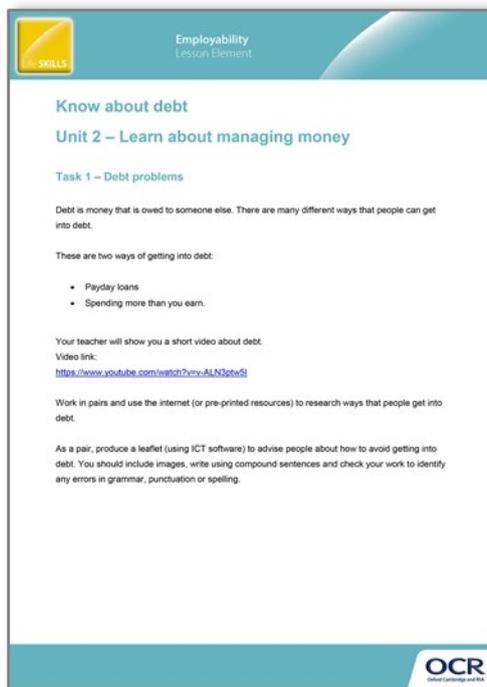


Know about debt

Unit 2 – Learn about managing money

Instructions and answers for teachers

These instructions should accompany the OCR Lesson Element 'Know about debt', which supports OCR Awards and Certificates in Employability Skills Unit 2 – Learn about managing money.



The screenshot shows a document titled 'Know about debt' under the heading 'Unit 2 – Learn about managing money'. It includes a task titled 'Task 1 – Debt problems' with a definition of debt and a list of two ways to get into debt: payday loans and spending more than you earn. It also provides a video link and instructions for a pair activity where students research ways to avoid debt and produce a leaflet.

Employability
Lesson Element

Know about debt
Unit 2 – Learn about managing money

Task 1 – Debt problems

Debt is money that is owed to someone else. There are many different ways that people can get into debt.

These are two ways of getting into debt:

- Payday loans
- Spending more than you earn.

Your teacher will show you a short video about debt.
Video link:
<https://www.youtube.com/watch?v=ALN3p6w5I>

Work in pairs and use the internet (or pre-printed resources) to research ways that people get into debt.

As a pair, produce a leaflet (using ICT software) to advise people about how to avoid getting into debt. You should include images, write using compound sentences and check your work to identify any errors in grammar, punctuation or spelling.

OCR
Oxford Cambridge and RSA

Associated files

Lesson Element – Know about debt

Expected duration

Task 1 – 50 minutes

Task 2 – 1 hour

Task 3 – 1 hour



Task 1 – Debt problems

Explain to the learners that debt is money owed to someone else and tell them that there are different ways that people can get into debt.

Write these two ways of getting into debt on the whiteboard:

- Payday loans
- Spending more than you earn.

Show the learners this short video to introduce the topic of debt.

<https://www.youtube.com/watch?v=v-ALN3ptw5I>

Ask the learners to work in pairs to use the Internet to research ways of getting into debt.

Ask the learners to produce a leaflet (using ICT software) to advise people about how to avoid getting into debt. Encourage the learners to use images, write using compound sentences and check their work to identify any errors in grammar, punctuation or spelling.

Task 2 – Problems caused by debt

Explain to the learners that debt can cause many problems for some people.

Read the following problem page letter out to the learners.

Dear Dr Smith

I have always been awful with money. I used to enjoy the luxuries such as the newest trainers and games consoles. I also became a member of a gaming group and made large monthly payments to a gaming website, but I never had the money to afford all of this. I used to borrow money from friends and family but I struggled to pay them back. When I turned 18 I thought I could solve all my problems by getting credit cards and use this to pay off the money I owed to everybody. However, I then had no money to pay for the credit cards so I got new credit cards to pay off old credit card debts and the debt spiralled out of control. I didn't know what to do and stupidly turned to alcohol and after a string of embarrassing incidents that shouldn't have happened but did (because of alcohol) I lost my job. I am now out of work, have huge credit card debts and no friends.

What should I do?

Freddie

Ask the learners to work in small groups to discuss Freddie's life. Ask the learners to list the problems that debt may have caused to Freddie and his family and friends. Ask the learners to discuss what measures Freddie could take to improve his situation.

Ask the learners to work in pairs to write Dr Smith's response to Freddie, to include suggestions about how he could improve his situation.

Ask the learners to read their letters out to the class.

Task 3 – Sources of help for debt

Read Freddie's letter from Task 2 out to the class as a re-cap.

Dear Dr Smith

I have always been awful with money. I used to enjoy the luxuries such as the newest trainers and games consoles. I also became a member of a gaming group and made large monthly payments to a gaming website, but I never had the money to afford all of this. I used to borrow money from friends and family but I struggled to pay them back. When I turned 18 I thought I could solve all my problems by getting credit cards and use this to pay off the money I owed to everybody. However, I then had no money to pay for the credit cards so I got new credit cards to pay off old credit card debts and the debt spiralled out of control. I didn't know what to do and stupidly turned to alcohol and after a string of embarrassing incidents that shouldn't have happened but did (because of alcohol) I lost my job. I am now out of work, have huge credit card debts and no friends.

What should I do?

Freddie

Tell the learners that there are advisors and agencies that can provide help and guidance for people like Freddie.

Ask the learners to use the Internet or pre-printed resources to research sources of help for people in debt.

Ask the learners to work in pairs to develop a short presentation to advise people who are in debt about the sources of help that are available to them. Ask the learners to deliver their short presentation to the class.



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