



Lesson 1

What influences my decisions?

This is the first of three lessons from the Bank of England that empower young people to become great decision makers, and understand how their decisions affect, and are affected by, the economy. Students will explore what the economy is, the role of the Bank of England, and how these and other factors influence decisions. In Lessons 2 and 3, students will discover how they can analyse reliable information to make the best decisions, and consider the consequences of the decisions they make – for themselves, others, and the economy.

Intended age groups:

Ages 11–14 (KS3/S1–3) and ages 14–16 (KS4/S4–5)

Curriculum areas:

PSHE; Citizenship; PSE; Health and Wellbeing; Social Studies; Learning for Life and Work; Economic Awareness; Thinking, Problem-Solving and Decision-Making
(Please see Teacher Notes for full curriculum links for each UK nation.)

Learning objectives:**Students will learn:**

- how the economy, and other factors, influences our decisions
- about the role of the Bank of England

Learning outcomes:

- I can describe how the different parts of the economy are connected
- I can describe the role of the Bank of England in the economy
- I can explain what influences financial decisions (including the economy)

Equipment and resources

- Presentation 1
- Video 1
- Activity sheet 1: How the economy works
- Activity sheet 2: Decision-making case studies
- Homework/support – Activity sheet 3: What influences my decisions? (with labels cut out)
- Poster: The Economy and ME
- Poster: The Economy and ME (version without connecting lines, and/or version without lines and text boxes)
- Glossary

**Preparation:**

Check that the Presentation and Video are set up to run, and photocopy sufficient copies of the Activity sheets, Posters and Glossary. Activity 3 should be cut into cards if used for the support in class but can remain whole for the homework task. Consider how much time you have and decide whether you wish to use any of the extension activities, or set any of the activities for homework. Read the Teacher notes for guidance on creating a safe learning environment.

Suggested timing:

The activities can fit neatly within a 45-minute lesson, but include extension ideas if you have more time. The resources have been designed for flexible use within your school timetable. For example, extended to fill five or six lessons; or used as a flipped learning resource, with some activities completed at home.

To start (10 minutes)

Hook students' interest by explaining that the next three lessons will help them for the rest of their lives! Ask them to stand if they made a decision today. Point out that everyone should be standing – they decided to get up, what to wear, what to eat for breakfast etc. Some may have made other choices – perhaps to make a purchase, or try a different route to school. Explain that we make decisions all the time, but do we ever stop to think about how we make those decisions... and what influences us? (Share the learning objectives/outcome on **slide 2 of Presentation 1.**)

Explain that one important influence on our financial decisions is the economy.

Start point assessment: Ask students to create a mind map showing everything they currently know about the economy, which can be used as a baseline assessment. For younger students, you could use the idea of an alien coming to Earth, knowing nothing about money or the economy. Their mind map should help to explain these concepts. If students find it too challenging to include any thoughts on 'the economy', they could use 'money' as the focus of their mind map. At the end of the suite of lessons, they will have the chance to add in what they have learned about the economy.



Main activities (25 minutes)

Introducing the economy

Show students **Video 1** (link on **slide 3**), which provides an overview of what the economy is, the different parts (e.g. businesses, consumers, banks) and how they interrelate, and how it affects our decisions. You might like to give students a copy of the **Glossary** of economic terms, which complements the video. Check students' understanding at this point through prompt questions, for example:

- What role do we play in the economy?
- What are interest rates?
- What does the Bank of England do?
- How might high street banks affect consumers?

Slides 4–7 explain interest rates and demonstrate how the economy influences our decisions.

How does the economy influence my decisions?

Organise the class into groups of three or four, and give each group the version of the Poster without lines and text boxes, or the version without lines only for those who would benefit from additional support. Ask students to think about how the different parts of the economy influence each other and to draw in arrows to show how they think the parts interconnect.

Share the version of the **Poster** showing the links. How did it compare with their ideas?

Ask students to imagine they work at the Bank of England. They can choose to raise or lower Bank Rate, then consider how this decision might influence all the other parts of the economy. You might like to explore this idea by asking students to role play the different parts and describe how they have been affected (e.g. higher Bank Rate will mean that high street banks offer higher interest rates, so customers may be less willing to borrow money, so may spend less in shops). Differentiate the activity by giving students who would benefit from additional support **Activity sheet 1**, which contains readymade scenarios showing how each part of the economy is affected by the raising or lowering of Bank Rate. Groups should read and discuss the 'raising' scenario and then all groups should share it with the whole class, to see how all the parts of the economy work together. Then repeat with the 'lowering' scenario, so students see the opposite effect.



To finish (10 minutes)

In pairs or individually, students should choose one of the case studies on **Activity sheet 2** – Isla (recommended for ages 11–14) or Ibrahim (recommended for ages 14–16) – and write down all the people and factors (including the economy) that might influence this decision (see **slide 8**). Students who would benefit from additional support can use the cards from **Activity sheet 3** as prompts.

Discuss some of the ways we might deal with negative influences (e.g. peer pressure, advertiser bias) and share some sources of support, using **slide 9**. As a class, talk about how awareness of what influences us can help make us better decision-makers.

Explain the homework activity (below). Let students know that, in the next lesson, they'll be finding out the process involved in making great decisions.

Homework: What influences my decisions?

At home, students will be given the opportunity to further reflect on the learning from the lesson, and apply it to their own lives and personal decisions in a safe and private environment. Students do not need to disclose what they have chosen. Give students **Activity sheet 3** to take home. Ask them to think about how each of the people/factors on the cards might influence their decisions – if they think of other influences, they can add their own cards. They should cut out the cards and arrange them in order from least likely to most likely to influence their decisions (or write numbers on the sheet to rank them).

Optional extension activities (10–20 minutes)

Discussing young people's decisions – Using slides 10–12 challenge students to discuss, in pairs, the types of decisions made by young people:

- What types of decisions do young people of your age make? (e.g. purchases, clothing, food, relationships, money)
- What decisions do they make concerning money? (e.g. spending, saving, donating to charity, borrowing, how much you're willing to pay for something)
- What might they have to decide when they are 18, 25, 50? How might these decisions affect the rest of their lives? (e.g. subject choice, study/work, career, car, property, travel, marriage, children)