



Guidance notes to prepare for your session

# Saving and investing money: making sense of the options

**Suitable for 16+ years**

This material is intended for information purposes only and does not constitute advice or a recommendation.



LLOYDS BANK

# Using this guide to deliver financial capability in a face-to-face group setting

This guidance has been prepared to support you in helping young people to learn about money.

You can use the resources with young people, whether in an educational environment or a less formal face-to-face group setting. For example, you may be working with young people in a youth group, in a care setting or perhaps as part of an employer training programme.

These activities have been developed to use with young people aged 16-25 years and are:

- **Relevant and engaging**, enabling young people to discuss money related topics appropriate to their life stage and to learn from the experiences of others.
- **Easy to access**, providing a variety of things to discuss, think about and do.
- **A complete package**, providing all the resources you will need.
- **Flexible**, offering alternative approaches to deliver the activities depending on the needs of your group.

**This session will help young people understand how savings can help them achieve their life goals as they move into independent living. They will learn to appreciate the value of managing money when planning for life events , both for the short-term and longer-term (including pensions).**

**Financial wellbeing means having the confidence and knowledge that you are in control of your money - you can manage your day to day living expenses as well as planning for the future and being able to cope when the unexpected happens.**

## Three activities to engage young people

This session involves three activities. Delivered all together, they form a one-hour session. Alternatively, each individual activity can be used to run a shorter 20-minute, one-off activity.

The activities have been designed to be both age-appropriate and inclusive. For those that may require some further adaptation, alternative ways of delivering the activity for differing learning needs are detailed when required. You may wish to further amend and adapt the activities to suit the needs of specific groups.

### Activity A

#### RAINY DAY SAVING

A discussion and prioritising activity. The young people will work in small groups to consider the importance of saving. They will then think about the best ways to plan and put money aside.

### Activity B

#### TYPES OF SAVING

A definition match activity to increase their knowledge of the different types of saving and when they might use each one. The activity enables young people to demonstrate what they already know and to increase their knowledge at the same time. It will provide an opportunity to consider low-risk and high-risk saving and investment opportunities.

### Activity C

#### SAVING SENSE

A case study activity using scenarios for discussion. Young people will learn the skills they need to make good saving decisions. Using characters and real-life situations, they will need to decide on the best course of action given the circumstances.

**NOTE: This material is intended for information purposes only and does not constitute advice or a recommendation. When delivering the session, do not mention any specific products when sharing your own experiences at any point during the session as this could be seen as a recommendation of a product.**

# Learning outcomes

By the end of the session, young people will:



Understand why it is important to plan and save carefully to manage money effectively.



Be able to choose financial products and work out the pros and cons of what they might need now and in the future.



Be prepared to make informed decisions about financial risks and describe what might happen if things go wrong.



Understand that their financial situation may continue to change and develop as they move through adult life, and that they will need to adapt accordingly.

## If you are delivering in a school or college setting, the activities may link to several areas of the curriculum:

### Personal, Social and Health Education (PSHE):

- To assess and manage risk in relation to financial decisions that young people might make.
- To evaluate savings options.

### Citizenship:

Citizenship education will prepare pupils to take their place in society as responsible citizens. It will help them to be able to manage their money well and make sound financial decisions.

- The functions and uses of money.
- Risk management.

### In other settings the content could contribute to vocational, core and life skills learning:

- Assessing future needs.
- Making informed decisions.
- Working towards financial goals.
- Understanding our attitudes and behaviour.
- Understanding risk.

## Guidance notes

# Session resources – you will need:

Print off and prepare the following:



### The PowerPoint Presentation

*This contains all the slides for the session.*

*We suggest you view the **PowerPoint** in advance.*

*You may need to 'click' to access the different stages of the slide animation.*



### Resource Sheets

#### Activity B:

#### Resource Sheet: Savings and investment cards.

*Print two copies. Cut one copy up into a set of cards to share with the group.*

*The other copy is to support you during feedback*

#### Activity C:

#### Resource Sheet: Saving scenarios.

*Print one copy per small group of three or four and one for yourself to support you during feedback.*



### Further Support and Information

*This provides opportunities to find out more. It can be shared with the group at the end of the session.*

