



Resources to use with Kelli's story



SKINT!

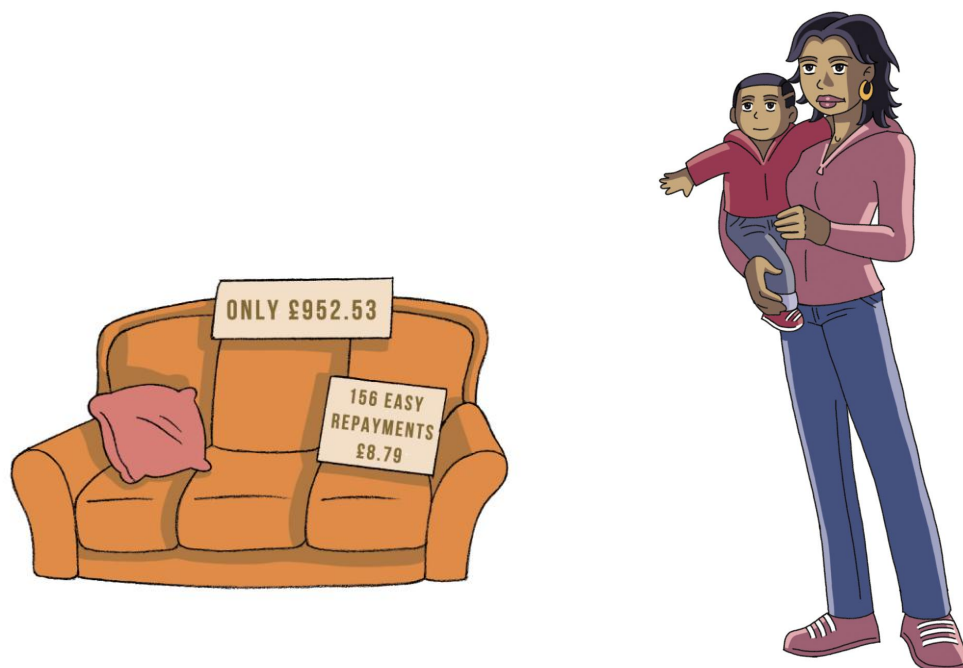
Extra resources for facilitators

Skint! Resources Introduction

The following resources are designed to be used alongside Kelli's story in *Skint!*. They are primarily for use in groups, and are structured in this way. However, most can be used in one to one or small group settings with minimal adaptation.

The discussion questions in the exercises are suggested as prompts, however please do tailor the questions, and the activities, to the young people you are working with. A number of the resources have cards and hand outs which are available as a separate PDF, formatted for double sided printing. These resources can be found on the website, www.skintbook.org.uk.

Whilst the resources cover a number of topics and can be used flexibly, there are themes running through the book that you may wish to cover. These are focused on in the activities as outlined on the next page.



For more ideas of ways to use *Skint!* and sample session plans please visit www.skintbook.org.uk.



Extra resources for facilitators

Table of Contents

Kelli's resources:

Exercise	Page number	Topic
To Borrow or Not?	1	Credit & Borrowing
Can You Say No?	2	Communication
Technology costs?	5	Financial decision making
Old or Vintage?	9	Attitudes to buying & spending
Ways to Save?	10	Saving
How Much For a sofa?	17	Credit & Borrowing
Which way to go?	25	Employment & Signposting
Unwelcome visitors?	29	Debt
Money Tight?	34	Budgeting
What Should Kelli Do?	38	Financial decision making

Jamie's resources:

Exercise	Page number	Topic
Getting Help?	1	Employment & Signposting
Wants or Needs?	4	Budgeting
Worth a Gamble?	7	Financial decision making
Stuff for Free?	13	Attitudes to buying & spending
Stuff for Free?	14	Saving
Is it Legal?	16	Credit & Borrowing
What makes you spend?	22	Financial decision making
Making ends meet?	24	Budgeting
What should Jamie Do?	28	Financial decision making
Jamie's Budget	30	Budgeting



To Borrow or Not?

Topic:	Attitudes to credit
Goes with:	Kelli's Story, Monday <i>Kim & Anji talk at café door</i>
Page:	9
Activity:	Group Discussion

This discussion supports the group to think about their own attitudes to borrowing money and using credit. It also gives them the chance to think about the pros and cons of credit, to listen to each others views and to share their own experience of borrowing.

Prompter questions to ask the group:

- What is credit? (see the facilitator notes on page 21 of Kelli's resources for a definition)
- What do you think about credit? Do you agree more with Kim, or more with Anji? Why?
- Is Kim being a 'Funpire' with her attitude to spending money or is she being wise?
- Do you think credit is too easily available?
- When is borrowing good or useful?
- What do you think about Kim saying '*it'll catch up with you?*' What does that mean to you?
- Are there different ways of borrowing and buying things on credit that are better or worse?

There is a further exercise on credit on page 17 of Kelli's resources. You may also want to use the exercise on illegal and legal lending from Jamie's resources on page 16.



Can You Say No?

Topic:	Communication around money
Goes with:	Kelli's Story, Monday <i>Anji gets a coffee in Kim's Kafé</i>
Page:	13
Activity:	Role Playing activity

This activity is designed to help the group think about situations where they might feel pressured to say 'yes' to something even if they don't want to, or where they might spend more money than they can afford.

On the next page there are some role play situations. Print (single sided) and cut these out.

Split the group into pairs and ask each pair to take one set of cards A and B. One person in the pair will take card A and the other the corresponding card B.

Those with 'A' cards are going to try and put pressure on the person with the 'B' card to do something or spend money. Those with 'B' cards are going to try and resist and say 'NO'. Give the group two minutes to role play the situation.

Once everyone has finished, swap the cards with another pair, so that each pair has a different scenario. Get them to take different roles, i.e. if you were an 'A' last time, you're a 'B' this time, so that both get a chance to practice saying no. After the role plays ask the group to feedback about how they felt (see page 24 for information on the forms of credit mentioned in the scenarios).

Some questions to ask the group to start the discussion:

- How did you feel saying no? Was it easy or hard?
- Which were the hardest situations to say no to? And why?
- Where does pressure come from to say yes to things?
- How can this affect our money situation?
- What are some tips for saying **no** to things you don't want to do? And can you think of lines you can use to say no in difficult situations?

