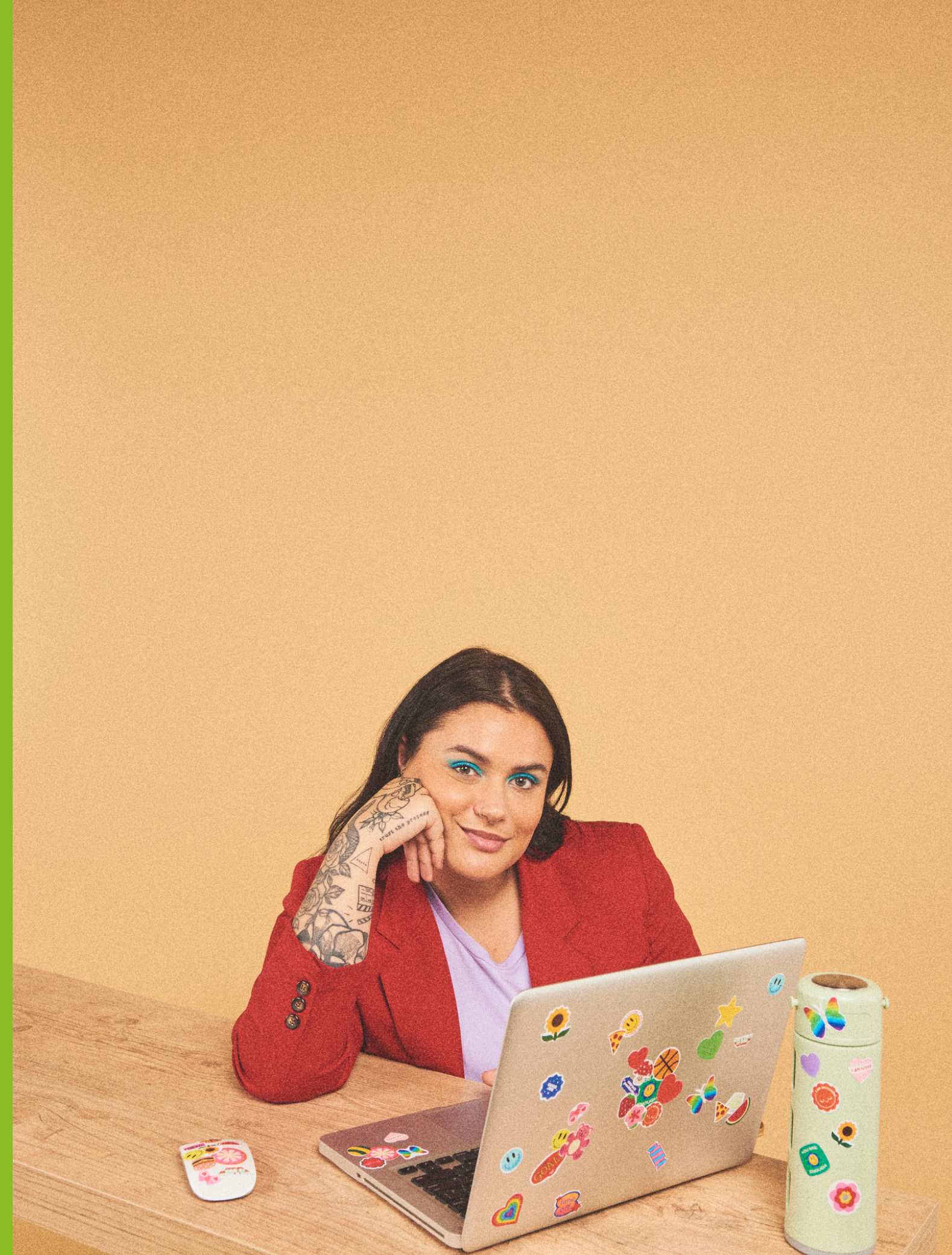


# BECOMING A MONEY NINJA!

Get ready for a big week!

We'll explore budgeting, conquer debt, set goals, and much, much more.





this week's

# LESSON

## You will...

1. Be introduced to banking and types of accounts.
2. Explore different ways to obtain credit and payment methods.
3. Learn how to implement strategies to help you achieve your savings goals.





# learning LANDMARKS

Look out for these symbols throughout the lesson and use it as your trusty learning guide. It will ensure you have enough time to learn, discuss, practice, and reflect on your newfound knowledge.



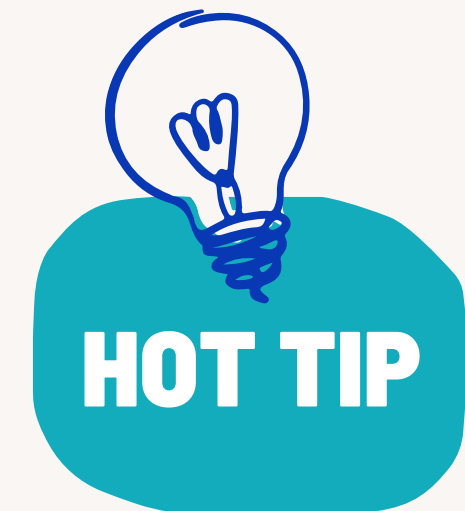
A guide on how long the activity may take.



