



# Lesson Plan



**2.15 hours**

This lesson is structured in  
3 chapters  
45 minutes x 3

Keep your key terms and  
FAQs to hand.

## How not to run out of money

### Learning Outcome

‘I will learn to think critically about how I spend my money and create a budget that meets my needs and wants.’

### Success criteria

By the end of this session, I will be able to:

#### Chapter 1

- Confidently understand the difference between financial needs and wants and the external influences that could impact them
- Understand how income from jobs is taxed and calculate how much is left to budget

#### Chapter 2

- Demonstrate knowledge and understanding of budgeting systems and how to apply them in different contexts
- Make smart choices about managing my money that align with my needs, wants and future goals

#### Chapter 3

- Recognise inflation and understand how it is measured
- Understand how the value of money can change over time and how that impacts my budget

## Associated PSHE outcomes

### KS4

- L16 how to effectively budget, including the benefits of saving
- L18 to recognise and manage the range of influences on financial decisions

### KS5

- L14 to understand and manage salary deductions including taxation, National Insurance and pensions


## Chapter 1 - You money mindset and understanding payslips

Activity and Maths Moment	Time allowance	Resources	Instructions	Delivery tips
<p>Introduction – Quiz <b>Slides 1-6</b></p> <p>How do we use money?</p> <p>Needs vs wants <b>Slide 8</b></p>	15 minutes	<p><a href="#">Money mindset quiz</a></p> <p>Post-it notes on one wall for needs, one wall for wants</p> <p>A3 paper</p> <p><a href="#">Video: Needs vs Wants</a></p> <p><a href="#">Video: Cost per use</a></p>	<p>Students do the quiz, self-score. <b>Slide 6</b></p> <p>Mindmapping - ask these questions and get the class to respond, group similar ideas together on A3 paper. One question per table.</p> <p>“Why is it important to think about how we use our money?”</p> <p>“What other feelings do you have around money?”</p> <p>“What does it mean to be good at managing money?”</p> <p><b>Needs vs Wants - slide 8</b></p> <p>What things does everyone need? (Talk about things that everyone needs to live)</p> <p>Ask students to come up with a list on Post-it notes that can be stuck up on a wall/window - food, shelter, clothing, tech/internet etc.</p> <p>Be mindful that many students will have different financial backgrounds so this can be depersonalised. What do we need to bring to school:</p> <p><b>Need: homework, books</b></p> <p><b>Want: games, sweets, chocolate</b></p> <p><b>Need or want? Expensive trainers</b></p> <p>Show that knowing the difference between a need or a want can be tricky e.g. trainers are a need, but is the second pair a need?</p> <p>Watch the needs vs wants film for an explanation.</p> <p>Work through the spectrum of needs and wants and get the class to add examples.</p> <p>Show how your judgement has a big part to play.</p>	<p>Ask for hands up and use PowerPoint to provide answers.</p> <p>Prompt students to think about who their money role models are (if they have them) and why.</p> <p>Debunk the myth that rich people are good at managing money and if you're poor you're not.</p> <p><b>Extension:</b> Non-material needs e.g. friendship and relationships, family, fun, activities, belonging. These are needs too and are important to recognise because a lot of what we buy is actually about meeting these deeper needs. Brainstorm examples.</p> <p><b>Extension:</b> Watch <a href="#">Poku Bank's film</a> about calculating the <a href="#">cost per use</a> of your personal items.</p>


## Chapter 1 - You money mindset and understanding payslips

Activity and Maths Moment	Time allowance	Resources	Instructions	Delivery tips
You've got a job! Slide 10	10 minutes	Job handouts	<p><b>Slide 10</b></p> <p>Introduce the main activity: we are going to be getting jobs in Manchester and learning how to use our earnings to pay for our needs and hopefully our wants too.</p> <p>This can lead to a broader discussion about the importance of checking advertised pay.</p> <p>Show an example of a job description.</p> <p>Questions to ask:</p> <ul style="list-style-type: none"> <li>• What are the hours?</li> <li>• Are you full time or part time?</li> <li>• What qualifications or experience is needed?</li> <li>• What other skills are required?</li> <li>• What is your salary?</li> </ul> <p>Discuss the differences per job as a class.</p>	<p><b>Top tip:</b> Lesson resources include Manchester based jobs. Option to find local job descriptions in your area with a salary of between £20k-£30k per year.</p> <p><b>Extension:</b> Understanding salary advertised and 'take home' pay.</p>

