

Ten Things to Know About Money by the Age of Sixteen



THIS RESOURCE IS PRODUCED AS PART OF A PROJECT

Building the Money Springboard: How to provide money learning at the moments young people need it



Money & Pensions Service



Welcome to 'Ten Things Young People Need to Know About Money by Age 16+'



Read the introduction below or [watch it here](#).

We hope you find this resource supportive and fun to use. How does it work?

You'll see that there are 10 sections in each resource. Each section describes a piece of money learning, with a couple of key points to learn, and ways that you could bring it up with this age group, in everyday life.

There are easy tips, conversation starters, fun activities and links to follow for simple information for you and the young person, when either of you wants more info*. Feel free to add your own games and activities that will help bring the learning to life!

It is designed to be used informally, not in formal learning sessions with young people.

We suggest you use it:

- **Little and often.** A couple of good comments, when someone is interested, have more impact than a long explanation.
- **However it suits you.** Pick out the bits that feel most helpful, you definitely don't need to work through it in order.
- **Use it sensitively.** Talking about money can be hard and young people may have experiences that make it very difficult for them. Use your judgement about if and when the young person is relaxed and ready to have this conversation.

And if you or the young people you care for are finding these conversations difficult, do use the support that's available in your organisation.

Best wishes,

— **The Made of Money Team.**

* We know some links will change over time, we will be checking them regularly, but please check your own settings as some work computers have restrictions on sites like YouTube and social media.

Contents



1. Borrowing money for life goals

Page 04



2. Saving habits to help you achieve goals and manage rainy days

Page 06



3. Managing the costs of running a home e.g. rent and bills

Page 08



4. Making contracts work for you

Page 10



5. How to use your money to eat well

Page 12



6. Protecting yourself by protecting your money

Page 14



7. The basics of earning money, paying tax and having a job

Page 16



8. Knowing where to get help or advice about money

Page 18



9. Newer online investment schemes such as bitcoin and other cryptocurrencies

Page 20



10. How to stand up for your best interests when you talk to other people about money

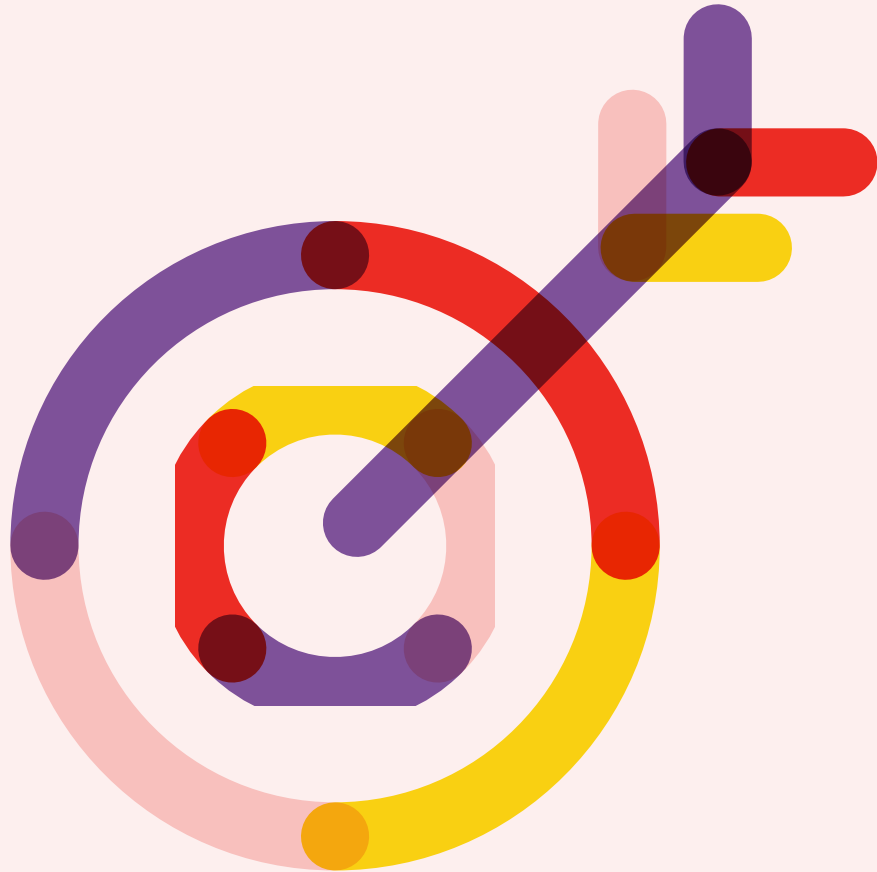
Page 22

To know by



1. Borrowing money for life goals

(such as studying, buying a home or starting a business)



TIP: It's often easiest to open a savings account at a bank you already have an account with, so if young people have a current account that could be a simple place to open a savings account.



