



Te whai hua - kia ora!

# sorted *in Schools*

US 28087 (version 4)

## Ages and stages

Demonstrate knowledge of the effect of life stages on personal income

LEVEL

1

CREDITS

3

THEMES

Retirement  
Investing  
Savings  
KiwiSaver

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# Nau mai haere mai!

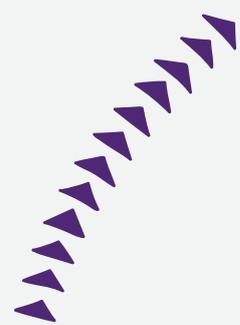
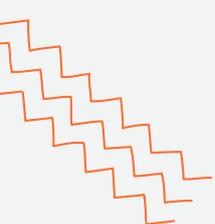
## Welcome to the Ages and Stages module.

This module supports you to develop your knowledge of ways that sources of income can change at three different life stages, including the benefits that can come from planning for these changes in advance.

You will be assessed on how well you:

- identify possible incomes sources
- describe the effect on personal income that factors have at different life stages
- explain why personal income varies at different life stages
- explain the potential benefits of planning for changes in income at different life stages.

Evidence/Judgements for Achievement	Evidence/Judgements for Achievement with Merit	Evidence/Judgements for Achievement with Excellence
<p>For at least TWO of the life stages (post-secondary, family and career building, retirement), you need to:</p> <ul style="list-style-type: none"> <li>• identify one source of earned income and one source of unearned income</li> <li>• describe the effect on personal income that factors have at different life stages (factors may include; age, relationship status, household size, employment situation, access to government financial support, tax implications).</li> </ul>	<p>As well as meeting the requirements for Achievement, for at least TWO of the life stages, you need to:</p> <ul style="list-style-type: none"> <li>• explain why personal income varies at different life stages.</li> </ul>	<p>As well as meeting the requirements for Merit, at least TWO of the life stages, you need to:</p> <ul style="list-style-type: none"> <li>• explain the potential benefits of planning for changes in income at different life stages.</li> </ul>



## Potential links to NCEA Level 1 Achievement Standards

You may be able to use your knowledge, content, and modified work in this module and assessment task as evidence towards the following Achievement Standards:

- **AS 91026** Apply numeric reasoning in solving problems
- **AS 90857** Construct and deliver an oral text
- **AS 90855** Create a visual text
- **AS 90053** Produce formal writing.

Discuss with your teacher whether this is an option.

This module is about ways that your money choices and income might change as you move through life. It includes life stage related factors that can affect your income and the benefits of planning for these changes in advance.

In this module you will explore:

- **Topic One: Sources of income** – the three life stages explored in this module; the difference between earned and unearned income
- **Topic Two: Income in the post-secondary stage** – income needs; sources of earned and unearned income; reasons that sources of income can change at this life stage
- **Topic Three: Income in the family and career building stage** – income needs; sources of earned and unearned income; reasons that sources of income can change at this life stage
- **Topic Four: Income in the retirement stage** – income needs; sources of earned and unearned income; reasons that sources of income can change at this life stage
- **Topic Five: Preparing for your assessment** – understanding the assessment task; how life stage related factors can affect personal income; the benefits of planning ahead for changes in sources of income.

## Resources

There are lots of useful resources for exploring sources of income. Sorted in Schools resources that have particular relevance to this module are:

- Kiwisaver infographic
- KiwiSaver PowerPoint
- KiwiSaver Sorted booklet
- **KiwiSaver Pick-a-path interactive.**

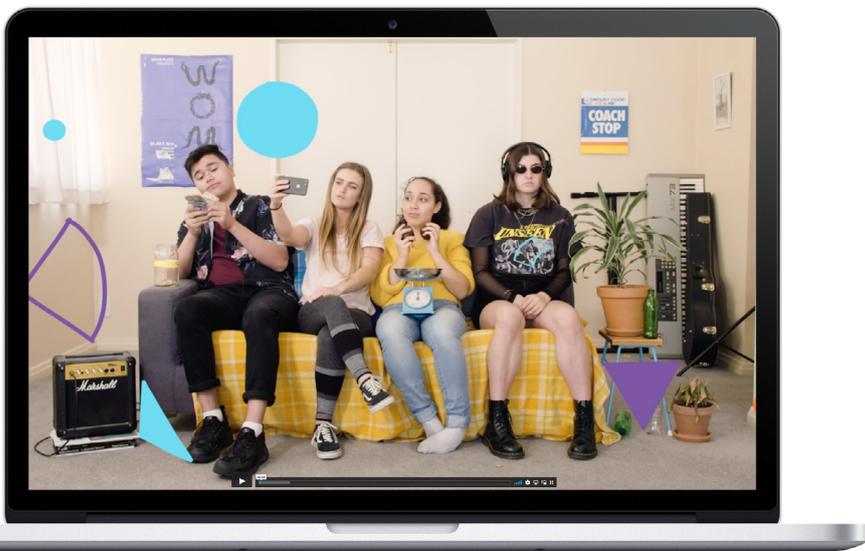
You can find these resources on the **student activities** page of the Sorted in Schools website by clicking on Theme and selecting **KiwiSaver** from the dropdown menu.

 Be sure to watch the fun, informative video that accompanies this module

**Ages and Stages video**

Websites that have particular relevance to this module are:

- **The Sorted.org guide to studying**
- **The Sorted.org guide to how KiwiSaver works**
- **The Sorted.org guide to living in retirement**
- **Inland Revenue - KiwiSaver**
- **Ministry of Business Innovation and Employment**
- **Work and Income**
- **Studylink**



# Topic One:

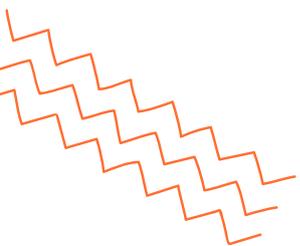
## Sources of income

### Learning Outcomes for Topic One

- ✓ Understand the three life stages explored in this module and in the unit standard assessment
- ✓ Understand the difference between earned and unearned income.

### Success criteria

You should complete all activities in this topic. They will help you to meet the assessment requirement of identifying sources of both earned and unearned income at three different life stages.



In this topic, you're going to be exploring different sources of income, which is money that you get, as opposed to money that you spend or give away.

## Why do we need income?

We live in a world in which we rely on money to meet many of our needs and wants. Just as our needs and wants change as we grow older, our access to and use of income also changes.

Income, needs and wants are closely related. When you're a tamariki, income can provide you with some independence and freedom, allowing you to choose how to save, spend or share your money. As rangatahi, you might need income for transport, entertainment, to buy your own clothes or to save up for something you want. Once you leave home, you'll need income to house yourself and, if you become a matua, you'll need income to meet the needs of your tamariki.



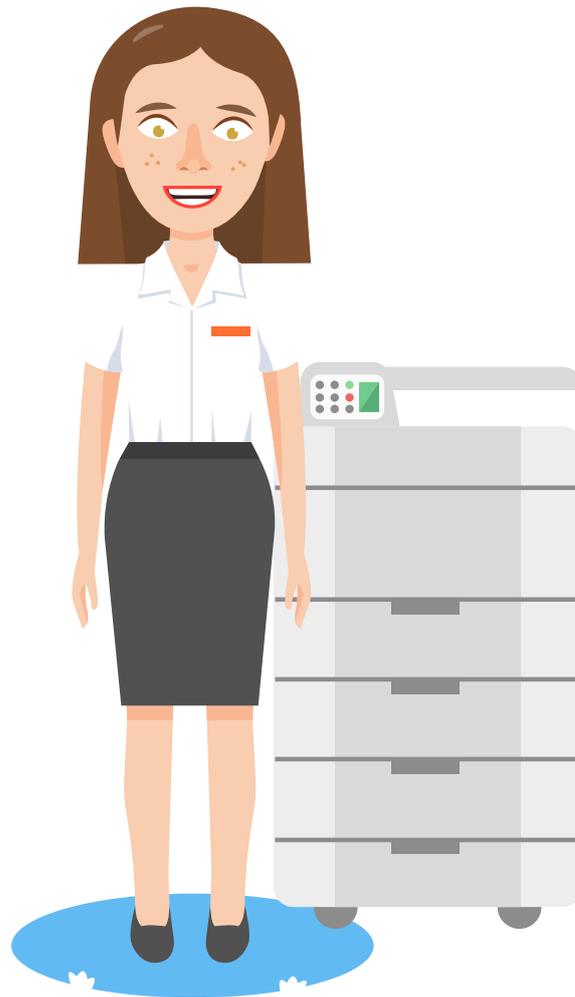
**In this module, the focus is on three specific life stages:**



