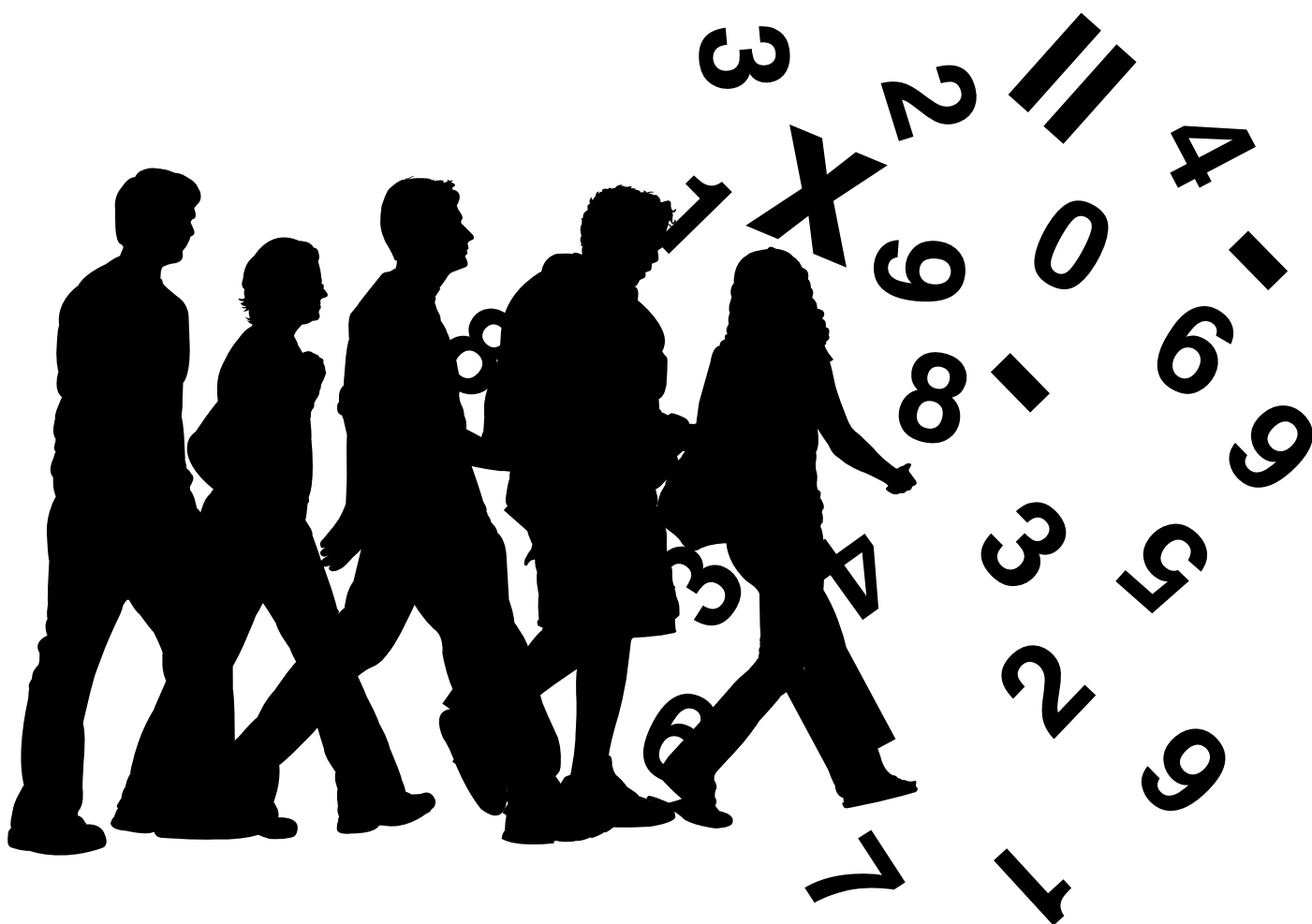


MONEY AND YOUR LIFE: LEADER'S NOTES

in partnership with



INTRODUCTION

Managing personal finances is a skill that will benefit all Explorer Scouts, no matter what age.