Key things to learn

- That borrowing can help them reach their goals
- That they'll borrow money in different ways for different purchases (for example, they can't buy a home on a credit card)
- That they shop for loans like anything else. Some deals are good, some less so, and some are to be avoided altogether!
- That lenders may be reputable but still offer very poor deals or credit people can't afford
- That debts can pile up fast.



Where are the opportunities to bring this into everyday life?

In a conversation about hopes like studying, or starting a business, you could mention borrowing that can help, like a business loan, student loan, mortgage etc.

What do you think is worth borrowing for? How much would the borrowing cost if it was a loan at 5% interest? What about if it was a high interest credit card at 24%? What would be worth borrowing for then?

How many different ways can you think of to borrow money? (credit cards, student loans, Klarna, mortgage etc).

When there are adverts for loans on TV, talk together about what you can tell about a loan from an advert. Mention that you can compare loans online for free.

You can also talk about people being able to do things they couldn't have done otherwise, because they borrowed (like starting a business). Talk about what might make that a positive experience and what could make it a negative one.

You could ask: Are there things you wouldn't borrow for? People are advised not to borrow for day to day living costs, but to make sure they cover those expenses from the money they get each month. Why do you think that is?

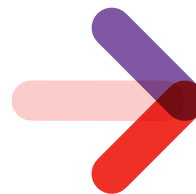
If you were the lender, would that change your views on borrowing money? What else could you do instead of borrowing?



Where to find out more?

The maths needed for working out interest rates can feel hard so you can look at this [interest rate calculator here](#) which is simple to use. Play around with it and see what difference it makes changing the interest rate.

You buy a loan like anything else – Money Saving Expert is one of various sites to have a ['best buy' loan comparison page](#).

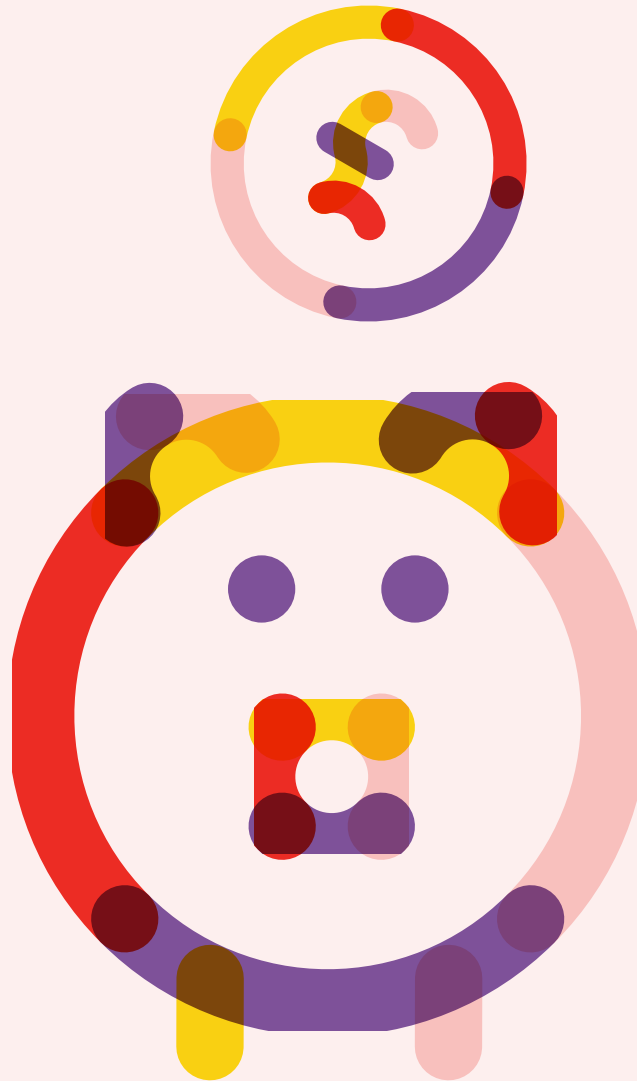


Want something you can show to young people?

Here is [Made of Money's borrowing quiz](#). There's also a quiz on borrowing on p8 of the Barclays LifeSkills workbook (multiple choice, paper based). It's free but you'll need to [make a login here](#).

The Department for Education has a [short explainer video](#) on student loans.

2. Saving habits to help you achieve goals and manage rainy days



TIP: We'd like everyone to know about Help to Save, which is for people over 18 who are eligible for in-work benefits like tax credits or Universal Credit. This government scheme matches what someone saves, up to £1,200. This is a much better deal than any bank will offer. It's only possible to have a Help to Save account once, so it's best to get it when the young person, (or you), is as close to that amount as possible.



Key things to learn

- That there are lots of small habits that can help people save up for things
- That savings accounts vary a lot and are often designed for different types of savings goals
- To know of a couple of different savings products that might suit their immediate needs
- To know where to get more info (e.g., Money Saving Expert).



Where are the opportunities to bring this into everyday life?

You can support young people by helping them understand why they would want to save and passing on a couple of the tips that make it easier, so they can see which ones work for them.

