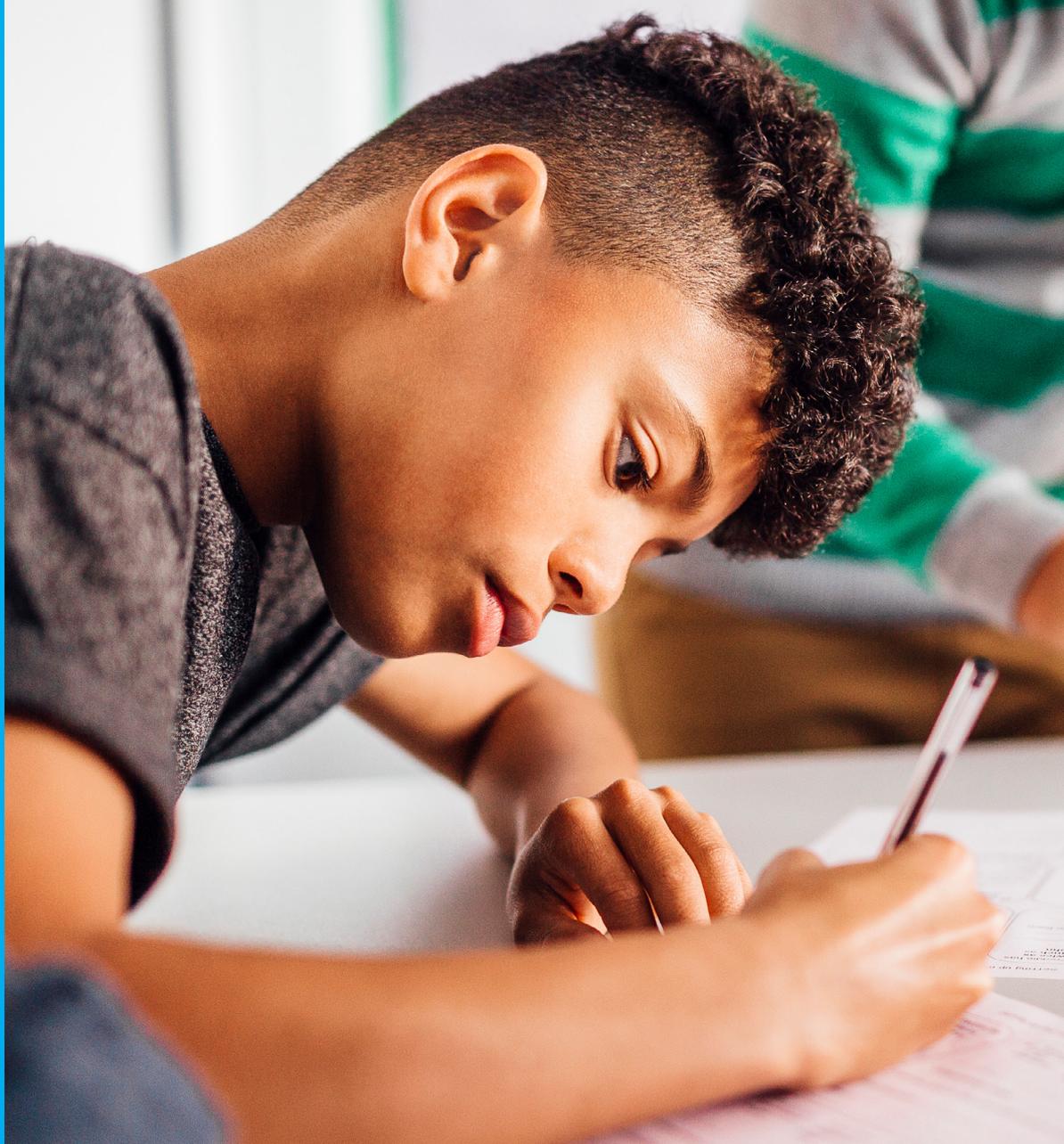




# Next steps in your financial journey

Age range: 11-14

 **BARCLAYS** | LifeSkills



# Session overview

This lesson, focused on helping students understand bank account features and options, how to read statements and track transactions, is one of four Money Skills lessons for young people aged 11-14.

