

The **Get Real with money** series develops financial capability and life skills in secondary students and covers learning objectives within the UK financial education curricula. Season 2 spans four episodes each comprising a **short film, a dynamic teacher's presentation, PDF worksheets** and a **flexible lesson plan** (30, 60 or 90 minute sessions or combine to use on a curriculum/enterprise day).



EPISODE 3

The Bank of Rio dishes out some level advice and it looks like Ben may be able to start paying his bills, however they need some investment! By working through options, students learn about different types of credit. They'll also get real and consider at what times in their lives they may need to borrow money.

LEARNING OBJECTIVES

- ▶ Students will have a basic understanding of different types of money lenders.
- ▶ Students will consider at what times in their lives they may need to borrow money.

CURRICULUM LINKS

11-14 years

- ▶ Be able to identify a range of situations in which using credit may be a suitable option.
- ▶ Be able to assess financial products and match them to my needs and circumstances and those of others.

14-16+ years

- ▶ Take into account personal and economic circumstances when evaluating payday loan companies, borrowing from friends, banks or loan sharks.

LESSON BREAKDOWN	TIMING	INSTRUCTIONS
Introduction Slide 1: Character introduction Slide 2: Learning Objectives Slide 3: Film	5mins	<ul style="list-style-type: none"> ▶ Introduce the characters and learning objectives using Slides 1-2. ▶ Use the film as a group discussion tool: <ul style="list-style-type: none"> - What are their thoughts? - Do they think it is realistic? - What would they do?
Money Lenders PDF 1: Money Lenders Slides 4-6: Money Lenders - Definitions	10mins	<ul style="list-style-type: none"> ▶ Look at different types of money lenders. PDF 1 Money Lenders. ▶ Students discuss which ones they have heard of and which ones they would use and for what.
Borrowing Timeline PDF 2: Borrowing Timeline - Worksheet Slide 7: Borrowing Timeline	20mins	<ul style="list-style-type: none"> ▶ Handout PDF 2 Borrowing Timeline - Worksheet and ask students to fill in when they think they might need to borrow money in the future and what for. Ideas are given on the worksheet.
Borrowing Situations PDF 3: Borrowing Situations - Worksheet Slide 8: Borrowing Dilemmas	20mins	<ul style="list-style-type: none"> ▶ Cut PDF 3 Borrowing Situations - Worksheet into cards. Split the students into groups of 4. Give 3 or 4 cards to each group and ask them to discuss and consider questions on slide 8. Review each one with the class.
Extension Slide 9: Danger, sharks	30mins	<ul style="list-style-type: none"> ▶ Ask the students to research payday loans and loan sharks and design a warning poster on flipchart paper.
Consolidation Quiz Slides 10-12	5mins	<ul style="list-style-type: none"> ▶ Use the final three slides to ask questions, check understanding and find out how far learning objectives have been met.

ANSWERS

Consolidation Quiz

1. PayDay lenders and loan sharks.
2. Annual Percentage Rate – these vary with all lenders so shop around for the best offer.
3. No! A holiday is often just 1 or 2 weeks; you could end up paying it back over a year or more when the holiday is long forgotten.

FURTHER INFORMATION

PAYDAY LOANS

- ▶ Short-term loans for small amounts of money. Usually easy to get but the interest rates are very high. Always look at alternatives before using this option as it will affect/restrict any borrowing you may need in the future.

LOANS

- ▶ A bank, building society or finance company can give you a personal loan. You apply for the amount you require and they will fix the interest rate for the term of the loan, e.g. 2 years, so you know at the outset how much the monthly repayments will be and how much you will pay back in total.

BANK OVERDRAFTS

- ▶ You can arrange to take more out of your account than you have e.g. £500. This may incur an arrangement fee and you will be charged interest every day on the amount you go overdrawn. The bank may arrange this for a fixed term, e.g. 6 months, or leave it ongoing until you request otherwise. If you don't use the overdraft you don't pay any interest.

CREDIT UNION / COMMUNITY BANKS

- ▶ Credit unions are non-profit financial organisations set up by members to benefit their community. There are about 500 credit unions across the UK with numbers increasing. They are linked to community, trade union or industry e.g. Police Credit Union. Credit unions aim to help people take control of their money by encouraging them to save and if people need to borrow, ensure that they can afford the repayments.

CREDIT CARDS

- ▶ Credit means borrowing. You can apply for a credit card through banks, finance companies, high-street chain stores and some supermarkets. You're given a credit limit that you're allowed to spend up to. If you pay the amount off every month in full no interest is charged but if you don't, you will get charged. Interest rates vary so shop around. If credit cards aren't used sensibly they can become very expensive. If you pay them off in full every month they're a great tool to have in your financial survival kit.

MAIL ORDER CATALOGUES

- ▶ Interest rates depend on the catalogue; they can be free but can also be very expensive. It may be cheaper to buy the goods on the high street so shop around, especially for large items.

PAWNBROKER

- ▶ Someone who will lend you money against goods you leave with them, e.g. a watch or a ring. The pawnbroker must give you a receipt, known as a ticket and must keep the goods for at least 6 months. You can get your goods back at any time by paying back the agreed amount but if you don't pay the money back they will sell your goods to pay off your debt.

LOAN SHARKS

- ▶ Illegal money lenders. They will be friendly until you don't pay back what they ask for. They intimidate people and can threaten violence. You will not get any paperwork so you can't prove how much you've paid back. It has been reported that someone who borrowed £500 ended up paying over £80,000 back as she was so frightened.