

# DEBT EMPIRE

## Teaching and learning guide

*How do we teach our students about the dangers of debt  
and how to be loan smart?*



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## Introduction

### How do we teach our students about the dangers of debt and how to be loan smart?

Introducing **Debt Empire**, a fast paced game app that puts players in the role of a loan shark on a quest for debt domination.

Debt Empire helps students:

- understand that debt can be very expensive (total costs of debt)
- learn about debt in relation to their life
- discover ways to make debt work for them.

Debt Empire has been designed by the Commission for Financial Capability to help students make informed financial decisions. The game can be played on mobile phones and on tablets.

## Debt Empire game

Teachers and students can access Debt Empire as an app on the iTunes and Google Play app stores by searching 'Debt Empire'. It is free to download.

Players are cast in the role of an entrepreneur loan shark, lending money, charging interest, slapping on lots of fees and products, and using their profits to invest in upgrades to make more money.

As players move through the game they unlock new, increasingly expensive loans and purchase the ability to employ loan managers to do the collecting for them. They can also invest in upgrades such as accountants, call centres, and advertising to generate extra funds. They can also enjoy the profits of their empire by going shopping for bling, everything from cars, jets, super yachts and tropical islands. Players can then share their results on a leaderboard and compete with friends.

Learning comes from the player using 'trade tricks' to grow their empire. 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', and each has a corresponding real world tip and a link to [Sorted.org.nz](http://Sorted.org.nz).



## Curriculum links

Debt Empire offers engaging, true to life learning experiences that meet the intent of *The New Zealand Curriculum*. Debt Empire supports students to understand how money works and to be confident and capable in managing money. It connects with the curriculum principles Community Engagement, Coherence and Future Focus, making connections to whānau, creating learning pathways, and encouraging students to explore enterprise and financial citizenship.

The game supports the development of Key Competencies and can be linked to NCEA assessment standards, and L5-8 curriculum achievement objectives in the social sciences, particularly economics.

More detailed information about links between Debt Empire and *The New Zealand Curriculum* can be found in Appendix 1.

## Getting started

### Prior knowledge

Before students play Debt Empire, it is important to identify their prior knowledge about money, loans, and debt.

Identifying prior knowledge has two main purposes:

- to identify knowledge that can be used as a foundation for further learning
- to identify gaps and misconceptions in students' knowledge.

This may also be a time to acknowledge that students will have different viewpoints on the game and the classroom work from this guide, based on their own values and perspectives. It is important for students to understand that there are cultural and family variations in how money is viewed, used and talked about, and that this may influence their reactions and responses to the subject matter in Debt Empire and their personal experiences of debt.



The following questions may help you uncover students' prior knowledge and identify their next learning steps.

<p><b>Money</b> What was your earliest experience with money? What have been your best and worst money moments?</p>	<p><b>Borrowing</b> What are your attitudes around borrowing money? Are they the same as your family's? As your friends?</p>	<p><b>Debt</b> What is debt? Why do you think people get into debt? Is debt good or bad? What can be the impact of getting into debt?</p>
<p><b>Loans</b> Have you ever borrowed any money from anyone? Why did you borrow it? Did you pay it back? Did you pay interest on it? What are the consequences of not being able to repay your loans?</p>		
<p><b>Loan shark</b> What is a loan shark? How do they make their money? How do you feel about loan sharks?</p>	<p><b>Bankruptcy</b> What is bankruptcy? What are the short term and long term effects?</p>	

Some ways to gather student responses in a collaborative space, either named or anonymously include:

- **Padlet**, an online 'post it type' note board.
- **AnswerGarden**, a minimalistic feedback tool for real time audience participation.

## Key concepts and vocabulary

Debt Empire encourages students to talk about money using financial concepts and terms.

Take time to introduce new vocabulary to your students so that they develop common understandings. This will lead to more meaningful conversations about these concepts during the game.

Here is some of the language they will encounter:



The **Sorted glossary** may be used for support.

Playing the game

Unpacking the loan types and trade tricks

As students play Debt Empire they will uncover a range of loan types and “trade tricks”, each with its own key message about money, loans, and debt. You can help students assimilate these messages by creating simple, collaborative charts (see examples below) that translate loan types and trade tricks from the game into learning for the consumer.

