



Personal
Finance
Society

MY PERSONAL FINANCE SKILLS



Making Decisions and Risk – Presentation Guide

Introduction

This session has been developed for Key Stage 4-5 pupils, predominately for those who are in the process of considering life beyond school. It can also be used to support Sixth Form students transitioning from school or college into the wider world.

Schools and colleges may choose to integrate this session into the PSHE or enrichment curriculum.

Financial Education Planning Framework

The Financial Education Planning Framework is a national framework that aims to support the planning, teaching and progression of financial education by setting out the key areas of financial knowledge, skills and attitudes. This session aims to develop the following skills and attitudes:

- *I can assess the different types of insurance that I, and other people, may need in a range of circumstances.*
- *I appreciate the role insurance can play in maintaining my financial security and that of others around me*

Session Outline

The focus of this session is for students to gain an understanding of their attitude towards risk and how this can influence the financial choices that they make. Students will also consider ways in which financial risks can be mitigated through insurance and when they feel this is appropriate to take out or when to take a risk.

Learning Objectives:

By the end of the session, students will be able to:

- Discover why people may choose to take risks with their money
- Understand different types of financial risks and whether they carry a high, medium or low risk to an individual
- Understand how insurance and other methods can be used to protect themselves against financial risks



Personal
Finance
Society

MY PERSONAL FINANCE SKILLS



In advance

Before you arrive at the school/college

- Ensure you have read through the slides, are comfortable with the content and activities and have noted the timings
- Ensure any materials and resources required to deliver the session are provided by the school or brought yourself
- ensure that you have viewed the relevant training webinar and have passed the financial education sign off process with the My Personal Finance Skills team.

What you will need

For this session you will need:

- the presentation guide, the PowerPoint presentation and copies of the handout for each student
- to ask the school to have access to either a PC or laptop, projector, paper and pens for the students

Length of session

This session is expected to take approximately 1 hour to deliver.

NOTE TO SPEAKER – where this is being delivered virtually, there is an additional slide around the virtual delivery. It is important that you encourage the teacher to participate and get engagement from students either via the chat or through using one of the reaction tools available on the online platform. In some cases, students might be able to also use their microphones.

Links to Your Money Matters Textbook

All state schools in England will have received copies of Your Money Matters textbook published by the Young Money charity. The chapter on “risk and rewards” focuses on a number of the points discussed in this session and could be referred to during the session. There are many more activities, case studies and questions in the book to help further develop the student’s understanding of these topics.

Session Guidance

***where an activity is numbered, this means that this activity takes place on the student handout**

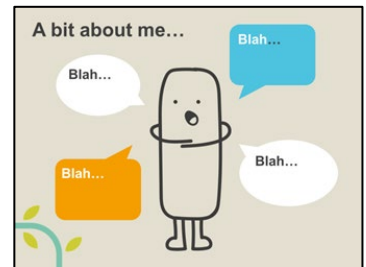


General Introduction - Slides 1-3 (5 minutes)

Introduce the session topic and the learning objectives.



Explain a little bit about yourself, your job role, and the role of the Personal Finance Society. Students are often inquisitive about visitors and what they do so ask students if they have any questions about your job.

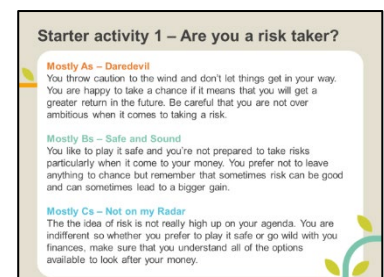


Starter Activity "Are you a risk taker?" - Slide 4-5 (5 minutes)

Ask students to complete the starter quiz on the handout provided to establish if they are a person who likes to take risks or someone who likes to play it safe. Remind the class that it doesn't matter if you're a risk taker or not but by knowing this may help them to make good financial decisions in the future.



Once they have completed the quiz, take some answers from the students and see how many of the class answered mostly A's, B's, or C's. You can do this with a show of hands.



NOTE TO SPEAKER – if you are delivering this virtually, encourage students to pop into the chat which one they were.



Financial Risks - Slide 6 (10 minutes)

Discuss the different types of financial risks that exist and ask the class to explain what they understand by some of these key terms. Some students may not understand the concept of buying shares or the different types of borrowing so here's your opportunity to shine. Read the "discussion point" question and ask the class why some people may wish to take risks with their money and why others don't. Take some answers from students. Answers may include making a financial gain and protecting yourself financially in the future.

