

case study

Fruit Burst wages

All Youth Service Youth Payment and Young Parent Payment clients, and Young Partners have an obligation to complete a budgeting programme that meets minimum standards.

The case study below shows how one Youth Service provider runs an activity to help taiohi understand the impact short-term financial choices have on their long-term financial outcomes.

Participants use online calculators and tools to do simple equations to work out their weekly income, tax, KiwiSaver contributions, and loan repayments. They're encouraged to discuss and justify the financial choices they make and get to see the impact of these choices over time.

about the Youth Service provider

A Work and Income in-house team delivers Youth Service in Wellington. The team supports up to 170 youth payment clients, young parents, and NEET clients. One youth coach in the team is responsible for delivering both the budgeting and parenting programmes, which they run in-house.

Their budgeting programme of seven modules is usually delivered in a single day with a small group of four participants. This allows for plenty of time for discussion and participation.

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- income, salary, wages, and tax
- KiwiSaver, retirement, superannuation, contribution
- investments, interest, credit, and debt

resources needed

- laptop or PC
- calculators and/or phones
- 1kg bag Pascall Fruit Bursts
- plastic cups (one for each participant)

about the activity

Rosie, a youth coach and programme leader in the Wellington Work and Income in-house Youth Service team, wanted to reinforce learning about income, debt, tax, and budgeting along with other topics covered in their budgeting programme.

She created an activity that allows taiohi to earn Fruit Bursts throughout that day and use online tools and information to make informed financial decisions about what to do with their earnings. Each coloured Fruit Burst represents a different dollar amount, which makes this a fun activity for participants who are worried about doing maths.

setting up the activity

The Fruit Burst activity starts during the second module of the day. This module covers living costs, KiwiSaver and tax. At the beginning of the module, taiohi get randomly assigned an occupation and information about their annual salary or hourly rate. From this they need to work out their weekly income, which is represented in Fruit Bursts.



They then learn about KiwiSaver, and government and employer contributions, then use the calculator on the Sorted website to see the impact of contributing to KiwiSaver over time. They get to decide if they want to contribute to their KiwiSaver and if so, at which rate. If they choose to make KiwiSaver contributions then Rosie gets them to set aside the Fruit Bursts in their labelled plastic cup. Rosie tops up the plastic cup each 'payday' with extra Fruit Bursts to represent the government and employer contributions.

Using the IRD tax calculator they can see how much tax they must pay on their weekly earnings. Finally, they use a worksheet to make decisions about their lifestyle and work out their living costs.

payday

A few times throughout the day taiohi have a 'payday'. From their earnings must pay their KiwiSaver contribution, tax, and living expenses.

unexpected expenses and getting to debt

Module 5 focuses on debt. Taiohi are assigned a random unexpected expense – from a big dentist bill, to the costs of getting urgent car repairs. They're guided through different online tools and websites that can help them get ideas for how to pay for the unexpected expense if they don't have enough savings to cover it. They use the online tools to work out how much they'll have to pay each week depending on what product, interest rate and repayment period they choose.



At the completion of each learning module, taiohi have a chance to manage their “money” using real-world information and online tools. The activity helps participants to see and discuss the choices they make when it comes to salaries and wages, living costs, tax, KiwiSaver, and loan repayments.

wrapping up the activity

At the end of the day the participants get to keep the Fruit Bursts they’ve saved, including their KiwiSaver contributions.

Rosie says about the activity that: “The fruit burst wages are a hands-on way to learn lots of relevant concepts. The concepts aren’t just being demonstrated to taiohi, they are being *experienced* by them, which helps to keep them engaged. It can also ease the anxiety of participants who have a hard time with maths, as it’s not just numbers on a page.”

tips for others wanting to run a similar activity

- Get familiar with the online tools and calculators before you use them with young people so that it flows smoothly on the day.
- Make up the ‘pay packets’ of Fruit Bursts ahead of time with a mixture of Fruit Bursts colours totalling their weekly pay–this saves time during the workshop.
- Really encourage any discussion, debate, or telling of stories related to the topics– this is where the magic happens!

Taiohi talking about the activity said: “The Fruit Bursts were a cool way to do it, and it actually made KiwiSaver seem way more of a thing I would actually do, seeing how much money you could save for a house”.