

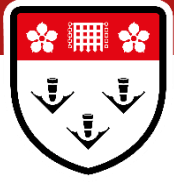


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Banking and Personal Finance

Bank accounts and managing your money





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Starter Activity:

Create a spider diagram with the following question in the middle.

Have a discussion with the people near you.

How can you use a bank account?



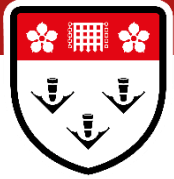


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Different types of accounts – do you know what these accounts are?

- Current accounts
- Savings accounts
- ISAs
- Joint accounts

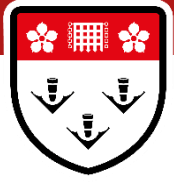




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Answers...

- *Current Accounts – these are day to day accounts, i.e. where your wages will go in and bills will be paid and you will draw money out of – you will have instant access to your money. You may well have a debit card for this account*
- *Savings accounts – these are where you try to save money, access to your savings may not be instant*
- *ISA's – Individual Savings Accounts where you are not taxed on interest you receive*
- *Joint accounts – perhaps if you are married or have a partner, 2 people will share the same account*

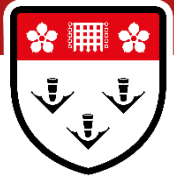


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Discuss: What is the difference between a debit and credit card?

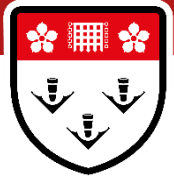


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- **Credit cards aren't as cool as they sound**
- **When you turn 18 you can apply for another sort of debt – a credit card. A credit card means you're effectively borrowing money from the bank and agreeing to pay it back at the end of the month and if you don't, you'll get charged interest on the original amount.**
- **And that's why credit cards are best avoided while you're studying – if you don't have an income, you'll really struggle to repay the debts. This means the interest will build up quickly, leaving you owing serious cash.**



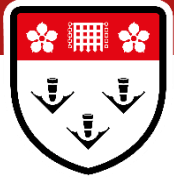
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Overdraft

An overdraft is when your bank allows you to borrow money through your current account, which is more than you have in your actual bank account. This is called being overdrawn.

Bank loan

A bank loan is when a bank offers to lend money to consumers for a certain time period. As a condition of the bank loan, the borrower will need to pay a certain amount of interest per month, or per year.



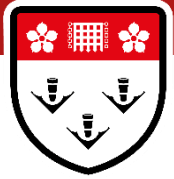
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Student Finance

Your student loan is paid into your bank account in three instalments at the start of each term. So it might seem like you've loads of cash to splash in freshers' week... but you haven't. That money needs to last the whole term, so spend it wisely.



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How much money do I have? How much money do I need?

- **Knowing how much income you'll have is essential. You'll need to work out how much cash you have coming in, including your student loan, any grant, any cash from parents and any work income.**
- **Equally, you'll need an idea of how much money will be going out, including rent, any bills, food, socialising and course materials.**

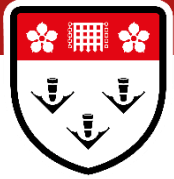


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Before you go to uni you'll need a student bank account. These are simply bank accounts made for those in higher education. They let you pay money in and out and offer additional benefits such as an interest-free overdraft.

Usually, to be accepted for a student bank account you'll need a UCAS confirmation letter with an unconditional offer, or, if your offer's conditional, you'll need to have A-level results that meet that condition. As soon as you've got these, you can open an account allowing you extra time to make full use of its benefits before the start of term.



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Beware of the student bank account freebies

There's plenty on offer but don't be seduced by freebies! Offers including free products, travel discounts, cash rewards and other "exclusive" deals may sound tempting but you need to be smart.

Go for the largest student overdraft

An arranged overdraft is a common way of borrowing money through your current account. The best thing about a student account is that money borrowed through an overdraft has 0% interest. With an interest-free overdraft you pay back nothing more than what you borrow. This is unique to student bank accounts, so take full advantage of it!

