

Quids in: The impact of financial skills training for social housing tenants

Session resources August 2012



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One to one financial capability session resources

These resources have been selected for use with clients on a one to one basis.

They can be adapted to include relevant local information and according to the needs of the learner and the time available.

Aim is to improve the money management and awareness of learners, to help them maximise available income, increase the use of appropriate financial products and avoid spiralling debt.

Objectives are that by the end of session(s) learners will be able to:

1. Describe their attitudes to money and identify their strengths and weaknesses in managing money
2. Identify the difference between needs and wants when it comes to spending money and what these are for them
3. Identify what are priority bills and the consequences of not paying these bills
4. Identify ways to make money go further
5. Keep track of their spending using a spending diary
6. Describe some of the benefits of having a bank account
7. Describe the main types of bank accounts that are available
8. Identify sources of more affordable credit
9. Use APR's and AER's to make informed choices when borrowing and saving
10. Describe some of the benefits of budgeting
11. Convert figures from one time frame to another to put in a budget sheet
12. Complete a budget sheet
13. Describe how and where they might save
14. Identify further sources of information and help on money matters

Wants & Needs Exercise

Instant Coffee
Breakfast Cereals
Bread
Ground Coffee
Tea
Eggs
Meat
Crisps
Sandwich Toaster
Fresh Vegetables
Biscuits
Soft Drinks
Spirit



Chocolate
Newspaper
Popcorn Maker
Video
Sandwiches
Lottery Ticket
Horlicks
Jam
Marmite
Wine
Loo Rolls
Marmalade
Slow Cooker
Washing Powder
Trifle
Soup
Washing up Liquid
Fish
Ready Meals



Ice Cream
Frozen Vegetables
Tinned Fruit
Magazine
Pet Food
Crumpets
Fresh Fruit
Cakes
Milk
Baby Food



Cheese
Television
Cooking Oil
Fruit Juice
Pizza
Fridge
Kitchen Towels
Bin Bags
Toys
Peanuts
Pot Noodles
Ham
Mobile Phone
Freezer
Tinned Tomatoes



Beer

Cream
Sweets
Cigarettes
Bacon
Mineral Water
Baked Beans
Toothpaste
Deep Fat Fryer
Music CD/DVD
Tinned Salmon
Mouthwash
Razors
Shaving Cream
Tinned Tuna
Shampoo



Ketchup
Rice
Sausages
Cook-in Sauces
Gravy Granules
Pasta
Pickles
Yorkshire pudding
Jelly
Tumble Dryer
Clothes



Microwave
Disposable Nappies
Beef Burgers

Wants & Needs Exercise

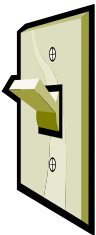


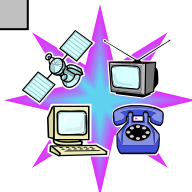

FROM THE LIST CHOOSE TEN THINGS YOU CANNOT LIVE WITHOUT.

'What if'

What do you think could happen if you fall behind with the bills below? There are **examples** in the 'what could happen' column.

Draw a line to match each bill with what could happen if it isn't paid.

(the first line is drawn in for you)

Bill	What could happen
<div style="display: flex; align-items: center; gap: 10px;">  <div style="border: 1px solid black; padding: 5px; background-color: #cccccc; width: 150px; text-align: center;">Electricity</div> </div>	<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="border: 1px solid black; padding: 5px; background-color: #cccccc; width: 300px; text-align: center;">You could lose your home</div>  </div> <div style="border: 1px solid black; padding: 5px; background-color: #cccccc; width: 300px; text-align: center; margin-top: 20px;">You could be cut off</div>
<div style="border: 1px solid black; padding: 5px; width: 150px; text-align: center; margin-bottom: 10px;">Credit card</div> 	<div style="border: 1px solid black; padding: 5px; background-color: #cccccc; width: 300px; text-align: center; margin-top: 20px;">You could get a very big fine</div>
<div style="border: 1px solid black; padding: 5px; background-color: #cccccc; width: 200px; text-align: center; margin-bottom: 10px;">Rent or mortgage</div>	<div style="border: 1px solid black; padding: 5px; background-color: #cccccc; width: 300px; text-align: center; margin-top: 20px;">A bailiff could take your belongings</div> 
<div style="border: 1px solid black; padding: 5px; width: 150px; text-align: center; margin-bottom: 10px;">Catalogue</div>	<div style="border: 1px solid black; padding: 5px; width: 300px; text-align: center; margin-top: 20px;">You could be taken to a county court</div>
<div style="border: 1px solid black; padding: 5px; background-color: #cccccc; width: 200px; text-align: center; margin-bottom: 10px;">Council Tax</div>	 <div style="border: 1px solid black; padding: 5px; background-color: #cccccc; width: 150px; text-align: center; margin-top: 20px;">TV licence</div>

Why Budget?

1. To check day to day financial position
2. Can react quicker to debt
3. Can plan borrowing money
4. When moving house
5. When moving job
6. When there is a change in financial circumstances

How to do a budget

- ✓ Use weekly, fortnightly or monthly amounts and do not mix!
- ✓ Use realistic amounts
- ✓ Do rough budget first
- ✓ Include fines, travel and loans
- ✓ Be realistic regarding food and housekeeping
- ✓ Include emergencies and Christmas!!



