



## MONEY & LIFE SKILLS

financial capability made easy

### Guidelines for Trainers





**Project: “Money & Life Skills – Financial Capability Made Easy”**  
**Project number: 2018-1-PL01-KA204-050804**

This project has been funded with support from the European Commission.

The European Commission support for the production of this publication does not constitute an endorsement of the contents, which reflects the views only of the authors, and the Commission cannot be held responsible for any use, which may be made of the information contained therein.



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## 1. INTRODUCTION

This Manual is primarily intended for use as a teaching resource for qualified trainers while teaching the target group of this project, i.e. young disadvantaged adults. It supplies additional didactic information for the Daily Practice Modules (IO 2) which are considered as most important for the target group. The purpose of the Manual is to introduce the outline of the Daily Practice Modules of financial literacy and other related skills to the trainers who will carry out these non-formal education activities.

The Training programme is based on the results of surveys carried out in all partner countries in the preparatory phase of the project. Hence, the topics and structure, but also methodology, have been developed according to the real needs of the project target group.



## 2. THE MONEY & LIFE SKILLS CONCEPT

The Money & Life Skills training concept focuses on concrete and real-life situations for financially disadvantaged young adults who are either unemployed or employed with an income lower than the EU average. Unlike other conventional financial literacy initiatives which have rather theoretical approach on budgeting, savings, credit, etc., Money & Life Skills contents refer to real-life situations and issues related to three fields:

- 1. managing income and household expenditures**
- 2. planning for the future**
- 3. preparing for worst case scenarios**

The aims of the training programme are set accordingly:

- Increasing participants' awareness concerning their everyday expenditures and analysing good and bad practices of current expenditure habits.
- Increasing participants' ability for planning and prioritizing; increasing their ability of making sound financial decisions, achieving their comprehension of the concept of value for money and consumption using certain tools for short and long term planning.
- Developing approaches for saving and investments. The goal is to give value and space to approaches that can encourage savings and investments even among a target group with low income.
- Developing the capacity to assess the risks related to getting loans and debts. Indebtedness is often the result of no planning, high interest rates and borrowing from informal debt networks. Therefore, training is required in assessing the risk of getting a private loan or getting into debt.



## 3. METHODOLOGICAL APPROACH

When it comes to the methodological approach, the main aim was to select the topics and to create the course based on real life case stories which can be shared by the learners' experiences and which expresses their environment and their priorities.

In a blended learning environment, the active involvement of the learners is crucial, as it is the only way to keep them motivated and ensure the success and effectiveness of the project, and the sustainability of its results and the anticipated impact. The intention is that each learner should be aware of the specific benefits that derive from participating in this learning programme.

Therefore, we recommend the following approaches:

- Brainstorming: participants express freely and unbiased their views about a topic, which afterwards are gathered and used in the learning process.
- Teamwork: participants form teams to work. This way, they can play an active role in the learning process and simultaneously learn to assess themselves. They also realize the fact that they can all have a valuable contribution to the training process respecting the other members of the team and allowing them to express their views.
- Simulation: learners "imagine" and "act" as if they were present at a certain place and under specific circumstances. This way, they feel more confident to express their views, improving the way they would act in similar, real situations.
- Role-playing: participants and/or trainers are "actors" in real or potentially real life situations which help them, by using verbal and non-verbal methods, in expressing their existing knowledge or views and ways of contact.



## 4. DIDACTIC PRINCIPLES

The implementation of the Money & Life Skills course concept is also based on the following fundamental didactic principles in adult education:

1. **Providing a participant-centred learning process.** We learn better when we have an active participation in the training process. Trainees are adults, just like the trainer, so they have life experiences and prior knowledge valuable for discussing and dealing with the training topics. Furthermore, as young adults they can make decisions in relation to the training process and can express their views and ideas about how the training process could be facilitated and improved.
2. **Knowledge has a social significance.** Participants are more interested in learning about issues related to their everyday life and taking part in a training process facing situations that they frequently encounter, so that they can identify the similarities.
3. **The principle of integration.** Knowledge is and remains “open”. Firstly, the training process should be adapted to the living conditions and the needs of adults and secondly the training is a continuous process, even after the sessions end.





## 5. CONSUMER EDUCATION

Much of our education system is geared towards giving people the skills to get a good job and a steady income. By contrast, very little attention is given to how to spend money well.



Illustration: Finnish Competition and Consumer Authority

The aims and objectives of the Money & Life Skills Concept can also be understood as contribution to consumer education.

Wikipedia defines consumer education as “the preparation of an individual to be capable of making informed decisions when it comes to purchasing products in a consumer culture.”

The Money & Life Skills Concept tries to include also new dimensions of consumer education. One of the key aspects of the new approach is to ensure that the dimensions of sustainable consumption are taken into consideration.

In our training modules, we have tried to refer, wherever possible, to the four pillars of sustainable development as defined by the Brundtland Commission.



- **Ecological sustainability** – consumption should harmonise with natural processes, diversity and the principles of preserving and maintaining natural resources. The greatest challenges in ecological sustainability are how to slow down climate change, protect biodiversity and use natural resources in a sustainable manner.
- **Economic sustainability** requires that development is economically efficient and just.
- **Social sustainability** means improving people's ability to manage their lives and strengthening social identity. Consumption must not be in conflict with these aims. Challenges in this area include population growth, poverty, availability of food and health care, equality between sexes, the provision of education and managing the social effects of the media.
- **Cultural sustainability** requires consumption to be in harmony with culture and values. Challenges in this area include the convergence of culture, media and commercialism as well as the commercialisation of the social media.



## 6. THE STRUCTURE OF THE MANUAL

As mentioned above, the Money & Life Skills contents refer to real-life situations and issues related to three fields:

1. managing income and household expenditures
2. planning for the future
3. preparing for worst case scenarios

The following table gives an overview of the real-life situations. A large number of stories refer to skills how to manage various household expenditures. As the target group for the training are young disadvantaged adults, we decided to present a multitude of various life situations in order to increase the motivation of the learners. Although most of these stories can be broken down to a household budget, each learner can have different priorities. One of them might be interested in buying a car, whereas another learner will soon get married or expect a baby. Their motivation to go into details can only be achieved by presenting a situation which is close to their own life experience.

MANAGING INCOME AND HOUSEHOLD EXPENDITURES	PLANNING FOR THE FUTURE	PREPARING FOR WORST CASE SCENARIOS
1. My first car	10. Retirement	6. Getting divorced
2. Getting married	13. Studying	7. Losing a job
3. Renting a house	16. Career changing	8. Accident / illness
4. Buying a house	19. Savings	14. Building your credit score
5. Expecting a baby	22. Investments	15. Seeking for help
9. Making use of consumer rights		18. Caring for elderly relatives
11. Getting a mobile phone		
12. Holidays		
17. Wardrobe		
20. The value of pet		
21. Organizing expenses / household		

As the materials developed in this project will be used in a great variety of course types, this Guide contains, instead of a standardized curriculum, various building blocks which trainers can use in accordance with their framework.

The presentation of exercises is split into two major sections:

1. General lessons and exercises which refer to more general themes and which apply to more than one of the real-life situations presented on the e-platform
2. Specific annotations and exercises which refer to each of the 22 real life situations.



## 7. GENERAL LESSONS

### 7.1 Topic 1: Our Income

#### Outcomes of this topic are:

- The training participant is able to identify various sources of family income.
- The training participant distinguishes new opportunities for individual/family income in relation to their family values.
- The training participant understands which inflows should be perceived as “available to spend”.
- The participant is able to define and differentiate between the terms regular and irregular income.

#### Suggestions for trainers

Prepare a short introduction of the topic. Ask the participants what comes to their mind when they hear the word “income” and what it means to them. Ask them to give examples about “income”. Use the information obtained to introduce the topic. Check out if the participants understand the newly presented information. If necessary, give new examples and explain again. Do the same with “budget”. Be sure that all participants understand and use these main concepts and appoint the same meaning to them.

Budget is a tool for analysing finances. It enables users to revise the resources, plan the expenses and manage finances appropriately, so they can fulfil their monthly obligations. The budget provides answers to two main questions:

1. Do I spend more than I earn?
2. What can I afford to spend?

Therefore, the budgeting should start with listing all of the available resources.

In order to understand how to plan ahead and spend wisely, training participants first need to be able to review and plan the resources disposable for spending.

#### Exercise 1: Summarizing your income

How much can you afford to spend every month without ending up in debts?

In order to answer this important question, first you need to know how much you actually have at disposal every month. Do you know this sum? What is the source of it? Are you sure all potential incomes are included or did you forget any sources, e.g. pocket money? In order to get a more precise insight into your incomes, you can do a simple exercise.



Make a table with separate rows for each source of income (e.g. salary/allowance, scholarship/grant, pocket money, student loan, etc.) you get each month. Think about last month's incomes and write down the sum of incomes coming from each source in the next column. Sum up all of the incomes and reflect shortly on your total monthly income.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

## **Exercise 2: Summarizing your household incomes**

Your next task is to calculate the total household monthly income.

In the table you started to draw, add separate columns for each member of the household (your wife/husband, children, roommate, etc.). Add rows for different sources of income, enter sums, calculate individual incomes and sum up total monthly income on the level of household.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

Talk about two main broad categories of incomes – regular and irregular incomes.

Again ask the participants to share opinions about the meaning of regular and irregular income. Ask them first to explain how they understand these categories and to give examples. Explain them that it is vital to say what they think and that there are no correct or incorrect answers. It is important to come to the situation to unify the concepts the group will use during the whole course. Introduce the following new information:

Regular incomes usually come frequently, orderly, in exact time or period of the month/year and a person can count on them and plan accordingly. Salaries, scholarships, child support or other incomes related to social care are (or at least should be) regular incomes.

On the other hand, irregular incomes are resources that are realized from time to time, occasionally. For instance, irregular income comes from an occasional work done for others, seasonal work, one-time installment in a form of a grant or financial support.

These incomes add up to the part of the individual/household budget, in which you summarize the available resources.

## **Exercise 3: Distinguishing between regular and irregular incomes**

Look at the list (table) of incomes you made. Which of the listed incomes are regular? Mark them by using colour or underlining.

Have you included some irregular incomes? Do you or your household family members gain some



additional, irregular incomes during the year?

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

## **Exercise 4: Household income**

Ask the members of your household to think about their usual additional/irregular incomes. If they cannot think of the sum on the monthly level, ask them how much of these incomes they get in a year. Recalculate the sums in order to get the irregular incomes on a monthly level. Add the appropriate sum to the incomes of each household member (including participant's income), and then recalculate the total household monthly income.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

## **Questions to reflect on and talk about in a training with other participants:**

- How much income is available for spending (on your individual as well as the household level)?
- What do we usually spend money on? Give some examples.



## 7.2 Topic 2: Needs versus Wishes

### Outcomes of this topic are:

- The training participant is able to explain the difference between needs and wishes (with examples).
- The training participant is competent to explain the reasons for this distinction.
- The training participant understands why purchasing some items could satisfy both, a need and a wish.

### Suggestions for trainers

Before starting the new topic, ask the training participants to go back to their lists of incomes on the level of the household and reflect again to the total sum and the sum they consider available for spending. Explain that they should use the next exercise to draw some conclusions out of it and use them in practice.

Then, the trainer should give an example of a list of household incomes for the participants to analyse them, or volunteers can use their own examples.

### Exercise: What do we spend our money for?

Ask participants to do the role play. If participants hesitate and there is no sufficient number of volunteers, trainer/s can get involved in the role play. Based on the given example of household incomes and guidelines provided, they should simulate a household decision making process on spending. Each household member should act according to the personal plans for spending, and try to negotiate and make other members agree on them. Other training participants should observe and make notes or prepare comments.

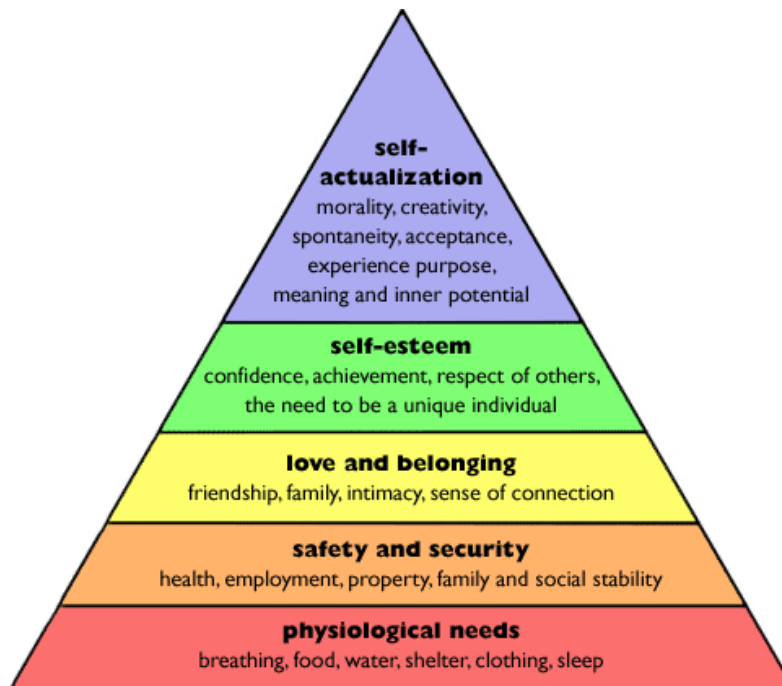
After the role play, the group discussion should follow, focusing on the actions of the actors and the reasons behind them.

After the training participants explain their points of view and the group discussion is finalized, explain them the difference between needs and wishes.

Usually, we talk about five basic categories of needs:

1. Physiological
2. Safety
3. Love/Belonging
4. Esteem
5. Self-actualization

The graphical equivalent is called “Maslow’s hierarchy of needs”.



Source: <https://giuseppegianini.wordpress.com/2012/08/23/the-hierarchy-of-needs-maslows-theory-of-motivation/>

Needs are related to broad categories of products/services, i.e. various elements can satisfy one need. For instance, the need for safety, more precisely home or property can be satisfied in several ways: renting an apartment or a house, buying a property, living in a dormitory, etc. Wishes are determined more precisely – they correspond to a specific product/service or even a brand. For instance, the need for a drink (the thirst as a physiological need) is actualized through a wish for water, special kind of juice, etc.

