

Talking Quids with

Ollie

Primary School Teacher Pack

P2 to P7 Class resource

lesson 6



Bank of
Ireland
UK

Lesson 6

Money News

Lesson Summary

Since Ollie the Owl has explored so many important points, the concept of money is now a lot clearer. Today, there are new ways we use money, but central to most of the new technologies, including cashless payments, is that they are all backed by our money – Sterling. We'll examine how we might use some of the more popular technologies and the impact of doing so. For example, while we may not actually carry Sterling notes and coins to pay for goods and services, we are still using Sterling to make those payments. How we do this can have an impact on our savings and budgeting habits. We will also explore the development and rise of new digital currencies, such as Bitcoin, Ethereum and Litecoin. These currencies represent a new kind of money, which is not backed or guaranteed by our Government.

How to use this lesson

- ▶ Read the material presented
- ▶ Use the prompts to discuss the material with your class
- ▶ Encourage students to work in groups
- ▶ Allow time for reflection and discussion
- ▶ Use the appropriate class activity at the end of the lesson to support learning

Discussion Time



Cathy likes cashless

Cathy loves all things new. New clothes, new food ideas, new fashion. If it's new, Cathy is the first to try it out.

Now when she goes shopping, Cathy avoids cash as much as she can. So for a recent trip to visit her granny, Cathy decided to try and make the journey completely cashless. For Cathy, it was a bit of a test to see how easy it would be to reach her destination without using any Sterling notes or coins. Plus, she planned to do a small amount of shopping along the way to get a few of her granny's favourite treats.

Using her 'contactless' debit card, Cathy was able to pay for the train ticket and purchase one hot drink during her journey without using any Sterling notes or coins.

It's a different world to the one her granny knows. She still likes to use traditional notes and coins.

Robin loves cash

Robin is an effective saver. He has a regular savings account and checks it often to see his savings grow.

But unlike Cathy, Robin still prefers to use traditional money to pay his way as much as he can. While some monthly bills are paid through Direct Debit mandates set up on his bank account, for day-to-day spending, he prefers the sense of control he feels when paying for things using cash.

Robin feels that he has more control over spending when he has to reach for his wallet, and pay using physical money. He thinks using a 'contactless' card may mean a loss of that control.

In fact, on several occasions, Robin has held back on making store purchases.

He feels that the time it takes to pull out his wallet and find the right money, gives him enough time to decide if he really needs the purchase.

Class Activity

What do you think?

Is Robin right? Is cash better? Why?

Is Cathy right? Is cashless better? Why?

Do you think there are benefits to each option? What are they?

Reflection Time

What do cashless payments mean to you?

Which do you prefer, cashless or cash?

Provide a reason for your answer.



4 Ways Northern Ireland is Going Cashless

1

Earning

Most companies pay their employees by a system called 'electronic transfer', which means that no cash is actually used to pay them, their wages go straight into their bank account.



2

Shops

More and more shops accept payments from their customers using 'contactless' payments.

3

Transport

Some public transport providers plan to not accept cash payments in the future.



4

Banking

More and more people use online banking to check their balance and make payments.

So, it can be possible to work, live and travel the length and breadth of Northern Ireland without ever touching a Sterling note or coin!



Supports

The shift from cash to cashless

From beads to bytes.

The changing face of money through the ages.

Glass beads were once considered so valuable that they were regularly used as currency between the 16th and 20th centuries. In fact, it is often claimed that Dutch settlers purchased Manhattan in New York, USA for a few dollars' worth of glass beads.

During the Covid-19 (Coronavirus) crisis, shops, banks, bus services and many more businesses encouraged people to switch from using cash to going cashless. This was done in order to lower the risk of transmitting the Covid-19 virus.



Bitcoin and other types of Digital Money

What would you do if you got a birthday gift of 1 Bitcoin? **"Uh, what is Bitcoin?"** I hear you ask. Well, it's Digital Currency.



Bitcoin was invented in 2009. Unlike everyday money, like a £1 coin, which is manufactured by the Royal Mint, Bitcoin is 'manufactured' or 'mined' using really powerful computers and complicated maths. But, while the Sterling is backed by a promise issued by our Government, new money like Bitcoin, Litecoin, Ethereum, Zcash, Dash and Ripple are developed and managed by organisations. So, what you have to keep in mind is whether or not people prefer to trust money from our Government, the Sterling, or ones from a mysterious group of people, like Bitcoin.

It might be cashless, but you still need real money to make it work

Even with all this talk of cashless payments and digital money, the truth is that real money is not going to disappear any time soon. Take two people in a shop, each buying a loaf of bread. If one pays using a debit card (cashless) and the other uses cash, both will still need to have enough money in their wallet or their bank account to make the payment for the bread happen. You see, how we pay for goods may change over time, but how we get money will mostly stay the same – we have to earn it!

Activity Time

List 5 places where you can pay using a cashless method (card, phone etc.).

List 5 places where you may not be able to use cashless and may need real money.



Question Time

If I never carry cash and only pay using contactless payments, how can I really manage my money? How will I know how much I spent? How can I really save for the things I need?

Going cashless does make paying for lots of things easier in shops and also online.

The first 'electronic' money started in the mid-1800s in the USA when a company called Western Union introduced transfer of money via telegram. Cashless makes it simpler to transport the value of money without having to use lots of trucks to move it all around.

The real trick to managing your money, regardless of whether you pay using cash or choosing cashless, is to actually get receipts, keep a log of your spending, budgeting and questioning whether you really need to buy an item or just want it. Then you also need to plan and save along the way. If you do this, you'll have a much better chance of having the money you need when you really need it.

Summary

1. **Cashless is still Sterling.** Despite the fact that you may not actually be required to carry notes and coins to pay for goods and services, the money that backs cashless payments is still our currency, Sterling.
2. **Sterling.** The Bank of England and 6 commercial banks are authorised to issue Sterling bank notes in the UK. All notes are fully backed by the issuing bank to ensure maximum protection for consumers. The Bank of England are responsible for regulating the issuance of banknotes.
3. **New types of money.** New digital money such as Bitcoin is not Sterling, so the value of those new types of currency are not protected or managed by our Government.
4. **Keeping records.** When you spend money, regardless of how you pay (cash or cashless), it is still very important to keep a record and to manage your spending if you want to set and achieve a money goal.

The 12 most important lessons Ollie learned

1. **Money** – In centuries past, the value of money was often directly linked to an item of value. Gold and silver were popular options. Today, the value of money is linked to a promise, where our Government backs the value of the money.
2. **Earning** – There are many ways people can work to earn money.
3. **Self-employed** – Some people choose to work for themselves instead of working for others to earn money.
4. **Gifts** – In addition to working for income, people can also receive money as gifts.
5. **Needs** – These are items that are very difficult to live without, like water, a home and clothes.
6. **Wants** – These are items that one can live without, like expensive trainers, luxury cars and expensive clothing.
7. **Advertising and promotion** – Sometimes we may WANT something after we see it on Social Media or on a TV advertisement but we should ask if we really NEED it.
8. **Tax** – This is money we pay from income. It is used to pay for a vast range of public services.
9. **Saving** – This is the process of not spending all of your money at once, so that you have a little on hand for special events in the future.
10. **Budgeting** – This is the process of managing your money over time to ensure you do not spend more than you receive.
11. **Receipts** – Getting receipts is a great way of tracking how much you spend and can be really useful if you have a money goal.
12. **Cashless** – More and more people are making payments using cashless options in shops and other retailers. But cashless is still Sterling.



We welcome your feedback,
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your thoughts at

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