

MAS Financial Inclusion Project

Unit 8 - E-Learning Content (Everyday Savings and Saving Schemes)

8.1 Everyday Savings

Title	Content
Welcome!	So far, we've looked at how to make sense of your finances, through making a budget and keeping your documents in order. Being organised is great, but a lot of people are put off by worrying that their budget will show they need to make savings. With Nisha and Arnav, we helped them consider whether to make some big sacrifices to save money. But saving money isn't always so hard! Next, we'll look at some small, everyday ways to make savings that will stack up.
In this Unit, you will...	<ul style="list-style-type: none">• Explore small everyday ways to save money• Discover how to find coupons and vouchers for the things you buy anyway• Learn how engaging your community can save you money
Meet Mary (and her children!)	Mary is a single mum and works part-time while her children are at school. This means money is tight and she tries to cut costs wherever she can. For the last few months, Mary has been keeping a spending diary to help her identify places she could save money.
Visiting the Supermarket	<p>One of the places Mary has spotted some possible savings is her weekly supermarket shop. Over the past few months, she's found several different ways she can pay less and still get the groceries she and the kids want.</p> <p>Mary is eager to share what she's found. Click 'next' to see some of the ways she's made savings...</p>

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Small Changes	<p><i>Key Item</i> [mouseover text]</p> <p><i>Changing Brands</i> [Mary has realised that a lot of the time, she just buys the brand that has the nicest packaging or that she's seen advertised on the TV - but those things cost money! Switching to cheaper brands has saved Mary more than she expected, and a lot of the time, she can't really tell the difference. The kids even prefer the supermarket's own-brand cereal! Mary still insists on her favourite coffee, though - she thinks it's worth the extra.]</p> <p><i>Buy One Get One Free</i> [Mary looks out for 'Buy One Get One Free' or BOGOF, deals. They're especially useful on things that don't go off for a long time, like ketchup, canned foods or kitchen towel.]</p> <p><i>Teaming up for bulk buys</i> [Mary's noticed buying bigger packs is often better value, but it's only her and the kids, so the best-value packs would mostly go to waste. Mary talks to her neighbour and her mum, who both live alone, and finds out there are some things they all buy that are more expensive and go off quite quickly, like meat and fish, and bread from the in-store bakery. Mary suggests that she buys bigger, better-value packs, and shares them with her mum and neighbour, who pay her part of the cost. They save money too and they don't have to go to the supermarket!]</p>
Coupons and Vouchers	<p><i>Loyalty Cards</i> [Most major supermarkets have a loyalty card scheme. You can collect points, and when you have enough, can spend them to get money off. Some supermarkets, like Sainsbury's, use loyalty cards that also work with other retailers. Loyalty cards are a great way to save money - just be sure you're not signing up for a store credit card instead!]</p> <p><i>Supermarket Coupons</i> [When you sign up for a loyalty card, supermarkets sometimes keep track of the things you buy. To encourage you to keep coming back to them, they'll often send you extra coupons they think you'll like. Don't be tempted to buy things you don't really want just because you have a coupon - stick to the things you would have bought anyway and use these coupons to save money on them!]</p> <p><i>Brand Coupons</i> [Just because Mary thinks her favourite coffee is worth the extra money, doesn't mean she's not going to try and save on it. She visits the brand's website and signs up to their mailing list, and every so often they send coupons to her e-mail address]</p> <p><i>Buying vouchers from friends</i> [Mary is inspired by her bulk-buying and thinks of another way she and her community can help each other. A friend of hers has a £10 voucher for children's clothing, but no children. Mary pays him £7 for the voucher. She was planning to buy children's clothing anyway, so she saves £3 and her friend gets money he can spend instead of a voucher he won't use. She sells some of her own vouchers too, for foods her family doesn't like.]</p>

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Everyday Savings	<p>Saving money at the supermarket has inspired Mary to think about other savings she could make using these tricks. She examines her supermarket loyalty card and discovers she can also collect and spend points on train travel, furniture, and even her gas bill. Mary also thinks she can buy any vouchers for children's books and toys from her friends as well as more clothes.</p> <p>After reading more, she finds out some of these tricks can also be used for bigger purchases - for example, taking children on holiday is sometimes Buy One Get One Free, which would be useful for Mary, and electronics brands and department stores sometimes offer discounts for signing up to their mailing lists or spending a certain amount, just like food brands and supermarkets do.</p>
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8.2 Saving Schemes

Title	Content
In this Unit, you will...	<ul style="list-style-type: none">• Describe what it means to 'save money'• Learn why special savings accounts are a good idea• Find out what's good and bad about different types of savings accounts
Mary's new savings!	<p>Mary has found her spending diary so useful that she's saved enough money to put it away somewhere. It's not a lot, but more than she wants to keep under her bed!</p> <p>Mary's never had savings before and she's not sure where she should keep them. Let's look at a few different ideas and help her choose.</p>