### Paper and pens



2 MINUTES

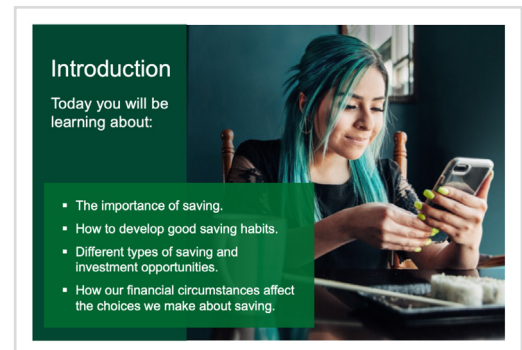
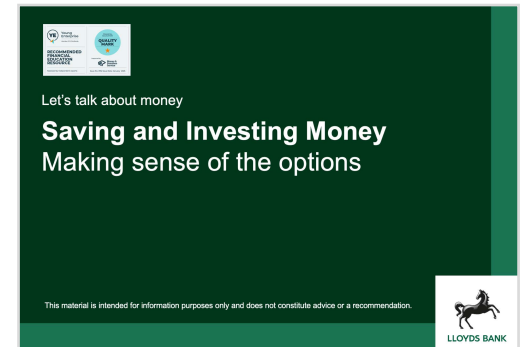
# Introduction

Use **slide 1** to introduce yourself if required.

Use **slide 2** to explain what the group will be learning about.

## YOU WILL NEED

✓ **PPT slides 1 and 2**



 **20 MINUTES**

# Rainy day saving

In this activity, young people will learn that:

- Savings can be an important tool in money management.
- Different things motivate people to save.
- There are different strategies to help us save.

## Alternative ways of delivering the activity:

- 1) ■ Use the first part of the activity as described, including the questions.
  - As a group, discuss the statements on **slide 4** and decide how to rank them. Use a flip chart or whiteboard to record how the group chooses to rank the statements.
  - Once they have ranked the statements, ask the group if they can think of any other ideas to add to the list.
- 2) ■ Ask the group to come up with ideas to help them save. E.g. save your loose change, track your spending. Record these on a flip chart or whiteboard.
  - Show the statements on **slide 4**. Ask the group to rank their ideas and the statements from the slide, first on their own and then with a partner.
  - Ask each pair to share their top three ideas and to explain why they've chosen them. Identify which were the three top ideas in the whole group.
  - Finally, ask your group to consider one change they could each make in the coming weeks to help them save a bit more.

## YOU WILL NEED

✓ **PPT slides 3, 4 and 5**

**Activity A**  
The importance of saving

How many of us have some savings set aside for a rainy day?  
In the UK in March 2024:

- 1 in 6 UK Adults (16%) have no savings at all, equating to around 8.7 million people.
- 68% of Brits have some money in savings in 2024.
- Almost half of Brits (46%) have £1,000 or less in savings, and a quarter of Brits (25%) have £200 or less.

Source: https://www.bankofengland.co.uk/financial-education/financial-education-2024-03-20

**Activity A**

Keep track of your day-to-day spending and put money into savings on a regular basis.

Have a weekly or monthly budget to plan your income and spending.

Consider keeping your spending money, money for bills and your savings money in separate accounts.

Identify the unnecessary items you spend money on, and save that money instead.

Identify the amount you would like to save - it's good to have a savings goal.

**Activity A - round up**  
The importance of saving

Key learnings:

- Saving money can help you manage the unexpected.
- Savings can give you greater financial security.
- Savings can help your wellbeing.
- Saving can help you to achieve specific goals in life.
- You may save for more than one goal or reason at a time.

✓ **Paper and pens**



# Rainy day saving

Start by setting the scene about the importance of saving. Use **slide 3** to share statistics about savings in the UK.

**Check** that the group all understand the concept of ‘**saving for a rainy day**’.

It means saving for the unexpected, so we’re not left struggling if something bad happens.

## Ask:

 **Are you surprised by any of the statistics? If so, which ones?**

 **Why do you think we should try to have three months of expenses saved?**

 **Do you think saving is important?**

Here you could ask for a show of hands. Some will see it as important and others won’t. Can they give reasons for their answer? If you get a no answer, suggest that you ‘park it’ and revisit once you have explored saving in more detail. They may change their mind!

 **Why should we try to save and what are the benefits?**

**Possible answers:** we need money to fall back on for unexpected events, such as an accident or redundancy; savings give us greater financial security and a chance to reach our life goals; savings reduce the risk posed by unexpected demands on our finances; savings can be good for or wellbeing – especially our mental health.

 **What might you save for?**

**Possible answers:** The just in case or ‘rainy day’ scenario; for specific things or life events, e.g. a holiday, a car, housing deposit, wedding, new baby, retirement.

