

Student planner: Financial sustainability

Te whai hua - kia ora!

sorted

Pacific edition

in Schools



What is financial sustainability?

Financial sustainability is achieving financial wellbeing and security over the long term, either individually or collectively to support yourself or your family in the future. For Pacific people, traditions such as gifting (not only money but also goods and time) are considered investments for the future. When your elders migrated to Aotearoa they invested not only in their future but also yours. You were once the focus of their planning as they set goals for a better life and opportunities. As you journey forward in life, their stories will be woven into your future as you plan to achieve financial sustainability for yourself and your family.

Before you start – overview of learning progressions



Need it/Know it

Activate your knowledge. What do you know already and what do you need to know?
This is the starting point for new learning about **financial sustainability**.

Select the learning tasks from the first column that will build on what you already know.



Think it/Link it

Link your ideas and make connections to build new knowledge and understanding about **financial sustainability**. You will learn about the perspectives and insights of others as well as make new connections for yourself.

Select the learning tasks from the second column that will challenge your thinking.



Extend it/Defend it

Extend your learning by applying it to new contexts. Find evidence, validate sources, and summarise your thinking to support your new learning.

Select a learning task from the third column that will show evidence of your understanding of **financial sustainability**.



Retirement



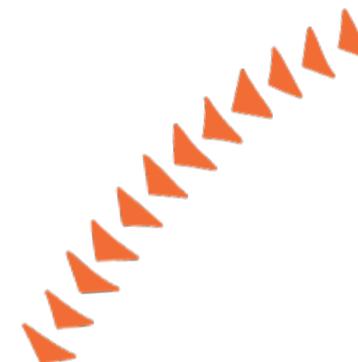
Many Pacific elders migrated to Aotearoa to gift their children a better life as well as educational and work opportunities. They worked hard all their lives – quite often working more than one job – making sacrifices for their children and their grandchildren.

In their retirement, many Pacific people continue to support their family in many ways by gifting time to look after grandchildren or volunteering in their communities. In return, their families support their parents by looking after them in their own homes or supporting them financially to live independently. Loyalty and relationships with family, friends and communities are important and influence the wellbeing of Pacific people.

How much have you thought about retirement? How have the elders in your family prepared for their retirement?

At the conclusion of this topic, I will be able to:

- Identify the regular financial commitments of individuals / whānau / family.
- Describe life-stage financial events (retirement) and the financial decisions required, relating to their events.



Week 1: Retirement

Need it/Know it

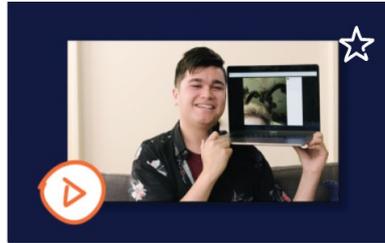
Watch the **Debbie and Maraea interview video**.



Discuss the video in a group. What were the key points that you think are important to take away after viewing this?

Think it/Link it

Watch the **Ages and Stages video**.



Discuss the video in a group. What were the key points that you think are important to take away after viewing this?

Create a timeline showing the financial stages in Simon's life. Predict where he might be financially, in mid-career and at retirement.

Create a timeline for Gran. What are the similarities and differences between the two timelines? What has caused this?

Extend it/Defend it

Saving is one way to prepare for unexpected events, however finding ways to grow your funds is important too. Many people work from their early 20s until they are 65. In Aotearoa, life expectancy is 82 years. This means that many people earn money for about half of their lives.

To get a sense of how much of your life you spend working, create a timeline using a metre ruler, with each centimetre representing one year of your life. Use sticky notes to mark on the ruler:

- the years you're likely to be earning
- the years you're likely to be in retirement

At different stages in your life your needs will change and so will the ways you need to spend your income. Put a sticky note on each decade of your metre ruler and list some possible things that may affect what you spend your money on at this stage of your life. Explain why it's important to continue to grow funds for when you are not earning an income later in your life.

Predict what might happen if there is no New Zealand Superannuation (NZ Super) by the time you turn 65. How might this impact the choices you make in your life?

Week 2: Retirement

Need it/Know it

At the age you are at now, retirement is far away and there is little to connect you with it. Can you imagine yourself at 60 or at 80? Get a photo of yourself and use an age altering app to make yourself look older. Screenshot it and print it out.

Share with your classmates and discuss what sort of life you imagine for yourself in retirement.

Think it/Link it

In pairs, view the **timeline of common reasons that our sources of income can change at each stage.**

Common factors that influence our income at each stage



1. Tertiary education stage

In the tertiary education stage, people's sources of income tend to be smaller than at the mid-career stage. Some reasons for this are:

- People who have recently left school tend to have less experience than people in the mid-career stage, so they may not be eligible for jobs that require experience or specific qualifications.

