

## Lesson 2:

### Savings Savvy

This lesson is designed to help students aged 17-18 understand the potential risks and benefits of different financial options (e.g. cash savings, investments) to equip them to make more informed choices about money. Although it is ideally preceded by Lesson 1, it can be taught as a standalone lesson.

### Learning objectives:

Understand saving options (e.g. stocks and shares, cash savings, ISAs); know where to save and why

Know that there are advantages and disadvantages to the choices people make about their finances

### For the shortened version:

Move straight from the PowerPoint to the Plenary, skipping the Activity Sheet or give it to the students to take home.

## Lesson activity

### Starter (5 mins)

Share the learning objectives on PowerPoint **slide 2** and ask students to spend a minute discussing, in pairs, their answers to the question on **slide 3**. Gather their thoughts and ideas to establish their existing knowledge.

### Time required:

Full version > 45 minutes

Shortened version > 20 minutes

### Resources:

- PowerPoint: Savings Savvy
- Activity Sheet: Cash Savings and Investments
- Fact Sheet: Savings Savvy (to take home)

### Main (25 mins)

Take students through **slides 4-10**, which compare different financial options: cash savings and investments.

Give students the **Case Studies (Part B)** from Lesson 1. Ask students to discuss, in pairs, the questions on **slide 11**.

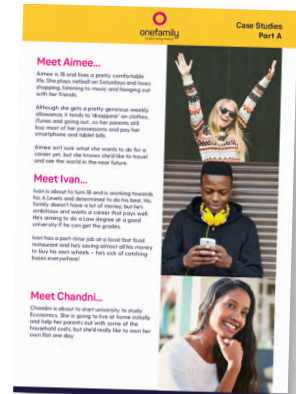
If there's time, give students the **Activity Sheet**, explaining that they're going to look at a graph showing how different saving options performed in real life, from 2005-2018. Ask students to discuss answers to the questions in pairs, before sharing thoughts as a class:

1. Imagine you had invested £1000 in a cash Child Trust Fund (CTF) at the start of 2005. How much would it be worth in 2018? **(Answer: £1,375)**
2. Imagine you had invested £1000 in an investment CTF at the start of 2005. How much would it be worth in 2018? **(Answer: £1,839)**
3. How might you feel if you had invested £100 in 2005 and wanted to take the money out for a purchase in 2008? Why? **Answer: could feel worried or angry because the money's value had dropped. Explain that might be due to factors in the economy and show how it then rises again, following on from that.**
4. What was the difference in value between the cash and investment CTF in 2018? **(Answer: £46.41)**

### Plenary (5 mins)

Ask students to share, as a class, some of the things they have discovered about cash savings versus investments.

Give students the **Fact Sheet**, covering the different saving options, to take home.



## Curriculum Links

### England

PSHE Association Framework Guidance

Core Theme 3. Living in the wider world:

L14. understand savings options; know where to save, when to save and why

### Wales

Personal and social education framework > Post 16 outcomes:

Learners should be given opportunities to: evaluate financial advice, take personal responsibility for financial planning and manage personal finances effectively.

### Scotland

SQA: Barclays Lifeskills Personal Finance SCQF 4