investments can be found at www.stocks-game.com/	The FSA (CFEB) has produced a simple guide for investors as part of the ‘money made clear’ series. ‘Investing for Dummies’ by Eric Tyson You might want to use the Child Trust Fund as an example of an investment opportunity open to many people. www.comparethemarket.com is one of many price comparison sites which help investor decide where to put their money
	Why invest?	special occasions; ethical/moral stance; planning for future education/pension		This ethical investments website promotes new investment opportunities that provide new capital to projects that have distinct social and environmental objectives Find your local C.U. by using the search on the two national bodies for Credit Unions in Scotland www.abcul.org.uk & www.scottishcu.org/index.asp
	Who invests?	Not just rich people, you can invest too – the CTF encourages everyone with children in the UK to invest investment options – non cash dividends e.g. investment in the local community		
	When is it a good time to invest?	Individual circumstances, risk factors, recessions		

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Unearned Income c) Gambling Possibilities include electronic transfers from: <ul style="list-style-type: none"> • gambling website • the lottery 	What is gambling? What are the risks of gambling?	Identify types of gambling including bingo, horse racing, online gambling, scratch cards, lottery, casinos etc Identify and explore issues and risks including addiction, gamblers anonymous, chance and uncertainty, odds	Spending Sense (Glow login required) Especially Activities 11 (what are the odds?), 12 (Windfall), and 18 (Help!)	The gamblers anonymous website is meant as a guide for compulsive gamblers This BBC Article deals with the issues around the growing popularity of online gambling in the UK A link to the details of the Gambling Act (2005) can be found here The National Lottery website has lots of information including the good causes it supports and a winner's gallery .
	Who has won the lottery? Who benefits from the lottery?	Uses of the money – ‘blowing it’, attitudes of friends and family, giving to charity, why some winners choose anonymity, the odds of winning, syndicates The love of money is the root of all evil – TRUE/FALSE		
	How are people affected by gambling?	Addiction – different types. Root cause – spirals out of control Social problems – how friends and family are affected		
	When does gambling become a problem? When people get into debt through gambling, what happens?	Role play around a family in debt – the consequences. (sensitive issue – would have to know class well) Help lines, doctors, family, chat rooms, gamblers anonymous, Salvation Army, church		
	Why is gambling allowed to be advertised on TV? Why do people gamble?	Debate “Gambling should be banned from advertising” Taking risks – different contexts – is it ever good to take a risk? Socialising, glamour, escapism. “In a bet there is a fool and a thief” – discuss “Gambling: the sure way of getting nothing from something”: true or false?		

Income				
Transaction	Big Questions	Possible issues to explore/activities/experiences	Useful Resources	
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d) Inheritance/Gifts Possibilities include electronic transfers from: <ul style="list-style-type: none"> family member solicitor (executing a Will) Birthday gifts 	What is inheritance? What is capital gains tax? What do you do when someone dies? What are the options when an old person needs care? What is a living will?	Inheritance tax, funeral/legal costs, goods, property (capital) and cash (estate) Cost of care / hospice homes - spend money while well enough to enjoy it- savings spent on care? Pensions Perhaps a scenario where a grandparent is discussing what will happen to them/their belongings when they die? Role play.	www.addinguptolife.time.org.uk Relationships Will	This webpage contains information about what to expect if a person who has died didn't leave a will This website allows people to make a will online by answering some key multiple choice questions. Although it specifies a charge it is possible to go through the whole process up to the summary without paying. The Adviceguide also offers advice on Wills – pupils could compare processes in Scotland with other UK countries using this website The HMRC website offers simple information on inheritance tax and capital gains tax The legal issues page in the money matters section of the Age UK website offers simple basic information
	How do I make a will? How much am I allowed to give each year before being taxed?	Practicalities of making a will		
	When should I make a will?	Issues around serious relationships and having children or when individuals have something worthwhile to leave others. Pupils could explore other reasons to make a will too?		
	Who gets what? Who pays for what?	Individual choice - what to leave to whom, other considerations like inheritance tax and legal/funeral costs which need to be paid for; Updates to wills when circumstances change		