This pack will help you run activities for Explorer Scouts to learn more about:

- Choosing a career
- Managing debt
- Why we pay taxes

THE SCOUT ASSOCIATION WORKING WITH RBS

The Scout Association have teamed up with RBS MoneySense to produce this resource for Explorer Scouts to help them learn how to look after their own finances.

It will help you deliver a balanced programme of activities. There is also an activity pack which should be provided to each Explorer Scout as further support. The activities in the activity pack relate to those outlined here, but parts of them can also be done at home.

These resources should help Explorer Scouts develop confidence in themselves and their own ideas, explore ways of managing their finances, and be great fun.

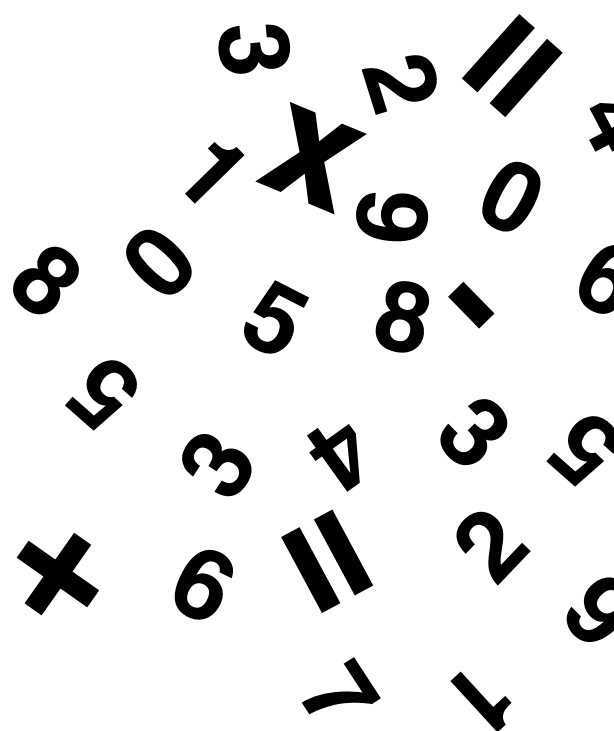
It's part of a series of five RBS-sponsored activity packs covering a series of money management skills in easy ways to include in your programme:

- Being on budget
- Bringing the fun into fundraising
- Running your own event
- Being a young entrepreneur

MAKE MONEY MAKE SENSE

RBS run MoneySense, an impartial programme that has helped more than two million UK secondary school children develop money management skills. Find out more at:

www.rbs.co.uk/moneysense



ACTIVITY: WHAT'S MY JOB?

This activity will get Explorer Scouts thinking about what their dream job might be and how the payslip for it might look.

What you will need:

- Pen and paper
- Enough people for three teams of about six people.

How long: About one hour and 30 minutes

PRE-ACTIVITY DISCUSSION (20 MINUTES)

Start a group discussion with the Unit asking them what they think people look for in a job. Is it money? Enjoyment? Helping others? Or perhaps something else? What are the things that they think would most motivate them in a job?

Talk about the different types of employment and what the Explorer Scouts think they mean. Can they give some examples of each?

THE THREE TYPES OF EMPLOYMENT STATUS

CONTRACTORS

Workers are defined more widely than employees and are different from the genuinely self-employed. The status of 'worker' includes individuals working under a variety of contracts. Employees are workers, but employees have different employment rights and responsibilities than workers.

Examples: Bricklayers, graphic designers, cleaners.

EMPLOYEES

The 'employee' status applies to the largest group of people in the workplace. All employees are workers, but as an employee you have a wider range of employment rights and responsibilities to and from your employer. For example, you will need to give a minimum notice period if you wish to leave your job.

Employees work under an employment contract (also known as a contract of service). This is normally a written contract but doesn't have to be; it could also be spoken or implied or a mix of all three.

