

Topic 2 Activities

The personal life cycle

Activity 2.1

Activity type	Group/Individual
Link to study text	2.1
Learning outcome	LO2
<p>Identify four people, either friends or family, and state what stage of the life cycle they are at and how you think this might affect their relationship with money.</p> <p>For example, how do they get it, how do they spend it, can they borrow it, can they save it?</p> <p>Try to pick people who are at different stages of the life cycle.</p>	

Activity 2.2

Activity type	Individual/Group
Link to study text	2.1
Learning outcome	LO2
<p>Go to www.youtube.com/ and search for 'Lloyds TSB adverts'. View two or three of these and then answer the following questions:</p> <ul style="list-style-type: none">• How did Lloyds TSB use its knowledge of the personal life cycle in its adverts?• Which of the adverts is your favourite and why?	

Activity 2.3

Activity type	Group/Individual
Link to study text	2.2
Learning outcome	LO2

Read the following case studies.



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Ajay

Ajay gets an allowance of £15 a week from his parents. He has agreed with his parents that he will use this money to pay for his bus fares to town every Saturday, magazines, fashion clothes and any snacks that he wants on the way home from school. His parents provide everything else. Ajay would like some new headphones for his PC, but he knows that they will cost a lot of money. He hasn't got any savings.

Lauren



Lauren gets an allowance of £15 too and her parents prefer to give her a lift to town, because it is safer. Lauren has a Saturday job in a clothes store earning minimum wage for the day. She also gets great discounts on clothes and she tends to buy some new clothes every week. She buys her own lunch when she is at work. Lauren likes going to the cinema most Saturday nights with her friends. Her mum usually gives her some money for a pizza beforehand.

Lauren would like new hair straighteners. She'll probably buy them next week, because she has money saved. She'd like to go to art college when she leaves school.

Now answer the following questions:

- What are the expenses for which Ajay and Lauren pay at the moment?
- Who takes responsibility for providing other items that these friends need or want?

- How are these financial responsibilities likely to change over the next few years?

Activity 2.4

Activity type	Group/Individual
Link to study text	2.3
Learning outcome	LO2

Review the characters provided in the Activity 2.4 case studies and then complete the table on the Activity 2.4 resource sheet.

Activity 2.4 case studies

Bill	Bill celebrated his 17th birthday last week. He is still at school and lives with his foster family. Bill wants to go to university to read mechanical engineering next year. His foster family will not be able to help him financially, so Bill has a part-time job with a supermarket. He is saving but he also pays his foster mum money towards the household bills. He also enjoys going to the cinema.
Claire	Claire, aged 22, joined the accountancy firm where she works straight from school at 18. The firm sponsored her to get her professional exams and she has just qualified. She is hoping to get promoted soon. She is planning to get married next year. Her fiancé, Chas, is also working full time. They are both saving for the wedding. They are renting separate flats now and plan to rent together for a few years after they get married. They plan to buy a flat of their own as soon as they can. They would like to start a family in the next three years.
Frank	Frank was 42 when he was made redundant last year. He has tried to find another job as a welder but has been unsuccessful, so he is now on benefits while he retrain as a plumber. His wife, Adriana (37), works in a shop and has been able to get extra hours over the last year. This has helped them financially, especially with paying the rent, but money is very tight. Frank has an overdraft but he has almost reached the limit that he can borrow. Frank and Adriana have three children who are all at school.