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A

It's your birthday and you want to go out and have a good time. Try to convince your friend to come. When they say no, tell them they're no fun any more!

B

You have hardly any money this month after some big bills and a family birthday. Your friend wants you to join them for a night out but you can't afford it-say no and stick to it!

A

You're going to ask if you can borrow £300 short term. You need a new washing machine & you know they have it. When they say no, explain the other option is a payday loan, and that'll cost you loads. They wouldn't want to throw you into debt would they?

B

You're saving for a deposit for your own flat and you really don't want to have to dip into the money you've worked so hard to save.

Even if it's only a loan, you can't guarantee you'll get it back when you need it, so say NO!

A

You're going to ask your friend, "can you lend me £50 to see me to the end of the week?" Explain your money's run out as it's been an expensive month, but you've got no credit on your gas or electric meter. How can you cook and keep warm otherwise? Lay it on thick if you have to!

B

You've already lent your friend £50 a few times when they were struggling and there's no sign of it back yet. You can't afford to lose that much, and are not going to lend more until you get the first lot back!

Stick to your guns.

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A

You're a street fundraiser ('chugger') and you're going to get this person to sign up to just £2 a month to help endangered tigers. When they say no, tell them, 'don't you have a heart?'

B

You are struggling for money at the moment and can barely afford your own heating, never mind giving to any charities other than those you already give to. Be polite, but say no and don't sign up to anything else!

A

You work for a local doorstep lending company, and you work on commission.

You're collecting your last payment from this customer, but you want to keep them.

Offer them a good deal on a new loan for another year—push as hard as you can!

B

You've had a loan from this doorstep lender and are nearly at the end of paying it back. It's been a real stretch and you've had to cut back recently to make sure you can make payments.

Say NO to another loan and stick to your guns.

A

You're a salesperson in the Phones R Us store. This customer has just signed up for a smart new phone contract. Now you need to get them to sign up for gadget cover—that's where you make your commission!

So push hard and get them to sign-offer whatever incentives you can. They know they need it!

B

You've bought a new phone and you know you need to think about getting it covered in case anything happens to it, but you want to shop around and look for the best deal.

You don't want to be pushed into making another decision that will cost you money without thinking about it.
Say no!



Technology costs?

Topic:	Spending on phones
Goes with:	Kelli's Story, Monday <i>In the café, May talks about phones & apps</i>
Page:	15
Activity:	Group exercise about getting a good deal on your mobile phone

The aim of this exercise is to get the group to think about the commitment they are making when signing up to a long term phone contract. To discuss what they need as opposed to what they want and to help inform their choices when making financial decisions.

Split the group into two teams and hand each team a copy of Dani's profile from the next page. Give them a minute to look at her circumstances and explain that this is her situation one year on from May buying her the iPhone, and that she is thinking of getting a new phone or a sim only deal.

Hand out the mobile phone and contract options to each team. Team A is a phone shop and want to sell one of their phones to Dani. Team B is Dani and they want to get the best deal for her given her situation. Give each team 3-5 minutes to choose one of the phones or contracts and to come up with reasons for why Dani should take that option. Bring both groups back together for a discussion after.

Some questions you could ask to prompt the discussion:

- Why do we think the teams have made such different decisions?
- What do we think Dani really needs?
- What if Dani struggles to find work when she graduates in one year and she is tied down to a 24 month contract?

Read the facilitator notes on page 8 to help with creating discussion questions.



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Dani's Profile

Age: 19
 Occupation: Student in her second year
 Housing: Living with a friend in a two bedroom flat
 Current phone: iPhone 3 (1 month left on the contract)
 Cost: £20 per month
 Average monthly phone usage: 230 minutes, 200 texts, 210mb data
 Savings: None and not currently saving

Budget:

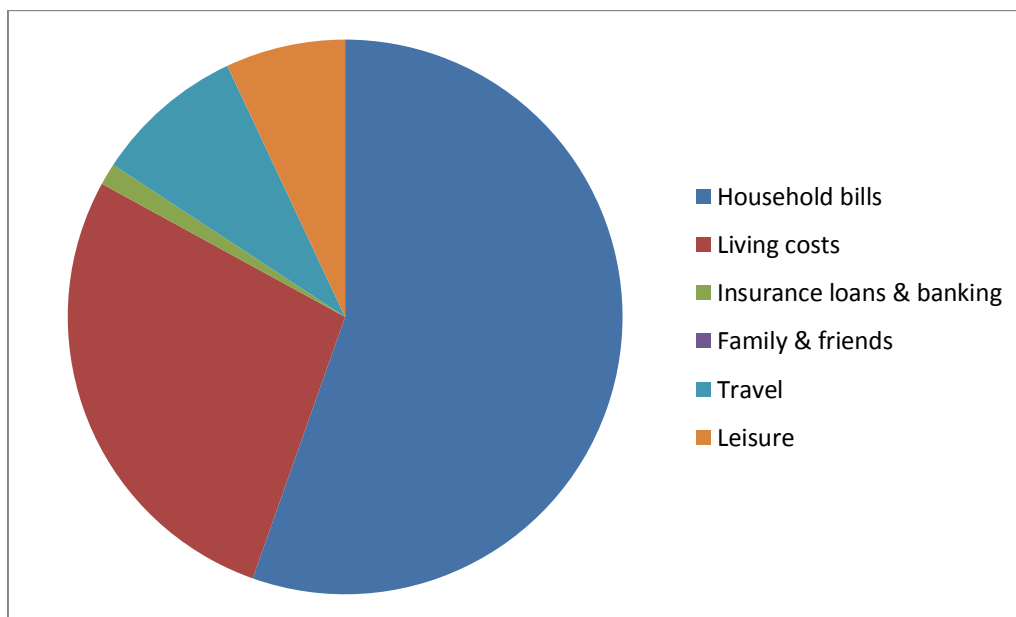
Total Income £787.83

Total Spending £787.83

She has a balance of £0

Breakdown:

Household bills	£436.52	55%
Living costs	£217.14	28%
Insurance, loans & banking	£10	1%
Family & friends	£0	0%
Travel	£69.17	9%
Leisure	£55	7%