Examples: Accountants, shop manager, chef.

“ I use my current account just for everyday use of money and then use a savings account for saving up for university and a car and things like that.

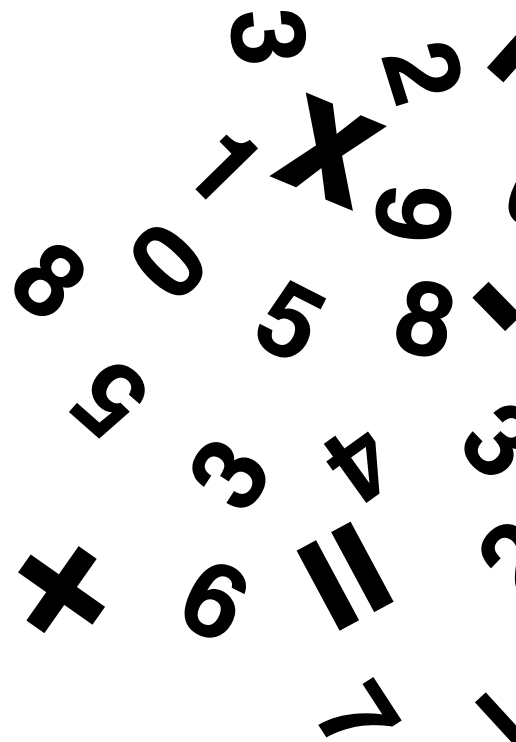
David, 17, Swansea

SELF-EMPLOYED

Self-employed people are usually identified by the fact that they are in business for themselves and provide a service to multiple clients. Self-employed people are generally more independent than workers. They have far greater control over how and when to deliver the service and who delivers it. They will usually be better able to protect their own commercial interests, although they will bear any financial risk from the business they operate.

Examples: Journalists, graphic designers, plumbers.

To help with your discussion, you can find out more about the three types of employment in the UK by visiting the employment area of direct.gov.uk