My Personal Budget

Income (weekly/monthly)	£
Wages	
Benefits	
Other	
Total	
Expenditure (Weekly/monthly)	
Mortgage	
Rent	
Council Tax	
Water rates	
Building/Contents Insurance	
Life Insurance/Pension	
Gas	
Electric	
Other Fuel	
Housekeeping	
TV Licence/Rental	
Magistrates Court Fines	
Maintenance Payments	
Travel Expenses	
School meals/meals at work	
Clothing	
Laundry	
Telephone	
Prescriptions	
Childminding	
Children's Pocket Money	
Catalogues	
Other	
Other	
Other	
Total Expenditure	
Total Income (take away)	
Total Expenditure	
Money Left (week/month)	

Budget Planner			
		Weekly	Monthly
Income			
	Salary / Wages (take home)		
	Partners' Salary / Wages (take home)		
	Maintenance or Child Care		
	Boarders or Lodgers		
	Other Family Contributions (eg.Board)		
	Student Loans & Grants		
	Job Seekers Allowance (Income based)		
	Job Seekers Allowance (Contribution based)		
	Income Support		
	Working Tax Credit (4 Weekly Payments?)		
	Child Tax Credit		
	Child Benefit		
	Incapacity Benefit / Statutory Sick Pay		
	Disability Living Allowance / Attendance Allowance		
	Carer's Allowance		
	Other (eg. Maternity Allowance, Statutory Maternity Pay)		
	State Pensions		
	Private or Work Pensions		
	Pension Credit - Guarantee Savings		
	Other		
	Other		
	Other		
	Total Income		
Expenditure			
Household	Rent		
	Ground Rent & Service Charges		
	Mortgage		
	Other Secured Loans		
	Mortgage Endowment & Mortgage Protection		
	Buildings & Contents Insurance		
	Pension & Life Insurance		
	TV Licence		
	Council Tax		
Utility	Gas		
	Electric		
	Water		
	Other Utility Costs (Coal, Oil, Calor Gas)		

Care costs	Maintenance or Child Support		
	Childcare Costs		
	Adult Care Costs		
Legal Cost	Magistrates' Court Fines		
	Hire Purchase / Conditional Sale		
Phone	Home		
	Mobile		
Transport	Public Transport (eg.Bus,Train)		
	Other (eg.Taxis)		
	Car Insurance		
	Road Tax		
	Fuel (eg.Petrol, Diesel, Oil)		
	MOT & Car Maintenance		
	Breakdown or Recovery		
	Parking Charges or Tolls		
	Other Car Costs		
Consumables	Food		
	Cleaning & Toiletries		
	Newspapers & Magazines		
	Cigarettes & Tobacco		
	Alcohol		
	Laundry & Dry Cleaning		
	Clothing & Footwear		
	Nappies & Baby Items		
	Pet Food		
Sundry costs	Repairs / House Maintenance		
	Hair Cuts		
	Cable, Satellite & Internet		
	TV, Video & Other Appliance Rental		
	School Meals & Meals at Work		
	Pocket Money & School Trips		
	Lottery & Pools etc		
	Hobbies / Leisure / Sport		
	Gifts (Christmas, birthday, charity etc)		
	Vet Bills & Pet Insurance		
	Health (eg.Prescriptions, dentist, glasses)		
	Other (eg. Postage)		
	Other		
	Other		
	Other		
	Total Expenditure		

Calculating amounts

To calculate weekly amounts from:

Month – multiply/times monthly amount by 12 and divide/share by 52

Quarter – multiply/times quarterly amount by 4 and divide/share by 52

Fortnight – multiply/times fortnightly amount by 26 and divide/share by 52

Half Year – multiply/times amount by 2 and divide/share by 52

Per Year – divide annual amount by 52

To calculate fortnightly/ 2 weekly amounts from:

Week – multiply/times weekly amount by 2

Month – multiply/times monthly amount by 12 and divide/share by 26

Quarter – multiply/times quarterly amount by 4 and divide/share by 26

Half Year – multiply/times by 2 and divide/share by 26

Year – divide/share by 26

To calculate monthly amounts from:

Week – multiply/times weekly amount by 52 and divide/share by 12

Fortnight – multiply/times fortnightly amount by 26 and divide/share by 12

Quarter – multiply/times quarterly amount by 4 and divide/share by 12

Half year – multiply/times half yearly amount by 2 and divide/share by 12

Year – divide/share by 12

Budget Calculation Exercise

Calculate the following into WEEKLY amounts:

£89.00 per month

£80.00 per quarter

£30.00 per fortnight

£236.00 per half year

£149.50 per year

Calculate the following into FORTNIGHTLY/2 WEEKLY amounts:

£65.35 per week

£25.00 per month

£120.00 per quarter

£202.90 per half year

£169.50 per year

Calculate the following into MONTHLY amounts:

£15.00 per week

£6.95 per fortnight

£75.00 per quarter

£578.00 per half year

£1298.00 per year

Case Study – Rob & Mandy

Rob and Mandy rent a house. They have 2 children, Maisie, 3 and Leon, 6. Rob is currently not working and receives contribution based job seekers allowance at £65.45. Mandy works full time and receives £250.00 per week in wages.

