

# Theme 4: FINANCES

In many countries around the world, governments are recognizing that there is an urgent need for financial education in order to ensure the financial security of their citizens at different stages of their life. Particular attention is being given to young people as a result of specific issues pertaining to this population group, such as a lack of money management skills, increasing unemployment and uncontrolled credit and debt. The role of educators working with young people is of paramount importance: they need to discuss these issues with the learners and guide them towards responsible, creative and sustainable choices and solutions.

Financial matters are linked to every individual's life and financial management is an important life skill. Technological developments in society in the past couple of decades have resulted in an exponential increase in the general and even financial products and services available to consumers, making financial decision-making all the more difficult. Today's consumers must be able to differentiate among this wide range of products and services in order to identify those which best meet their needs and goals and thus manage their personal finances successfully. Financial difficulties can have a major impact on individual and family wellbeing and on current and future financial security.

Children and teenagers are considered by many as important consumer groups. They are frequent targets for marketing of all kinds of products and services. Spender (1998) argues that young children are increasingly targeted by marketers and advertisers because of the amount of money they spend themselves, the influence they have on their parents' spending, and because of the money they will spend when they are adults. Until recently, child-targeted marketing used to concentrate on sweets and toys. It now includes clothes, shoes, a range of fast foods, sports equipment, computer products and toiletries, as well as adult products such as cars and credit cards. All of this promotion could easily result in over-consumption and over-spending, leading to various financial problems and particularly debt for the youngsters, for their families and for the whole community.

## 4a Activity "What we buy?"

Students consider their consumption choices and rethink their ways of spending money.

 <b>Sustainable development skills</b>	System thinking competency; Anticipatory competency; Critical thinking competency; Self-awareness competency.
 <b>Curriculum</b>	Languages; Math; Literacy; Human studies; Social studies, civics.
 <b>Tips and recommendation</b>	This activity can be used to show students that it is important to understand the ways we spend money.



## Materials needed

Photos from Annex 9, #11-13.

## Sweeter kisses

**INSTRUCTION:** Show image #11 and present the information below. Then ask your students the listed questions.

Is a toothbrush just something to clean your teeth with? According to commercials, the “XX toothbrush” is what you need to get 'sweeter kisses' and a more attractive smile.

Questions:

- Will the girl in image #11 get more boyfriends or have greater popularity and success if she uses that specific “XX toothbrush”?
- What is positive about the toothbrush ad?
- What negative aspects are there?
- What might be interesting to know more about or do in relation to ads of this sort?



Image #11 Source: Colourbox.com

## Be fashion

**INSTRUCTION:** Show image #12 and present the information below. Then ask the listed questions.

Anna is crazy with buying expensive, fashionable clothes on internet shops. She is waiting for sales and spend all her money for new clothes. Her closet contains plenty of clothes she doesn't wear any more, a few she has never worn and some horrible clothes she struggles to believe she ever bought.

Questions:

- How do different people handle with sales and real needs?
- How much clothes do you have? How much do you need?
- Should there be limits/rules on how to use money?
- What facts do you know about sales? what would you like to know?



Image #12 Source: Lina Strauke

## Persuasion

**INSTRUCTION:** Test several persuasion techniques by inviting students to work in pairs. One student sits on a chair, the other stands up. The standing partner has two minutes to convince the other, through verbal means only, as to why she/he should give up the chair. If successful, or after two minutes, students change roles. This exercise can give rise to a range of persuasion techniques such as flattery, bribery, trickery and verbal abuse; it may also result in an entrenchment of original positions.

Image #13 shows one way that people use to try to persuade others to do what they want.

Questions:

- *Is it hard to persuade others?*
- *What other methods does advertising use? Why?*



Image #13 Source: Leonid Smulskiy

## 4b Activity “Splash: a financial literacy game”

Students play a card game in order to better understand financial terms.

 <b>Sustainable development skills</b>	Strategic competency; Collaboration competency; Critical thinking competency; Integrated problem- solving competency.
 <b>Curriculum</b>	Languages; Math; Literacy.
 <b>Tips and recommendation</b>	Suitable for introducing a series of lessons about financial literacy or for revision purposes. For introduction to this topic you can use THE STORY OF PETITE (Annex 6) and TERMS ON THE CARDS WITH DEFINITION (Annex 7).



## Materials needed

Pens and paper;  
Cards (Annex 5);  
Annex 6 and Annex 7 for extending game.

**INSTRUCTION:** Shuffle the cards and place in the middle face down (Annex 5)

Determine which team will start guessing (e.g. by flipping a coin or rolling a die to get the highest score).