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Print out on card if possible and give a copy to each team

<p>Nokia 100 Black <u>Monthly</u> 500 minutes 5000 texts 0mb data 12 month contract £17.21</p>	<p>Blackberry Curve <u>Monthly</u> 500 minutes 5000 texts 500mb data 24 month contract £15.84</p>
<p>Apple iPhone 5C <u>Monthly</u> 250 minutes 250 texts 250mb data 24 month contract £28</p>	<p>Samsung Galaxy S4 <u>Monthly</u> 400 minutes unlimited texts 250mb data 24 month contract £26</p>
<p>Sim only <u>Monthly</u> 500 minutes 500 texts 100mb data 12 month contract £8</p>	<p>Sim only <u>Monthly</u> 500 minutes Unlimited texts 1GB data 1 month contract £10</p>



Extra resources for facilitators

Technology costs?

Facilitator Notes

Here are some interesting facts about mobile phone usage, credit reports and how to get the right contract for your needs.

Need: Most people pay more for their mobile phone contract than they need to. Average users overpay by a £195 a year because they are on contracts that offer more minutes and texts than they use. This adds up to around £5 billion per year which is wasted because people are on the wrong contracts.

<http://www.theguardian.com/technology/2011/apr/11/mobile-phone-users-wasting-5bn>

Usage: Data use is on the increase. A recent study has observed that the longer you have a smartphone the more data you consume. Over the last 12 months average data usage has increased from 200MB to 280MB.

<http://www.bbc.co.uk/news/technology-21959032>

Defaults on phone contracts: If you are unable to pay your mobile phone bill the company can issue a default against you. This default will be put on your credit report and will affect your ability to get credit in the future.

Credit reports: You can check your credit report for £2 from one of the three main credit reference agencies, Experian, Call Credit and Equifax. It is a statutory obligation for these agencies to offer you the option of checking your credit report for £2. You do not have to sign up for a membership. See the Money Advice Service website for more information about credit reports and how to improve your credit rating.

<https://www.moneyadviceservice.org.uk/en/articles/how-to-check-your-credit-report>

Getting the best deal: The best way to get a good deal is to shop around, to not be pressured into making a quick decision and to only pay for what you really need. Billmonitor have a number of useful tools to compare contracts and check your mobile phone usage. www.billmonitor.com



Old or Vintage?

Topic:	Attitudes to buying
Goes with:	Kelli's Story, Monday <i>Kelli & Leon outside the charity shop</i>
Page:	23
Activity:	Group discussion around attitudes to getting things new vs second hand

This discussion supports the group to share their opinions about whether they would buy things new or second hand.

Stress that there are no right or wrong answers and that it's everyone's personal decision. But it's good to consider others opinions and think about the benefits and drawbacks of different options.

Prompter questions to ask the group:

- Would you consider buying things second hand? Why/ Why not?
- What are the benefits of second hand rather than new? What are the drawbacks?
- Ian Dury, a 70s musician, called his album 'Brand New Boots and Panties' because these are the only things he wouldn't consider buying second hand. What would your album be called?
- How would you feel if people found out you bought things second hand? Confident, embarrassed or indifferent? Would what you had bought make a difference?
- Where can you go for second hand stuff locally?



Ways to Save?

Topic:	Saving
Goes with:	Kelli's Story, Monday <i>Dani & May talk about the savings club</i>
Page:	29
Activity:	Group exercise to explore different savings options

This exercise looks at different saving options, and the pros and cons of each. This is best done as a group, but can be done one to one. Avoid getting into a lot of detail about any one person's situation.

A lot of people say they can't save any money as they don't have enough money to go round. Or perhaps there are other barriers to saving. This exercise also has room to discuss what those barriers might be, and how you might overcome them.

*As facilitators **we are not licensed or qualified** to give out specific money advice, so it's very important that we do **NOT** recommend a particular way to save. It's OK to say 'here are some places or ways you could think about saving' but not 'here is the best place for YOU to save your money.' If any of the young people needs specific advice they would need to speak with a Money Adviser.*

Have a discussion around savings. Some questions to ask the group to start the discussion:

- Do you think it's worth saving money?
- What are the benefits of having some savings?
- What are the difficulties?
- Do you put aside any money?
- What sort of barriers do you face to saving money?

After the discussion split people into smaller groups and cut out a set of the cards on page 12 for each group.



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Ask each group to go through and discuss the pros and cons of each kind of saving.

Provide the groups with a pen and paper and ask them to list in order from top to bottom which method of saving they would be most likely to use. Remind them that this will differ from person to person and that there are no wrong answers.

If they haven't heard of some of the ways to save, use the facilitator notes to explain what they all are.

If time, use some of the scenarios on page 13. Which ways of saving do the group recommend for each situation?

Note: The level of your savings can affect your entitlement to benefits. The young people can get further information about benefits entitlement by using the benefits adviser tool on www.gov.uk.



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Print out the next two pages, in colour onto card if possible, and cut along dotted line to make your sets of discussion cards

Friends, or saving circle (like the kitty in Kims Kafé)	Bank or building society
Don't save	Online account
At home	Savings Bond
Sharia-compliant savings account	Your local Credit Union
Cash ISA	Christmas Club or Savings scheme

Sulita is disabled and on a low income. She can't get out of her flat easily.

Pete doesn't have internet access at home and isn't very confident on computers.

Jay has some debts with her housing provider and a payday lender. She has a bad credit report.

Jamal is on a low income and struggles to make ends meet each week. He's just got his new flat and wants to make sure that if something goes wrong he can afford to fix it.

Sami hasn't got much money, but inherited some when her gran died. She doesn't want to waste it on clothes shopping, but she knows she'll be tempted to!

Moz doesn't like banks and doesn't have much confidence dealing with them. He wants to put some money aside each month.



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Ways to Save?

Facilitator Notes

If your group haven't heard of some of these ways to save, here is some more information:

At home: Some people may choose to save money at home. This allows for easy savings and access, but this is not insured in cases of fire or theft (even contents insurance will only cover small amounts of cash).