## Chapter 1 - You money mindset and understanding payslips

Activity and Maths Moment	Time allowance	Resources	Instructions	Delivery tips
<p>Tax and other deductions <b>Slides 11 - 14</b></p>  <p><b>Maths Moments</b></p> <p>Calculations using BIDMAS (Brackets, Indices, Division, Multiplication, Addition, Subtraction)</p> <p>Calculating percentages</p> <p>Converting between decimals and percentages</p>	10 minutes	Example payslip on slide.	<p><b>Slide 11</b> Show an example of a payslip, talk through the basic information, what to look out for.</p> <p>Ask the group:</p> <ul style="list-style-type: none"> <li>• What taxes do you pay?</li> <li>• What are those taxes used for?</li> <li>• What other deductions could there be on your pay?</li> </ul> <p>What is the most important number on a payslip for budgeting? (Net pay)</p> <p>Emphasise the importance of regularly checking your payslip for inaccuracies. Both in pay and deductions.</p> <p>Mention that issues with pay are normally dealt with by HR. HR can also ask you to speak to HMRC if it is tax-related.</p> <p>Worked example with equations: Personal allowance - tease this out with students. What do we mean by personal allowance? Explain that this can vary e.g. if one claims marriage allowance or blind person's allowance.</p> <p>Rate of tax = 20% for those earning £12,571 to £50,270. (i) How do we think it differs for those earning more than £50,270? (ii) Worked example with the teacher. If my income is £20,000 per year, how do I calculate my income tax? [1 min - Think, pair, share.]</p> <p>Draw out the conversion from percentage to decimals i.e. finding 20% of a number is the same as multiplying by 0.20 .</p>	<p><b>Try Think, Pair, Share</b></p> <ul style="list-style-type: none"> <li>• 30 seconds thinking solo time</li> <li>• 30 seconds in a pair with your neighbour</li> <li>• 30 seconds to share your definitions with the group</li> </ul> <p>Can you make the definition of tax better?</p> <p>Challenge question: <i>How much do you think was collected from income tax during the year 2019-2020?</i></p> <p>Challenge answer: <i>Of the £594.3bn collected by the taxman, over £194bn came from income tax receipts.</i></p> <p><b>Extension:</b> Ask if anyone knows what tax is. Talk about the different types of tax in the UK.</p> <p>This can lead to conversations about</p> <ul style="list-style-type: none"> <li>• paying tax when you are self-employed</li> <li>• tax brackets for income tax and NI</li> </ul>


## Chapter 1 - You money mindset and understanding payslips

Activity and Maths Moment	Time allowance	Resources	Instructions	Delivery tips
<p>Calculating your monthly pay <b>Slides 15 - 18</b></p>  <p><b>Maths Moments</b></p> <p>Calculations using BIDMAS (Brackets, Indices, Division, Multiplication, Addition, Subtraction)</p> <p><i>Calculators can be used</i></p>	5 minutes	<p>Calculators</p> <p><b>Budgeting sheet</b></p>	<p><b>Slide 15</b></p> <p>Students in their table groups or pairs calculate the tax based on the salary provided for their job.</p> <p>Mention that the calculations on the slide are simplifications but accurate for the income from the “jobs” they have been given.</p> <p>Talk through each stage of the calculation:</p> <ul style="list-style-type: none"> <li>• gross pay</li> <li>• tax-free allowance</li> <li>• tax rate</li> <li>• net pay</li> </ul>	<p><b>Extension:</b></p> <p>Calculate income tax and National Insurance for different higher and lower salaries. Use the different tax bands.</p> <p>Look at how student loan repayments are calculated.</p> <p>Look at pension contributions.</p> <p>Remember when they come to put the net pay into the budgeting sheet - it needs to be divided into 4.5 as most months don't neatly fit into 4 weeks.</p>
<p>Break activity <b>Slide 20</b></p>	5 minutes	<b>Wordsearch</b>	<p><b>Slide 20</b></p> <p>Wordsearch to be completed.</p> <p>Solutions on the following slide.</p>	<p><b>Extension:</b></p> <p>Are there any words that they don't know? Where could they find the answers to these?</p>