There are lots of prompts to make the case for saving up: when a young person wants something, when someone on TV needs money in an emergency or for a long-term plan. Introduce the idea that there are different kinds of savings. Saving money to go on holiday is different to saving for a rainy day or for a flat and different types of savings accounts exist for these different sorts of savings (for example, you get more interest if you agree not to touch the money for a period of time, or save a set amount each month).

You don't need to go into too much detail, as accounts change all the time and up to date info can always be found on sites like Money

Saving Expert (See [Section 8 p18 – knowing where to get advice and help about money](#)).

Here are 3 simple ways to save up money:

- 'Rounding up' is where you save up the small change left over from buying something. Some bank accounts will do this automatically, putting the money into a 'pot' or another account for you.
- 'Pay yourself first' is when you save some money as soon as you get your pay or pocket money. Think about how much you can afford to save as well as how much you want to save.
- Another method is to choose a set amount, say 50p each day, and save that.

If the young people are interested you could experiment with some of these ways. See which method saves the most in two weeks.



Where to find out more?

[Click here](#) to read about Help to Save.

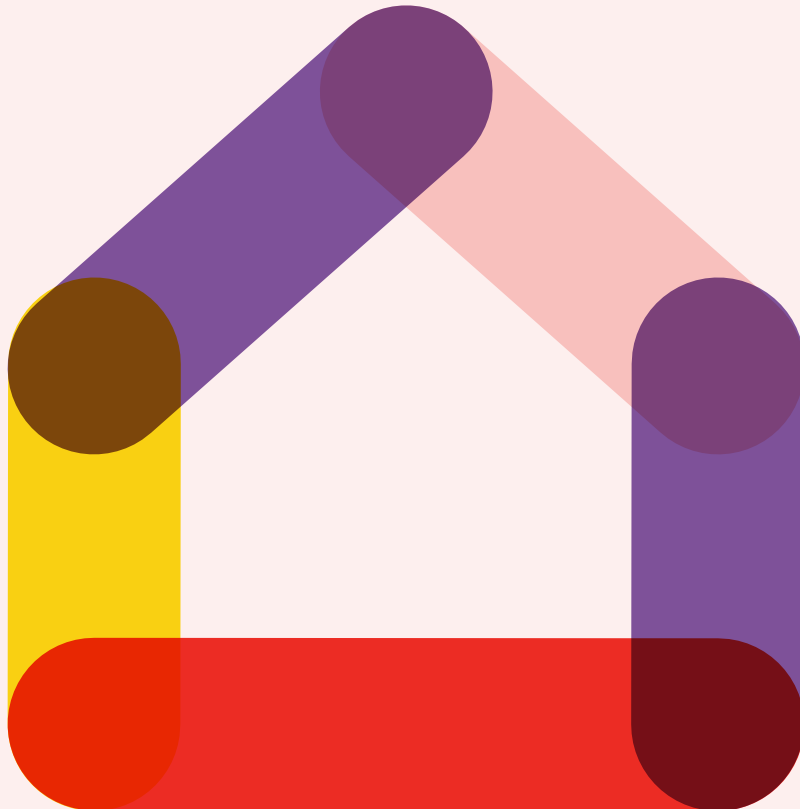
[This useful page from MoneyHelper](#) has information about Child Trust Funds, which are government savings accounts for children born between 1 September 2002 and 2 January 2011.



Want something you can show to young people?

[Here's a great, snappy TikTok](#) about saving for a goal. And a [TikTok from the US](#) about the moment it pays off (genuinely, don't open cans like this!).

3. Managing the costs of running a home e.g. rent and bills



CHECKLIST OF STANDARD BILLS:
Mortgage/Rent, Electricity and Gas,
Council Tax, Water, Home Insurance,
Broadband/Phone, TV licence,
TV subscription



Key things to learn

- To know the bills most people need to pay when they have a home
- To have an idea of what a system for paying bills might look like
- To know a way to plan their finances that works for them
- To know that if it's hard to manage bills, there are some bills that are more important to pay before others.



Where are the opportunities to bring this into everyday life?

Just seeing what bills need to be paid is helpful for young people. In your setting, could you make a monthly bill schedule and display it? If there's interest in it, you can explain that you like to keep track of paying the bills that help the house run smoothly, like water, heating, and wi-fi. This can show stability and care, but it could bring up tough memories too so a gentle approach might be needed.

Why not start an ongoing conversation about the sort of place they would like to live in one day, maybe if you pass an agent's sign. How much do they think it would cost to heat each month? What about the water bill? You could also talk about what is important to them in a comfortable, safe home.

Is it more important for it to feel spacious, cosy, warm, light, have plants? Be colourful? Get a pet? You could do a version of the 'Would you rather...?' game, asking things like 'Is a cosy bed more important than

blackout curtains?' or 'Would you have a 'Welcome' doormat or a 'Do not disturb' sign?' What would you prioritise?

You can bring what is important for the young person into the conversation. 'Let's include what's important for you – like water for those relaxing baths you enjoy.'