Income		Weekly	Monthly
	Wages	250.00	1083.33
	JSA	65.45	283.62
	Child benefit	20.00	86.67
	Child Tax Credit	25.00	
	Total Income		
Expenditure			
	Rent	115.38	500.00
	TV Licence	2.77	
	Council tax	19.15	83.00
	Gas	11.54	50.00
	Electricity	11.54	50.00
	Water	6.92	30.00
	Mobile phone	6.92	30.00
	Transport	30.00	130.00
	Food	100.00	
	Cigarettes/Alcohol	20.00	86.67
	Clothing/Footwear	6.92	30.00
	Hair cuts	8.08	35.00
	Sky TV	5.77	25.00
	Leisure		43.33
	Going Out	20.00	86.67
	Loan	11.54	
	Total Expenditure		

1. Convert the figures that are missing into either weekly or monthly
2. Add up Rob and Mandy's income and expenditure
3. Does their budget balance? What is the difference?
4. List what you think is their priority spending
5. List the spending that you think they could cut back on
6. What could happen if they carry on as they are?
7. Rob and Mandy would like to have some money put aside for a rainy day, can they do this? How?

Case Study – Rob & Mandy (ANSWERS)

Rob and Mandy rent a house. They have 2 children, Maisie, 3 and Leon, 6. Rob is currently not working and receives contribution based job seekers allowance at £65.45. Mandy works full time and receives £250.00 per week in wages.

Income		Weekly	Monthly
	Wages	250.00	1083.33
	JSA	65.45	283.62
	Child benefit	20.00	86.67
	Child Tax Credit	25.00	108.33
	Total Income	360.45	1561.95
Expenditure			
	Rent	115.38	500.00
	TV Licence	2.77	12.00
	Council tax	19.15	83.00
	Gas	11.54	50.00
	Electricity	11.54	50.00
	Water	6.92	30.00
	Mobile phone	6.92	30.00
	Transport	30.00	130.00
	Food	100.00	433.33
	Cigarettes/Alcohol	20.00	86.67
	Clothing/Footwear	6.92	30.00
	Hair cuts	8.08	35.00
	Sky TV	5.77	25.00
	Leisure	10.00	43.33
	Going Out	20.00	86.67
	Loan	11.54	50.00
	Total Expenditure	386.53	1675.00

1. Convert the figures that are missing into either weekly or monthly
2. Add up Rob and Mandy's income and expenditure
3. Does their budget balance? What is the difference?

No, the difference is £26.08 weekly and £113.05 monthly

4. List what you think is their priority spending

*Rent,
tv licence,
gas, electric,
water,
council tax,
phone,
transport
food*

5. List the spending that you think they could cut back on

*phone
cigarettes/alcohol
clothing
hair
sky tv
going out/leisure*

6. What could happen if they carry on as they are?

They will end up in debt and have arrears, which could mean serious consequences for them such as losing their home or having their gas or electricity cut off

7. Rob and Mandy would like to have some money put aside for a rainy day, can they do this? How?

Yes. If they cut back on some things then they can afford to put a little bit aside every week/month, this will slowly build up an emergency fund.

Case Study – Sally

Sally is 26 and rents a house. She has one child, Millie aged 2. Sally is currently not working and is in receipt of benefits.

Income		Weekly	Monthly
	Income Support	82.85	
	Child Maintenance	10.00	43.33
	Child benefit	20.00	
	Child Tax Credit	100.00	433.33
	Housing Benefit	92.31	400.00
	Council Tax benefit	17.31	75.00
	Total Income		
Expenditure			
	Rent	92.31	400.00
	TV Licence	2.77	
	Council tax	17.31	75.00
	Gas	10.00	43.33
	Electricity	15.00	
	Water	6.92	30.00
	Mobile phone	10.00	43.33
	Bus/Taxi	10.00	43.33
	Food	80.00	
	Cigarettes/Alcohol	20.00	86.67
	Clothing/Footwear	6.92	30.00
	Hair cuts	4.63	20.00
	Virgin Media	6.92	30.00
	Nappies/Wipes		65.00
	Going Out	20.00	86.67
	Loan (doorstep)	15.00	65.00
	Catalogue	10.00	43.33
	Total Expenditure		

1. Convert the figures that are missing into either weekly or monthly
2. Add up Sally's income and expenditure
3. Does her budget balance? What is the difference?

4. List what you think is her priority spending

5. List the spending that you think she could cut back on

6. What could happen if she carries on as she is?

7. Sally is concerned about her debts and would like to make more than the minimum payment because what she is paying now doesn't seem to be making much of a difference. Can she do this? How?

Case Study – Sally (ANSWERS)

Sally is 26 and rents a house. She has one child, Millie aged 2. Sally is currently not working and is in receipt of benefits.