- A member from Team A is designated as the 'Guide'. The Guide picks a card and looks at the term. He or she has a limited period of time (e.g. 45 seconds) in which to guide his or her team to guess the term. (See Strategies Table below for ideas on how to do this.) Team B keeps time.
- If Team A says the correct term within the time limit they get 3 points. If the term is not guessed within the time limit, Team B is given the opportunity to try to guess the term. If Team B guesses correctly, they get the 3 points.
- In the second round a member from Team B is designated as the 'Guide'. He or she picks a card and the same procedure is then followed.
- The game continues until all the cards are used, or until time available runs out. The team with the most points wins.

### POSSIBLE STRATEGIES TO AID GUESSING\*

- Picture tells the story: Covering the term and just showing the image.
- Verbal description: Defining the term without using the actual word. Using the opposite word is allowed.
- 5 Questions: Allowing the guessing team members 5 questions to guess what is on the card. Only YES and NO answers are allowed.
- Before and After: Explaining what happens before and after the situation shown on the card.
- Drawing: Creating a picture to show the meaning of the term.
- Modelling: Using modelling clay to show the meaning of the term.
- Pantomime: Acting out the term without words.

For added fun the opposite team can select which type of strategy should be used by the Guide.

\*Note: The Guide may not point out at any objects present in the room which could help his or her team to guess the term.

## VARIATION ON THE GAME

### Connections 1:

Place all cards face up. A member from Team A has to choose 2 cards to show a dilemma and the rest of his or her team members have 1 minute to identify and explain the dilemma (e.g. Gambling and Happiness; Unemployment and Money). The team needs to say 4 statements in relation to the dilemma. The teacher/facilitator judges whether these 4 statements are correct. Team B is given the opportunity to add statements if Team A does not provide the 4 statements. A team gets awarded points according to the number of correct statements it provides.

The cards which have been used to show dilemmas are put aside and not returned to the table. The game continues until all the cards are used or until time available runs out. The team with the most points wins.

### **Connections 2:**

This is exactly like Connections 1 except that the cards are placed face down at the beginning of the game. This makes it more challenging to identify and explain a possible dilemma between the 2 cards picked, as well as to provide 4 correct statements.

### **Connections 3:**

Place all cards face up. A member from Team A has to choose 3 cards to show a dilemma and a solution, and the rest of his or her team members have 2 minutes to identify and explain the dilemma and the related solution (e.g. Gambling and Happiness and Choice; Unemployment and Money and Saving). The team needs to say 4 statements in relation to the dilemma and 2 statements in relation to the solution. The teacher/facilitator judges whether these 6 statements are correct. Team B is given the opportunity to add statements if Team A does not provide the required amount. A team gets awarded points according to the number of correct statements it provides.

The cards which have been used are put back on the table. The game continues until the time available runs out and the team with the most points wins. Alternatively, the game is over when one team reaches a preset number of points (e.g. 30 points).

### **Map it out:**

Place all cards face up. Divide the class into 3 teams. Give 2 different teams a role (e.g. Employed youth vs. Unemployed youth). These two teams have to use as many of the cards as possible to show causes and effects of their role within a time limit of 3 minutes. At the end of the 3 minutes, the third team will act as Judges. The team with most cards who can best explain the causes and effects of their role is the winner.

### **Tell me a story:**

Divide the group into teams and give each team a set of cards. The teams need to use at least 5 cards to create a story-board explaining a finance related situation, problem or dilemma. The team who has the longest (with most cards) logical story is the winner. Used cards are put aside and the process is repeated.

### **Be creative!:**

Place the pack of cards face down. Draw 7 cards at random and stick them on the board. Divide the group into teams. Each team has to write 1 sentence using as many of the shown finance-related terms as possible within a time limit of 2 minutes. The team with the sentence which has most terms and is logically written is the winner. Drawn cards are put aside and the process is repeated.

## **Questions for extending the game**

For a richer learning experience, the card game can be extended into a class-based discussion (you can use Annex 6/The story of Petite). The teacher or facilitator can prompt the learners to reflect on their own current actions, think critically, express their opinion and/or be creative in recommending changes for improvement. The following are examples of questions which can be posed to generate a class discussion on some of the terms.

