

**Approximately 60 minutes' worth of materials for a Year 8 Citizenship/PSHE lesson on Managing money / Personal finance.**

**Learning objectives:**

- understand that different people have different money needs and wants
- understand the importance of budgeting
- understand how a cash flow budget sheet works.

**Key words:** *balance, bargain, budget, cash flow, expenses, income, needs, negative balance, positive balance, tax, wants.*

**Resources:**

- a bag containing items such as: a train pass; credit cards; concert tickets; a diary with various appointments, e.g. car service; a range of receipts; a wallet or purse, coins; bank notes; a gym membership card
- money quotes cards (p.4 below) – one set per pair
- (optional) an interactive version of Card activity 1, available online at [www.teachitcitizenship.co.uk](http://www.teachitcitizenship.co.uk) (search for 23298 and click on the yellow star icon)
- cash flow budget game (pp.5–6 below) – one per pair
- approximately 15 dice – one per pair.

**Activities**

**Starter: Money detective**

Explain to students: *I've found someone's bag. Can you help me find out who it belongs to and why it is important to get the bag back to the owner?*

Hold up some things from the bag to give students a picture of the owner's lifestyle.

Ask students:

- *What has the person bought recently?*
- *Which of those expenses are on 'wants' and which on 'needs'?*
- *What does the diary tell you about future expenses?*
- *Why would the person be very pleased to get the bag and its contents back as soon as possible?*

**Main activity A: Money quotes cards**

Hand out the money quote cards to pairs or small groups of students. You could use them in various different ways:

**Card activity 1**

Students sort the cards into the following categories:

1. Quotes about spending
2. Quotes about borrowing/lending
3. Quotes about budgeting
4. Quotes about other topics (What?)

Display the answers (below) on the board or use the interactive Yes No version to feed back on students' answers. Discuss any differences or difficulties.

Quotes about spending	Quotes about borrowing/lending	Quotes about budgeting	Quotes about other topics
<p><b>B.</b> A bargain is something you can't use at a price you can't resist. – Franklin P Jones (journalist)</p> <p><b>D.</b> Whoever said money can't buy happiness simply didn't know where to go shopping. – Bo Derek (actor)</p> <p><b>F.</b> What counts is what you do with your money, not where it came from. – Merton Miller (economist)</p>	<p><b>A.</b> Neither a borrower nor a lender be. – William Shakespeare (playwright and poet)</p> <p><b>C.</b> A bank is a place that will lend you money if you can prove that you don't need it. – Bob Hope (actor)</p> <p><b>H.</b> When I had money, everyone called me brother. – Polish saying</p> <p><b>F.</b> What counts is what you do with your money, not where it came from. – Merton Miller (economist)</p> <p><b>I.</b> It is a waste of money to help those who show no desire to help themselves. – Taylor Caldwell (author)</p>	<p><b>E.</b> The problem is not that people are taxed too little; the problem is that the government spends too much. – Ronald Reagan (former US president)</p> <p><b>G.</b> Why is there so much month left at the end of the money? – John Barrymore (actor)</p> <p><b>J.</b> Never spend your money before you have it. – Thomas Jefferson (American Founding Father)</p> <p><b>F.</b> What counts is what you do with your money, not where it came from. – Merton Miller (economist)</p>	<p><b>E.</b> (tax): The problem is not that people are taxed too little; the problem is that the government spends too much. – Ronald Reagan (former US president)</p> <p><b>F.</b> (making money): What counts is what you do with your money, not where it came from. – Merton Miller (economist)</p> <p><b>I.</b> (charity): It is a waste of money to help those who show no desire to help themselves. – Taylor Caldwell (author)</p> <p><b>H.</b> (status): When I had money, everyone called me brother. – Polish saying</p>

### Card activity 2

Ask each pair or small group to make three piles of cards: one for quotes they understand, one for those they don't and one for ones they are not sure about.

Each pair has 10 minutes to go round the class and help each other with the cards they don't understand or are not sure about. They can then re-organise their card stacks and ask you about any they still don't understand.

This can lead into a class discussion about some of the quotes:

- *What does the quote mean?*
- *How true is it?*
- *Does it apply to you?*
- *Is it sensible?*
- *Is it ethical/fair?*

### Card activity 3

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Place the cards in a box and ask each pair to draw one out. They need to prepare and give a short presentation about their card. They can try to swap the card with another pair if they don't understand it.

### Main activity B: Cash flow budget game

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One student in each pair rolls the dice and the other fills in the cash flow budget table. The number indicates which event of the six takes place. Then they swap roles. Demonstrate how to fill in the table on p.6 (i.e. by finding the difference between 'Money in' and 'Money out' for the final column and keeping a running total).