Gail and Jack	Gail and her husband Jack are both in their 80s. They have four children, eleven grandchildren and two great-grandchildren. They rely on the state pension and a few savings for their income. Their children help them to pay some of the household bills. They spend much of their time with their great-grandchildren. They also enjoy dancing, watching DVDs and going to the local over-60s club.
Kendrah	Kendrah is 4 years old and lives with her parents. She has aunts, uncles and grandparents living in different towns around the country. Her relatives give her money every birthday and Christmas. Her parents opened a savings account for her when she was born. They put some of the money her relatives give her into this account. They also give her pocket money every week, which she spends on comics and chocolate biscuits.
Mike	Mike, aged 19, left school last year. He is claiming Jobseeker's Allowance while he looks for a job locally. His mum is glad to have him at home and is paying him an allowance so he can go out with his friends. Mike is starting to look further away for a job. He knows this will mean leaving home. He hopes to buy a moped when he gets a job.
Preecha	Preecha, aged 61, is a retired businessman who is living off his private pension. He lives alone in his own flat. He paid off the mortgage a couple of years ago. As he has also paid off his car loan, so he has no debts. He wants to get an allotment so that he can grow some of his own food. He is also interested in researching his family tree. Next year, he wants to visit his cousins in Thailand for a couple of months. He is putting some money aside every month in a high-interest account for this trip. He has a large family and wants to make sure they share his assets after his death.

Activity 2.4 resource sheet

Character	Current life stage	Potential life events in near future	Income	Spending	Saving	Borrowing
Bill						
Claire						
Frank						
Gail and Jack						
Kendrah						
Mike						
Preecha						

Activity 2.5

Activity type	Group/Individual
Link to study text	2.3-2.5
Learning outcome	LO2
<p>Read the Activity 2.5 case study on Betty and Stan and then complete the following:</p> <ol style="list-style-type: none"> 1) Turn an A4 sheet sideways and draw a line that represents Betty's life from one side to the other. Use the details of Betty's life given in the case study to mark the different events on her lifeline. 2) Compare the life that you have led and intend to lead with the life that Betty has led. What social trends and changes will enable your life to be different from hers? 3) What risks do you think concern Betty and Stan the most? Compare these worries with the worries that someone of your age has. 	

Activity 2.5 case study: Betty and Stan

Betty is in her 80s. She was born on 7 September 1935. She was the youngest of a family of 13 children who all lived in a three-bedroom house. Her dad worked in the local factory and her mum took in washing.

Betty started school when she was 5 years old and left when she was aged 15. When she was aged 12, she started working for a local dressmaker in the evenings and at the weekend. She was allowed to keep half of what she earned – a few pennies a week.

When Betty turned 15, she got a full-time job at the local department store in the haberdashery department. She still lived at home and gave her mum most of what she earned to help to feed the family.

When she was aged 18, Betty met Stanley. Stan worked in the factory with her father and played in the works' football team. Betty and Stan courted for two years, and then got married. They moved into their own home near to Betty's parents' home.

Betty left the department store when their first child was born. Betty was aged 21 then.

She continued to do dressmaking privately, so that she and Stan could afford a holiday at the seaside every year. They had three children: Anne, Patrick and James. All of the children went to the local school and all went to college. Betty was very proud that she and Stan could afford to help the children to pay their living expenses at college.

When Betty was 44 years old, her daughter, Anne, got married. Betty and Stan paid for the wedding and helped the newlyweds to buy furniture for their new home. By then, all of the children had left home.

When Betty was 46, she and Stan took their first holiday abroad. Betty had always wanted a car of her own. Her children bought her one for her 50th birthday.

Stan retired when Betty was aged 63. Now, Betty and Stan live at the Sunny View retirement home. They enjoy playing bowls and spoiling their grandchildren.

Activity 2.6

Activity type	Individual/Group
Link to study text	2.5
Learning outcome	LO2
<p>Which of the following are external influences that can affect someone's life cycle? External influences are events over which someone has no control – events that happen to them, not choices that they make themselves.</p> <ol style="list-style-type: none"> 1. Being made redundant and so losing your income. 2. Interest rates going up and making it much more difficult to repay debts. 3. Getting married and setting up a home with your partner. 4. An economic recession which means your employer reduces your pay. 5. Buying a car to drive to work. 6. Choosing to rent a home rather than buying one. 7. The government cutting the benefits that you rely on. 8. Society changing its attitudes to working in 'retirement', so that it is now easier to find work when you are over state pension age. 9. Working part-time so you can look after family members. 10. Saving for a holiday next summer. 	