## CHOICE:

*How do you make your choices?  
What/who influences you?*

## EDUCATION:

*What do you understand by the term "education"?  
Does education only happen at school?  
What is the purpose of education?  
Can education affect your standard of living? Why?*

## CONSUMPTION:

*What do you spend most of your money on?  
Do you ever think about how what you buy affects others? Why?*

## EXPEDITURE:

*What do families spend money on?  
How do expenses change throughout the lifecycle?  
Give different examples.*

## LIFESTYLE:

*What makes up a person's lifestyle?  
What influences your lifestyle choices?  
Is it easy to change your lifestyle? Why?*

## INCOME:

*Give examples of sources of income for the family.  
How do sources of income change throughout the lifecycle?  
What sources of income does a community have?*

## JOB:

*What does the word "job" mean to you?  
Why do people get jobs?  
Can a job ever be unpaid? Why?*

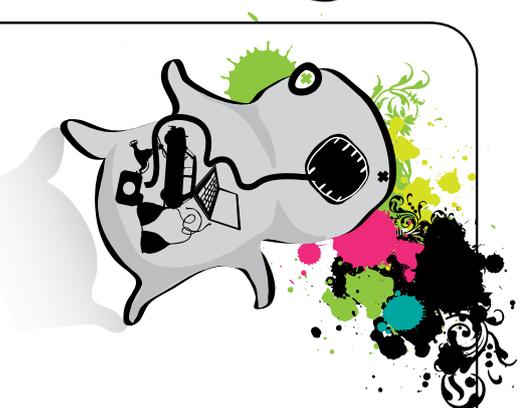
## PAYMENT CARDS:

*What type of payment cards exist?  
What are the pros and cons of different payment cards?*

## **Annex 5** – for activity „Splash: a financial literacy game“



**SHOP**  
*A place where people can purchase products and services.*



**CONSUMPTION**  
*Using or purchasing products and services.*



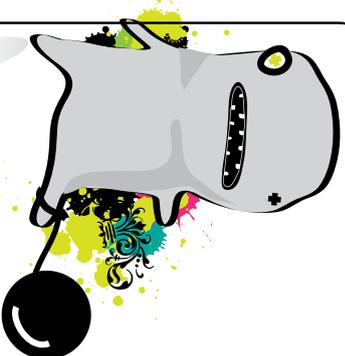
**ADVERTISEMENT**  
*A paid form of communication used to promote products, services, ideas or events.*



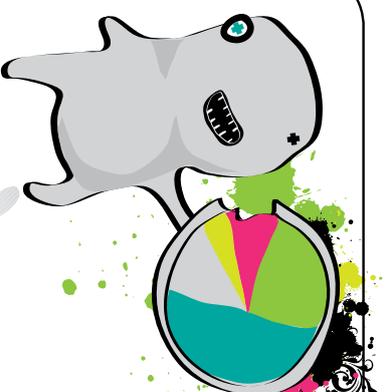
**JOB**  
*A task to be performed.*



**BANK**  
*An institution that offers financial services: e.g. accepts deposits, provides saving and investment services and loans.*



**DEBT**  
*An amount of money owed to somebody.*



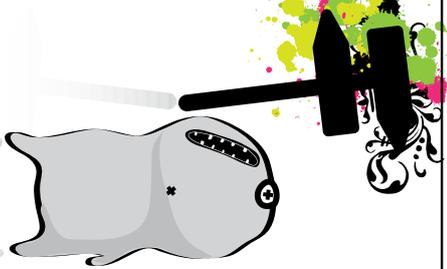
**BUDGET**  
*A plan for spending and saving available money over a certain period of time, based on specific goals.*



**CASH MACHINE**  
*A machine in a public place where individuals can access their bank account using their payment card.*

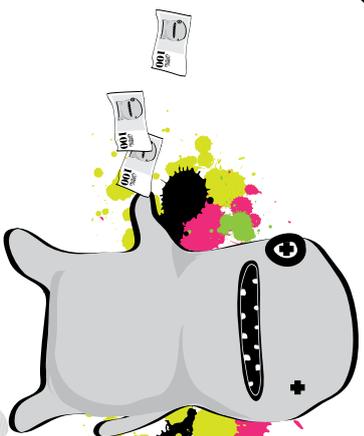
*Different options or the option selected.*

## CHOICE



*The money spent or used.*

## EXPENDITURE



*To risk losing money or other resources in a game-like situation.*

## GAMBLING



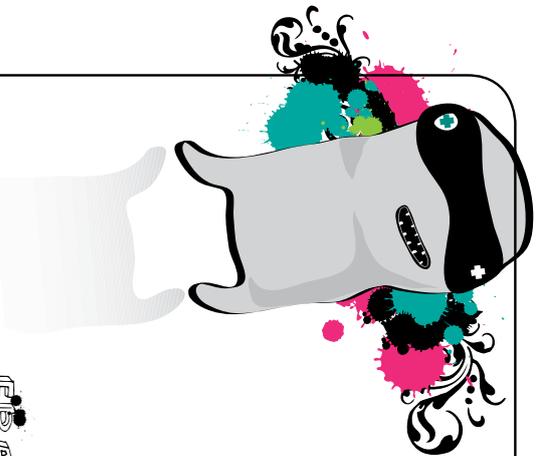
*Gaining knowledge and skills, and the development of mind and character.*

