



Key Knowledge

Financial Risk

Taking a **risk** with money can mean investing it in something which may increase in value but also may decrease in value, meaning money is lost. Often, the larger the increase in value that is possible, the greater the **risk** may be. Therefore, there is the chance that while it is possible more money could be gained, more money could also be lost. Our money can have an impact on our wellbeing. If people feel worried that their money may be at **risk**, it can cause feelings of stress or worry.

Value for Money

There are lots of things that may influence people's spending. Sometimes manufacturers use advertisements and advertising techniques to try to persuade people to spend money. This may include offering items that seem to be available for free when a certain amount is spent. By understanding how to establish how much something actually costs, people can be critical **consumers** and make choices and decisions that are right for them.

Spending Choices

People consider different things when spending money. They may consider how expensive things are, the value they get for the money they are spending, or the ethics of their spending. **Ethical spending** means making choices which do not have a negative impact on the environment or on people involved in producing items. Some ways people can choose to make ethical choices are by avoiding single-use plastics, buying **Fairtrade** products, avoiding unnecessary packaging, choosing recycled materials when possible and recycling or reusing items no longer used. This can be achieved by taking reusable shopping bags when shopping and taking items no longer needed to charity shops. People's spending choices, which are individual and what's right for them, should be respected and viewed with kindness.

Key Vocabulary

investment:

A purchase or saving option that it is hoped will increase in value and therefore make money.

risk:

A possibility of danger or harm.

scamming:

Stealing the details on credit or debit cards with the intention of taking money.

phishing:

Trying to steal someone else's personal information.

consumers:

People who buy goods or services.

value for money:

How much of a product people receive in relation to how much money they pay for it.

ethical spending:

Spending money or buying things in a way that has no negative impact on the environment or people involved in the making of the goods.

fair trade:

Trade in which fair prices are paid to the producer.

budget:

An amount of money that can be spent over a given period of time. A plan for how a certain amount of money will be spent over a period of time.



Key Knowledge

Budgeting

Some people choose to make a **budget** as a helpful way of making sure money is available for all they need to buy. By planning spending activity for a certain amount of time, people can feel confident the available money can be spent on what is needed. It is important to remember that people's spending is a personal decision and different people have different choices to make. Everyone is in a different financial position and the options available to us all will vary depending on how much money is available, what needs to be spent and how we feel about this. We should view the spending choices of different people with kindness and respect.

Money and Our Emotions

Money can have an impact on our emotional wellbeing. This is not because of how much or how little money people may have, but could be emotions caused by what people need to afford and spending decisions they need to make. People may feel stress or worry if they don't know whether they will be able to afford what they need. Sometimes people borrow money to cover costs that need to be met.

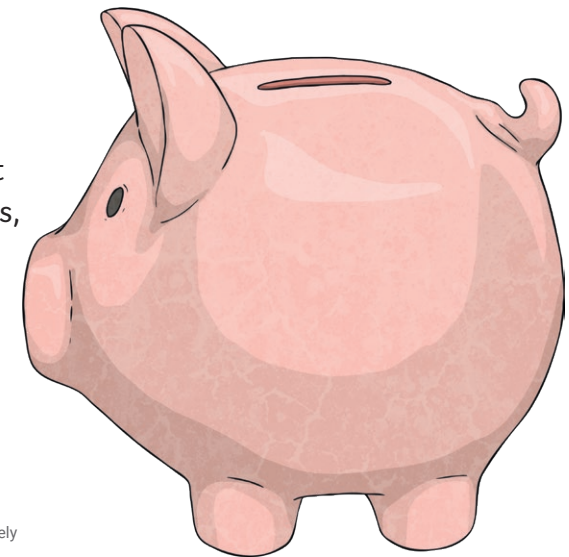
Spending in the Wider World

Money can affect the environment we live in. Contributions to national and local government through income tax or council tax help to look after the environment and services within our local area. People may also choose to make decisions about spending which prioritise the environment. This might be by avoiding single-use plastics, excess packaging, using recycled materials, recycling their own unwanted items or looking for ways these can be reused, buying **Fairtrade** produce or by taking reusable bags when they go shopping. People may also decide not to prioritise this or may not feel they have the choice to do this. No spending decision is better than any other, and everyone needs to view the choices of others with kindness and respect.

Key Learning Point

Financial Confidence

What people spend money on is an individual choice. It depends on many things like how much money is available, what is needed at the time, what future costs might need to be considered and how money might affect people's emotions. By having a clear understanding of our own available money, our financial choices, any risks there may be to our money (such as **scamming**, **phishing**, investment **risk**) and how these can affect our emotions, we are in a better position to make choices that are right for us. No spending decision is better than any other, as people's financial situations are all different. What is important is that we understand our own financial situation, the choices available and how these will affect our mental wellbeing.



Disclaimer

This resource is provided for informational and educational purposes only and does not constitute financial advice. If you require financial advice, you should contact a suitably qualified professional. You should not rely on the material included within this resource and Twinkl does not accept any responsibility if you do.

This resource is fully in line with the Learning Outcomes and Core Themes outlined in the **PSHE Association Programme of Study**

To look at all the planning resources linked to the **UKS2 Money Matters** unit, click [here](#)