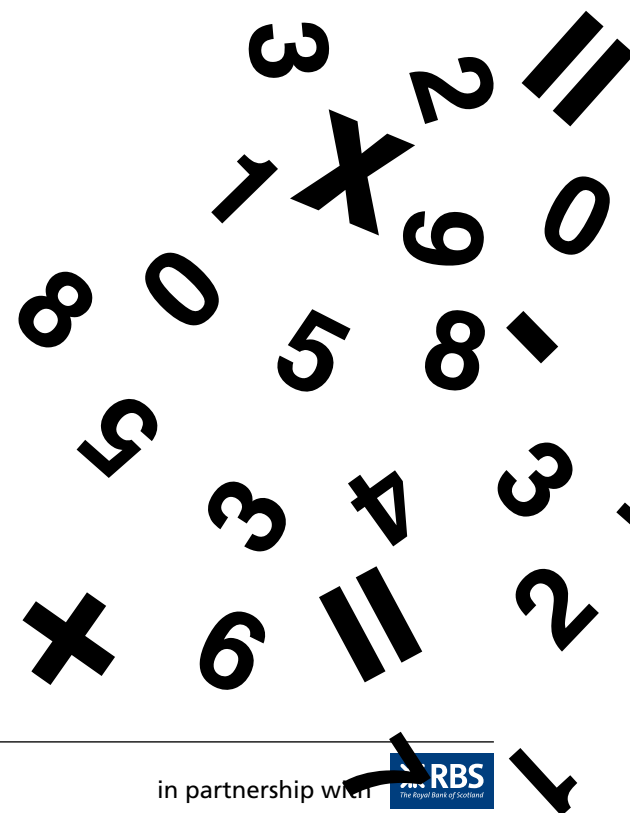


HOW TO DO THE ACTIVITY

1. To prepare for this activity, ask the Explorer Scouts to first look at Paul the Plumber's payslip in their activity pack and ask them to complete the quiz (20 minutes).
2. Split the Unit into three teams (5 minutes).
3. Each player in each team takes it in turns to come forward and act out their dream job without talking. The other team has to guess what they are miming. Nominate someone to keep track of which team guesses the most correctly and what the jobs are (25 minutes).
4. Once everyone has had a go, each Explorer Scout must create a payslip for the jobs they can remember their team guessing. They must include how much they think someone would earn in that job and anything else they think is important (15 minutes).
5. Each Explorer Scout must compare their payslips with someone from another team and see if their estimates are similar. Ask them to discuss why they think they are/are not (15 minutes).
6. As a Unit ask them to look at what they've each included on their payslips and explain why. Is there a National Insurance, Income Tax, or student loan deduction? Ask them what they think these parts of the payslip mean and why they might be important (10 minutes).

WHAT ELSE COULD YOU FIND ON A PAYSIP AND WHY?

- 1. National Insurance number:** Your National Insurance number will be sent to you when you are 16 because that's when you're legally allowed to work full time. National Insurance is a tax paid by most employers, employees and self-employed (and some unemployed) people. Money is taken from your wages and paid to the government in return for services like pensions and benefits.
- 2. Income Tax:** This is tax on the money you earn. It is based on the principle that the more you earn, the more tax you pay. Each year you can earn a certain amount of money tax-free. This is your free personal allowance.
- 3. PAYE:** The Pay As You Earn (PAYE) system is a method of paying Income Tax and National Insurance contributions. It's when your employer deducts tax and National Insurance contributions from your wages before paying them to you.
- 4. Student loan deduction:** A student loan from the government covers the costs of university or college. You pay these loans back when you finish your course and start to earn over £15,000. The money is included as a deduction from your payslip.



ACTIVITY: DEGREES OF DEBT

This activity will help Explorer Scouts think about what is good and bad debt.

What you will need:

- Scissors
- Pen and paper
- A partner

How long: About one hour and 10 minutes.

“ I do worry about getting into debt when I go to university. I’ve got a weekend job and have been saving money from that to help, but I think I’ll have to work when I’m there too.

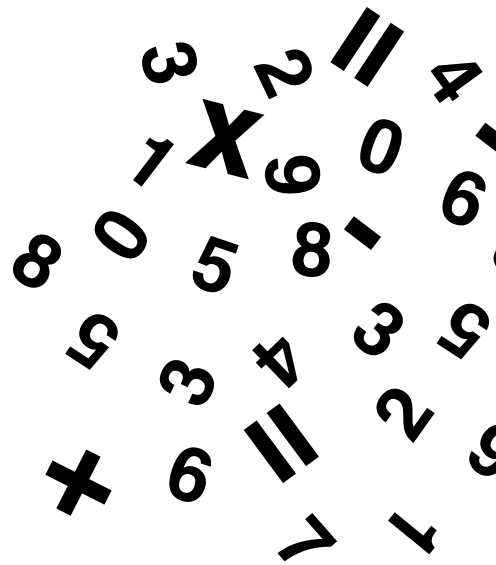
Gina, 17, Coventry ”

HOW TO DO THE ACTIVITY

1. Provide the Explorer Scouts with copies of the Degrees of Debt cards on the next page and ask them to cut them out (5 minutes).
2. Ask them to sort the cards into two piles. The first should be cards describing people they think have a serious debt problem and the second those who have a minor problem (10 minutes).
3. Ask them to arrange the cards in the serious problem pile in order of seriousness. Then for each situation (or as many as they can in the time allowed), write down their ideas for the following:
How did the situation arise?
Is the debt manageable or has it become unmanageable?
What should the person do next?
(15 minutes).
4. Ask them to share their responses with the Unit (15 minutes).
5. Next, with a partner ask them to list all the reasons they think people might get into debt that they cannot manage. The information on the cards will help them come up with some ideas (10 minutes).
6. Ask them to share their ideas with the Unit. What do they think manageable debt might be and what is bad debt (15 minutes).
7. Ask them where they might look for help if they found debts unmanageable (15 minutes).