### Exercise: Differentiating between needs and wishes

Tell the participants to form pairs/small groups (depending on the structure of the group and the level of participants' literacy) for the next exercise. Based on what they have learned about needs and wishes, they need to:

- recognize and write down 1) needs and 2) wishes that were mentioned in the role play related to spending decision making on the household level;
- identify some examples of needs and wishes on the individual/household level.

After they finish the task, the participants should discuss their findings.

Additional question for the group discussion: Think of items that could satisfy both – a need and a wish.





## 7.3 Topic 3: How to Prepare Your Household Budget and How to Avoid Budgeting Drawbacks

### Outcomes of this topic are:

- The training participant acquires skills on how to make their household budget.
- The training participant understands what characteristics a budget should have to avoid draw-backs.
- The training participant is competent to understand the reasons of a potential deficit and to recalculate.

### Suggestions for trainers:

Now, after revising the needs and wishes, the participants are ready to compose a preliminary budget. They should go back to the list of incomes obtained in the household (done within Topic 1). After knowing how much money is earned each month, the necessary expenses should be listed. The examples of expenses that need to be taken into account are:

- Home-related expenses (mortgage, rent, loan instalment etc. + electricity, heating, telephone, Internet, home-services, utilities)
- Groceries and other necessities – household items, cosmetics etc.
- Transport costs (fuel, car maintenance, car insurance or bus ticket etc.)
- Other costs: clothing, entertainment, vacation etc.

Explain these categories briefly to the participants. Discuss them together and make sure participants understand them. Also, discuss these two important principles:

- Some required expenses don't occur monthly, e.g., car insurance or visits to the doctor. They are paid once or few times a year. However, they cannot be excluded from the list of expenses and forgotten, they need to be paid! One way to ensure enough money for these costs is to make a list of all expenses that occur only a few times a year, add up their total cost, divide it by 12, and add the result to your required monthly list of expenses. This will ensure some savings for these purposes. Show this to the participants with some examples!
- Unexpected costs usually create budget drawbacks. So, you should save up as much as possible for rainy days or an emergency fund. Ask the participants to give some examples of unplanned expenses and ideas for taking care of them.

### Exercise: Composing preliminary household budget

Participants should create a table with a list and sums of household expenses for the last month. They can use the table below as a template.

Note: For this exercise, the trainer can motivate the trainees to bring some bills which will be used as sources of information. Optionally, the trainer can prepare some actual or made-up bills.



Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

When the participants finish the exercise, with the help of a trainer, they should subtract the total expenses from the total incomes, and reflect to the situation individually – whether they are satisfied with the situation, whether there is some money saved or a deficit, and what is their plan.

After everyone finished the task, a group discussion should follow, focusing on:

- strengths of household budgets – sharing the findings and experiences, and
- problems identified and ideas for solving them.

Then you should discuss potential budgeting drawbacks with the participants:

- First, identify the potential reasons for the drawbacks/potential deficit: unexpected costs occurring, delay/decrease of monthly incomes, incomplete tracking of expenses etc. (Give some examples and ask the participants to share their examples and opinions.)
- Then, discuss how to avoid drawbacks. Make sure that the participants understand the reasons of a potential deficit and know how to recalculate the budget.

The trainer should conduct a closing discussion at the end of the session. Please, use evaluation games, questionnaires, feedback talks, etc. in order to evaluate the well-being of the group, efficiency of the group work, success in achieving goals, satisfaction of individual expectations, etc.



## 7.4 Topic 4: The Importance of Good Spending Habits

### Outcomes of this topic are:

- The training participant knows how to track spending.
- The training participant understands the importance of making wiser spending decisions.
- The training participant is competent to give examples of good spending habits.

### Suggestions for trainers:

Tracking expenses is one of the key factors of effective budgeting as it helps preventing overspending, budget drawbacks and deficits. Here are some basic tips you can reflect on with the training participants:

- Start from your budget.
- Record your expenses daily, appointing them to the right category. Subtract the sum from the money available, each time you spend on something. That is how you know how much money is left available for spending.
- Avoid debts – when the available money is spent, stop creating expenses.
- Revise budget from time to time – it might turn out that your budget is unrealistic or you may need to transfer money between categories.
- At the end of the month, adjust budget for the next month. After prioritizing (debt payment, savings) go to other expenses. You might need to cut back at some areas, but you should still be able to eat every day.

Luckily, some expenses might be reduced by making wiser spending decisions or adopting good spending habits. Participants should now revise their household monthly spending list and mark problematic expenses.

### Exercise: Track your spendings

Participants need to go back to the list of the identified household monthly expenses. Their tasks are:

- To check if they have included all possible expenses (the trainer helps by mentioning some usual monthly/yearly expenses that might be omitted – e.g. costs related to education – fees, books, equipment).
- To add some expenses that might be forgotten and recalculate total expenses and the final result of the budget: extra money saved or a new deficit.

Mark the expenses they consider excessive, not necessary or problematic for other reasons.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>



After all participants finish the task, the group discussion should follow.

NOTE: Depending on the level of literacy, other skills and participants' motivation, the exercise can be organized differently. The trainer can do this exercise together with the participants, with a specific example. He/she should write all elements on the blackboard or whiteboard and do the calculation jointly with the participants, and conclude with a discussion.

### **Exercise: Revising the spendings – towards wiser spending decisions and good spending habits**

Participants should think about their expenses on the previous week. Their task is to enter all items they bought in this period, the expenses related to that, and to calculate the sum. They should use the table below as a template. The trainer should have a computer with Internet access or any other possibility to check the prices of goods if the participants cannot remember them.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

In order to track spending better and adopt good spending habits, participants should start with small steps – the next exercise is related to one of those habits that should become their routine.

### **Homework/ Exercise: Revising the spendings – towards wiser spending decisions**

Participants should use the same table as in the previous exercise, printed on a sheet of paper. They should carry it for a week, tracking all of the expenses. After a week, the trainer should moderate a discussion in which the participants will share opinions regarding this practice. They should also share this with other members of their household.



## 7.5 Topic 5: Shopping Practices

### Outcomes of this topic are:

- The training participant acquires skills to draft a typical shopping list and explain priorities.
- The participant understands the advantages and disadvantages of different types of shops.
- The participant understands the term “value for money”.
- The participant is competent to make wiser shopping decisions with reference to coupons, sales, promotions, etc.

### Suggestions for trainers:

At the beginning of this topic, participants should think about previous exercises and their results. The trainer should facilitate a group discussion focused on two main questions:

- Which expenses are identified as problematic and why?
- How to take care of these expenses – which should be cut off (why?), decreased or divided (how?)?

Share some tips related to wiser spending decisions with the participants, e.g.:

- Opportunities for saving and controlling monthly spending by contracting – for instance do you and how benefit from concluding a contract with mobile telephone service/Internet provider.
- Buying in special types of stores – discount grocery stores, outlets, second hand stores, etc.

### Exercise: Large vs. small shops – discussion with advertising material

Different types of shops provide different opportunities: smaller local stores are usually near residential areas and offer a certain number of items, while larger shops (e.g. supermarkets) are usually at the town suburbs, but offer lots of items. The aim of this exercise is to review these advantages and disadvantages within a discussion. The trainer should bring some advertising brochures, leaflets, catalogues etc. Participants should firstly check this advertising material. The trainer starts a discussion by asking participants which of the products presented in the materials they would buy and why. After that, another discussion follows – the participants should express opinions about the advantages and disadvantages of buying in small or large shops. The trainer should moderate the discussion and write down identified advantages and disadvantages on the blackboard/whiteboard

Tell the participants about merchandising activities used to make consumers spend more and ask them about their personal experiences related to these activities. Use – in presentation or as printouts – pictures from the Internet source indicated in the footnote.



One of the best ways to avoid spending more than planned is to create a shopping list and stick to it. Therefore, the next exercise is about composing a shopping list.

## **Exercise: Composing a shopping list (simulation)**

Participants work in groups (the structure of the group affects how we form groups or whether the trainer will adapt the exercise). They should now play a role of household members and simulate a situation prior to shopping/going to a store. They should sit down together and negotiate shopping priorities. The result of the process should be a shopping list for one week with the items listed in an order of priority.

They should mark and explain the priorities, explain where they would shop, how they would organize going to the store (e.g. if going to a larger store and do a larger shopping, transport costs must be included) what should be bought first, what to do with the rest of money. Also, they need to talk about plan B – what happens if some important items are not bought, and what the implications of plan changing are.

After all groups finish the task, the group brainstorming guided by the trainer should follow.

Participants might also do this useful practical exercise in small groups in order to get information needed for composing a shopping list.

When buying, it is important to really analyse the “value for money” well. The next exercise should help the participants understand this concept better.

## **Exercise: Using opportunities to shop wisely**

Different brochures with discounts or coupons from local supermarkets are provided to the participants by the trainer.

The first task for them is to choose an item, for instance cheese, and compare the prices in various shops. The trainer should help them check the cost and explain different prices for different quantities/packages.

The second task is for participants to choose the item they consume often, for example potatoes. They should discover the best/cheapest option for buying this item – e.g. to buy 1 kilogram or a bigger package and explain it.

The third task is related to the coupons. Participants should calculate the difference in price – savings could be achieved by using coupons for some items.

End the exercise by pointing out that, when comparing, participants need to keep in mind:

- The real price per unit, such as kilo, litre, piece etc. – usually small packages are more expensive than larger ones.



- The quality, durability and other specifics of items – sometimes items that are more expensive at first sight, actually last more, so they are a better deal than what seems to be a cheaper alternative – think of batteries, concentrated detergents and so on.

The trainer should conduct a closing discussion at the end of the session. Please, use evaluation games, questionnaires, feedback talks, etc. in order to evaluate the well-being of the group, efficiency of the group work, success in achieving goals, satisfaction of individual expectations, etc.



## 7.6 Topic 6: Controlling Spendings

### Outcomes of this topic are:

- The training participant understands how spendings can be reduced knowing how to substitute an item with a cheaper one.
- The participant knows how he/she can conserve resources and avoid waste.
- The participant without buying is able to do some items by producing them on his own.

### Exercise: Reducing spendings

Participants and the trainer should go back to the list of household expenses, and with the knowledge gained in that topic, topic regarding tracking spendings, good spending habits and wiser shopping practices they should do the following:

1. For each (or some) category of the expenses, the trainer brings the products or prepares the pictures of products/services related to the categories. For instance:

5 l of milk X (the brand) for a month	total price: ...
5 l of milk Y (the brand) for a month	total price: ...
5 kg of apples	total price: ...
3 l of washing powder X (the brand)	total price: ...
3 l of washing powder Y (the brand)	total price: ...

2. The trainer moderates the group conversation about how spendings can be reduced by substituting an item with a cheaper one.

Think about cheaper options of items, enter the new total price based on this and recalculate the expenses. Note down the sum of money saved this way, and think about how that money could be used.

3. Look at the list of items that are regularly being bought. Is there an opportunity to produce some of them instead of spending money on buying them?

Think about other items you usually buy but you could make them instead. Reflect to it and discuss some ideas.

At the end of this exercise, all participants should have some ideas for additional savings/ wiser spendings.





## 7.7 Topic 7: Goal Settings and Savings Basics

### Outcomes of this topic are:

- The training participant knows generally what makes each goal different and understands the importance of prioritizing goals.
- The participant understands the importance of developing a savings attitude.
- The participant knows the reasons he/she should consider saving for their future and distinguishes between short-term, mid-term and long-term goals.
- The participant is able to anticipate future events and potential expenses.

### Suggestions for trainers:

To make a short introduction to the topic, you can stimulate an opening discussion and ask the participants what they think about their saving habits. Do they think they save enough money or could they save more? Ask them, if they can recognize the motives for saving and how persistent they are. If the participants cannot save at all, ask them to imagine a situation when they would be able to save and for what they would save money.

### Exercise: Make your short-term and long-term goals for saving

A savings plan assumes that you have already defined your priorities and made a list of your goals. So, now the participants should define their goals and fill in the tables individually. Depending on the level of the participants' understanding of the topic, this activity can be realized in a group discussion. You can ask each participant to suggest their own goals in the future time period and fill in the table on the blackboard/whiteboard.

Participants should list at least three short-term, three mid-term and three long-term personal goals. For each personal goal, they should define a financial goal and a period of time to achieve it.

If participants work individually, they should discuss their goals with other participants after they finish – whether they share the same goals, agree on categorizing, have some propositions on how to achieve these goals. Sharing experience on this issue can be valuable for the participants.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

### Exercise: Prioritizing your goals for saving

This exercise is a continuation of the previous one. Participants can work individually or in a group where they discuss priorities of their goals, depending on the way you organized the previous activity. Using the same table, participants need to mark in the last column how important/urgent each goal is. If you organize a group discussion, make sure that every participant is involved and



that they share their opinions.

After they finish, they need to analyse and discuss the way and reasons for prioritizing the goals in a specific manner. Then, all participants should do a joint brainstorming and draw some conclusions, summarize lessons on prioritizing, together with the trainer.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

## **Exercise: Determining financial goals for making a savings plan**

This exercise is a continuation of the previous one, where participants had to determine a financial action plan for achieving their personal goals. They can work either individually or in a group, depending on the way you organized the previous exercises. If you organize a group discussion, make sure that each participant is involved and that you note their answers on the blackboard/whiteboard.

In order to make a financial plan for achieving their goals, the participants need to think about their financial goals that are consistent with their personal ones.

If the participants work individually, they should analyse and discuss the way and reasons for defining financial goals in a specific manner after they finish filling in the table. You can organize brainstorming, share opinions and draw conclusions with the participants.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>



## 7.8 Topic 8: Ways to save

### Outcomes of this topic are:

- The participant knows about some saving options.
- The participant understands the advantages and disadvantages of each saving option.
- The participant is competent to suggest possible ways of increasing his saving capacity.