Investments	Borrowing	Gambling
Company shares	Mortgage	Arcades and gaming machines
Pension	Personal Loan	Betting
Property	Credit Card	Casino
Commodities e.g. gold, currency	Overdraft	Lotteries
Art, antiques, jewellery	Hire Purchase	Playing with friends for money
Business start-up	Student Loan	In-game gambling (through apps or computer games)

Discussion Point
Why do you think some people take risks with their money?

High, medium, or low risk? – Slide 7 (5 minutes)

Set the students their second task; ask them to individually decide what level of risk each of the scenarios pose – are they a high risk, medium risk or a low risk? Once complete, give the class a couple of minutes to discuss their responses with the person next to them and see if there are any differences in their answers. Take some answers from the students and see if they made the same decisions or not.

High, medium or low risk
Everyone has different views and opinions about risk. Do you think the following are high, medium or low risk?
Remember there are no right or wrong answers here...

	High	Medium	Low
Playing slot machines			
Buying shares in a company			
Taking out a personal loan for a new car			
Investing your savings in an ISA (Individual Savings Account)			
Playing the National Lottery			
Getting a mortgage			
Setting up a new business			

Discussion Point
What are the potential consequences and possible rewards of taking financial risks?

NOTE TO SPEAKER – if you are delivering this virtually, you could get students to vote on each one around what they think it is. Alternatively, you could ask them to post into the chat their thoughts.

Again read the "discussion point" question and ask the class what are the potential consequences of taking financial risks (e.g. spend more than you are earning, unaffordable repayments, risk of losing assets, asset may decrease in value, effects on health and wellbeing, credit history) and the possible rewards (improved lifestyle, personal satisfaction.) Take some answers from the class. Discussion point answers can also be found on the slide notes.

Insurance – Slides 8- 10 (10 minutes)



Explain to the students that there are ways of mitigating the risks and that one of the ways is by taking out an insurance policy. Read the information about insurance from the slide, ensuring that students understand the concept. Perhaps use your own experience to enhance their understanding – students love anecdotes and stories.

Protecting yourself against financial risk

Insurance

"A way to protect yourself against the financial loss of something going wrong. Insurance provides a guarantee of compensation for specified loss, damage, illness, or death, in return for payment of a specified premium."
(My Money Matters, 2015)

The premium is the amount of money that you will pay the insurance company for the insurance policy.

Q Can anyone think of any examples?

Discussion Point
What other ways can you protect yourself against financial risk?

Ask students if they can think of any examples and use the discussion point to draw out any suggestions of protecting themselves against financial risk (suggested answers are given on the PowerPoint notes)

Ask students to look at the different types of insurance on the slide and ensure that all students understand what the policy is for. Give examples of some of the more obscure policies that can exist for example body parts of athletes (Cristiano Ronaldo's legs are insured for around £90million), voices for singers (vocal chords covered for £3million) and hair for celebrities who use their hair to sell other products like shampoo (Joey Essex insured his hair for £1million when he introduced a new range of hair products.)

Activity - Types of Insurance

Motor	Phone	Voice
Travel	Health	Pet
Life	Legs (and other body parts)	Income protection
Home Contents	Home Buildings	

Q1 Which type of insurance is compulsory?

Q2 In your opinion, what are the benefits and disadvantages of taking out insurance?

Q3 Can you think of any other types of insurance?

Ask students, in pairs, to answer the questions on the slide. Students should write their answers down and be prepared to discuss their responses. Take answers from around the class.

Explain the idea of self-insuring and why this may be an option for some people. See what the students think about this idea by debating the "discussion point" question. People can also protect themselves by budgeting and planning, conducting research, spreading the risk when investing, understand your own attitude towards risk (like the quiz at the beginning of the session)

To buy, or not to buy?

Some people choose not to buy insurance by **self insuring**. This means:

- They feel the risk is too small to warrant paying the premium
- They have enough savings to pay for any damages or repairs
- They plan to put some money aside each month which will be used to cover any losses, damages or replacements

Discussion Point
What's your view on this? What could be the possible problems with self insuring?

Case Studies - Slide 11-13 (15 minutes)



Read through the case studies with the students on the worksheet and in pairs ask them to complete the questions. You should give them about 10 minutes to write down their answers. Once complete, take answers from the group. Answers include:

Dolly's Nine Lives

1. £25 per month x 24 months = £600
2. £3,000 - £600 = £2,400
3. No
4. Now needs to find £3,000 - may need to borrow and pay interest, may need to go into debt to pay for the treatment
5. £3,900 (13 years x £300 per year.) Could be considered a waste of money, however if she had been ill, it would have covered the bills. It's the risk you take but may give people peace of mind.