	Why should I make a will?	Explore the problems which emerge when someone dies without making a Will		Barnardo's offers a free will-writing service for people aged 55+
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Income				
Transaction	Big Questions	Possible issues to explore/activities/experiences	Useful Resources	
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e) Entitlements (Refund from a shop/flight/hotel) <ul style="list-style-type: none"> Consumer rights 	What is an entitlement?	Discuss the word 'entitlement'; learn about our entitlements as consumers in the UK (and possibly elsewhere in the world). Pupils could look at school entitlements and then move on to entitlements in the broader sense.	Skilled to go! Buying and Selling Module Spending Sense (Glow login required) Especially Activity2 (Buyer Beware)	The BBC Watchdog website offers many examples of rogue traders and good consumer advice. Martin Lewis also offers a guide to getting your money back on his website This Money Supermarket video explains how to make a complaint against a Bank, Building Society or Insurer. The YoungScot website offers advice for young people on their consumer rights. The Consumer Direct website provides clear, practical consumer advice.
	What rights do we have when buying goods?			
	When are you entitled to return goods you have bought?	Investigate Statutory rights; identify and understand what a warrantee is and relate this to buying faulty goods; Examine retailer's policies – bring in and scrutinise various receipts to identify conditions where they will accept returns; Talk/write about a time individuals asked for a refund – what happened? Discuss online and second-hand retailer's returns policy (or not) e.g. EBay		
	Who can advise you on your consumer rights?	Citizen's Advice, Office of Fair Trade, Watchdog TV Programme, Financial Ombudsman Service etc		
	How should you make a financial complaint?	Explore the various options including in-person, via letter or email etc; Identify appropriate language and body-language; role play scenarios; write letters of complaint		
	Why should you keep your receipts?	Understand legalities around proof of purchase; statutory rights; check receipts against credit card bills and bank statements; investigate refund process.		

Income				
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f) Entrepreneurial activity <ul style="list-style-type: none"> Car boot sale profits EBay (PayPal) transactions etc 	What is enterprise? What is an entrepreneur?	Examples of enterprise: 'big' enterprise; 'small' enterprise Famous entrepreneurs (Case Study: Richard Branson/Scottish entrepreneurs) Understand the words 'enterprise' and 'entrepreneur' Create definitions of enterprise: risk, scope, complication	On the Money Especially ' <i>Charlie Fly and the Nice Dream</i> ' Primary teachers in many countries use www.onehen.org.uk the story of a young boy whose entrepreneurial attitude changes his live and the lives of others around him. Fantasy Couriers is an online game that develops the same skills that any business person will need in any industry (free trial available). The Working for yourself section of the LTS World of Work online resource has several video clips for pupils on this topic. Another part of this resource features a short video clip of Dr Jonathan Levie discussing entrepreneurship in Scotland. The EBay parody song on YouTube could be an engaging introduction to looking at this phenomenon.	The BBC Dragon's Den website contains a variety of useful information and video clips. Various micro-finance websites like Kiva , Deki , Micro-Tyco showcase entrepreneurs in developing countries and offer people the chance to invest in them by lending small sums of money. The Social Enterprise Coalition website offers information on what makes Social Enterprise different. You will find a biography of Richard Branson here and can search for biographies on other famous entrepreneurs. The Education Scotland Enterprise web pages can support work in this area. The Shell LiveWIRE website is a free online service and awards programme for young entrepreneurs.
	When am I being entrepreneurial ?	Enterprise: pupils' personal examples, school enterprise, everyday examples: EBay, car boot sales, charity, lemonade stalls (-P) Case Study: School disco, possible risk, scope and complication		
	Who can be an entrepreneur?	Dragons' Den: type of people, products; the discussion of risk, scope and complication, where are they now? Enterprise Challenge: pupils work in groups to create a novel product to pitch to the class. Pupils to consider risk, scope and complications of producing that product. Visit from local (former pupil?) entrepreneur(s)		
	How can I become an entrepreneur?	Pupils explore possible ways of becoming young entrepreneurs either within the school or out-with the school. An enterprising activity could be set up within the context of the class Pupils could investigate grants and other support available to young entrepreneurs in Scotland and around the world		