## EDUCATION



*Intentional stealing of someone else's money through deception (e.g. scams).*

## FRAUD



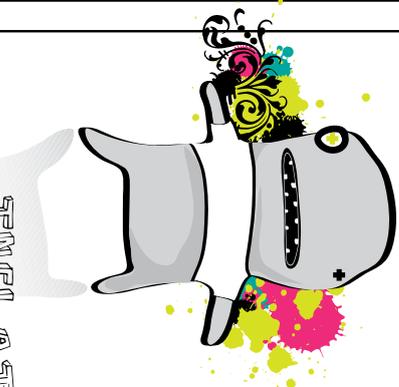
*Positive emotions; a sense of joy or well-being.*

## HAPPINESS



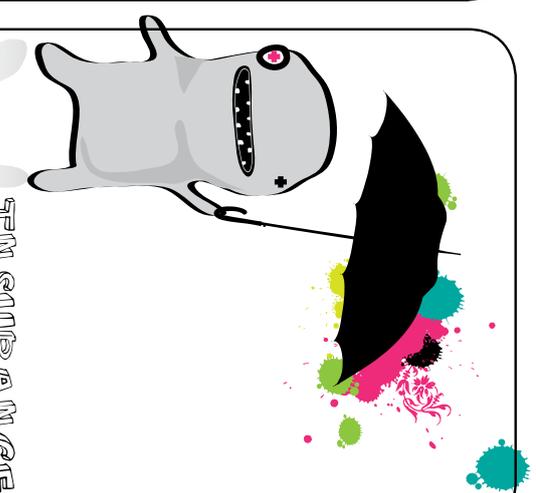
*The process whereby over time most products and services increase in price; salaries normally also increase.*

## INFLATION



*A system where people pay money in advance into a fund so that if something negative happens they will get some money back to make up for their losses.*

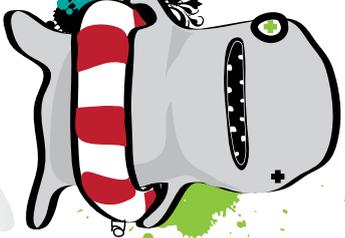
## INSURANCE





## INCOME

*Sum of all earnings received.*



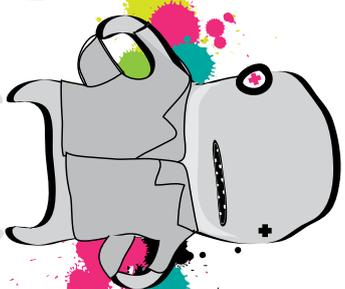
## NEED

*Something which is essential for a person.*



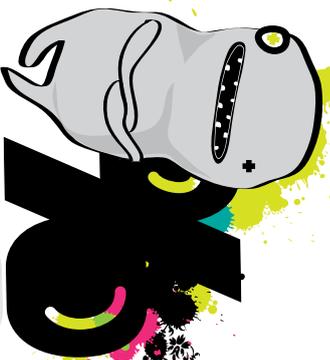
## PAYMENT CARD

*A plastic card issued by a bank or other company that is used for money withdrawals or transactions without cash.*



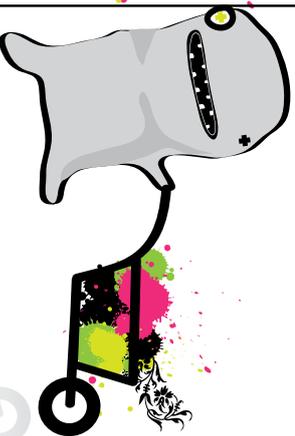
## POVERTY

*In the economic sense, a state of being where a person lacks money or other resources for a dignified living.*



## INTEREST

*The cost of borrowing money and the gain from lending money; extra money paid on a loan or gained from savings / investments.*



