**Money Works Session 2: Income**

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| **Outcomes** | **Things to note** | **Resources** | **Key** |
| * **Sources of Income** * **Minimum Wages** * **Tax – how much and why?** * **Payslips** |  | * Accreditation workbooks * Government spending cards | * Workbook pages * Laminates/cards * Digital * Worksheet |

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| **Section** | **Method** | **Hints & Tips** | **Materials** | **Time** |
| **Introduction** | | | | |
| **Introduction**  Welcome the YP, hand back the workbooks and allow time to make any corrections if needed from last session.  Could start with a quick warm up game/recap of rules agreement if one was made.  Recap topics covered last session and explain today’s focus will be banking and show YP the key outcomes. | Trainer led introduction | Circulate and talk with learners who have little to no corrections to make | PowerPoint | 10 mins |
| **Sources of Income** | | | | |
| **How can you make money?**  Show YP the Standing in Line Guys video from the PowerPoint. Explain that you don’t always have to have an ingenious idea or niche skill, just work out how to monetise it creatively. Ask if anyone in the room has skills they could make money from (e.g. speaking more than one language, photography)  If they are particularly interested in the topic, you could go through websites like Task Rabbit or Fat Llama to show how they could make money off their skills/belongings.  . | Video and group discussion | If trainer has a side hustle or other jobs they could discuss as examples | PowerPoint and  [task](https://www.taskrabbit.co.uk/) or [rental](https://fatllama.com/) websites | 10 mins |
| **Sources of Income**  Brainstorm as a group on whiteboard different potential sources of income. Encourage YP to think of different stages and circumstances of life. Make sure they understand that student loan is the only loan we would put down as income as it is designed to be so and has such specific repayment circumstances.  Then have YP turn to the Source of Income page in their workbook and write up 5 sources of income using the list you have created together. | Workbook | Can compare their list to the PowerPoint list if helpful | Sources of Income workbook page   and  Optional PowerPoint slide | 10 mins |
| **Minimum Wage** | | | | |
| **Minimum Wages**  Ask if a YP in the room can define minimum wage, if not, explain what it means. Have YP guess what they think Minimum wage will be for each wage bracket and reveal the answers on the PowerPoint up to apprenticeships. Explain that there is nothing wrong with making minimum wage, but you need to calculate if it will meet your needs. If it will not, you don’t necessarily have to work more hours, you could instead find a job that will pay more.  Show them the Living Wage bracket and explain that it is not legally binding like the other brackets, but that any employers signed up to the scheme pay it as minimum wage. Go onto the Living Wage website and have a look on their map at the area the organisation is in and see what pays the Living Wage in their area.  If the YP have access to the internet, they could look up Living Wage employers in their own area. | Trainer explanation and group discussion | Make it clear that Living Wage employers only need to pay it as a minimum wage to those 18 or over  Ask if there are any YP in the room who are working, and discuss their jobs with them if they are comfortable to | PowerPoint  And  Living Wage [map](https://www.livingwage.org.uk/accredited-living-wage-employers) | 10 mins |
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| **Working hours**  Show YP working hours slide and talk it through. Make sure it is clear that they are never required to sign a 48 hour exemption and to think it through really carefully if they are considering it- remind them that most adult full time contracts aren’t even 48 hours.  Talk them through zero-hour contracts using the slide and make sure they know their rights in the situation.  Wrap up with reminder that there is no such thing as the right wage or best job, but whatever their source of income they should be checking if it will meet their needs and making a plan if not. | Trainer led explanation and workbook | Minimum wage and working hours is a nice section for personal anecdotes about trainers own first/early job and wage | PowerPoint | 5 mins |
| **Income Tax** | | | | |
| **Where does it go?**  Ask YP if they get to keep all their money? Discuss with them why not if they say no or explain the Government will take some money if they say yes and explain tax.  Ask them what it pays for and brainstorm a list on the board together. Ask the YP if the government spends the same amount of money on everything? No, they must decide how much to put where.  Explain that it pays for so many different things that we are going to think about it in 8 broad categories- education, transport, debt interest, social protection, , housing and environment, healthcare, military and industry, agriculture and employment. Hand out the government spending cards to the YP in pairs/small groups with these categories on them.  Explain to the young people that they are Prime Minister for a day, and that they must decide how to spend taxpayers’ money. Instruct them to order the cards from what they would spend the most money on to the least. When all have finished, bring the group back together and discuss the different choices and reasoning.  Instruct them to now re-order their cards to what the current Government spend the most to the least on. Discuss their choices and reasoning again when finished. Reveal the true order on PowerPoint slide and have YP compare to their order. Then show the pie chart slide of how much is spent on each category. Discuss as a group. | Group activity | If YP are stuck ordering, tell them to focus on the top 3 as this is where the significant money goes  When looking at figures of how much spent, can use time to emphasise difference between millions and billions (1 million seconds is 11 days vs 1 billion seconds is 31 years) | Government Spending Cards  and PowerPoint | 20 mins |