Extend it/Defend it

View the **Retirement infographic.**



Interview a family member from another generation. Prepare five questions about their perspectives on money in their retirement. Record your questions and the responses of your family member below.

Interview a family member about their views on retirement	
Questions	Their response
1.	
2.	
3.	
4.	
5.	
What are 3 key messages about retirement for my future self?	
1.	
2.	
3.	

Week 3: Retirement

 Need it/Know it

View the **Retirement PowerPoint**.



If you had to discuss retirement with someone in your family what are three things you would talk to them about?

 Think it/Link it

Read the **Retirement Sorted Booklet**.



Think about the following questions:

- Who are the retired people you know? What is life like for them?
- What do you think life will be like for you when you retire? How will it be different/similar to people who retire now?

 Extend it/Defend it

Complete the interactive tool **Surviving in Retirement**.



Week 4: Retirement

Need it/Know it

Listen to the audio on **Elder Pods for retirees in Aotearoa**.

You may need to listen to this twice or you may prefer to read the text.

As a group, draw this future brief showing all of the options and settings for retirement on large sheets of paper with markers.

Think it/Link it

Share your future brief picture with the class.

Beside each setting, list three potential issues that might happen.

Select the issue that you think is the most important.

Brainstorm three solutions to the potential problem you have identified.

Extend it/Defend it

Create a theatre sports presentation about elder pods:

- Set the scene
- Explain the problem
- Explain the solution

You must include four of these options in your theatre sports: song, poem, mime, gymnastics, dance or proverb. All group members must be equally involved.

Reflection: What have I learned about saving for my retirement?

- ✓ I can describe why it is important to start thinking about my retirement earlier rather than later in my life.
- ✓ I can explain how members in my family have planned for their retirement.
- ✓ I can explain how my family supports elders in our community.



KiwiSaver



*Ua tuhituhi mai
kae omai ke
gahua auloa*

Stop pointing come and work together
When we work collectively as a team, we can achieve great things
(Niue proverb: Mana of the Pacific)

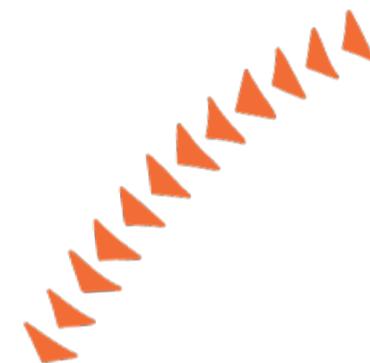
Being a homeowner was a dream for many Pacific migrants coming to Aotearoa – the land of opportunity. Not all migrants managed to achieve their goals, however some were able to save a deposit and own their own home. It gave their families a base to start their new lives in Aotearoa when they first arrived. Sharing resources within families also meant they could collectively save for home deposits.

Unlike your elders who migrated to Aotearoa, you have KiwiSaver as a way of saving for your first home. They did not have this privilege so this gives you a head start compared to what they faced.

KiwiSaver members who are 18 or over get a government contribution. For every \$1 the saver contributes, the government matches it with 50c, up to \$521 per year. This is paid into KiwiSaver accounts annually. So the goal is to get at least \$1,043 into our accounts by mid-June each year in order to get the government money. That's basically \$20 a week. Do you ever imagine yourself as a homeowner?

At the conclusion of this topic, I will be able to:

- Identify KiwiSaver as an investment account for my retirement.
- Describe the different funds that I can invest my money into.
- Explain how the contributions by the individual, the employer and the government work.
- Define what a default fund is.



Week 5: KiwiSaver

Need it/Know it

Watch the **Future Focus** video. Discuss the key message in this video.

View the **KiwiSaver infographic** and discuss it in your group. Why is KiwiSaver called a 'jumpstart'?



View the **Sooner the better infographic**. Compare the different balances at age of 65 when you start to invest at age 18 compared to age 30 using the **Sorted KiwiSaver calculator**.



Think it/Link it

View the **KiwiSaver PowerPoint**.



Why is it important to belong to KiwiSaver?
Explain the advantages and the disadvantages and present them on a T-Chart.

KiwiSaver	
Advantages	Disadvantages
<p>What are 3 key messages about KiwiSaver for my future self?</p> <p>1.</p> <p>2.</p> <p>3.</p>	

Extend it/Defend it

Read the **KiwiSaver Sorted** booklet.



What was the key message about Jane's story?

Why do we need to be savvy about the type of fund we are in?

Create a social media post that would target school leavers informing them of the three top messages about KiwiSaver.