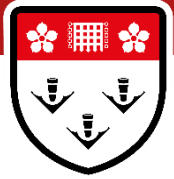


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Student bank accounts 2021

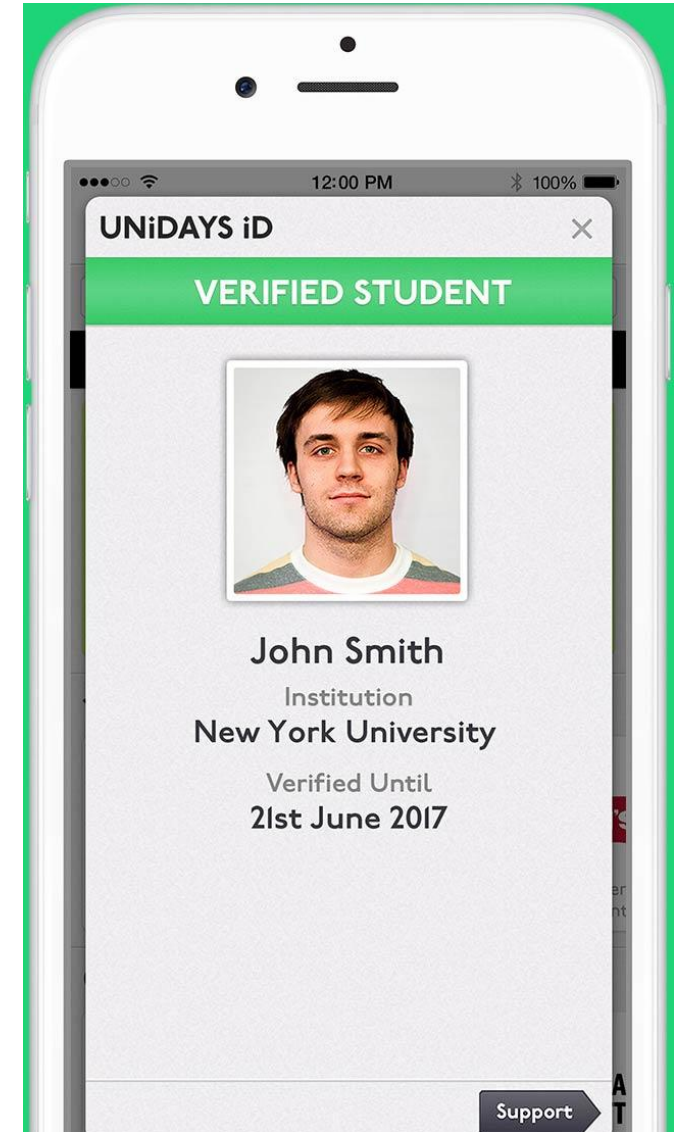
Bank account	0% Overdraft	Incentive	Student score	Review
 Santander 123 Student Account	Up to £2,000	4yr railcard + up to 1% in-credit interest	89.4%	More »
 Nationwide FlexStudent	Up to £3,000	None	83.8%	More »
 HSBC Student Bank Account	Up to £3,000	None	83.4%	More »
 Barclays Student Additions	Up to £3,000	12 month Perlego subscription	87.4%	More »
 NatWest Student Account	Up to £2,000	Amazon Student/gift, Coach Card or tastecard	83.6%	More »

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Student discount cards



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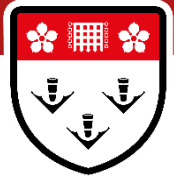
Use the money mantras from Martin Lewis...

Not sure whether to fork out for something at uni? Use the money mantras. Which mantra works for you will depend on whether you're already skint or not.

Skint: Ask yourself: do I need it? Can I afford it? Is it cheaper elsewhere?

Not Skint: Ask yourself: will I use it? Is it worth it? Is it cheaper elsewhere?





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FINANCIAL FITNESS:
LEVEL UP

WHAT TYPE OF SPENDER ARE YOU?