### Exercise: What do you know about saving options?

Make a group discussion about possible saving options. Let the participants exchange their opinions about their saving options and reasons for using them. Do their saving options enable them saving enough money to achieve their short-term and long-term goals defined in the previous exercise? If not, by the end of this session, they should reconsider their goals and their saving options and align their personal goals with the financial ones.

Note their answers on the blackboard/whiteboard. You can make a table where you write all saving options that participants have already known and try to assess with them all advantages and disadvantages of using them. You can also discuss the purpose of using each option – handling short-term, mid-term or long-term needs. Add new options during the session and ask participants to share their opinion, even if they have never been using it. Ask them to describe a life situation in which they will use it or not and reasons for doing so. You can save a certain amount each month and keep it at home, or you can put the money that you already have on the savings bank account and receive the interest. What would be your choice and why?

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>



## 7.9 Topic 9: General Recommendations for Saving

### Outcomes of this topic are:

- The participant knows how to save money.
- The participant knows what to avoid in order to save.
- The participant becomes aware of the feasibility of saving.

### Suggestions for trainers:

At the beginning of this session, the trainer should make an opening discussion and ask the participants what obstacles they face when they try to save. Participants should explain how they overcome these obstacles and whether they influence their future decisions on saving.

The objective of this topic is to involve participants in real life situations where they need to make financial decisions regarding saving. The training should be interactive and enhance expressing participants' opinions and making decisions in various situations.

### Exercise: Savings Advisor

Depending on the educational level and the level of understanding of saving issues of your target group, you can organize role play either by making teams of participants or by giving the trainer an active role in this play. If you decide to make teams of at least two participants, they will receive assignments on various life situations and try to find the best solution. One participant should take a role of a person looking for advice regarding a specific financial problem, while the other should take a role of a financial advisor and suggest solutions. If you decide to give an active role to the trainer, then the trainer and the participant or two trainers can take roles and simulate decision-making in real life situations.

It would be the best if participants can present their life situations and decisions they made.

The main objective of this role play is to recognize the obstacles to save money, and accordingly set realistic goals and make financial decisions that are applicable in a real life situation.

If you organize this role play as participants' team work, teams of participants should present their situation to other teams. Then, suggestions from other participants can be considered and analysed.

### Exercise: Mobile applications for personal finances

Assuming that most of the participants use smartphones, mobile applications for personal finance can be found and used in the class. For example, one of the free multi-language applications is Money Lover which can be downloaded from Google Play Store. Language options are various and



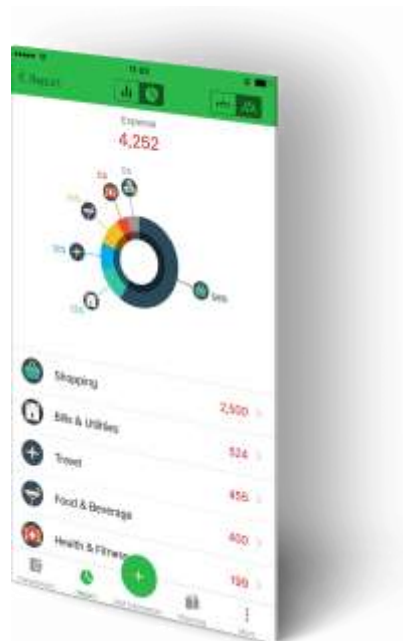
interface is user-friendly and works rather easily.

The application enables you to track your transactions and changes on your bank accounts and generate reports based on your everyday inputs in Accounts and Transactions base.

Let the participants download the application and explain them how it can be used. Afterwards, they can input some of the recent changes on their bank accounts and transactions in previous days in order to generate reports according to different criteria:

- incomes
- expenses.

This will give them a clear picture on their spendings and possibilities of saving that they are not aware of. Suggest them to continue regularly to input their expenses in the application at least during the course, so they can share their opinions on their habits at the end of the course.



Source: <https://moneylover.me/>



## 7.10 Topic 10: How to Establish a Savings Plan

### Outcomes of this topic are:

- The participant knows how to establish a savings plan.
- The participant understands the importance of a savings plan.
- The participant is able to explain why and how a savings plan can be a part of a budget plan.

### Suggestions for trainers:

To make an introduction to this topic, you should conduct an opening discussion and ask participants what rules they use when they save money. Sharing experiences can be of great value for participants. Since a good savings plan is the basis for achieving personal goals, in the following exercise the participants should finally establish their savings plans.

#### Exercise: Establish your savings plan

This exercise should be conducted depending on the way you have executed the previous ones regarding goal setting. If you choose to have a group discussion, you already have a table on the blackboard/whiteboard that should now be filled in with participants' opinions on different above mentioned saving options. You can list saving options that have already been mentioned (for example: savings account, current account, credit card, etc.) and ask them to connect these saving options with their personal and financial goals. You can help them understand why some options are suitable for certain goals.

If participants have filled in previous tables individually, they should now fill in the columns regarding actions they will take to accomplish their goals. Participants can use a list of saving options that are already made and discuss and classify the options in two groups: a group of options that can be used for achieving specific goals and a group of options that cannot be used to achieve specific goals.

Give them time to consider everything they have learned in this session and implement it in their plan according to their financial situations. They can explain why some of the savings options are not applicable in their case and what their saving options were before. Have their goals changed during their lifetime? How have they managed to finance their needs? Did they have to quit some goals and why?

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calculator/index.php?localize=en>



## 7.11 Topic 11: Saving Options at Formal Financial Institutions – Saving in Banks

### Outcomes of this topic are:

- The participant can define what a financial institution is and the benefits of using services provided by financial institutions.
- The participant acquires skills to select the best financial institution for their needs and the best kind of savings account.
- The participant acquires skills and knowledge to select the best kind of savings account for their needs and ways of bank accounts use (money transfer, debit cards, ATM cards, checks, etc.).

### Suggestions for trainers:

We suggest that this topic is presented by a bank employee, who should:

- present the bank as a financial institution and the offer of bank services. In that manner, participants should be able to gain a clear picture on all benefits they can have by using bank services.
- according to the already discussed participants' saving habits and saving goals, suggest the saving options offered by the bank.
- give a brief explanation on bank procedures, expenses and documents that are requested for opening a bank account or other services that participants are interested in.
- give a brief explanation on the terms of money deposit in short- and long-term period.
- give a more specific explanation on possible money transactions and, if you find it useful for the concrete target group, e-banking services.
- give a brief explanation on applications for monitoring the transactions on the bank account, if you find it appropriate for the concrete target group.



## 7.12 Topic 12: Debt Management – Handle Borrowing with Care

### Outcomes of this topic are:

- The participant understands the basic meaning of financial concepts related to borrowing money.
- The participant has a perspective over various sources of money to borrow, understands the risk of making debt.
- The participant becomes aware of the importance of borrowing conditions.
- The participant understands why they are supposed to borrow prudently.

### Suggestions for trainers:

In previous topics, participants have learned that someone may save some money if they keep track of expenses, shop smart and effectively, do some planning ahead, exercise personal budgeting etc. Sometimes, you may need more money than you actually have at hand. There may be various reasons why you may need some extra money.

Often, this may happen because of some unplanned events (difficult to predict), such as expensive wedding ceremonies, urgent repair of your house/apartment, buying furniture or house appliances, or some of your family members get into financial troubles. This may be either a pleasant or unpleasant event, but since it happens suddenly we will call it emergency borrowing. It is advisable to put some money aside in case of emergency situations. However, if your income does not allow that, the only available solution will be borrowing.

### Exercise: Borrowing experiences

This discussion should start in the beginning of the session and develop parallel with the above theoretical presentation.

1. Start explaining a scenario that you need some extra money. Explain that the need for borrowing appears in a situation, when you are supposed to think about the best way to save your money for the future.
2. Ask training participants to name a few reasons why they would borrow money. Let participants reflect to this for a while, then involve them in brainstorming that results in a list of ideas for alternative ways to find the source of money.
3. Start drawing a table on the blackboard/whiteboard. Add separate rows for each guess in the table. Add rows for example: borrowing from family members, friends and relatives, from loan sharks, credit cooperatives, banks, etc. With the previous discussion, the participants are already directed to think about the need for borrowing and alternative sources of money to borrow. Ask them to respond on their borrowing experiences, i.e. to explain what they usually do when they





need extra money, and what do they need it for

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>



## 7.13 Topic 13: The Cost of Borrowing

### Outcomes of this topic are:

- The participant understands the meaning of borrowing cost.
- The participant differs a lender and a borrower.
- The participant is aware of their financial obligation taken.
- The participant is able to find or calculate themselves the interest payment.

### Suggestions for trainers:

Borrowed money costs, except in rare cases when you borrow from your family members, relatives and friends. In all other cases you must compensate a person if you borrow money from them.

A loan agreement is a formal agreement signed between a lender and a borrower. The party which gives a loan is a lender. The party which takes a loan is a borrower. In most countries only banks are legally allowed to give a loan. In some other countries there are also saving and loan associations, credit cooperatives, as well as other credit organizations (non-bank organizations).

### Exercise: How to calculate interest payment?

1. Google a bank name for which you already know that has a loan calculator built into its official web page. The calculator has various active cells in which you must enter values. Often, you will decide upon a loan amount, term of loan, and possibly the way you are supposed to secure the loan repayment with depositing some money to the bank.

2. Start with entering data in the right cells. The calculator itself gives results. Result is most often given in a form of total amount of money that should be repaid at the end of a loan period, or the amount of annuity. The result is sensitive to any change in data entered in active cells. It is highly recommended to proceed with this exercise in a case study manner, with parameters to change (provisory or taken by real bank offers).

For example, an introductory example may be done with the following values:

- LOAN amount: 1,000 Euros
- Interest rate (if applicable): 3%, 5%, 7%
- Loan term (in years): 1, 3, 5
- Total monthly (annual) payment (variable to be discussed)

3. Then invite participants to do the same.

4. Discuss with them how the changed entries generate changes at the level of financial liability (total monthly/annual payments), so as to have comprehension of dependence between the terms



of loan and the level of financial liability.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>



## 7.14 Topic 14: Interest and Inflation

### Outcomes of this topic are:

- The participant understands the difference between interest and compound interest.
- The participant realises the importance of long-term effects.
- The participant understands the effects of inflation on savings.

### Suggestions for trainers:

Explain to participants how interest can work against them, but also how it can work for them. When you take a loan with an interest rate, it works against you, but when you invest early and take advantage of compound interest, it works for you.

What is compound interest?

When you've got an account that accumulates interest, the interest earned gets added to the principal amount. Then, interest is earned on the new, larger principal, and the cycle repeats. That's compound interest!

The effects of compound interest are most clearly visible after a longer period of time.

### Exercise: The Value of Time:

The example of Cindy vs. Charlie

The trainer shows the case of Cindy and Charlie, who will each invest a total of €10,000. Cindy starts right away, depositing €100 per month at an interest rate of 2%. After 10 years, Cindy stops making deposits. Charlie, on the other hand, waits 10 years before starting to invest. He also puts €1,200 a year away for 10 years, at the same interest rate as Cindy. After 20 years, who has more money? Shockingly, Cindy's balance is three times as big as Charlie's, thanks to the extra time her investment returns had to compound.

The trainer asks the participants to insert an amount which they believe they can save per month. Depending on the financial environment, the interest rate is modified. The results are discussed in the group.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

**Inflation**

Inflation has the potential to eat away the purchasing power of your money. That means, with inflation, one euro you earn today may not be worth one euro in the future. Here some things to keep in mind when thinking about inflation.

**Cash in a Mattress**

Keeping all your cash in a mattress is not only unsafe, it literally costs you money. Assuming the rate of inflation is a hypothetical 2%, every 100 euro you squirrel away will shrink in value to just 98 euro the next year.

**Rate of Return**

Because inflation erodes the purchasing power of your money, any returns you earn on your accounts may not be the “real” rate of return. If your account earned a hypothetical 3.5% rate of return over the last year, but inflation was 1.5%, your real rate of return was 2%.

**Exercise: The impact of inflation on savings**

Based on the spreadsheet from the previous exercise, participants add the inflation rate and discuss the result.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>



## 8. SPECIFIC EXERCISES

### 8.1 My first car

#### Didactic background and learning objectives

Buying the first car is one of the emotional milestones for most people, especially among young male adults. Therefore, it happens very often that rational considerations are put aside and the “need” for a certain model is justified based on emotional decisions only.

It is therefore especially important to give certain guidance and to show possible alternatives so that the purchase of the car does not lead to a financial disaster.

Our story introduces Peter who is now old enough to drive his own car. There are several elements included:

- How to find the right car for the budget given?
- How to work out the budget needed to buy a car
- Comparison of the overall costs of a new car to a second-hand car
- Critical questions to ask oneself before making the decision
- What is car depreciation?
- Finally, we will also raise the awareness to “go green” and decide for alternative transport systems.



**My first car**

**A story about Peter and his dream**

Peter is happy. He has just finished his apprenticeship as carpenter, shortly after his 18<sup>th</sup> birthday. Now he wants to fulfil his greatest wish. He wants to have a car. His favourite brand is BMW, because several of his friends are driving such cars.

There are several options:

1. Buying a new car with a credit
2. Leasing a new car
3. Buying a used car

Peter should also be aware of the running costs. Will he be able to afford his dream?





## **Suggestions for trainers:**

As trainer, you should be aware that for most young people, buying a car is not only a big financial business, but also a highly emotional issue. Therefore, it is even more important to explain that it is not enough to look at the purchase price, but to be aware of all various types of maintenance costs. Therefore, we advise to split the session into several steps:

### **Exercise: Can Peter afford to buy (and to maintain) a car at all?**

First, Peter has to find out how much money he has for his car. He needs to check his household plan. Participants should select a version which comes as close as possible to their own actual financial situation.

After filling the table in, they discuss their results. They should focus on the following questions:

- Does Peter have some assets which he can use to buy a car?
- What is the maximum amount which is available per month?

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

Depending on the type of purchase, this amount must cover both the credit rates and maintenance costs, or maintenance costs only, which will be various depending on the type of purchase. Therefore, both types of expenditure will be assessed in the following exercises.