Banks and building societies: Most banks and building societies are authorised by the Financial Conduct Authority (FCA). This means if the bank goes bust your deposits are protected by the Financial Services Compensation Scheme (FSCS) for up to £85,000 of the lost money per individual. They also offer a huge range of products for adults and children, and you can save anything starting with £1. Interest rates will vary depending on which type of account the money is in. Use comparison websites to compare the interest rates offered on savings accounts at banks and building societies. Instant access accounts tend to offer lower rates of interest but the savings can be accessed quickly (usually on the same day).

Savings Bonds: A Savings Bond is a fixed term savings product offered by banks, building societies and National Savings & Investments. Essentially, you would be lending your money to the 'bond issuer' for a fixed period of time for an agreed interest rate. The interest rates on Savings Bonds are usually higher than those on traditional deposit accounts. The longer you are willing to lend the money to the provider or the longer the 'term' on the bond the higher the interest rate is likely to be. At the end of the term you will receive the money you originally invested plus any interest accrued. The length of the term on a bond could be anything between six months and five years. If you are thinking of saving with a Savings Bond be sure you can tie the money up for the amount of time you choose as there can be steep penalties if you try to withdraw your money early and in some cases you might not be able to.

Christmas clubs and savings schemes: These savings products can be beneficial if you want to be strict with your saving and are happy to receive shopping vouchers and gift cards in return for your money. They pay little or no interest and are an alternative way to save if you are struggling to open a high street bank or building society account. You pay small amounts into the scheme throughout the year and your money is locked in until Christmas or another holiday. You can join a Christmas savings club or scheme at the Post office, a number of different retailers or sometimes in the community or workplace. However, in the last example you would need to check that the

Kelli's Resources Page 14

Extra resources for facilitators

money is handled by someone trustworthy and is protected. If the company providing the scheme belongs to the Christmas Prepayments Association you will have some protection if the company goes bust. However, these schemes are not regulated by the FCA so you would not be able to make a complaint through the Financial Ombudsman Service if the something goes wrong or apply for compensation through the FSCS.

Credit Unions: Credit Unions are community savings and loan cooperatives. They are owned and run by their members for their members. Members of a credit union will share a common bond with each other, usually that they all live or work in the same local area. A credit union might suit you if you prefer a local cooperative and want to support your neighbours. It might also be a good option if you are struggling to open a high street bank or building society. Credit unions vary in size and practise. Some might lend to you when you become a member others might need you to show that you can manage your account responsibly before lending to you. The interest rate that credit unions can charge is capped by law at 26.8% APR, but can be as low as 12.7% APR. It may be higher than what you can get at a high street bank or building society but it is likely to be considerably less than what you will be charged a loan from another licensed lender such as a payday loan company. Credit unions are regulated by the FCA and savings are protected.

Don't save: The interest charged on debt is typically higher than the interest you can earn on savings. If you have debts then you might be able to save money by using any spare income to pay them off instead of building up savings. Some people believe this is the best approach and others prefer to pay off debts and build up savings at the same time. Whichever approach you choose it is advisable to build up some savings in case of an emergency. The Money Advice Service recommends having three months worth of spending in an instant access savings account in case of an emergency.

Cash ISA: A Cash ISA is tax-efficient savings account where you can earn interest on your savings tax free. You must be aged 16 or over to open one and each year there is a limit to how much you can save into a Cash ISA. For this tax year 2013-14 the limit is £5,760. You can only open one Cash ISA per tax year. However, you can transfer a Cash ISA to another provider with the permission of both new and old provider. Be aware that a Cash ISA is very different to a Stocks & Shares ISA. With a Cash ISA you are guaranteed at least your money back but with a Stocks & Shares ISA your money is invested so there is a risk you could lose money as well as gain it!

Sharia-compliant savings account: If you want to receive a return on your money but you are not comfortable receiving interest then a Sharia-compliant



Extra resources for facilitators

savings account would be an account you could consider. The account is structured so that it adheres with Islamic law which means your money will not be invested in businesses that provide goods and services such as alcohol, gambling and tobacco. The return you receive on your savings is considered a share of the profits from the bank and not interest. However, it is up to the individual to decide whether the account does indeed adhere to their beliefs.

Online accounts: Online accounts usually offer higher interest rates to those which you open in branch. They also tend to have more sophisticated websites and opening them can be relatively quick and easy. The main drawback of these accounts is that you cannot go into a branch if you have a problem or would like to speak to someone face to face. Whilst rare, websites can go down leaving customers unable to access their accounts. Like other savings products the interest rate you receive is likely to be higher the longer you are prepared to lock your money away for and you may be charged if you try to access the money before the agreed term. Watch out for initial *bonus* interest rates which fall to a much lower rate after a period of time. If you are not prepared to continually shop around for savings account it may be better to look for an account offering a consistent rate.

With friends/ savings circle (like the kitty in Kims Kafé): This is common in many traditions. Friends or community members pay into a pot and the funds are then used to support different members in different ways on particular occasions. Similar to a credit union but the security of the funds is dependant on the members of the circle, and not insured.

Please remember that we cannot give financial advice and are simply informing people of their options. Explain that there are many different saving products and accounts. The Money Advice Service www.moneyadvice.service.org.uk is a good source of information.



Extra resources for facilitators



How Much For a Sofa?

Topic:	Credit & APR
Goes with:	Kelli's Story, Monday <i>Dani & Dev outside House Heaven</i>
Page:	33
Activity:	Group card game looking at the cost of buying a sofa from various places, including a discussion about APR and how it affects the cost

This exercise follows on from Kelli's dilemma about whether to buy a sofa from House Heaven. The aim of the exercise is to help the group to understand the costs they might expect from using different types of credit and to think about their buying decisions.

It is important to stress that when a company advertises credit with an 'APR' this is ONLY representative. Representative APR means that they must offer 51% of their customers this rate. However, depending on your credit score you may get offered a higher APR. This exercise should only be used as an example and does not represent exactly what each individual would pay in real life.

We have also had to make some assumptions which your group may ask about. A list of these assumptions can be found in the facilitator notes.

Print and cut out the 'sofa' cards on the next page, double sided and ideally on card. You should have on one side the sofa and type of credit, and on the other the cost of that option. Make a set for each group, plus one extra for you which you leave whole.

