

Debt Empire

Quick Start Teaching Guide

Looking for a new way to engage your students on subjects that equip them for the real world and connect with the curriculum?

Debt Empire could be just the ticket: it's a game app that helps to prepare them for the future and make informed decisions around their personal finances. And, because it's fun they'll want to keep going when school is over.

It's played on mobile phones and tablets and has been designed by the Commission for Financial Capability as a resource for teachers to help students understand more about debt and all the fish hooks that go with it.

Debt Empire contains numerous educational learnings in mathematics, financial capability and enterprise. It teaches students about potential traps of high interest debt such as payday loans.

How to access Debt Empire

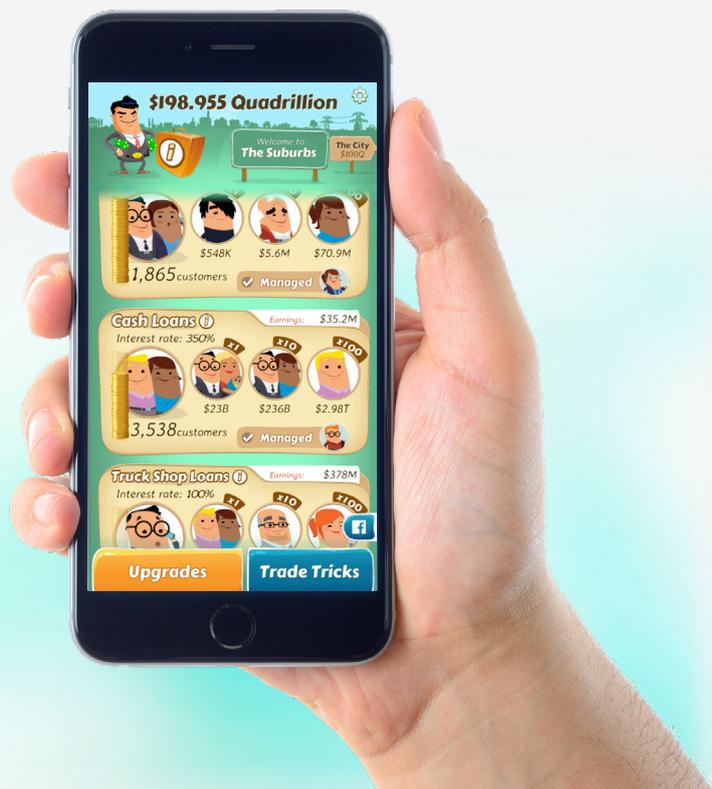
Students can access Debt Empire on the iTunes and Google Play app stores by searching 'Debt Empire'. It's free to download and there are no in-game purchases.



Debt Empire's main message

If you are buying things with debt then it is important to know what you are signing up for. Debt, particularly from 3rd tier lenders (e.g. payday lenders), can be easy to get into but hard to get out of. Getting into debt early can have a large negative impact on future choices. Debt can be very expensive, especially when excessive interest rates and the extra costs and charges are added into the original loan amount. The costs get even higher when you aren't able to pay back the loan as planned.

Learning comes from the player using 'trade tricks' to grow their empire. They have a corresponding real world tip and link to Sorted.org.nz. Every time a 'trade trick' is used the player learns about debt in relation to their life, and how to make debt work for them not against them. There are 17 separate 'trade tricks' which each has an associated learning point.



Connection to the curriculum

Financial Capability in the New Zealand Curriculum – TKI-curriculum resources/ Financial Capability

Financial Capability is highlighted as an example of how “links between learning areas should be explored in the curriculum. This can lead, for example, to units of work or broad programmes designed to develop students’ financial capability, positioning them to make well-informed financial decisions throughout their lives” (p39, NZC).

Supporting learners to understand how money works and to be confident and capable in managing their money can contribute towards:

- achieving The New Zealand Curriculum vision for young people to be “confident, connected, actively involved, life-long learners”
- the graduate profile of Te Marautanga o Aotearoa, specifically that students are “able to contribute to and participate positively in the community” and “living successful and fulfilling lives.”

To do this students need:

- opportunities to understand their own and others’ values
- knowledge and skills in managing money and income, setting goals, and planning ahead.

Financial capability is a relevant context for strengthening literacy and numeracy skills and understandings, developing the key competencies, and exploring values. The Financial Capability Progressions is a matrix of suggested curriculum based learning outcomes across a range of learning areas of the NZC.

Learning areas – examples of links to the curriculum: Social sciences, Health, Mathematics

• Financial capability progressions – Spending theme, CLs 4-6

Describe different ways of spending, for example, online purchasing, layby, hire-purchase (loans), phone plans.

Explain external factors that can affect peoples’ choices, for example, advertising, peer pressure.

• Financial capability progressions – Money theme, CLs 4-5

Compare and contrast different ways of paying for goods and services.

• Financial capability progressions – Income theme, CLs 4-5

Explore and compare different sources of income, for example, interest, wages, salary, dividends, transfer payments (benefits).

Explore how having more or less money affects spending choices for individuals/whānau/groups/communities.

