

Diamond Savings Game

1. Split the class into groups and give them one of the following case studies
2. Give each group a blank diamond playing board and cut outs of the “considerations”.
3. Ask the group to use the diamond grid to prioritise the “considerations” in terms of what will be the most relevant factors for their case study character(s) affecting their choice of savings account. Place the most important factor at the top and so on.

Case studies

Story of Mr & Mrs Tener

Bill and Penny Tener have been married for 40 years and have both recently retired. They are living on their state pension and a small private pension Penny paid into. Both these pensions provide a moderate income, enough to live on with a bit left over for a few luxuries. They have just sold their house and are now living in a smaller house which is easier to manage. This has given them a lump sum which they would like to save. They would like the money to generate an income that can be used to supplement their pensions.

Story of Mr & Mrs Moneywise

They have been married for a year and have just finished paying for their wedding. They had taken out a bank loan to pay for the wedding and were paying £400 per month. Having paid off the wedding they want to continue paying the money into a bank account. They are hoping to start a family soon and intend to use some of their savings for this.

Story of Mrs Moneypenny

Susan is divorced and has one child, Cashel, who is three. She doesn't work and is receiving benefits. She is hoping to return to work once Cashel starts school next year. She used to work in the local hospital as a clerical assistant. She receives some child maintenance for Cashel and would like to save it for him to have in the future.

Story of Mr Pounds

Charlie is a widower with three children. He works full time as a Headteacher in the local school. Due to his wife's life insurance policy payments and his income he wants to save a significant amount of money each month earning a high interest rate. He is happy to leave it untouched for years.

Type of Account: Deposit Savings Account

Features:

Simple savings account for depositing money. Used by people of all ages.

Pros

Usually pays higher interest than current accounts

Cons

Lower potential interest than other savings accounts

Access

Instant and easy access

Type of Account: Cash Individual Savings Account (ISA)

Features:

Individual savings accounts are tax-free savings account. The maximum annual amount you can invest in an ISA is £10,200, up to £5,100 of which can be saved in cash. You can arrange an ISA in most banks and building societies, with a financial advisor, and in some supermarket and retailers.

Pros

Generally pays a higher interest rate than normal savings accounts. Interest earned is tax free.

Cons

There are limits to the amount you can invest in an ISA product. You have to be over 16 to open a Cash ISA (18 to open a stocks and shares ISA).

Access

Instant or easy, but some can have notice periods.

Type of Account: High Interest Regular Savings

Features

Your current account is with the same provider as your savings account. You regularly transfer the same amount each month in this account for a fixed period.

Pros

Pays a high interest rate
No penalty for early withdrawal of money

Cons

Taxation payable on interest earned.
Early withdrawal of money will result in lower interest paid.

Access

Usually, interest is only paid yearly, and you can only withdraw yearly.

Type of Account: Income Bonds

(Provided by National Savings & Investments (NS&I))

Features

Generates a monthly income with easy access to your money. Favoured by people who want to earn monthly income and have easy access to their money. They are open to anyone aged 7 or over; can also be bought on behalf of under 7's. They only require a £500 deposit and have a maximum deposit of 1 million.

Pros

Generate a monthly income

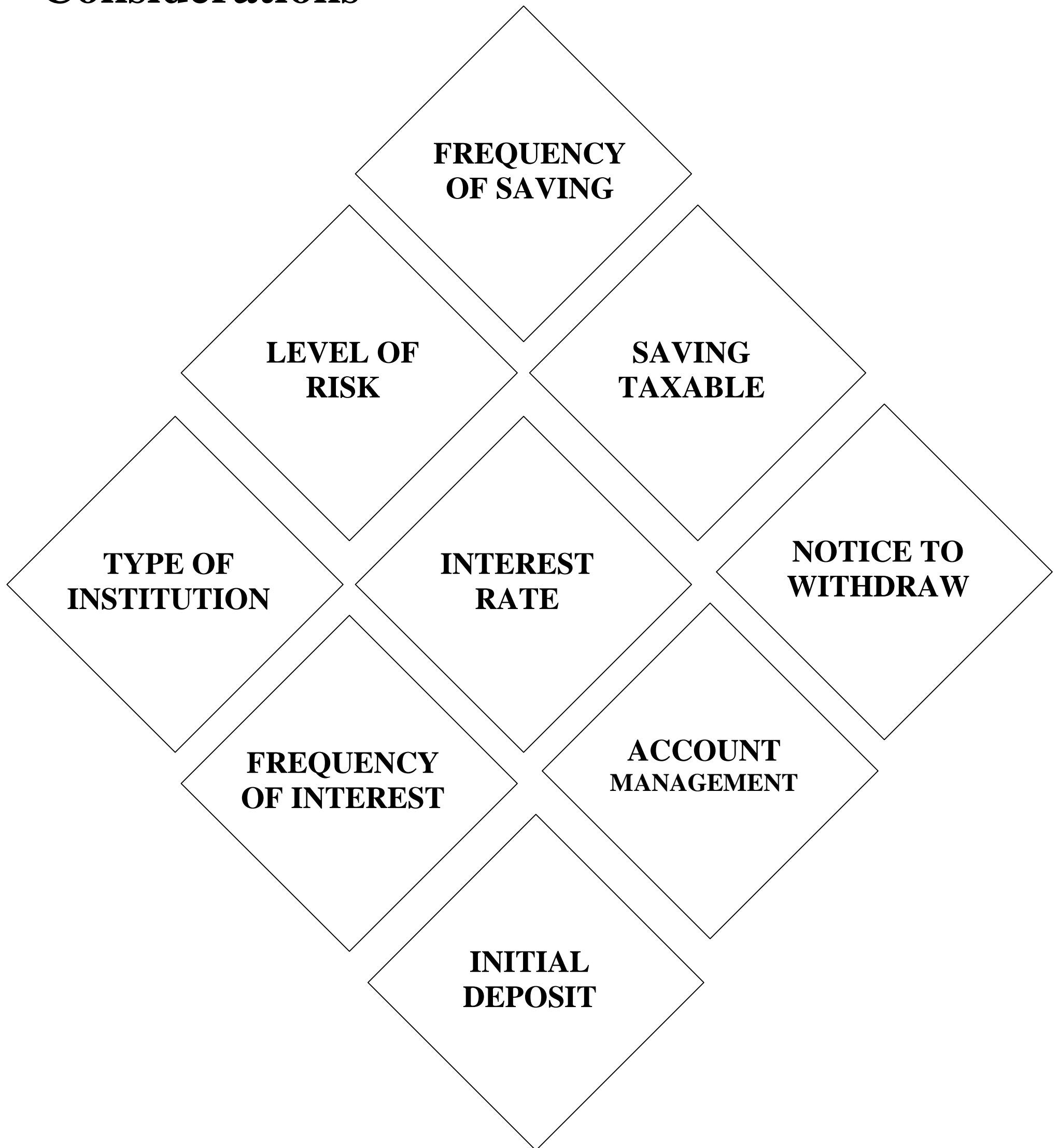
Cons

Tax payable

Access

No notice required and no penalty for early withdrawal

Considerations



Priorities