Activity 2.7

Activity type	Individual/Group
Link to study text	2.5
Learning outcome	LO2
<p>Watch the video on the following webpage, which explores what life was like in Britain in the 1950s and 1960s when there was a period of great economic and social change: https://www.bbc.co.uk/bitesize/clips/zmp8mp3</p> <p>Based on what you've found out, how did the socio-economic changes make a difference to people's lifestyles, spending power and health compared with before the war?</p>	

Activity 2.8

Activity type	Group/Individual
Link to study text	2.5
Learning outcome	LO2
<p>Families who own their own home feel better off financially when the price of their home rises. They argue that they can sell their home to pay off their debts if necessary. House prices can fall as well as rise, however, and it can take many months to sell a home.</p> <p>How do you think this uncertainty in house price movements has influenced families' decisions on how much money they spend, what they spend it on and how they pay for it (such as deciding whether to use borrowing products)?</p>	

Activity 2.9

Activity type	Group/Individual
Link to study text	2.5
Learning outcome	LO2
<p>Recessions can affect everyone in the economy. Here is a selection of articles about the credit crunch of 2008. Review them and then answer the questions that follow:</p> <p>https://www.theguardian.com/business/2012/aug/09/financial-crisis-anniversary-trust-in-banks</p> <p>https://www.mirror.co.uk/news/uk-news/apprentice-legend-sir-alan-sugar-346893</p> <p>http://news.bbc.co.uk/1/hi/school_report/7771375.stm</p> <p>Before this recession, people were able to borrow money to pay for items such as holidays, because of the readily available credit at low cost, attitudes to borrowing, desire for leisure activities, perception that income increases over time, etc.</p> <ul style="list-style-type: none"> • Bearing in mind what you have read, how do you think this social trend has changed now that the UK's economy has experienced a recession? • How do you think a recession would affect you personally, if at all? • How do you think the possibility of further recessions will affect you in the future, if at all? 	

Activity 2.10

Activity type	Group/Individual
Link to study text	2.5
Learning outcome	LO2
<p>Take a look at the following article, which focuses on the causes of the London riots of 2011:</p> <p>https://www.economywatch.com/economy-business-and-finance-news/anarchy-in-the-uk-the-socio-economic-factors-behind-the-london-riots.19-08.html?page=full</p> <p>Debate/reflect on what you would have done if you were in charge. How would you have dealt with the socio-economic issues that were affecting the population in 2011?</p> <p>You can focus on just one aspect of the population, such as young people, or you could look at each of the life cycle stages.</p>	

Activity 2.11

Activity type	Group/Individual
Link to study text	2.3–2.5
Learning outcome	LO2
<p>How many words or phrases about changes in the personal life cycle can you find in the Activity 2.11 wordsearch puzzle?</p> <p>If you find any that you are not sure you understand, go back to your study text to double check their meaning.</p>	

Activity 2.11 Wordsearch puzzle

L	K	C	R	E	T	I	R	E	M	E	N	T	P	L
B	I	S	J	K	B	N	I	T	F	J	H	A	J	F
D	Y	F	M	S	O	C	I	A	L	T	E	Z	D	M
F	W	Y	E	D	U	C	A	T	I	O	N	D	C	X
A	K	A	G	E	O	V	Q	S	K	W	P	J	V	F
M	F	L	P	A	X	F	I	E	R	A	F	L	E	W
I	S	Y	S	L	V	P	L	C	G	S	K	M	J	E
L	C	H	Y	U	Q	P	E	L	N	C	F	L	S	M
Y	E	C	O	N	O	M	I	C	A	R	E	E	R	O
C	F	Q	U	T	T	K	Y	I	T	P	Q	H	I	B
H	W	J	R	Y	I	T	G	A	P	A	G	B	P	I
A	D	L	M	I	G	R	A	T	I	O	N	C	O	L
N	J	A	B	W	X	C	T	H	K	G	J	C	P	I
G	E	N	D	E	R	E	Q	U	A	L	I	T	Y	T
E	T	D	E	M	O	G	R	A	P	H	I	C	K	Y