Explain how income contributes to well-being of individuals/whānau/groups.

• Health and PE CL4

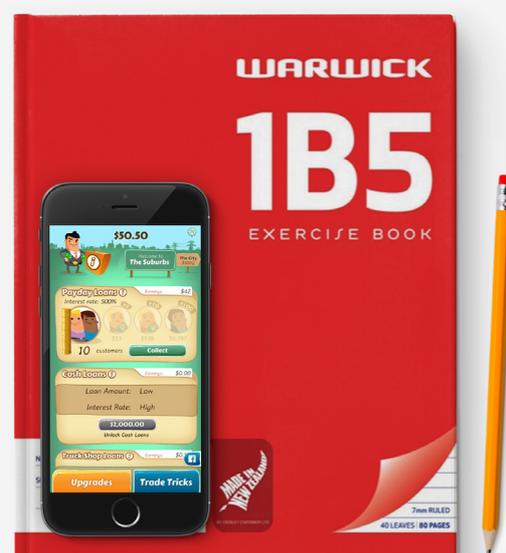
Investigate how lifestyle factors and media influences contribute to the wellbeing of people in New Zealand

• Mathematics & Statistics, Numbers and Algebra CL3

Use a range of additive and simple multiplicative strategies with whole numbers, fractions, decimals and percentages; fractions and percentages in everyday use

Key vocabulary and terms

- | | |
|-----------------------|--------------|
| • Loans | • Income |
| • Term and conditions | • Risk |
| • Interest | • Profit |
| • Fees | • Bankruptcy |



Student Investigation Opportunities

Ideas for discussion

- Why do some types of loans charge higher interest rates than others?
- What types of organisations lend money and which are the most expensive places to get a loan from?
- What are typical fees and charges that are paid when you get a loan?
- What happens if you can't pay the loan back as planned?
- What are some good reasons to get a loan?
- If you buy something with a loan what might the total cost be by the time you have paid it off? For example, a phone, a Play-station, mag wheels for a car.
- What is compound interest and what are some examples of it?

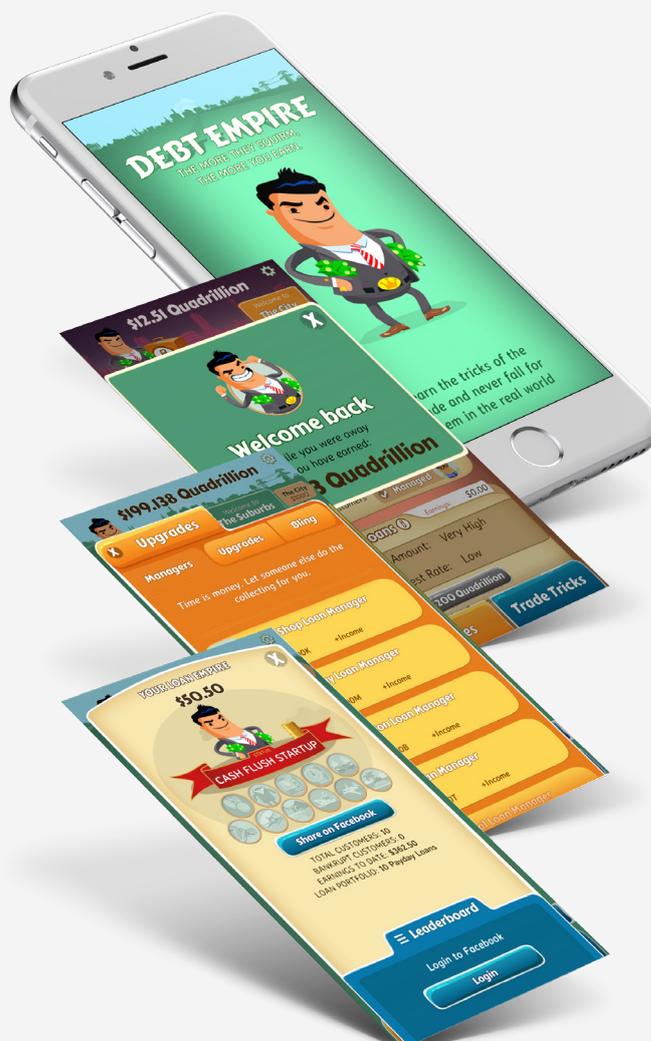
Other resources

- **Link to TKI website for Financial Capability:**
<http://nzcurriculum.tki.org.nz/Curriculum-resources/Financial-capability>
- **Sorted booklets:**
<https://www.sorted.org.nz/order>
- **Young Enterprise Trust resources:**
<http://youngenterprise.org.nz/find-resources/>
- **Studylink (MSD) student loans:**
<https://www.studylink.govt.nz/products/a-z-products/student-loan/index.html>
- **CFFC learning hub** (launching March 2017)

Student investigation of ideas

Sorted.org.nz – debt calculator which shows the power of compounding interest. Sorted also has useful guides and information about debt

- **Commerce commission video series:**
<http://tv.comcom.govt.nz/>



Questions? Contact the Sorted team at: office@sorted.org.nz