


Welcome to SMART Junior

P6-P7





What we'll cover today



What services
a bank offers



The importance of
living within a budget

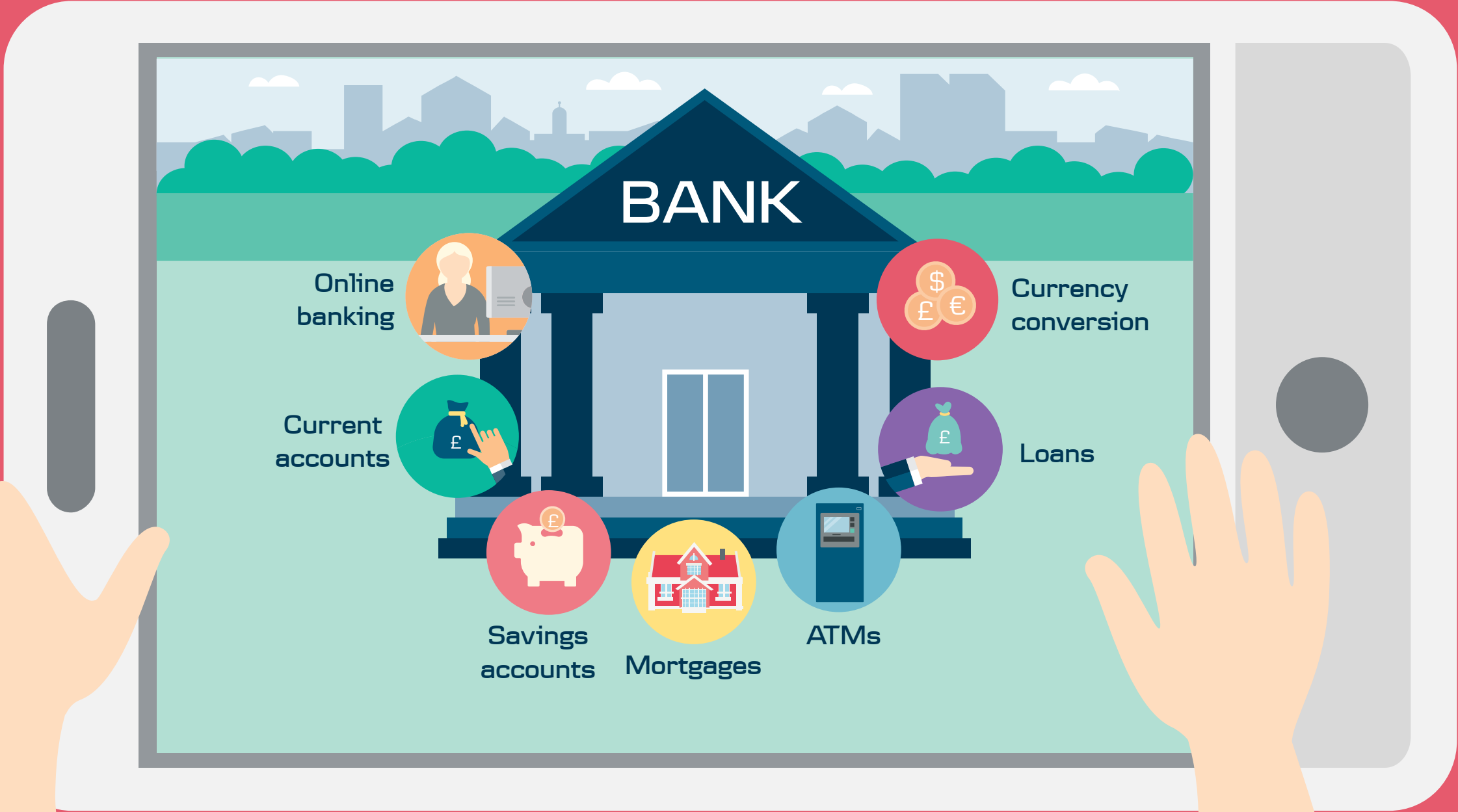


Problems linked
to debt



Advantages of
saving money





Activity 1: Bank

BANK



Match the words with the correct description.



Living within a budget

Activity 2: Household bills

You have five minutes to write down as many household bills as you can think of that need to be paid.

You can use the picture of the house on the next slide as a guide.



5 Min

Activity 2: Household bills



Activity 3: Budgeting

1. You earn **£2,000** each month.
Decide which kind of house, car and pet you would like.
2. Calculate how much money you have left after you have paid for all your bills.
3. Write this amount in the savings section.

The monthly cost for different types of houses, cars and pets can be found in the workbook.