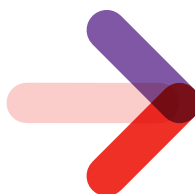
Share a budgeting tool or app and use it to help them plan their current spending. What features do they find most useful? You can show them which bills they are likely to have in future as these are included in most budgeting apps. You can download the app onto a tablet to try it out, without having to link to a real bank account.

Acknowledge that people go through times when bills are hard to pay. The important thing is not to ignore it – as soon as you realise there's a problem, get some of the excellent free advice (see [Section 8 p.18](#)).



Where to find out more?

We like the online budget planner from [StepChange](#) for an adult budget listing all the bills you might have. A super simple budget tool you can also use online is the [Natwest budget tool](#).



Want something you can show to young people?

This is a quick, fun TikTok to show a really simple way to do a budget. It'll be done before you realise you're watching it.

4. Making contracts work for you



Key things to learn

- That they need to know what *they* want from a contract, to know whether it's a good deal for them. This is also true for their contract of employment when they are offered a job
- That everyone has things they can't afford and that's OK
- How to work out what they can afford
- To understand the conditions of a contract, including what happens if the terms aren't kept and what the risks are (e.g., they may still have to keep paying a contract even if they lose the phone)
- That salespeople will use sales techniques and start to recognise those.



Where are the opportunities to bring this into everyday life?

It can be hard for young people to get background learning about contracts, outside a family setting. In a foster family there may be opportunities to talk about a payment plan (like a car or a holiday).

Explain why you might buy using a pricing plan (e.g., spreading the cost) and work out the price difference between buying it outright. You can explain that it costs more on a payment plan because you are paying to borrow the money to buy your phone/car/etc. upfront.

In a home, if you are buying anything from a showroom in person (e.g., carpets) take young people with you. You can model how to ask for an explanation if you don't understand, and how to take your time so that you only buy when and if you are ready. Let them see you read the contract and work out what it says. Let them know that while it's important to be polite to the salesperson, what they think of you isn't important. Sometimes salespeople do try to make you feel you will let yourself down with a cheaper product. Many of us struggle with this at some time.

Why not introduce them to the idea of 'sleeping on it' before they buy? Do share any stories you have about someone being talked into a purchase they regret. What went wrong? Was the salesperson intimidating? Or maybe the buyer wanted to feel powerful?

When someone starts a new job, you can share your enthusiasm for their success by talking about the contract. You might say 'I wonder what the job contract says about how much they get paid per hour/how many days holiday they get?' Do share stories of people successfully negotiating their work contract, so it worked better for them.



Where to find out more?

Here is a [USwitch article](#) on working out what you need from a smartphone.



Want something you can show to young people?

[Here's a 30 second video](#) on top tips for making contracts work for you and another link on [the basics of employment contracts](#) (both are great for you as well as young people).

Having a car is a goal for lots of us. [Here's a calculator](#) to help you work out the costs involved in running a car and [of learning to drive](#). These would increase if you don't pass your test first time.

5. How to use your money to eat well





Key things to learn

- To know flavours they enjoy and build up a store cupboard of basics
- To have a go-to list of five healthy meals they enjoy and can afford to buy on a semi-independent budget
- To know how to buy the ingredients
- To know how to cook them.



Where are the opportunities to bring this into everyday life?

Choosing your food is an important part of making your home. While young people are with you, you can sensitively equip them to do this important part of making a home, by trying foods and getting a sense of what they like to eat. Bear in mind that their first budget for food is likely to be much lower than in a home or foster family, so make sure they get the chance to try dishes which aren't expensive. Help them store and keep recipes they like in a notebook or on their phone.

An easy time to talk about this is when the young person you're caring for eats something they enjoy. You can offer to teach them to cook it or work out how to cook it with them. Are there familiar or comforting dishes, or just things they have eaten before which they would like to cook for themselves? You can also play a game where each person decides their 'Desert Island Ingredients'. What five items would they take to a desert island? Mozzarella? Hot pepper sauce? Mayo?

Have a couple of food magazines or recipe cards from the supermarket lying around so everyone can flick through them. What looks good? Try out making meals and snacks, either together or with you helping. Do make food for others too- from the home or invited in!

As part of practical preparation for moving out, encourage young people to build up a small collection of spices and herbs they enjoy, over time. Can the home contribute any? Do any of you have a 'signature spice'? Ask the person who cooks to explain the seasonings they use to make simple things tasty.

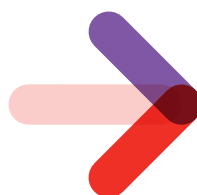


Where to find out more?

Jamie Oliver has tons of recipes which cover different dietary requirements, including some budget options.

BBC good food has loads of recipes and a good bank of more budget options.

Jack Monroe, famous as the bootstrap cook, has a lot of recipes all priced per portion.



Want something you can show to young people?

Aini has a whole range of delicious recipes, many halal, and if you are interested in kosher cooking there are plenty of options here.

