

Te whai hua - kia ora!

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sorted
in Schools



Sort it out!

Sort your financial future

Funding study

Name:

One small step at a time

Welcome to the 'Funding study' learning guide!

Nau mai haere mai

Fakaalofa lahi atu, Noa'ia, Mauri, Ni Sa Bula Vinaka,
Tālofa, Kia Ora, Mālō e lelei, Mālō nī, Kia Orāna

This booklet is a guide that will direct you to the information you need to make informed decisions about money. This is your opportunity to create a **Money Action Plan** – one step at a time.

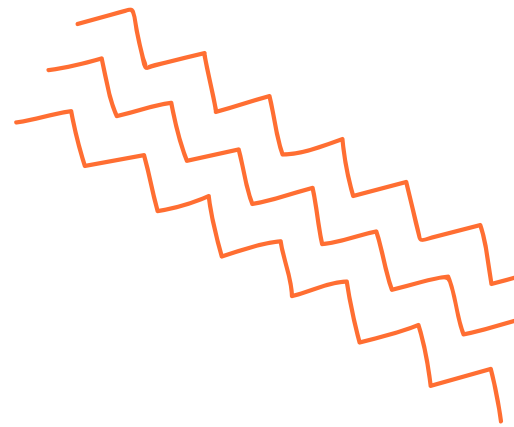
The following activities will give you the information you need to make good choices when you are funding your study.

Activity	Estimated time	Tick when completed
1. Choosing a career pathway	30 mins	<input type="checkbox"/>
2. Exploring other funding options	15 mins	<input type="checkbox"/>
3. Video: Funding study	2 mins	<input type="checkbox"/>
4. Checklist: Money steps for next year	20 mins	<input type="checkbox"/>
5. Benefits and risks of a student loan	10 mins	<input type="checkbox"/>
6. Student loan calculator	5 mins	<input type="checkbox"/>
7. Questions for reflection	2 mins	<input type="checkbox"/>

Learning outcomes from Financial capability progressions

By the end of this booklet, I will be able to:

- ✓ Describe what getting funding for study will mean for me in the future.
- ✓ Describe the different types of debt and explain the consequences of the differing options available to me.
- ✓ Explain the financial effect that significant events such as embarking on tertiary study and leaving home can have at different stages of life.



Starter activity

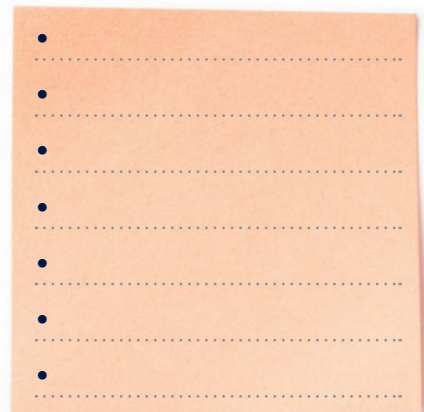
Complete these activities with someone you trust – a parent, kaitiaki, guardian or whānau member.

Their wisdom, support and knowledge about money may offer useful insights. The topics can be done in any order.

Talk: Kōrerorero

Sorted or not Sorted?

Having conversations around money can be tricky. However, it's important, especially as you get ready to leave secondary school and become more independent. Choose some of these topics and using the 5Ws (why, what, who, when, where and how) make a list of questions that you would like to find the answers to.



Action:

Funding your study

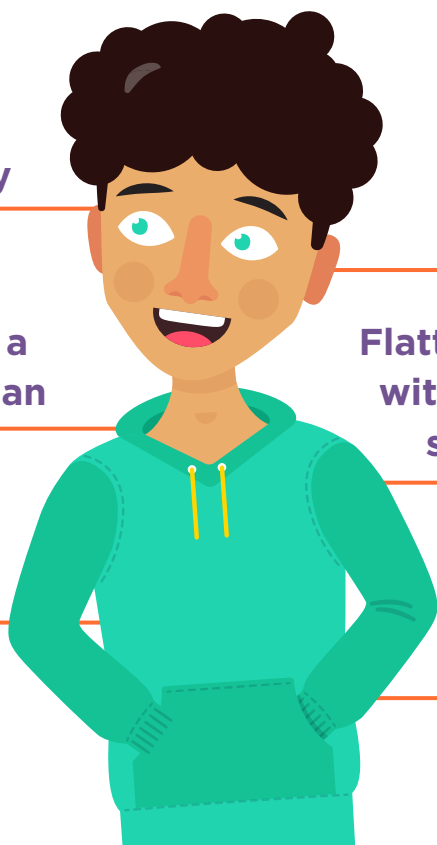
Living away from home

Managing a student loan

Flatting or living with others and sharing costs

Future pathway

Tuition fees



Discuss your questions with your parents/whānau and decide together:

1. What are your strengths and weaknesses around money?
2. Which money ideas do you feel confident to work through?
3. Which ones do you need support with?

These can be reviewed every six months or when you have a significant financial change in your life. For example, reassess your situation when you stop studying and start working, sell a vehicle or go overseas.

List the three main strengths and weaknesses you identified.

The image shows a rectangular orange sticky note with a vertical line down the center. At the top left of the left column is a large purple checkmark. At the top left of the right column is a large purple 'X'. Both columns have three numbered lines (1., 2., 3.) for writing.

Strengths (✓)	Weaknesses (X)
1.	1.
2.	2.
3.	3.

Use the information on your sticky notes to update your **Money action plan** which can be found at the end of this booklet.

Choosing a career pathway

Whether you choose full-time work or tertiary study when you leave school, it is good to know where your career is heading and the income you expect to earn when you have gained experience and/or qualifications. Exploring your options will help you clarify your thinking and planning.

Visit **Skill Matcher** from careers.govt.nz to identify your skill set and see matches to a range of potential jobs.

Select five jobs that interest you and list them below. Follow the links and gather the following information.

- Pay:** How much do you earn when you finish your training and what is the ceiling pay on this pathway?
- Job opportunities:** How readily available are jobs?
- Length of training:** How long do you need to train for the job? How would this impact your student loan?

View the video with each job so it gives you a better insight into what it is about. You may have to repeat this several times to narrow down what really engages you as a future pathway.

<p>What interests me as a possible pathway?</p> <p>List jobs below</p>	<p>Pay</p> 	<p>Job opportunities</p> 	<p>Length of training</p> 	<p>Select your top 3 choices</p> 
1.				
2.				
3.				
4.				
5.				

Make a decision together with your parents/whānau about the job options in the table above. What jobs would be the best fit? Highlight the top contenders.



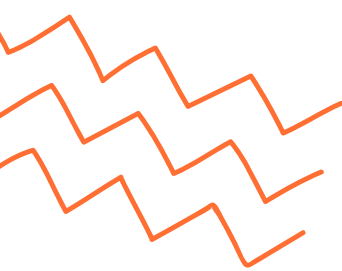
What if I want to study?

There are many different study and training options beyond school, from going to a university, wānanga, or polytechnic, to doing an apprenticeship or another form of industry training. All of these options come under the umbrella of tertiary education. When you are doing tertiary study, and if you meet certain criteria, you can apply for funding from the government through StudyLink. This is called a student loan. Most study incurs costs – unless you do vocational training like an apprenticeship where you get paid to learn your trade. The cost of study is an investment in your future and is considered ‘good debt’, but it needs to be carefully managed. If you haven’t yet chosen a pathway, touch base with your Careers Advisor.