Example budget



—



=



Income (+)
Salary — £2,000

Expenses (—)

Savings
£1,060



Accommodation
Small apartment £400



Transport
Small car £200



Pet
Cat £40

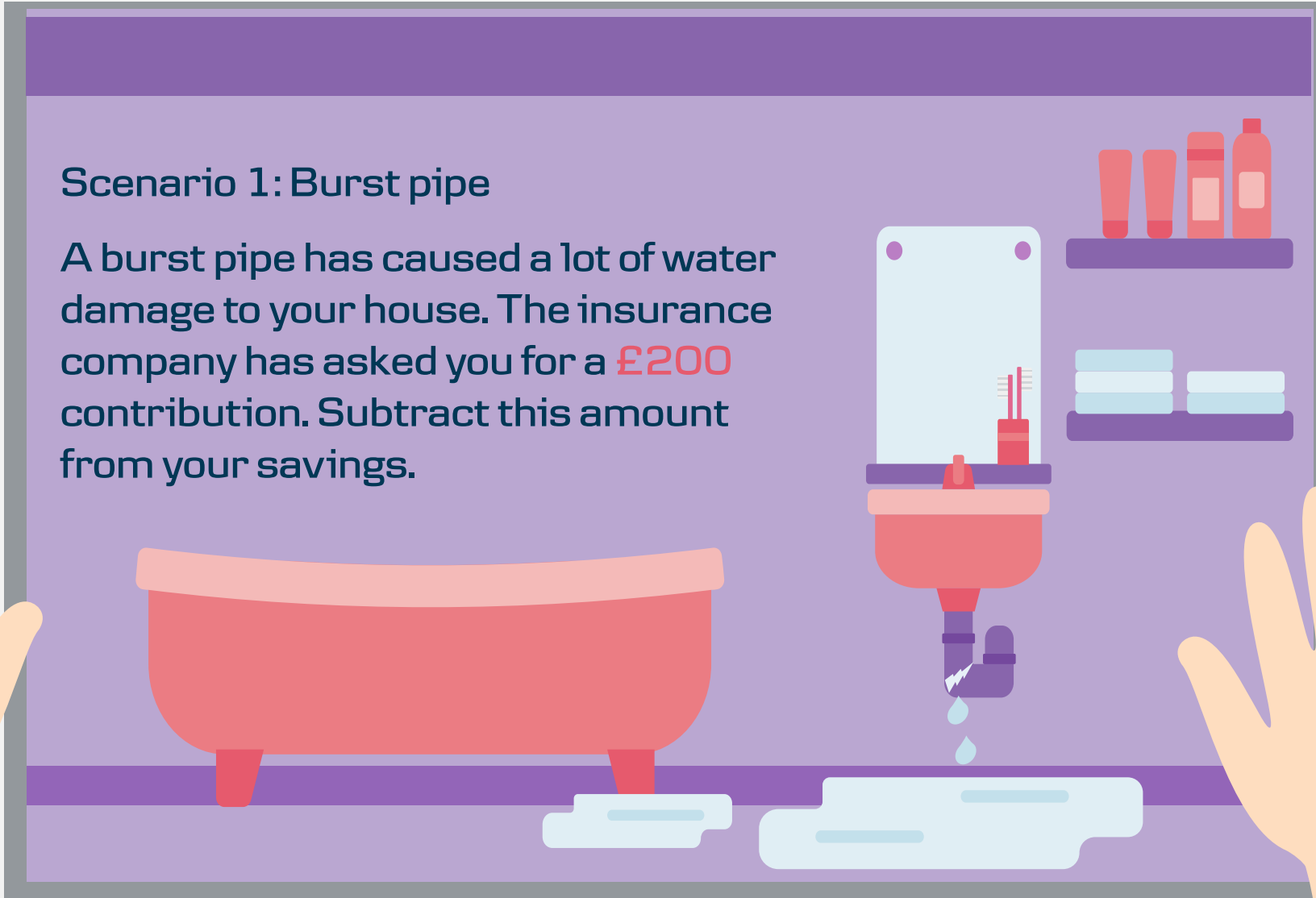


Food & household
items £300
Small apartment

TOTAL = £940

Scenario 1: Burst pipe

A burst pipe has caused a lot of water damage to your house. The insurance company has asked you for a **£200** contribution. Subtract this amount from your savings.



Scenario 1: Budgeting



Previous balance
SAVINGS
£1,060

—



EXPENSES (−)



Burst pipe
Cost of repair £200

=

Total
£860

Scenario 2: New TV

There is an unbelievable sales offer on the new ultra HD-TV and everybody wants one. It costs **£500**.

If you decide to buy this, subtract the cost from your revised savings.



Scenario 3: Phone repair

You have dropped your phone on the pavement and cracked the screen and it will cost **£100** to repair the phone.

Subtract this amount from your savings.



Scenario 4: Vehicle repair

Your vehicle needs a major service. The garage is going to charge you **£300**.

If your main transport is a bicycle, it has been stolen and a new one will cost **£300**.

Subtract this amount from your savings.



Scenario 5: Birthday celebrations

It is your birthday and you are going to invite all your friends to your house for a party. This will add **£100** to your food costs.

Deduct this amount from your savings.



Scenario 6: Birthday gifts

Your friends and family are very generous and have given you a total of **£200** in birthday gifts.

Add this amount to your savings.





Debt

How do people pay for items when they have no savings?



Credit card



Borrow from a friend



Payday loan



Bank loan



How can debt be avoided?

- ✓ Budgeting
- ✓ Saving money
- ✓ Using a debit card instead of a credit card

Can you think of other examples?



Thank you