Hold your sheet of cards up for the whole group so they can see each option, and explain that these are some options for buying this sofa. Ask the group if there are any they haven't heard of (more information is in the facilitator notes following).

Once you are happy that the group have an understanding of each option split the group into smaller groups (3 – 4 is ideal) and hand out a set of the cut out cards to each.



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Ask them, WITHOUT looking at the back of the cards, to put the options in order from the least expensive to the most expensive. Once all of the groups have finished ask them all to turn over the cards to see whether they were correct.

It's important to stress that these are all just an **illustration** of roughly how much a sofa would cost with the different credit providers, not a hard and fast guarantee of prices. You may get things at higher or lower prices.

The facilitator notes provide details of where the figures have come from.

Once the back of the cards have been revealed ask the groups to have a discussion for 2-3 minutes about the different options. You could ask the following questions to get the conversations going:

- Were there any options that were more or less expensive than you expected?
- Would you now change how you might borrow money or buy big items in the future?
- Have you used any of these forms of credit before? Would you use that form of credit again after doing this exercise?
- Were there any you hadn't considered before which you would now consider?



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Print this page back to back with the next, in colour onto card if possible, and cut along the lines to make your sets of discussion cards

 <p>Interest Free Credit</p>	 <p>Credit Union loan</p>	 <p>Credit Card</p>
 <p>Save & pay cash</p>	 <p>Second Hand/ Charity</p>	 <p>Weekly payment store</p>
 <p>Payday loan</p>	 <p>Doorstep loan</p>	 <p>Store card</p>



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<p>Credit Card</p> <p>Cost: £399.99 APR: 34.94% You pay: £9.22/wk For: 1 year</p> <p>Total you pay: £479.67</p> 	<p>Credit Union Loan</p> <p>Cost: £399.99 APR: 19.5% You pay: £8.53/wk For: 1 year</p> <p>Total you pay: £443.49</p> 	<p>Interest-free credit</p> <p>Cost: £399.99 APR: 0% You pay: £/7.69wk For: 1 year</p> <p>Total you pay: £399.99</p> 
<p>Weekly Payment Store</p> <p>Cost: £952.53 APR: 29.9% You pay: £8.79/wk For: 3 years</p> <p>Total you pay: £1371.24</p> 	<p>Second Hand/Charity</p> <p>Cost: about £150 APR: 0% You pay: £2.88/wk For: 1 year</p> <p>Total you pay: £150.00</p>  <p>(But you don't get the sofa for a year!)</p>	<p>Save & Pay Cash</p> <p>Cost: £399.99 APR: 0% You save: £7.69/wk For: 1 year</p> <p>Total you pay: £399.99</p>  <p>(But you don't get the sofa for a year!)</p>
<p>Store Card</p> <p>Cost: £399.99 APR: 29.9% You pay: £8.99/wk For: 1 year</p> <p>Total you pay: £467.69</p> 	<p>Doorstep Loan</p> <p>Cost: £399.99 APR: 272.2% You pay: £14.00/wk For: 1 year</p> <p>Total you pay: £728.00</p> 	<p>Payday loan</p> <p>Cost: £399.99 APR: 5853% You pay: £123.00/wk For: 1 month</p> <p>Total you pay: £527.15</p> 



Extra resources for facilitators

How Much for a Sofa?

Facilitator Notes

In this game we've made some assumptions to provide an illustration of the costs for different types of credit. This makes it important to inform the young people that this is just an example. Here are some assumptions we've made and also some more information about the different types of credit we've included.

What is Credit?

Credit is the ability of a customer to obtain goods or services before payment, based on the trust that payment will be made in the future. Essentially, credit is any form of deferred payment.

What is APR?

This is often a question that comes up.

APR stands for annual percentage rate. This is the standard way to show the cost of borrowing and it shows the amount you pay back as a percentage of the amount borrowed over the course of a year. It includes the following:

- The interest rate
- The length of the loan (also known as the 'term')
- The frequency of the repayments
- The amount of each repayment
- Other fees and charges

Generally, a loan with a lower APR is cheaper than one with a higher APR so when you are thinking of borrowing it is a good idea to shop around for the lowest rate.

However, you will notice from the sofa game that the total cost of credit also depends on the number of repayments you make and the term of the loan. So a loan with a low APR and a term of three years may cost more than the same loan with a higher APR and a term of one year.



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General rule:

- The higher the APR, the more you will pay back
- The longer you borrow money for, the more you will pay back

Which APR is used for this exercise?

We have used a 'representative' APR in this exercise. This is the rate that lenders advertise and must offer to more than half of new customers. This means that individuals must check the rate they are offered before signing a credit agreement as it may differ from the one advertised. If you have a poor credit history the rate you are offered is likely to be higher or you may not be offered credit at all.

Always check what APR you are being offered before you sign up to a credit agreement.

Why is the cost of the sofa different?

The group may notice that the sofa from 'Weekly Payment Store' is much more expensive than any of the others.

For comparison, we've taken The Princess Three-Seater sofa from House Heaven (a weekly payment store) and compared it with similar models from Argos or IKEA. We also looked at prices in weekly payment stores (such as Bright House) who often charge more for the same or similar goods. With all the other credit options, you would be able to shop around to choose where you buy the sofa (e.g. buy it at IKEA or Argos) but with the weekly payment store, you have to get the item from them, as well as the credit. That is why the price for the 'weekly payment store' (like House Heaven) is more expensive than for the other options.

Types of credit in this exercise:

Credit Card: We have used Capital One's representative APR as an example rate. This credit card is an option for those who have a poor credit history, which is the sort of card that Kelli might be eligible for. Although in reality Kelli would pay this monthly, we have calculated the amount she would pay weekly to pay the full balance off in a year.

Credit Union Loan: A credit union is a local cooperative owned and run by their members for their members. Some credit unions may lend money to you as soon as you become a member. Others might need you to show them you can save regularly before they consider lending to you. The APR credit unions can

Kelli's Resources Page 22



Extra resources for facilitators

charge is capped by law at 26.8% APR so they often charge lower interest rates on loans than other licensed lenders. Most areas are covered by a local credit union and they are often happy to come into community groups and events to talk about their services. It's worth finding out more information about your local credit union before doing this exercise. The APR we have used is the average across credit unions in the UK. However, rates vary between credit unions so find out what APRs your local credit union offers.