### **Exercise: Which options to buy a car does Peter have?**

Depending on the outcome of the previous exercise, participants will get an idea about the possible size of investment.

#### Scenario 1: Peter buys a car through leasing

The trainer explains the terminology of leasing, its advantages and disadvantages in comparison to purchase via credit or cash. Leasing requires also (expensive) fully comprehensive insurance and regular service in workshops indicated by the leasing company.

Participants will calculate various alternatives using car leasing calculators, such as

<https://www.calkoo.com/en/car-lease-calculator>.

#### Scenario 2: Peter buys the car with a credit.

The trainer explains the advantages and disadvantages of this situation in comparison to purchase through leasing. Participants should be aware that both forms of purchase require creditworthiness.

Participants will calculate various alternatives using car credit purchase calculators, such as

<https://www.carpaymentcalculator.net/>



## Scenario 3: Peter pays in cash

The trainer explains the advantages of paying in cash. Since the financial situation of most participants will not allow to pay a large sum, the option to buy a used car will be discussed. Depending on the age of the car, no fully comprehensive insurance might be needed; however, a higher amount for possible repairs should be set aside.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

It can be expected that the sums available for purchasing and maintaining a car will not be very high – especially when all contingencies are being taken into account.

This is the right moment to question the whole issue and to discuss in the group alternatives to buying a car. Depending on the location of work and home, other transport modes could be considered. This discussion should also include environmental aspects.

## **Exercise: Does Peter need a car at all?**

Participants discuss this issue and estimate the costs compared to the costs of using a car. They use the figures that have been obtained in the previous exercise and try to estimate realistic costs for using public transport or other vehicles.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>





## 8.2 Getting married

### Didactic background and learning objectives

A wedding is undoubtedly one of the most important events in many people's lives. The decision to legalize a relationship is a serious step forward / into the future, it is often a turning point. The most common dream of a future bride and groom is to organize a wedding ceremony and reception so that it is a unique, joyful and unforgettable experience. At some point, however, the organization itself can become overwhelming and stressful, as it is an extremely demanding project not only emotionally, but also in terms of time and funds.

It is therefore especially important to give certain guidance, to give time to explore financial potential of the future bride and groom and to show the most important aspects and possible alternatives so that the wedding does not lead to a financial disaster.

Our story introduces Sylvia and Andrew who have decided to get married and would like this day to be special and unforgettable for them. There will be several steps of their story.

**Getting married**

Are you a couple and you love each other very much? Would you like to formalize your relationship? Do you not know what possibilities you have? Or maybe you have just engaged, and you would like to plan your wedding? Where to start? You don't want to forget about anything.

In this module Sylvia and Andrew, our characters, face a similar situation. By accompanying them in their story, you will know the most important aspects to consider when getting married and planning a wedding ceremony and a reception.

**What will we learn by this story?**

- What is a civil marriage ceremony?
- What is a religious form of civil marriage contraction?
- What are the legal marriage requirements?
- What are the obligatory issues to arrange and costs related to it?
- What are standard issues to arrange and costs related to it?
- What are additional issues to arrange and costs related to it?
- How to plan your wedding budget?
- How to organise wedding step by step?

Erasmus+

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After going through this module, the learner should be able to:

- Know the options of getting married / forming a civil partnership in accordance with national law
- Be aware of the legal marriage requirements
- Point the obligatory, standard and additional issues to arrange
- Know the expenses related to the wedding setting, attire and organization of the wedding
- Search for and compare the offers and prices of various wedding suppliers



- Search for and compare the prices of new, used and rental elements of bride's and groom's attires
- Calculate her/his wedding budget
- Plan and follow a series of steps to organise wedding.

## **Suggestions for trainers:**

As trainer, you should be aware that for most young couples wedding is one of the most important events in their lives. It is an undertaking that engages you not only emotionally, but also in terms of time and funds. Therefore, we advise to split the session into several steps:

From the life skills point of view, it is important for you as a trainer to refer to the change that will come with the marriage. It is important to discuss responsibilities, expectations and views on various issues.

### **Exercise: How much money are Sylvia and Andrew able to spend on their wedding?**

Firstly, Sylvia and Andrew can use a HOUSEHOLD BUDGET calculation in order to get to know their financial potential. Fortunately, they have already had some savings. This will give them an overview of their current situation and as a result they will see if they have any free money and if so, how much they have monthly. It will help Sylvia and Andrew to decide on the right amount of savings.

Then, they will check various possibilities to allocate their savings, because they know that keeping money in cash will cause loss of its value. However, they have to remember that they will need this money in few months. Sylvia and Andrew may use an additional calculator for estimating their future profits.

As part of this exercise participants should focus on the following questions:

- Do Sylvia and Andrew have any free money to be saved?
- What is the maximum amount of free money which is available per month?
- Where can they allocate their savings?
- How much money can they save in 9 months?

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

As a result of this exercise, it will be possible to estimate the budget to cover wedding expenses. So, at this stage there should be a discussion about wedding expenses categories (mandatory fees; the most common wedding expenses; additional wedding expenses). As a next step, participants should estimate the costs of the wedding ceremony and reception. At this point a trainer should mention



vendors and service providers, as well as the necessity of comparing offers and prices of various wedding suppliers.

## **Exercise: Can Sylvia and Andrew afford to organise their dream wedding?**

Sylvia and Andrew, taking into account their mutual preferences and dreams, want to prepare a preliminary costs calculation of the wedding and reception. In order to anticipate all costs related to the wedding they may use the WEDDING BUDGET calculator. Additionally, it will help them to plan their wedding costs efficiently and to avoid stress along the line.

Moreover, in order to choose the best options, they are supposed to search for and compare the offers and prices of various wedding suppliers. It will give them the overview of the wedding services industry in order to make cost efficient decisions.

As part of this exercise participants should focus on:

- pointing various wedding costs categories
- searching for various wedding suppliers
- comparing offers and prices of various wedding suppliers
- preparing the wedding calculation.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

It may turn out that the available wedding budget will not be sufficient.

This is the right moment to discuss in the group the following issues:

- Is it reasonable to take a loan/credit to organise the dream wedding?
- What alternatives to organise cheaper wedding do they have?
- Are there any other ways for Sylvia and Andrew to reduce the cost of their wedding?

Among others it should be also considered to organise wedding with less guests, at home, only dinner for close family, etc.

## **Exercise: Is it reasonable to take a loan/credit to organise the dream wedding? What alternatives to organise cheaper wedding do they have? Are there any other ways for Sylvia and Andrew to reduce the costs of their wedding?**

Participants discuss these issues and once again estimate the wedding costs taking into account their suggestions.



## 8.3 Renting a house

### Didactic background and learning objectives

Renting a house, as opposed to buying one, is much cheaper and economic decision for a short and medium period of time. It is also not definitive, which makes it especially interesting for younger people who have recently moved out of their family house or the ones that are not looking for a place to live for the long-term. Renting a house usually does not require the intermediation of a bank, so you will not need loans or more complex contracts.

Here, you will learn about Helen, a 29-year-old woman looking for a new house that fulfils her requirements and needs giving her limited budget.

After going through this module, the learner should be able to:

- Know the different ways to find rental apartments, along with their advantages and disadvantages
- Get informed about existing options when sharing a housing
- Assess the most relevant aspects when looking for rental
- Follow a series of steps to make the right decision before renting a house.

**MONEY & LIFE SKILLS**

### Renting a house

Do you need to rent a housing? Don't you know where to start looking? In this module Helen, our character, faces a similar situation. Accompany her in her history, you will know the steps to take and the most important aspects to consider when renting a house.

**What we learn by this story**

- You will know the different ways to find rental apartments, along with their advantages and disadvantages
- You will get informed about the existing options when sharing a housing
- You will be able to assess the most relevant aspects when looking for a rental
- You will be able to follow a series of steps to make the right decision before renting a house.



### Suggestions for trainers:

Renting or buying a house might be one of the most important financial decisions a person will make. This is why, as a trainer, you should guide participants through this particular task. Even though renting a house is easier than buying one, there are many aspects that we need to take into account if we want to make a responsible purchase. The first thing is knowing the difference between renting from a private owner and going to a real estate agent.



**Exercise: Can you remember some of the advantages and disadvantages of renting through a private owner over a real estate?**

Here, participants will encounter five sentences and all they need to do is indicate if they are true or false after having read all the previous information that was presented to them.

We present them now some technical aspects of renting a house. This might seem hard to understand if they have never encountered a situation like this themselves, it is therefore important to make it as simple and clear as possible-

**Exercise: How much have you learnt about rents and contracts?**

This is a brief but crucial exercise for our participants. We have presented all basic aspects that any person should know before trying to rent a house. Now, participants will have to fill-in-the-blanks with the correct word.

Although renting used to be the cheapest option for living within past years, right now prices have increased all over the world. This makes renting an apartment a very difficult task, especially for young persons. You can start a discussion about the current situation in your country and what alternatives they can think of or how we can reverse the situation so that rents start to decrease.

Our final exercise will be a very practical one, maybe they can even use it for their real lives since it might be possible some of the participants are currently looking for a house to rent.

**Exercise: Have you ever planned to rent?**

Here, it is a great opportunity for participants to get themselves into a real case. With a budget of €450 per month, they will have to think about what they need and search for an apartment that satisfies their needs.

Try to make a search into one of the rental portals that are available in your country and see what you can find. Fill in the table we present to you with all the information you can gather about at least two apartments of your choice

Link for the calculator to this exercise:

<https://training.moneylifefskills.eu/calc/index.php?localize=en>



## 8.4 Buying a house

### Didactic background and learning objectives

Our story introduces Monica and Paul who inherited some money, not enough to pay the full price, but sufficient for buying a house through mortgage.

After going through this module, the learner should be able to:

- Know the advantages and disadvantages of renting or buying an accommodation
- Be aware of additional costs which add up to the price
- Understand the impact of interest rates on long-term credits
- Be aware of the requirements to obtain a loan
- Have an overview of energy prices and consumption and decide whether investment for energy saving modifications is financially possible

**Buying a house**

**A story about Monica and Paul**

Monica and Paul are excited! Until now they have lived in a flat in town which they had rented five years ago when they got married. Some weeks ago, Paul has inherited 40,000 € from his grandmother. First they planned to buy a new car and a new kitchen, but then they decided to move into a house of their own. They started to look into the property market. At first they were disappointed because all houses that they saw were very expensive, but some days ago Monica found an advertisement for a house with a beautiful garden a bit outside the town. They contacted the estate agent and visited the place yesterday. They immediately liked it! Now they start to reflect if they can afford it and how they can finance it.

The price for the house is 160,000 €. Needless to say that they have this money on their account. Let us see what they can do and how they can solve this problem.



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### Suggestions for trainers:

For many young people the idea of buying a house is beyond their imagination. However, at the current situation with low interest rates, it makes sense to reflect to this subject, and to show ways how the purchase of an own home might become possible. This module gives also a good opportunity to explain the basics of long-term loans.

The motivation of learners can be increased discussing how much they or their families spend on accommodation.



## **Exercise: Household budget – how much is left for rent or mortgage**

Participants use the household budget table with their estimated costs. They will find out how much is left for renting a flat or paying mortgage. They will make various assumptions, e.g.

- Living alone or together
- Future job prospects and financial situation

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

## **Exercise: Investigate the situation**

Participants will search the current market for flats and houses. They will use local newspapers and Internet portals and compare the prices.

It can be expected that the costs of flats and homes are quite high and that for our target group, many attractive offers will appear unreachable. It is important to keep the participants motivated. This is the right moment to introduce the issue of long-term credits with low monthly rates.

The trainer will discuss various financing models

## **Exercise: Affordable credit rates , interest, duration**

Participants use the calculator for long term loan to find out about its conditions (interest rate, duration of the loan, ...)

They discuss the results and find out if and under which conditions they may be able to afford a new home.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

If the results from the previous exercises are positive enough, the trainer can raise environmental and climate-relevant issues:

- location of a new place (higher or lower transport costs to work)
- insulation and type of heating /air conditioning. Studies show that only a small percentage of the population has a clue about energy costs of a house. This is in sharp contrast to the awareness of petrol costs which most people are aware of.
- warm water generation and photovoltaic panels



## **Exercise: Investment in energy saving measures vs reduced heating costs?**

Participants use price lists and information material about various insulation materials, heating devices, and photovoltaic elements. They compute these costs against reduced energy household costs.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

Note: the outcomes of this exercise should lead to a loop where participants need to recalculate the amount of credit needed, but on the other hand will have lower household costs.

The main purpose of this exercise is, however, to raise the awareness of energy and climate-relevant issues.





## 8.5 Expecting a baby

### Didactic background and learning objectives

Being prepared for family expansion from an emotional point of view is one thing, but also being prepared from the financial point of view, or being able to orientate in your responsibilities, which come with the arrival of the child, is another thing.

It is especially important to give certain time to explore financial possibilities of a family and to ponder over possible problems that might come with a baby in order to be very well prepared.

Our story introduces Peter and Jane – married couple who is considering to have a baby. There will be several steps of their story.

After going through this module, the learner should be able to:

- Know how to prepare family budget for a new family member
- Work out the probable budget
- Consider what baby essentials are and how to buy them effectively
- Be prepared for unexpected situations with a child
- Know about the most important proceedings he/she needs to do after the baby is born

Finally, we will also raise the awareness to “go green” and decide for alternative possibilities to use the traditional (disposable) diapers or reusable; to buy baby food from local market or farmer or to make one at home.



**Expecting a baby**

**A story about**

**What we can learn from this story**

- This chapter will provide you with a story of a young couple expecting a baby.
- We will find them considering to have a baby and checking if they are able to be financially covered, while mother will not have income (or not the same amount at least)
- On the following pages, we will learn how to be prepared financially for the child's birth and what should be expected when the baby is about to become part of our family.

**Tags:** Budgeting and Planning, Savings and Investment, Credit, Insurance, Shopping and consumer rights





## **Suggestions for trainers:**

As trainer, you should be aware that for most young couples expecting a baby is a huge step. It is important to explain that this step will change their private life forever, but it will have an impact on their finances, too. Importance of preparing for the change is required. Therefore, we advise to split the session into several steps:

From the life skills point of view, it is important for you as a trainer to refer to the change that will come with the child. Life will be different with a child and it is important to discuss expectations.

