



## Lesson 2

## How can I make informed decisions?

This is the second 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. Having considered what influences their decisions in Lesson 1, students will now explore the process involved in great decision-making – sourcing and analysing reliable information, then weighing up different options. In Lesson 3, they will 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 to ask questions that aid decision-making
- how to analyse information, assessing its reliability
- how to assess and manage risk in relation to financial decisions

**Learning outcomes:**

- I can explain how to make informed choices
- I can explain how the Bank of England uses different sources of information to help make its decisions

**Equipment and resources**

- Presentation 2
- Video 2
- Activity sheet 2: Decision-making case studies
- Activity sheet 4: My decision journey
- Activity sheet 5: Analysing information
- Homework (Optional) – Activity sheet 6: Decision planning (1)
- Poster: The Economy and ME
- Glossary
- Optional – Devices with internet access or print-outs of example product reviews

**Preparation:**

Check that the Presentation and Video are set up to run, and photocopy sufficient copies of the Activity sheets, Poster and Glossary. Consider how much time you have and decide whether you wish to use any of the extensions, or set any activities for homework. Prepare ICT devices if you are using them. 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)

Pose the question: How do people go about making their decisions? **Slide 2** has some useful prompts. Ask students to discuss in groups and share thoughts. This can be used for baseline assessment of students' existing knowledge.

Explain that there are steps we can take to help us minimise risk around decision-making.

Being well-informed is key – this can apply to any decision we must make, throughout our lives! (Share the learning objectives/outcomes on **slide 3** of **Presentation 2**.)

Give students **Activity sheet 4** and explain that the sheet could become a handy reference for decisions they make in the future. Talk through steps 1–3 of the decision-making journey. Explain that they are now going to see some of these steps in practice.

## Main activities (25 minutes)

### How can I learn from the way Bank of England experts make their decisions? (10 minutes)

Show students **Video 2** (link on **slide 4**), which features expert decision-makers from the Bank of England, discussing the processes and methods they use to make informed decisions to help the economy... and sharing their top tips.

Check students' understanding at this point through prompt questions, for example:

- Why is it important to get information from a range of different sources before making a decision?
- What does it mean to 'think critically' about information?
- What is bias? How might it affect someone's decision?

Students who would benefit from additional support can be shown the definition of 'bias' and examples (**slide 5**).



### Decision planning – gathering and analysing information (10 minutes)

Show **slides 6 and 7**, which invite students to imagine they work at the Bank of England. They have been tasked with finding out whether the cost of a weekly supermarket shop is higher or lower than the same time last year. This is one of the aspects of the economy that the Bank of England monitors regularly to make sure prices aren't rising too quickly. It uses around 180,000 separate prices of about 700 items covering everything from food and drink to clothes, furniture and train fares. This is known as the 'basket of goods' (consumer price index).

Organise students into groups of three or four and give each a copy of **Activity sheet 5**, which provides information from different sources that can be used to help them derive an answer. Ask students to go through each of the different information sources and to think carefully how reliable, relevant and accurate the information is. They can refer to the **Poster** to see how the supermarkets (businesses that sell to the public) are connected to other parts of the economy. This activity will help students develop the skills needed to evaluate information when making their own decisions.

### To finish (10 minutes)

Ask each group to feed back to the class what they've learned from analysing the information, and their conclusions about supermarket prices. Did they identify any sources that were potentially biased or unreliable? Did they find any conflicting information? How did they deduce which information was accurate? How can this process reduce risk in terms of financial decisions?

If students are interested to know more about the 'basket of goods' they can be referred to the following websites:

- <https://www.bankofengland.co.uk/monetary-policy/inflation>
- <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/ukconsumerpriceinflationbasketofgoodsandservices/2018>

Explain the homework activity (overleaf).

Let students know that, in the next lesson, they will consider the consequences of people's decisions for themselves, others and the economy.



## Homework: Decision planning

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 written. Give students **Activity sheets 4 and 6** to take home. Ask them to think about a decision they will need to make (e.g. school subject choices) and fill out **Activity sheet 6** with potential questions and information sources. They can begin their research to help aid their decision.

## Optional extension activities (20-40 minutes)

Decision planning (asking the right questions) – Give students a few minutes, in groups, to read or revisit the case study for Isla (recommended for ages 11-14) or Ibrahim (recommended for ages 14-16) on **Activity sheet 2** (on **slides 8 and 9** or found in lesson 1). Either using a case study or designing their own character with a financial decision to make, students fill in steps 1 and 2 on **Activity sheet 6**, creating a list of questions and sources their character could use in making their decision (online reviews, comparison websites, terms and conditions, statistics, newspaper articles, blogs, tech experts, shop assistants, conversations with friends, warranty agreement) and considering which might be most useful. **Slide 10** has example questions for the case studies.

If internet access or pre-printed reviews are available, students could complete the step 3 (e.g. evaluating tablet information and prices from various retailers) and considering how reliable (accurate) the information is and how trustworthy (unbiased) the source. **Slide 11** has useful tips for checking online sources, which you might like to talk through. Research could be carried out in groups, or in pairs with the group analysing the findings. Ask students to keep hold of **Activity sheet 6** or collect them in, if you are planning to carry out the extension in Lesson 3.