**Payday Loans** Earnings: \$2.67M

Ah, the gateway drug of debt. Payday loans are generally for smaller amounts. And because they're only meant to be short-term, customers don't even notice your outrageous interest rates (at times above 500% a year!).

**Gobbledy Gook**

Confuse your customers by hiding rates and fees in the terms and conditions. It's not legal, but it makes money.

**Real world tip** Sorted

A lender is required by law to show you the total repayment on the loan you'll be making on the loan.

Learn more about what a lender must show you

Loan type	Learning for consumers
Payday loans are the “gateway drug” of debt. Because they are short term, customers don't notice the hefty interest rates.	Avoid payday loans. They have huge interest rates ... sometimes over 500 percent a year.

Trade trick	Learning for consumers
<b>Gobbledy Gook</b> is how some people see the fine print at the bottom of a contract. Although it's illegal, it's easy to hide rates and fees where no one will read them.	Read the terms and conditions and make sure you understand how much you will be paying back.

## Ako Board

The ako board suggests a range of student tasks that consolidate the learning in the game.

Students can select a task once they have acquired some trade tricks.

Many activities on the ako board encourage students to take their own new learning and present it in different ways for their families, friends, and communities.

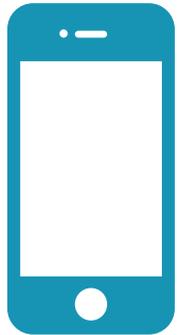
<p><b>Create a Kahoot!</b> quiz to test your classmates' knowledge about the concepts in the game.</p>	<p><b>Write</b> a rap/song/poem warning of the dangers of debt and telling people how to be loan smart.</p>	<p><b>Compare</b> two types of debt from the game and present in a chart or as an infographic.</p>
<p><b>Tweet</b> three messages or new learnings from the game tag them with #debtempire @cffc</p>	<p><b>Make</b> a short video to warn people about the dangers of borrowing.</p>	<p><b>Design</b> an infographic to show different loan types and their comparative interest rates and features.</p>
<p><b>Create</b> a three slide presentation to share with your classmates with key learning from playing. What are the three key things you learnt and would share with others?</p>		<p><b>Share</b> your progress in the game on Facebook or in the online leaderboard.</p>
<p><b>Investigate</b> the real costs of the types of debt in the game - e.g. Payday Loans, Cash Loans, Truck Stop Loans etc.</p>	<p><b>Brainstorm</b> a list of all the places you can borrow money, then rate the list from highest risk to lowest risk. Why are some higher risk than others?</p>	<p><b>Create</b> a warning poster about three of the trade tricks from the game.</p>
<p><b>Determine</b> your money personality. Take the quiz to find out your money personality type. <a href="https://sorted.org.nz/tools/money-personality-quiz">https://sorted.org.nz/tools/money-personality-quiz</a> What have you learnt?</p>	<p><b>Design</b> a 'money smart' quiz for your peers or the local community where all the quiz questions are around loans, interest and debt.</p> <p><b>Design</b> an app to help young people manage their finances. The app could target any area of finance including goal setting, budgeting, saving, or loans.</p>	
<p><b>Create</b> an ad for the school newsletter, with information about local free financial help, like Citizens Advice Bureau or community budgeting services.</p>	<p><b>Debate with another class:</b> That payday loans with interest rates over 500% are bad for you.</p>	<p><b>Discuss</b> the role of the loan shark. How does it feel taking money from others? Does your wealth come at a cost to other people? Is there such a thing as ethical lending?</p>
<p><b>Create</b> a persona and background for three of the customer characters from the game. Then <b>role play</b>: have someone from your class play the loan shark who is offering money, while each customer comes in and tells their story. Ask the rest of the class to be the judges. Should they be lent money or not? Why?</p>		

## Further inquiry

Debt Empire can be used as a springboard for further inquiry where students take learning from the game and apply it to different contexts.

### Scenarios

These lending scenarios place students in the driving seat, letting them experience for themselves how loans work and the implications of debt. Much of the merit in these scenarios lies in the discussions they generate. You could display a range of scenarios around the classroom, and students could move to each one recording their responses on a shared sheet of paper. Alternatively, students could choose a scenario to work on with a partner or small group.