**1.**

### **Post-secondary stage**

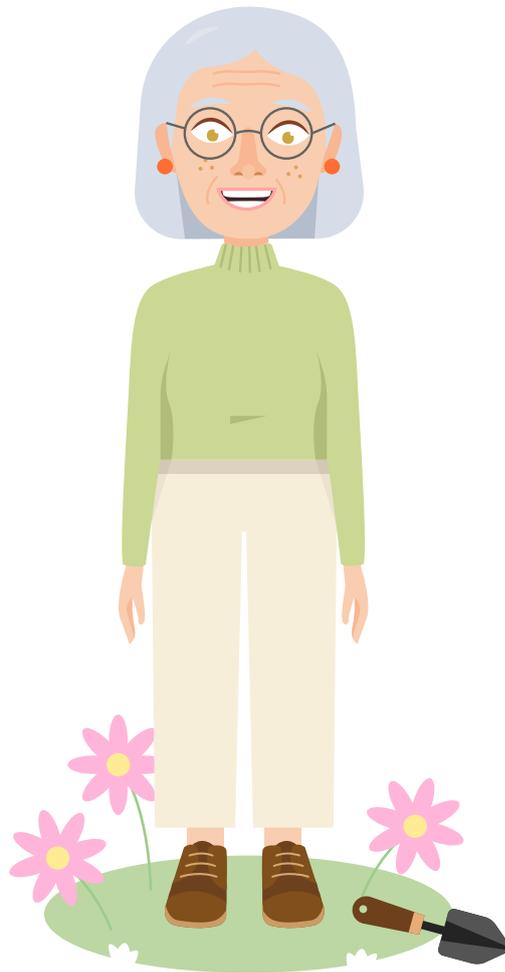
Post-secondary is the time when you leave secondary school. You could be doing any form of learning or training, including going to a university, wānanga, or polytechnic, doing an apprenticeship or doing industry training. There's a good chance that you'll be in this stage in two or three years. Even if you don't choose to keep studying, a lot of the factors that affect sources of income in the post-secondary life stage will relate to your life as a young adult.



## 2.

### Family and career building

The family and career building stage represents a time of life in which you have some work experience under your belt and perhaps have a clearer sense of what you want to do with your life than in your early 20s. At this stage of life, you might be starting a second or even third career, you might be at home with a family or you could be travelling, so the term family and career building is used quite flexibly. In general, we'll be talking about people who are in their 30s or 40s.



3.

### Retirement

The retirement stage is when you choose to stop working because you have enough income to live without having to work. There's no set retirement age in Aotearoa New Zealand, but many people choose to stop working at age 65. This is the age that you become eligible for the government NZ Super payment. You'll learn more about this payment in Topic Four.

Over the next three topics in this module, you'll be exploring these three stages in more detail, with a focus on reasons that sources of income can change at each stage and how stage related factors can affect income.

Throughout this module, we'll be exploring two types of income – earned and unearned.

- **Earned income** is the sum of all wages, salaries, profits, commission, fees, and other forms of earning received from work, in a given period of time for example working in a cafe or getting paid to mow the lawns.
- **Unearned income** is the income that is not a salary or a wage. It includes government financial support, interest, dividends, or capital gains from investments, rent from land or property ownership, and any other form of income that does not derive from work, other monies which are non-taxable - such as other gifts, winnings, inheritance, cash prizes, or student loans.

Pocket money can be both earned and unearned.

- If you get pocket money in return for tasks such as emptying the compost bin or looking after your younger siblings, it's earned income.
- If you get pocket money without having to do any work for it, it's unearned income.

### Assessment tip:

In your assessment task, you will be presented with three characters, each at a different life stage. You need to suggest at least one source of potential earned and unearned income for two of the characters.



## Activities

This module will be of most use to you if you think about how the material it covers relates to your own life and aspirations.

- 1) Take a moment to imagine what you would like to be doing.  
Write a short letter or create a video from each of your future selves, explaining:

<b>In your first five years after leaving school, for example, will you take a gap year? Study? Look for an apprenticeship? Find a job?</b>	
What your life is like and where you are living.	..... ..... ..... .....
How you're earning money	..... ..... ..... .....
One or two needs and wants that you need income for.	..... ..... ..... .....

**In your 30s and 40s, for example, where would you like to live?  
What would you like to be doing? What might your family circumstances be?**

<p>What your life is like and where you are living.</p>	<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
<p>How you're earning money</p>	<p>.....</p> <p>.....</p> <p>.....</p>
<p>One or two needs and wants that you need income for.</p>	<p>.....</p> <p>.....</p> <p>.....</p>

**At retirement, for example, what do you think your life will be like in your late 60s and 70s?**

<p>What your life is like and where you are living.</p>	<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
<p>How you're earning money</p>	<p>.....</p> <p>.....</p> <p>.....</p>
<p>One or two needs and wants that you need income for.</p>	<p>.....</p> <p>.....</p> <p>.....</p>

**2)** Watch **Riding Life's Waves**. List the sources of income for each member of Leila's whānau and identify whether they are earned or unearned.

.....

.....

.....

**3)** Watch the **Debbie and Maraea interview** video on the Sorted in Schools website. You can find this by selecting Video from the Media dropdown box on the **student activities page** of the Sorted in Schools website.

**a.** What examples of earned and unearned income do Debbie and Maraea mention?

.....

.....

.....

**b.** How have Debbie's sources of income changed as she has aged?

.....

.....

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**c.** What needs do Debbie and Maraea have, and what needs have they met with their incomes?

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**Before moving on to Topic Two, check that you understand:**

- the three life stages explored in this module (in the assessment you will need to describe two)
- the difference between earned and unearned income.

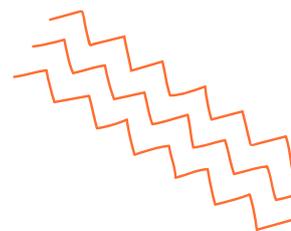
# Topic Two: Income in the post-secondary stage

## Learning Outcomes for Topic Two

- ✓ Know some sources of earned and unearned income for people in the post-secondary life stage
- ✓ Understand reasons that people's sources of income change at the post-secondary life stage.

## Success criteria

You should complete all activities in this topic. They will help you to meet the assessment requirement of identifying sources of earned and unearned income in the post-secondary life stage, as well as reasons that people's sources of income at this life stage can change.

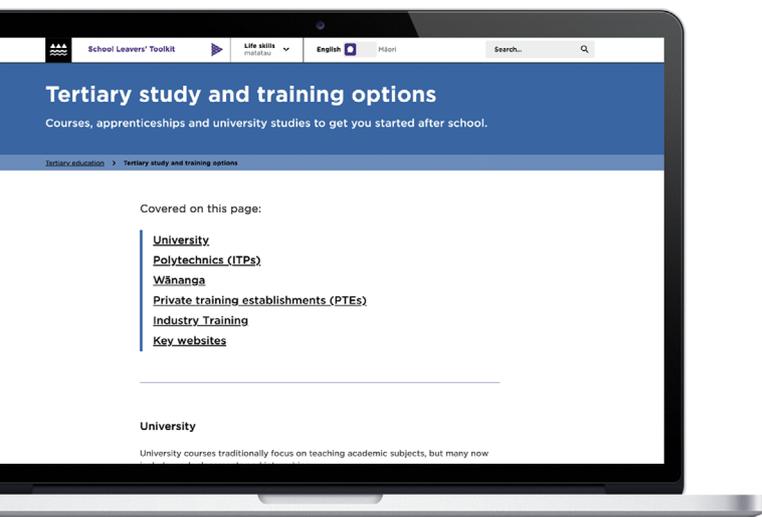


## In this topic, you'll explore the post-secondary stage of life, with a particular focus on people who have left school within the previous five years.

As mentioned in Topic One, post-secondary doesn't just include studying at a university, wānanga, or polytechnic. Industry training, for example, learning to be a pest eradicator, a plumber or a museum worker, is also called post-secondary. Have a look at this [Directory of Industry Training Organisations](#) to learn about the wide range of industry training options there are. The School Leavers' Toolkit also provides information on [tertiary study and training options once you leave school](#).

## Income needs in the post-secondary stage

Once you leave school, a whole new world can open up to you, with new choices and challenges to meet. But being a student can be expensive. For example, for many young people, studying or training coincides with leaving home, which means paying rent as well as covering bills such as food, electricity and internet. When you're studying you may need to pay for costs such as course fees and equipment, which might involve buying a laptop or a set of specialist tools.



## Sources of income in the post-secondary stage

Here are some typical sources of income (earned and unearned) that you might have access to once you reach the post-secondary stage of your life.

### Earned income

Lots of people work while they are studying. Working can help cover your living costs, contribute to your qualifications and help you to develop valuable skills.

The [Student Job Search website](#) is a useful resource for finding short term or flexible jobs that you can fit around your study hours.

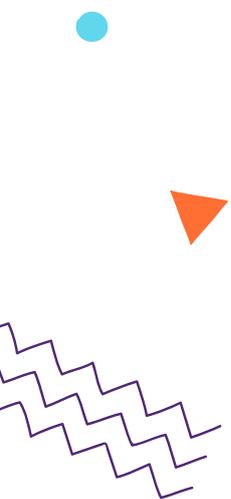
### Salary or wage, what's the difference?

If your income is a wage, it means you are paid for the time you work, usually per hour. If you are on a salary, you usually get a fixed amount per year.

Student jobs tend to be paid by the hour (wages) rather than a salary. If you're under 16, then there is no minimum wage - your employer can pay you as little as they want. Once you turn 16, you have to be paid a minimum wage that is set by the government. It's illegal for an employer to pay you less than this hourly rate. There are also different minimum wages for people who are studying or in industry training. For example, a person doing an apprenticeship might be paid the minimum training wage, which is less than the adult minimum wage. You can [find out about minimum wages](#) using this government webpage.