Time to pause and have a discussion with the class.



Challenge yourself with these questions.



Tips and tricks to help you understand the lesson better.



let's begin with

THE BASICS







LET'S  
DISCUSS

**Bank accounts are like security vaults for your money, keeping it safe from thieves, floods, fires, or your sneaky little cousin.**

**What are some other ways that a bank can be beneficial for an individual or a business?**







cash in on

## THE BENEFITS

- A bank is more secure than holding physical cash. Holding money at home put it as risk of being lost to theft, loss, fire or flood.
- A bank account provides convenience of making online transactions and proof of payment. The bank will keep track of how much you have in your account.
- You also get access to products such as savings accounts which will help you reach your financial goals.





# WHICH BANK IS BEST?

In this exercise, research and compare savings rates from different banks to find the best option available.

## TASK 1

Look at the information you have gathered, focusing on the savings rates, the terms, and other relevant factors.

## TASK 2

Determine which savings accounts offer the highest interest rates while considering factors like minimum balance requirements and fees.

## TASK 3

Select a savings account that offers the best combination of interest rate, account terms, and additional benefits.

## SCENARIO

You have been given an initial amount of \$10,000, and your task is to find the most favorable savings rates to maximize your savings over a specific period of time.

## DECISION TIME

Which savings account did you choose?



FEES, FINANCES, AND  
FREEDOM

find your

IDEAL ACCOUNT

12

MINUTES  
TO TRY

- **Transaction:** An account to make daily transactions and store your money. This is usually tied to your debit card. This is money you have.
- **Credit:** An account, usually tied to your credit card, providing you access to a loan (credit). This is money you don't have. Interest and fees can apply if the money isn't paid back in full.
- **Savings account:** An account to deposit money for long-term savings. This usually attracts a rate of interest which will be added to your account each month.
- **Term deposit:** Similar to a savings account, but more difficult to extract your money (cause it's locked away). You place the money in the account for a set period of time and receive a set period of interest.





# CHOOSE YOUR DEBT PAYOFF STRATEGY

Amount borrowed	£4,000	£4,000	£4,000
Annual interest rate	19%	19%	19%
Monthly repayment	Minimum	£75 a month	£100 a month
Final cost including interest	Write your answer here	Write your answer here	Write your answer here
Time taken to pay loan	Write your answer here	Write your answer here	Write your answer here

**Calculate the estimated time it would take to pay off a £4,000 credit card debt using different repayment amounts.**

Use the **Money Smart Credit Card Calculator\*** with a fixed interest rate of 19% for the calculations.

- Calculate the time to pay off the debt by making the minimum repayment.
- Calculate the time to pay off the debt by making a £75 monthly repayment.
- Calculate the time to pay off the debt by making a £100 monthly repayment.

# The 4 golden rules

## OF MONEY



### Know what you want to achieve

Imagine you want to save up for a new gaming console or a trip with friends. Having a goal helps you stay excited about saving & gives you something to look forward to!

### Spend less than you earn

If you earn £100 a month from your job and spend only £80 on things you need, you have £20 left! That extra money can go into your bank account.

### Understand your income and expenses

Say you earn money from a part-time job or get an allowance. Keep track of how much you make and where your money goes each month. It's like keeping score. There's budgeting apps that make this really easy.

### Pay yourself first

Whenever you get money, like your allowance, put a little bit into your savings before you spend on anything else. It's like giving a small gift to your future self!





**good debt**

**VS. BAD DEBT**

Debt is any money you owe to another person or organization. For example, credit card repayments are a debt you owe to the bank or credit card provider. **There is good debt and bad debt.**



## good debt

**Good debt** is when you use someone's money to make you richer. For example, buying a house where the price of the property will increase, buying shares in a company, or investing in education.

### Examples

- Student loan
- Buying a house



## bad debt

**Bad debt** is money you have borrowed that has a high interest rate and often decreases in value (also called consumer debt), like a credit card or car loan.

### Examples

- Buy Now, Pay Later
- Credit card
- Car loan
- Boat





## Buy Now, Pay Later

You've probably heard of 'Buy Now, Pay Later'. And it's exactly what it sounds like – a payment option that allows you to make purchases upfront and defer the payment to a later date.



# The price of instant gratification

Before signing up for Buy Now Pay Later (BNPL) services, be aware of the risks involved. BNPL can make it challenging to monitor your spending, leading to potential overspending and difficulties in managing payments due to high fees and charges.







## The price of instant gratification

Defaulting on BNPL payments may have negative consequences on your credit report. Unlike other credit products, BNPL lacks the same legal protections, and lenders aren't obliged to assess your ability to repay or consider any financial hardship you might face. This could leave you struggling to make repayments.





If you are in debt,  
use the snowball  
method to help you  
get out of it!

## How does it work?

1

### List Your Debts

Make a list of all your debts, from the smallest balance to the largest.