Income		Weekly	Monthly
	Income Support	82.85	359.02
	Child Maintenance	10.00	43.33
	Child benefit	20.00	86.67
	Child Tax Credit	100.00	433.33
	Housing Benefit	92.31	400.00
	Council Tax benefit	17.31	75.00
	Total Income	322.47	1397.35
Expenditure			
	Rent	92.31	400.00
	TV Licence	2.77	12.00
	Council tax	17.31	75.00
	Gas	10.00	43.33
	Electricity	15.00	65.00
	Water	6.92	30.00
	Mobile phone	10.00	43.33
	Bus/Taxi	10.00	43.33
	Food	80.00	346.67
	Cigarettes/Alcohol	20.00	86.67
	Clothing/Footwear	6.92	30.00
	Hair cuts	4.63	20.00
	Virgin Media	6.92	30.00
	Nappies/Wipes	15.00	65.00
	Going Out	20.00	86.67
	Loan (doorstep)	15.00	65.00
	Catalogue	10.00	43.33
	Total Expenditure	342.78	1485.33

1. Covert the figures that are missing into either weekly or monthly
2. Add up Sally's income and expenditure
3. Does her budget balance? What is the difference?

No, the difference is £26.08 weekly and £113.05 monthly

4. List what you think is her priority spending

*Rent,
TV licence,
gas, electric,
water,
council tax,
phone,
transport
food
nappies/wipes*

5. List the spending that you think she could cut back on

*phone
cigarettes/alcohol
clothing
hair
sky TV
going out/leisure*











6. What could happen if she carries on as she is?

They will end up in debt and have arrears, which could mean serious consequences for them such as losing their home or having their gas or electricity cut off

7. Sally is concerned about her debts and would like to make more than the minimum payment because what she is paying now doesn't seem to be making much of a difference. Can she do this? How?

Yes. If she cuts back on some things then she can pay more towards her debts which will mean that she will see them reduce quicker. At the moment most of her minimum payment will just be covering the interest which is why she can't see it coming down much.

Debt Emergencies Flash Cards

<p>Littlewoods Catalogue £90</p> <p>4 weekly payments behind, reminder letters have been sent</p> 	<p>Provident £230</p> <p>4 weekly payments behind, the collector says that if the amount due is not paid then it will be sent to head office</p> 
<p>Water charges £80</p> <p>Second half years bill owing. County Court action threatened by letter</p> 	<p>Electricity £90</p> <p>Last quarterly bill outstanding, will disconnect tomorrow</p> 
<p>Rent £350</p> <p>Payments have been missed, letters requesting payments have been sent. No notice seeking possession has yet been issued</p> 	<p>Bank overdraft £250</p> <p>Bank manager threatening court action in a letter</p> 
<p>Council Tax £450</p> <p>Payments have been missed. A bailiff has been to the house and posted a letter to say he will return tomorrow</p> 	<p>Magistrates Court Fine £120</p> <p>First instalment is due this week, but there is no money to pay it.</p> 
<p>Credit card £500</p> <p>Payments have been missed regularly. Charges are being added and the bank have sent a letter threatening court action if they are not brought up to date</p> 	<p>Mobile phone £60</p> <p>Phone bill has not been paid for the last two months. They will disconnect this week</p> 

Debt Emergencies – Correct order of priority

1. **Electricity** – This needs to be dealt with immediately, as there is a notice for disconnection tomorrow. Although a supplier cannot disconnect you if you are a vulnerable client, in any other circumstances they are allowed to disconnect for arrears. The supplier must be contacted and arrangements need to be made to prevent the supply from being disconnected.
2. **Council Tax** – If this is not paid it could result in imprisonment. If the bailiff returns tomorrow then you must not open the door to them, and also ensure that all downstairs windows are closed so that they cannot gain peaceful entry. Usually the bailiff will only come to the property 3 times, and after this the debt is passed back to the council, once this happens a repayment plan needs to be arranged.
3. **Rent** – failure to pay your rent could mean that you end up homeless. Although no possession proceedings have been issued the rent must be paid. The landlord will need to be contacted and a repayment plan needs to be in place before he decides to commence any proceedings.
4. **Magistrates Court Fine** – This could result in imprisonment. The Court needs to be contacted immediately, and it is their discretion as to whether they will consider a reduced payment or extending the payment date. If they are not contacted then a warrant of arrest could be issued, and could result in prison.
5. **Water bill** – Although you cannot be disconnected for water this still needs to be paid. If County Court action has been threatened it is likely to happen if the bill is not paid. The water company needs to be contacted and a repayment plan needs to be arranged.
6. **Mobile phone bill** – If the mobile phone is needed as you do not have a landline, then the service provider needs to be contacted to prevent disconnection. You need to negotiate with the provider regular payments towards the arrears, but it is down to their discretion if they choose to accept.

7. **Overdraft** – The bank needs to be contacted asking them to suspend any interest and charges due to financial difficulty. Also need to consider paying a regular amount towards the overdraft so that it is lowly paid off.

8. **Credit card**

9. **Littlewoods catalogue**

10. **Provident**

} These are not priority debts and so can be dealt with after the emergencies. The creditors need to be contacted and informed of your situation and offers of token payments or pro rata payments need to be made. Even if the creditors take you to County Court it would only be for an arrangement of repayment.