Interest Free Credit: Some stores (especially furniture stores) offer this. It means you just pay back the cost of the item and don't pay any interest for the period advertised (usually 6 months or a year). We have assumed for this that Kelli is offered a year's interest free credit. This can be a really good way of paying so long as you keep to the 'interest free' period. However, if you don't clear the full amount by the end of this period, they can charge you interest from the very beginning of the loan. And if you do take this out, you need to ensure you are able to pay it off at the end of the interest free period.

Weekly payment store: This is like the 'House Heaven' mentioned in the book. Examples are 'Bright House' & 'Perfect Home'. These stores operate as 'hire purchase' so you don't own the item until you've paid off the loan in full. This means that if you miss repayments they can repossess the goods (though if you've paid off more than 1/3 of the total amount, they have to get a court order to do so).

Note: As well as often charging more for the items than other stores, they can also charge you extra if you don't have your own contents insurance. Always check exactly what you will be charged when you sign up and what all the different charges are.

The APR we have used in this example is the one that Kelli sees advertised in House Heaven. However, do check as the APR is often higher than this in some weekly payment stores (in Bright House, for example, the representative APR is currently 64.7%).

Second Hand/Charity Shop: Of course, the price of a sofa will vary hugely. See if you can find furniture re-use projects in your area. They often exist for people on low incomes and many of them offer discounts if you are on benefits. Otherwise, some charity shops have furniture and some even deliver. We have assumed that Kelli would save up and pay cash for her second hand sofa, so she'd have to wait a while to get it.



Extra resources for facilitators

Save & Pay Cash: You may want to talk about whether this is realistic, given how tight a budget Kelli and many young people are on. It does mean no repayments once you have your sofa, and you're not paying any interest- but it also means being very disciplined with your saving and waiting a year for a new sofa.

Store Cards: Some stores will offer you a store card so you can buy items in store on credit. These are basically credit cards that can only be used at the store you are buying the item from. You pay them back just as you would a credit card. We've taken an average APR of a popular store card for this example.

Doorstep Loan: These are credit companies who use local agents that come to your door to collect payments, usually weekly. You can choose your loan length but you have to apply and get approved first. We've used the representative APR charged by Provident as an example, but there are others. If you are approached by a doorstep lender you should always check if they have a license by checking the Office of Fair Trading's Consumer Credit Register. If they do not then they are a loan shark and you should report them to the police. Home credit can be a very expensive form of borrowing. If you need to borrow shop around and look at your alternatives.

Payday Loan: These are short term loans offering small amounts of money usually paid back over one or two months. They are easy to access and often have very high APRs because the term of the loan is one month rather than one year. We have used the rate advertised by a popular payday lender, Wonga, for our comparison. Their representative APR is 5,853%.

The problem with these loans is that if you are unable to pay the money back the lender may offer to 'rollover' the loan by allowing you to take another one out. They may also charge you a late payment fee as well as the interest. In addition to this you might end up taking out a loan from another payday lender to pay the first one off. This can all lead to a debt that grows very quickly.

Payday loan companies are also increasingly setting up recurring payments when people apply for their loans. These payments are also known as continuous payment authorities. They mean that if the payday lender attempts to take a repayment from your account and the money is not there then they can keep trying to take it. This leads to repeated charges from your bank and can be very expensive. If this happens then you can contact your bank to tell them to cancel the recurring payment, but you will still need to repay the loan.



Extra resources for facilitators



Which Way to Go?

- Topic:** Decision making for employment/education
- Goes with:** Kelli’s Story, Monday
Dani & Dev talk on the swings
- Page:** 35
- Activity:** Goal setting and discussion around employment and education options: local availability, eligibility and what they want to do

This exercise aims to encourage the young people to think about their employment and education options. This can be a daunting task as young people are often unsure about the studies or job they want to pursue. To achieve a positive outcome this exercise has been designed in stages to help the young people to think of career options and then the employment or education options that will help them achieve that career.

You will need a flip chart, pens and a list of careers, courses and jobs for this exercise. You could use local newspapers and there is a lot of useful information on the National Careers Service website. Before you meet the group write some of the following on flip chart paper:

1. What Motivates You?

- | | | |
|------------------|--------------------------------|--------------------------|
| Status | Change | Gathering expertise |
| | Intellectual challenge | Continual learning |
| Helping others | | Security |
| | Producing a tangible ‘product’ | Working with others |
| Using creativity | | Wealth Responsibility |
| Variety | | Benefiting society |
| | | Making a profit |



Extra resources for facilitators

Cover the page and reveal it when you are ready to start the exercise. Explain to the young people that these are examples of things that can motivate us. Ask them if there are any other things that motivate them. Add a few of the other possible motivations if the young people are struggling to think of things. Summarise, flip to the next page of the chart then write the following:

2. What interests you?

Write down three things that interest you, and ask the group to shout out things that interest them. When you have a dozen or so things on the board summarise again and explain that when thinking about what we want to do it's also really important to think about our own abilities and skills. Flip to the next page and write:

3. What are your abilities and skills?

Again you could write some of your abilities and skills down or you could list some general abilities and skills in addition to asking the group for ideas. Ask them to think about any qualifications they have, skills they have developed through their studies, extra-curricular activities or work experience. When you have a dozen or so take all three pieces of chart paper and put them up so they are all visible. Give hand out one to each person in the group and ask them to write down their top three motivations, interests, abilities and skills. When they have finished split the group into pairs for the final part of the exercise and give a copy of hand out two to each person.

4. What careers match these?

Ask them to work together to come up with three career options for both of them. You could help the group by giving them a hand out of career options, or write a list of career options on the board to give them some ideas.

Once everyone has their three ideas for a career explain that often the way to get to your preferred career choice is by looking to improve your qualifications or starting off working in a job that will lead to your career choice. Set them a task to find a course, apprenticeship, job or voluntary position that will lead to their top career choice and give them a week to do so. Provide some information about local employment services, apprenticeships and college courses to help them with the task.