### Did you know?

Although there isn't a law that says how much people under 16 must be paid, there are laws that protect young people's rights. For example, if you're under 16 you can't work during school hours, after 10 pm or before 6 am on school nights. You can work any hours on the weekend and during school holidays.



## KiwiSaver



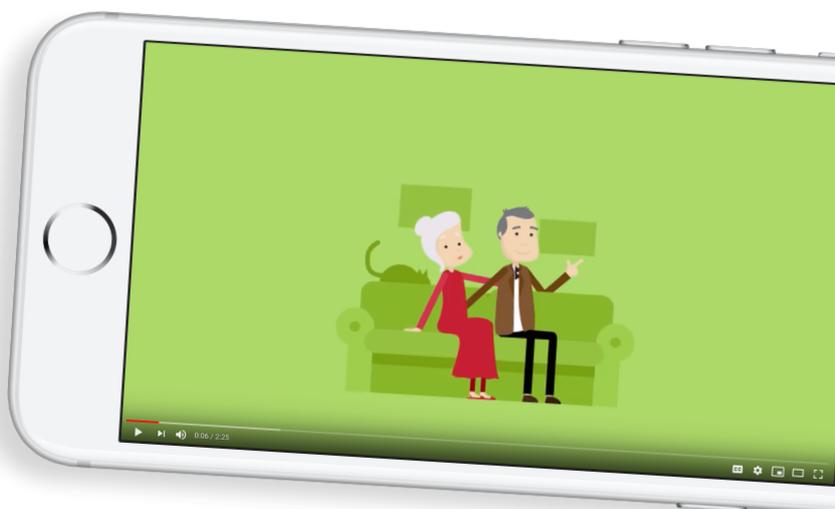
KiwiSaver is a savings fund set up by the government to help people get ready for retirement. This video provides an **overview of KiwiSaver basics**.

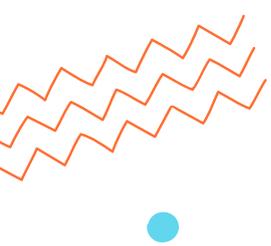
People who join KiwiSaver typically put money into a special KiwiSaver account each time they get paid. Their employer and the government put money in too. People who are self-employed can choose to make regular or lump sum payments into KiwiSaver and, if they do, they also receive incentive money from the government.

If you join KiwiSaver, investment experts invest your money for you so that it grows over time.

KiwiSaver involves both earned and unearned income. The money that you put into KiwiSaver, and the money that your employer puts in, is earned income. The government contributions and any returns you make on your investment are unearned income.

KiwiSaver isn't compulsory, but if you're not already a member, it's a good idea to join once you start working.





## Unearned income

As a student, you may have access to unearned income. For some students, this might come from their whānau, for others it might come from the government or from student scholarships.

### Student allowance

A common type of unearned income is the student allowance. This is a weekly payment from the government that you may be able to get when you are studying full-time. The student allowance can help pay some of the costs of accommodation, food, clothes and other day-to-day expenses.

To receive a student allowance, you need to be either:

- a citizen of Aotearoa New Zealand
- living in Aotearoa New Zealand for at least three years on a residence visa
- a refugee or protected person
- sponsored by a family member who is a refugee or protected person.

You don't have to pay a student allowance back when you stop studying. You can [\*\*read more about student allowances\*\*](#) on the Studylink website.

### Accommodation benefit

If you're eligible for a student allowance, you may also be eligible for an accommodation benefit. Generally, this additional benefit is for people who are not living with a parent while they are studying, for example, people who are flatting or living in a hostel. However, there are other situations in which you might be eligible, and it's good to be aware of these in advance. You can find out more on the [\*\*Studylink website\*\*](#).

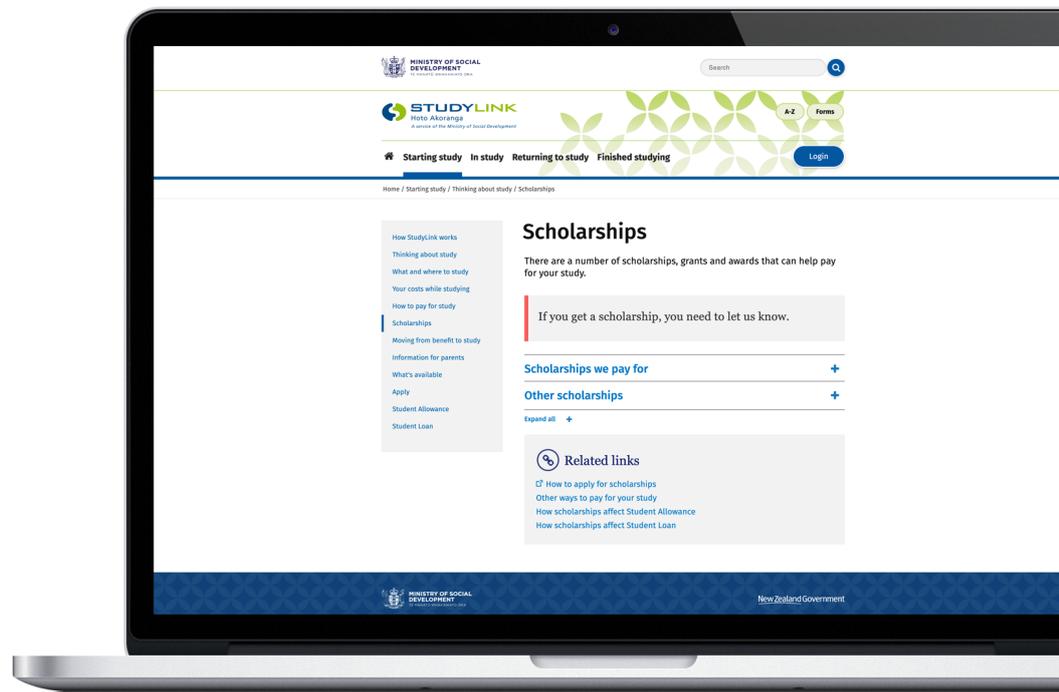


## Scholarships

Scholarships are another type of unearned income. These are often one-off payments that are awarded on the basis of:

- your performance at school
- where you live
- the industry or trade you want to study.

You can find a [list of scholarships on the Studylink website](#), along with information on how to apply for them. You can also talk to your school's career advisor or to the organisation where you want to study. It pays to look ahead to see what is available.



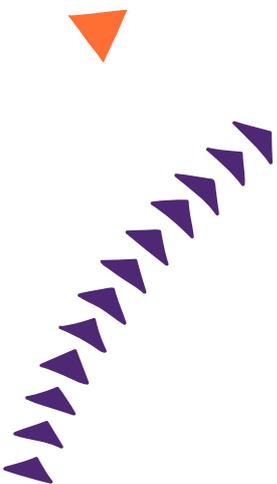
## Reasons that sources of income change at the post-secondary life stage

We've had a brief look at some of the financial needs that come with post-secondary and some sources of income. Next we're going to take a look at reasons that sources of income change when you are in the post-secondary life stage.

### Employment situation and age

Working while you are studying can help you to reduce the amount of money you need to borrow to cover your course and living costs. However, the type of work you do can be limited by your study commitments.

- Students can often only work part-time because it's not possible to balance the work or time commitments of full-time work with the demands of study. This reduces their earning potential.
- Students often do casual work, which may not come with guaranteed hours. This means that their income is not as stable as other types of income.
- Jobs that require qualifications usually pay more than jobs that don't require a qualification. Few tertiary students have qualifications that can help them earn a higher hourly rate. As a result, they often end up doing casual work for low pay.
- There can be a lot of competition for jobs that are suitable for students, so you might not be able to get a job.
- If you earn over a certain amount while you are studying, it can affect your student allowance. You're only allowed to earn about \$220 per week without losing some or all of your allowance.



## Living situation

For some students, post-secondary involves moving out of home in order to do a course that matches their interests. For example, some students move into a hall of residence or go flatting, while others live with family members. Living away from home can be expensive, and you'll need to learn how to create and follow a budget.

Your living situation can affect your sources of income because you might need to work hard just to cover your living costs. If so, you will have little or no money to save or invest, which means that you can't generate additional income through investments.

## Tax implications

If you have only one job you could be taxed at the low rate of 10.5%, therefore giving you more personal income. When in the post-secondary stage, you could have two jobs and therefore be liable for a higher tax rate and although your personal income may increase, you will be paying more tax. See [IRD tax rates](#) for more information on the progressive tax rates. It is important to use the right tax rate and therefore avoid a tax bill at the end of the financial year.

For each dollar of income	Tax rate
Up to \$14,000	10.5%
Over \$14,000 and up to \$48,000	17.5%
Over \$48,000 and up to \$70,000	30%
Over \$70,000 and up to \$180,000	33%
Remaining income over \$180,000	39%

## Assessment tip:

In your assessment you need to identify sources of income at each life stage.

For example, most people in the post-secondary life stage have less work experience than people in the family and career building stage because they're younger and haven't started their careers yet. This limits the number of jobs they can get.

You also need to describe how factors can affect personal income.