### **Exercise: Can Peter and Jane afford to pay all expenses they have and also for a baby?**

First, Peter and Jane, after checking the household budget and their resources, need to clearly discuss their expectations for their life with a baby. If the resources are smaller than expected, how can they solve this? Participants should select a way how to develop more effective monthly budget. They may write down a list of possible savings. Is Jane able to be modest while shopping clothes? Is Peter willing not to go so often into the shops with electronic devices?

After they have filled in their ideas, they should discuss what is for them feasible. They should focus on the following questions:

- Is it less important for them to live as usual (with all outgoings), than live with a child?
- What is their limit of comfort?

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

Depending on the resources, future parents should decide what their possibilities are and how they will buy baby essentials. As a trainer you should point on several possibilities they have and might not be aware of. The types of sources will be assessed in the following exercise.

### **Exercise: Which options are feasible for Peter and Jane?**

Depending on the outcome of the previous exercise, participants will get an idea about the possible size of their resources for a baby.

#### Scenario 1: Peter and Jane buys baby essentials with help of small loan.

The trainer explains terminology of loans, the advantages and disadvantages. Loan should be well covered after the family income will change with Jane on maternity leave.

Participants will calculate various alternatives using loan calculators, such as

<https://www.thecalculatorsite.com/finance/calculators/loancalculator.php>.

#### Scenario 2: Peter and Jane combine buying from second hand and buying the new things.

The trainer explains the advantages of buying things from second hand. Since the financial situation of most participants will not allow to pay for all new baby essentials, the option to buy a second hand things is coming into the consideration. This discussion should also include



environmental aspects.

The crib, or stroller, are things that are not used to be overly worn or shabby, and comes usually in good shape. The bonus is lower price. For example: Crib will be bought from second hand, but mattress will be new.

It is expected that parents should find a good paediatrician for a baby who will take care of their child's health. It is wise to do something for future parent health and working stability, too. Trainer should explain the advantages and disadvantages of the health insurance – especially when in question is the health insurance for working parent.

This is the right moment to question this issue and to discuss it. The decision depends on the level of danger at work and how the economic situation is actually evolving in given profession.

**Exercise: Is working parent engaged in dangerous job, or is he/she in danger of losing the job due to economic situation in the country?**

Participants discuss this issue and estimate costs for health insurance compared to the danger of losing a job or being injured. They use the figures from budget and count the hight of the insurance they need in case of unexpected event.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>



## 8.6 Getting divorced

### Didactic background and learning objectives

Unfortunately, not every relationship or marriage lasts forever. Apart from emotional troubles, this also leads often to new and unpleasant financial situations for one or for both partners, especially when it comes to sorting out properties and investments.

Our story introduces Danica and Igor who split up after having been married for ten years. They live in a house for which they still pay mortgage and they have two children. The story leads them through several aspects.

After going through this module, the learner should be able to:

- Be aware of signs which indicate that separating financial issues might be complicated
- Know how to reach an agreement which is fair to both parties
- Know about do's and don'ts during divorce
- Know how to protect one's finance during divorce



### Getting divorced

#### A story about Danica and Igor

Danica and Igor have been married for ten years. They live in a house which they bought eight years ago on a mortgage basis. They have two kids, aged 13 and 9. Both parents work, however Danica has only a 20 hours job.

We will not look into the details why the marriage broke up, since here we will focus on the financial aspects of this decision and the impact on both persons.



### Suggestions for trainers:

As trainer, you should be aware that for many young people, relationship issues are considered as personal issues which are not to be discussed in public. You should point out that this training unit will focus only on possible financial consequences. Emotional issues, but also legal issues will not be part of this training.

**Exercise: Costs of living when the partners are separated**

Participants elaborate a fictive household budget for the family of the story before the separation. Their living costs should be similar to the actual situation of the participants.

In a second step, participants work out separate budgets for Danica and Igor on the assumption that one of them will leave the house. Various outcomes will be possible, depending on the financial assumptions.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

It can be expected that one of the partners, depending on the outcome of the legal decisions, will have to pay alimony to the other partner. Based on the assumption that this person will keep the house, can he/she afford it? Is it possible to obtain a reduction of the mortgage by prolongation of the payback period?

The trainer will discuss various financing models

**Exercise: Change of mortgage rates?**

Participants calculate new mortgage rates and discuss the consequences. They re-adjust the monthly household budgets of the person A or B.



## 8.7 Losing a job

### Didactic background and learning objectives

Work has always been a fundamental element of everyone's life. Over time, however, the way we think about work has been reserved. Once the permanent position and its security were elements taken for granted. Today, however, the way of understanding work has changed; it has become dynamic and very often temporary. More and more people are having to deal with more or less sudden layoffs. This is why it becomes essential to learn how to manage these situations, not only from the emotional side but also from the practical one. Reacting and looking for a new job opportunity must be the fundamental elements that each of us must possess.

In this process we will help Enzo and his family face his dismissal. We will understand how to cope with the situation in its immediate and how to observe the actions to be taken to start a new work experience in the best way.

After going through this module, the learner should be able to:

- Keep calm: change your perspective
- Call to action: ask for help
- Hurry Up: Improve yourself
- Get into the game: accept new challenges

After this path the participant should have all the tools to deal psychologically and practically with job loss



### Losing a job: How to react?

We felt angry, sad, depressed and frustrated.  
We blame the company, colleagues, friends, the whole world.  
Losing a job is like a small mourning.  
Don't fall into negativity. Try to do the following simple things!!!!

#### What will we learn by this story?

- Keep calm: change your perspective
- Start acting: ask for help
- Hurry up: improve yourself
- Get into the game: accept new challenges





## **Suggestions for trainers:**

As a trainer you must keep in mind the socio-political context in which those who face this path live; both from the point of view of economic liveliness and of the competent institutions / organizations present. You must be able to direct and orient the participants in relation to the territory they belong to. It must therefore be taken into account that not all of them are in line with the new conception of work as variable and not fixed and static. Therefore, participants must be helped to change their points of view without taking certain concepts for granted which although they may be known are not necessarily internalized.

## **Exercise: Who can Help Enzo?**

Enzo has just lost his job and is facing a complicated and difficult situation, especially because he has a family to support.

Try to help Enzo organize his life and his savings in this difficult period and above all show how he must live and interpret this period of pause:

- Try to do a little research on the economic aid that can be given to the unemployed in terms of economic aid and tax breaks (suspension of payments, unemployment benefits).
- Identify those who can help Enzo.
- After Enzo has understood what are the benefits and facilities that he can use and after choosing the ones that are right for him, now Enzo must go to the offices to fill in cards and forms, in short, he must activate the bureaucracy. Help Enzo understand where to go, what forms to fill in, who to send them to, what documents to get etc.

This exercise allows you to perform a territorial analysis of the various types of aid that are available to those in this situation. They also learn about the reference bodies and what they do.

## **Exercise: Help Enzo plan his next steps**

Enzo lost his job, understood how to cope with the first economic difficulties but is very sad and depressed; feels useless. There is no peace and he feels full of anxiety and fear.

Try to help Enzo and give him ideas to face this period with the right serenity, trying to see this moment as an opportunity to change, improve, grow.

Find ideas that can help Enzo find serenity and a new impetus.

Help him understand that he has to work on himself.



This exercise that seems trivial is fundamental to bring about the change of point of view. Changing perspective in relation to job loss is the real change, the real step towards the future. We must help to reflect and look for reasons in a positive way.

## **Exercise: Help Enzo to complete his CV**

Today Enzo faces this new experience. Help him to establish the steps to start the active job search; Where to start and where to go. For example, carry out a search in employment agencies or centres for the use of the territory, search for a site or a person who can help Enzo to make and elaborate his CV, to identify new training opportunities or new job opportunities other than his. Create a document that can become a small manual, a vademecum.





## 8.8 Accident / Illness

### Didactic background and learning objectives

While we are young, thoughts about illness or accident seem pretty distant. When young families have children, that is usually the first time for them of thinking about family financial arrangements for future. Sometimes rational considerations about being old or ill are put aside and the “need” for living now is at first place. Therefore, it is important to give young adults guidance and point out on this issue, at least when they are crossing the age of 35.

It is therefore especially important to give certain guidance and to show the example of their parents or grandparents, that such circumstances might occur and should not lead to a financial disaster.

Our story introduces Ian and his family who is now 35 years old and working as a taxi driver, which is profession that might be sometimes dangerous. There will be several parts of this story.

After going through this module, the learner should be able to:

- Know how to deal with savings
- Know that it is good to have emergency fund and how big it should be
- Work on preventive measures and live healthy life
- Know how to choose life insurance and what is the most important coverage
- Know what to do when accident happens
- Know how to cope with long term illness in terms of financial coverage, but also emotionally.

**Accident / Illness**

**A story about**

**What we can learn from this story**  
This chapter will provide you with a story of a young driver Ian. He and his family are living well, but his job as taxi driver is demanding. We will find him and his wife thinking about what to do with their savings and what they need to do to secure an emergency fund. On the following pages we will learn about how difficult situation is to have accident or to be ill.

**Tags:** Insurance, Personal, Budgeting and planning, Savings and Investment, Basic Mathematics





## **Suggestions for trainers:**

As trainer, you should be aware that for most young people thoughts about being ill are very distant issues. Creating savings for pension or for emergency event are not common among them. Therefore, it is even more important to explain how important it is to have at least emergency fund and at a reasonable age to start saving for retirement. Therefore, we advise to split the session into several steps:

### **Exercise: Can Ian reasonably decide how to distribute his saved money?**

First, Ian has already saved some amount of money. He wants to renovate his bathroom. Participants should discuss two possible scenarios and find the best version which comes as close as possible to their own actual financial situation.

Scenario 1: Ian will spend all saved money on renovation.

Scenario 2: Ian will keep some amount as emergency fund.

The trainer explains the advantages and disadvantages of both decisions. To spend whole amount on renovation could be tempting, and even more when Ian's wife insists on exclusive design. But on the other hand, that situation will leave them with no reserve funds. To take a loan could be a risk, too. Participants discuss their opinions, what option they would choose if they were the ones to make the decision.

They should focus on the following questions:

- Does Ian have some other option?
- What is the responsible way of making decision for him and for the family?

Depending on the previous exercise, you as a trainer should establish discussion about the possible options where to keep emergency fund. In this case you should point at the most important elements and thus how quickly could participants access their savings/emergency fund.

### **Exercise: Where to keep the emergency fund?**

Depending on the previous exercise, participants will discuss where to keep the emergency fund. They should search for options on the Internet and discuss the outcome of the research. Trainer explains participants the most important terms associated with the decision and points at important step, going for advisor before the final decision should be made.

Scenario 1: Ian will keep money at home.

The trainer explains the advantages and disadvantages of keeping cash at home. The risks are obvious: danger of fire, danger of burglary, danger of using the money for something else because the amount is easily accessible.

Scenario 2: Ian will select a 3-year investment fund.

The trainer explains the terminology and participants discuss on the model situation of Ian,



advantages and disadvantages of this choice. Participants should be aware that using this fund is not convenient for being an emergency fund at the same time, accident will not wait 3 years.

Participants will calculate various alternatives using emergency fund calculators, such as

<https://www.moneyunder30.com/emergency-fund>

Scenario 3: Ian and his family will choose to keep money at high-yield savings account.

The trainer explains the terminology and advantages and disadvantages of this choice. Participants could discuss this option and search for any other options, which meet following conditions: easily accessible, secure, enter any value.

Since the financial situation of most participants will not allow to pay large sums, the option need to respond to this condition. Participants could also use the household calculator to customize decision for themselves.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

When an accident happens, it is especially hard time for the injured persons and for their family. The same applies when serious illness enters to the family. It can be expected that the sums available for such event could become frightening in no time. Participants learn that the need for emergency fund is present at any age.

Other than financial stability it is important to take care of their health and develop support of the family when something happens. This discussion is so important, that you as a trainer could invite a psychologist or health advisor to this part.

## **Exercise: How to live healthy and how to be as supportive as possible in the event of accident or illness?**

Participants have discussed possibilities for creating emergency fund. Now they should discuss two important life skills issues.

### 1: Live healthy.

The trainer and expert discuss the main attributes of healthy life with participant. Here it is good to point the possibility of “going green” alongside with healthy life and buying a local food if possible, or using as little waste materials as possible.

### 2: Be supportive in the difficult times.

Participant will ponder over after accident or illness circumstances. It is welcomed to invite an expert for this discussion. It should raise awareness about the topic and what difficulties it could bring to their lives. They could share the experiences, if having any and are willing to do that.



## 8.9 Making use of consumer rights

### Didactic background and learning objectives

The Consumer Rights Directive gives consumers the same strong rights across the EU. It aligns and harmonises national consumer rules, for example on the information consumers need to be given before they purchase something, and their right to cancel online purchases, wherever they shop in the EU.

The directive applies to all contracts concluded between a "consumer" and a "trader". Member States may not diverge from the directive by imposing more or less stringent provisions unless a specific possibility to deviate from its rules is provided in the directive itself.

**Making use of consumer rights**  
**A story about Andrea's and Robert's experiences**

In the past years, Andrea and Robert have faced several situations where their consumer rights have been challenged. Fortunately, the European Union has brought, in the past years, considerable ameliorations which fortify the positions of consumers against the traders. Therefore, many situations could be solved in favour of Andrea and Robert. The following story will tell you about this.

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The story gives information about several situations where consumer rights exist:

- Guarantee
- Delayed delivery
- Flight delay
- Illegal lengthy contract
- Full price
- Higher price because of nationality
- Right to internet access
- Right to online content
- Credit card fees
- Blocked credit card



- Insurance
- Withdrawal from purchase
- Withdrawal from credit contract
- Holiday problems

## **Suggestions for trainers:**

This chapter is a good opportunity to make participants aware of the beneficial influence which the European Union has on us - citizens. You could tell the learners how weak the position of the consumers had been before. Introduce also ecological aspects in the discussions.

