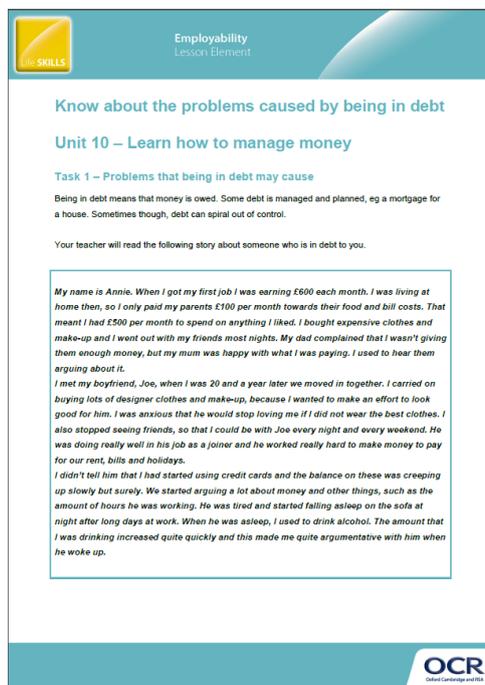


## Know about the problems caused by being in debt

### Unit 10 – Learn how to manage money

#### Instructions and answers for teachers

These instructions should accompany the OCR Lesson Element ‘Know about the problems caused by being in debt’, which supports OCR Awards and Certificates in Employability Skills Unit 10 – Learn how to manage money.



The screenshot shows a document titled 'Employability Lesson Element' with the following content:

**Know about the problems caused by being in debt**

**Unit 10 – Learn how to manage money**

**Task 1 – Problems that being in debt may cause**

Being in debt means that money is owed. Some debt is managed and planned, eg a mortgage for a house. Sometimes though, debt can spiral out of control.

Your teacher will read the following story about someone who is in debt to you.

*My name is Annie. When I got my first job I was earning £600 each month. I was living at home then, so I only paid my parents £100 per month towards their food and bill costs. That meant I had £500 per month to spend on anything I liked. I bought expensive clothes and make-up and I went out with my friends most nights. My dad complained that I wasn't giving them enough money, but my mum was happy with what I was paying. I used to hear them arguing about it.*

*I met my boyfriend, Joe, when I was 20 and a year later we moved in together. I carried on buying lots of designer clothes and make-up, because I wanted to make an effort to look good for him. I was anxious that he would stop loving me if I did not wear the best clothes. I also stopped seeing friends, so that I could be with Joe every night and every weekend. He was doing really well in his job as a joiner and he worked really hard to make money to pay for our rent, bills and holidays.*

*I didn't tell him that I had started using credit cards and the balance on these was creeping up slowly but surely. We started arguing a lot about money and other things, such as the amount of hours he was working. He was tired and started falling asleep on the sofa at night after long days at work. When he was asleep, I used to drink alcohol. The amount that I was drinking increased quite quickly and this made me quite argumentative with him when he woke up.*

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#### Associated materials

Lesson Element – Know about the problems caused by being in debt

#### Expected duration

Task 1 – 30 minutes

Task 2 – 1 hour

Task 3 – 30 minutes

### Task 1 – Problems that being in debt may cause

Explain to the learners that being in debt means that money is owed and that some debt is managed, eg a mortgage for a house. Explain that sometimes debt can spiral out of control. Read the following story about someone who is in debt to the learners.

*My name is Annie. When I got my first job I was earning £600 each month. I was living at home then, so I only paid my parents £100 per month towards their food and bill costs. That meant I had £500 per month to spend on anything I liked. I bought expensive clothes and make-up and I went out with my friends most nights. My dad complained that I wasn't giving them enough money, but my mum was happy with what I was paying. I used to hear them arguing about it.*

*I met my boyfriend, Joe, when I was 20 and a year later we moved in together. I carried on buying lots of designer clothes and make-up, because I wanted to look good. I was anxious that he would stop loving me if I did not wear the best clothes and make-up. I also stopped seeing friends, so that I could be with Joe every night and every weekend. He was doing really well in his job as a joiner and he worked really hard to make money to pay for our rent, bills and holidays.*

*I didn't tell him that I had started using credit cards and the balance on these was creeping up slowly but surely. We started arguing a lot about money and other things, such as the amount of hours he was working. He was tired and started falling asleep on the sofa at night after long days at work. When he was asleep, I used to drink alcohol to alleviate the worry about my debts. The amount that I was drinking increased quite quickly and this made me quite argumentative with him when he woke up.*

*We went on our last holiday together to Spain. One night, when I had (yet again) had too much to drink, I told him that I owed £11,000 on credit cards. The next morning I was hung-over and felt really ill. I was so worried about what was going to happen that I was very ill all throughout the day. When we got home Joe told me that he wanted us to split up. I was devastated. I didn't know what to do. I moved back in with my parents and I told them about my debts. My dad reluctantly let me borrow the money from them to pay off my credit cards. I had thoughts about ending my life.*

*I am 27 now and still live with my parents. I have managed to stay working – so that's positive I suppose. I use most of what I earn to pay back my parents. I don't have any real friends because I can't afford to go out. I don't have any money now to buy expensive clothes, so I buy all my clothes from charity shops.*

*Joe married someone else six months ago and she is pregnant.*

*This is not how I thought life would be.*

Ask the learners to work in pairs to identify:

1. The problems that this is causing for the person.
2. The problems that this is causing for their family and others.

Ask them to feed this back to the group.

## Task 2 – People and organisations that could help people in debt

Write the following organisation that helps people and families in debt on the whiteboard:

- Citizen's Advice Bureau

Discuss how Citizen's Advice Bureau can help people in debt, eg - it is an organisation that helps people in debt to write letters to creditors.

Ask the learners to work in pairs to research people and organisations that help those in debt and identify what type of help they provide.

Ask them to create an ICT based guide with the title 'Getting Help for People in Debt'. Tell them that the guide should identify people and organisations that help individuals and their families who are in debt and provide details about the kind of help that they provide. Encourage the learners to write in sentences, using conjunctions, such as 'and', 'so', 'but' etc.

## Task 3 – Accessing people or organisations that can help

Explain that there are different ways of accessing help and support if a person or a family is in debt. Access the internet on the interactive whiteboard and demonstrate how it can be used to by individuals to get help for debt problems, eg Citizen's Advice Bureau - it has a template letter on the website, to help with writing letters to creditors.

Ask the learners to work in pairs to research and identify how help can be accessed.

Ask each pair to feedback to the class about how four different services can be accessed.



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