## INVESTING

*A way of using or depositing savings often with a higher risk.*



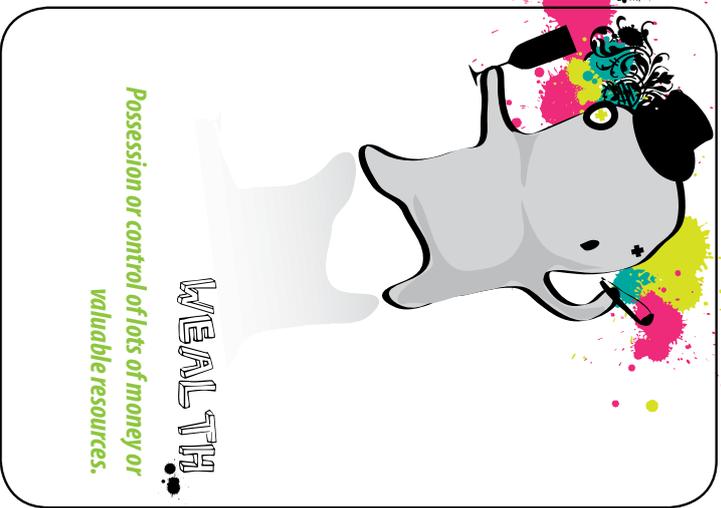
## LIFESTYLE

*The way a person chooses to live.*

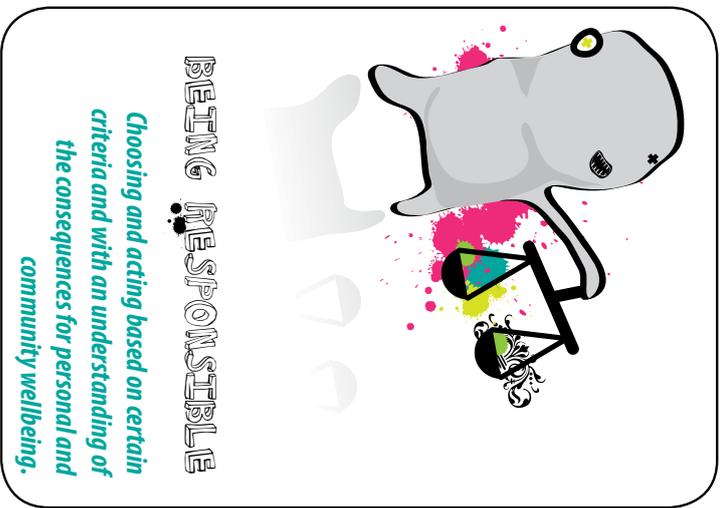


## MONEY

*A medium (object or record) that is generally accepted as payment for products and services.*



*Possession or control of lots of money or valuable resources.*



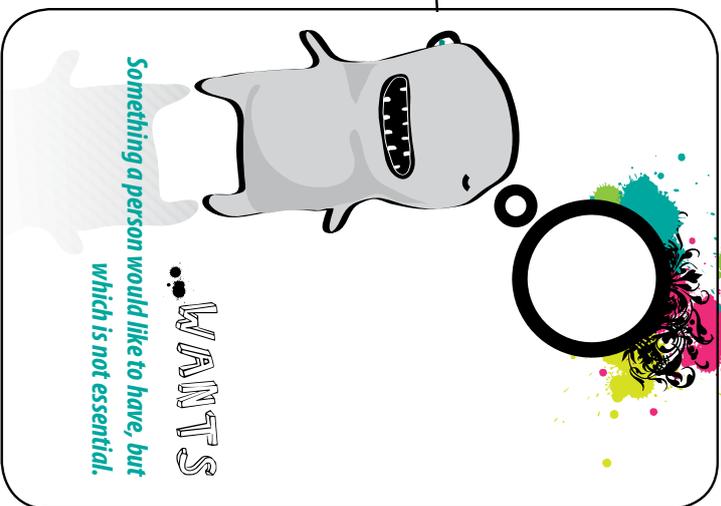
*Choosing and acting based on certain criteria and with an understanding of the consequences for personal and community wellbeing.*



*The danger that something with negative consequences happens.*



*Putting aside money for later use; can be done when a person does not spend all his/her income.*



