



What has the UK economy got to do with me?

Key Stage 4 scheme of work

Key question:
What has the UK economy got to do with me?

National Curriculum links:
 Income and expenditure; credit and debt; insurance; savings and pensions; financial products and services; how public money is raised and spent

Lessons

Overview

Learning questions

Concepts and skills

Activities

Resources

Differentiation

Assessment opportunities

Takeaway task

Lesson 1:
Where does the government's money come from?

This lesson focuses on the part taxation plays in providing the government with money. Students learn about different types of tax, find out about the Budget, and learn about why and how the government uses windfall taxation. They focus on a case study looking at whether the tax paid by a specific company is fair and consider more generally whether it is fair for companies to pay different amounts of tax.

1. Where does the national government's money come from?
2. What are the different types of taxes?
3. What is the Budget?
4. Is it fair for companies to pay different amounts of tax?

Making judgements, evaluation, analysis, debate, fairness, responsibilities, ethics

1. Estimate how much money it takes to run the country
2. Learn about taxation and which taxes raise the most money
3. Watch a video introduction to tax
4. Name different types of tax
5. Investigate Budget and windfall tax
6. Explore a company tax case study
7. Discuss the pros and cons of tax

- Slide presentation
- Worksheet: Examples of taxes (also available in dual-coded version)
- Case study: Starbucks tax
- HMRC 'About Tax' video
- Glossary of key terms

Extend discussion of different types of taxes. Use the dual-coded worksheet. Use questioning in relation to the case study. Use the glossary of key terms.

Discuss answers to the worksheet on different types of taxes. Check students' written work about tax.

Write a letter to your local councillor about priorities for public spending in your area.

Lesson 2:
How does the government decide how to spend money?

In this lesson, students consider what the government spends money on and learn about the rationale behind spending decisions. They take on a budgeting challenge and find out about emergency spending. They then explore local government finance, learn about Council Tax, and consider spending priorities in their area.

1. What does the government spend money on?
2. How does the government make spending decisions?
3. How does the government manage emergency spending?
4. How does local government spending work?
5. What are the priorities for spending in our area?

Making judgements, political literacy, representing your views to others, evaluation, decision-making, collaborative working, negotiation, communication, democracy, fairness, responsibilities, making a difference, ethics

1. Budgeting tasks
2. Identify what the government funds
3. Explore Covid-19 emergency spending
4. Learn about local government spending and Council Tax
5. Rank Council Tax spending priorities
6. Write about spending decisions

- Slide presentation
- Worksheet: Chancellor's budget tracker
- Worksheet: Council Tax spending
- Glossary of key terms

Groupings for tasks. Scaffold task 3. Support students in contacting the local council. Use the glossary of key terms.

Ask questions, gauge understanding and give feedback in group work. Use whole-class questioning. Use the plenary task to provide formative feedback and plan future learning.

Research key facts about Income Tax and National Insurance contributions in preparation for Lesson 3.

Lesson 3:
How much of our pay goes to the government?

In this lesson, students find out about pay and taxation. They learn to recognise the key features of payslips and understand terminology such as 'gross pay', 'net pay' and 'deductions'. They then learn how Income Tax and National Insurance contributions are calculated and calculate the deductions on earnings. Finally, they consider whether they think the UK's tax system is fair.

1. What information is found on a payslip?
2. How is Income Tax calculated?
3. How are National Insurance contributions calculated?
4. Is the current system of Income Tax and National Insurance fair?

Making judgements, evaluation, communication, debate, fairness, responsibilities, legislation

1. Share research findings
2. Learn key facts and terminology about Income Tax and National Insurance; watch a film
3. Investigate payslips
4. Calculate deductions
5. Write about the fairness of the tax system

- Slide presentation
- Handout: Sample payslip
- Handout: How to calculate Income Tax
- Handout: How to calculate National Insurance contributions
- Worksheet: Calculating deductions
- Glossary of key terms

Use an annotated payslip to support understanding of terms. Ask students to do fewer calculations. Work through calculations on the board. Use the glossary of key terms.

Use questioning techniques to gauge understanding. Assess skills development by listening to students' discussions.

In preparation for the next lesson, students talk to family and friends to find out their views about tax.

Lesson 4:
Why should we pay tax?

In this lesson, students revisit knowledge of what the money raised by tax is used to fund in the UK before considering our responsibility to pay tax for the benefit of society. They explore tax evasion and tax avoidance, using case studies as the focus of discussion and debate. At the end of the lesson, students advocate their point of view on the topic using evidence from the lesson.

