

Objective

By the end of this lesson, you will be able to understand the basics of UK tax, saving money, and how they are related.

Materials and Prep

- Pen and paper
- Access to the internet for research (optional)

Activities

- Activity 1: Tax Calculation

Research the current UK tax rates for different income brackets. Use this information to calculate the amount of tax a person would pay based on a hypothetical annual income. Write down your calculations and explain how the tax rates work.

- Activity 2: Budgeting and Saving

Create a monthly budget for a fictional character with a specific income. Consider their expenses, such as rent, groceries, transportation, and entertainment. Determine how much money can be saved each month and explain the importance of saving for future goals.

- Activity 3: Research and Presentation

Choose a famous person from the UK and research their financial journey. Present your findings, including how they managed their money, their approach to saving, and any challenges they faced. Discuss what lessons can be learned from their experiences.

Talking Points

- **What is tax?**

"Tax is the money collected by the government to fund public services and infrastructure. It is usually calculated based on a percentage of a person's income or the value of goods and services they purchase."

- **Why do we pay taxes?**

"We pay taxes to ensure that the government can provide essential services such as healthcare, education, transportation, and security. Taxes also help maintain public infrastructure like roads, bridges, and parks."

- **What are the different types of taxes?**

"There are various types of taxes, including income tax, value-added tax (VAT), council tax, and national insurance contributions. Each type of tax serves a different purpose and is collected in different ways."

- **How does saving money relate to taxes?**

"Saving money is important because it allows us to prepare for future expenses and emergencies. By managing our finances wisely and saving, we can also reduce the amount of tax we pay, as certain savings and investments may be tax-free or eligible for tax relief."

- **What are the benefits of budgeting?**

"Budgeting helps us track our income and expenses, ensuring that we spend within our means and prioritize our financial goals. It allows us to make informed decisions about how to allocate our money and helps us save for the things we want in the future."