Extra resources for facilitators

Hand out 1: Which Way to Go?

1. What motivates you?

1.

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2.

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3.

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2. What interests you?

1.

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2.

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3.

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3. What are your abilities and skills?

1.

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2.

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3.

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Extra resources for facilitators

Hand out 2: Which Way to Go?

4. What careers match your motivations, interests, abilities and skills?

1.

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2.

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3.

5. Task for the week.

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Resource developed by Made of Money, a project of Quaker Social Action, for Skint!. Skint! was originally produced by Scottish Book Trust with support from the Scottish Government. This version of Skint! is funded by Standard Life Charitable Trust & delivered by Quaker Social Action & Groundwork UK. Permission to use the illustrations, in an educational context only, is given by the graphic novel illustrators Metaphrog.



Extra resources for facilitators



Unwelcome visitors?

Topic:	Being in debt
Goes with:	Kelli's Story- Tuesday <i>Kelli gets a visit from the debt collector</i>
Page:	39
Activity:	Card game around what to do if you're in debt- which ones to pay first

This is a group game to explore what to do if you are in debt. The main aim of the exercise is for the group to understand 'priority' and 'non-priority' debts.

This exercise can be done in small groups, pairs or with people on their own. Read the facilitator notes before you start the exercise.

Print and cut out a set of cards for each group on the next page, ideally onto card in colour.

You may want to start with a discussion. Ask:

- What are your top three tips for Kelli to do as she's in debt? (e.g. go get some debt advice, pay off bit by bit, don't panic, etc.)
- What are your top tips for Kelli NOT to do? (e.g. borrow more money, bury her head in the sand, pay off more than she can afford and be left with nothing for food)

Have a discussion around these, as you may get some interesting answers!

Then get each group, pair or individual to look at the cards with different types of debt. Ask them to put them in an order of importance with the most important at the top and the least important at the bottom. Then go through the answers shown in the facilitator notes.



Extra resources for facilitators

TV licence	Income Tax
Gas/Electricity	Benefit overpayments
Payday Loan	Overdraft
Rent arrears	Catalogue debt
Water bill	Student Loan
Credit Card	Money borrowed from friends or family
Doorstep Loan	Cable TV (eg Sky)
Mobile phone	Loan Shark
Council Tax arrears	Court fines
Hire Purchase Arrears	Child maintenance





Extra resources for facilitators

Unwelcome Visitors

Facilitator Notes

The aim of this exercise is for the young people to understand the difference between a “priority” and “non-priority” debt. A key objective is for them to understand that while you must pay back all debts, it’s very important to pay a priority debt before a non-priority debt. If anyone is having difficulty paying any debt, they should get free debt advice (see below).

If you owe money to a number of different people (your **creditors**), it can be tempting to pay off the creditors that put the most pressure on you or the biggest debts you have. However, there are some debts that are much more crucial to pay first as they have the most serious consequences if not paid. These are called ‘priority’ debts.

Here are some helpful definitions:

A ‘Priority’ debt is one that, if left unpaid, can threaten your basic human needs e.g. losing your home, going to prison, not being able to stay warm, losing your job.

A ‘Non-Priority’ debt is one that, if left unpaid, has less dramatic consequences. Usually the most severe consequence would be a county court judgement (CCJ) and a reduced credit rating.

(Note: once you have a CCJ, making payments can be a **priority** as the court can take actions such as putting a charge on your house or ordering an attachment of earnings if you do not keep to the terms of the CCJ.)

Here are a few lists of priority and non-priority debts and the consequences of not paying them:

Priority debts:

- Rent arrears: You could lose your home
- Gas/Electricity arrears: Your gas and electricity could be cut off.
- Council Tax arrears: You could receive deductions from your benefits, deductions from your wages, have bailiffs sent to seize your belongings, made bankrupt, forced to sell your property or sent to prison.
- Court fines: Deductions from your wages, deductions from your benefits, have bailiffs sent to seize your belongings, ordered to do unpaid work, obey a curfew or sent to prison.



Extra resources for facilitators

- Child maintenance: See below.
- Income Tax: See below.
- TV licence: See below.

If you don't pay your child maintenance, income tax or TV licence, bailiffs could take your belongings, you could be made bankrupt or sent to prison.

Non-Priority debts:

Non-Priority debts include but are not exclusive to:

- Credit debts such as overdrafts, payday loans, credit cards, doorstep loans and catalogue debts.
- Student loans.
- Money borrowed from friends and family.
- Consumer contract debts such as cable TV and mobile phone debts.
- Water bills: Your water company cannot cut off your supply, but they can apply for a court order to take the money from your benefits or wages. This may lead to extra court costs.
- Loan shark: It is illegal to lend money without an Office of Fair Trading license so any debts to a loan shark are not legally enforceable. If you have borrowed money from one or been approach by one you should report them to the police.

You cannot be sent to prison for not paying non-priority debts, but your creditors can take court action against you. As mentioned above if a CCJ is made then the debt can become a priority as the creditor could instruct bailiffs to take your belongings away.

The two debts that fall into a grey area in terms of whether they are priority or non-priority are as follows:

- Hire-purchase agreement: Generally, these debts would fall into the category of non-priority. Unless, the good you have bought is required for a **basic human need** (e.g. a car or tools which you need for work)
- Benefits overpayments: are defined as priority if this money is already being taken from your benefit or if the overpayment was to a private landlord or housing association. This is because your housing could be affected if the payment stops.



Extra resources for facilitators

Help with Debt

There are lots of organisations and charities to help people who are struggling to pay their debts. It's important that the young people are aware of these organisations and that they can distinguish between charities which will offer free debt advice and a Debt Management Company which charges for its services.

Face to Face advice

Citizens Advice Bureau (CAB) give free, confidential and independent advice to help you deal with your debt problems. To find your nearest CAB go to www.adviceguide.org

Christians Against Poverty (CAP) is a national debt charity with centres based in local churches across the UK. Go to www.capuk.org to find your nearest CAP.

Telephone advice

National Debtline provide free, confidential and independent advice through their helpline to help people deal with their debt problems. Call their free helpline on Tel 0808 808 4000.

