

## TEACHING AND LEARNING (LESSON) PLAN

<b>Course:</b> Basics of Personal Finance	
<b>Lecturer/Trainer:</b>	<b>No. of Lesson:</b> Lesson 2

<b>Time(s):</b> <b>Date(s):</b>	<b>Topic and level:</b> Budgeting & Saving
<p><b>Aims:</b> Explain why budgeting is important and introduce a few useful tips, and highlight the importance of compound interest to saving and borrowing.</p> <p><b>Outcomes: On completion of this/these lessons, the learner should be able to:</b> Students should feel more confident in spending less than they earn &amp; saving for the future:</p> <ol style="list-style-type: none"> <li>1. Understand how to construct a budget</li> <li>2. Understand how compound interest works and how to calculate it</li> <li>3. Recognise the value of saving</li> </ol>	

Timings	Teacher Activity	Learner Activity
	Examples of activities include discussion, demonstration, group work, Q&A, video, lectural, tutorial, assessing, individual support, role play, practical, note taking, writing exercises, visits, online activity, work simulation. <b>Please identify how you will meet the range of needs of individual learners and development/ assessment of their essential skills.</b> Health and safety and equal opportunities.	
10 minutes slides 2 & 3	<p><b>Starter:</b> Discussion about what money means to students.</p> <p><b>The aim of this course is to help you feel more confident making financial decisions. By actively taking responsibility for your money, more opportunities are available and you can become more independent as a young adult.</b></p>	<p>Class discussion.</p> <p>Conversation prompts:</p> <ul style="list-style-type: none"> <li>- What does managing money mean to you?</li> <li>- What are common financial decisions in your life?</li> <li>- How far ahead do you consider when thinking about money (e.g. end of the week/month, saving up for a car/house, retirement?)</li> </ul>
15 minutes slide 4	<p><b>FT Video: Exercise 1</b></p> <p>Teacher introduces the concept of budgeting and asks why it is important (frame around aspirations e.g. saving for a holiday, maximising fun without worry of debt). Ask students if they</p>	<p>Make notes on anything interesting in the five key sections:</p> <ol style="list-style-type: none"> <li>1. Self image</li> <li>2. Splitting money between living costs and fun</li> </ol>

	<p>feel confident managing their cash flow. <a href="#">Watch video</a> and then short 5 min class discussion on what they found interesting</p> <p>TBC Lucy K video 3</p>	<ol style="list-style-type: none"> <li>3. Spending less than you earn</li> <li>4. Saving</li> <li>5. Student debt</li> </ol>
<p>10 minutes</p> <p>slide 5</p>	<p><b>Budget Construction: Exercise 2</b></p> <p>Teacher shows a slide with Alex’s financial commitments and asks students to construct a monthly budget:</p> <p>Income: £1,400  Saving for car: £200 (£1000 / 5 months)  Rent: -£350  Utilities -£100  Groceries: £-300  Net = £450</p>	<p>Students should construct a simple monthly budget for Alex</p>
<p>10 minutes</p> <p>slides 6 &amp; 7</p>	<p><b>Saving &amp; Compound Interest:</b></p> <p><a href="#">£7 millionaire compound savings video</a></p> <p>Use <a href="#">Barclays calculator</a> (age 18, either gender, use savings aged 68, £30k annual salary, £0 saved so far, 10% of income saved, don’t know how money invested, £20,100 needed in retirement. Write down number.</p> <p>Now change % of income saved from 10-15%. Look at the change in the overall money available.</p> <p>Watch video and discuss what is interesting, particularly how a small increase in % of income saved = a huge increase in long term savings due to compound interest.</p> <p>Highlight that the same effect occurs on debt as savings</p>	<p>Students watch video, observe calculator and discuss</p>

5 minutes	<p><b>Conclusion:</b></p> <p>Go to <a href="https://elioragames.com/courses/basics-of-financial-literacy/lessons/lesson-2-budgeting-saving-borrowing/quizzes/test-budgeting-saving-borrowing/">https://elioragames.com/courses/basics-of-financial-literacy/lessons/lesson-2-budgeting-saving-borrowing/quizzes/test-budgeting-saving-borrowing/</a></p> <p>Do 3-5 questions as a class and discuss whether students feel more confident in spending less than they earn &amp; saving for the future?</p>	Quiz illustrating important budget management questions; encourage students to explain their decisions, discuss the key lessons from each scenario.

**Resources required:**

- Budgeting/saving slide deck

**Additional Material:**

Mini-course and test on Basics of Financial Literacy:  
[www.elioragames/basics-of-financial-literacy-mini-course-test/](http://www.elioragames/basics-of-financial-literacy-mini-course-test/)

**Methods of assessment during this lesson/training session:**

5 Multiple-Choice Questions, discussion as a group:

**Evaluation:** Please put brief comments on the effectiveness of this/these lesson(s). You may wish to use this as prompt for discussions for your course/subject log book under the heading teaching and learning. Please comment on, where appropriate, inclusive learning, achievement and learner feedback. Differentiations, Equal Opportunities.

**What were the strengths of this lesson?**

**What were the weaknesses of this lesson?**

**What evidence is there that the outcomes have been achieved?**