Examples of factors include:

- age
- relationship status
- household size
- employment situation
- access to government financial support
- tax implications.

For example, if a character described in the assessment is studying to be a vet, you could say:

- Because they are studying, they may be eligible for a student allowance, which would add to their income. However, this may also limit the amount of work that they can do, because earning too much affects the student allowance.
- Because they are not yet qualified to work as a vet, they will have to do jobs that don't require qualifications, lowering their potential earning power.

You'll look at factors in closer detail in Topic Five.

## Activities



**1)** Watch these students talk about **student life in Aotearoa New Zealand**. Discuss with a classmate what you might like to do when you finish school and what challenges mentioned in the video you can relate to.



**2) a.** Go to the **Student Job Search website**, choose an area of work using the “Categories” drop-down menu, and see what types of jobs are available. Choose three jobs and complete the table below to identify:

- the pay, including whether it is an hourly rate or a salary
- the timeframe, for example, whether it is a set number of hours, part-time, full-time, or casual. (Casual hours mean that the number of hours can be different each week.)
- whether the job is fixed-term, which means it’s for a set amount of time, or permanent.

	Job 1	Job 2	Job 3
What the job is	..... .....	..... .....	..... .....
Pay	.....	.....	.....
Hours per week	..... .....	..... .....	..... .....
Fixed-term or permanent	..... .....	..... .....	..... .....

- b. Compare your jobs to those chosen by a classmate and discuss whether you can see a pattern.
- c. Discuss how the types of jobs that are available on the website might affect a student's income.

3) a. Use the **Study Link website** to find out who can and who cannot get a student allowance.

- b. Create a fictional character under the age of 24 and use the **Student Allowance calculator** to work out how much student allowance they are eligible for. You can invent the income levels of their parents or parent and the number of siblings they have.

c. Use the Study Link website to find out **how income affects student allowance**.

i. What is the maximum amount a student can earn without it impacting on their allowance?

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ii. How might this limit impact on how many hours a person on a student allowance might choose to work?

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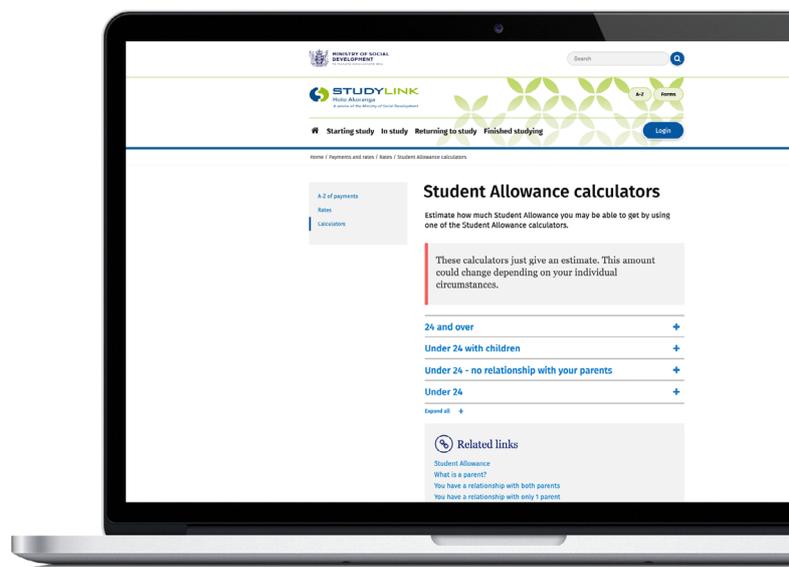
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4) Use the table below to:

a. Identify one earned and one unearned source of income for people in the post-secondary stage.

b. Ask each group member to identify a specific example for one source of income and then share their findings with the group.

c. Describe two reasons that sources of income might change at this stage of life.

Post-secondary stage	
Possible sources of income (at least one earned and one unearned)	..... ..... .....
Two reasons that sources of income can change at the post-secondary life stage.	..... ..... ..... ..... .....

**Before moving on to Topic Three, check that you understand:**

- common income needs for people in the post-secondary life stage
- the difference between a wage and salary
- what KiwiSaver is and which parts of a KiwiSaver fund are earned and unearned
- what a student allowance is
- who can get an accommodation benefit
- what scholarships are
- why your sources of income can change in the post-secondary life stage, for example, your employment situation, age, or living situation.

# Topic Three:

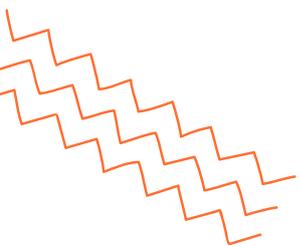
## Income in the family and career building stage

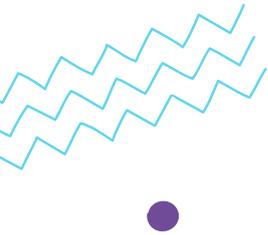
### Learning Outcomes for Topic Three

- ✓ Know some sources of earned and unearned income for people in the family and career building life stage
- ✓ Understand reasons that people's sources of income change at the family and career building life stage.
- ✓ Understand how stage-related factors can affect personal income at this life-stage.

### Success criteria

You should complete all activities in this topic. They will help you to meet the assessment requirement of identifying sources of earned and unearned income in the family and career building life stage, as well as reasons that people's sources of income at this life stage can change.



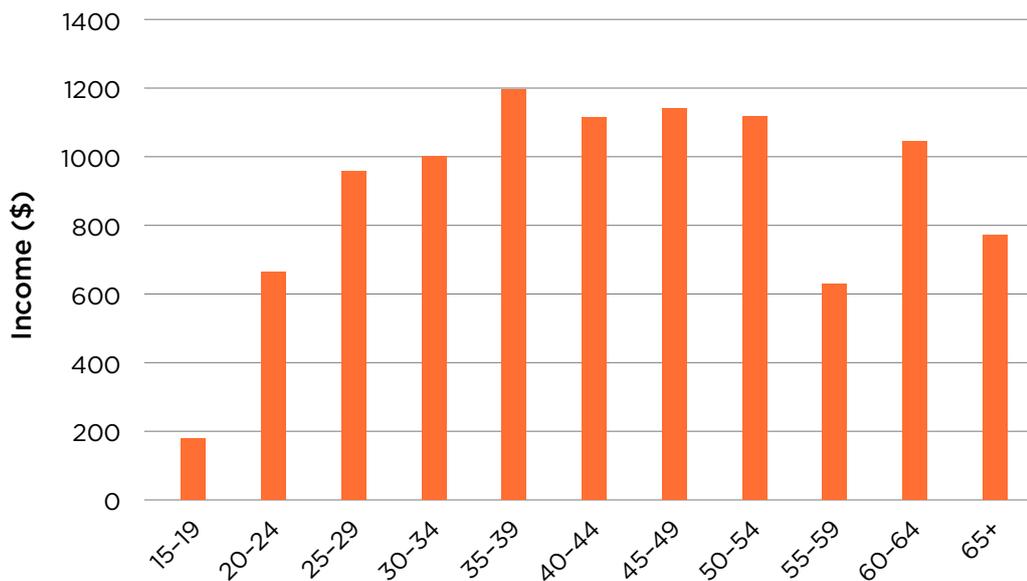


## The next stage explored in this module is the family and career building life stage, which usually refers to people in their 30s and 40s.

The name of the stage is just a label – you may not be in the middle of your career at this age, but you are likely to have more work experience and qualifications than when you first leave school.

The graph below shows that in Aotearoa New Zealand in 2021, people aged 35 to 55 tended to earn more than other New Zealanders. Notice as well how low the personal income of people aged 20-24 tends to be compared to later life stages.

Median weekly income by age group<sup>1</sup>



Age	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+
Median weekly income	\$176	\$665	\$958	\$1,098	\$1,198	\$1,313	\$1,341	\$1,315	\$628	\$1,040	\$770

<sup>1</sup> Data sourced from Stats NZ income figures for 2021

## **Income needs in the family and career building stage**

Your income needs at this stage of life depend heavily on factors such as your home and family circumstances. For example, you may be a solo parent with three children to support, you might be in a relationship and have no children, you might be in a blended family with six children, or you might be supporting a whole range of family members including cousins, nieces, nephews or your parents. Your living situation can also vary a lot, for example, you might be renting, living with your whānau or living in your own home.

Cultural values also influence our needs at different life stages, for example, you may be expected to support other family members with your income.

It's impossible to predict what your relationship and living situation will be like in 20 years' time, but in this section, we'll look at some common financial needs, sources of income and why your sources of income might change at this life stage.

### **Family commitments**

The family and career building stage of life often coincides with people having children. For all its many rewards, raising children is expensive – it can cost a lot to feed, clothe, educate, and care for children. Covering the costs of child-rearing is often a major focus for people in the family and career building life stage.

### **Preparing for the future**

Although it's good to start saving for retirement as early as you can, many people wait until they are in the family and career building stage of life to start investing in their future. People get ready for retirement in different ways. One way is to invest in a scheme such as KiwiSaver and another way is to work towards owning your own home.





Buying a home is a major commitment and mortgage payments (the amount you pay to the bank each month as interest and to pay off some of your loan) can add financial pressure. However, owning a home means that you don't have to pay rent, and houses often go up in value over time.

