





## COMPANION GUIDE

To be used as a companion to the *Budget Champs* card game



# BUDGET CHAMPS

## Introduction

**Budget Champs** is an educational game designed to support financial literacy topics covered in the Grade 7 Economic and Management Sciences curriculum.

If you are a parent, guardian or volunteer interested in maximising the learning benefits of this game, you can use this guide to structure a play session for children or adults who are looking to improve their knowledge. This guide will come in 3 steps:

1. Game Setup (10 min)
2. Playing the Game (20 – 30 min)
3. Explaining Financial Concepts (15 min)

## Game Setup (10 min)

You should ideally have 5 players in a game session (4 or 6 can work if needed), sharing one game box. You can get involved yourself, but you should assign any tasks in this guide to the players where possible.

Position the game to the players:



**Explain:** The aim of the game is to show how important it is to have a budget when managing your money and how it can help you save towards your goals.

- This is a good time to unpack the box and look at the cards

**Ask** the players to turn all of the cards face down (the Budget Champs logo must face them) and separate the cards into 3 piles (decks) according to the colours on the back of the cards:

PURPLE for **BUDGET SHEETS**

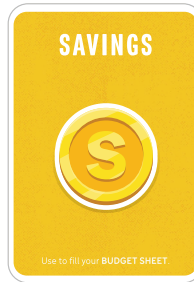
YELLOW for **SAVINGS CARDS**

BLUE for **EXPENSE (Family, Health and Learning) and ACTION cards**

- Before continuing, make sure the cards from each group are in the correct deck
- **Ask** each player to choose a **BUDGET SHEET** from the purple deck
- Once they've chosen a **BUDGET SHEET**, ask them to hold it up



**Explain:** The goal of the game is to complete your **BUDGET SHEET**. A **BUDGET SHEET** is complete when you have collected all of the cards that match the icons on your **BUDGET SHEET**. The first player to match their **EXPENSE** (Family, Health and Learning) and **SAVINGS** cards to the icons on their **BUDGET SHEET** is the winner.



**Ask** how many cards will you have to collect in total?

- The correct answer is 10. Each **BUDGET SHEET** has a total of 10 **EXPENSE** (Family, Health and Learning) and **SAVINGS** icons
- Every **BUDGET SHEET** looks a bit different, but the number of **EXPENSE** and **SAVINGS** icons will always add up to 10

You will notice that all the **BUDGET SHEETS** look different. This is just like real life where different households have different budgets.

Look at the **SAVINGS GOAL** at the bottom of your **BUDGET SHEET**.

Here you'll see the number of **SAVINGS** cards from the yellow deck needed to reach your **SAVINGS GOAL** on your **BUDGET SHEET**.

- **Ask** a few players to read their **SAVINGS GOAL** on their **BUDGET SHEET**. Ask them what their understanding of a **SAVINGS GOAL** is and give them a chance to answer



**Explain:** A savings goal is an outcome that you save towards. This means putting money aside over time, so you can achieve an outcome or get something you would like to buy in the future. It's never too early to save towards your goal, no matter how much or how little money you have to save.

The top part of your **BUDGET SHEET** contains normal household **EXPENSES** for family, health and learning.

**Ask** players what examples they can think of for each of the categories.

- The examples you are looking for (and can share with the players once they've given their answers) are:

### HEALTH

- Doctor
- Medical Aid
- Medicine
- Dentist

### LEARNING

- Stationery
- School Fees
- Uniform
- Textbooks

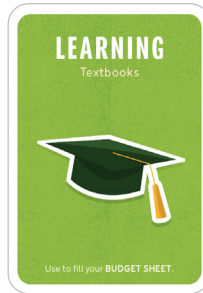
### FAMILY

- Groceries
- Clothing
- Toiletries
- Insurance

**Ask** the players to find an **EXPENSE** card (Family, Health or Learning) in the blue deck and hold it up.



**Explain:** **EXPENSE** cards have the same icons as the **EXPENSES** on the **BUDGET SHEET**. They will look something like this:



- Some players may hold up the **BUDGET SHEET** instead. Explain that while **EXPENSES** are part of the **BUDGET SHEET**, they must look for the **EXPENSE** cards (Family, Health or Learning) specifically



**Explain:** the **ACTION** cards. These cards are in the blue **EXPENSE** deck (and they have blue backgrounds). Each of the **ACTION** cards have different instructions. Ask the players to find any **ACTION** card in the blue deck and hold it up.

- This is one example of an **ACTION** card. It has a large image and a special instruction at the bottom of the card



- **Ask** the players to read an example of an instruction on their **ACTION** card
- **Confirm** that the players understand what was explained and are ready to begin the game
- **Ask** the players to reshuffle the blue **EXPENSE** deck. Remind them not to mix in any of the cards from the purple **BUDGET SHEET** deck

They can then put the blue **EXPENSE** deck in the middle of the play area and begin the game.

