



Activity: Forward-thinking + Saver = Better Future

The importance of education on financial and insurance matters

A financially literate population is vital for the stability and economic progress of a country. It is therefore extremely important to carry out activities from an early age to develop skills which will help our children and young people to be better prepared for the future. They should learn how to make responsible and informed financial decisions.

Savings, future risks, and retirement/pensions form part of our life cycles and therefore encouraging students to think about these issues is a crucial component of their education. In secondary and high school education students are becoming increasingly more independent and are acquiring greater responsibilities. Many young people begin to manage their

The OECD defines financial literacy as "knowledge and understanding of financial concepts and risks, as well as the ability, motivation and confidence to be able to make sound financial decisions within a number of monetary contexts, with the goal of improving the well-being of individuals and society and encouraging their participation in economic life".

The activity

own money, or learn to drive and are responsible for their vehicle and for the other drivers on the road and pedestrians. This means they will be putting into practice concepts such as planning, saving and responsible use. This increased autonomy leads to decision-making in different aspects of their lives, which generally revolve around the needs of the present moment. This is why it is so important to present certain situations to them which give them a better understanding of the types of financial or personal risks which they

may one day face. In this way, prevention in case of future unforeseen circumstances forms part of their life.

How will we carry it out?

At this stage in life, the approval and opinion of one's peers is extremely important, therefore we suggest firstly thinking about these topics together in a joint task for 5 or 6 students, in order to then present their conclusions to the rest of the class.

Goal:

- To foster the development of financial literacy of students in secondary and high school education.
- Think about aspects such as saving and planning, through the use of real life situations.
- Think about the risk and the solutions that are available to deal with it (precaution, protection and insurance).



Duration: 50 min.



Level: Secondary and high school education (12 to 18 years old)



Materials: Task list, people cards, risk cards and prevention cards.



During adolescence it is important for young people to be aware of the risks they may face, both in their current lives and at some point in the future. We therefore propose that you carry out the following activity with your students:

1 Introduction (10 min.)

Begin the class discussion with questions such as these:

Do you know what risk is? What kind of risks do you think you are exposed to in your daily life? As young people, do you think you are exposed to any specific kinds of risks? What do you think about risk prevention? Do you think it is necessary? Do you think prevention is the same as protection? Can risks or the consequences of them be transferred?

As you get older, do you think that these risks increase or decrease? Do you think you face the same risks as your parents? What kinds of risks do you think your parents face?

In this first part of the workshop the key concepts which will shape the subsequent discussion should be described. You can bring this part of the class to a close by telling your students that, throughout their life, people's responsibilities change and consequently, the risks which they will have to face will also change, which will lead them to make decisions to prevent or protect themselves from such risks.

For more information on what risk is, you can take a look at our [graphic](#).

2 Group work (25 min.)

Divide the class into 5 groups and give each of them a task list and the twelve prevention cards.

Next, hand out one character and one risk card (give each group a different one).

Some definitions

Risk: Something which could happen in the near future which is of concern because of its potential consequences. It has a negative side related to financial loss or psychological or physical damage, and a positive side given that it can bring about financial or personal gains. **Protection:**

Entails the action and effect of protecting (safeguarding, defending, covering) something or someone.

Prevention Entails anticipating a situation or difficulty with the aim of minimising risk. Consists of taking a series of precautionary measures to offset the harm that damage could cause.

Insurance: Commercial contract by means of which the insurer is required to compensate the insured or the insurance beneficiary if an unforeseen event expressly specified in the agreement occurs.

In exchange, the insured pays a premium to the insurer.

You can find more terms in our [Glossary](#), or you can recommend our [Glossary for young people](#) to your students.

You will need to print:

- 5 task lists (one for each group).
- 1 set of people and risk cards.
- 5 sets of prevention cards (one per group).

Step by step:

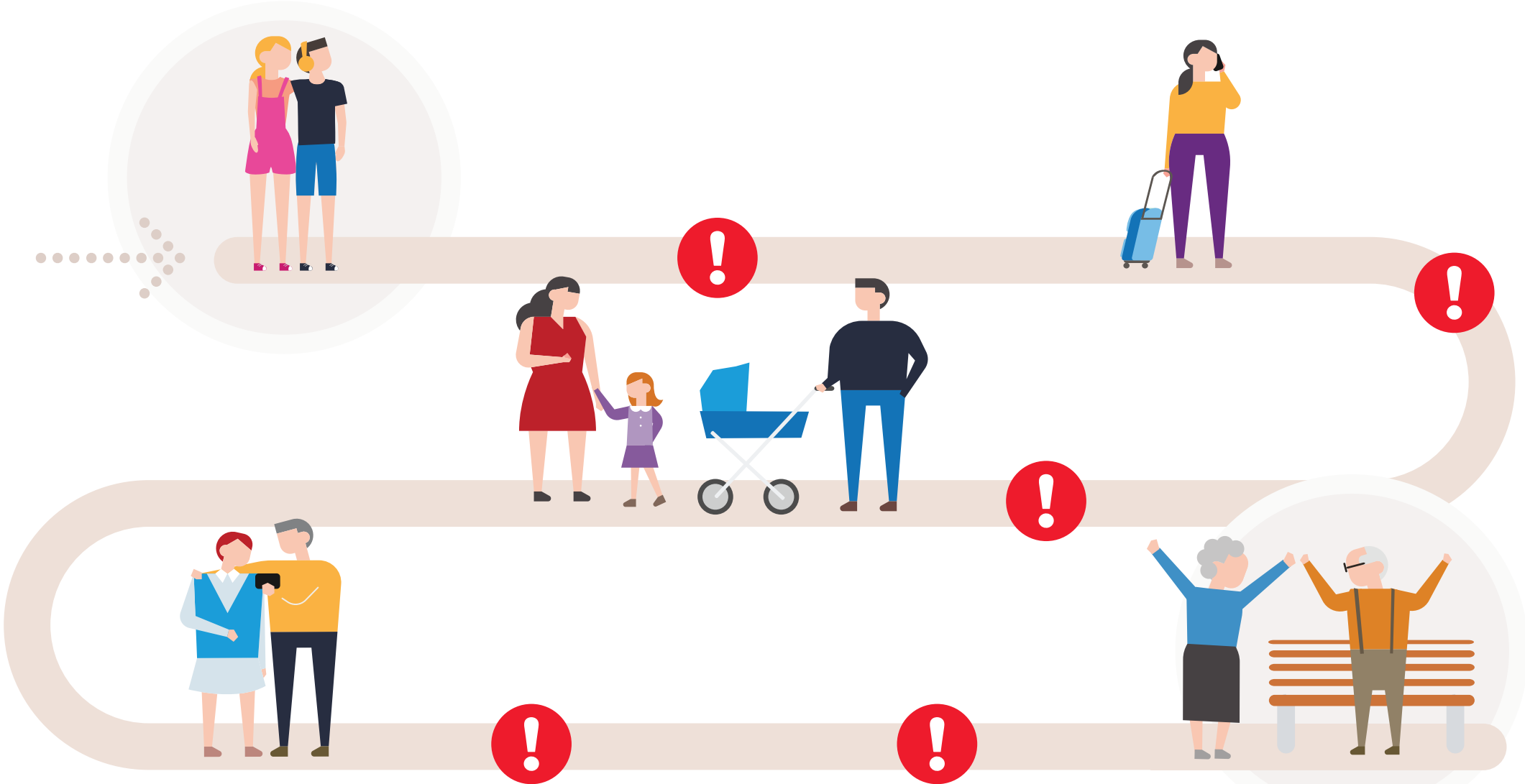
- A** The students are to be in the present day with the particular characteristics of their character.
- B** The risk card will place them in a different stage of their life.
- C** According to the risk in question, the students will decide on two preventive actions which will enable them to face the risk and continue their life path until they retire, explaining the reasons for their choice.
- D** They will create a catchphrase focused on risk prevention.

If there is any time left over, you can ask the students to talk about any life situation in which any one of the prevention cards might be useful.

3 Sharing of ideas (15 min.)

Two students will be chosen to represent each group who will share the group's main conclusions and the catchphrase they have come up with.

Keep working on financial education with your students! Visit <http://www.segurosypensionesparatodos.org>



Slogan



Juan

He is 40 years old, married to Elena and they have three children: 12, 10 and 5 years old. The couple run a bar in the town square. They try to save a small amount of money each month to cover any extra costs that might arise.

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Risk

You are going to retire in 20 years time and when you get home from work you realise that you have been burgled and your most valuable items have been stolen.

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Pablo

He is a 25 years old businessman who has invested his money in a company which organises adventure sports activities. He has created his own web page and has profiles on social media in order to make himself known and to publicise his services. The first few months of running his company have gone very well given that it coincided with spring and summer.

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Risk

You will be retiring from the labour force in 5 years time and you become unemployed.

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Marcos

He is 23 years old and is studying a business degree at university. He really enjoys going out with his friends and doing activities together but he can't always join in because he works as a waiter in a restaurant at the weekends to help his parents pay for his studies. He dreams of setting up his own business.

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Risk

You plan to retire in 25 years and you have won €250,000 on the lottery.

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Silvia

She is 38 years old and has been working for 20 years in the family business as the HR Manager. In the last few months the company's profits have gone down and they have had to lay off half the staff.

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Risk

You are still 15 years away from retirement when a fire starts in your kitchen which affects most of your house and your neighbour's house.

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Belén

She is 35 years old and mother to Ana, who is 15. She has lost contact with the father of her child and he does not support her in any way. Ana wants to go on to study to become a veterinary surgeon and she is studying hard in order to become one eventually. Belén works a lot in order to earn enough money to pay for her daughter's studies.

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Risk

You will retire within 10 years and your monthly income has been reduced by half due to the financial crisis.

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Prevention

You make your purchases or you take out services with insurance (flight cancellation, extended warranties...).

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Prevention

You have taken out an insurance (home insurance, fire insurance, car insurance, life insurance).

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Prevention

You save monthly, although they are only small amounts of money, and you keep the money in your house.

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Prevention

Every month you deposit a minimum of €50 in your savings account at the bank.

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Prevention

You have a lot of friends and acquaintances in a number of companies and government agencies.

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Prevention

You took out a pension plan when you turned 40.

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Prevention

You have good experience in the labour force.

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Prevention

You make sure that you have fire extinguishers at home, at work and in the car.

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Prevention

You are always studying and learning new things.

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Prevention

You put your savings in a long-term savings account (with a 10 year term).

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Prevention

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Prevention

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