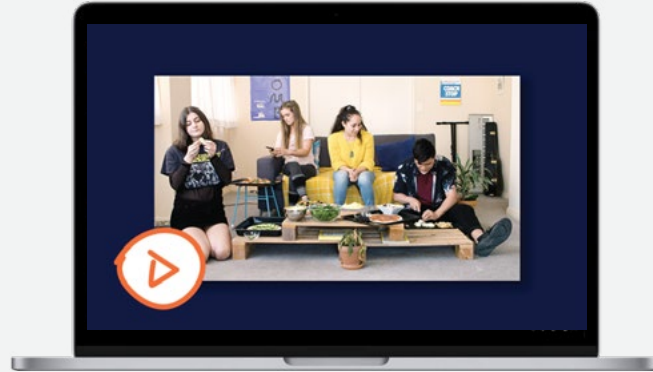
Student loans – the important stuff

- You don’t need to be studying full-time to be eligible for a student loan but you do need to be doing a minimum number of study hours each week.
- There are limits to how much you can borrow using a student loan, so although you can use a student loan to cover costs such as rent, the amount you can borrow may not cover all of your living costs. If this is the case, you will need other forms of income, for example, savings, a part-time job or support from your whānau.
- There are also some restrictions on what you can use a student loan for. For example, if you are going to live in a hostel while you are studying, you can’t use your student loan to pay a lump sum towards your hostel fees at the beginning of the year.
- Student loans do come at a cost, although it’s small compared to the costs of being a student.
- You need to pay a fee each time you set up a new student loan. You’ll also be charged an admin fee each year if your loan balance is \$20 or more.
- If you live in New Zealand, any interest charged on your student loan is written off each year (in other words, you don’t need to pay any interest, which means that it is not an advantage to pay it off any more quickly than required). However, if you move overseas, you will be charged interest on your loan, which means that the longer it goes on for, the more expensive it becomes.





View the video Funding Study and discuss how each student was funding their study.



Funding options

Have you explored other funding options:



Iwi-based student loans

Cadetships

Student allowance

Part-time work

Fees free courses

Gigs

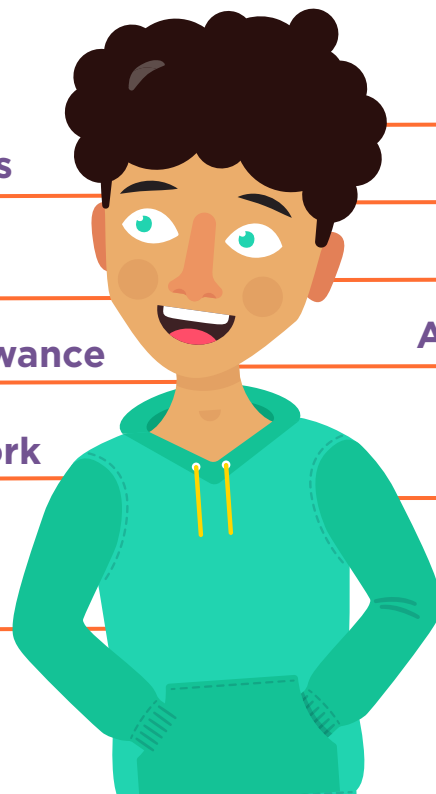
Internship

Scholarships

Apprenticeship

Company funding

Sponsorship





Activity: Ngohe



Expenditure

- Go online to your university or training institute to find the associated costs
- Cost of your study/course fees/training.....
- Cost of materials to do course/apprenticeship

Accommodation

- Discuss with your parents/whānau. Will you be living at home? Cost?.....
- Go online to the university and find the cost. Will you be living in a hall of residence/hostel? Cost?.....
- Go to Trade Me/Properties for Rent. Will you be living with others? Cost?.....

Cost of Living Expenses

- Food
- Medical
- Power (electricity/gas)
- Phone.....
- Internet.....
- Recreational activities.....
- Entertainment
- Memberships
- Subscriptions

Transport

- Public transport costs
- Private vehicle costs
- Other

Income

- What savings do you have?
- Do you have an emergency fund?
- Salary/wages
- What other financial support could you be getting (scholarships/student loans/ family)?



Activity

The benefits and the risks of taking on a student loan



List the potential risks of getting a student loan:

1. May use parts of student loan to purchase other items not related to course costs (e.g, gaming machine)
- 2.
- 3.

Explain the short-term consequences of these risks:

1. May not have enough money for food if flatting
- 2.
- 3.

Explain the long-term consequences of these risks:

1. Will need to access supplementary money/funds. May have to take out an additional personal loan which will take longer to repay.
- 2.
- 3.

As a whānau discuss ways of minimising these risks. What three steps would you have on your risk plan?

1. Go to a financial advisor
- 2.
- 3.

What you can get?	Do you meet the criteria?	Tick what you could apply for and explain why
<p>Compulsory fees</p> <p>These pay all of your tuition fees. Fees are paid directly to the institution by StudyLink.</p>		
<p>Course-related costs</p> <p>A lump sum for things like stationery, textbooks, childcare, travel or computer equipment. This is paid directly to your bank account.</p>		
<p>Living costs</p> <p>You can borrow up to a set amount each week for living costs, which is then put straight into your bank account. If you receive a student allowance this will reduce the amount you can borrow.</p> <p>Are you eligible for the student allowance? Check out the criteria <u>Student Allowance</u>.</p>		

Did you know?