## **Exercise: Who has already benefitted from the Consumer Rights Directive?**

Learners tell their experiences with guarantee, cancelled holidays or other experiences. Depending on the subjects, they can discuss in which way they have or should have reacted. If applicable, aspects of sustainability should also be discussed at that point, e.g. is it really necessary to buy a new equipment or could the old item be repaired?



## 8.10 Retirement

### Didactic background and learning objectives

Thinking about retirement today is becoming rather worrying. There are more and more alarming news about the risk that the new generations will never reach that goal or that if they do they will do so with a pension so small that they cannot guarantee an acceptable quality of life. For this reason, within the last few years the so-called supplementary pensions have been born and have increasingly developed, with the aim of rounding or replacing the pension. Entering this new perspective is however a difficult process like any change.

After going through this module, the learner should be able to:

- Know what the pension is
- Verify contributions
- Know what supplementary pension is
- Know how much he/she will get when he/she retires.



### Retirement

What will happen when we retire? How can we live on a retirement? What and how will our life be without wages but with a pension? The pension ... dream and reality! Let's learn how to make our pension a solid and safe reality to ensure a good life at the old age !!

#### What will we learn by this story?

- What the pension is
- To verify contributions
- Supplementary pension
- How much we will get when we retire?



### Suggestions for trainers:

The trainer must have knowledge of the subject as a starting point. You need to know what the pension system is and how it works. Only through knowledge of the system and the sustainability issues that are created the importance of an integrative pension system can be understood. Guide participants through knowledge and awareness of the importance of thinking about tomorrow. Set a different retirement vision that can also be analysed under the various opportunities that have been defined over the years.



## Exercise: Who can help Antonio find his way?

Help Antonio understand how to manage this new phase of his life.

Define what is meant by pension, how many types of pensions exist.

Make a brief report, also schematic, to make an overview of the meaning of retirement.

Then analyse the situation in your country.

How does the pension system work in your country, what are the rules?

This exercise allows you to view and get to know in a real and precise way what the pension system is and how it works. It is essential to understand what supplementary pension is used for and why it is created.

## Exercise: Help Antonio to find his way in the world of supplementary pension

After understanding the importance and the need for Antonio to have a supplementary pension, try to analyse the various types of existing supplementary pension.

Try to create a scheme in which you can identify the advantages and disadvantages of the various existing supplementary pension systems.

Take the table below as a model:

Type of supplementary pension	Plus	Minus
Abc.....	1- Abc..... 2- Abc.....	1- Abc..... 2- Abc.....

This exercise allows you to understand all the existing types of supplementary pension and also the advantages and disadvantages of each.

## Exercise: Help Antonio to calculate his supplementary pension. And while you're there try to calculate yours!

Now Antonio must understand how much and how to activate his supplementary pension. Try to help him calculate his pension with the available data. In order to live peacefully, Antonio must be able to get a supplementary pension of around €1,000. To date, the pension he would receive in 10 years is €870. Considering the regulations envisaged today, calculating that Antonio will retire in 10 years, try to calculate how much he will have to pay per month in order to receive an



additional pension of €130 per month in 10 years. Now try it yourself! Try to think how much of pension you could get if you started working today. Calculate roughly when and after how long you will retire. Try to understand how much you could get from a supplementary pension by starting to pay today?

You may use the additional pension calculator:

<https://www.teacherspensions.co.uk/members/calculators/flexibilities.aspx>





## 8.11 Getting a mobile phone

### Didactic background and learning objectives

Nowadays, we are all aware of the importance of being connected with your family, your friends, your community and the rest of the world. The most useful tool we have to do so is a mobile phone. The mobile phone allows us to access thousands and thousands of contents via Internet, keep in touch with your loved ones, capture and stream what you are living or think it's important, listen to music, and an infinite etcetera. It grants us autonomy and, since many social events are being held throughout it, it reduces our chances to feel excluded.

Hence, it is of paramount importance to guide our young ones through the purchase of a mobile phone, giving them recommendations and clarifications. Our story will introduce you to Lucas, a young man whose phone is broken. You will help him to decide which phone is more suitable for him and thus you will learn how to purchase one for yourself in the near future.

After going through this module, the learner should be able to:

- Be aware of the purchasing options to buy a device
- Know the main types of mobile phones that exist (low, medium and high range)
- Be informed about the main payment options and whether they are free or not (e.g.: company contract or prepaid cards)
- Be able to compare a range of devices to be sure to make a good choice.

**Getting a mobile phone**

Is your smartphone broken? Do you want to change it for a new device? In this module, our character Lucas is facing a similar situation. By discovering his story, you'll learn the most important aspects to take into account in order to make a secure and responsible purchase.

**What we learn by this story**

- Be aware of the purchasing options to buy a device
- Know the main types of mobile phones (low, medium, high range)
- Be informed about the main payment options and whether they are free or not (e.g.: company contract or prepaid cards)
- Be able to compare a range of devices to be sure to make a good choice.

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### Suggestions for trainers:

As a trainer, you should take into account that most young people don't take the financial aspects of their acquisition as serious as older persons do and this can lead to a wrong purchase. Consequently, it is important that they are explained all these concepts we present here.

**Exercise: Can you remember the advantages and disadvantages of a new mobile phone? And a**



## **second-hand mobile phone?**

This activity will allow us to compare these two types of mobile phones. Participants will have to drag the features that appear on the right side and place them in the blank spaces of the table.

After they have filled it, they will be able to engage in an open discussion about which one they think it's the best option. They should focus on the statements presented, but they are free to think about new ones and add them.

There are many various options when you buy a mobile phone, and here we present to you three, depending on the different costs that the purchase entails. Of all the three different options that participants can choose, there is only one correct for Lucas. Encourage participants to discuss the decision they have made and share their thoughts with the rest of the group.

## **Exercise: Can you help Lucas choosing the most suitable phone for him?**

Options 2 and 3: Wrong answers. Even though these options propose a fee discount, the annual cost would be more expensive as Lucas would have to pay a longer instalment payment until the end of the long-term contract (18 months).

Option 1: Correct answer. Buying the unlocked phone would be the most convenient and economical solution for Lucas.

Lastly, it is their turn to show what they have learnt.

## **Exercise: Which mobile phone would you buy?**

Participants are offered a chance to think carefully about their current options in order to buy a phone. They will have to show a wide range of skills that hopefully they have learnt such as:

- Calculating their budget.
- Identifying and choosing the mobile they would like.
- Searching for online stores, phone operators offering discounts and other selling unlocked phones and comparing costs.

In other words, they should choose the most appropriate purchase option for them.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>



## 8.12 Holidays

### Didactic background and learning objectives

Nowadays, a disturbing phenomenon of life on the run, pursuit of money and career is observed more and more often. And thus, people underestimate the need for rest. However, it is of great importance for maintaining physical and mental well-being. We need it. A holiday trip can be an excellent opportunity for such a rest. It requires though some reflection and preparation.

It is therefore especially important to give certain guidance and to show possible options so that the choice of the best holiday options for us will allow us to rest easy and not to spend a fortune.

Our story introduces Kate who plans her vacation. Her dream is to go to Thailand, but she has limited financial resources. The story leads her through several different travel options.

After going through this module, the learner should be able to:

- Point the benefits and disadvantages of travelling alone
- Describe the pros and cons of recreation in the country and abroad
- Indicate the advantages and disadvantages of organized and individual trips
- Describe the hazards / risks associated with travelling
- Search for tourist offers and compare their prices
- Plan his/her own tourist trip
- Construct a tourist trip budget.

At the end, we will also raise the awareness to “go green” and decide about alternative transport systems.

**Holidays**

Do you need a vacation? Of course you do!  
But how to choose the best holiday options and not spend a fortune?

**What will we learn by this story?**

- To indicate the benefits and disadvantages of travelling alone
- To describe the pros and cons of recreation in the country and abroad
- To indicate the benefits and disadvantages of organized and individual trips
- To describe the hazards / risks associated with travelling
- To search for tourist offers and compare their prices
- To plan our own tourist trip
- To construct a tourist trip budget (specify the rules for constructing a tourist trip budget)

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## **Suggestions for trainers:**

As trainer, you should be aware that recently more and more people, do not go on a vacation from various reasons. They underestimate the need of physical and mental rest. Therefore, at the beginning it is crucial to discuss with a group about the need of rest.

### **Exercise: Why is physical and mental rest important? How long should a vacation last?**

At the beginning participants may individually write down their ideas on a piece of paper. Then, participants should discuss these issues together.

Now the participants have awareness of the need of a relax and know the value of a good rest. Next step is to lead them to find their best ways to relax.

### **Exercise: How to rest?**

This activity focuses on recognizing one's ability to rest. The participant by filling in the form can check if he/she is really able to relax on vacation. He/she will find some tips on how to have relaxing holiday.

Afterwards, there should be an open discussion on the topics.

Link: [You may download the Activity from here!](#)

As a trainer, you should discuss various travel options. Participants should be aware of advantages and disadvantages of these options, as well as potential costs.

Participants should search for and compare the prices of various travel options.

### **Exercise: Search for and calculate.**

1. How much does 10-days organised trip (package holiday) in your country cost? Separately for 1 person and for 2 persons.
2. How much does 10-days self-organized trip in your country cost? Separately for 1 person and for 2 persons.
3. How much does 10-days organised trip (package holiday) to Croatia cost? Separately for 1 person and for 2 persons.
4. How much does 10-days self-organized trip to Croatia cost? Separately for 1 person and for 2 persons.
5. How much does 10-days organised trip (package holiday) to Thailand cost? Separately for



1 person and for 2 persons.

6. How much does 10-days self-organized trip to Thailand cost? Separately for 1 person and for 2 persons.

Getting back to the story of Kate, it is important to get know how much money she has for her dream holiday in Thailand.

### **Exercise: Can Kate afford to travel to Thailand at all?**

Kate can use one of the following budget calculations in order to get to know her financial potential: a monthly household budget or an annual household budget. This will give her an overview of her current situation and as a result Kate will see if she has any free money and if so, how much she has monthly or annually, depending on which calculator she chooses.

Then, she may check various possibilities to allocate her savings, because she knows that keeping money in cash will cause loss of its value. However, she has to remember that she might need this money in a short time. Kate may use an additional calculator for estimating her future profits. Additionally, Kate will get inter alia information how long it will take to save for her vacation. Will she be able to save until next summer?

As part of this exercise participants should focus on the following questions:

- Does Kate have any free money to be saved?
- What is the maximum amount of free money which is available per month?
- Where can she allocate her savings?
- How long would it take her to save for her dream vacation?

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

As a trainer, you should draw participants' attention to risks and hazards related to travelling.

### **Exercise: Am I aware of any risks related to travelling?**

In this exercise, participant should foresee the risks he/she may face when going on vacation, either with a tour operator or on their own.

At the beginning participants may individually write down their ideas on a piece of paper or use and fill in the form given. Then, participants should discuss these issues with each other.



## 8.13 Studying / supporting your children

### Didactic background and learning objectives

Education is important element in human life. It could give the person opportunity to reach the highest posts or to be respected. To gain at least basic education is a must, when a person wants to have a good job or to be a specialist in some field. Supporting a child's study is therefore an important role of parents. This includes emotional support and motivation, but also a financial support.

It is therefore especially important to give certain guidance and to show possible alternatives so that the study support will lead to a successful child on labour market.

Our story introduces the Filip family, married couple and their children, which are in decision making for their future education paths and parents facing their task to support them financially and also in emotional way.

After going through this module, the learner should be able to:

- Know how to choose the right study fund
- Ask critical questions before making the decision
- Teach children to be responsible and to like the process of study
- Help children to become independent as soon as possible
- Know the advantages and disadvantages of lower or higher education with connection to labour market.



MONEY & LIFE SKILLS

### Studying / supporting your children

#### A story about

**What we can learn from this story**

- This chapter will provide you with a story of a married couple and their children. Children are in the age when they're deciding about their education. Is this family ready to support them in their pursuits?
- We will find them considering their savings and their possibilities as a family.
- On the following pages we will learn about different approaches to the issue of supporting the studies from the parental point of view, but also from children's perspective.

**Tags:** Personal, Planning, Savings and Investment, Basic Mathematics

**Other:** Learning to be financially independent





## **Suggestions for trainers:**

As trainer, you should be aware that most young parents do not think about studying of their children. It is very important to explain to parents, that it is not enough to start saving when the child is 15 years old, as it might be too late to save required amount. Therefore, we advise to split the session into several steps:

### **Exercise: Can parents afford to create a study fund?**

First, participants need to find out how much money they have available. They need to check their household income. They will use calculator and discuss how much from the free money will go to savings for education.

Next step for participants is to choose the type of savings fund. Here, the trainer should initiate a discussion about possibilities and emphasize the importance of counselling with advisor.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

It can be expected that the sum available for studying will be not enough. As a trainer, you might point out several other possibilities how to gain the desired amount.

This is the right moment to discuss possible alternatives with the group. Depending on the location of school, additional study costs, travels etc. Trainer might suggest other models that could be considered.

### **Exercise: Research on the schools and institutions.**

Usually, schools and universities are organizing open days for those interested.

Firstly - participants are invited to attend such events and search for the financial support possibilities, offered by the schools. Either in terms of social study scholarship or scholarship for good grades, etc.

Secondly – participants will search for study support from local or national institutions, which offer study support for low-income parents for example.

With the task of supporting studying financially there is other also important task for parents connected: How to teach children to know the value of money? As a trainer you may focus on discussing different approaches with participants on the theme how to achieve this goal.

**Exercise: How to teach child the value of money?**

Participants will discuss their approach to children and how they could teach them to know financial management and responsibility, starting from now on. Trainer might suggest several possibilities.

For example: pocket money – responsible spending; discussing big purchases with a child – buying a notebook to note them down; finding a summer job; giving the child good example; etc.

As a trainer you might suggest a role play game, which will consider impact of the free finances on study field selection. The aim is to discuss various possible approaches.

**Exercise: Which school is the best choice for a child?**

The future parents or young parents are welcomed to try the role play game. One of the parents will play the child. He/she tries to think about possible attitudes of the child to the theme of choosing a school (secondary or university). The other parent represents himself/herself and his/her opinion (financial and supporting) on this issue.