## Sources of income in the family and career building stage

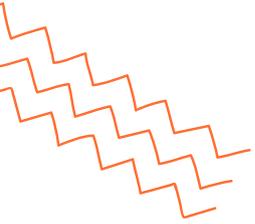
Here are some common sources of earned and unearned income that you might have access to once you reach the family and career building stage of your life.

### Earned income

The most common type of income in the family and career building stage is income earned through a job. You might be doing shift work, working for yourself, working from home or doing more than one job. The job (or jobs) people have in their 30s and 40s are often more stable than the jobs they have while studying. In part, this is because people tend to need more regular income when they are older because they have higher living costs.

In the previous topic, a distinction was made between wages and salaries. Another form of earned income is a commission. A commission is paid on the basis of sales you have made or targets you have met. For example, if you work in real estate, you get a percentage of the selling price of any house you help someone to sell. Your employer still needs to make sure you make at least the minimum wage.

Some people in the family and career building stage choose to be self-employed. Freelancers are people who offer their services to people or organisations as part of a contract. This means that they don't have a fixed employer. People who are self-employed don't get things such as paid holidays or payment when they are sick, but being self-employed can provide people with work flexibility.



## Unearned income

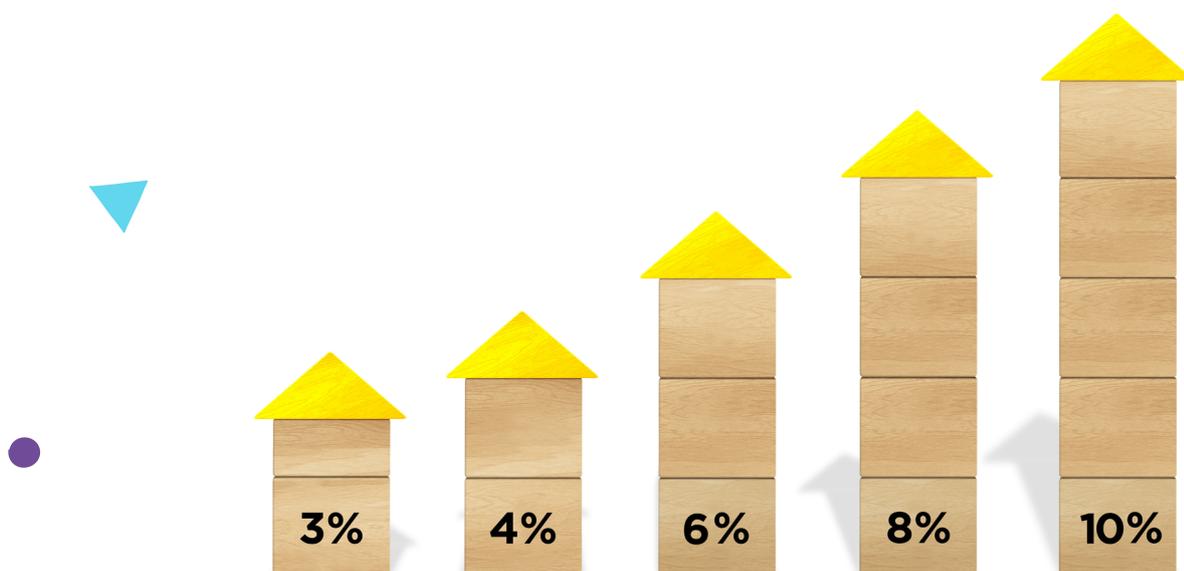
There are a variety of common sources of unearned income in the family and career building stage of life. Here are a few.

### Investments

Investing involves putting money into things that earn income or grow in value over time. Common examples include KiwiSaver; receiving interest from a savings account, term deposit or bond; dividends from shares in a company; rental income from a property. Invested money can earn income on its own, without you having to earn it yourself, but you do have to put time and effort into investing wisely. There are a range of different types of investments. Here are some common investments in Aotearoa New Zealand.

### KiwiSaver

As we saw in Topic Two, KiwiSaver is a savings scheme set up by the government to help people get ready for retirement. You generally can't access income from your KiwiSaver account until you are 65. A key exception is that you can use your KiwiSaver funds to buy your first home if you have been a member of the scheme for at least three years. Some first-home buyers are eligible for a KiwiSaver HomeStart grant of up to \$5,000, which is another form of unearned income.



## Property ownership

Owning a rental property is another source of unearned income. If you rent out a property, you receive money from your tenant. If the value of the property goes up, it can create capital gains.

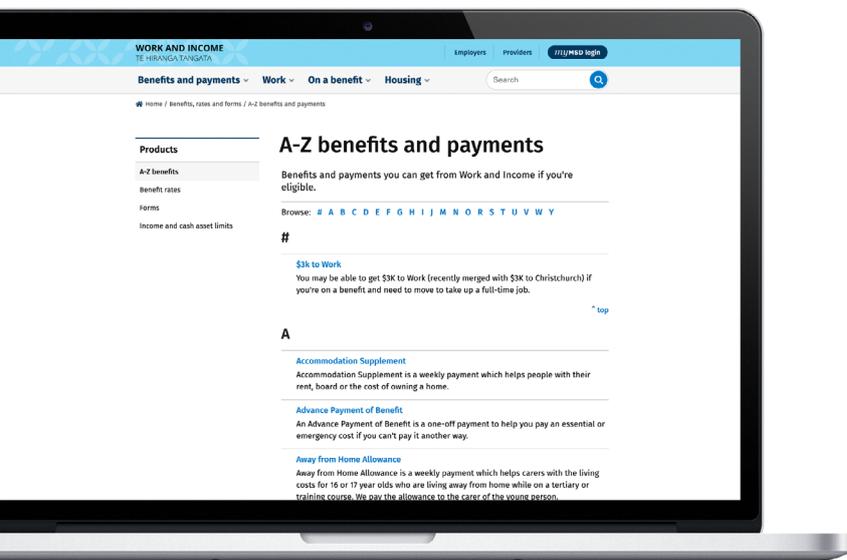
## Government financial support

In Aotearoa New Zealand, the Government helps people who are on a low income or not working by providing a benefit, which is a weekly payment. There are lots of reasons why people are unable to work, for example, they may have an illness, have lost their job or need to care for someone with a disability. You can have a look at the [benefits available](#) on the Work and Income website.

An example of a benefit is the [Working for Families](#) payment. Working for Families is designed to make it easier for people to work and raise a family.

### Assessment tip:

Remember that in your assessment you need to be able to describe reasons that sources of income change for each life stage.





## Reasons that people's sources of income change at the family and career building life stage

We've had a brief look at some of the financial needs that are common in the family and career building stage and some sources of earned and unearned income. Next we're going to look at reasons that sources of income can change at this life stage.

### Qualifications and work experience

In the family and career building stage of life, people are often able to earn higher incomes because they have developed skills or experience that helps them to get a better pay rate.

### Raising children

We've already looked at how expensive it can be to raise a child, but raising children can also impact on the amount people earn. Often when people have children, one of the parents will spend time at home rather than working, or perhaps both parents will work part-time. A solo parent often has to juggle the needs of looking after their whānau as well as earning an income. This can impact on the types of work they can do, which can limit their sources of income.

### Household size

The number of people living in a household can impact on your income. For example, if you have a grandparent or parent living with you, they may be able to help with childcare and allow you to go out to work. If you are single, choosing to live with other people can reduce your bills and allow you to save more money.

### The gender pay gap

If you are female, or transgender, your pay may be impacted by the gender pay gap, which is the difference between the average amount of money men and women earn. The gender pay gap is a commonly used measure of gender inequality. In 2021, the gender pay gap in Aotearoa New Zealand was 9.1 percent. This means that, on average, men earned 9.1 percent more than women.

The causes of the gender pay gap are complex and often invisible.

Key factors include:

- **Behaviours, attitudes and biases** – stereotypical views about gender can negatively influence decisions about recruitment and career progression.
- **Occupational and vertical segregation** – female-dominated occupations (such as nursing, healthcare, retail) tend to be paid less than male-dominated occupations (such as technology, engineering and construction). Men are more likely to hold senior, better-paid positions than women, even in some female-dominated industries.
- **Unpaid and caring work** – women spend a greater proportion of their time on unpaid and caring work than men. Women are also more likely to work part-time, often due to family commitments. Part-time work tends to pay less per hour than full-time work.

The following statistics from the Ministry for Women show how the gender pay gap affects people's pay in Aotearoa New Zealand:

- Women make up two-thirds of adults on the minimum wage.
- 48 percent of women with disabilities earn less than \$30,000 per year, compared with 28 percent of men with disabilities.

## Activities

- 1) Review the following website <https://www.careers.govt.nz/plan-your-career/get-ideas-for-your-career/> and after completing the Career Quest Quiz, identify what careers are currently sought after.

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- 2) Read this article to get a sense of how much it costs to raise a child in Aotearoa New Zealand. While you are reading, consider:

- a. Which age is the most expensive? Why do you think this is?

.....

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- b. What is the biggest expense of raising children?

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- c. What are some of the hidden costs of raising children?