Apps like recipe keeper can help keep info, as can a notebook with recipes copied or printed and stuck in.

6. Protecting yourself by protecting your money



Key things to learn

- To be aware of scams online and in person
- To be aware of loan sharks and the friendly way they approach people
- To recognise the warning signs in themselves (when might they put their money at risk?) and others (how can they tell if others threaten the security of their money?)
- To have thought about what is and isn't a reasonable favour for a friend (e.g., letting someone else keep money in their bank account).



Where are the opportunities to bring this into everyday life?

There are various people who'll try to take advantage of young people financially. Talk about scams you or people you know have encountered – how did you avoid them? Do share inter-personal as well as consumer scams. Has anyone they know been scammed? Ask what they think could be learned.

Note that when someone wants to scam you, their job is easier if you are feeling a bit disconnected from the rest of your life. They may encourage people to distance themselves from other people in their lives and often bring in a sense of urgency (e.g. an opportunity or need that can only be solved NOW). Think together about whether either of you has ever really lost a 'once in a lifetime opportunity' by waiting an hour or chatting with a friend.

When the topic of favours comes up in life or on TV, do have a chat about trusting your instincts:

Is a favour reasonable? Are there favours too big for a friend to ask? What about favours that have really harsh consequences, like doing money favours for other people e.g., keeping someone else's money in your bank account?

If they don't like the idea of limits on favours, you don't need to say you think they're wrong, but do make it kindly clear you think differently – that no one owes anyone a favour that could hurt them or their long-term stability with money.

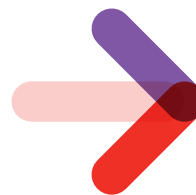
When the topic of lending money comes up it's a chance to let young people know about loan sharks, who can seem harder to spot as they will typically be recommended by someone you know, as someone who just does favours for people with money now and then. They'll be really nice to you, and quite likely from your own community, then once you've borrowed the money the demands can grow huge and involve other exploitation. It's illegal though, and if you get help, they'll be punished, not you.



Where to find out more?

Get confidential 24-hour advice on loan sharks with no obligation to act [here](#).

Here are some [simple tips from Which?](#) on avoiding scams.