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What makes savings special?	<p>When we talk about ‘saving money’, it has two meanings. One is what Mary’s been doing - saving money by spending less. The second meaning is what she does with the money she’s saved. Here, ‘saving money’ means keeping it somewhere and not spending it.</p> <p>Banks, Credit Unions and Building Societies all offer special accounts to put your saved money into. A few years ago, these accounts would all have had the same rules. You would earn more interest on your money in these ‘savings accounts’, and in return, you’d have to give a certain amount of ‘notice’ if you want to get money out - usually 30, 60 or 90 days. This is what’s known as a ‘Notice Account’ - but it’s no longer the only type of Savings Account available.</p> <p>We’ll look at whether a special Savings Account is a good idea, and some of the different types of savings accounts that are now available depending on what you want from your savings.</p>
[Assessment]	<p>What are the two meanings of ‘saving money’?</p> <ol style="list-style-type: none">1.2.
Savings Schemes	<p>First things first: Does Mary need somewhere special for her savings at all? She could just keep them in her regular bank account.</p> <p>There are two advantages to a special savings scheme. One is that it keeps your savings separate from your everyday money. It’s exciting to have a bit more money and it can be easy to spend a little bit extra here and there, but this can chip away at your savings quite quickly. Having a separate savings account means, if you want to save for a big new purchase like a car, make a life change like having a baby, or just guard against any unexpected hiccups, you know your savings are there.</p> <p>The second advantage is that you’ll usually earn more interest on money in a savings account. Banks like savers and reward them for it!</p>
Types of Savings	<p>Mary’s listened to the advantages of a Savings Account and decided she wants to open one - but she’s not sure about the standard ‘Notice Account’. Mary would like to earn more from her savings than she would in her current account, but still have access to the money in emergencies.</p> <p>Let’s look at some of the choices available to Mary.</p>

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<p>Easy Access (this one might be especially good for a video - long, but nothing difficult to grasp)</p>	<p>An 'easy access' or 'instant access' account makes it easier and quicker to withdraw money than a notice account. You can get at your savings straight away. This might be by using a plastic card, like you do with your everyday bank account, or it might be done over-the-counter in your bank or online.</p> <p>You should always be able to get at your own money, whatever type of account it's in. But notice accounts usually make you pay a penalty for this, which can wipe out the extra money you're earning by having a savings account in the first place. Easy Access accounts don't, so they're great for savings you're planning to use in an emergency.</p> <p>On the other hand, because of this flexibility, you usually don't earn as much interest on your savings in an easy access account - and this interest might change or go down over time.</p> <p>It's also worth checking on the terms of an 'easy access' account - it should do exactly what it says on the tin, but some accounts limit the amount of withdrawals you can make, and transfers out of an easy access account can still take a few days to go through</p>
<p>Regular Saver</p>	<p>A 'Regular Savings' Account requires you to put money in every month, without fail. They can be good for people who have a steady income which gives them a little to save each month.</p> <p>The downsides are that you can't put money in whenever you want, so if you decide you can save more the odd time, you would need another place to do it, and you can't take money out whenever you want either, so a Regular Savings Account is not a good choice if you're saving for a 'rainy day' or emergency.</p>
<p>ISA</p>	<p>Usually, you have to pay taxes on savings at your normal rate. For UK taxpayers, this means taxes can eat up £20 or £40 out of every £100 you save. For a lot of people, this can make saving small amounts less appealing. ISA stands for Individual Savings Account, a special type of account that the government has agreed not to collect tax on, to encourage people to build up savings.</p> <p>You can put up to £15,240 in an ISA and not pay tax on it. This can be made up of cash, stocks, and shares, but if you're new to ISAs, a cash ISA is a simple and secure place to start. Even an ISA with a low interest rate will usually earn you more money than a regular savings account.</p>

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<p>Christmas Saver (another good potential video - something Xmassy?)</p>	<p>For Mary, Christmas is a big deal - it's the one time of year she can really treat her kids, and they absolutely love it. But it can be a financial struggle. Mary's interested in finding out about special 'Christmas clubs' to help her save for the festive season.</p> <p>There are a lot of Christmas clubs around. The Post Office, national retailers, employers and community groups all offer them, as well as special Christmas club companies.</p> <p>They work in a similar way to a Regular Savings Account - you pay in a set amount to a special account each month. The difference is that you start doing this early in the year, and you can't get at your money until a few weeks before Christmas.</p> <p>On the plus side, you can save an affordable amount each month, and you can choose whether to save with a national organisation or a local group. Especially for people with children, it can take the stress out of a busy time of year.</p> <p>On the minus side, Christmas clubs usually don't pay savers any interest on their money. Because you can't get at your money during the year, you can't use it for emergencies, and you can't take advantage of any good deals or offers that come up - even if they're for Christmas!</p> <p>Mary and her family have their own way of celebrating Christmas, and her kids have strong ideas about the gifts they'd like. With a Christmas club, you often also receive your money back in vouchers, or have to buy Christmas presents and items through the club, so you don't get a free choice.</p>
<p>[Assessment]</p>	<p>List 2 different types of savings accounts, and one benefit of each. [example given: Notice Savings Account - good return on savings]</p>