*Something a person would like to have, but which is not essential.*



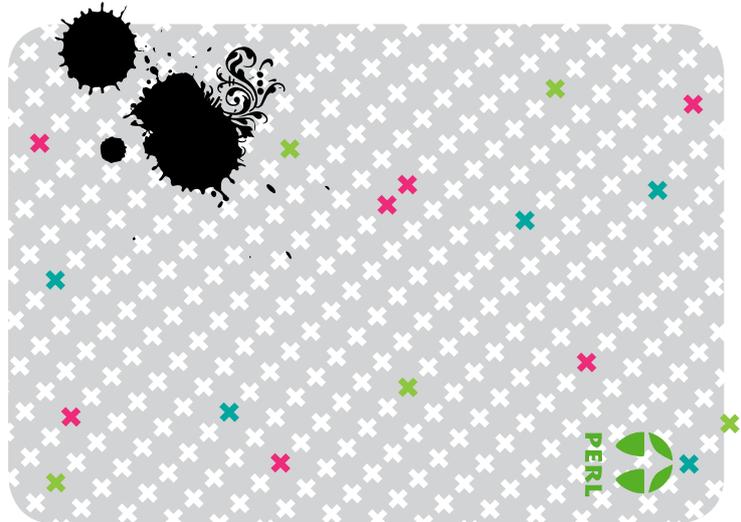
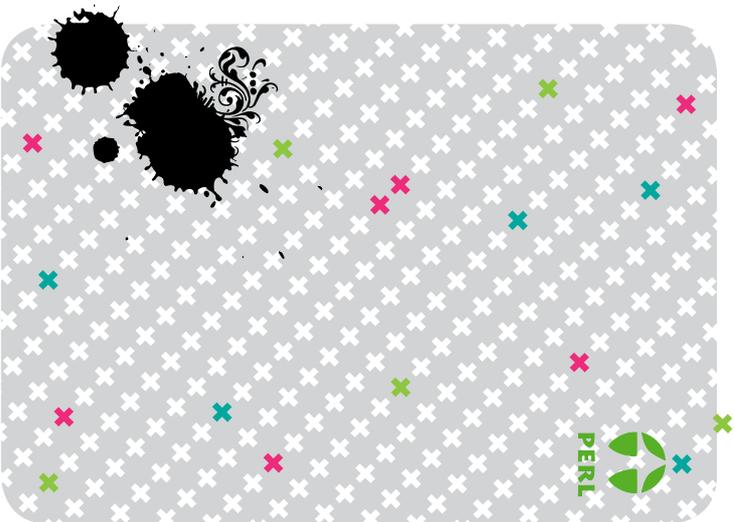
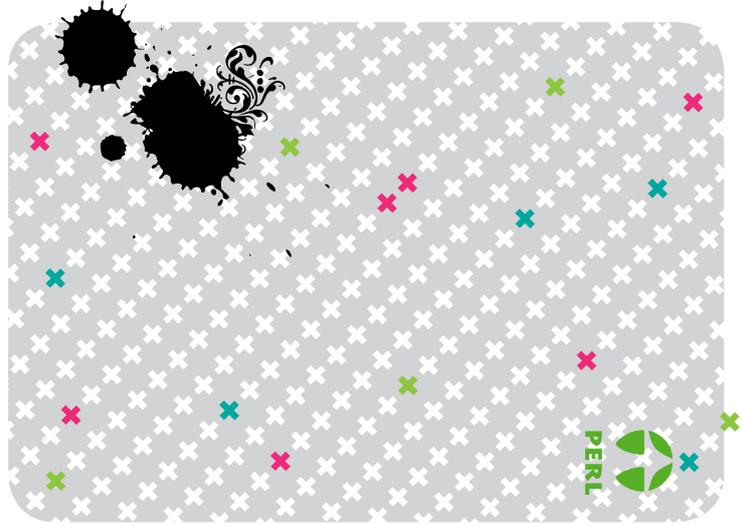