## Chapter 2 - Budgeting and making smart money choices

Activity and Maths Moment	Time allowance	Resources	Instructions	Delivery tips
Intro to budgeting <b>Slide 23-26</b>	5 minutes	<a href="#">Video: Digital Automation Video</a>	<p><b>Slide 24</b> Introduce the concept of FOMO to budgeting - (Fear Of Missing Out). Ask students how that word makes them feel, what wants are they spending money on?</p> <p>Show some of the modern ways that you can budget including apps.</p> <p>Talk about how budgeting can fall largely into three categories based on an old-school method of <b>50-30-20 (Needs, Wants, Future)</b>.</p> <p>Mention that '50, 30, 20' is a guideline, not a perfect science.</p>	<p><b>Assembly hack:</b> Ask students to map how budgeting feels on a sheet of A3.</p>
Budgeting your needs <b>Slide 27</b>	10 minutes	<a href="#">Budgeting sheet completed working example</a> <a href="#">Bills catalogue</a>	<p><b>Slide 27</b> Now hand out the budgeting sheet with worked example (over budget) and the bills catalogue.</p> <p>Students need to consider the £1500 income example on side and then create their own budget on the blank side showing how they can stay within budget.</p> <p>Students should add their take-home pay as their monthly budget.</p> <p>They then choose their needs from the catalogue completing the worksheet.</p> <p>There will still be some choices here like house size, internet package, where they shop for food etc.</p>	<p><b>Extension:</b> Students could think of ways that they could reduce the cost of their needs.</p> <p>This could include energy-saving measures, house sharing, buying in bulk, walking to work instead of taking the bus.</p>

## Chapter 2 - Budgeting and making smart money choices

Activity and Maths Moment	Time allowance	Resources	Instructions	Delivery tips
<p>Calculating your wants (50%) <b>Slide 28</b></p>  <p><b>Maths Moments</b> Simple calculations</p> <p>Calculating percentages</p> <p><i>Calculators can be used</i></p>	10 minutes	<p><b>Calculators</b></p> <p><b>Budget sheets blank</b></p> <p><b>Bills catalogue</b></p>	<p><b>Slide 28</b></p> <p>Remember your needs should fit into the monthly amount previously calculated, the 50% of the monthly income (net pay).</p> <p>Students should understand the bottom line, i.e. after you've spent money on the essentials in the bills catalogue, how much do you have left at the end of the month?</p> <p><b>Reflection question:</b></p> <p>Ask students if the number surprises them.</p> <p>Return to the original salary advertised in their job description.</p> <p>Ask students to compare salary figures with the monthly amount left to live on.</p> <p>For example, did you think with a £22,000 a year salary you would have to live on just £80 a week?</p>	<p><b>Extension:</b></p> <p>After all these deductions, how much do you have left to live on? Divide this by 4.5 to think about your weekly budget. Divide by 7 for a daily budget. Ask students if it's realistic.</p> <p><b>Extension:</b></p> <p>Return to bills catalogue and think about whether there are savings that could be made. Can you share a house with a friend or walk to work to save money? Can you use someone else's Netflix account?</p>

## Chapter 2 - Budgeting and making smart money choices

Activity and Maths Moment	Time allowance	Resources	Instructions	Delivery tips
<p>Calculating your wants Conscious spending (30%) <b>Slide 28-29</b></p>  <p><b>Maths Moments</b> Simple calculations Calculating percentages <i>Calculators can be used</i></p>	10 minutes	<b>Budgeting sheets blank</b>	<p><b>Slide 28</b> Link back to the wants section. Extend this into broader ideas.</p> <p>Talk about how it is OK to spend money, but sometimes we can fall into a trap of spending on things that don't bring us joy or get sucked into FOMO.</p> <p>They need to add to their budget how they would spend that 30% of income on wants and they need to add the items and the figures.</p> <p>Some suggestions will be included in the bills catalogue.</p> <p>Suggest things that they might not have thought of, such as gift giving/birthdays and religious festivals, furniture or upgrading their new homes, clothes, toiletries, nights out, takeaways, tickets to music festivals etc.</p> <p><b>Slide 29</b> Whole group discussion: How might your wants change over time? Think short-term variations like festivals in the summer vs fancy hot chocolates from Starbucks in the winter. Also shifts in focus/hobbies.</p>	<p><b>Extension:</b> How can we slow down when it comes to our wants:</p> <ul style="list-style-type: none"> <li>• 24 hour rule</li> <li>• Take a photo first and ask friends and family</li> </ul> <p>May want to go out less but spend more time at the gym.</p>