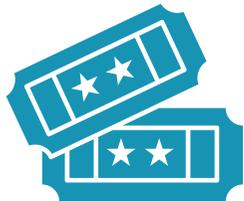


#### **Me and my iPhone**

The latest iPhone is due out any day, and Josh NEEDS it! But he has only saved \$200 towards it and it costs \$799. He could get it now on a payment plan, for \$99.99 a month, for 24 months.

- What will his phone end up costing him?
- What are the extra charges he should look out for?
- What other expenses are connected to having a phone?
- Should he get insurance?
- Is this a good idea or not?

<https://tinyurl.com/consumercreditcontracts>



#### **Concert tickets**

Aleesha's favourite band is coming to New Zealand and she is desperate to see them. The tickets are \$180 each and she wants to take her best friend, but doesn't have the money. A personal loan could help Aleesha out.

- What would it cost her to borrow the money?
- Is it a good idea or not?

<https://www.sorted.org.nz/guides/personal-loans>



### First car

Tahi is saving towards his first car. He has \$2000. He's seen the perfect car for \$6000. What do you think Tahi should do?

- Wait to buy until he has saved all the money he needs?
- Spend what he has saved and borrow the rest?
- What other ongoing car expenses should Tahi consider?
- What advice would you give Tahi before he buys?

<https://www.sorted.org.nz/guides/car-loans>



### Pimping out her ride

Nikki has spent all her savings and bought her first car. It would look great with new mags and her local tyre shop has a deal on.

- Should Nikki jump in and get them now?
- What will they end up costing her? Is it worth it?
- What other expenses are connected to having a car?
- How could these impact on Nikki and her ability to repay the loan?

<https://tinyurl.com/consumercreditcontracts>



### Repo nightmare

Bradley has been working after school and has just bought a ute with his hard earned cash. One night the repo guys turn up and take the ute as the previous owner still owed money on it and had stopped paying.

- How can this happen?
- What could Bradley have done to protect himself?

<https://www.consumer.org.nz/articles/repossession>



### Uni expenses

Riley wants to go to university away from home and has been working hard after school to save. He knows he will need to borrow some money to help pay his fees and to cover his living costs.

- Where would he borrow money from? What can he borrow?
- What might affect his ability to borrow money?
- How will he be able to pay back this loan?
- Could it affect his chances of borrowing in the future?

Student Loans <https://www.sorted.org.nz/guides/student-loans>

## Inquiry menu

The following task menu encourages students to apply their learning from the game to a different financial situation. In doing so, they will consolidate their learning about loans and debt and develop additional financial skills and knowledge. Students can choose to complete one of the tasks below or to write their own inquiry task.

### Time for a holiday

*Task: Select a destination and plan a week long holiday for yourself and a friend.*

- Calculate flights, accommodation, food, spending money, and insurance. What will it cost you?
- If you borrowed the money, how long would it take to pay back, and what would the holiday end up costing you?
- Would you ever borrow money for a holiday? Why or why not?

<https://www.sorted.org.nz/guides/personal-loans>

### Hot wheels

*Task: Calculate the true cost of buying a car on finance.*

- Find a car you would like to buy from TradeMe.
- Using the [car loan calculator](#) on Sorted, calculate how much you would pay for the car if you paid it off over 2, 3, 4 or 5 years. What would your weekly repayments be? What will you end up paying for your car?
- What other expenses should you be aware of when buying a car?

See <https://www.sorted.org.nz/guides/car-loans>

### Lenders, lenders everywhere

*Task: Find out who the lenders are in your community, who they are targeting, what sort of loans are available and how easy is it to borrow money.*

- Look around your local area and find all the lenders. How many of the types in the game can you find? Are there any others that don't feature in the game?
- Create a chart to record:
  - How they advertise
  - Who they are targeting
  - What interest they are charging
- Interview someone from Citizens' Advice about the impact of different loan types in your community.

### Family/whānau hui

*Task: Design (and deliver) a family whānau hui to share your learning about debt. Find out what your whānau's experience of debt has been. What learnings from the past can you take into the future?*

- Set up displays or interactive activities about debt and to share your learning from Debt Empire. You could bring in outside experts (e.g. Citizens' Advice) to present too.