## Playing the game (20 – 30 min)

Players can decide among themselves who goes first, or you can use this exercise from the game instructions:

- Ask each player to memorise the **SAVINGS GOAL** on their **BUDGET SHEET**
- Get one player in each group to collect the **BUDGET SHEETS**, shuffle them and randomly pick one **BUDGET SHEET** from the pile. The owner of that sheet goes first
- The **BUDGET SHEETS** must be given back to each player and the game can begin



**Explain** the basics of how to play the game to the players. This should be enough information to play a game from start to finish:

- You take turns drawing one card from the blue deck
- Remember that this deck contains **EXPENSE** cards and **ACTION** cards
- Collect **EXPENSE** and **SAVINGS** cards and use the instructions on the **ACTION** cards to complete your **BUDGET SHEET**
- The first player to collect all the **EXPENSE** and **SAVINGS** cards on their **BUDGET SHEET** is the winner

Players may have some questions as they play (these are also answered in the Instruction Sheet):

**Q: How do I get SAVINGS cards?**

A: Some **ACTION** cards will instruct you or another player to draw from the yellow **SAVINGS** deck.

**Q: What do you do with cards you don't need?**

A: If you pick up a card you don't need, keep it. When it is your turn, you and another player can **TRADE** cards with each other. The two of you may decide which cards to trade.

**Q: What does 'discard' mean?**

A: Discard means getting rid of a card. Put the card into a pile (deck) in the middle of the play area where it can no longer be used. This is called the **DISCARD DECK**.

**Q: What if nobody wants to trade on your turn?**

A: You can discard any 3 **EXPENSE** cards to draw one **SAVINGS** card.

**Q: Do you have to play ACTION cards right away?/What if I don't want to play this card?**

A: You do not have to play an **ACTION** card right away unless the card says you must. Hold onto your **ACTION** cards until it's the best time to play them.

**Q: Should I show my cards to other players?**

A: Yes.

**Q: What if I don't understand the instruction on the ACTION card?**

A: Ask another player or facilitator for help.

**Q: What if two players win at the same time?**

A: If there are two players with completed **BUDGET SHEETS**, the player whose turn it is (or next) wins.

## Explaining Financial Concepts (15 min)

Once all groups have finished, you can take players through key learning outcomes with these discussion questions:

**What is a Household Budget?**

- A household budget is a plan of how a household will spend and save their income. It should include:
  - Total monthly income
  - Planned expenses
  - Savings
- The golden rule of a budget is: spend less than you earn and save the rest

**What is the purpose of the BUDGET SHEET in the game?**

- Each sheet represents part of a household budget – with a different combination of expenses and a unique savings goal

- In life, every family's budget is a little different. The sheets in the game don't have a complete list of household expenses, but they show that households need to plan carefully how income will be divided between different expenses, obligations such as debt repayments, and savings
- Some of the things a household needs (or really wants) cost a lot – perhaps a new bicycle, or future education, a family car or home. By making these savings goals, a household can save to reach big items – even if it takes time
- When a household uses a budget to plan their income and expenses, it becomes easier to save towards their goals

### **Why is a budget necessary?**

- A budget puts you in control of your money. It helps you to plan for the future, set financial goals and save towards them

### **You might have picked up a **Check Bank Statement** card during the game. Why is it important to check your bank statement in real life?**

- Your bank statement helps you keep track of how you spent your money and where you need to revise your budget if necessary

### **Did you see the importance of **SAVINGS** cards? Why is planning for savings important in a real budget?**

Making saving a habit and regularly saving some of the money you earn helps you to build financial security and freedom which allows you to:

- Deal with emergencies like a major repair or a medical expense
- Achieve your dreams and goals (for example, a good education or to start your own business one day)
- Do fun things or buy something special
- Retire one day with peace of mind

### **How does setting a savings goal in real life help you?**

It helps you to prioritise and focus on what is important to you. Savings goals must be **SMART**:

- **S**pecific
- **M**easurable
- **A**chievable
- **R**ealistic
- **T**imely



- For example: I am going to save R2 400 to buy a BMX bike in 24 months. To do this, I am going to save R100 each month by doing extra chores at home, giving me an opportunity to earn extra money

**Did you pick up a **Revise Budget** card? Why is it important to regularly revise a budget in real life?**

- You should look at your budget regularly and revise it any time your income, expenses or household needs change. Some examples of events that may need you to review your budget include:
  - Increase in household income – a family member receives a promotion at work, an annual salary increase or started a new job
  - Decrease in household income – a family member loses their job or is earning less than before due to tough economic conditions
  - Increase in fixed expenses like rent
  - General increase in the cost of living such as food items, transport etc.
  - Planning for events that may increase household expenses, such as getting a pet or taking credit

**What is interest?**

- When you borrow money, you pay interest for using someone else's money
- When you save money, you earn interest on your savings
- Interest is calculated as a percentage of the loan amount you borrow or the savings amount you put away when you save
- The percentage is usually quoted as an annual (yearly) rate
- Interest is therefore the extra money that you must pay on top of the loan amount you borrow, or it is the extra amount you earn that is added to the amount you save

