**Session 4 – Virtual Borrowing & Avoiding Scams**

**Outcomes**

YP will increase their understanding of what debt is

YP will increase their understanding of different borrowing options

YP will increase their understanding of the true and total cost of credit

**Key** Worksheets in green are a compulsory part of the accreditation criteria

 MWB 5 = Money Works booklet page 5

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| **Section/objectives** | **Method** | Materials | **Time** |
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| **INTRODUCTION** |
| Start-up* Welcome learners, briefly cover outline & objectives, reviewing previous session topics
* Review YP’s list of ‘things they want to get out of the session’, and add any new ones they may have, and tick off any they feel we’ve covered in S1-3
* Allow time to amend MW booklets if needed – send these back across to YP
* Warm up activity, as selected by the trainer
 | Trainer input  | RegisterWhiteboard MW PP | 5 mins |
| **Who is Responsible?**Show YP who is responsible video and discuss their opinions – the headline here is that banks won’t necessarily block people who shouldn’t borrow so it’s up to us to do the math and see if its viable  | Video | *Nomo gets a payday loan* video | 10 mins |
| **Why Borrow & Where From?*** Facilitate a discussion about what borrowing is, and get groups to brainstorm individually ‘Where people borrow from’? & ‘Why do people borrow money?’
* Group feedback with trainer drawing a spider diagram to show different ways to borrow.
* Using the spider diagram, talk through the features of different types of borrowing & define what credit is (‘buy now, pay later’) – get YP to differentiate which ones on the board are loans & which ones are credit – reminder of APR
* Highlight which ones might be seen as good reasons to borrow and good places to borrow (when you INVEST in something e.g. business, uni, house)
* Borrowing money match up – have different forms of borrowing and descriptions on the powerpoint. Ask YP to draw lines using ‘annotate’ to match them up.
* Get YP to then ***describe*** three forms of borrowing in their booklets

**APR Game** * Give out 1st stage cards of places to borrow from to gain a £400 TV
* Run through the different ways to borrow (NB remind them what APR is)
* Ask the group to order the cards based on what they think they will cost TOTAL (including the interest)
* Stress that the LONGER you take to pay loans back, the more expensive they become
* Draw attention to high APRs for short term loans, as they were never designed to be paid back over a year

Reveal the answers with the 2nd stage cards, and explore how they feel about the types of lending or credit on offer | Group discussion & BrainstormTrainer facilitationGroup activityTrainer facilitation | Whiteboard / flipchartTrainer info – Borrowing Brainstorm Borrowing Worksheet (MWB 15)APR card laminates | 10 mins10 mins |
| **Credit history** * Explain credit history, and that everyone aged over 18 years will have a record
* Discuss with YP how credit history is calculated and what it means for them personally – the consequences, how long items remain on their history, how it can affect the APRs you’re offered for credit in the future.
* Discuss ways to improve credit history from PP

***True or False Quiz**** Run through the activity on the slides – set up **Zoom poll** to make this interactive
 | Trainer led discussion*Class quiz* | MW PPTrainer Info - Credit History & Reports | 5 mins |
| K**now Your Noddle*** Introduce YP to website Noddle - explain what credit referencing websites do and what they offer. Highlight free versions vs paid for options
* Introduce credit report laminates – hand them out and allow YP to familiarise themselves with the look of the report – what can they glean from it?
* Highlight key areas e.g. missed payments, default, score out of 5.
* Based on their knowledge ask YP to form their own opinions of the reports.
* Ask them whether they would approve or deny the credit options listed on the PP based on the report they have in front of them
 | Trainer presentationSmall group review | MW PPNoddle credit report laminates (1 per pair / small group)Trainer info – Credit History & Reports | 10 mins |
| **Section/objectives** | **Method** | Materials | **Time** |
| **DEALING WITH DEBT** |
| **Dealing with Debt*** Begin by defining debt – not only does it occur if you miss borrowing repayments, but also if you miss bill / fine payments (e.g. phone, parking)
* Get group to prioritise list of different debts in order of what they think should be paid off first, and to explain their choices. Put numbers beside them.
* Consequences match up with which debt (NB credit history is a trick card that covers most of them!)
* Feedback, offering correct answers and explaining each one
* Ask YP, if you had ALL these types of debt, now you know the consequences, which would you pay back first? Rearrange order from top to lowest priority
* End with YP completing the priority / non priority section in their booklets
 | Small group activityTrainer facilitated game | Borrowing Worksheet (MWB 15)MW powerpoint | 15 mins |
| **The Debt Diary – what occurs when you’re in debt?*** Run through the process that someone who misses repayments can go through, from an initial reminder letter to a potential CCJ
* Use the PP slide to also show how each step accrues charges & interest, and also affects one’s credit history
* Include information about bailiff and the rules that they should follow.
* Summarise by asking ‘what could stop this process from escalating?’ – communicating with creditors very early on
 | Trainer input | MW PPTrainer Info – Debt Diary | *5 mins* |
| **Section/ objectives** | **Method** | Materials | **Time** |
| **Where to get help*** Signpost YP using the ‘Dealing with Debt Helpsheet’
 | Trainer Facilitation | Dealing with Debt Helpsheet  |  |
| **Debt Summary*** YP to write 2 suggestions of what to do if they are in debt on worksheets
 | Individual activity | Borrowing Worksheet (MWB 15) | 5 mins |
| **BREAK****If not already allowed for one**  |  |  |  |

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| **My Money Goal** * Trainer explains that the focus of MW has been getting every YP to have goals / dreams that they want to aim towards with regards to improving their financial situation.
* Ask learners to think about where they would like to be in the future:

 *What goals or ambitions do they have? (This could be buying a car, travelling, getting their own flat, having a job etc...)** Every YP should individually complete the goals worksheet. This will give the learners a stronger and clear ‘next steps’ in applying their new knowledge and becoming more financially savvy.
* Discuss with group the link between money and their aspirations, get them to think about how their relationship and behaviour with money will help determine the reality of their goals i.e.: A YP wanting to go on their first holiday – what steps would they need to take to make this happen?
 | Individual workDiscussion | My Money Goals worksheet (MWB 7) | 15 mins |

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|  **Wrap Up:** * Review accreditation booklets, and ensure all YP have signed & dated their books, and written in their DOBs. Ensure all amendments have been made where requested
* Ask YP to send over booklets for final check before overall completion.
* Game to end & review learning
* Answer any remaining learner questions & send across signpost documents
* Get YP & youth worker to complete end line questionnaires
* Congratulate leaners on completing the course!
* Explain that they will receive their accreditation certificates & MW booklets in the post in a few weeks
* Thank learners & wish them luck for the future!
 | Learning reviewIndividual completion of feedback forms | Whiteboard / flip chart MW Booklets / folders with previous completed sheetsRelevant End line questionnaires Money Works certificates  | 15 mins |
|  |  |  | **2 hrs** |