## Money licence

*Task: Create a licence to spend and to save.*

- You need a licence to drive a car but not to use money. What are some things you need to know before you start earning, spending, borrowing?
- Following the design of the NZ drivers licence, design a 35 question multi choice quiz for a learners money licence and then a practical task for each of the restricted and full licence. Have some of your classmates take your licence and reflect on how they did.

## Values and beliefs

*Task: To explore whether people's values and beliefs influence their borrowing and lending. How do our families, our cultures and our experiences affect how we view money, lending and debt?*

- Create a presentation to show who influences values and beliefs about spending and borrowing. Compare your own and others' experiences.
- How do our families, our cultures and our experiences affect how we view money, lending and debt?

## Media and money

*Task: Analyse advertising to see how borrowing money is presented to the community*

- Collect and analyse a range of print and electronic advertising media about spending, lending and borrowing money. How does the media influence New Zealanders to spend and borrow money? Who are they targeting? Why? What messages are they giving? What messages are they omitting?
- Collate your findings and take some social action - publish them on a blog, share them on social media, or notify advertisers.

## Healthy, wealthy and wise

*Task: Explore different people's values and beliefs about wealth and being wealthy.*

- What does it mean to be wealthy?
  - What are some other ways you can be wealthy (outside of money)?
  - How do the decisions different people make as young people regarding spending and borrowing influence them in their twenties, and how will this have an impact at different stages of their lives, into the future?
- <https://www.sorted.org.nz/tools/retirement-planner>

### Taking the game into the community

*In New Zealand 18 is the legal age for asking your bank for a cheque account, credit card or a loan. At 18 you are fully bound by any contract you enter into, such as a **consumer credit contract**.*

Debt Empire allows students to take the game and their financial learning beyond the classroom. Whānau and friends can play the game and share their progress online. Students can compete against family and friends to try to build the biggest debt empire.

The following questions will help students have conversations with family and friends about messages from the game and about debt in their own lives.

- What do we do when we don't have enough money for something we want to buy?
- Have you had experience with debt and loans?
- Where can you borrow money from?
- Do you think debt is good or bad? Why?
- Do you know what fees and charges are added when you pay a loan?
- Why do some loans have higher interest rates than others?
- Which places are the most expensive to get a loan from?
- What happens if you can't afford to pay back a loan?
- What can we do as a family to be loan smart?
- Are you planning to go to university or study after school? How will you pay for this?
- How do you think you will pay for the big ticket items (car, house, holiday) in life?

### Further resources

- Financial capability in the curriculum: <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://tinyurl.com/studylinkstudentloan>
- CFFC learning hub (launching March 2017)
- Commerce Commission video series: <http://tv.comcom.govt.nz/>
- New confident consumer collateral from MBIE: <https://tinyurl.com/consumerknowledge>
- Mind over Money - Episode 3: Why do we spend money we don't have? <https://tinyurl.com/mindovermoneyep3>

## Appendix

A detailed outline of the links between Debt Empire and *The New Zealand Curriculum*.

### Vision

Debt Empire contributes towards achieving *The New Zealand Curriculum* vision for young people to be “confident, connected, actively involved, lifelong learners”.

### Principles

The learning in Debt Empire is underpinned by the following curriculum principles:

#### Community engagement

Debt Empire engages students and encourages them to make connections to their wider lives. The game can be played with families, whānau, and community groups, helping to share key messages about financial capability.

#### Coherence

Debt Empire links across learning areas, particularly social sciences, mathematics and statistics, and English. The game provides students with life skills and opens pathways for further learning.

#### Future focus

Debt Empire encourages students to think about their future and how debt could help them get ahead or drag them down. It helps students understand the total costs of debt over the life of the loan, and whether that is a good choice for their future.

**Financial capability**

Financial capability is highlighted in *The New Zealand Curriculum* as an example of the type of theme that schools could use for effective cross-curricular teaching and learning programmes. The **Financial Capability Progressions** set out suggested learning outcomes that are aligned to levels 1-8 of *The New Zealand Curriculum*.