Week 6: KiwiSaver

Need it/Know it

KiwiSaver talanoa (in pairs/groups)

What is the difference between investing money and saving money?

Should it be compulsory to join a savings scheme when you start school? Why or why not?

If the government gave you \$521 every year, what would you do with it?

What is compound interest and how does it help your savings to grow? Do you think whānau or other groups of people should start their own investment schemes instead of investing in KiwiSaver? Why or why not?

KiwiSaver is described as a “nothing in, nothing out” policy. What do you think this means?

People who don’t choose a KiwiSaver provider when they start work are put into a default investment scheme – what does this mean?

Think it/Link it

KiwiSaver talanoa (in pairs/groups)

A large number of New Zealanders are in default KiwiSaver schemes – this means that they haven’t chosen how their money is invested, so the government has chosen an investor for them. Why do you think some people decide not to choose a scheme for themselves?

Do you think the government should make a law that makes contributing to KiwiSaver compulsory for all New Zealanders? Why or why not?

You can open a KiwiSaver account at any time, but the government only contributes money once people turn 18 years old. Should people be eligible for government contributions as soon as they start contributing instead?

What are the different types of funds that are available to you as an investor if you join KiwiSaver?

What reason, other than retirement, could you have to withdraw money from your KiwiSaver account?

Extend it/Defend it

KiwiSaver talanoa (in pairs/groups)

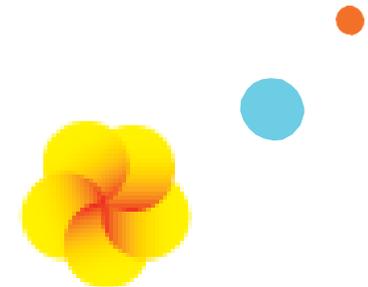
Where do KiwiSaver providers invest the money that you contribute? If you don’t know, how can you find out?

Do KiwiSaver providers have to make ethical decisions about how they invest your money overseas? If you don’t know, how can you find out?

Due to current housing issues and the cost of homes in New Zealand, owning your own home is no longer a possibility for many young New Zealanders. What might happen if you could only withdraw your KiwiSaver funds to help buy a home once you turned 60?

Reflection: What have I learned about KiwiSaver that will benefit me in my future?

- ✓ I can compare the advantages and disadvantages of belonging to KiwiSaver.
- ✓ I can explain why KiwiSaver is something that might benefit my future.
- ✓ I can explain how employers can pay different contributions into my KiwiSaver.
- ✓ I can define a default fund.



Insurance



Life is full of surprises and not all of them are nice. Insurance is a way to get life back on track when something unexpected happens to your belongings, health or ability to work. Pacific families are underrepresented in some types of insurance and may instead seek support from family if something goes wrong or they experience a loss. However, when it comes to levels of funeral and life insurance policies, Pacific people have higher levels than the total population.

The fact that Pacific people are overrepresented for life and funeral insurance shows planning for loved ones, so their family are not burdened financially. This consideration demonstrates the importance of relationships and loyalty to family, friends and community, core values of Pacific people.

Life/funeral insurance is prioritised because:

Car is not worth much	➔	Funerals cost a lot
Car is replaceable	➔	Person is not replaceable
I can still pay the debt	➔	I'm not there to pay the debt
I've burdened myself	➔	I've burdened my family
I have more control over the car	➔	I have no control over health/death
Can stop and start payments	➔	Can't stop and start – lose benefits

Source: ICNZ (icnz.org.nz)

At the conclusion of this topic, I will be able to:

- Describe several types of insurance.
- Explain the reasons for insuring yourself, your belongings or your property.
- Explain where to go to find out more about insurance.



Week 7: Insurance

Need it/Know it

Watch the **Keeping Ourselves Covered video**.



Discuss the outcomes in this video:

- Who is responsible for paying for this damage?
- Who is responsible for paying for the damage to the other car?
- What are your views on insurance?
- Do you know you can even get insurance for your pet?

List the different types of insurance you can get covered for.

Think it/Link it

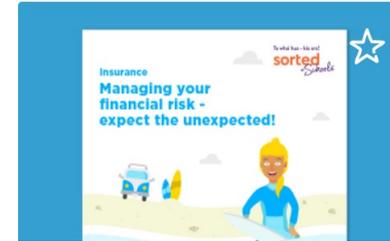
Watch the **Tia and Hayleigh interview video**.



Explain the decision that Tia made about her choice of insurance and how it impacted her family. Did she make the right choice? If you could ask Tia three questions, what would they be?

Extend it/Defend it

View the **Insurance Infographic**.