1. Do you currently pay tax?
2. What is the difference between tax evasion and tax avoidance?
3. As British citizens, is it our responsibility to pay tax?
4. Should we try to avoid paying tax?

Advocacy, oracy, debating, critical thinking, rights and responsibilities, law, political ideology

1. Recall facts about public spending
2. Vote on and discuss tax payments
3. Use case studies to explore Income Tax, tax evasion and tax avoidance
4. Watch a film about tax evasion
5. Discuss why we should pay taxes
6. Continuum activity – discussion of and advocacy for viewpoints

- Slide presentation
- Worksheet: How do I feel about paying tax?
- Worksheet: Tax evasion quiz
- Case studies: Kasia and Faisal
- Glossary of key terms

Make abstract concepts concrete through real-life, relevant examples. Use case studies to support answers. Use think-pair-share for questions. Use the glossary of key terms.

Ask questions based on case studies. Gather feedback using show of hands or mini-whiteboards. Use questioning in discussions. Continuum activity.

Research different ways of paying for goods and services.

Lesson 5:
How do individuals and countries use credit and debt?

This lesson introduces students to credit and debt in individual and national contexts. They explore how we pay for things, the use of credit and debit, and factors that affect people's credit scores. They then consider how the UK government uses credit and debt as part of national spending. There is an opportunity to research countries' credit ratings as an extension task.

1. How do we pay for things?
2. What is credit?
3. Is all debt bad?
4. How do credit ratings work at an individual and country level?
5. Should countries always have to pay back debt?

Budgeting, money management, informed choices, political literacy, discussion, society, ethics, responsibilities, fairness

1. Identify different payment methods
2. Learn facts about credit and debit
3. Consider whether all debt is bad
4. Investigate loan factors and credit scores for individuals
5. Explore credit and debt at a UK level
6. Extension: national credit ratings
7. Discussion and reflection

- Slide presentation
- Handout: Loan factors
- Handout: The international credit rating system
- Worksheet: Global credit ratings
- Glossary of key terms

Debate fewer scenarios. Consider discussion pairings. Use the glossary of key terms. Simplify or extend the task on global credit ratings, as suggested.

Gauge students' understanding of payment methods using questioning. In task 2, ask students to take part in a class discussion about the topics and evaluate their understanding.

Research the meaning of 'the economy' and write a definition.

Lesson 6:
What role can I play in the future of the economy?

In this final lesson, students begin by revisiting definitions of 'the economy', before exploring what makes a healthy economy and its benefits. Inspired by a case study, they consider what they can do to contribute to the UK economy. Finally, they discuss and advocate for different viewpoints in relation to their own role in the UK economy.

1. What is the economy?
2. What makes a healthy economy?
3. What can British citizens do to support the UK economy?
4. What has the UK economy got to do with me?

Critical thinking, analysing, problem solving, economy, responsibility, advocacy, use of evidence

1. Define 'the economy'
2. Think-pair-share activity about the benefits of a healthy economy
3. Write about a healthy economy
4. Case study discussion of how we can contribute to the UK economy
5. Discussion, advocacy and vote
6. End-of-unit quiz

- Slide presentation
- Worksheet: Benefits of a healthy economy
- Worksheet: How do different factors contribute to a healthy economy?
- End-of-unit quiz
- Glossary of key terms

Provide additional case study support. Use the glossary of key terms. Model answers and use a diagram to help students make connections. Discuss concepts to support understanding.

Live mark discussions. Carry out formative assessment of understanding via contributions. End-of-unit quiz.

BACS	Bankers' Automated Credit Services – used to make payments directly into a bank account
barter	exchange something for other goods or services, without using money
benefits	payments made by the State to people entitled to receive money, e.g. Child Benefit or Jobseeker's Allowance
bonds	a form of investment that involves lending money to an institution for a fixed period of time
the Budget	the government's budget for how it plans to spend its money in the following year, including any planned changes to taxes
Capital Gains Tax	collected when you make a profit from selling or disposing of an item
Chancellor of the Exchequer	the government's chief finance minister, who announces the Budget
consumption tax	a tax that is paid on the purchase of goods or a service
Corporation Tax	companies pay a certain percentage of the profits they make each year as Corporation Tax
Council Tax	Council Tax is a local, direct tax calculated on the basis of the value of a property and the number of people living there
credit	if you pay using credit, you borrow money from a lender (usually your bank) and repay it at a later date
credit scores and ratings	a measure of your reliability, in particular how likely you are to pay back money borrowed
cryptocurrency	a form of currency that exists digitally or virtually and uses cryptography to secure transactions
Customs Duty	a charge on goods sent to the UK from abroad