## Chapter 2 - Budgeting and making smart money choices

Activity and Maths Moment	Time allowance	Resources	Instructions	Delivery tips
Planning your future Slides 31-33	10 minutes	<b>Credit card life goals</b>  <b>Four ways to get your budget back on track</b>	<p><b>Slide 31</b> Explain the purpose of the last <b>20%</b> - saving/investing for the future.</p> <p>Card size goals: on a credit card-sized piece of paper ask the students to write down their big life goals.</p> <p>Talk about how this should be really motivational. Something that would really encourage them to stick to a budget. They can keep these goals as printouts or suggest that they change the wallpaper on their phones to this goal.</p> <p>Can ask for some students to share theirs but if they are reluctant, then share examples from staff.</p> <p><b>How can we create good financial habits?</b> Use automation slide to talk about ways to create good habits to enable future desires to be made e.g. setting up savings accounts, ISAs and direct debits online.</p> <p>Can mention alternatives such as pensions for retirement or investments to help grow wealth.</p>	<p><b>Extension:</b> Ask what tips students have for when your budget goes off track. Use the 'Four ways' @howifundthis handout to help.</p> <p><b>Extension:</b> Talk about saving for life's surprises, e.g. if your phone gets stolen and you don't have insurance, paying off debt, pensions, investments etc.</p> <p><b>Extension:</b> Ask students how they create good habits in their daily lives e.g. brushing teeth, remembering keys, revision, making sure your phone never runs out of battery. How does this apply to your budget?</p>

## Section 3: Inflation and how rising inflation impacts my budget

Activity and Maths Moment	Time allowance	Resources	Instructions	Delivery tips
<p>Introduction to inflation <b>Slides 35 - 45</b></p> <p>(exploration, definition, target rate and current rate of inflation)</p> <ul style="list-style-type: none"> <li>• Think Ahead and Think Savvy</li> <li>• Defining inflation</li> <li>• Target rate of inflation</li> <li>• Current rate of inflation</li> <li>• Graphical illustration of inflation changing over time since 2010</li> </ul>	15 minutes	<p><b>Video:</b> <a href="#">the rising cost of Freddos chocolate</a></p>	<p><b>Slide 36</b> Think ahead and think smart. Exploration of real-world inflation.</p> <ul style="list-style-type: none"> <li>• In pairs, students look at the price change of Nike trainers over time and answer the following questions, jotting down answers on Post-it notes. <ul style="list-style-type: none"> <li>◦ What do you notice about the cost of Nikes over time?</li> <li>◦ What other products have you seen change in price over time?</li> </ul> </li> </ul> <p>Students add Post-it notes to the board/ wall and examples shared.</p> <p><b>Slide 37</b> Play Ola's film about the rising cost of chocolate.</p> <p><b>Slide 38</b> Reading aloud the definition of inflation on the slide. If students have notebooks, they can copy the definition down.</p> <p>Further guidance on describing inflation - 'Inflation is when your parent or guardian complains about the prices they have to pay nowadays compared to what they paid when they were younger, saying "I remember when a Mars bar was 25p" or "I used to buy petrol at that station for 60p a litre."</p> <p>Introduce the concept of "cost of living" so when inflation rises, the cost of living rises as prices of everyday goods increase. We are able to buy less with the same amount of money.</p>	<p><b>Extension:</b></p> <ul style="list-style-type: none"> <li>• Encourage students to think about the food they eat or the cost of transport changing.</li> <li>• Can students work out the price increase as a percentage of the goods/ services they have identified?</li> </ul>

## Section 3: Inflation and how rising inflation impacts my budget

- Understanding inflation changing prices over time using Inflation Calculator
- Shrinkflation

### Slide 39

Teacher explanation of Bank of England's target rate of inflation of 2 per cent.

The Bank of England is the central bank in the United Kingdom.

### Slide 40

Hotter or colder: Students estimate the current rate of inflation with the teacher responding hotter or colder as students make their estimations.

### Slide 41

The inflation rate has changed a lot since 2010. It decreased from about 2010 to 2015, then increased from 2015 to 2018, slowly decreasing from 2018 to 2021, and steeply rising from 2021 to 2022.

The graph shows how high inflation is today compared with the past 30 years (huge increase!) which is concerning as the cost of living has gone up a lot.

### Slide 42

Click on the link to display the interactive tool to illustrate how prices have changed over time.

[Bank of England inflation calculator.](#)

As a class students can choose dates and estimate how much goods and services costing £10 in X date would cost in Y date. For example, using dates a parent was born compared with the date they were born.

### Slide 43

Explain shrinkflation, have you noticed shrinkflation in any other food or drink that you buy?


