



**pwc**

# Financial Literacy Curriculum

## Fundamentals to Financial Literacy



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## Let's get started

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- When should I start?

### 2. Fundamental Principles

- Need vs Want
- Understanding your priorities
- The savings challenge
- Keeping track of your budgets
- The power of doing your homework

### 3. Wrap up and reflection

#### Session overview

This introductory session will provide you with the fundamental principles to managing your money. It will encourage you to consider what is financially important to you, both now and in the future, and enable you to approach your finances with confidence.

#### Objectives

You will be able to:

- Understand how to approach your own finances
- Consider your future goals
- Build your confidence with managing your own money

# When should I start?

It's never too early and starting early in life is ideal, but financial literacy will apply throughout your life.

- Managing your own money is something you need to do throughout your life - you are probably doing it already.
- Here are some typical examples of when might have a new experience of managing your money:
  - As a **child** - getting **pocket money** and keeping a **piggy bank**, or even **gifts** from relatives
  - As a **teenager** - getting a **weekend job** to give you some extra spending money
  - Going to **university** or when going **travelling**
  - Getting your first **full-time job**
  - Buying your **first car or home**, or having a **child**
  - Throughout your **working life** and balancing home, family, friends and work
  - If times become **financially difficult**
  - Even when you **retire** when your pension will need to support your life
- So it is important to understand a few **fundamental principles** to guide you through various life situations. These will not be everything but are there to get you to think about your approach and behaviour towards them.

# Need vs Want

**Before committing your money, take a step back and ask, “do I really need it? or do I just want it?”**

- Careful not to **fall into traps** that lure you into buying more than you really need!
  - For example, 3 for £5 offers. Some of these offers only actually save you a few pennies and encourage you to buy within a limited range of items.
- Take advantage of offers such as ‘3 for 2’ **IF** it’s something you will be buy again next week/month.
  - But if you only need 1, stocking up 3 times more than you intended might not be the best idea.
- **How important is the “label”?** Branding is powerful and often VERY expensive. Consider if it’s worth it and whether it is what you are really looking for - e.g. Do you need a jacket or a designer jacket? The difference can be quite costly!
  - If you have a budget to spend to, are you prepared to give up something else to have it.

**Remember:** Do you really NEED it? Or do you simply WANT it? These will change as you go through life, but be clear about the priorities you have now.

**As a group, discuss the things that you consider things you need, and the things you want? (5 minutes)**

# Understanding your priorities

Your priorities should include your future needs, not just your current ones.

- This is an essential skill to develop when it comes to managing your money.
- Your **priorities** will change as you go through life, so remember the following:
  - Consider the things that you **have to** spend money on vs the things you **want to** spend on
  - Always rank **savings** high when budgeting
  - Build in those **future plans** into your budget as much as you can, even if it's a small amount. It all counts!
  - Regularly **review** your priorities to avoid missing something you might need, and that you have a good balance
- A typical approach to prioritising:
  1. **Top priority** - the things you have committed to spend on e.g. rent, mortgage, bills, contracts
  2. **Then** - the things you want to save for e.g. rainy day, car, house, phone, new clothes
  3. **Finally** - your day-to-day spending e.g. lunch, socialising, takeaways

**Remember:** this is **individual** to you and everyone will have a different opinion on how to do it. This will evolve but saving is often a constant theme throughout.

In pairs, what are your top 5 financial priorities now? (5 minutes)  
What might they be in 10 years? (5 minutes)

# The savings challenge

## An essential item, not an afterthought!

- This is often low down on people's list, or even overlooked completely. It is something we may have been taught at an early age (with pocket money or piggy banks) but as life becomes busier, it's forgotten about or just harder to do.
- Here are some tips to help you through the process.
  - **Set clear goals** - what do you want to save for? How much? By when?
  - **Break it down into monthly/weekly amounts** - do the maths to see how much you need to put away and over how long to achieve your target

### Some things you might want to save for

- Mobile phone / gadgets
- Games console or game
- To support a hobby or interest
- New clothes
- Extra spending money
- Gifts for partner/family/friends

### Other things people typically save for

- Rainy day fund
- University spending money
- New car
- Deposit for a house
- Future family
- Retirement

**In pairs, discuss the things you would want to save for, and how much you would need to save (10 mins)**

# Keeping track of your spending

## Discipline is everything.

- Putting together a **plan** can be challenging, but actually sticking is just as important
- This isn't always easy and can often test your patience, but it can be incredibly rewarding at the end
- It's also a good motivating technique because you feel a sense of achievement when you meet your target
- Linking back to earlier topics, consider:
  - the need vs want approach
  - the prioritisation of your needs
- **Track** your cash flow in and out
- Regularly **review** what you are spending on, you may be surprised!
- Don't be afraid to **make changes** to your plan if you have to, there is nothing wrong with doing this, but always keep your goals in mind so you don't lose track.

**In groups, what could you do to keep track of your spending? (5 minutes)**

# The power of doing your homework

## Know your options before you commit your money!

- Companies can sometimes put you under time pressure to buy their product, or automatically renew a product/subscription without you having to do anything. There are many positive reasons why they do this such as convenience, but it can also reduce your ability to find a better deal.
- **Always** do some research into better or cheaper deals before committing your money or allowing a deal to renew.
- Some things to help you research:
  - Use independent sites to give you impartial reviews of good products vs marketed good products
  - Shop around on individual websites or price comparison websites
  - Check if you can get better deals by using other platforms such as calling them or visiting their store
  - Read other customer reviews, and not just the good reviews!

**Remember**, you are the one in control outside of the contract period of your product so don't feel pressured by any company. When into a contract, you will be bound by their terms and conditions so be clear of what you're getting.

**In groups, what research could you do on the following items before buying them:**  
1. new car      2. house      3. laptop (5 minutes)



# Wrap up and Reflection



# What have you learnt today?

- Can you remember the fundamental principles?
- What **one** thing are you going to do differently moving forward?

# What employability skills have you developed in this session?

## Leadership

- Teamwork
- Problem solving
- Decision making

## Business minded

- Quality in everything you do
- Improvement
- Thinking commercially

## Technical capabilities

- Your knowledge of potential jobs you could apply for
- What have you done you are proud of
- Ability to learn

## Global acumen

- Seeking new perspectives
- Sharing ideas
- Coping with change
- Open minded

## Relationships

- Communication skills
- Building relationships
- Working with others

# Thank you

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