The following financial capability progressions can be targeted through the use of Debt Empire:

**Credit and Debt theme**

Level 5	Level 6	Level 7	Level 8
Explore examples of “good” and “bad” debt including manageability of debt and its long term impact, for example, purpose, use, providers and types of credit, long term, short term debt.	Make decisions about incurring “good” and “bad” debt in relation to age, income, and circumstance, for example, purpose, providers and types of credit, long term, short term debt, interest rates.	Describe the consequences of making decisions about “good” and “bad” debt in relation to age, income, and circumstance, for example, purpose, providers and types of credit, long term, short term debt, interest rates.	Describe and explain the consequences of making decisions about “good” and “bad” debt in relation to age, income, and circumstance, for example, purpose, providers and types of credit, short term/long term debt, interest rates.
Compare banks and other financial institutions according to interest.	Calculate and compare interest rates charged by banks and other financial institutions.	Demonstrate understandings of interest charged by banks and other financial institutions in relation to amount borrowed, interest rate, time and risk.	Describe and explain interest charged by banks and other financial institutions in relation to amount borrowed, interest rate, time and risk.
	Describe manageable and unmanageable credit and debt, for example, use of credit, types of credit, interest payment, tax.	Identify credit options to manage finances, for example, credit cards, personal loans.	Compare and contrast credit options and recommend strategies to manage finances.

**Spending theme**

<b>Level 5</b>	<b>Level 6</b>	<b>Level 7</b>	<b>Level 8</b>
Describe external factors that can affect people’s financial choices, for example, advertising, peer pressure.	Explain external factors that can affect people’s financial choices, for example, advertising, peer pressure.	Describe different views about making wise spending choices in relation to age and circumstance.	Describe and explain different views about making wise spending choices in relation to age and circumstance.
	Describe different ways of spending, for example, online purchasing, layby, hire-purchase (loans), phone plans.	Explain different ways of spending, for example, online purchasing, layby, hire-purchase, phone plans.	

**Exploring the key competencies with Debt Empire**

<b>Key competency</b>	<b>Financial capabilities developed through Debt Empire</b>
<b>Thinking</b>	Evaluating financial decisions and their consequences. Identifying and deciding on different financial options. Developing long-term thinking including understanding the financial implications of different life stages.
<b>Using language, symbols and texts</b>	Using the language of money and financial symbols. Calculating and interpreting financial information.
<b>Managing self</b>	Taking responsibility for financial decisions. Putting off short term wants to fulfill long term goals.
<b>Relating to others</b>	Discussing financial decision making with peers, whānau, family, and community members. Finding, gathering, and evaluating information from financial experts and elders within the whānau or extended family. Examining the effects of financial decisions on others. Exploring different values and cultural priorities. including those held by Māori and Pasifika.
<b>Participating and contributing</b>	Working with people who have different financial values. Participating in discussions about financial capability.

## NCEA and Debt Empire

Debt Empire could support students as they work towards National Qualifications Framework standards relating to personal financial management.

**US28088 v2** – Demonstrate understanding of credit and debt on personal finances

**US28093 v3** – Describe the financial responsibilities and consequences of tertiary study funding options

**US28099 v2** – Analyse credit options and select strategies to manage personal finances

**US29558 v1** - Demonstrate understanding of personal credit history

## Learning areas

Debt Empire supports learning across several curriculum learning areas including English, mathematics and statistics and social sciences, particularly economics in the senior school.

The game helps students develop a range of literacy and numeracy skills as they work through the game reading and understanding financial vocabulary, comparing percentages and calculating monetary values.

## English

Using the indicators relevant to your students needs Debt Empire can be used to:

- Select and use a range of language features appropriately for a variety of effects.
- Show an understanding of ideas within, across, and beyond texts.

**Level 5**

**Level 6**

**Level 7**

**Level 8**

## Social sciences

### Level 5

Understand how economic decisions impact on people, communities, and nations.  
Understand how people's management of resources impacts on environmental and social sustainability.

### Level 6

Understand how, as a result of scarcity, consumers, producers, and government make choices that affect New Zealand society.

**Health and Physical Education**

**Level 4**

Societal attitudes and values

- Investigate and describe lifestyle factors and media influences that contribute to the well-being of people in New Zealand.

**Level 6**

- Advocate for the development of services and facilities to meet identified needs in the school and the community.

**Level 7**

- Evaluate laws, policies, practices, and regulations in terms of their contribution to social justice at school and in the wider community.



Contact [office@sorted.org.nz](mailto:office@sorted.org.nz) for more information

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