Income				
Transaction	Big Questions	Possible issues to explore/activities/experiences	Useful Resources	
			Pupil ready resources	Other resources
g) Expenses/ Benefits in Kind (from employer Could show on statements as the absence of rent/mortgage payments, payments to a staff canteen card expenses payment via BACS or corporate gym membership etc)	What are benefits in kind? What benefits in kind can an employee receive?	Discuss the meaning of 'fringe-benefit' and 'perk of the job' Create a definition of Benefits in kind (sometimes called perks or fringe benefits); Pupils could survey willing adults about where they work and access to benefits in kind; Researching possible benefits in kind including accommodation, company car, pension, holiday pay, fuel allowance, private medical insurance, subsidised canteen, car parking and specific expenses incurred travelling from home to work, relocation expenses, uniform provided, crèche and nursery schemes, training courses, gym membership, bicycles, cash bonuses, travel warrants, loans, free staff parties...	www.addinguptolifeit.me.org.uk Working Life Fringe Benefits	General background information can be found here This HMRC leaflet gives details of the tax arrangements for expenses and benefits in kind
	How do companies offer other rewards which are equivalent to money?	Discuss partnership between companies. Mutual benefit. Reciprocal discounts. Explore tax free benefits in kind Pupils will understand why benefits in kind profit a company		
	When would an employee receive these benefits	Investigate criteria including length of employment and performance based rewards		
	Why do employers offer BIK?	Invite local business people who offer/receive BIK to visit and talk about their experience/motives Calculate the equivalent savings to employees in particular scenarios when receiving BIKs Discuss issues around loyalty of staff, moral of staff, tax relief, efficiency savings etc		

Income				
Transaction	Big Questions	Possible issues to explore/activities/experiences	Useful Resources	
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h) Formal Borrowing (loans)	What is a loan? What is interest? What are the differences between different kinds of loans?	Investigate various interest rates; Identify and research different types of loans including hire purchase options, secured v unsecured loans and Mortgages etc	RBS Moneysense Website Especially the ' What is Banking ' and ' Credit and Debt ' Modules www.addinguptoalifetime.org.uk Working Life Staying in Credit – loans New Life – essentials/child care The money section of the YoungScot website offers advice for young people about ' buying on credit ' including loans Tackling Debt Especially 'Dave's Story' Small Change	Step Change One the UK's leading debt advice charity, helping people break free from problem debt for 20 years The National Pawnbrokers Association website may provide useful background information along with this website . Brighthouse , Cash Convertors , Wonga , Compare the Market and Money Supermarket websites offer some examples of loans. The Money Advice Service (MAS) website has lots of advice on loans and adverts for credit . The Stop Loan Sharks pages of the Direct.gov website offer materials you may wish to use along with the information on the loan pages Martin Lewis also offers various guides to loans/interest rates on his website
	Where would you get a loan from?	Identify and compare a variety of sources including high street banks, building societies, pawn brokers, cash convertors and Credit Unions. Identify other options including Provident, loan sharks; online; independent finance companies; Parents/ family; SAAS; Re-mortgage; Person to person lending; Credit cards; Store cards What happens if you have a poor credit rating, do rich people get better rates? and so on		
	How would get a loan? How are loans regulated? How might a loan become a problem?	Participate in and compare different application processes including filling in forms by hand; online; Face to face;; Credit rating/history Look at the role of the FSA, Financial Services Ombudsman etc Look at consequences of missed payments; Illness; redundancy; death; Loss of item purchased with loan	The 'money matters to me' website has a list of questions to consider before taking out a loan. Pupils could be given a scenario to use while answering these questions. Various micro-finance websites like Kiva , Deki and Micro-Tyco showcase entrepreneurs who are seeking loans for various reasons.	
	When might you need a loan?	Parents: buying an expensive item, e.g. bike, Xbox, school trip, broken item, fees/holidays/memberships.		

		<p>Students/young adults: Car/bike; College/university courses fees; Student living expenses; Accommodation/rent/mortgage; Furniture; Holidays; Gap year.</p> <p>Adults: Wedding; Mortgage; Car(s) Holidays; Children; House maintenance; Emergencies; Funeral; Care of elderly/long-term illness; Renovation;</p> <p>Retired people: Care; Specialist equipment; Holidays; Home alterations; Funeral</p>	<p>Pupils can even lend small sums of money & monitor repayments.</p> <p>This BBC website has resources to help people develop skills for life including getting a loan</p>	<p>This article provides details of the advantages of Credit Union loans</p> <p>The Students Award Agency for Scotland has information on loan criteria</p> <p>The Thrifty Scot website advises people to do their homework before applying for a loan</p>
	Why would a person take out a loan?	<p>Investigate attitudes to purchasing (perhaps how they have changed over time)</p> <p>Why don't people save up now?</p>		