 **Why don’t some people save?**

**Possible answers:** low income or earnings that don’t keep up with rising living costs, no financial plan or budget, already in debt, overspending






# Rainy day saving

## Why may young people be less likely to have savings?

**Possible answers:** they often earn less, have been working for less time, so less time spent saving.

 If you feel comfortable, you can share your own experiences of saving. For example, you could share a time you wished you'd had savings, or a time when you were able to use rainy day savings for an emergency. This may encourage them to share their own experiences so that the group can learn from each other.

Explain that they are going to think about ideas to help them save.

Split them into smaller groups of three or four. Give each group a piece of paper.

Use **slide 4** and ask the group to:

- Discuss the statements and rank them in order of usefulness.
- Make a note of the order that you would rank them in.

Bring the groups back together and ask them to share how they each ranked the statements. You can use a flip chart or a whiteboard to record their rankings.

As a group, discuss which were the most popular answers.

### Ask:

 **Why did you put these statements first?**

 **Which were the least popular statements and why?**

Is it possible for the whole group to agree on one ranking?




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# Rainy day saving

Return to the question asked at the beginning of the activity.

**Ask:**

-  **Do you think saving is important?**
-  **Have you changed your mind about saving? Why?**
-  **What have you learnt about tips for saving that you didn't know before?**



If you feel comfortable, you can share your own experiences of saving and what works best for you e.g. saving as soon as you are paid, having different savings goals, etc. This may encourage them to share their own experiences so that the group can learn from each other.

Finally, use **slide 5** to wrap up the activity and re-cap on what they have learnt.



# Types of saving

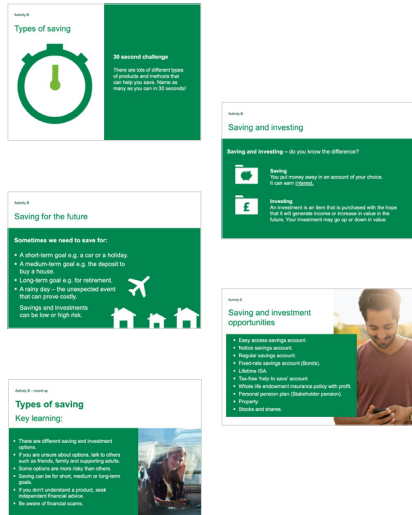
In this activity, a young person will learn that:

- There are different types of savings and investments.
- They need to understand the basics of savings and investments to make informed decisions when faced with financial choices.
- There are risks associated with some types of saving and borrowing.

See next page for 'Alternative ways of delivering the activity'.

## YOU WILL NEED

✓ PPT slides 6, 7, 8, 9 and 10



✓ Resource Sheet - Saving and investment cards

✓ Paper and pens



# Types of saving

## Alternative ways of delivering the activity:

1) Use the **Resource Sheet - Savings and investment cards** with the whole group to have a wider conversation about different saving options. As a group, briefly discuss each option. Explain what it is and how it works. You may want to choose only a selection of cards to discuss.

Ask the group:

### ■ Which are savings and which are investments?

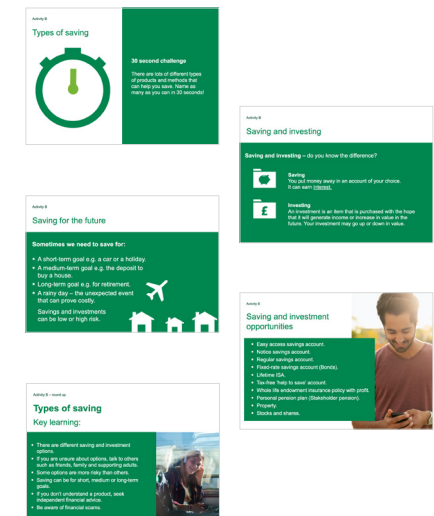
Discuss whether each option is high risk or low risk, and which are suitable for short, medium, or long term saving.

2) You may feel that one or multiple members of the group have some prior knowledge of savings options. If so, it's important to draw on that experience to the benefit of the whole group. Explain to the group that this activity will enable them to share their own awareness and experiences.

- Working in small groups, ask the participants to discuss and agree a correct definition for each item on **slide 9** (and any from the 30 second challenge).
- Ask which ones caused the most difficulty and encourage everyone to share their ideas about them as a whole group.
- You can use the **Resource Sheet - Savings and investment cards** to support you in agreeing correct definitions. If there are any items that nobody can provide an answer for, ask them to find out about them for themselves after the session.
- Finally, ask your group how they can protect themselves from saving and investment scams.

