

# Year 5 Finches

## Life Skills

### Summer 2

# Money Matters

## Living in the Wider World



**Fair trade** is really important for the producers in developing countries. Working with Fair trade means the the producer of the goods gets paid a fair **wage** for their product. This way, the developing countries can begin to re-invest in their own producers.

Key Vocabulary	Definition
<b>bankrupt</b>	When a person or organisation are declared in law as unable to pay their debts
<b>borrow</b>	To take or receive temporarily. To receive money with the intention of returning the same plus interest
<b>budget</b>	A spending plan based on income and expenditure. An estimate of how much money will be spent over a period of time
<b>critical consumer</b>	The conscious choice to buy or not buy a product because of ethical or political ideas
<b>emotional wellbeing</b>	The ability to successfully handle life's stresses and adapt to change and difficult times
<b>ethical spending</b>	Purchasing products and services produced in a way that minimises social and/or environmental damage
<b>Fair trade</b>	Trade between companies in developed countries and producers in developing countries in which fair process are paid
<b>financial risk</b>	The possibility of losing money on an investment or business venture
<b>investment</b>	The action or process of investing money for profit
<b>money</b>	A current medium of exchange in the form of coins and banknotes
<b>plastic pollution</b>	The accumulation of plastic objects in the Earth's environment that adversely affects wildlife, habitat and humans
<b>retail</b>	The sale of goods to the public in relatively small quantities for use or consumption rather than for resale
<b>save</b>	A portion of your money not spent but set aside for future use
<b>single use</b>	Designed to be used once and then disposed of or destroyed
<b>spend</b>	Give money to pay for goods, services etc.
<b>tax</b>	A compulsory contribution to state revenue, payable from income and business profits
<b>wages</b>	The money paid either weekly or monthly which is a fixed payment for work



Knowing how to look after your **money** is important. **Saving** money is a good habit to get into when young, so it is part of your daily life when older. Money can be saved in a bank, building society, savings account or money box. Money can also be **borrowed** from a bank or building society to **invest** in larger items such as a car or place to live. Money that is borrowed needs to be paid back, over an agreed period of time. Borrowing money can be a **financial risk**, and possibly end in **bankruptcy**.



An **ethical spender** will look carefully at the places they are spending their money to make sure there is minimal cost to the environment in the production and transportation of the goods. **Ethical spending** is also linked to **critical consumerism**. A critical consumer will choose whether to buy a product depending on the way and where it has been manufactured.



**Taxes** have to be paid. There are many different types of tax, depending on who you are and what you are doing. Income tax is an amount of money paid on earnings. This money goes to the government and local councils to improve public services such as the emergency services, schools, hospitals and transport systems.