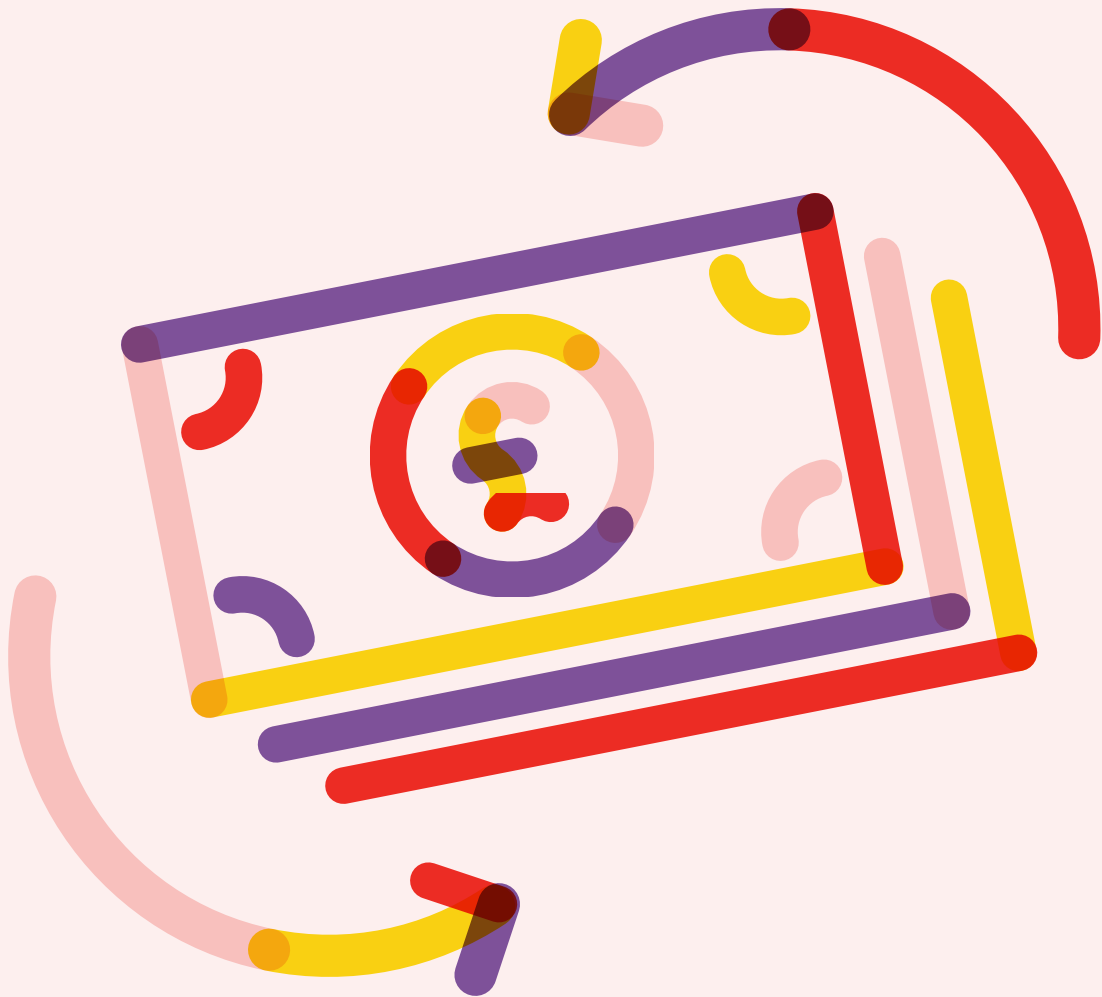


Want something you can show to young people?

[Quick, simple info for young people on scams](#) from Scottish advice charity Young Scot.

TIP: A great maxim for avoiding scams is that if something looks too good to be true it probably is. And a quick google of something suspicious can often prove it!

7. The basics of earning money, paying tax and having a job





Key things to learn

- That they can earn by working for others or through self-employment (e.g., their own business or influencing)
- That everyone pays tax on earnings above a certain amount, including from investments and work
- That they pay Income Tax, Pension contributions and National Insurance from the money they earn by working. Employers take this out for them before they get their wages, but if they're self-employed they'll need to do it themselves
- That earnings and benefit payments are usually paid monthly; if they are self-employed, they'll be paid when their clients pay them, so they won't always know when their money is coming in.



Where are the opportunities to bring this into everyday life?

If a young person talks about ways to make money, show enthusiasm without worrying about obstacles. This is a moment to explore their thoughts and encourage their aspirations. Chat about how much they want to earn and then estimate the tax they might need to pay (just a question, rather than a warning). For instance, if they want to earn 100k a year, you could ask:

I wonder how much tax you'd pay? Let's work it out. What hourly wage would you need to make that much?

Sharing a rough calculation (tax calculator below!) of how much they'd need to earn before taxes etc, and what it would give them each month to have the amount they want after taxes, can be a way to engage with their ambitions. It also helps them handle their first paycheck if they know that it will have had money deducted.

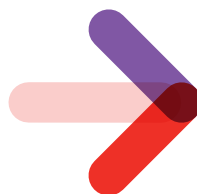
There's a difference between having a regular income as someone employed and an irregular one that can vary over a year for someone self-employed. Maybe you can explore what lifestyle might suit the young person:

'Would you rather earn the same amount each month or have the possibility of earning more but not know exactly when or how much?' or even 'What skills would you need to run your own business successfully, so your own money was manageable?' (e.g., planning & organisation skills – getting those invoices out and chasing them up!)



Where to find out more?

This is a [tax calculator](#).



Want something you can show to young people?

Curious about different way to make money? Nerdwallet have articles on [side hustles](#) and [passive income](#).

[Jaffa Cake debate](#) – is it a cake or a biscuit, and why does it matter?

8. Knowing where to get help or advice about money



Key things to learn

- That no matter what they're aiming to achieve with their money there's lots of advice available
- That when it comes to seeking reliable guidance on investing money, it's likely that they'll have to pay for it
- However, if they're seeking advice about money concerns like debt they won't need to pay a fee
- That money advice is overseen by the Financial Conduct Authority (FCA), and all reputable providers are FCA-licensed
- To have a list of reliable sources for money help and inspiration.



Where are the opportunities to bring this into everyday life?

You can be curious and interested in any knowledge young people share or show about money:

*Where did you find out about that?
That's interesting, what was the website/influencer?*

Talk about where to find money knowledge that helps young people make and manage their money, as well as knowledge that can help with money difficulties. Knowing where to get good information about money is always helpful, whether times are good or bad.

What makes something good money advice for you? or bad?

If young people have or dream about having extra cash, ask:

*How would you like to look after that?
What would be a good way to save it?
How shall we find out? What does MSE (Money Saving Expert) say? Let's look for the FCA logo.*

If a young person comes across the topic of problem debt, whether through a story or their own worries, you could drop in that there's no need to feel ashamed if you find yourself in debt. The best advice and support is free.

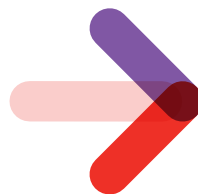


Where to find out more?

For reliable go-to money help and inspiration, we suggest:

- [Money Saving Expert](#) has information on loans, savings & managing money for consumers.
- [MoneyHelper](#) is a government backed site. A super reliable source of cradle-to-grave money support and pensions.
- [National Debtline](#) offers free advice and support if you are worried about money
- [Turn2Us](#) is another great site if money is tight. It has a brilliant grants checker and benefits checker to see if you are entitled to some of the billions of pounds of benefits which are unclaimed every year.
- [Blackbullion](#) is a useful site for helping students, including under 18's, handle money and they have a tool for researching free grants (bursaries).