FIND OUT MORE

Explore more about what debt means. Consider if it is always a bad thing and look at real-life scenarios about personal debt at:
www.rbs.co.uk/moneysensedebt



DEGREES OF DEBT CARDS

<p>1</p> <p>Josh borrowed a tenner off Darren and is avoiding him because he can't afford to pay it back</p>	<p>2</p> <p>Ron Bailey's electricity bill was higher than he expected and he hadn't budgeted for it and therefore couldn't pay it</p>	<p>3</p> <p>Cindy Wall began to pay her food bill each week with her credit card because she was hard up</p>	<p>4</p> <p>Louise Feast has a store card for her favourite shop. She uses it to buy one item every month, and pays the full amount off when she is paid.</p>
<p>5</p> <p>George Roper is considering taking out a consolidation loan because he has four large credit card debts</p>	<p>6</p> <p>Sam Brody hides her bills rather than pay them, so she can forget about them</p>	<p>7</p> <p>Delia Wright only makes the minimum repayment on her credit card each month and the amount she owes is increasing</p>	<p>8</p> <p>Paul Miller is two months behind with his mortgage repayments and has had a very nasty letter from the mortgage company</p>
<p>9</p> <p>Rather than pay her telephone bill, Caroline Smith has decided to have a night out with friends</p>	<p>10</p> <p>Roland Marsh, self-employed, cannot afford his tax bill and has been threatened with the bailiffs</p>	<p>11</p> <p>Tim Hart has left university with a £15,000 debt and cannot find a job</p>	<p>12</p> <p>Jade Harvey uses her credit card for non-essential purchases and is up to her credit limit so she wants to take out another card</p>
<p>13</p> <p>Barry Lucas knows he has a big car repair bill coming up but insists on spending his money on an expensive holiday</p>	<p>14</p> <p>Tania Fellows has a washing machine that needs repairing, so she is taking all her washing to the launderette</p>	<p>15</p> <p>Ben Little may lose his home as his debts from cards and loans has become unmanageable</p>	<p>16</p> <p>Fay McBride keeps asking her parents for money because she cannot afford to pay for her essentials</p>
<p>17</p> <p>Jack Denny lies in bed at night wondering how he is going to make ends meet</p>	<p>18</p> <p>Barbara James has taken a loan out on a car so she can travel to and from her new job. She pays a monthly fee and will pay the full amount off in two years.</p>	<p>19</p> <p>More than 25% of Richard Lee's monthly income is being used to pay back credit and loans</p>	<p>20</p> <p>Tony Carstairs badly needs a loan but his credit rating is so bad, he cannot get one</p>

ACTIVITY: A TAXING PROBLEM

This activity will give Explorer Scouts an understanding of why we pay tax and what the different deductions taken from a payslip are about.

What you will need:

- Pretend money – you could use money from a Monopoly set.

How long: About 35 minutes

“I tend to spend my money on computer games and music. I should probably think about saving because I don't really know where it all goes and I'd like to buy a car when I pass my test.”

Jez, 17, Leeds

HOW TO DO THE ACTIVITY

1. Split the Unit into groups of four or five people (5 minutes).
2. Each member of the group is given a different amount of money (you could use Monopoly money for this) ranging from a very small to a very large amount. This represents their monthly earnings from their chosen job in the What's my Job activity (5 minutes).
3. Present the groups with a list of the various services that their taxes will be spent on and the total amount needed to pay for these on a monthly basis – this must not exceed the total amount of money each group has. For example, the list could include:
 - Hospitals
 - Schools
 - Caring for the elderly
 - Road resurfacing
 - Pensions
 - Leisure facilities (5 minutes).

The group will have to find the full sum of money to fund the services by each giving away a proportion of their earnings. They must discuss and negotiate on the fairest way to fund all of these services and how much they think it is fair for each of them to give away, taking into account the different jobs they have and their earnings (20 minutes).