After a round they can switch the roles. They could choose from two different scenarios.

Scenario 1: The child wants to be a pastry chef, but the parents suggest going for higher education

Scenario 2: The child wants to study on university, but the parents suggest studying in some craft sector

The trainer explains the advantages and disadvantages of graduating in craft sector in comparison to pursuing the higher education, from the financial point of view, but also from the view of possibilities on the labour market.

Additionally, participants might in the second part of the exercise discuss differences in vision of the children's paths and made research about opportunities on the labour market after graduating in particular work field.





## 8.14 Building your credit score

### Didactic background and learning objectives

Young people are often rather careless when it comes to money issues. They neglect payment dates and are not aware that this attitude not only becomes costly, because they have to pay penalty fees and overdraft interest as well as lawyer's fees, but that they risk a bad credit rating.

As a consequence, it can happen that they have to pay higher rates for credits and sometimes even for their mobile phones!

The aim of this chapter is therefore to raise their awareness of the existence of an invisible credit score system which includes not only banks but all businesses which are based on subscription rates.

Learners should also become aware that even in times of low savings interest rates, overdraft interests can be extremely high.

**Building your credit score**

**A story about George**

George applied for a loan from his bank. To his surprise, he was rejected. His bank advisor had discovered in the computer that George had paid some loan instalments at another bank years ago very late. What George was not aware of is that his unsuccessful new loan application is now also registered, which would become a major obstacle if he would try to get the loan at another bank.

George had never paid attention to build a good credit score!



### Suggestions for trainers:

If your learners have encountered financial difficulties, combine this chapter with chapter 15 (Seeking for help) and show your learners how to prioritise bills and which debts should be paid off at first.

**Exercise: A bad credit score has impact on interests**

Using the loan calculator, learners will experience the consequences of high overdraft interests. The difference between a “normal” credit rate and the rates which a person with low credit score has to pay can be tremendous.

Using the yearly household budget calculator, learners will develop two scenarios:

- what their situation will be while paying high interest rates
- how much money they will save if they have a good credit score – and what they can buy for this money



## 8.15 Seeking for help

### Didactic background and learning objectives

It is important to point out that debts cannot be neglected. Denying a difficult financial situation will only lead to more severe consequences. Therefore, it is important to know that there are organisations where we can obtain help. A debt counselling service has various tasks. It can help to reduce debts and prevent new debts arising from the situation that we cannot manage it on our own.

**Seeking for help**  
**A story about Paula**

The last year did not go so well for Paula. Due to the Corona virus, she lost her job in a souvenir shop which closed down because the breakdown of the tourism. Moreover, she terminated her relationship with her partner and had to find a new home. Although she rented a very small apartment, the costs are very high and she struggles with the money that she gets as unemployment benefit.

We hope that you will never experience such a situation. However, we will show you some ways how financial problems can be solved or how their impact can be reduced.

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### Suggestions for trainers:

For over-indebted persons, their financial situation is often also a heavy emotional burden. Family and friends are also sometimes affected. For this reason, the help of social pedagogues or social workers is often required. In this context, debt counselling has the following tasks:

- Psychosocial counselling and support
- Clarification of the debt situation and associated consequences
- Elimination of fears and feelings of guilt

### Exercise:

Take an inventory of your situation and precisely analyse your financial situation.

With the household calculator, draw up a budget plan. With this, you can keep a better overview of your expenses and can thus ensure that you do not spend more than you have available.



Discuss with your family or your friends ways to save money and changes of your purchasing behaviour.



## 8.16 Career changing

### Didactic background and learning objectives

Career change might be a big step in young adults' professional lives. It happens when person is not satisfied with his/her job, or, if person finds out that the current job is not evolving in the right direction (low salary, stuck in the same position). Under the term career change we will see a radical change of profession, for example from a bank clerk to a professional car mechanic. It is not just a typical transition from business to business in the same profession and related function, but it will at least be a major change in position in the sector.

It is therefore especially important to give certain guidance and to show possible alternatives so the change will end with success.

Our story introduces Susan considering to change her career from accountant to another path. There are several parts of the process.

After going through this module, the learner should be able to:

- Know how he/she needs to prepare personal finances for the new career
- Prepare the budget needed for career change
- Compare the pros and cons of career change
- Recognise his/her abilities and skills
- Ask him/herself critical questions before making the decision
- Know the advantages and disadvantages of chosen profession in terms of labour market

Finally, we will also raise the awareness to “go green” and decide for alternative possibilities when entrepreneurship (selling goods or services) is in question.

**Career changing**

**A story about**

**What we learn from this story**

- This chapter will provide you with a story of a young woman Susan. She wants to change her professional life.
- We will see her considering her possibilities and thinking how to actively prepare herself and her finances for a change.
- On the following pages we will learn about different approaches that will lead to the desired change.

**Tags:** Personal growth, Planning, Savings and Investment





## **Suggestions for trainers:**

As trainer, you should be aware that most young adults need to find free resources to build some financial safety before proceeding in the change of career. Also transfer of working sector requires some self-esteem and knowing our talents but also weak points. Therefore, it is even more important to explain that it is not enough to choose anything else except for old work position, it is important to know envisioned position from every side. We advise to split the session into several steps:

### **Exercise: Can Susan freely choose another career path?**

First, Susan has to find out how much money she has for career change. She needs to check her household plan, because she pays some monthly costs, which will still have to be paid. Has she got enough resources for that?

Participants should select a version which comes as close as possible to their own actual financial situation.

After they have filled figures into the table, they discuss their results. They should focus on the following questions:

- Are there any other possibilities to reduce spendings?
- What is the maximum amount which is available per month?
- Is it enough to have savings for financing the career change for 3, 6, 9 months?

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

Depending on the height of the monthly expenditure, the amount of money saved for career change must cover the spendings for several next months, if possible. The trainer might consider to invite a worker from the labour office, or job counsellor (expert), to discuss various scenarios.

### **Exercise: How much money does Susan need while changing the career?**

Participants will calculate various alternatives depending on the decision what profession they will choose. Therefore, participants will get an idea about the possible size of expenditures during the process of career change.

#### Scenario 1: Susan will become a bread baker.

The trainer explains the necessity of retraining, without it such a change is not possible (licence for work with food in this case). The participants should take into account the costs for such training courses and the time which will be required. They should add these amounts to their estimated living costs. If necessary, they should increase the money reserve with respect to the time required for retraining.



Participants also could discuss any other retraining needed for career change, and the way how to do that (evening courses alongside with current job; leaving the job and then participating in training; others).

Scenario 2: Susan will run her own business – start a coffee shop.

The trainer explains the advantages and disadvantages of such decision. Running own business is not easy, so trainer should point on that. Participants need to add into living costs estimated expenses for starting own business. There is also option of taking a loan for the start. This discussion should also include environmental aspects, thus in coffee shops there are usually disposable coffee cups for take away coffees, but other possibility is to use the compostable cups.

Participants will calculate various alternatives and discuss possible ways of fulfilling the decision and be “green” alongside with pursuing their dream job.

In addition to the financial preparation, as a trainer, you might help participants to discover their personal abilities. Young adults have enormous possibilities which path to choose, especially if they do not have family. Depending on the group, you can invite participants to present their abilities from assessment list and try to find job accordingly.

**Exercise: Does Susan know what kind of work she is good at?**

Participants discuss the issue of future job and search for what they are good at. They will need their assessment list from the exercise for self-learning and in the group, they will discuss possible jobs for each of them.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>



## 8.17 Wardrobe

### Didactic background and learning objectives

Sometimes out of an internal need, and sometimes out of necessity, you have to think about refreshing your wardrobe. There are situations in life, such as the first job, a new position, a company meeting or another official event, which just require the necessity to change and / or supplement the wardrobe. For most people, this process is associated primarily, if not exclusively, with the purchase of new clothes and accessories, and thus with high costs. On the other hand, the widely promoted attitudes of being environmentally friendly more and more often require thoughtful purchases from consumers. At the same time, it turns out that we have too little space to keep all these things. It is not known what to do with those clothes that are no longer used, too small, too large, slightly damaged or unfashionable in our opinion. As well a “responsible fashion” trend gives us some hints how to responsibly manage our wardrobe, e.g. instead of buying new clothes, go to second hand for used one, repair those damaged, modify those which don’t fit or swap.

It is therefore important to give certain guidance and to show possible options of refreshing wardrobe so that the need of changing clothes will be adjusted to our financial capabilities.

Our story introduces Alice who has just got an internship as a secretary in a large enterprise. The company has an official dress code. Unfortunately, Alice’s wardrobe is rather poor and not suitable. She needs to change her clothes, but she has to be careful with money. The story leads her through several options to choose from.

After going through this module, the learner should be able to:

- Know the possibilities of buying clothes at a great price
- Know options to refresh his/her wardrobe with a tight budget
- Indicate the positive and negative aspects of various options to refresh his/her wardrobe
- Search for and compare the prices of various wardrobe items in order to make a proper purchase decision
- Search for and compare the prices of clothing alterations and repairs
- Describe the rules of shopping
- Describe the risks that occur when shopping.

Finally, we will also raise the awareness to “go green” and point various eco-friendly options of changing or renewing the clothes.





**Wardrobe**

Do you want to make some changes in your wardrobe but you don't want to spend a lot of money? Mission impossible? Not at all!

**What will we learn by this story?**

- the possibilities of buying clothes at a great price
- the available options and shopping locations
- the rules of shopping
- the risks that occur when shopping
- the positive and negative aspects of shopping in various places

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## Suggestions for trainers:

As a trainer, you should guide participants through the process of refreshing his/her wardrobe. Even though for lots of people it might be a pleasant and easy task, there are many aspects that we need to take into account if we want to make a reasonable and eco-friendly purchase.

At first, it is important to know possible options to refresh our wardrobe. Participants should be aware of pros and cons of these options, as well as sample prices.

**Exercise: Can you remember some of the advantages and disadvantages of various options to refresh wardrobe, e.g. shopping at sales, second hand shopping, exchange of clothes and repairing or altering clothes?**

In this exercise participants should indicate 3-4 positive and 3-4 negative aspects of various options to refresh their wardrobes after having read all the previous information that was presented to them. The participants can work in small groups.

Except the options mentioned in training materials it is worth to talk with a group if they see any other ways of refreshing their wardrobes (e.g. to make the clothes or accessories themselves).

Nowadays, more and more websites are used to buy clothes and accessories, whether new or used, or to swap clothes and other accessories.

## Exercise: Search for and write down:

- a) names of at least 5 the most popular e-commerce platforms for buying new clothes.
- b) names of at least 5 the most popular e-commerce platforms for buying and selling used



clothes.

- c) names of at least 4 of the most popular swapping websites.

Now it is a good opportunity to make participants aware of the importance of thinking about natural environment when changing/completing/refreshing wardrobe. As a trainer, you should lead a discussion on the environmental impact of clothing production and possible eco-friendly solutions. At this moment it is worth mentioning a trend so-called “responsible fashion” (social and environmental standards must be respected throughout the entire clothing production process).

Next step is to show participants that second-hand shopping is one of such solutions, at the same time being a low-cost way of refreshing wardrobe.

### **Exercise: How to start second-hand shopping?**

In this exercise, the participant will check the second-hand shops availability, their offer and he/she will search for prices of various items in order to make a proper purchase decision.

As well as other options reparation and modification of clothes should be mentioned.

### **Exercise: Check and compare the prices**

In this exercise, the participant will search for and compare the offers of professionals who can repair, modify, give a “new life” to their (old or used) clothes.

The trainer should discuss the most common mistakes made while shopping clothes.



## 8.18 Caring for elderly relatives

### Didactic background and learning objectives

Throughout our life, we will see how our needs change with time, and so, the ones we have now are quite different from the ones people over 70 years old have. Many of us will encounter a difficult situation where a decision about one of our elderly relatives will have to be made. This will be a responsibility we need to be prepared for since some of them will have some trouble to accept these new necessities they have. It is important to know that, apart from this practical and economical decision we will have to make, they will also need moral and social support from us to make this new chapter of their lives more pleasant given the circumstances. They have been taking care of us our whole life, it is time we give them back.

Here, you will learn about Antonio, a 77 year-old retired taxi driver who has lived alone since his wife passed away three years ago, and his son Luis, who is in a sea of doubts regarding his father's care. What kind of help does his father need? Can he live alone? Should it be necessary to adapt the house he lives in? Should he come to live with Luis?

After going through this module, the learner should be able to:

- Know how to plan these issues and know the resources we may need to ensure the care and well-being that is required
- Know how to plan caring and the available options
- Be aware of the economic and labour aspects to plan these issues
- Compare the main care modalities (inside or outside home)
- Know the average cost of caring services.



### Caring for elderly relatives

Have you ever considered what will happen when you get older? Do you think you will need care? And your loved ones? Most of us can be caregivers at some point in our lives. This means caring for and taking care of our relatives in tasks such as accompanying them to medical consultations, doing grocery shopping, doing a follow up of legal and financial matters and helping with daily medication.

#### In this module you will learn :

- How to plan caring and know the available options
- How to plan these issues and know the resources we may need to ensure the care and well-being that is required.
- Be aware of the economic and labour aspects to plan these issues
- Compare the main care modalities (inside or outside home)
- Know the average cost of caring services.





## **Suggestions for trainers:**

As a trainer, you may find that young people do not seem keen on caring for their elder relatives, since it is something they consider should not be their responsibility. Changing their minds and making them care about this issue will be the first step of this training. Then, we will be able to get into the details of the matter.

### **Exercise: In the case of Antonio, do you think he needs to go to a specialized care home or can he stay longer at his own house?**

This is a tricky question, since it is the most important one and the one that will serve us to dig further into the matter. Participants will have to ponder about Antonio's list of needs and caring timetable and his socioeconomic situation, does he need a specialized care home and can he afford one? The correct answer is that Antonio does not need to go to a specialized care home and he can stay a little bit longer at his own house.

To apply this to other cases, participants can work in pairs and do a little role play. One of them will be an old person and has to detail their situation so that the other person can decide if they need to be at home or need to go to a specialized centre. This role playing will continue throughout the following exercises of this module.