Time	Key learning outcomes	Resources
90 mins	By the end of the activity students will have: <ul style="list-style-type: none"> <li>• Considered the advantages and disadvantages of borrowing to fund a purchase</li> <li>• Compared bank account features and understood how they could suit different individuals</li> <li>• Learnt key terminology and interpreted a bank statement by answering questions</li> </ul>	<ul style="list-style-type: none"> <li>• Next steps in your financial journey presentation slides</li> <li>• <a href="#">Bank Account Comparison interactive tool</a> (or download ahead for offline delivery)</li> </ul>



The Money Skills 11-14 lessons support students to develop helpful financial skills for their future, prepare them for the world of work, and keep up to date with modern financial changes. Each lesson has 90 minutes of core activities, along with suggested extension activities and signposting to supporting LifeSkills content and relevant external links. They are accredited with the Young Money Financial Education Mark, recognising them as recommended financial education resources.

This lesson plan is designed to be used in tandem with a PDF containing interactive activity slides.

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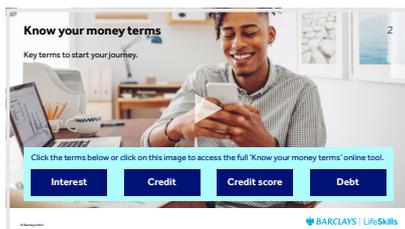
There is Money Skills content to suit a range of ages and abilities – take a look at our 7-11, 14-16, 16-19 and 19+ resources, which focus on topics such as attitudes to money, money management and risk, and financial independence.

Please note that this lesson includes figures used in calculations such as student loan thresholds, NI contributions or similar. These figures were correct at the time of publication but may have changed by the time you use the resource as they are usually updated by the Government on a yearly basis.

# Activity one

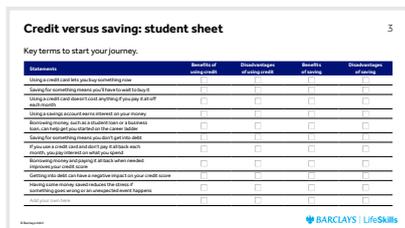
## Icebreaker – Credit versus saving

### 1. Launch this interactive tool



- Use **slide 2** to launch the [Know Your Money Terms tool](#) and search for 'savings account' and 'credit card'. Generate a discussion of the two terms, explaining that when they want to buy something, there is a choice between using savings or borrowing money, which can also be called 'credit'. If you feel it is needed, use the online tool to explore other relevant definitions. Return to **slide 2** to introduce the key terms that will be needed for this lesson

### 2. Discuss credit vs saving



- Use **slide 3** to display the credit vs saving statements, and allow a few minutes for students to work in small groups to decide which of the four categories they belong to – benefits of using credit, disadvantages of using credit, benefits of saving, disadvantages of saving. Bring the groups back together to discuss their choices, before displaying **slide 4** which shows the statements correctly sorted

**NB** the statements include mention of interest, either on a debt or on savings, which is not acceptable in some cultures or religions, and may affect students' views on which features are advantages or disadvantages

### 3. Summarise borrowing

- To summarise, explain to students that borrowing can come in different forms, for example a credit card, loan or mortgage. Borrowing or buying on credit can sometimes be useful; without it many people wouldn't be able to go to university, buy a house or purchase other high cost items as saving for it would take too long
- The point to remember is that you will need to pay it back, usually with interest and you are likely to end up paying back more than you borrowed. Whilst there may be good reasons for using credit, it's usually best to avoid going into debt if possible