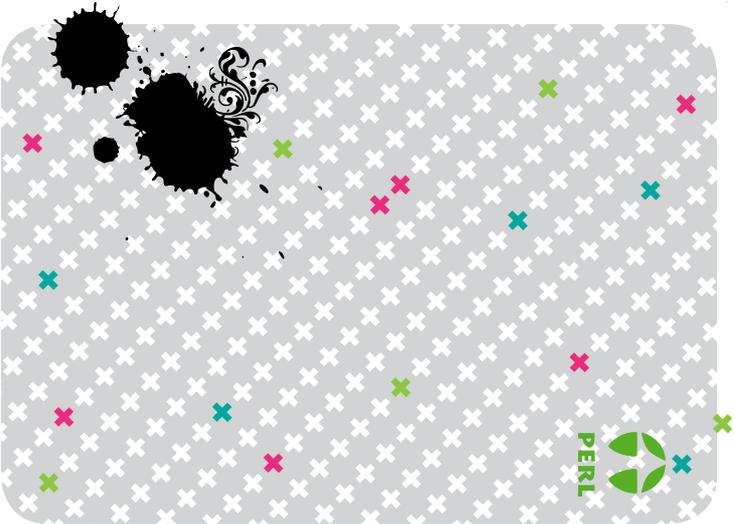
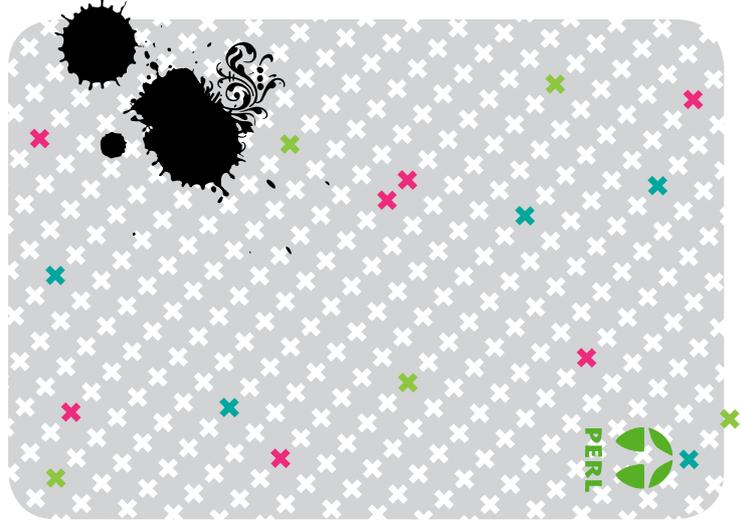
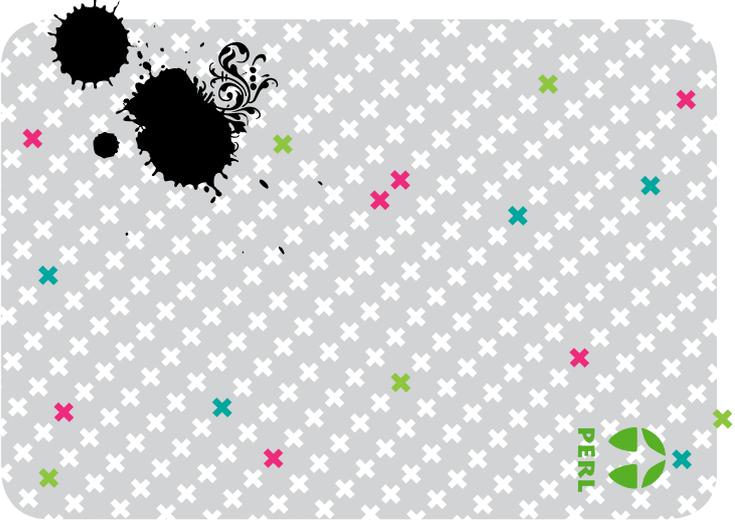
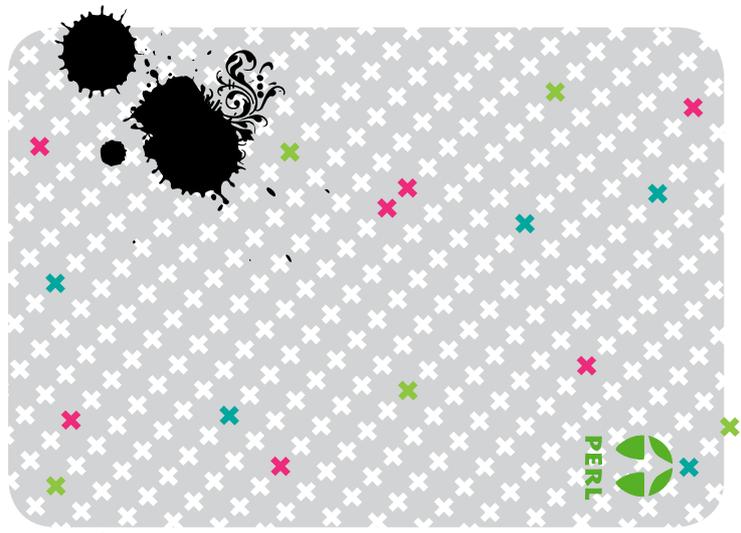
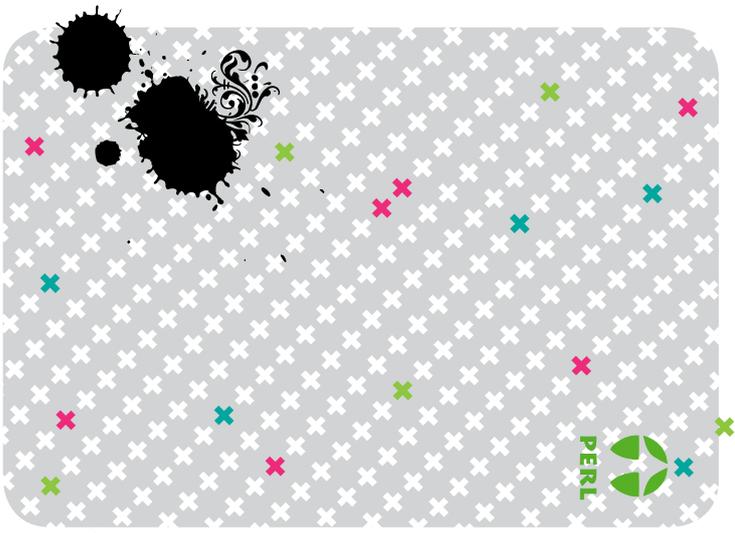
*Not having a paid job.*