| **How much do you pay?**  Ask YP if they pay income tax? YP often say no, because they are too young, in which case clarify that they may not pay income tax, but nothing to do with age! If they say yes, discuss what they know with them.  Explain UK tax system works based on amount you earn. Explain personal allowance, can have YP guess how much it is. Show tax bracket slide and have YP guess what percentage for each bracket.  Then show them the pie chart slides show what portion of your income you give and what you keep based on different salaries. Discuss as a group what they think as you go through. Link back to the Government spending activity and all the things it pays for, can compare to other countries for perspective. YP are often very interested in this debate and have lots of different opinions, ensure to mediate carefully and remain impartial or make clear when it is your own personal opinion separate from MyBnk. | Trainer explanation and group discussion | To make sure YP understand personal allowance and brackets concept can ask how much tax they would pay if they made £12,571 a year (20p)  Lots of YP ask about dodging taxes so ensure your subject knowledge is strong | PowerPoint | 15  mins |
| **Payslip** | | | | |
| **National Insurance**  Show YP payslip slide and explain that other deductions may be taken from your pay.  Explain national insurance has the same annual thresholds as tax but different, lower percentages (can write up full numbers depending on interest/time). Not as much is taken as it pays for fewer things: NHS, social protection, and state pension.  Ask YP if they know what a pension is for and explain if not. | Trainer explanation | Write up the three things NI pays for on the whiteboard for young people to refer to later in their workbooks if helpful |  | 5 mins |
| **Pension**  Ask YP if they are paying for state pension, why do they have separate pension category on their payslips? Because it is not enough! Explain maximum state pension amount and state pension age, discuss if that would be enough to live on if still paying rent, thinking about other fixed outgoings etc.  Show slide on autoenrollment and explain system. Make it clear that this is only provided with a PAYE job and that if you are self-employed you must plan for a pension outside of state pension yourself (this can be a good opportunity to clarify tax and NI deductions apply if you are self employed too, but that you must fill out self-assessment etc).  You could show the YP a pension calculator website and look at the difference in money depending on when you start savings as well as how much to emphasise how beneficial thinking about your pension early can be even though it is such a long way off. | Trainer explanation and group discussion | This can be a hard topic for YP to connect with as it seems so abstract and far away, make it as engaging as you can, encourage YP to think about ‘future you as well as ‘current you when making financial decisions as both are versions of you! | PowerPoint  and  [pension calculator website](https://www.standardlife.co.uk/pensions/tools/pension-calculator) | 10 mins |
| **Student loan**  Ask YP if they know how much a year of university costs currently in most parts the UK? Discuss fees and maintenance loans. Can write up numbers or go onto the Government student finance website to show current figures and plans.  Explain as it is so expensive, it is extremely common to borrow to go to university. It is very different to any other loan you can take as it has very specific repayment circumstances. Go through the repayment plan and ensure YP understand that it is does not impact your credit score.  Can show the video of Martin Lewis on Question Time debating the fees if the YP are particularly interested in topic and want to switch up from trainer explanation. | Trainer explanation | If YP are already in work/ make it clear they are not interested in going to university then can be very brief with this section, just overview for workbook | [Government Website](https://www.gov.uk/repaying-your-student-loan/which-repayment-plan-you-are-on)  and  [Question Time video](https://www.youtube.com/watch?v=M3On2PG1CZA) | 10 mins |
| **Deduction explanations**  Instruct YP to turn to the Payslip Deductions page of their workbook. Explain now that they know about the 4 deductions on a payslip, they need to choose two to briefly explain in their workbooks. | Workbooks | Have YP write in their own words where possible, but there is a slide with explanations than can be used with learners that might need more support (e.g., EAL/SEN contexts) | Payslip deductions workbook page  and  Optional PowerPoint slide | 10 mins |
| **Benefits** | | | | |
| **Benefits**  Remind YP that we earlier mentioned that benefits can be a source of income. Most trainers do not go into this section in depth. Key message is to make sure that you are keeping on top of and following any agreements/rules with their benefits. Signpost to any organisations that can give more thorough information and benefits advice and that any overpayments become a priority debt, as will be detailed in their final session.  If you do go through in more detail, there is a video in the PowerPoint of Benefits streets you can use to discuss stereotypes, slides detailing the different types of benefits and changes and a video on sanctions that can be used to discuss further. | Trainer explanation | If you do go into benefits in more detail, you can spend less time earlier in the session discussing tax and where it goes in such depth  If you do choose to go into more depth make sure your subject knowledge is secure | Optional PowerPoint section | 5 mins |
| **Wrap Up** | | | | |
| **Book check**  Take in YPs workbooks and do a quick check through to make sure all activities are completed and in case there are any quick corrections that will be easy for them to make before leaving. Hand back any books for quick corrections.  . | Trainer led | Live mark throughout the session where you can to make book checks easy as possible for yourself | Workbooks | 13 mins |
| **Goodbyes**  Thank the YP for their time, remind them of date and timings of when you will next see them and dismiss them or handover to the other adult with you to dismiss as is appropriate.  Make sure you have collected in all laminates used in the session and have all workbooks with you before you leave. | Trainer led |  |  | 2 mins |
|  | | | Total | 135 mins |