

PILLAR 6



Money Smarts Challenge
Financial Decision Making

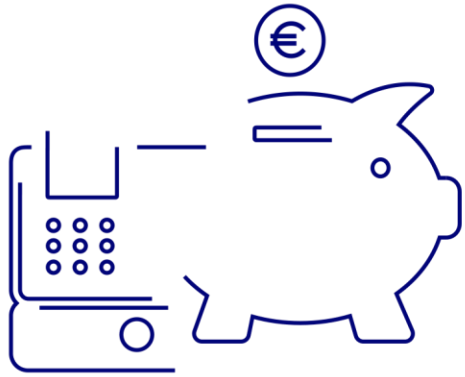


Welcome

Financial Wellbeing is about what you do with your pot of money, not the size of it. It's about making sure you can cover day-to-day expenses, plan for the future and manage the unexpected. This presentation covers financial decision making, providing a broad overview of what it takes to make sound personal financial decisions in your life.

Financial Decision Making is the sixth of six pillars of Financial Wellbeing. The following information shows your students that in order to make sound financial decisions in life, one must integrate various aspects of each pillar as they arise or are required. The content is designed to give you a flavour of what you can expect your students to be quizzed on as part of the Money Smarts Challenge.

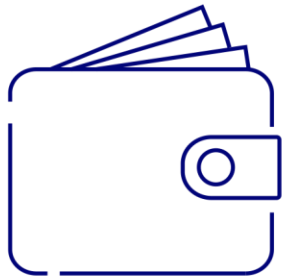




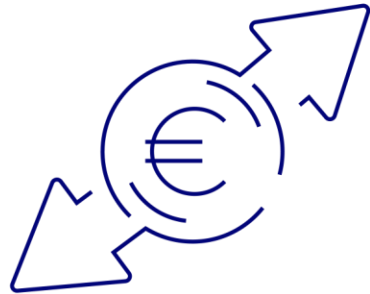
Spending and Saving



Financial Decision Making



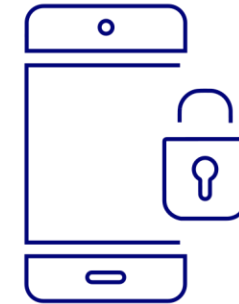
Earning and Income



Credit and Debt



Investing



Risk and Protection

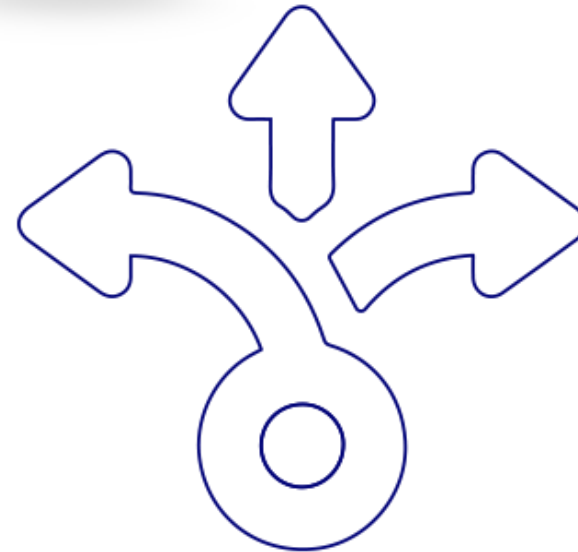
WHAT IS FINANCIAL DECISION MAKING?

Financial Planning is about using your financial resources to spend, save, borrow, protect and invest wisely both for today and the future.

It means making informed decisions about money and ensuring you have enough set aside to pay for both the things you need and things you want.

It involves setting goals, establishing priorities and identifying how to achieve them.

Most importantly, it separates your essential 'needs', from your desired 'wants'.



BUDGETING & PLANNING

Budgeting is an essential component of managing your money. Budgeting helps you manage your money and plan for your short-term, medium-term and long-term goals including:

Short-term

Night Out

Budget €50

Time to Save

Medium-term

New Phone

Budget €500

Time to Save

Long-term

Trip to Europe

Budget €5,000

Time to Save

BUDGETING & WORKSHEET

Your must-have money management tool

A budgeting worksheet can help you plan to achieve your personal money goals like paying off a bill, having enough money for a coffee with friends or a trip to the cinema.

This is a standard budgeting worksheet. It's divided into two main categories; income and expenses.

Income – List your income after taxes (net pay).

Expenses – List each of your daily, weekly and monthly expenses.

Are you a spender or a saver?

Income	Income Weekly
Part Time Job e.g. Babysitting	
Pocket Money	
Gifts	
TOTAL INCOME	€

Expenditure	Spending Weekly
Clothes/footwear	
Entertainment (going out, cinema)	
Entertainment (magazines, books, music)	
Make-up	
Mobile top up	
School lunch	
Snacks	
Stationary	
Subscriptions (Netflix and Spotify)	
Toiletries	
Travel (bus/train fare)	
Other	
TOTAL SPEND	€

PERSONAL BUDGETING

Knowledge is Power

Do you actually know what you're spending your money on?
Successful budgeting is all about knowing the finer points on how much you earn and how much you are spending.

Identify what makes you spend money. Is it influencers, pressure from friends, boredom or social media?

Once you identify this, you can plan ahead, make goals and manage your financial wellbeing using informed financial decisions.

A detailed budget can help you identify where you spend your money and highlight where you could spend less.

If you're really serious about reaching your money goals, keep all your receipts for 3 months and then add up your total spend to see where you can make smarter spending decisions.



Income	Income Weekly
Part Time Job e.g. Babysitting	
Pocket Money	
Gifts	
TOTAL INCOME	€

Expenditure	Spending Weekly
Clothes/footwear	
Entertainment (going out, cinema)	
Entertainment (magazines, books, music)	
Make-up	
Mobile top up	
School lunch	
Snacks	
Stationary	
Subscriptions (Netflix and Spotify)	
Toiletries	
Travel (bus/train fare)	
Other	
TOTAL SPEND	€



GROUP WORK

In small groups, ask your students to consider the following scenario before presenting their answer back to the class.

1. What can a budget help identify when planning ahead?
2. What are the advantages of a budget?



Money Smarts Challenge Sample Quiz Questions

To view sample questions from last year's quiz, visit bankofirelanduk.com/moneysmarts and click on the Money Smarts Challenge Sample Quiz Questions PDF.

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