Next thing they should learn about are the various kinds of services we can acquire for our elder relatives and their average cost. Initially, our following exercise will require participants to differentiate all of them and select the one that is most appropriate.

### **Exercise: Do you think you can differentiate all caring services that are available?**

After learning about all the specific services, first, participants will have to match the correct definition with the correct term. Afterwards they will find a second task that will require them to do the same in the case of Antonio.

Once again, and working in pairs, they can continue the role play. This time they will have to think about the most suitable service for both the cases they thought about.

Now, we present them a list of services and the average cost. This can be the most difficult task, since it requires planning and reflection.

### **Exercise: Can you adapt all this information to someone close to you?**

We encourage participants to make a plan of care for someone relative to them or to use the make-up case they thought about in the previous exercises.

They should make a list of needs and resources and calculate the cost of the main services that they would require after revising the sections 'Needs and cares timetable' and 'Cost of services'.



This exercise will help them to get in touch with the most realistic aspect of the issue, and make them realise all the little details they need to take into account before making a decision.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>



## 8.19 Savings

### Didactic background and learning objectives

The lack of awareness of the need to save among young persons is still a big problem. In addition, overwhelming consumerism, low salaries, the possibility of buying in instalments, the availability of credit cards, or the ease of obtaining loans on preferential terms significantly complicate the process of raising awareness of the need to save.

It is therefore important to explain to young people why it is worth saving and how to do it.

Having savings provides you with peace of mind, a sense of security and psychological comfort. Then we are not afraid of unforeseen expenses or temporary loss of income caused by various factors (e.g. job loss, accident, illness). These sudden, unexpected life situations often carry emotional, mental and health burden. Having some savings, in such situations you will not have to worry about how you will survive the next months. It will therefore be possible to focus on other important aspects of these circumstances that have arisen.

Once you manage to save for unexpected expenses, it is also worth thinking about you and your loved ones' future in the long term and secure it financially.

Saving is a skilful and thoughtful management of your own finances.

It is therefore especially important to give certain guidance and to indicate particular steps to start and accumulate your savings in order to ensure financial security.

Our story introduces Peter and Anna, who are a married couple. Peter would like to protect himself and his family against sudden, unplanned expenses. Peter knows that he should be prepared for various unexpected situations. Some situations can be predicted, you can protect yourself from them, but sometimes things just happen. With this in mind, Peter wonders how to prepare for unexpected life situations and ensure a safe future for his family. He has concluded that having some savings could provide him with peace of mind. The story leads him through several aspects of starting and accumulating his savings.

After going through this module, the learner should be able to:

- Know why saving money is important
- Know how to start saving
- Describe the 50/20/30 budget rule
- Construct a savings plan
- Describe why someone needs an emergency fund
- Indicate short-term savings products
- Indicate long-term savings products
- Prepare himself/herself for financial consequences of unexpected life situations



- Know tips to start saving money.

**Savings**

Do you want to save some money? Are you afraid about your financial future? It is time to start saving and investing!

**What will we learn by this story?**

- Why is saving money important
- How to save
- What is the 50/20/30 budget rule
- How to construct a savings plan
- Why do you need an emergency fund
- What are short-term savings products
- What are long-term savings products
- Tips to start saving money

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## Suggestions for trainers:

The subject demands explanation of various aspects. Therefore, the session divided into few parts.

Start with explaining what saving and investing mean.

Next, encourage the participants to take part in a following activity.

### Exercise: The importance of regular saving

- Why do people not save?
- Why should people save their money?
- Is it difficult to save money?
- How to start saving?

Participants should discuss these issues.

Getting back to the story of Peter and Anna, it is important to get to know their family expenses and incomes and see if they have any free resources.

### Exercise: How much money are Peter and Anna able to set aside?

Peter can use a HOUSEHOLD BUDGET calculation in order to get to know his family financial potential. This will give him an overview of his family current situation and as a result he will see if



he has any free money and if so, how much they have monthly and/or annually. It will help Peter and Anna to decide on the right amount of savings. It is important to determine what Peter and Anna need and what they want.

As part of this exercise participants should focus on the following questions:

- Do Peter and Anna have any free money to be saved?
- What is the maximum amount of free money which is available per month?
- Is there a proper amount of savings to have according to you?

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

At this point, as a trainer, you should open the discussion on possible ways of allocating savings.

### **Exercise: Where can Peter and Anna allocate their savings?**

- Where is it possible to keep savings?
- What are the advantages and disadvantages of these options?

Participants should discuss these issues.

As a trainer, you should show why it is important to start saving at a young age by presenting how the same amount of regular savings at different starting points in time can result in a difference in the amount accumulated at retirement age.

Participant should get to know what saving goals mean.

### **Exercise: What is Peter and Anna's saving plan?**

Peter and Anna check various possibilities of allocating their savings, because they know that keeping money in cash will cause loss of its value. They determined saving goals of their family. They want to have some amount of money within short-term emergency fund which should be easily accessible. They want to start saving for childbirth, as well as for a bigger car. They consider few options. They want to compare it by estimating the future value of their savings. They would like to see what it will look like when they add money at various frequencies. Should they pay any tax on savings? How much interest can they earn? What will happen if they withdraw some amount of money?

As part of this exercise participants should focus on:

- understanding saving goals
- possible options of allocating savings taking into account someone's saving goals
- factors which determine the future value of savings

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>





The meaning of investing money into saving instruments that offer compound interest should also be explained to participants. It might be done by presenting how the same amount of initial savings can lead to a large difference in accumulated savings under compound interest as compared with simple interest.

### **Exercise: How to calculate interest?**

In this activity, the participant will get acquainted with the formulas to calculate simple interest and compound interest when depositing money, borrowing money or lending money.

When talking about savings it must be mentioned that saving is not only accumulating money in a safe place, but also reducing expenses, as well as seeking for new income for the household budget.

### **Exercise: Where to look for savings?**

First, participants should discuss the ways of spending less money in general. Then they should think what they can do in their private lives to look for savings.



## 8.20 The value of pet

### Didactic background and learning objectives

In today's society, the presence of an animal in the house continues to be important, but in comparison to the past it has more precise and serious regulations and rules. It is for the reason that today it is necessary to make an assessment also in economic and expenditure terms which entails the purchase of an animal and care of it. Regardless of the type of animal chosen, some expenses remain fixed and affect the finances of a person and a family. Linked to the choice of the pet, an important scenario opened up linked to the ethics of the place in which to buy the pet. Let's predict and analyse together the most common choice of pet: THE DOG.

After going through this module, the learner should be able to:

- Know if he/she is ready for a pet
- Choose the right pet
- Understand the cost to care for a pet
- Know the true value of a pet

**MONETARY LIFE SKILLS**

### The value of pet

Sometimes the presence of the animal can help us fight with loneliness.  
The most often the dogs are chosen as companions.  
But what does it really mean to welcome an animal to our house?  
What treatments and costs does it entail?  
It is necessary to make a consideration first in order not to experience any unpleasant situations.

**What will we learn by this story?**

- Are you ready for a pet?
- Choosing the right pet
- How much does it cost to have a pet?
- The true value of a pet

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### Suggestions for trainers:

It is important for the trainer to underline two different but equally important aspects of the topic, that is, the ethical aspect, linked to where to take a dog from (e.g. dog shelter or breeding, purebred dog or not...) and the importance of the time necessary for its care, as well as the other aspects linked to the economic aspect - veterinarian care, food etc. The evaluation of both leads to a conscious choice.



## **Exercise: Help Giulio choose his dog.**

Giulio lives alone and works 8 hours a day, every day from Monday to Friday.

It also takes about an hour to go and an hour to return from work. Of course, it could also be that Giulio will work some days in home office, but he cannot be sure about that.

He lives in a small rented apartment which however has a communal garden and a small terrace. Giulio has started working recently so he doesn't have a very high salary.

Analyse all the elements you have available and define what type of dog Giulio should take and where he should go to get it.

Motivate your answers with concrete and real examples.

This exercise allows you to understand the importance of buying a dog.

Both on the moral level of commitment of time and energy and the choice of an appropriate place to keep it.

This analysis allows a greater awareness on the topic and gives you food for thought.

## **Exercise: How much your dog will cost you?**

Try to hypothesize all the expenses that may concern a dog, try to make a list (veterinarian, vaccinations, food, etc.)

To help yourself try to talk to someone who has dogs or to a vet.

You will find out by talking to them about many expenses that you didn't know about or didn't think were so important, such as collars and flea products etc.

Through this exercise you will be able to see how much money is needed to take care of an animal.

## **Exercise: Now try to imagine that you are Giulio.**

Take as reference the type of dog you chose in the first exercise for Giulio.

Now simulate the expenses he will face in the coming year.

Complete the following table

expense categories	cost per month	expenses per year
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		€	€	
		€	€	
		€	€	

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>



## 8.21 Organizing expenses / household

### Didactic background and learning objectives

Knowing how to manage the economic resources of a family is a very complex but fundamental activity in order to be able to live peacefully and be able to afford to do or buy things that if not planned could not be. The management of a family budget is comparable without half measures to the management of the budget of a small company. It is necessary to make forecasts, investment choices and precisely calculate all the expenses or costs related to people or goods. Life has always placed us in front of unexpected events, which may be small, e.g. the breakdown of a small household device, but unfortunately in most cases they are significant, breakdown of some machine, unexpected medical expenses (e.g. glasses or orthodontic appliance) etc. These are all apparently trivial things, but what happens when we don't plan? When for example we spent a lot on a holiday and has just come back, to find our car or the washing machine broken? We are in difficulty and many times to cope with these unexpected events we are forced into debt, to ask for loans or to make yet another renunciation.

In our story we show you the case of Valentina and Riccardo, young couple with two small children, struggling with the accounts to make ends meet and the desire to put aside something for the future or just to live more calmly.

After going through this module, the learner should be able to:

- Learn from his/her lesson: how much did he/she spend during the last 12 months
- Know how to build a family budget
- Plan future expenses
- Understand that savings = responsible economy

At the end of the path, we will be empowered to understand not only how to manage our money but how to adopt the model of a responsible economy.



**How to manage your family budget?**

Do you have any problems with making ends meet? Are you not able to you save any money or to get to the end of the month? Would you like to learn how to better use your money? In this module, our characters Valentina and Riccardo are facing a similar situation. By getting to know their story, you'll learn the most important aspects necessary to take into account in order to manage your family budget in a secure and responsible way.

**What will we learn with this story?**

- To learn your lessons: how much did you spend during the last 12 months?
- How to build a family budget?
- To plan future expenses
- Savings = responsible economy

## Suggestions for trainers:

As a trainer, you must keep in mind that the difficulty of today's young people is to wait for something today that perhaps in the future they would have. They tend to make sacrifices for something they see, for something that is tangible. They tend to ignore or consider unexpected events, problems or situations that could arise in the future as something far from them. During the course it is important to make them used to thinking about future in a pragmatic way and underlining that at any moment everything can change.

## Exercise: Try to create your family budget

This exercise can be done alone or in pairs. Pretend you are Valentina or Riccardo

Gather all the information you can to build your family budget. Collect invoices, bills, etc. divide it by items of expenditure and enter the total of the year or its projection in the Column below.

ATTENTION: YOUR REFERENCE SHOULD BE AS REAL AS POSSIBLE

After trying to predict how much you could save start to assume what your budget for the next year will be

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

With this exercise you can view how much money you have and how much you spend. It is very useful for realizing how much is spent annually on needs and goods that are not necessary but they are just accessories.



It is important to realize how much money is spent and what it is spent for.

## **Exercise: Try handling an unforeseen event**

Imagine that Valentina and Riccardo are respecting their spending forecast to the letter, and every month they manage to stay within the margins and save money to buy the new TV, which reflects the new technology (5g otherwise the TV could not be watched if not with the support of a decoder costing €125.00). They hypothesized to spend €700-800.00 and save another €200.00 for unforeseen events or to set them aside in their pension plans.

However, a letter arrives from the living estate administrator in which they are informed that the reconstruction work of a wall is necessary, due to a bad weather they have been anticipated and that for their family the cost is €945.00 to be paid by June of the following year.

Please help them to settle the accounts!!! Give a short report explaining to them how they could solve the problem. Find their budget attached.

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>

After this exercise it is possible to understand how important it is to manage the budget in a responsible way and define how much must be kept as a safety budget. Furthermore, it can be reasoned and it can be a starting point to understand in which areas and in which budget items it is possible to limit or reduce them.

## **Exercise: Help someone make their family budget**

As you have seen at Valentina's and Riccardo's case and as you did yourself, preparing that kind of budget is not easy.

Starting with some data and information below, try to build an expense budget. Take these figures and add all other expenses (food, health, travel etc.) according to your own estimation:

- Annual salary around €23-24,000
- Housewife who goes to the gym twice a week, spends about €60 per month
- 7 year old son who goes to dance lessons three times a week. The lessons cost €120 per month
- 65m<sup>2</sup> owned apartment with a monthly payment of €535
- TV payment €30 per month

Link for the calculator to this exercise:

<https://training.moneylifeskills.eu/calc/index.php?localize=en>



## 8.22 Investments

### Didactic background and learning objectives

For young people who struggle with their income, investment may seem an unnecessary luxury. However, their awareness should be directed also to this sector.

Learners should know the basic rules for investing, become aware of the difference between saving and investing, which questions to ask before investing money and the various money investment options and their risks.

Investment is not only about money. At the end of this course, this programme draws the learners' attention to non-financial issues and to understand why it is even more important to invest into one's life, education, health, reliable and trustworthy friendships, and relationship.

**Investments**

Young people who struggle with their income, investment may seem an unnecessary luxury. But it makes sense to go through this module!

**What we learn by this story**

- The difference between saving and investing
- Which questions to ask before investing money
- The basic rules for investing
- The various money investment options and their risks
- Why it is even important to invest into one's life and what this means



### Exercise:

Discuss with your friends or your family: what's the point of saving or investing money if your body and your personal environment are not ok? Fitness and finance go hand and hand! Your mindset is the most critical element to success in both the fitness world and your personal investment decisions.





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