Stepchange is a charity that provides free and anonymous advice over the phone. They can provide free debt management plans and other debt solutions. Call them for free on Tel 0800 138 1111.

Payplan is an organisation that offers free and independent advice over the phone. They can arrange free debt management plans. Call them on Tel 0800 280 2816.

There is a more extensive list of organisations that can help people with debt on the money advice service website (www.moneyadvice.service.org.uk). They can also provide step by step guides on what to do before seeking debt advice and have information about how to access online debt advice for people who would rather not speak to an adviser.



Extra resources for facilitators



Money Tight?

Topic:	Budgeting
Goes with:	Kelli's Story- Tuesday <i>Kelli gets a scratch card</i>
Page:	45
Activity:	Spending diaries and apps- how to start taking control of your spending

The aim of this exercise is to show the young people the benefits of keeping track of their spending, to help them understand why they spend and to give them the tools they need to really take control of their spending.

This exercise can work well having read through pages 40-45 as a group in a role play scenario or one to one with the young person and facilitator taking multiple characters' roles. You will need a flip chart and pens for this exercise.

Start with a discussion to analyse the decisions that Kelli makes in the story. You could ask any or all of the following questions:

- Why do we think Kelli decides to buy the skittles and scratch card?
- Do we think that was the best decision for Kelli?
- What else could Kelli have done with the £4.18?
- Does anyone buy things they don't need when they are upset?
- Do you ever regret buying things you don't need?
- How might we be able to stop these unnecessary purchases?

If the group don't say by keeping track of their spending then suggest that they could record their expenditure in a diary. Ask them if they can think of any benefits of doing this and write them on the flip chart paper.

Benefits of a spending diary:

- They are a useful way to examine spending habits
- A way to identify unnecessary expenditure
- A valuable way of helping us understand why we spend
- They help us work out how we might be able to reduce our spending



Extra resources for facilitators

- They provide useful information to help us plan a budget

When you are happy that the group agree it would be useful then ask them about the practicalities of actually keeping a spending diary i.e. how might we record our spending? (You could write these on another side of flipchart paper)

Ways to keep a spending diary:

- In a paper diary. You could have one page for a day and write down all your purchases in one column, the amount in a second and add it all up at the bottom.
- On your phone. Keep track of your purchases in a notes section. There are also plenty of Apps you can download to help you keep track of your spending (see the facilitator notes for a list)
- Record expenditure as you make a transaction if possible
- If this is not practical then you could do it last thing at night before you go to sleep. Keeping receipts can help with this.
- It can also be really beneficial to record how you feel or why you bought something. For example, magazine—waiting for a friend and bored.

Hand out the spending diary sheet on page 36. Set the group a challenge to record their spending for one week. In the next session there will be time for the group to discuss how they found keeping the diaries and start to examine their spending habits. (*Feel free here to share your experience of keeping a spending diary, lessons it taught you, how it feels, etc.*)

It is important to stress that the diaries will remain confidential so although you'll be talking about them you won't be examining each others. The young people won't have to talk about specific purchases they have made or say how much they've spent. Encourage the young people to be honest when keeping the diaries.

This exercise can also be used in conjunction with the activity on page 22 of Jamie's resources called "What makes you spend?"



Extra resources for facilitators

Day	Spending Diary	TOTAL
Monday		
Tuesday		
Wednesday		
Thursday		
Friday		
Saturday		
Sunday		
WEEK'S TOTAL		



Extra resources for facilitators

Money Tight?

Facilitator Notes

Be aware that some Apps cost money so the young people should only download one if they think they will actually use it and it's going to save them money. Otherwise, it will just be an unnecessary expense.

Here are some simple **FREE** spending apps. We have tried some but not all of them. We are not recommending any, just making you aware of them.

You should be able to find these on your phone's App store. We'd love to hear reviews of them if you or the young people use them.

- **Spendometer** from the Money Charity – a charity helping people with money. Very basic, simple and easy to use but also quite general.
- **Mint.com** – a more complicated 'whole life-budget' app. It takes up quite a lot of room on your phones memory. It has lots of great functionality if you want it to keep track of everything, but it needs to connect to the internet.
- **Money Lover** – good if you want to set a limit per week on your spending and it will tell you how close you are to your limit. It can also categorise spending e.g. food, leisure etc.
- **Toshi** – fun app with a 'savings monster' and also a really easy to use "budget planner." Some might find the language irritating.
- **Savings Goal** (iPhone only) – good if you're trying to save for something. You have to enter a target amount and date, and then it creates a saving schedule and tracker.
- **Spending Tracker** (iPhone only) – a very easy to navigate app for household budgets and day to day spending. Gets good reviews for being 'no frills'.

What services does your bank offer? Check out what your bank offers as some banks offer tools such as budget planners to help you split your spending into categories.

The Money Advice Service also has a lot of tools and calculators to help with budgeting and saving (www.moneyadviceservice.org.uk).



Extra resources for facilitators



What Should Kelli Do?

Topic:	Reflection on money decisions
Goes with:	<i>What should Kelli Do?</i> decision page
Page:	53
Activity:	Individual reflection on how to make good decisions around money. What should Kelli do? What would you do?

The aim of this exercise is to encourage the young people to think about the options they have when making money decisions and the consequences of each option. The exercise is an opportunity for personal reflection on the young people's own situation.

Having read Kelli's options as a group, start off by asking everyone what Kelli should do. Go round in a circle so each person has the chance to express their opinion and ask them all for a reason for their choice. This can be opened up into a debate when everyone has expressed their views.

Then split the group into smaller groups if you can and ask them to discuss their own situation. Ask people to share as much as they're comfortable to.

- What decisions do you face around money at the moment? Is it about borrowing like Kelli or about lending to others? Is it about income or about outgoings?
- How do you make those decisions?
- Is there anyone you talk to or go to for advice?
- What information could you find out to help you before you decide?
- What influences your decisions?
- Has anything you've learnt from *Skint!* meant that you might make different decisions? If so, what?

End the exercise by setting a task for the week. The task is to talk to a friend, family member, support worker or advice agency about a money decision they have to make (see page 33 for help with debt if needed).

Kelli's Resources Page 38



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