



## Money Lenders

<b>PAYDAY LOANS</b>	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.
<b>LOANS</b>	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.
<b>BANK OVERDRAFTS</b>	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.
<b>CREDIT CARDS</b>	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.
<b>MAIL ORDER CATALOGUES</b>	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.
<b>PAWNBROKER</b>	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.
<b>LOAN SHARKS</b>	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.



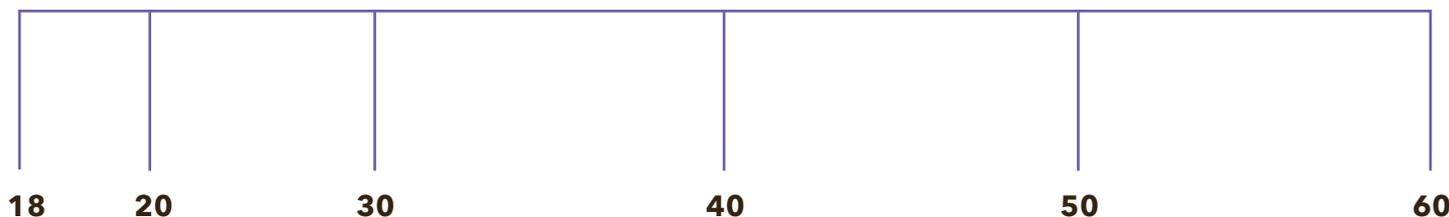
## Borrowing Timeline - Worksheet

Imagine your future! Think about when you might need to borrow money and what for.

1. Draw arrows at the age you think you might need to borrow and write what it is for. Some ideas are listed for you. Feel free to add anything else you think of.

<b>MOBILE PHONE CONTRACT</b>	<b>LEARN TO DRIVE</b>	<b>BUY A CAR</b>
<b>PAY OFF STUDENT DEBT</b>	<b>BUY A HOUSE</b>	<b>GO TO UNIVERSITY</b>
<b>START A BUSINESS</b>	<b>GET MARRIED</b>	<b>GO ON HOLIDAY</b>
<b>CHANGE JOB/CAREER</b>	<b>PAY OFF EXISTING LOANS</b>	<b>HOUSE IMPROVEMENTS</b>
<b>HAVE A BABY</b>	<b>LEAVE HOME</b>	<b>GET A CREDIT CARD/ STORE CARD</b>
<b>HELP OTHER FAMILY MEMBERS FINANCIALLY</b>	<b>CAREER CHANGE</b>	<b>TRAVEL</b>
<b>STUDY AGAIN!</b>	<b>BUILD A HOUSE</b>	<b>MEDICAL CARE</b>

**Age**





## Borrowing situations - Worksheet

Look at the borrowing situations below and for each one consider the following questions:

1. Would you borrow money for this item/situation?
2. How long would you borrow the money for?
3. What do you think is a reasonable interest rate?
4. What are the implications of borrowing money for this?

 <p><b>GO ON HOLIDAY</b></p>	<p><b>BUY FURNITURE FOR AN UNFURNISHED PROPERTY</b></p>
<p><b>PAY STUDENT FEES</b></p>	<p><b>BUY A CAR</b></p>
<p><b>SHORT TERM BORROWING FOR EVERYDAY SPENDING/BILLS</b></p>	<p><b>BUY LUXURIES FOR FURNISHED FLAT</b></p>
<p><b>BUY THE LATEST GADGET, E.G. TABLET OR PHONE</b></p>	<p><b>BUY CLOTHES FOR NEW JOB</b></p>