

Activities in the Financial Literacy Programme

Module 1 *Why should I have a financial plan?*

- Identifying values
- Recognising what I value
- A 'Life Cycle' approach to planning
- Opportunity cost
- Money personalities

Module 2 *Income - where does it come from?*

- Identifying sources of income
- Investigating transfer payments from government
- Establishing how much income I need
- Investigating income and employment opportunities
- The opportunity cost of further education
- Identifying income possibilities
- Identifying net worth
- Analysing relative net worth
- Recognising the income value of intangible assets
- Recognising, preparing for and responding to income shocks

Module 3 *Budgeting - dividing up the income*

- Personal financial goal setting in the short term
- Setting up a budget (2)
- Drawing up a budget
- Advice from the professionals
- Readjusting to changed circumstances
- Monitoring a budget
- Who else budgets?
- The budgeting game — putting it all together

Module 4 *Financial protection - the key to security?*

- Identifying types of risks
- Identifying and evaluating sharing the loss
- What's it worth? Indemnity or replacement value
- From the consumers' point of view

Facts and figures — Assessing the reality of risk
What do I have to lose?
From the suppliers' point of view — The Fair Insurance Code
Where can we get insurance protection?
Purchasing a car
Identifying insurance factors relating to car ownership

Module 5 *Credit and borrowing - decisions and consequences*

What is credit?
Who uses credit and why?
A life cycle perspective of borrowing
Recognising the legal side of credit arrangements
Why the interest in interest?
Funding tertiary training and education.
Where can the money come from to fund these costs?
Accumulating and paying back the loan
Applying for credit — purchasing consumer goods.
A visit from the professionals
Borrowing for property ownership
Am I considered a suitable person to get a mortgage?
Choosing the mortgage options that fit my needs?

Module 6 *Taxation*

Taxing the community
What taxes exist and who are the taxpayers in New Zealand?
Why have a tax system?
Getting that first job and paying income tax
The IRD role in the Student Loan Scheme
Recognising Student Loan Obligations to IRD while overseas, on a benefit or working and continuing to study
A life cycle approach to taxation
From the consumer's point of view
Advice from the professionals
Identifying the impact of marginal tax rates

Module 7 *Banking - making money work*

Attitudes towards money management and the functions of banks
Investigating how banks work
The provision of banking services
Recognising what services I require

Costs and charges for banking services
Cards, access and security
Lending — bank credit cards, personal loans and mortgages
Moving money around — making the most of it
A visit from the professionals

Module 8 *Savings*

Identifying what is savings
Identifying attitudes to savings
Why save?
Setting savings goals — the power of time and commitment

Module 9 *Investing*

Developing a personal investment approach
Perceptions of investment and a life cycle approach to investing
Developing an investment strategy
A visit from the professionals
Investment options
Making savings choices and getting advice

Module 10 *Financial planning for the future*

Identifying personal current situations
The reality shock — what would I have done?
Achieving the goal — 7 keys to creating wealth
Funding the retirement income — do I have to do this?
What's it like to be retired?