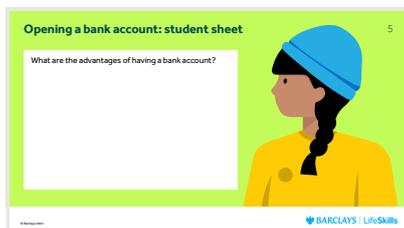
# Activity two

## Opening a bank account

### 1. Discuss why we have bank accounts

- Briefly discuss why we have bank accounts. Explain that there are many options, features and products available and your choice of account will depend on your situation and priorities

### 2. Why are bank accounts a good idea?



- Ask students why it is a good idea to have a bank account, and use this as an opportunity to draw out the advantages, recording their responses on **slide 5**

#### Advantages include:

- Earning interest on your money
- Security
- Access to cash machines where you withdraw money, check balance and top up mobile phones
- Buying products online
- Avoiding the need to carry a large amount of cash around with you
- Improving your credit score – if you maintain a positive balance
- Easier management of bills and expenditure
- Safe and convenient salary payments
- Access to other associated products for customers such as insurance, mortgages

Make sure you also discuss the importance of taking action to avoid identity theft and keeping financial and personal details safe online. For more detail, take a look at [Money Skills: 11-14 – Dealing with financial dilemmas](#).

### 3. Explore banking terminology



- Use **slide 6** to access the [Bank Account Comparison tool](#). Explore the terminology by hovering over the different sections. If it is not mentioned by the students, ensure the contactless symbol is pointed out and that they know what the current spend limit is for contactless payment
- A downloadable version of the Bank Account Comparison tool is also available for offline delivery

# Activity two

## Opening a bank account (cont'd)

### 4. Picking the best account

- In small groups, ask students to consider the different features of the accounts and decide which one is most suitable for the fictional characters on **slides 7-10**. You can print **slides 14-15** if you would like students to have access to the list of definitions as they work through the activity

#### Example response

Ashraf, age 21: Bank account 4

Having a credit card would allow Ashraf to purchase the latest tech needed for his job even when he doesn't have the money straight away. The interest rate of 1.5% would allow him to increase his savings more than some of the other accounts. He can use mobile banking to keep track of his money.

### 5. Check the reasoning

- After the groups have presented their bank account choices for the characters, return to the [Bank Account Comparison tool](#), and click on the 'more info' button on the right-hand side of each account. This will provide an outline of the key features and help check their reasoning for each character
- As a summary, ask if they can come up with some possible ideas for features they would like to see on a bank account. These could be as creative as they like, and should consider the way people might bank in the future

# Activity three

## Reading a bank statement

### 1. Why is it important to read a bank statement?

- Bank statements display all account transactions within a given period. Ask the group why it is important to read your bank statement and keep track of transactions – both money coming in and money going out. What information do they think is shown, or have they seen before, on a statement?

### 2. Explore an example bank statement

Reading a bank statement

Here are some terms that you will find on a bank statement. The following slide provides definitions.

Statement period	Account Name	Account Number	Sort Code
1 June to 30 June	Mr N.E. Owa	48844319	00-00-00

Date	Payment Type	Details	Post Out	Post In	Balance
1 June		BARCLAYS ACCOUNT OPENING			£100.00
4 June	DBP	DBP Payment	£10.00		£90.00
8 June	DBP	Change	£1.11		£88.89
11 June	DBP	Supermarket	£87.00		£1.89
12 June	DBP	Student Bank Salary	£14.00		£15.89
17 June	DBP	Wages	£100.00		£115.89
23 June	DBP	England management	£80.00		£35.89
28 June	DBP	DBP DBP	£100.00		£135.89

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- Use **slide 11** to display the example bank statement. Explore the different sections and terminology by discussing the definitions that appear when hovering over the slide. More people are opting to view their bank statements online rather than get them through the post. Ask students if they know how else they can check their transactions or manage their account, for example mobile apps, wearable technology, text notifications

# Activity three

## Reading a bank statement (cont'd)

### 3. Check comprehension

- When the group are comfortable with the terminology and layout, ask them the following comprehension questions relating to Mr N E One's account – choose the ones that are most appropriate for your group, or add your own