Options when saving

	Will I get interest on my money?	Is it difficult to take money out immediately?	Is there any protection if the organisation goes bust?	Is it tax-free?	Do you have to make regular contributions?	Will money be collected from my home?	Will it pay out in vouchers?
Standard bank or building society saving account	✓	✗	✓	✗	✗	✗	✗
ISAs	✓	You may be required to give some notice	✓	✓	✗	✗	✗
Credit union saving account	You may get a dividend	✗	✓	✗	✓	✗	✗
Post Office saving account	✗	✗	✓	✗	✗	✗	✗
Voucher schemes	You may receive some bonuses	✗	Companies have different levels of protection, so just ask them before joining	✓	✓	✓	✓
Clubs with local shops (e.g. butchers, corner shops and toy shops)	✗	✗	If the shop closes or goes bust, you are unlikely to get all of your money back	✓	✓	✗	✓
Supermarket stamp schemes	Many supermarkets may offer a bonus	✗	If the company goes bust, you are unlikely to get all of your money back	✓	✓	✗	✗
Hamper Schemes	✗	✓	Only those that belong to the Christmas Prepayments Association	✓	✓	✓	✓

Or you could just save at home with money in a piggy bank or under the mattress!



What is AER?

AER stands for 'Annual Equivalent Rate' and shows the rate of interest a saver will receive over a year assuming that the cash is left in the account for the full year.

Example:

Deposit £1,000 in a savings account that pays an interest rate of AER 5%

At the end of the year the account balance would be £1,050, the extra £50 being the interest paid

Note, the interest will normally be paid one of two ways -

- **Monthly** - at the end of the month the interest earned on the money gets credited to the account (usually this is a month in arrears so at the end of February the January interest will be paid), or
- **Yearly** - interest is paid once per year on a set date (the bank will set this out in its terms and conditions)

Comparing APR and AER

APR	AER
Used when borrowing money	Used when saving money
The higher the APR, the more detrimental it is to you	The higher the AER the better it is for you



Credit unions - a safe place to save, an affordable way to borrow

Credit unions are financial co-operatives that are owned by the people who use them.

To join a credit union you will need to either be living or working in a certain area, be working for a certain employer or belong to a certain association, such as a trade union, religious group or housing association.

Some credit unions also provide services to community groups and local businesses.

Money saved in credit unions is safe - it is protected by the Financial Services Compensation Scheme, just like money in banks and building societies.

All credit unions offer easy ways to save, which may include:

- o At local offices or collection points
- o Using PayPoint or similar payment cards to pay in at local newsagents etc
- o By paying some or all of your benefits into the credit union
- o Direct from your wages via payroll deduction before it reaches your bank account
- o By standing order or direct debit

All credit unions also offer loans at affordable rates (maximum 2% a month on the reducing balance or 26.8% APR), so a £500 loan repaid over 6 months would cost you no more than £36 in interest, and could cost you much less – from a doorstep lender a similar loan could cost you over £250 in interest.

Credit unions vary in how much they can lend you, so it is best to talk to the one where you live or work to find out what they offer. While some may not lend much more than £1000, some do much larger loans including mortgages.

Some credit unions also offer the Credit Union Current Account, which offers a VISA debit card with ATM access, or Prepaid Cards which can have your savings or loans loaded onto them for you to use at ATMs and in shops etc in the usual way.

Statistics – (unaudited figures from FSA, March 2012)

- o Around 400 credit unions
- o Over 1 million people – 887,00 adults and 121,000 juniors
- o £760 million in savings; £604 million out on loan

To find a local credit union so you can get in touch with them and find out what services they can offer you, you can visit www.findyourcreditunion.co.uk or phone the Association of British Credit Unions (ABCUL) on 0161 832 3694

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Benefits of having a bank account

- ② You can set up standing orders and direct debits to make sure that things get paid on time, so you don't have to remember to pay them every week/month.
- ② You can easily keep a track of the money you have going in and out by checking your bank statement.
- ② You can use your bank card in shops to pay for things if you don't want to carry cash with you.
- ② You can have any benefits and wages paid directly into your account.
- ② Bank accounts can earn you interest on the money that you have in the account.
- ② Some types of accounts allow you an overdraft facility for instances when you may need a little extra money. (**WARNING**: always check that you have an authorised overdraft with your bank first!)
- ② A bank account is a way of keeping your money safe from loss or theft; it's much safer than keeping your money in your purse/wallet or in your home.
- ② Depending on what you want to do with your money, you can have more than one account, such as a savings account, an everyday basic account and an account to build up an emergency fund. This is much easier than trying to save cash in separate amounts



Citizens Advice
2012



Banking Services

Account – this is a service provided by a bank or building society that holds money for you

Current Account – is an everyday account for money to be paid in and taken out, it helps you budget your money and pay for things in a convenient and secure way. Some current accounts pay interest on the money held in the account.

Basic Bank Account – is a service from a bank or building society that lets you pay in money and pay bills. It does not let you spend more than you have in your account and you are not allowed to go overdrawn.

