

Financial planning is

Budgeting is

Money management is

3 benefits (from 10) of sound financial planning

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Emergency fund

This should be between 3 and 6 months

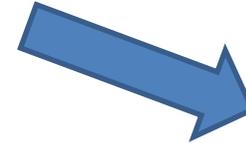
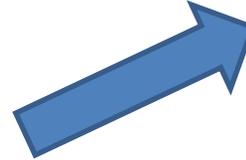
Insurance companies

What?

A car insurer might want the following information:

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Financial providers



Banks

Building societies

Topic 1
Financial planning
and money
management

Financial products



Help with financial
planning

Mortgage



Citizens Advice

Current accounts

The Money Advice Service

Savings account

StepChange Debt Charity

Personal loans

Credit cards

Financial planning is looking at Personal needs and objectives in short, medium and long term and how best to achieve them

Budgeting is part of money management but on a day to day basis. Making sure there is enough money to pay the bills, save and pay for other essential spending

Money management is budgeting, banking, saving and making investments paying as little tax as possible within the law. It covers everything from day to day spending and saving for long term goals

3 benefits (from 10) of sound financial planning

- identify needs and plan to achieve them
- make better decisions about spending, saving and borrowing
- adapt your needs or objectives change over time

Emergency fund

This should be between 3 and 6 months

Insurance companies

What? Provide insurance policies that help people and businesses to reduce risk caused by a number of events

A car insurer might want the following information:

- Age of insured person and other drivers
- Type of car
- Owners address
- Occupation
- Driving history

Financial providers

Topic 1 Financial planning and money management

Help with financial planning

Citizens Advice

Independent body set up by government. Free and impartial.

The Money Advice Service

Provides basic advice on money management and planning. Free.

StepChange Debt Charity

Help people sort legal and money problems. Free.

Banks

Often Public Limited Companies (plc's)
Earn profit on behalf of shareholders
Profit is their primary objective

Building societies

Mutual organisations
Owned by members instead of shareholders
In most respects they are very similar to banks

Financial products

Mortgage

A loan to help people buy homes. Long term (30 years +)

Current accounts

Used for paying wages and salaries and making regular payments. Debits and deposits are instant.

Savings account

Offer interest on money held in account. Not used to receive wages or salaries.

Personal loans

Paid back over a short to medium term (1-5 years).
Monthly payments. Interest is higher than mortgage.

Credit cards

Borrow money at any time and make monthly payments.
High interest if whole balance not cleared.