When everyone has finished, you could ask them some of the following questions:

- *Did anybody have a negative balance? What does this mean?*  
**Answer:** you are in debt.
- *Did anyone have a positive balance? What does this mean for their balance at the beginning of the next month, assuming you get £25 pocket money every month?*  
**Answer:** you are saving money.
- *What would you need to do if you knew you wanted to buy something in a later month that cost over £30?*  
**Answer:** save up.
- *How much of the income can you be absolutely sure of getting every month?*  
**Answer:** only the £25 pocket money.
- *How might you keep your money safe?*  
**Suggested answer:** put it in a bank account.
- *What needs and wants does a typical family have to budget for?*  
**Suggested answer:** (needs) rent/mortgage; food; electricity; gas; water; home insurance; contents insurance; car insurance; car tax; petrol; TV licence; internet connection; phone bills; clothes; (wants) holidays; birthday/Christmas presents ...
- *What are the sources of income for a typical family?*  
**Suggested answer:** salary; interest on savings accounts; money from investments.

### Plenary

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Give each pair of students a sheet of paper with one key word from the lesson: *bargain, budget, cash flow, expenses, income, needs, negative balance, positive balance, tax, wants*.

They should write a definition and an example below the word then pass it to the pair on their left for correction/improvement. They should keep passing it on until the pair which receives it is happy with the definition. They then bring it to you for checking, and for sharing with the class.

The following lesson, you could play a game of Taboo with the same words.

## Money quotes cards

**A. Neither a borrower nor a lender be.**

William Shakespeare (playwright and poet)

**B. A bargain is something you can't use at a price you can't resist.**

Franklin P Jones (journalist)

**C. A bank is a place that will lend you money if you can prove that you don't need it.**

Bob Hope (actor)

**D. Whoever said money can't buy happiness simply didn't know where to go shopping.**

Bo Derek (actor)

**E. The problem is not that people are taxed too little; the problem is that the government spends too much.**

Ronald Reagan (former US president)

**F. What counts is what you do with your money, not where it came from.**

Merton Miller (economist)

**G. Why is there so much month left at the end of the money?**

John Barrymore (actor)

**H. When I had money, everyone called me brother.**

Polish saying

**I. It is a waste of money to help those who show no desire to help themselves.**

Taylor Caldwell (author)

**J. Never spend your money before you have it.**

Thomas Jefferson  
(American Founding Father)

## Cash flow budget game

Throw a dice to see which of the six events happens each week. After each throw, complete a row of the table on the next page.

<p><b>Week 1</b></p> <ol style="list-style-type: none"> <li>1. A kind relative is impressed by your schoolwork. You get £5.</li> <li>2. You lose £5 because it was stuffed in your pocket.</li> <li>3. You get £5 for keeping your room clean for a week.</li> <li>4. You spend £7 on your best friend's birthday present.</li> <li>5. You pay back a friend the £6 you owe them.</li> <li>6. You spend £5 on a take-away.</li> </ol>	<p><b>Week 2</b></p> <ol style="list-style-type: none"> <li>1. Your mum gives you £5 extra pocket money.</li> <li>2. You win £4 in a 'Most brilliant child' competition.</li> <li>3. You buy two tickets to the cinema for £15.</li> <li>4. You buy a burger meal for £5.</li> <li>5. You promise to keep quiet for an hour for £5.</li> <li>6. You wash the car for £5.</li> </ol>
<p><b>Week 3</b></p> <ol style="list-style-type: none"> <li>1. You break your mum's favorite DVD. That's £10 you need to give her.</li> <li>2. Your mum decides to give you £5 from the child allowance, just because you are you. How nice is that?!</li> <li>3. You win third prize (£5) in the school fair raffle.</li> <li>4. It is your sister's birthday and you spend £8 on a gift.</li> <li>5. You buy a £5 book.</li> <li>6. You cut Gran's lawn and get £5.</li> </ol>	<p><b>Week 4</b></p> <ol style="list-style-type: none"> <li>1. You have a hole in your pocket and lose five one-pound coins.</li> <li>2. You must have that new gadget. There goes £15!</li> <li>3. You spend £5 on lottery and don't win.</li> <li>4. You sell some old toys for £3.</li> <li>5. Mum fines you £10 for arguing all the time.</li> <li>6. You get a £5 book token and buy a book with it.</li> </ol>

	What happened	Money in	Money out	Cash balance
<b>Start of week 1</b>	You have £25 in your piggy bank from your month's pocket money.	£0.00	£0.00	£25.00
<b>End of week 1</b>				
<b>End of week 2</b>				
<b>End of week 3</b>				
<b>End of week 4</b>				