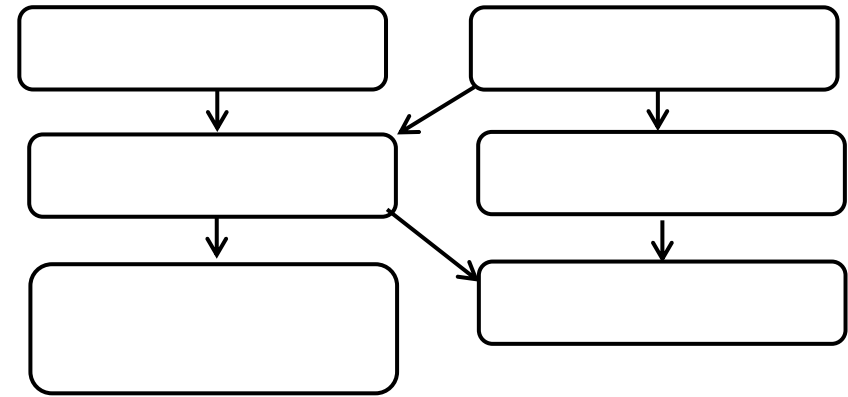
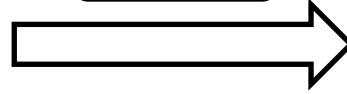


Good Money Management

Impact



Personal Debt

-
-
-
-

Topic 7: The impact of Personal Financial Choices

Good financial management:
" _____ "

Wants

()

Needs

()

Borrowing Options

Bank Loan	Mortgage	Credit Card	Overdraft
Borrowing:	Borrowing:	Borrowing:	Borrowing:
Interest:	Interest:	Interest:	Interest:
Repayment:	Repayment:	Repayment:	Repayment:

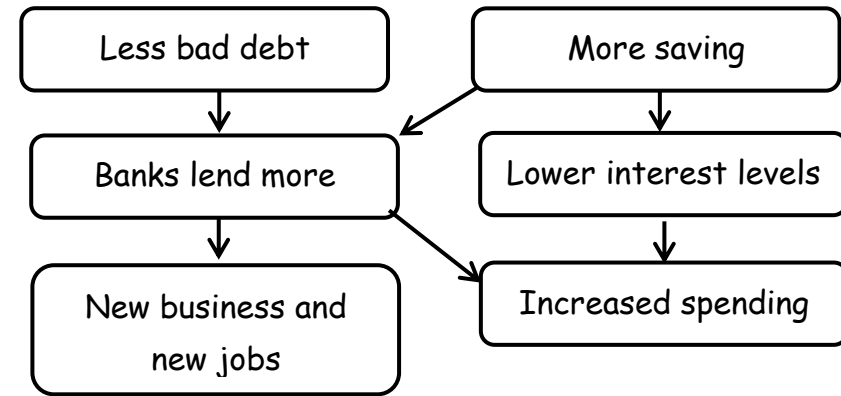
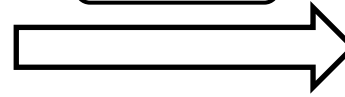
Poor financial choices lead to

Extra Notes...

Good Money Management

Re-using left over food	Investing in a house that rises in value	Repaying debt on time
Saving - just in case	Paying into a pension	Repairing clothes and shoes
Buying insurance	Borrow instead of buying	Only buy what you can afford

Impact



Personal Debt

- £2.88bn is written off as bad debt each year.
- Banks use their own resources so can lend as much.
- Consumers buy less.
- Fewer new business and jobs

Topic 7: The impact of Personal Financial Choices

Good financial management: "Financial Capability"

Wants

(non-essential)

Mobile phone
Internet/Wifi
Designer clothes
Car
Handbags

Needs

(essential to survive)

Food
Water
Shelter
Clothing
Warmth

Borrowing Options

Bank Loan	Mortgage	Credit Card	Overdraft
Borrowing: up to £25 000	Borrowing: £100 000+	Borrowing: up to £25 000	Borrowing: Short term/small amounts
Interest: 5% - 10%	Interest: 1%+	Interest: 17% - 22%	Interest: 0% - 20% if arranged
Repayment: 1-10 years	Repayment: 25-35 years	Repayment: Each month	Repayment: As arranged

Poor financial choices lead to overspending or debt.

Extra Notes...