## YOU WILL NEED

✓ **PPT slides 6, 7, 8, 9 and 10**



✓ **Resource Sheet - Saving and investment cards**

✓ **Paper and pens**



# Types of saving

Use **slide 6** and start with a 30 second challenge.

**Ask:**



**How many different types of savings products or places to save can you name in 30 seconds?**

These should be generalised types of saving, not specific products. For example: savings accounts, ISAs, post office account, building society account, bank account, easy-access savings accounts, notice savings accounts, regular savers accounts.

Keep this short and fast-paced. You can use a flip chart or whiteboard to record their ideas.

**Ask:**



**What is the difference between saving and investing?**

Use **slide 7** to share the definitions.

- **Saving:** You put money away in an account of your choice. It can earn interest, so you end up with the original money you've saved, plus extra on top from the interest.
- **Investing:** An investment is an item such as a property or shares in a company that is purchased with the hope that it will generate income or increase in price or value in the future. Your investment may go up or down in value, so there is a risk you will lose some of your money.
- **Interest:** Money that you earn from keeping your money in a savings account. Interest on savings accounts is expressed as a %AER (Annual Equivalent Rate). This shows what you will earn on the money you have saved during one year. The higher the %AER rate, the more interest you will earn.
- **Remember** if you are borrowing, you need to seek the **lowest %APR** (Annual Percentage Rate). The higher the rate is, the more you will need to pay back on top of the amount you borrowed.

CONTINUED ➔



# Types of saving

Use **slide 8** to explain the different reasons we might save – short-term, medium-term, long-term and a rainy day. Savings and investments can range through from low-risk to high-risk opportunities.

- **Low-risk** – you will earn some interest and get your money back. The rate of return (interest) will be low. Savings accounts are usually low risk.
- **High-risk** – there is potential to earn more from your money, but there is also a greater risk that your investment may fall in value. Stocks and shares are usually considered to be higher risk, depending on what you choose to invest in.



If you feel comfortable, you can share your own savings experiences, e.g. how you saved to buy a car, or a deposit for a house. This may encourage the group to share their own experiences so that the group can learn from each other.

Use **slide 9** to provide a list of some of the available saving and investment options.

- Explain that they are going to learn a little more about these.
- Split the young people into small groups of three or four.
- Give each group at least one card from the **Resource Sheet - Savings and investment cards** to discuss.

### Ask:



Is it a saving or an investment opportunity?



Is it a short, medium or long-term saving option?



Is it a low or high-risk saving option?



What might you use this option to save for?

CONTINUED ➔



# Types of saving

## Ask the group to:

- Decide how you will explain the saving or investment opportunity on your card(s) to the rest of the group – without mentioning its name.
- You could simply share the existing definition, or you could create your own short description to use.
- Then share your definition with the rest of the group.

Using the list on **slide 9**, the rest of the group will identify which option is being described.

## How many can the group get right first time?

You could ask for a volunteer to keep count.

Finally, discuss the importance of being aware of financial scams around saving and investing. You should always:

- Keep your financial and personal information safe.
- Use verified financial institutions for savings and investment products. The Financial Conduct Authority (FCA) ScamSmart website has a tool to help you check if an investment or pension opportunity is a scam.
- Don't agree to invest money or move savings over the phone.

- If in doubt discuss with your bank, building society or investment provider.

**Explain that there are lots of different saving and investment products available. Making choices about financial products can be difficult. They need to be sure they understand the product, including the risks and costs associated with it.**

**Remember** they can seek independent financial advice about savings and investment products. Some businesses that provide financial advice may charge a fee, regardless of whether their advice is accepted or not.

Depending on the product, savings and investment accounts can be set up in-branch, over the phone or online. Some savings and investment firms operate entirely online – extra caution may be needed if setting up products in this way.

Finally, **use slide 10** to wrap up the activity and to re-cap on what they have learnt.



20 MINUTES

# Saving sense

In this activity, young people will learn that:

- We have to make choices about our savings.
- Our savings decisions might impact on our financial goals.
- Saving can help us to manage our finances.

### Alternative way of delivering the activity:

- Use the **Resource Sheet - Saving scenarios** to have a discussion with the whole group and a wider conversation about different savings options. You might want to use only two of the scenarios.
- Explain to the participants that the session will enable them to share their knowledge and experience of earning and saving.