### Extension:

When inflation is negative i.e. prices over time *decrease*, this is known as deflation.

## Section 3: Inflation and how rising inflation impacts my budget

Activity and Maths Moment	Time allowance	Resources	Instructions	Delivery tips
Measuring inflation   Basket of goods <b>Slides 44 - 45</b>	10 minutes	Mini whiteboards or note paper	<p><b>Slide 44</b> Explanation: The basket of goods and services is a way to measure inflation and it is regularly updated to include the most relevant products. It is known as the Consumer Prices Index (CPI). Source link to <a href="#">ONS website</a>.</p> <p><b>Slide 45</b> Activity “Added, remained, removed”. Explanation that the items in the basket of goods and services change depending on popularity i.e. what are the most important things to include to represent price changes. Students consider whether each item displayed on the screen has been added, remained or removed from the previous year’s basket of goods.</p> <p>Instructions: One by one items are displayed on the slide. On mini whiteboards (or in notebooks if whiteboards aren’t accessible) students decide whether each item has been added, removed or remained in the basket of goods and services in 2022 when compared to 2021. Top tip: consider whether the product on the screen is still something people buy a lot of.</p> <p>Context of main changes for teacher knowledge:</p> <ul style="list-style-type: none"> <li>• In 2022, 19 items have been added to the Consumer Prices Index and 15 items have been removed.</li> <li>• Additions to the baskets for 2022 include meat-free sausages, canned pulses, sports bras, pet collars and antibacterial surface wipes.</li> <li>• Removals from the baskets include doughnuts, men’s suits and coal.</li> </ul>	<p><b>Notes:</b> Exercise to be annually updated.</p> <p><b>Extension:</b> Why have doughnuts, men’s suits and coal been removed?</p> <ul style="list-style-type: none"> <li>• Reflects peoples’ increased awareness of health, more people working from home so wearing more casual clothes, and the increase in green energy as coal is a fossil fuel.</li> </ul> <p>Why have veggie sausages, anti-bacterial wipes and pet collars been added?</p> <ul style="list-style-type: none"> <li>• Reflects the rising interest in plant-based diets, and hygiene due to Covid and more people buying pets during the pandemic.</li> </ul>

## Section 3: Inflation and how rising inflation impacts my budget

Activity and Maths Moment	Time allowance	Resources	Instructions	Delivery tips
<p>Activity - Check in, check out <b>Slides 47 - 48</b></p>  <p><b>Maths Moment</b> Simple calculations <i>Calculators can be used</i></p>	10 minutes	Check in, check out	<p><b>Slide 47</b> Students told they have a £26.50 budget for a weekly food shop. Task is to purchase goods from the 2015 price list of 24 items, keeping within the budget i.e. spending £26.50 or less.</p> <p>Students are then given a list of prices for the same goods in 2022. Students can calculate the new total price if they were to buy the same items.</p> <p>Students answer the following questions:</p> <ul style="list-style-type: none"> <li>• Is the total cost lower or higher than the original £26.50 total?</li> <li>• Which items have increased or decreased in price and why do you think these changes have taken place?</li> <li>• If the cost of products that I need like food has gone up, what does this mean for the money I have left for my wants or that I want to save or invest?</li> </ul>	<p><b>Extension:</b> Encourage thinking about why the price changes have taken place. For example, increase in fuel/ petrol costs have meant it's more expensive for food to travel.</p> <p>Some items, such as pasta or bread made from wheat, have increased in price due to the Ukraine war as there's less wheat available. Ukraine and Russia supply about a quarter of the world's wheat.</p> <p>Link to budgeting. If inflation is rising, more money will be spent on NEEDS, meaning there will be less money to spend on WANTS or put towards the future.</p>

## Section 3: Inflation and how rising inflation impacts my budget

Activity and Maths Moment	Time allowance	Resources	Instructions	Delivery tips
Summary slide <b>Slides 53-57</b>	5 minutes	Storyboard sheet.	<p><b>Slide 54</b> Ask students to call out 1-3 things they have learned from the module.</p> <p><b>Slide 56</b> Ask students to fill out final questionnaire.</p> <p><b>Slide 57</b> Show students where to go for support.</p>	<p><b>Extension:</b> <b>Slide 55</b> create a video or post giving your friend your top tips on budgeting.</p> <p>Students can show what they've learnt in various ways:</p> <p>In a social media post A short newspaper article A rap/poem Any artists in the room can draw</p>