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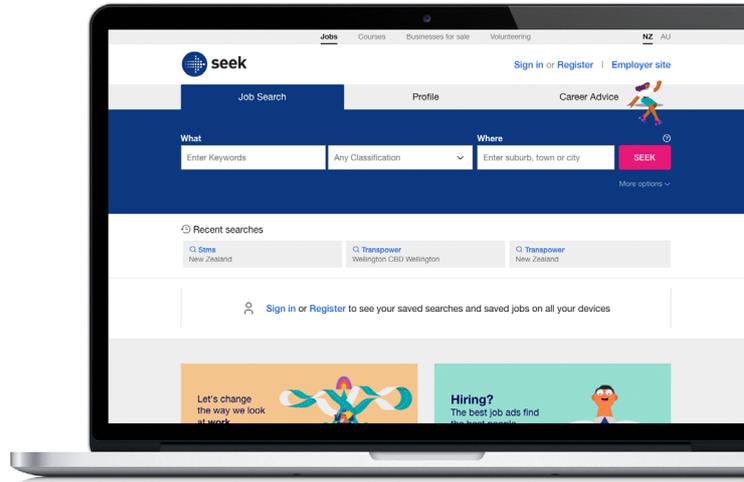
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**3)** Browse the **Seek website** to see what sorts of jobs are available in your area of interest. If possible, make connections with the study and training opportunities you identified in the activities for Topic One.



Discuss with a classmate how you think job opportunities might have changed by the time you reach your mid-30s.



**4) Working in a group:**

**a.** Identify one earned and one unearned source of income for people in the family and career building life stage.

Examples include:

- investments
- KiwiSaver
- government financial support
- property ownership.



**b.** Ask each group member to identify a specific example for one source of income and then share their findings with the group.

**c.** Describe two reasons that sources of income can change at this stage of life. Reasons might include:

- age
- relationship status
- household size
- employment situation
- access to government support, for example allowances or benefits
- tax implications.

Family and career building life stage	
Possible sources of income (at least one earned and one unearned)	<p>.....</p> <p>.....</p> <p>.....</p>

Two reasons that sources of income can change at the family and career building life stage.

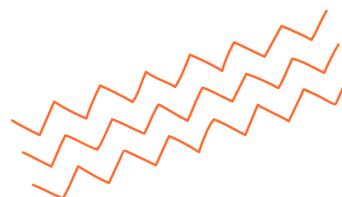
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**Before moving on to Topic Four, check that you understand:**

- common income needs for people in the family and career building life stage
- what a commission is
- what an investment is
- what a benefit is, for example, Working for Families
- why people's sources of income can change in the family and career building stage, for example, qualifications and work experience, family commitments, household size, and the gender pay gap.



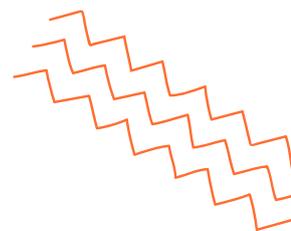
# Topic Four: Income in the retirement stage

## Learning Outcomes for Topic Four

- ✓ Know some sources of earned and unearned income for people in the retirement life stage
- ✓ Understand reasons that people's sources of income change at the retirement life stage.

## Success criteria

You should complete all activities in this topic. They will help you to meet the assessment requirement of identifying sources of earned and unearned income in the retirement life stage, as well as reasons that people's sources of income at this life stage can change.



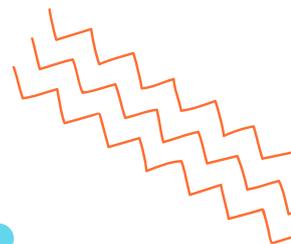
## **The final stage explored in this module is retirement, which generally relates to people who are 65 or older.**

There is no set retirement age in Aotearoa New Zealand but at 65 all New Zealanders become eligible for NZ Super, which is a weekly government payment. The amount of NZ Super people receive varies based on their circumstances, for example, whether they are single or in a couple. Using figures from 2023, the after-tax amount given to a single person is around \$496 per week, while people in a couple each receive around \$382 per week. For many retired people, this is not enough to live on, so it's really important to have access to other funds.

### **Income needs in the retirement stage**

Ideally, retired people can enjoy the freedom and flexibility of not having to work. This gives them more time to do things they love, for example, gardening, exercising, spending time with whānau or learning a new skill or hobby. However, many of these activities involve costs and it can be hard to stay within a strict budget.

Health issues can also be a factor as we age, and although our public health system can cover major expenses, there are often other smaller expenses such as medicines and visits to the doctor that can eat into people's savings.



## Sources of income in the retirement stage

In this section, we'll explore some common sources of earned and unearned income that you might have access to when you reach the retirement life stage.

### Assessment tip:

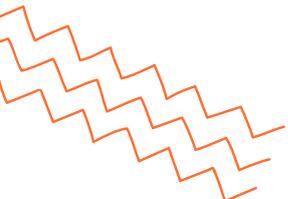
Although technically people no longer earn money when they are retired, in your assessment, you still need to identify at least one form of earned income for the retirement stage.

## Earned income

Although retirement generally means that people have stopped earning money, many people choose to continue working in part-time, casual or occasional work.

For example:

- some former teachers supervise NCEA exams or do tutoring
- people with business experience can work as a mentor or consultant for other people in that field
- some people join a board or become a mentor
- some former nurses work part-time in aged-care homes
- some retired people earn money by driving elderly people around.



# Unearned income

## KiwiSaver

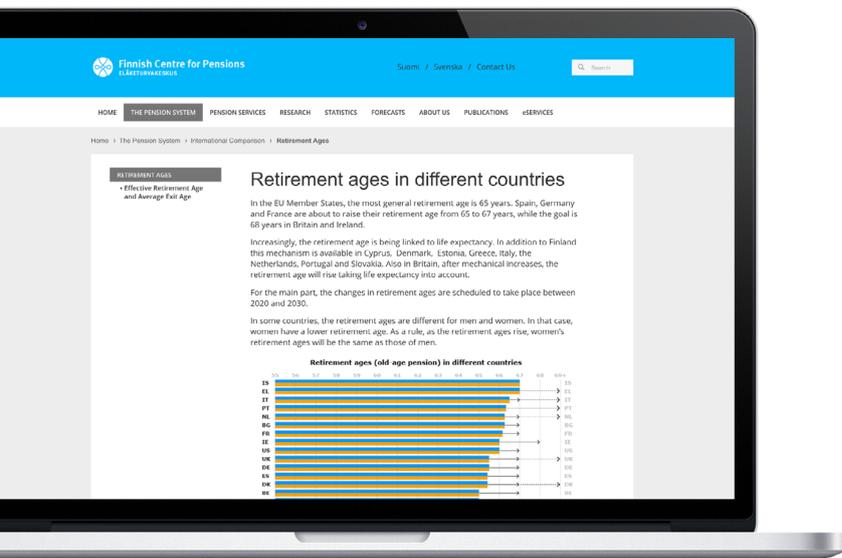
People who invest in KiwiSaver can withdraw their money when they turn 65. This means that they have access to the returns on their investment, as well as the money they invested while they were working. You don't have to withdraw your KiwiSaver money straight away, and people often choose to leave some or all of it in their KiwiSaver account until they really need it.

## NZ Super

A pension is a regular payment that the government makes to people who have reached retirement age. A pension helps to cover the costs of living when you are no longer working. In Aotearoa New Zealand the retirement age is 65 which is similar to many other countries.

This **webpage** shows the retirement ages for men and women in different countries.

Our pension is called NZ Super, which is short for "New Zealand Superannuation". (Superannuation is another word for pension.) The level of NZ Super payments is set by the government and is reviewed each year to make sure it keeps up with the cost of living and the average wage.



## Other government help

As well as receiving NZ Super, retired people may be able to get extra help from the government to help pay for ongoing health, medical and housing costs.

## Tax implications

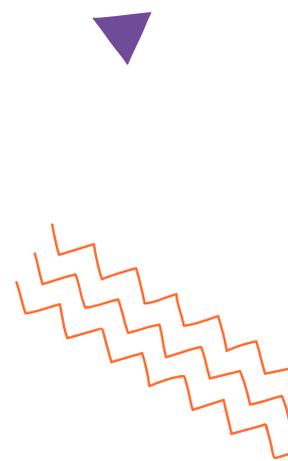
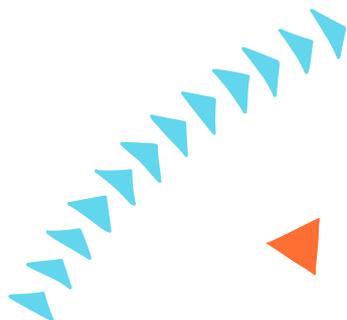
While in the family and career building life stage, people are trying to get ahead and therefore may be working two jobs. If this is the case, the secondary tax rate may apply and sometimes the net benefit will be minimal. Later in this stage, people are normally earning their highest income and therefore at the highest tax bracket.

## Property ownership

Retired people who own their own home sometimes choose to sell it and buy a smaller house or live in a cheaper area to get income from selling their home. They can use this money to set up a long-term living expenses account to cover the cost of emergencies or unexpected major expenses.

Other options include:

- taking in a boarder
- selling your home to family and whānau but continuing to live in it
- renting out part of your home.