2

### Focus on the Smallest Debt

Put extra money, beyond the minimum payments, toward the smallest debt. This helps you pay it off faster.

3

### Celebrate the Win

When you completely pay off the smallest debt, it's a little victory! Celebrate this achievement.

4

### Move to the Next Debt

Take the money you were using to pay off the smallest debt and add it to the minimum payment of the next smallest debt. This creates a "snowball" effect, where the amount you can pay off gets bigger as you move through your list.

5

### Repeat and Build Momentum

Keep going, paying off each debt one by one. As you pay off debts, your available money to tackle the next one grows, and you build momentum.

The snowball strategy focuses on the psychological aspect of paying off debts. By starting with smaller debts, you quickly see progress and feel motivated to continue. As you move through your list, your payments gain strength like a snowball rolling downhill.







**conquer your goals**

**WITH STRATEGIC SAVING**

There are short, medium, and long-term goals. For example, a short term goal might be to save for a new pair of shoes. A medium term goal might be to save for a car. A long-term goal might be to save for a house.



# ACHIEVE YOUR GOAL WITH SMART SAVING

Identify a goal and how much you would need to save for it. This might include saving for a new gadget, a car, holiday, or university tuition.

## GOAL 1

I want to buy/save up for a

**Write your goal here**

Target date

**Write the date here**

My budget

**£**

I will need to put away

**£**

Is this achievable? **Yes** **No**

## GOAL 2

I want to buy/save up for a

**Write your goal here**

Target date

**Write the date here**

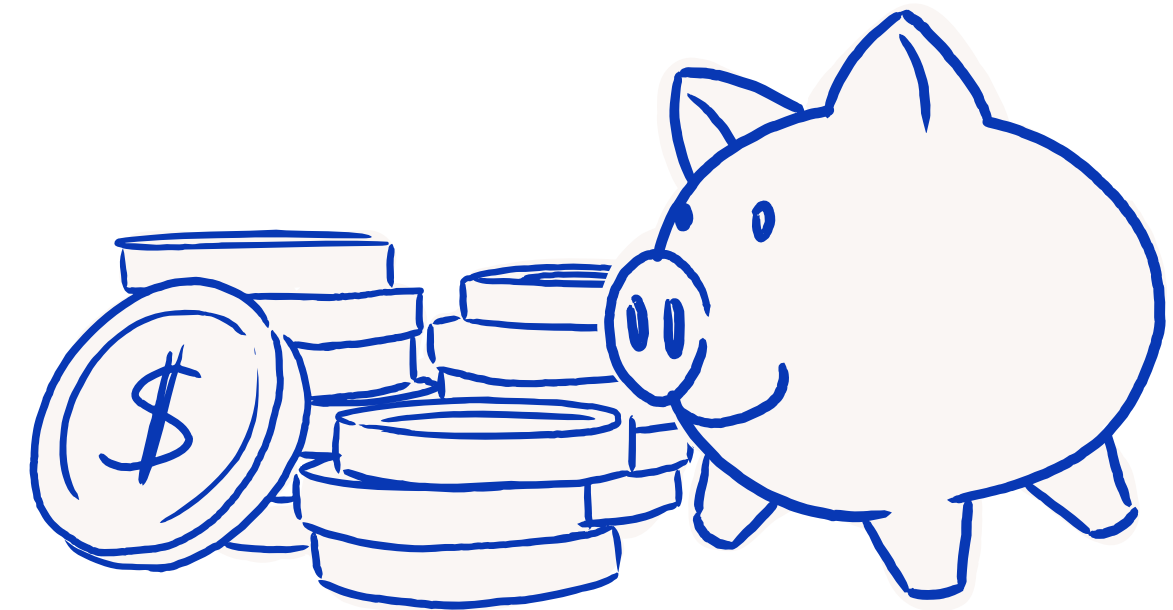
My budget

**£**

I will need to put away

**£**

Is this achievable? **Yes** **No**







LET'S  
DISCUSS

## why do some goals

# FALL FLAT?



### Be Clear About Your Goals

When you want to save money or buy something, make sure you know exactly what you're aiming for. Saying "I want to save for something fun" is too vague. Instead, say "I want to save £100 to buy a new game" – that's a clear goal you can work towards!



### Keep It Realistic

Dreaming big is awesome, but it's essential to be realistic too. If you want to buy something expensive, check how much money you can save each week or month. Setting small, achievable goals like "save £10 per week" will help you reach your bigger goals step by step.



**LET'S  
DISCUSS**

## why do some goals

# FALL FLAT?



### **Stick To Your Plan**

Once you set a money goal, it's time to commit! Avoid spending your savings on impulse buys or snacks. Sticking to your saving plan will get you closer to what you want.



### **Plan Ahead**

Think about what you want to save for. If you want to go on a trip, find out the total cost, including transportation and accommodation. Planning ahead will help you save the right amount at the right time.



### **Deal with Unexpected Stuff**

Life can be unpredictable, and unexpected things happen. So if the dog gets sick or your car breaks down! Stay flexible and adjust your plans if needed. Having an emergency fund will help!



See you next time!