Interview three people about their perspectives on insurance. Ask them to share their 'good luck' and 'bad luck' stories about insurance.

Formulate your own opinion on insurance and justify your thinking.

Week 8: Insurance

Need it/Know it

View the **Insurance Powerpoint**.



Think it/Link it

Check out the Insurance Council of New Zealand site to see the **different types of insurance** you can purchase.

You have decided that you can afford to have three types of insurance only. Rank the insurance types that you believe are important in these scenarios:

You are just starting out in life, you are flatting and you own a car.

You are a part-time musician and have started work as an apprentice builder or hairdresser. You own a motorbike and you are flatting.

You can do research on the **Insurance Council of New Zealand** website.

Reflection: What have I learned about Insurance that I could share with my whānau?

- ✓ I can discuss different types of insurance cover and why they may benefit my family.
- ✓ I can explain where to go to find out more about insurances.
- ✓ I can explain why it is important to give an insurer accurate information when purchasing a policy.
- ✓ I can explain where to find out more about insurance.

Investing



You are an investor if you have a KiwiSaver account. Having KiwiSaver offers a lot of advantages for long term investing – it is one of the easiest ways to get ahead financially.

Some things you spend your money on last for a short time. However, things like paying for an education, can help you throughout your life. Paying for an education is a type of investment – investing in yourself. It costs a lot at the time, but it should help you to earn more money later in your career. This is similar to Pacific people investing (human capital into their family) – their time into their families and communities, this is an investment for their future.

Investing can help you save money for your retirement. Investments always involve some risk. A risk is that the investment might not work – your money might not grow at all and in some cases, you might lose money instead of making money, but it also can save up money over time if you are investing for the long term.

At the conclusion of Investing, I will be able to:

- Describe different types of investment.
- Explain the risks of investment.
- Explain how KiwiSaver is an investment.
- Describe an investor profile.



KiwiSaver contribution percentages

Week 9: Investing

 **Need it/Know it**

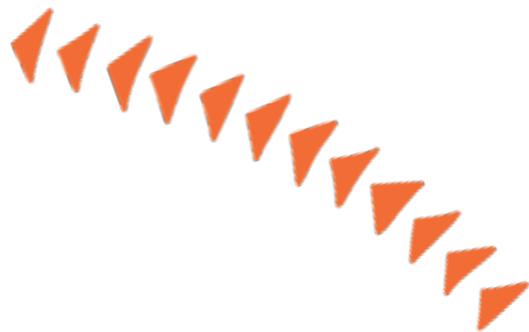
View the **Investing PowerPoint**.



Describe an investment.

List different types of investments.

Define passive income and the importance of this for retirement.



 **Think it/Link it**

Read this Onerooof article: **How teen turned his high school savings into \$3m property empire.**

Explain how buying a house might be considered an investment.

On a T-chart analyse the advantages and disadvantages of investing.

Investing 	
Advantages	Disadvantages
What are 3 key messages about investing for my future self?	
1.	
2.	
3.	

 **Extend it/Defend it**

View the **Investment Infographic**.



What does the title, 'Looking at the long-term ride', suggest to you?

Create an infographic for your whānau / family / community on investing.



Week 10: Investing

Need it/Know it

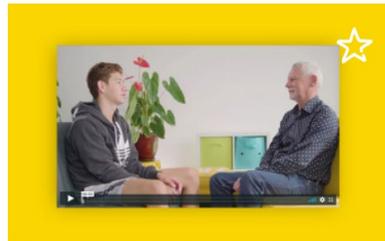
Read **Investment is about making decisions that make things grow and develop.**



Discuss key points from the text and how this diagram represents investing with your group.

Think it/Link it

Task 1: Watch the **Ross and Hoani interview video.**



Write five questions that you could ask Ross about investing.

Read the **Investing in shares infographic.**

What does 'not putting all your eggs into one basket' mean?

Task 2: Watch this 6-minute Financial Markets Authority (FMA) video "**Investing with Confidence**" to get an overview of what investing involves.

Explain the aspects of investing that interest you. Is investing something you can see yourself doing in your future?

Extend it/Defend it

Read **Investor profiles and types of investors.**

What type of investor do you think you might be? Justify your answer.

Investor profile

Just like your identity, your investor profile is made up of a range of factors including:



Week 10: Investing

Reflection: What have I learned about investment so I can use it as a tool to improve outcomes for myself and my family in the future?

- ✓ I can list three different ways of investing money.
- ✓ I can identify what type of investor I would be and I can explain why it's important to know that.
- ✓ I can define what is meant by "not putting all your eggs in one basket".
- ✓ I can explain why investing can appeal to my future self.