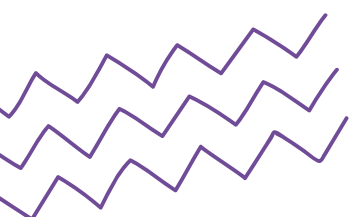


You can work out how long your loan will take to pay back using the **Student loan calculator**.



Tip: Find an additional income stream to supplement your student loan so you only need to borrow what you absolutely have to.

Make a decision together with your parents/whānau about your financial status and discuss how you can afford life as a student.

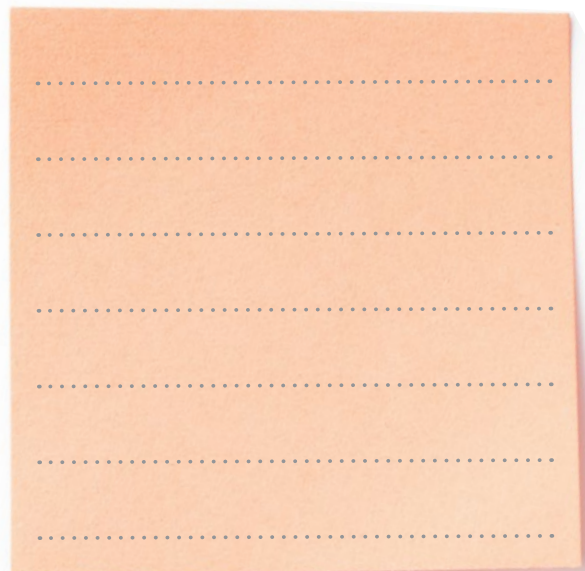


Topic summary

- ✓ Remember that your student loan is a debt that must be repaid.
- ✓ Student loans cost money, either through fees or interest. If your loan stays interest free, it is not an advantage to pay it off more quickly than required.
- ✓ If you head overseas, you are charged interest on your student loan, so it costs you more the longer it lingers.
- ✓ Only borrow the amount you require for your course needs.
- ✓ Seek help and advice if you are not managing your money so things don't get out of control.
- ✓ Revisit your loan each year.

Questions for reflection

- What is the most important thing that you have learned about funding study?
- Why is it important to keep your student loan as low as possible while you are studying?



What's next?

Congratulations you will now have a clearer plan for funding study

Add your next steps to your Money Action Plan which can be found at the back of this booklet.

Useful Sites:



Tackling debt and student loans | Sorted

Borrowing to study can be a great opportunity, though it's important to think about how much you'll really need.



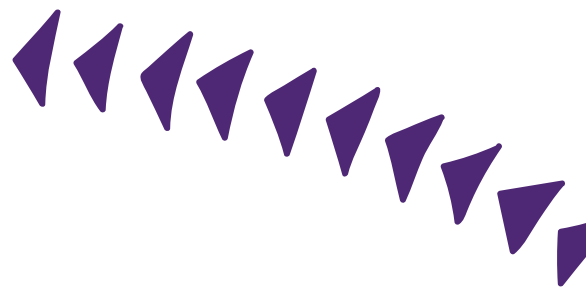
Student loan stories | Sorted blog

Ex-students share their stories about how they managed their loans.



Set your goals and reach them

Money can help you get where you want to go. Think of a goal as a destination, and a plan as a map. Where will you head next?





Mahere tauhohe Money Action Plan

Use this action plan template to summarise all your actions from the programme.

Tē tōia, tē haumatia

Nothing can be achieved without a plan, workforce and way of doing things

Sorted or not sorted

Break it down

Get it done by

Done!

Topic 1 Title

Break it down

Get it done by

Done!

Topic 2 Title

Break it down

Get it done by

Done!

Topic 3 Title

Break it down

Get it done by

Done!

Topic 4 Title

Break it down

Get it done by

Done!

Topic 5 Title

Break it down

Get it done by

Done!