1. On what date did he spend the most money?

**Answer: 11 June.**

2. How much income did he receive during the month?

**Answer: £335 in wages and a cheque for £185.**

3. What does the direct debit cover?

**Answer: His water bill.**

4. Has he finished the month with a positive or negative balance?

**Answer: Positive and has £492.10 left in the account.**

5. Did he incur any charges he could have avoided this month? If so, how much?

**Answer: Yes – £1.75 because he used an ATM that charges for withdrawals. Across the UK, there are around 45,000 free to use cash machines, and 15,000 cash machines that charge a fee for a withdrawal (as of July 2021)\***

**[\\*Protecting access to cash](#)**

6. Explain one way in which the bank statement helps Mr N E One to manage his personal finances.

**Answer: He knows how much money he has left at the end of the month, and that his regular payments are going out.**

7. Why is it important for him to tell his bank if he moves to a new house?

**Answer: If your bank statement falls into the wrong hands then it could lead to identity theft or someone accessing your account.**

8. Is it a good idea for Mr N E One to recycle receipts after he has checked them against a bank statement?

**Answer: No – financial information should be destroyed or shredded.**

9. When is his birthday?

**Answer: Personal information is not displayed on a statement. You should be careful who you share this type of information with, and what information is accessible on social media, as fraudsters collect this to help them steal people's identity. Think carefully how you use your personal information, for example, when selecting a PIN you should not use obvious numbers like your date of birth.**

# Activity four

## Saving habits

### 1. Quick-fire introduction to saving

- Use **slide 12** for a quick-fire activity to encourage good saving habits – not putting away what you are left with at the end, but saving an amount regularly. To illustrate this point, explain that there are mobile apps available that let you round up small amounts that you spend and put them into a savings account or invest

### 2. Calculate savings

- For each of the non-essential items on the slide, ask pupils to calculate how much they would have at the end of one year if they stopped buying this item and saved the money instead. The cost shown is per month. As an extension, ask; what about if they only saved the money every other month? What about at the end of two years of monthly saving?

	Snacks	Tech magazine	Music streaming service
After one year	£144	£40.80	£84
Every other month	£72	£20.40	£42
After two years	£288	£81.60	£168

### 3. Reiterate the impact of saving

- Students could answer these questions in pairs/individually, or you could go through as a whole class and fill in the slide. Reiterate that saving small amounts over a long period of time all adds up. Depending on the type of account you have, you may also earn interest as a percentage of the balance in your account – for example, if you have £50 in your bank account that pays an interest of 1%, you will earn 50p interest on this amount. Refer back to the bank accounts in the comparison tool used earlier on for more examples of bank accounts and interest rates

### 4. Ask students how they could save

Ask students to suggest ways that they could reduce their spending and save money, that don't mean they have to avoid buying the items altogether. For example:

- Buy a snack multipack each week which works out cheaper than buying individually, and save the difference
- Subscribe to a digital magazine rather than have a print version posted to you
- Look at family packages for streaming services, or calculate how often you use it to see if there is a cheaper option available

## Summary

- Recap the learning objectives and use **slide 13** as a takeaway for students at the end of the session

# Further links and activities

To supplement this lesson, you could look through the following links with the class, or suggest that students spend some time exploring the articles and tools on the LifeSkills website in their own time.

NB: Students need to be over 14 to register to use the LifeSkills website independently.

## Articles

[How much does borrowing cost?](#)

[Ways to stay out of debt](#)

## Tools

[34 Ways to Save](#)

[Make It Through the Month Quiz](#)

[Know Your Money Terms](#)

## Lessons

This is one of four Money Skills lessons for 11-14 year olds. Consider delivering the other lessons:

[Recognising your money personality](#)

[Value for money](#)

[Dealing with financial dilemmas](#)

There is Money Skills content to suit a range of ages and abilities – take a look at our 7-11, 14-16, 16-19 and 19+ resources, which focus on topics such as attitudes to money, money management and risk, and financial independence.