Do you love a surprise shopping trip, or are you more of a bargain hunter? Everyone has a different relationship with their money. Answer the questions below to find out what type of spender you are.

QUESTION 1

YOU SEE A SALE IN YOUR FAVOURITE SHOP. EVERYTHING IS AT LEAST 50% OFF! DO YOU...

- ☐ **A:** Avoid going in. You haven't got any money left in your budget this month.
- ☐ **B:** Go in and have a look. You might find a bargain and you can always cut back next month, right?
- ☐ **C:** Go straight in. There are bargains to be had!
- ☐ **D:** Dip into your emergency savings. That's what they're there for.



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What is your money personality type?

1 When friends are coming round to dinner do you:

- A ☒ Order a takeaway
- B ☐ Buy some ready meals from the supermarket
- C ☐ See what you've got in the fridge
- D ☐ Get out your recipe books
- E ☐ Ask your friends to bring something with them

3 Saving money is:

- A ☒ Not something I'm interested in
- B ☐ Really hard to do
- C ☐ Something I aim for
- D ☐ Something everyone should do
- E ☐ The most important thing about money

5 How often do you borrow money:

- A ☒ Always
- B ☐ Sometimes
- C ☐ Not often
- D ☐ Never
- E ☐ People borrow from ME

2 How do you feel about money:

- A ☒ I don't think about it
- B ☐ I manage to get by somehow
- C ☐ I think I should think about it more
- D ☐ I keep pretty good control
- E ☐ I always end up with more than I started with!

4 What are you doing to save for the future:

- A ☒ I'm too young to think about that
- B ☐ I will get round to it one day
- C ☐ I try and save a little every month
- D ☐ I have a plan and I'm sticking to it
- E ☐ I save as much as I can for the future

6 When you go to the shops:

- A ☒ I buy whatever I want to
- B ☐ I get distracted by so many things to buy
- C ☐ I make a list but don't always stick to it
- D ☐ I stick to my list
- E ☐ I buy what is cheapest

7 When planning a holiday do I:

- A ☒ Book the best holiday I can
- B ☐ Make a choice at the last minute
- C ☐ Shop around for a bargain
- D ☐ Use the internet and adverts to find the best deal
- E ☐ Stay at home and save the cash

9 What is your financial goal:

- A ☒ I don't really have one
- B ☐ To be able to afford whatever I want
- C ☐ To have enough to enjoy myself
- D ☐ To always know how much I have
- E ☐ To save as much as possible

8 When you feel a bit down going shopping makes you feel:

- A ☒ Happier
- B ☐ It takes my mind off things for a bit
- C ☐ It doesn't make any difference
- D ☐ I wouldn't go shopping if I was upset
- E ☐ Spending money makes me feel worse

10 At the end of each month I have:

- A ☒ No idea what I spent
- B ☐ Got further in debt
- C ☐ Just about got by
- D ☐ Planned next months spending
- E ☐ Saved a fair bit

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Mostly A's

You're a debt collector's dream!

You have very little awareness of your money and this could lead to trouble.

If you carry on like this you risk getting into serious debt problems.

It would be a good idea to learn more about controlling your money before it's too late.

Mostly B's

You're a casual debtor.

You like to live for the moment and you don't think much further ahead than lunchtime.

You usually don't know how much money you've spent or how much you've got left.

If you're not careful you could be an ideal candidate for debt.

A little bit of planning can make your money work better for you and help you avoid stress.

Mostly C's

You're a Smart Spender!

You enjoy spending money but not wasting it.

You are reasonably in control but could benefit from a little bit of help.

Getting a better grip on your money would make you feel more at ease.

Mostly D's

You are a careful spender.

You know pretty much what happens to every penny.

Unexpected expenses can cause you a real headache.

Learning more about money management will help you stay in control.

Mostly E's

You're a Super Saver!

The one thing you enjoy the most is having a tidy sum saved away for a rainy day.

That's not a bad thing but don't let it hold you back from enjoying what your money can do for you.

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