Kai's dilemma


1. £60 per month x 24months = £1,440
Insurance = £100 per year x 2 years = £200 Total = £1,640
2. Some students may think that the policy is peace of mind and means they do not have to worry about replacing the item. Others may feel that in hindsight it was a waste of money. However, it is the risk that you take.
3. Answers will depend on own views
4. For homeowners, phone may be covered on their contents insurance, more prefer to self-insure.
5. Do I have enough money saved? How will I pay? What would happen if I lost my job? Where could I borrow the money and how much interest will I pay?

Plenary Activity 3 – True or False? Slides 14-15 (5 minutes)


To consolidate the student's learning, ask them to finally complete the true or false quiz on the worksheet provided. Choose individuals to suggest answers and see how many agree/disagree. You could add more of your own knowledge and experience here too.

NOTE TO SPEAKER – if you are delivering this virtually, you could ask students to post T or F.

Activity 2 - Case Studies



Read Katie's story about poor Dolly the cat and decide whether she could have benefited from insurance.



Read about Kai's new phone and decide if insurance is a worthwhile risk.

Read the case studies and, in pairs, answer the questions on your handout

Activity 2 - Case study answers

Dolly's Nine Lives

1. £25 per month x 24 months = £600
2. £3,000 - £600 = £2,400
3. No
4. Now needs to find £3,000 - may need to borrow and pay interest, may need to go into debt to pay for the treatment
5. £3,900 (13 years x £300 per year.) Could be considered a waste of money, however if she had been ill, it would have covered the bills. It's the risk you take but may give people peace of mind.

Activity 2 - Case study answers

Kai's dilemma

1. Phone contract = £60 per month x 24months = £1,440
Insurance = £100 per year x 2 years = £200
Total = £1,640
2. Some students may think that the policy is peace of mind and means they do not have to worry about replacing the item. Others may feel that in hindsight it was a waste of money. However, it is the risk that you take.
3. Answers may vary from student to student.
4. For homeowners, phone may be covered on their contents insurance, more prefer to self-insure.
5. Answers may vary from student to student. Some examples: Do I have enough money saved? How will I pay? What would happen if I lost my job? Where could I borrow the money and how much interest will I pay?

Plenary activity 3 – True or False?

	True	False
Car insurance is optional		✓
Gambling is a high risk activity	✓	
A credit card is a way of borrowing	✓	
There is no real risk when setting up a business		✓
Share prices can go up or down, so you are never guaranteed to make a profit	✓	
If you have home and contents insurance, you are always covered for all possible risks		✓
If I renew my car insurance policy with the same company every year, I will always get the cheapest deal		✓



Recap the learning objectives and discuss what they have achieved during the session.

What you've learnt...

You should now be able to:

- 🔍 Discover why people may choose to take risks with their money
- 📄 Understand different types of financial risks and whether they carry a high, medium or low risk
- 🔒 Understand how insurance and other methods can be used to protect against financial risks

Next Steps and feedback– slide 16 & 17 (5 minutes)

Bring the session to an end and suggest that students could also complete the extension activity below. Discuss how the students could now investigate possible phone insurance for themselves using what they have learned today.

Feedback

Tell us what you think!





Feedback – please scan the QR code with your phone on the worksheet in front of you to answer some quick questions. We really appreciate your feedback to improve! Do not write your name on the forms!

Conclude by asking students to complete their feedback form remembering to keep it anonymised.

Next steps...



- Think about Kai's phone dilemma, what would happen if you damaged or lost your phone?
- Research phone insurance prices (if you already have it, can you find a cheaper, better policy?)
- Determine if self-insuring may be more beneficial for you.

Slide 18

At the end of the session to signpost for more information on the My Personal Finance Skills website. Please highlight what is available and ask students to share what themes they would like to know more about so we can create relevant content.

Ideas to be emailed to skills@thepfs.org or a member of the team.



MY PERSONAL FINANCE SKILLS



Making decisions and risk

Go to mypersonalfinanceskills.org for:

-  Bitesize learning videos
-  A student money blog
-  On demand sessions



Extension activity



Personal
Finance
Society

MY PERSONAL FINANCE SKILLS



Using the case study on Kai's phone dilemma, students could put their own case study together about an insurance dilemma. They should think about the type of insurance they want to write about, the characters and their needs and something that requires them to use problem solving techniques. Students could also set questions about their own case study too.