Savings/Deposit Account – is an account to put money into for savings. This type of account pays interest on the balance. It is best to shop around for the best interest rates as they vary considerably

Post Office Account – this is used if you do not have a bank account. This type of account can be used to receive benefits, and cash can only be withdrawn over the counter.

Cheque – is a written instruction to a bank it can be used to pay you money, or pay other people.

Cheque guarantee card – is a plastic card that is issued by the bank or building society and guarantees payment within certain limits whether or not there is enough money in the account. Limits are normally £100 or £250.

Bounced Cheque – is a cheque the bank refuses to pay because there is not enough money in the account of the person who wrote the cheque. The bank usually sends the cheque back to the person it was written out to (the payee) marked 'return to drawer'. The bank will charge the person who issued the cheque when this happens

Cash Card/Cash Machine Card – is issued by the bank and lets you use a cash machine (ATM or 'hole in the wall machine') to withdraw money, check your balance or print a mini statement.

Debit Card – a card issued by a bank or building society that can be used instead of cash or cheque for making a purchase. The balance is always checked at the time of purchase to ensure there is enough money in the account to cover the expenditure.

Credit Card – Credit Cards are issued by banks and building societies and enable you to make purchases and pay for them later. Credit will be made available for you to buy the goods. Each month you will be sent a statement of your account showing items purchased. You must pay back a minimum amount and interest is added if you do not pay off the full amount. It is worth shopping around to get the best interest deal.

ATM – Automated Teller Machine is a cash dispensing machine which can be found in many public places. In order to be able to use an ATM you need a withdrawal card and a Personal Identification Number (PIN). ATMs can also check your account balance and issue a mini statement of your recent transactions.

Credit – the account that is in credit means that there is money available to you to use or money has been paid in (credited) to account.

Debit – money that is taken out of an account is ‘debited’ from it

Standing Order – a specific amount of money which is taken out of your account at the same time every week/month.

Direct Debit – an amount of money which is taken from your account at the same time every week/month. It does not have to be the same amount each time as with a standing order.

Bank Statement – a record of the activity going on in your account. This shows money coming in, going out and any possible charges and interest that may have been applied.

Instant Access – this means that you can access your account whenever you may need to.

Notice – this is the amount of time you have to give to the bank/building society/post office before you can access your money

PIN – this is a ‘personal identification number’. You use your PIN number to verify your identity. It is a secret number that you use to access your bank accounts.

Overdraft – this is the amount by which the bank/building society allows you to go over on your account.

Bank Charges – these are all charges applied to your account by a bank/building society for reasons such as, bounced cheques or direct debits and exceeding an authorised overdraft.

Account	Can take money out at cash machines	Can pay in benefits/wages	Can set up direct debits/standing orders	Overdraft facility available	Debit card	Need to open account with money in	Interest paid	Notice period to take money out
Basic Bank Account	✓	✓	✓	✗	Not always offered	✗	✗	✗
Current Account	✓	✓	✓	May offer and overdraft facility	✓	✓	Could offer a small amount of interest	✗
Post Office Account	Can only take out money at the Post Office	✓	✗	✗	✗	✗	✗	✗
Savings Account	It may offer access to your money via cash machine	✓	✗	✗	✗	✓	✓	Usually need to provide notice to access your money
Credit Union Account	✗	✗	Depending on which credit union you join you may be able to set these up	✗	✗	Usually need to save a regular amount	Usually a dividend paid once a year	✓



Which bank account?



Borrowing Money

You have just moved into your new house, and you need a new TV. You have seen the one that you want, and do have a little money set aside for it. However, you are unsure of which is the best option for you to have it.

The TV that you want is the Samsung 40" LED in Black. Look at the following options that are available to you:

- **Paying outright**

£422.05 at Dixons

- **Bright House**

Typical APR of 29.9%



Cash Price/amount of credit	£1294.97
Weekly Payment over 156 weeks	£11.95
Total Payment	£1864.20
Interest you pay	£569.23
Optional Service Cover per week	£6.44
Total weekly payment incl service cover	£18.39
Total payment incl service cover	£2868.84
Interest you pay incl service cover	£1573.87



- **Provident**

272.2% APR

Amount of Credit	£500
Weekly payment over 52 weeks	£17.50
Total to repay	£910.00
Interest you pay	£410.00



- **Credit Union**

11.6% APR

Amount of credit	£500
Weekly Payment over 52 weeks	£10.20
Total repayment	£530.29
Interest you pay	£30.29



- **Loan company**

Between 25% - 35% APR

Amount of credit	£500
Weekly payment over 52 weeks	£11.43
Total repayment	£594.26
Interest you pay	£94.26

- **Credit card**

Based on APR of 20%

Amount of credit	£500
Total repayment	£1884.81
Interest you pay	£1384.81



NOTE: this is based on if you make just the minimum payments each month. The original amount of £500 would take you 24 years to pay back.