In terms of investments and buying financial services, the FCA have a warning list of firms that are known to be unregulated [here](#) and you can ask for advice about financial providers and check if they are legit [here](#).



Want something you can show to young people?

[The story in this short clip](#) does end with a parent helping out financially, but we've included it because it is such a good example of how debt can spiral – but you might want to bear this in mind if you share it.

9. Newer online investment schemes such as bitcoin and other cryptocurrencies



Explainer note

Investing money is when you give some of your money to someone in business, in return for some of the money they make. It can happen in lots of different ways. Cryptocurrencies (including Bitcoin) are currently forms of investment, though some organisations are considering whether they should be reclassified as gambling, due to the high-risk levels. Acknowledge that it's talked about a lot and that some young people do have small amounts of crypto.



Key things to learn

- That these investments aren't fully regulated so have none of the financial protections bank accounts have (where the government will replace money lost if a bank runs out of money) and aren't subject to the laws governing stocks and shares, (where people who cheat the system can go to prison e.g., for insider trading)
- This means they can lose all their money, which is less likely with many other investments
- If they still want to invest or mine, there are ways to reduce the risk to their money.



Where are the opportunities to bring this into everyday life?

Making money can come up in lots of different ways: aspirations, stories about getting rich or losing money (on the news, TV shows, papers etc – why not pick up the occasional free paper if you don't have these lying around). All of these are opportunities to talk about crypto & Bitcoin. You can ask:

Is the risk off-putting? If there was a less risky investment, would you prefer that? How do you feel about risk? What things are too important to you to risk?

Do share **the number one rule for investments: they go down as well as up, and if you can't afford to lose money, don't invest it.** Talk about how risky different types of investment seem to them, so they can know that some investments are much riskier than others.

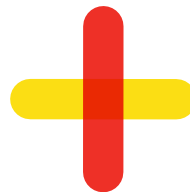
Does investing in a company that provides services seem riskier to you than one making things, or one developing energy/ or natural resources?

Would you prefer investing in a company run by someone you know personally? How would that knowledge affect your choice?

What about a scheme backed by the government (like government bonds)?

How does crypto fit into that?

For young people risky investments like this may be a very tempting proposition in comparison to earnings from a job, which may not easily get them enough money for things like buying a home, especially when there are stories of reputable people like Richard Branson or Rihanna making lots of money. Do acknowledge this if you've heard tempting offers but also share that there are many stories of people losing things too. Read the simple and short guide below, ideally before this conversation, but if not, why not read it together.



Where to find out more?

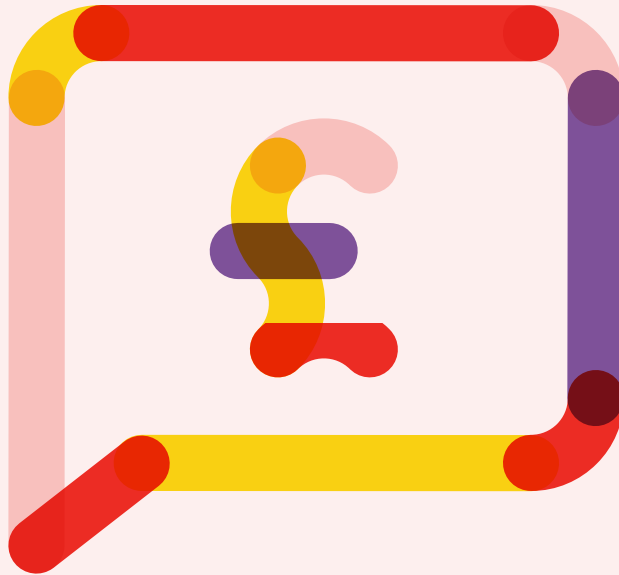
This is [a great guide](#) for adults who don't feel they have the knowledge for a conversation about it.



Want something you can show to young people?

This is [a great guide for young people](#), also by Blackbullion. Another approach to making money is the side hustle – [Demi Jackson-Fortey is making it pay for her.](#)

10. How to stand up for your best interests when you talk to other people about money





Key things to learn

- **How to ask for their money rights without being rude**
- **Ways to order things in person, online, and over the phone when they need to speak to a real person**
- **Understanding the things they can do that can help them get the customer service they want.**



Where are the opportunities to bring this into everyday life?

You could ask the young person to watch you (or someone else, if this wouldn't be intrusive) have a conversation about a money problem with someone in a store or online, and then ask them what they observed. This can open opportunities to think together about what it means to ask for your rights, and how to do it. Being persistent is not the same as being rude, and you don't have to be rude to stand your ground.

Try asking: How do you think that went? What if I had said...? What would you say?

Be prepared that the young person may not say they are impressed by what you do, but they will still learn something.

Let them see a calm and assertive response when you are dealing with poor customer service. Share your frustration with the young person afterwards so they can see that difficult feelings don't have to be acted out.

