

Thinklinkers for Financial Sustainability

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Thinklinker 1: The Metre Ruler

Savings are one way to prepare for unexpected events, but finding ways to grow your funds is important too.

Most people work from their early 20s until they are 65. In New Zealand, life expectancy is 81.5 years. This means that most people earn money for about half of their lives.

To get a sense of how much of your life you spend working, create a timeline using a metre ruler, with each centimetre representing one year of your life. Mark on the ruler the years you're likely to be earning. Calculate the years you earn an income, and calculate the years you won't be earning an income if you lived to 81.5 years.

List ways you can earn some extra income while you are at school so you can start saving earlier than in your twenties to jumpstart your savings.

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

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

Create a presentation that encourages people to start thinking about their financial futures from a young age. You may like to use the metre ruler as a prop.

Thinklinker 2: Growing my money/moni

Investing is a way to grow your money/moni for the future.

Before you begin the exercises below, you may like to revise the [basics of investing](#), investing [powerpoint](#) and [infographic](#).

You have recently paid \$100 to join a group of year 9-10 investors. The group wants to make a two-year investment/whakangao and are exploring three options.

Working in a group:

Discuss and research the three investment/whakangao options outlined below.

1. A group of students at your school has started a website company. They already have three potential clients who will be charged \$2,000 each. The group needs \$1,000 to purchase software that will improve their designs and have offered investors a 10% return over a two year period
2. **Investigate** the process of buying and investing in **shares**. Decide whether to purchase some shares together
3. Banks offer investment/whakangao opportunities through long-term deposits. These are called **managed funds**. **Compare** interest rates at various banks and find out what returns you can make on \$1,000. Remember to check the cost of any fees
4. **Compare** the advantages and disadvantages of each option and rank them in order of preference
5. **Evaluate** the best option for your group to invest in, taking into consideration the amount you are investing, the period of investment/whakangao (two years), and the expected rate of return.

Thinklinker 3: Insuring my school/kura

Last year, a school took out insurance/inihua to cover the costs of damage to furniture, computers, sports equipment, and general school property. The insurance/inihua cost \$2,000 and the excess was \$1,000 per claim.

The school spent \$3,000 replacing damaged items. Because individual losses were less than the \$1,000 excess, no insurance/inihua claims were made.

The Board of Trustees is worried about the amount of money that was spent on insurance/inihua and on replacing damaged goods and property (\$5000 in total). They want to explore other options and have asked a group of students to present some ideas.

The school has 1,000 students, so last year the average cost of insuring and replacing damaged goods and property was \$5 per student.

Describe how insurance/inihua works.

List items at your school that have been damaged or lost/stolen in the past year and find out how much they cost to buy or replace. You may need to get some of this information from the school property manager.

Read How insurance works

Explain how you could set up an insurance/inihua scheme funded by students. Create a diagram with comments that outlines:

Key stakeholders

The cost of the insurance/inihua policy (premium) and how much each student will have to pay

Rules for insuring items or for paying out on a claim
Decisions on when a claim will be paid.

Thinklinker 4: Growing my KiwiSaver

KiwiSaver is a voluntary long-term savings scheme that helps people prepare for retirement/whakatā. Fund managers invest your money in different companies so that it grows in value. There are five different funds to choose from and you can move the money/moni between these funds at different stages of your life. A major benefit of contributing to KiwiSaver is after three years, you can use your savings to help buy your first home.

Describe the difference between saving and investing.

List the different types of KiwiSaver funds.

Explain the difference between each KiwiSaver fund and draw a timeline of which funds are best suited to different stages of your working life (20–65 years).

Consider these two statements and evaluate why each could be true:

All KiwiSaver funds should be invested in New Zealand and not overseas

It is better for Kiwisaver funds to be invested overseas as we can get a higher return for individuals.

Resources

[Sorted Investor Tool](#)

[The must knows of KiwiSaver](#)

Thinklinker 5: Meeting my future self

It's hard enough to imagine what your life might look like 10 years from now let alone in 50 or 60 years when you might be retired. Upload your photo to an ageing app to see what you might look like when you are older. Try to imagine what your life might be like at this age.