Ways to make your money go further

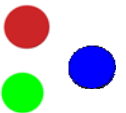
- 🕒 Use cash instead of cards so you can see what you're spending
- 🕒 Shop around – on foot, on internet, in newspapers, in magazines, etc
- 🕒 Plan your meals in advance – see additional handout
- 🕒 Make a shopping list ...and stick to it!!
- 🕒 Don't go shopping hungry!
- 🕒 Look out for BOGOFs – Buy One Get One Free
- 🕒 Look out for special offers
- 🕒 Use 'money off' vouchers e.g. The Sun ran a voucher for £5 off £30 shopping at TESCO, and previously a voucher for Dior mascara was available, and any person with the voucher got free mascara to trial worth £10.99. So look out for these.
- 🕒 Shop's own brand
- 🕒 Buy in bulk – e.g. stewing steak, cook in bulk and freeze
- 🕒 Look out for the 'Sales'
- 🕒 Look at reduced section in supermarket – time limited foods. (further information in separate handout)
- 🕒 Save loyalty card points
- 🕒 Take advantage of payment incentives – e.g. pay bill on time get % off
- 🕒 Home cook rather than buy ready meals or eat out
- 🕒 Grow your own vegetables



- 🕒 Pay cash and ask for a discount
- 🕒 Use Charity shops/second hand shops
- 🕒 Buy through the small 'ads' in the paper, shop windows etc
- 🕒 Buy at car boot sales
- 🕒 Buy services in advance – e.g. Bus passes
- 🕒 Book in advance if travelling by train – is often cheaper
- 🕒 Check if cheaper to go by public transport rather than car
- 🕒 Save up for things



🕒 Go Dotty!! (when buying any item of clothing in high street shops, check to see if there is a red/green/blue dot on any of the inside labels, and if there is that means the item will be going in the sale)

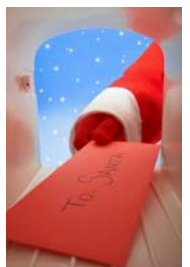


🕒 97p bargaining—Dixons-Currys etc (if an item is priced for example is priced at £199.98/£299.97 instead of 99 that is a clue to the sales person that they have too much stock of this particular item and you could get a discount)

🕒 use the Freecycle network at www.freecycle.org

🕒 SANTA 1 (before 12 Dec) (If your child wants a reply from Santa at Christmas, all they need to do is write him a letter and on the front of the envelope put Santa 1, the Royal Mail then replies and sends a letter back from Santa) This service costs £10 at [Last minute.com](http://Lastminute.com)!

🕒 Christmas money double interest! (When saving for Christmas at the start of the year you could put your money in any high interest savings account, and then closer to Christmas take it out and put it into any supermarket Christmas club of your choice before the cut off date. This way you would get interest on your money throughout the year and then again when you transfer it to the Christmas club)





All you need to know about supermarket loyalty cards

<p>Tesco – Clubcard</p> <ul style="list-style-type: none"> • Reward points for shopping on-line or in-store • Usually 1 point for every £1, but do sometimes offer double points • Each point worth a penny in-store but worth 4 times the value on line • Every 3 months Tesco will send you a voucher • Points can be exchanged on line for days out, holidays, breakdown cover and much, much more 	<p>Boots – Advantage Card</p> <ul style="list-style-type: none"> • For every £1 you spend in store, you get 4 points – worth 4p • Accumulate the points and spend them in store on anything you want • Can boost the points by picking up a free Boots magazine, which sometimes contains free points incentive coupons • Look out for promotions when you can get more points for your money!
<p>Sainsbury's – Nectar Card</p> <ul style="list-style-type: none"> • Usually you earn 1 point per £1 • Can earn extra points for doing your shopping on line • Can also collect points by filling up at a Sainsbury's petrol station – 1 point for every litre of fuel • You don't just have to spend them at Sainsbury's, can also spend them at Argos, Homebase, Vue, Alton Towers Resort and many more • Look out for bonus points and double point promotions 	<p>Morrison's – Miles</p> <ul style="list-style-type: none"> • Can collect points when you fill up at a Morrison's petrol station • For every litre of fuel you can get up to 15 Morrison's Miles • Once you have earned enough points, you will receive a voucher to spend in store • Look out for promotions on earning extra points

Asda – Price Promise

Although Asda do not actually do a specific loyalty points scheme, they do have something of their own. They ask you to do your shopping at Asda, then go on line and use their shopping calculator and this will tell you how much your shopping would have cost if you went to Sainsbury's, Morrison's or Tesco. If your shopping would have been cheaper from the other supermarkets, then Asda will refund you the difference.

Health Warning: This information was correct as of October 2010. However, please check deals and information concerning each supermarket regularly.