debit	if you pay using debit, money is taken directly from your bank account or a loaded-up gift card
debt	an amount of money owed by an individual or organisation to a lender
deductions	amounts of money taken away from the total you earn, before you are paid
deficit	the amount by which money spent or owed is greater than money earned; the amount owing
direct taxes	taxes which are paid directly to the government, rather than via an individual or organisation
Excise Duty	Excise Duty is charged on products that harm consumer health or the environment
expenditure	the amount of money that a government or person spends
gross pay	the total amount of money earned, before deductions are taken away
HM Treasury	His Majesty's Treasury – the government department responsible for developing and executing the government's public finance and economic policies
income	the amount of money that a government or person earns
Income Tax	money taken from earnings – as you earn more money, you pay more tax
indirect taxes	taxes that are paid to an individual or organisation, who then pays it to the government
interest rates	a rate charged by a lender of money to a borrower, measured as a percentage of the total value
investment	the action of putting forward money, time or effort with the aim of making a profit or other benefit

investors	people or organisations who put money into stocks or property, with the aim of making a profit
loan	A sum of money that is borrowed, usually paid back with interest
National Insurance	contributions paid from money earned to enable individuals to qualify for certain benefits and the State pension
net pay	the amount of money you receive after deductions have been taken away
PAYE	Pay As You Earn – Income Tax paid directly out of your earnings
pensions	payments made by the State to people of or above the official retirement age
personal allowance	the amount of income a person can receive without being taxed
profit	a financial gain
public sector income	the government's money
revenue	the annual income of the government from which they spend public expenses
sovereign debt	the amount of money that a country's government has borrowed
Stamp Duty	Stamp Duty is charged when you buy a property
surplus	the amount of money remaining over and above the spending of a country's government
take home pay	earnings left after all deductions have been made

tax	a compulsory contribution made to the government's income taken from people's wages, business profits, or added to the cost of some goods and services
tax avoidance	arranging your finances so that you pay the least possible amount of tax
tax evasion	lying to the government about your finances to avoid paying tax – this is a criminal offence
Value Added Tax (VAT)	a consumption tax applied to purchases of goods and services
windfall tax	a tax on an unexpectedly large profit, especially one seen to be unfairly obtained

Note to teachers:

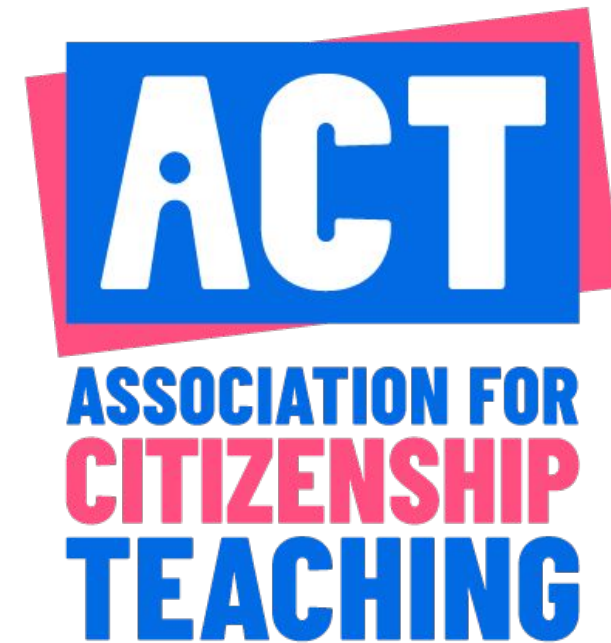
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Additional information

This scheme of work comprises of 6 lessons for teaching Key Stage 4 Citizenship in line with the requirements of the Citizenship National Curriculum. The lessons are part of the ACT model Key Stage 4 curriculum, which can be used and adapted to fit with your school's provision. Each scheme of work has an enquiry question as the focus and is then organised into smaller questions that provide a learning focus for each lesson.

These lessons contain sensitive topics. It is crucial to understand the students you teach and their individual circumstances, as content may relate directly to their personal lives. Be mindful of the viewpoints that might arise and encourage empathy and understanding through discussions. Where issues raised in teaching the lesson may be sensitive or controversial in nature, please ensure you are in line with your school policies on such matters. You may also find the ACT guidance on teaching sensitive and controversial issues in Citizenship helpful.

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