## Reasons that people's sources of income change at the retirement life stage

Obviously, the biggest reason that sources of income change when you are retired is that you are no longer doing paid work or, if you are still working, the work tends to be part-time or casual.

Watch the Ross and Hoani interview video. You can find this by selecting Video from the Media dropdown box on the [student activities page](#) of the Sorted in Schools website.



Discuss with a classmate:

- a. When did Ross start preparing for retirement?  
How did he do this?
- b. What are three pieces of advice that Ross gives Hoani about preparing for retirement?
- c. What advice would you give your whānau?

Health can play a key role in whether people in the retirement stage can continue to earn income through part-time work.

Another reason people's sources of income might change is their relationship status. The amount of NZ Super people are paid depends on whether they are in a relationship or living alone. Here are the [current NZ super rates](#). The NZ Super rate for a couple is about 66% of the average wage (so 33% each) and the rate for single people is around 40% of the average wage.

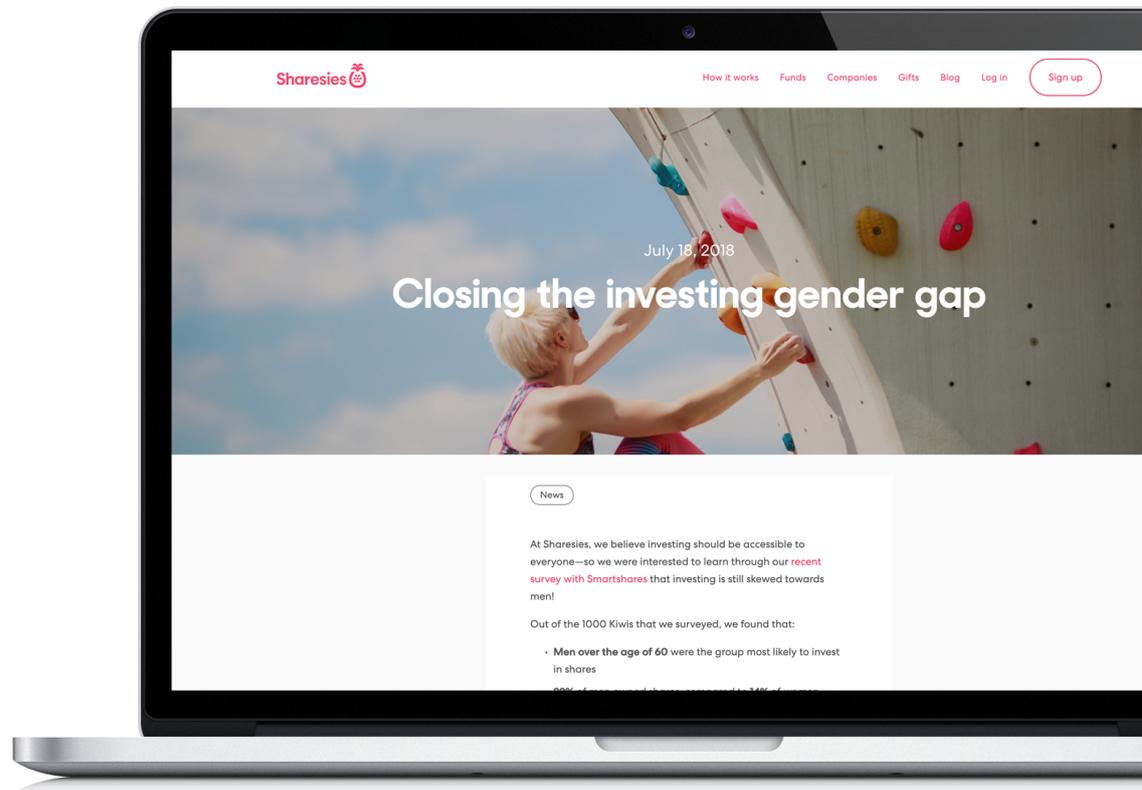


## The gender investing gap

Along with the gender pay gap, there are gender differences in the amount of confidence people have in investing. A **2018 survey of 1000 people conducted by Sharesies** found that:

- males over the age of 60 are the group most likely to invest in shares
- 22 percent of men owned shares compared with 14 percent of women
- 38 percent of men said they would consider buying shares with their savings compared to 29 percent of women
- 42 percent of males said they felt knowledgeable about the share market, compared with 22 percent of females.

The gender investing gap impacts on the amount of money males and females have access to in retirement.



## Activities

- 1) In Aotearoa New Zealand, a single person who is 65 or older receives a higher pension than a person of the same age who is in a relationship. Discuss with a classmate why you think this is.
- 2) Using the table provided below:
  - a. Identify one earned and one unearned source of income for people in the retirement life stage.
  - b. Describe two reasons that sources of income can change at this stage of life. Reasons might include:
    - age
    - relationship status
    - household size
    - employment situation
    - access to government support, for example, allowances or benefits
    - tax implications.

Retirement life stage	
Possible sources of income (at least one earned and one unearned)	..... ..... .....
Two reasons that sources of income can change at the retirement life stage.	..... ..... .....

### Before moving on to Topic Five, check that you understand:

- common income needs for people in the retirement life stage
- ways that people in the retirement life stage can continue to earn money
- what NZ Super is, who can get it, and how much it is
- ways that owning property can create income
- why people's sources of income can change in the retirement life stage, for example, qualifications and work experience, family commitments, household size, and the gender pay gap.

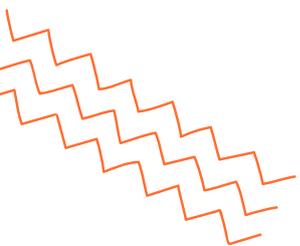
# Topic Five: Preparing for your assessment

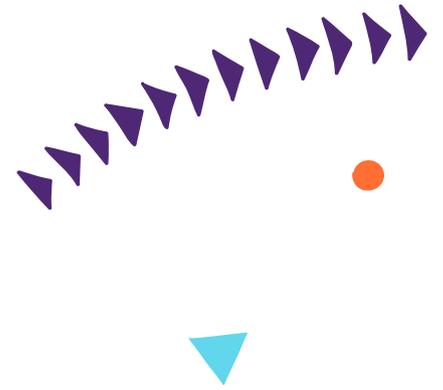
## Learning Outcomes for Topic Five

- ✓ Understand how life stage related factors can affect personal income at each life stage.
- ✓ Understand the financial benefits of planning for changes in sources of income at each life stage.

## Success criteria

You should complete all activities in this topic. They will help you to meet the assessment requirements of describing how factors can affect personal income at each life stage and the benefits of planning ahead for these changes.





The first four topics in this module have covered types of earned and unearned income at three different life stages and reasons that sources of income can change at each life stage. The focus of this topic is on exploring how life stage related factors can affect personal income and on the benefit of planning for changes in income.

### Assessment tip:

Remember that in your assessment you need to identify reasons that sources of income change at **each** life stage and describe how **three** factors can affect personal income.

When you are asked to describe “factors”, the focus is on the specific situation of the assessment character you are writing about and **how** their age, relationship status, employment situation, access to government financial support or tax implications can affect their **personal** sources of income.

Here is an example:

Post-secondary scenario: Maria is 17 years old and has just started university. She is looking for café work to help cover her living costs while she is studying.

How life-stage related factors can affect Maria’s personal income:

- The type of work Maria can do needs to fit around her studies, so she will only be able to do part-time or casual work. This means that Maria will earn less than if she was working full-time.
- Maria is only 17, so if she gets a job, she might be paid the starting-out wage for the first six months of her job, which is lower than the adult minimum wage. This means that she might not be able to make enough money to cover her living costs.
- Maria is working towards a qualification. This means that she may be able to get a higher level of pay in the future once she has her qualifications.

## The benefits of planning ahead

Knowing that sources of income change as we move through life can help us to make money choices that help us to respond to and make the most of these changes. For example, if we start investing in KiwiSaver from a young age, it can help us both in the family and career building life stage if we want to buy a house and in retirement. The earlier you start investing in KiwiSaver, the more your KiwiSaver money can grow over time.

Use this [KiwiSaver Pick-a-path interactive](#) to explore how people's life choices can impact on their KiwiSaver accounts at retirement.

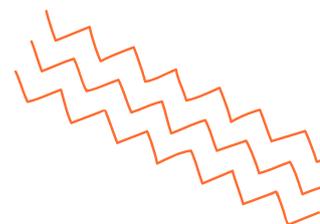
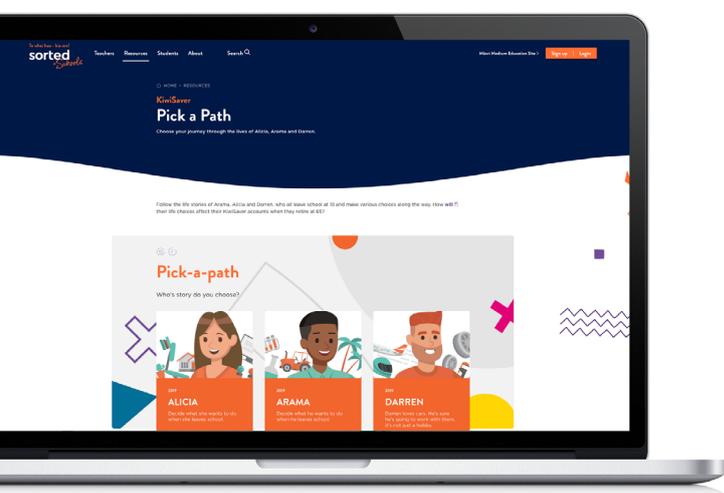
Another example is that if you take a gap year to earn money before you start studying, you can reduce the amount of money you need to borrow. This might also mean that you don't have to earn as much money while you are studying because you can use your savings.

