

Money Talks: Family Finances

'Wild cards'

Wild Card!



Staff notes

Janet and John



Income

Granny Jill is very concerned that Janet and John are always overdrawn in their bank account so she arranges for a credit transfer from her account to theirs for £500 in the hope that they will be able to stay out of the red and maybe be better at budgeting.

Expenditure

John is up in the loft searching for his old squash racket and accidentally puts his foot through the ceiling of the bathroom and breaks a water pipe to the shower. The damage is extensive and will cost at least £500 to repair. They're not sure if their household insurance will cover them for this and, anyway, the excess on the policy is £300 so it is going to be an expensive accident.

Discussion points:

- £ Will this cash injection work?
- £ Will they fritter it away?
- £ Should Granny Jill sit with Janet and John and show them how to draw up a proper budgeting plan?
- £ How would this be received?
- £ Where can Janet and John make cut-backs in their expenditure (needs versus wants)?
- £ Should they take more dig money from their earning daughter, Jenni, staying at home with them?
- £ Should Jenni take more financial responsibility and offer more dig money?

Discussion points:

- £ Read the small print!
- £ Will it only be the cost of the repair that they need to find?
- £ How will they cover the cost of water damage to other household items, e.g., clothing in wardrobes, bedding, etc. where the water has reached before being turned off?
- £ Considering how much they are struggling to make ends meet, how are they going to be able to pay for this repair?

Jenni



Income

Jenni receives a Christmas bonus at work for her outstanding performance within her team in the past six months. She will get the £500 bonus before Christmas.

Expenditure

The clutch has worn out in Jenni's car. It will cost £280 for parts and labour to replace it. It's December and she needs all her cash for Christmas presents. She also can't bear the thought of going back to using the bus.

Discussion points:

- £ What should she do with that money?
- £ Should she keep it for herself or could she help her parents back into the 'black'?
- £ Responsibilities?

Discussion points:

- £ Should she take out a loan to cover the repair?
- £ Consider what she is saving each month
- £ Think about other forms of transport, e.g., car-share – more eco-friendly, too

Kenny



Income

Kenny wins the 'Apprentice of the Year' award for his area of Scotland as an apprentice plumber. In addition to a certificate and shield, he will receive £1000 prize money.

Expenditure

Kenny enjoys a night out in a club with his friends but, after one of these, the next morning he realises that his wallet is missing and by the time he reports it and cancels his debit card, someone has withdrawn £300 from his account (which he can ill afford to lose!)

Discussion points:

- £ What should he do with that money?
- £ Check out employability/apprenticeship support agencies, e.g. <http://www.microcomtraining.com/>
- £ Character traits re. applying for jobs

Discussion points:

- £ Is Kenny in dire straits now with his monthly budgeting?
- £ Is he insured for such situations?
- £ How will he meet all his bills/outgoing costs?
- £ What can Kenny cut back on re. his spending?

Granny Jill



Income

Granny Jill wins the Buchan Street Galleries Christmas raffle. The prize is a £1000 in vouchers to spend in any shop within the shopping mall.

Expenditure

Tiles are blown off the roof of Granny Jill's house during the February gales. She thought her house insurance covered claims such as this, but it doesn't.

Discussion points:

- £ Would Granny Jill normally shop where the vouchers are valid?
- £ What will she do with the vouchers?
- £ Read small print – restrictions re. use

Discussion points:

- £ How will Granny Jill cover the expense of the repair?
- £ How much extra will buildings insurance be to cover such incidents?
- £ Shopping around for best insurance deals
- £ Read small print

Auntie Barbara



Income

A resident in the care home where Barbara serves the afternoon tea and chats to the residents dies and leaves £200 to Barbara. The lawyer representing the resident posts a cheque for this amount to Barbara.

Expenditure

Barbara's washing machine breaks down and it will cost at least £75 just to call the engineer out to it. She hates the thought of not having her own washing machine and having to ask her mum or Janet and John if she can use theirs. She could ask her mum for a loan, but her mum already helps her a lot with money or she could go to the local Abernethy Credit Union and ask for a low-cost loan.

Discussion points:

- £ What should she do with the unexpected windfall?
- £ How can she cash the cheque if she is financially excluded?
- £ Pros and cons of using high street cheque exchange shops.
- £ What is a Post Office top-up Budget Card and how can it be used?
<http://www.postoffice.co.uk/savings-accounts/budget-card>
- £ See [Auntie Barbara's PO Statement](#)

Discussion points:

- £ What is APR?
- £ What is AER?
- £ What is compound interest?
- £ What do we mean by good debt/bad debt? ('Living within your means' and only taking on loans that you can afford to pay back without a detrimental effect on your health and wellbeing)
- £ Compare low-cost credit union loan with those of doorstep-lenders and loan sharks

Sally



Income

Sally has won the chance to join the council-wide gymnastics team that will give her the chance to train every Saturday with the team and compete in national competitions. To help with her expenses, the council provides funding of £35 per month.

Expenditure

Sally sneaks her big sister's new iPad mini out of her room after Jenni has left for work. She takes it to school to show off to her friends and play some games she has downloaded as apps. Unfortunately, it falls on the floor and another pupil stands on it by accident. The glass screen gets broken. Sally confesses to Jenni when she gets home from work and Jenni is furious! She wants it fixed and Sally has to pay for the full repair.

Discussion points:

- £ Who will have control over the funding?
- £ How could this funding be used?
- £ Is £35 per month enough to cover Sally's training costs?
- £ Who will subsidise Sally's training costs?
- £ List all the things that will cost money for Sally to be part of the gymnastics team

Discussion points:

- £ Where/how is Sally going to get the money for the repair?
- £ Character traits – honesty, responsibility, etc
- £ Cost of downloading games/apps – how much is 'free'?
- £ Awareness-raising of charges for going on to next game level