*The process of taking something which has already been used and giving it an alternative function.*



*The money used in a particular country; a unit of exchange.*



## Annex 6 – for activity „Splash: a financial literacy game“

### THE STORY OF PETITE

The following story can be used as a complementary activity to the Card Game. The idea is to provoke a discussion on the various financial matters which arise in the story. The teacher or facilitator can encourage the learners to identify learnt terms which are mentioned in the story and to use these terms in their discussion to show their understanding.

Petite, a crisp 5 Euro banknote, woke up in the morning in a cosy cash machine and wondered what the day was going to be like. Peter woke up in the morning in a cosy bed in his parents' house. He knew what the day was going to be like – again without money. Peter's grandmother Patricia woke up in the morning looking around her almost empty flat. She wondered what her day was going to be like.

Wait a minute... Surprise! Peter's mother went to the neighbourhood cash machine this morning. She gives Peter some money to buy groceries for grandmother on his way to school. That was the first time Petite saw Peter.

Peter goes to their local shop and takes advantage of different discounts that he has seen being advertised. What an even nicer surprise!! He has money left over and more than he expected. Petite is among the money he puts back in his pocket. Peter delivers the food to his grandma. As he walks into the lounge he realises that her TV is missing.

But he doesn't have time to ask her what happened to the TV as he is late for school. Grandma makes some soup with the groceries Peter has brought her and then goes to meet her friends at the usual meeting place.

At school that day Peter has a Home Economics lesson on Budgeting. They discuss basic things like income, expenditure, saving and investing. They also speak about how needs and wants change according to ones lifestyle and to ones stage in the lifecycle. The lesson gets Peter thinking: What should he do with the money in his pocket?

The school bell rings and he sets off for home. On the way, he stops near a shop selling accessories and thinks of buying a pretty scarf for his girlfriend. But instead he decides to buy his grandma her favourite sweets to cheer her up – she looked so gloomy this morning... Peter turns away from the shop window and walks down the street. As he goes by the gambling shop he glances inside. "Oh No!! Is that grandma on the slot machine?"

Meanwhile, Petite is still wondering how her day will end.

## Annex 7 – for activity „Splash: a financial literacy game“

### TERMS ON THE CARDS WITH DEFINITION

**Advertisement** A paid form of communication used to promote products, services, ideas or events.

**Bank** An institution that offers financial services: e. g. accepts deposits, provides saving and investment services and loans.

**Debt** An amount of money owed to somebody.

**Being responsible** Choosing and acting based on certain criteria and with an understanding of the consequences for personal and community wellbeing.

**Budget** A plan for spending and saving available money over a certain period of time, based on specific goals.

**Cash machine** A machine in a public place where individuals can access their bank account using their payment card.

**Choice** Different options or the option selected.

**Consumption** Using or purchasing products and services.

**Currency** The money used in a particular country; a unit of exchange.

**Job** A task to be performed.

**Education** Gaining knowledge and skills, and the development of mind and character.

**Expenditure** The money spent or used.

**Fraud** Intentional stealing of someone else's money through deception (e. g. scams).

**Gambling** To risk losing money or other resources in a game-like situation.

**Happiness** Positive emotions; a sense of joy or well-being.

**Income** Sum of all earnings received.

**Inflation** The process whereby over time most products and services increase in price; salaries normally also increase.

**Insurance** A system where people pay money in advance into a fund so that if something negative happens they will get some money back to make up for their losses.

**Interest** The cost of borrowing and the gain from lending money; extra money paid on a loan or gained from savings / investments.

**Investing** A way of using or depositing savings often with a higher risk.

**Lifestyle** The way a person chooses to live.

**Money** A medium (object or record) that is generally accepted as payment for products and services.

**Need** Something which is essential for a person.

**Payment card** A plastic card issued by a bank or other company that is used for money withdrawals or transactions without cash.

**Poverty** In the economic sense, a state of being where a person lacks money or other resources for a dignified living.

**Reusing** The process of taking something which has already been used and giving it an alternative function.

**Risk** The danger that something with negative consequences happens.

**Saving** Putting aside money for later use; can be done when a person does not spend all his/her income.

**Shop** A place where people can purchase products and services.

**Unemployment** Not having a paid job.

**Wealth** Possession or control of lots of money or valuable resources.

**Want** Something a person would like to have, but which is not essential.

**Annex 9** – for activities: „What makes us human?“, „Meet in the middle“, „What we buy?“



Image #1 Source: Lina Strauke



Image #2 Source: Leonid Smulskiy



Image #3 Source: Colourbox.com



Image #4 Source: Lewis Akenji



Image #5 Source: Wikimedia Commons



Image #6 Source: Colourbox.com



Image #7 Source: Leonid Smulskiy



Image #8 Source: Leonid Smulskiy



Image #9 Source: Leonid Smulskiy



Image #10 Source: Leonid Smulskiy



Image #11 Source: Colourbox.com



Image #12 Source: Lina Strauke



Image #13 Source: Leonid Smulskiy