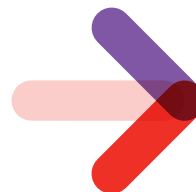
Giving young people the opportunity to have money interactions in consumer environments is key to developing the skill of talking to other people. Things like ordering in cafes, paying at the till, taking things back and asking for help finding things are all great practice.

Your encouragement is important. Praise the young person when they have tried out behaviours they don't normally do in a public setting, like making eye contact and smiling when thanking someone, or asking for something to be explained again when they haven't understood. New ways to interact with people can feel very uncomfortable and it takes courage, so trying this out in familiar shops may feel an easier place to start.



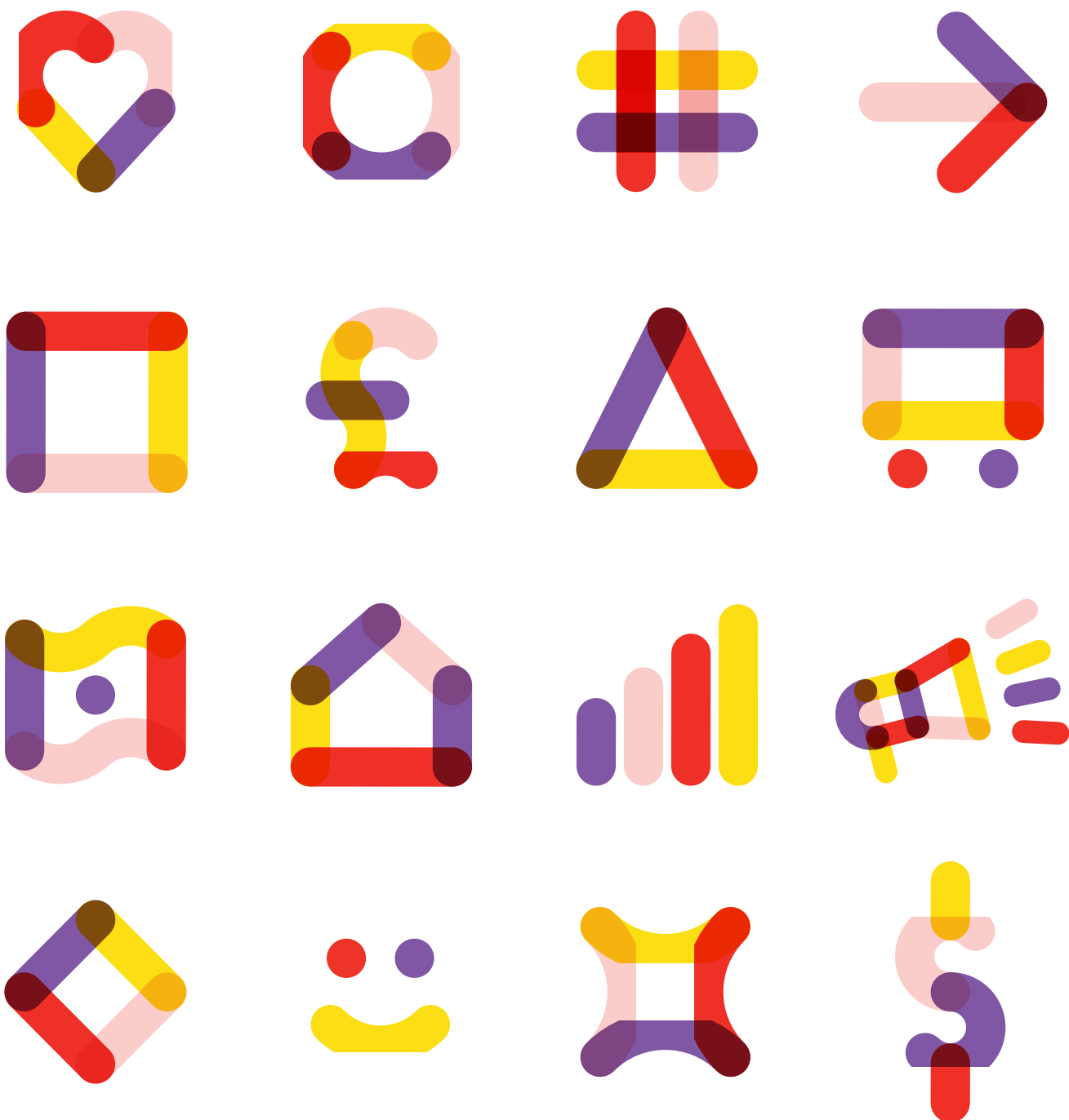
Where to find out more?

A link to the gov.uk site about returning and refunding goods in person and online [here](#).



Want something you can show to young people?

Here's a [funny video](#) about things customers do that retail workers hate.



THIS RESOURCE IS PRODUCED AS PART OF A PROJECT

Building the Money Springboard: How to provide money learning at the moments young people need it

This work is produced by the Made of Money project at Quaker Social Action as part of a collaboration with St Christopher's Fellowship and is funded by the Money & Pensions Service. January 2024 © Copyright QSA (Quaker Social Action)