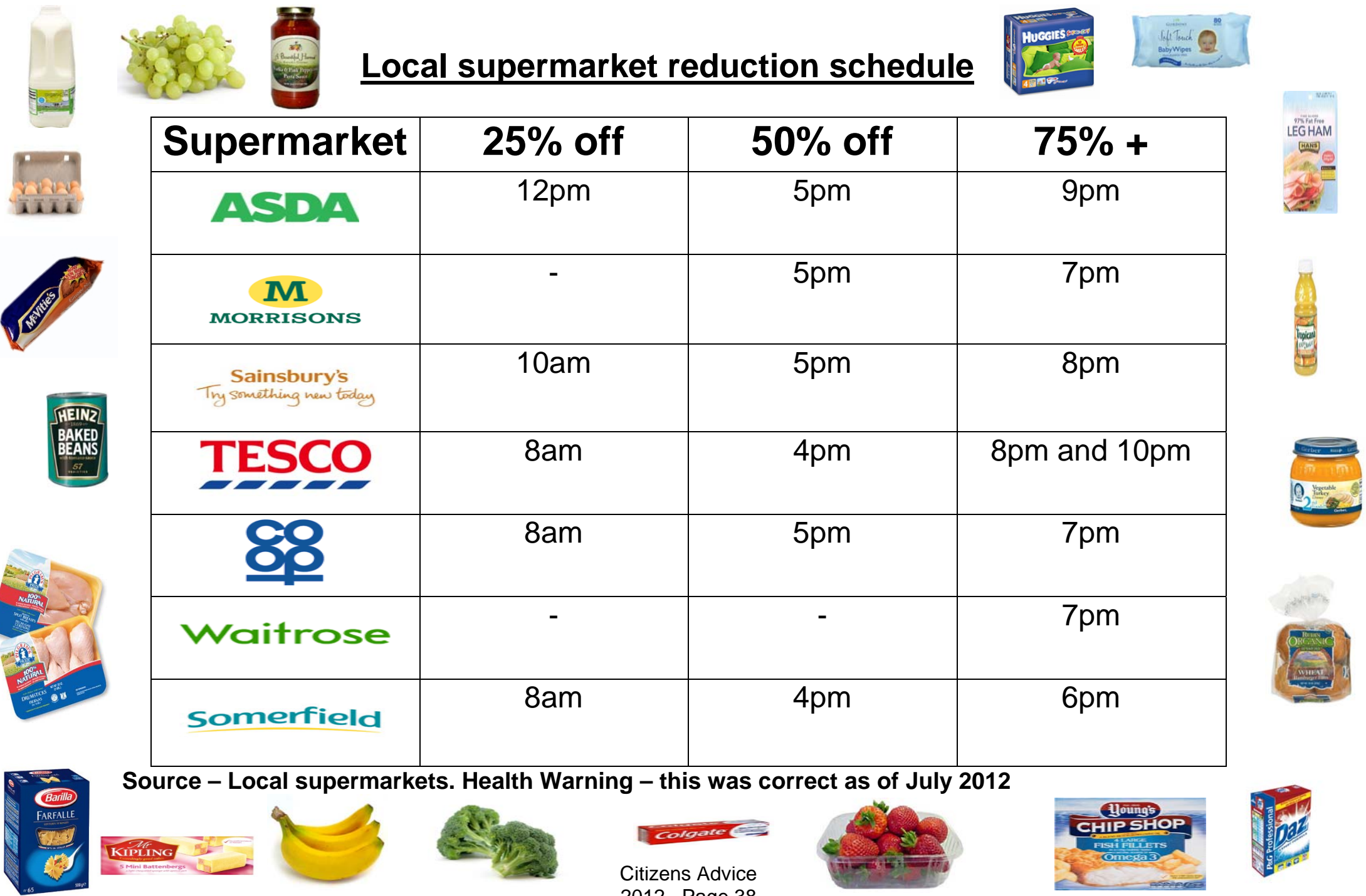
Spending Diary

Date	Description	Cash	Debit card/cheque	Credit card	Today's total
WEEKLY TOTAL		£	£	£	£




Local supermarket reduction schedule

Supermarket	25% off	50% off	75% +
	12pm	5pm	9pm
	-	5pm	7pm
	10am	5pm	8pm
	8am	4pm	8pm and 10pm
	8am	5pm	7pm
	-	-	7pm
	8am	4pm	6pm

Source – Local supermarkets. Health Warning – this was correct as of July 2012



family meal planner

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Breakfast	 						
Lunch							
Dinner							



Useful contacts for debt advice and other useful organisations

- **Citizens Advice** - contact your local Citizens advice bureau for further advice and to find out what money management courses are available in your area or check their online information at www.adviceguide.org.uk
- **National Debt Line** – for advice or a free Money Advice Trust Pack – ‘dealing with your debts’ and free fact sheets tel: 0808 808 4000
www.nationaldebtline.co.uk
- **Skills for life network** www.skillsforlifenet.com
Equips people with the basic skills needed for life, literacy, numeracy and language
- **Money Advice Service** www.moneyadviceservice.org.uk
Provides information on financial services and money matters

www.moneymatterstome.co.uk

An interactive budgeter and loan calculator

www.moneymagpie.co.uk

Information on numerous financial matters, such as saving, debt, bargains and making money

www.frugal.org.uk

Will give you information on how to reduce your debts, save for a holiday, live more simply or just beat the system a little and end up with more cash

www.moneysavingexpert.com

Comparison site to compare financial products. Information on a range of financial matters. Hints, tips and news.

Reflective Learning Journal



Name	Date	Session

What today was about...

What I liked the most...

How it has helped me...

What else I would like to know about...

How I can use what I have been told today...

POSTCARD

I will...

By

POSTCARD

I will...

By