Arrange an interview with a retired person, for example, a grandparent, whānau member, or neighbour. The interview can be face-to-face or online. Work out your questions in advance or use some of the questions in the interview resource as guidance.

Use your interview to:

List the person's needs as an older person. Describe any financial challenges that they face.

Analyse how the person's life changed as a result of retirement/whakatā.

As a result of the interview, reflect on what you have learned and evaluate the claim that “young people should start preparing for their retirement/whakatā earlier rather than later”.

Thinklinker 6: Who will I leave it to?

A will is a form of insurance/inihua. It can help ensure your loved ones are looked after when you die. People use wills to:

- Have a say in what happens to their belongings
- Identify who will look after their children
- Leave special gifts for people
- Make donations to organisations.

An inheritance is either money or an object that has been left to you by someone who has died. Do you know someone who has received an inheritance?

List five of your assets (things you own that have financial value or are important to you).

Rank these assets in order of importance and explain their significance.

Create a visual will. Draw some of the things that you would like to give people and explain why.

Generalise why it is important to have a will.

Resources:

No will, no way.

Thinklinker 7: Insure it or risk it

Compulsory insurance/inihua is insurance/inihua that people have to pay by law. In New Zealand there are two compulsory insurances/inihua:

- Accident Compensation Corporation (ACC) covers you if you have an injury and cannot work
- Earthquake Commission Council (EQC) insures you and your property against natural disasters.

List five recent natural disasters in New Zealand and the cost of these disasters to the insurance/inihua industry. See [Cost of Natural Disasters](#) for information on this.

Select one of the natural disasters identified and explain the short term and long term effects that such a disaster can have on a place and on the people.

Evaluate the need for other types of compulsory insurance/inihua in New Zealand.

Resources:

[Types of insurance](#)

Thinklinker 8: I won the Lotto

Imagine you're 14 and you have won a million dollars that you won't be able to access until you're 18.

You've been learning about investment at school, you may want to look at [Investment powerpoint](#) and [infographic](#), to think about how you can make your money/moni grow.

What could you do with this money/moni to prepare for you retirement/whakatā?

List five things that you would like to achieve in each decade of your life. Write them on sticky notes in order of priority. Put each note on a metre ruler, using the measurements to represent different decades. For example, put your goals for when you are in your 20s in the 20–30 cm section of the ruler.

Put a sticky note under each decade you are likely to be working (20–65 years) that explains ways to make your money/moni grow for you at each stage.

Create a guide for a million-dollar investor showing them how to manage their funds so they can retire before they turn 65.

Thinklinker 9: Housing options for retirees

Retirees have a range of types of housing options available to them. However, not all retirees can afford to live in the type of housing they might like to live in as some options are very expensive. What type of housing option would you like to live in when you are retired?

List types of housing available to older people in your community.

Explore this example of a community developed for retirees in the Netherlands: [Dementia village “de Hogewey”](#)

Explore the New Zealand village based on this model:

[Unique retirement village in Rotorua](#)

[Retirement Village officially opens in Rotorua](#)

Analyse the advantages and disadvantages of these models. Discuss how well they would suit a retired

person you know (for example, a grandparent or whānau member).

Generalise whether this model of retirement/whakatā village is a good fit for New Zealand.

Thinklinker 10: Your future home

Many retirees can't afford to buy a home in a retirement/whakatā village, and renting is generally not an option. Explore the links below. Could these be options for housing for our next generation of elderly people?

[10 crazy house designs of the future](#)

[Project: The future of senior living](#)

[The world's first off-grid EcoCapsule](#)

[Marae Architecture](#)

[3D-printed home could revolutionise low-cost housing](#)

Design some homes for elderly people. Each design must be less than 60 square metres. Pace out the area outside so you can see its limitations. Think about where the homes can be put within your community.

Sketch some different options. Add labels to show key features.

Select one of your designs and explain the features you have included and why.

Predict a potential issue that could happen when building your design and come up with a solution to overcome it.