## Assessment tip:

To get an Excellence grade in your assessment, you need to include two benefits of planning for **changing income** at each of the three different life stages.

Examples of potential benefits include:

- reducing the amount of debt you have
- having a choice of where you live and how you want to live
- having choices about where you work, what you do, and how many hours you work
- being able to create an emergency fund
- being able to pay for your health costs
- being able to balance work and family life
- having savings and investment options.



## Activities

These activities use a similar approach to the one used in your assessment task. You will be given information about three characters, one for each life stage. For each character, you need to:

- describe how **three factors** might affect the person’s income
- explain benefits of planning for the ways that income can change at their life stage.

You can do this as a group activity, discussing different factors and their effects for each character.

**1)** Ripeka is 18 is about to start a Tākaro, Sport and Exercise programme at a wānanga. She is going to stay with her aunty while she is studying and go home during term break.

- a.** Describe how three factors might affect Ripeka’s income.

Examples include Ripeka’s:

- age
- living situation
- employment situation
- access to government financial support
- tax implications.

Factor	How this factor might affect Ripeka’s income
..... .....	..... .....
..... .....	..... .....
..... .....	..... .....

- b.** What are two benefits of Ripeka planning for ways that income can change in the post-secondary stage?

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 .....  
 .....  
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**2)** Maxine is a real estate agent.  
Her partner Baxter is a mechanic who has his own business.  
They have two teenage children.

**a.** Describe how three factors might affect Maxine and Baxter’s incomes.

Examples include their:

- age
- relationship status
- living situation
- employment situation
- access to government support
- tax implications.



Factor	How this factor might affect Maxine or Baxter’s income
..... .....	..... .....
..... .....	..... .....
..... .....	..... .....

**b.** What are two benefits of Maxine planning for ways that income can change in the family and career building stage?

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**3)** Hemi has had a long career as a teacher and is looking forward to retirement. His partner Sue retired two years ago. He wants to keep some contact with the school he used to work at and is considering doing occasional days of relieving.

**a.** Describe how three factors might affect Hemi’s income.

Examples include Hemi’s:

- age
- relationship status
- living situation
- employment situation
- access to government support
- tax implications.

Factor	How this factor might affect Hemi’s income
..... .....	..... .....
..... .....	..... .....
..... .....	..... .....

**b.** What are two benefits of Hemi planning for ways that income can change in the retirement stage?

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**Before moving on to your assessment, check that you understand:**

- factors that can affect people’s income at each life stage
- benefits of planning for changes in income at each life stage.

# Ka pai!

You've completed the Ages and Stages module. Use the checklist below to make sure that you are ready for your assessment.

## Checklist for:

**US 28087** Demonstrate understanding of the effect of life stages on personal income

## I can:

- explain the difference between earned and unearned income
- provide an example of earned income for each of three life stages (post-secondary, family and career building, and retirement)
- provide an example of unearned income for each of three life stages (post-secondary, family and career building, and retirement)
- give two reasons that personal income varies at each life stage
- identify and describe three factors that affect personal income at each life stage
- explain two potential benefits of planning for changes in sources of income at each life stage.

## Reference list

<b>Student activities</b>	<a href="https://sortedinschools.org.nz/students/activities/">sortedinschools.org.nz/students/activities/</a>
<b>Glossary</b>	<a href="https://sortedinschools.org.nz/api/v1.0/download?filename=ages-and-stages-glossary&amp;files=2470">sortedinschools.org.nz/api/v1.0/download?filename=ages-and-stages-glossary&amp;files=2470</a>
<b>Ages and Stages module video</b>	<a href="https://vimeo.com/425275318/ed1d7a0653">vimeo.com/425275318/ed1d7a0653</a>
<b>Kiwisaver - Pick a Path</b>	<a href="https://sortedinschools.org.nz/students/activities/kiwisaver-pick-a-path/">sortedinschools.org.nz/students/activities/kiwisaver-pick-a-path/</a>
<b>Studylink</b>	<a href="https://studylink.govt.nz/">studylink.govt.nz/</a>
<b>The Sorted.org.nz Guide to studying</b>	<a href="https://sorted.org.nz/guides/planning-and-budgeting/studying/">sorted.org.nz/guides/planning-and-budgeting/studying/</a>
<b>The Sorted.org.nz Guide to how Kiwisaver works</b>	<a href="https://sorted.org.nz/guides/kiwisaver/kiwisaver-how-it-works">sorted.org.nz/guides/kiwisaver/kiwisaver-how-it-works</a>
<b>The Sorted.org.nz Guide to Living in retirement</b>	<a href="https://sorted.org.nz/guides/retirement">https://sorted.org.nz/guides/retirement</a>
<b>Debbie and Mareaa interview video on the Sorted in Schools website.</b>	<a href="https://vimeo.com/318298693">vimeo.com/318298693</a>
<b>Video - Riding Life's Waves</b>	<a href="https://vimeo.com/425277272/015fc14a44">vimeo.com/425277272/015fc14a44</a>
<b>Directory of Industry Training Organisations</b>	<a href="https://tec.govt.nz/teo/working-with-teos/itos/directory/">tec.govt.nz/teo/working-with-teos/itos/directory/</a>
<b>Post-secondary study and training options</b>	<a href="https://school-leavers-toolkit.education.govt.nz/en/tertiary-education/tertiary-study-andtraining-options/">school-leavers-toolkit.education.govt.nz/en/tertiary-education/tertiary-study-andtraining-options/</a>
<b>Student Job Search website</b>	<a href="https://sjs.co.nz/">sjs.co.nz/</a>
<b>Find out about minimum wages</b>	<a href="https://govt.nz/browse/work/workers-rights/minimum-wage/">govt.nz/browse/work/workers-rights/minimum-wage/</a>
<b>Video - overview of Kiwisaver basics</b>	<a href="https://vimeo.com/426882229">vimeo.com/426882229</a>
<b>Student allowances</b>	<a href="https://studylink.govt.nz/products/a-z-products/student-allowance/index.html">studylink.govt.nz/products/a-z-products/student-allowance/index.html</a>
<b>Scholarships</b>	<a href="https://studylink.govt.nz/starting-study/thinking-about-study/scholarships.html#null">studylink.govt.nz/starting-study/thinking-about-study/scholarships.html#null</a>
<b>Video - Student life in Aotearoa</b>	<a href="https://youtube.com/watch?v=6vPzOwLNZ-c">youtube.com/watch?v=6vPzOwLNZ-c</a>

<b>Student allowance calculators</b>	<a href="https://studylink.govt.nz/products/rates/calculators/index.html#null">studylink.govt.nz/products/rates/calculators/index.html#null</a>
<b>How income affects student allowance</b>	<a href="https://studylink.govt.nz/in-study/income/how-income-affects-student-allowance.html">studylink.govt.nz/in-study/income/how-income-affects-student-allowance.html</a>
<b>Work and Income - Benefits available</b>	<a href="https://workandincome.govt.nz/products/a-z-benefits/index.html">workandincome.govt.nz/products/a-z-benefits/index.html</a>
<b>Work and Income - Working for families</b>	<a href="https://workandincome.govt.nz/products/a-z-benefits/working-for-families.html">workandincome.govt.nz/products/a-z-benefits/working-for-families.html</a>
<b>The cost of raising a child in New Zealand has risen</b>	<a href="https://www.stuff.co.nz/business/industries/110773655/childcare-centres-defend-rising-fees-as-cost-of-raising-a-child-rises">https://www.stuff.co.nz/business/industries/110773655/childcare-centres-defend-rising-fees-as-cost-of-raising-a-child-rises</a>
<b>SEEK Website</b>	<a href="https://seek.co.nz/">seek.co.nz/</a>
<b>Retirement Ages</b>	<a href="https://etk.fi/en/work-and-pensions-abroad/international-comparisons/retirement-ages/">etk.fi/en/work-and-pensions-abroad/international-comparisons/retirement-ages/</a>
<b>Investing by gender</b>	<a href="https://sharesies.nz/ourblog/2018/7/17/closing-the-investing-gender-gap">sharesies.nz/ourblog/2018/7/17/closing-the-investing-gender-gap</a>
<b>Kiwisaver Pick a path</b>	<a href="https://sortedinschools.org.nz/students/activities/kiwisaver-pick-a-path/">sortedinschools.org.nz/students/activities/kiwisaver-pick-a-path/</a>

Te whai hua - kia ora!



**NCEA Level:** 1 (version 4)

**QAAM Number:** #3175

**Unit Standard:** #28087

**Unit Standard Title:**

Demonstrate knowledge of the effect of life stages on personal income

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**Notes:**