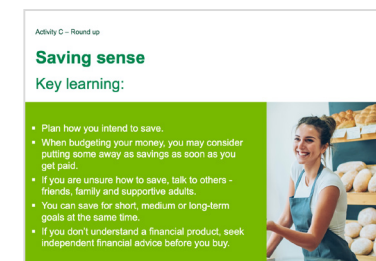
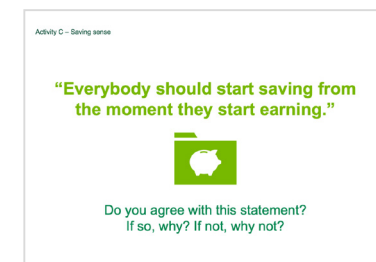
Carry out the activity as described in the main guidance.

At the end, **ask:**

- Think of your own financial savings goal. What advice would you give yourself as to how to achieve it?
- How might the discussion today influence your decisions about saving in the future?
- Share one thing that you didn't know before, and why you think it's important.

## YOU WILL NEED

- ✓ **PPT Slides 11 and 12**



- ✓ **Resource Sheet - Saving scenarios**

- ✓ **Paper and pens**





# Saving sense

Use **slide 11** to introduce the statement:

“Everybody should start saving from the moment they start earning.”

**Ask:**



**Do you agree with the statement? If so, why? If not, why not?**

**Remember** to reinforce the fact that not everyone is able to save. But, if circumstances allow, then saving could be one of the things you budget for.



If you are comfortable, you can share your own experiences of saving, e.g. when did you start saving? Was it hard to save at first? This may encourage them to share their own experiences so that the group can learn from each other.

Explain that they are going to make some decisions about saving.

Working in smaller groups, give each group the **Resource Sheet - Savings scenarios**.

**Ask them to discuss the scenarios and answer the questions at the end of each one.**

If time is short, you might want to allocate a single scenario to each group. If there is time, they can discuss more than one. Make sure that each scenario is discussed by at least one group.

Bring the groups back together and discuss each scenario. Keep this focused and structured by asking groups to contribute ideas and answer the specific questions.

In some cases, there will be no right or wrong answer.

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# Saving sense

Here are some prompts to help you:

## Kofi

- His saving goals are short term – holiday; medium term – deposit for a flat.
- To be more effective he could budget to include saving, save regularly, save direct from salary or as soon as he is paid, set up separate savings accounts for his different goals.
- The group may suggest a variety of products they think would be appropriate for Kofi to consider.
- Next steps might be to create a new budget plan, seek advice on products, consider or start saving.

## Caitlyn

- Her saving goals are short term – rainy day saving, medium term – holiday.
- To be more effective she could budget to include some savings, save as soon as she gets paid, plan what she is going to spend before she goes shopping.
- The group may suggest a variety of products they think would be appropriate for Caitlyn to consider.
- Next steps might be to create a budget, open a savings account, see if she can increase her hours to earn a bit more.

CONTINUED ➔



# Saving sense

## Milena



- Her saving goals are medium-term – deposit for a flat/expand her business, long-term – pension.
- To be more effective she could plan to save, save regularly, save as she earns.
- The group may suggest a variety of products they think would be appropriate for Milena to consider.
- Next steps might be to create a budget plan, seek advice on products, consider or start saving, plan how to expand her work opportunities.

If they come up with suggestions other than those given above, ask if they can justify their ideas.

Return to the statement discussed at the beginning of the activity.

**“Everybody should start saving from the moment they start earning.”**

## Ask:


-  **Have you changed your mind? If so, why?**
-  **What advice would you give to yourself about saving?**

Finally, use **slide 12** to wrap up the activity and to re-cap on what they have learnt.



# Summary

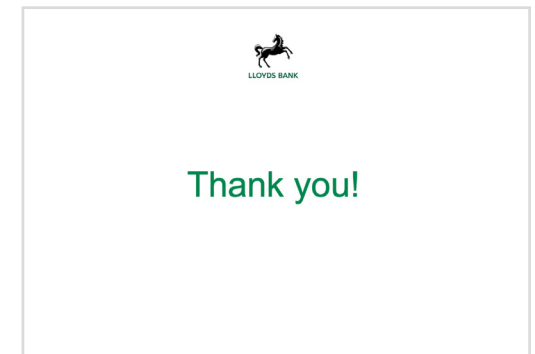
At the end of the session, use **slide 13** and thank them for contributing to the activities.

-  Share the **Further support and information sheet** sheet with the group. This provides opportunities to find out more information and provide support to improve their financial wellbeing.

## YOU WILL NEED

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- ✓ **PPT slide 13**



- ✓ **Further support and information sheet**