Finance

PERSONAL DEVELOPMENT

Good financial understanding allows a person to make informed decisions that are right for that individual and their circumstances. Everyone's financial situation is different; we aim to ensure pupils have the knowledge and understanding to make sound decisions regarding their money and investments, identify and evaluate risks, and understand how to balance income and spending to reduce financial stress and unnecessary burdens.

Key Ideas

BUDGETING

Being able to balance income and outgoings, considering what are committed outgoings and what is discretionary spending.

Example: Gas, electric and water bills are committed spending whereas going on holiday is discretionary.

BANK ACCOUNTS

The difference between current accounts and savings accounts, selecting the right one for you and understanding bank statements.

Example: I know what to look for in an account if I am aiming to maximise by savings.

GAMBLING

Understanding what gambling is, being able to evaluate and assess the risks posed by different forms of gambling.

Example: Investing in stocks and shares is a risk, does the potential gain of investing in a company outweigh the potential loss?

CREDIT AND DEBIT CARDS

How the different cards impact when money is taken from your account, the advantages and disadvantages of both.

Example: A credit cards gives more protection when buying online compared to a debit card.

CONSUMER RIGHTS

Know how the rights you have when buying in store are different from the rights you have shopping online.

Example: Knowing when I have a right to a refund, a repair or a replacement.

BUDGETING AND SAVING

Savings are a back up plan, saving up for a specific thing, like a holiday, is money built up intended to be spent.

Example: I have savings I can use in an emergency, for example to pay my bills if I were to not be able to work for a while.

MONEY MULES

People used by criminals to launder money.

Example: A money mule launders money for criminals. By being a money mule, a person is breaking the law.

GOOD DEBT AND BAD DEBT

Good debt is taking on debt and getting something of value for it at the end. Bad debt is taking on a debit with nothing gained at the end.

Example: A mortgage is a good debt, once it's paid, the house belongs to you.

STUDENT FINANCE

An example outline of the costs of going to university and typical student loans.

Example: I have to be able to pay my rent and bills each month. I have to pay for my course materials. How can I balance my new responsibilities with family and social life?