**For example:**

- Savings amount: R2 500
- Savings term: 1 year
- Interest rate: 5% per year, compounded annually
- Total savings amount after 1 year: R2 625
- Interest earned: R125

**Why does the **Gain Interest** card give you extra savings?**

- When you save money in a savings account, a bank can lend this money to others or invest it. In exchange, you'll earn interest. This means that your money can grow if you leave it in the account

**What lesson about how to manage your money does the **Convert to Savings** card show?**

- Once you have paid all of your necessary expenses, you should see how you can cut back on unnecessary expenses. This will give you more money to save, which will allow you to reach your savings goals quicker

**What have you learned from the **Extra Chores** card?**

- To earn more money, you will usually need to take on additional responsibilities, whether at home or when working at a job

**Why does the game include a **Reward for Helping** card?**

- You may have had an opportunity to give a Savings card to another player and could draw another card. In real life, where you can afford to, you may help a family member who is struggling financially
- Families can improve their budgeting by communicating and working well as a team. Talking to your parents about money is a good way to understand your household better

**What have you learned from the **Family Allowance** card?**

This card teaches you about distributing money in the household.

- Think about who in your household controls the family's money
- Do your family members talk about what they spend their money on?

**Find the **Fixed-Term Savings** card. It says it cannot be removed. What does this tell us about fixed-term savings in real life?**

- The **Fixed-Term Savings** card grows your savings. A fixed term or fixed deposit is when you save your money for a specified time period (term)
- You cannot get access to or withdraw your money before the term comes to an end

**What have you learned from the **Emergency Savings** card?**

- Building your emergency savings will give you peace of mind when you need it most
- The Emergency Savings card could be converted to use as an **EXPENSE** or **SAVINGS** card. It's a bonus card that can help you when you need it, just like emergency savings in life

## Further Learning: Compound Interest

If players seem to understand simple interest and you'd like to improve their knowledge further, you can take them through the following examples of compound interest.

### What is compound interest?

- When you save money in a savings account, you usually earn interest as we learned earlier
- When you keep that interest in your savings account, next time, you will earn interest not just on the money you save, but also the interest you earned
- The interest that you start to earn on interest you've already earned is called compound interest
- Each time you earn interest and keep it in the account, you will earn even more interest the next time, and so your money starts to grow faster for you over time. The power of compound interest is one of the best reasons to start saving as early as you can. If you can give it time, it will be a great boost for your money

### This can be explained by the following example:

- Joy receives R1 000 as a birthday gift and decides to save it for 3 years in a savings account that earns interest at a rate of 5% per year, compounded annually

If Joy doesn't withdraw the interest she earns in the savings account, she will earn interest on that interest (compound interest):

- After 1 year, she will have R1 050 (she earned R50 interest, which is 5% of R1 000)
- After 2 years, she will have R1 102.50 (this time, she earned R52.50 interest, because 5% interest was now calculated on the balance of R1 050)
- After 3 years, she will have R1 157.62 (now the interest earned is R55.12)

## Your Money Plan: For Learners

Income			
Allowance/Pocket money	R	R	R
Extra chores	R	R	R
Profit from my business <sup>1</sup>	R	R	R
<b>Total income</b>	<b>R</b>	<b>R</b>	<b>R</b>

Expenses	Current <sup>2</sup>	Planned <sup>3</sup>	Actual <sup>4</sup>
Savings goal contribution	R	R	R
Books	R	R	R
Entertainment (i.e. movies & popcorn)	R	R	R
Gifts	R	R	R
Clothes	R	R	R
Airtime/Data	R	R	R
School tuckshop	R	R	R
Hobbies/Sports	R	R	R
Other	R	R	R
Other	R	R	R
Other	R	R	R
<b>Total</b>	<b>R</b>	<b>R</b>	<b>R</b>

<b>Surplus or shortfall</b>	<b>R</b>	<b>R</b>	<b>R</b>
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### Notes:

<sup>1</sup> If you have a business, make a budget for your business too. All the income your business earns minus all the expenses of the business tells you if the business has made a profit or a loss.

If the income is more than the expenses, you have a profit. This profit amount is what you add to your personal budget (this budget) because this is the money you earn from your business.

<sup>2</sup> Add the amount you **currently** spend (you can check your bank statements if you have a bank account and you can start keeping receipts so you know how you spend your money)

<sup>3</sup> Check all your current expenses and think about how you plan to spend differently next week or next month. Add these amounts here.

<sup>4</sup> At the end of the week or month, check how much you **actually** spent for each of your expense categories. Did you stick to your plan?

## Your Money Plan: For Adults

Income			
Salary	R	R	R
Other income	R	R	R
<b>Total</b>	<b>R</b>	<b>R</b>	<b>R</b>

Basic needs	Current <sup>1</sup>	Planned <sup>2</sup>	Actual <sup>3</sup>
Groceries	R	R	R
Clothing	R	R	R
Transport	R	R	R
Rent	R	R	R
Medical expenses	R	R	R
School fees	R	R	R
Bank costs	R	R	R
Data/aritime	R	R	R
Water and Electricity	R	R	R
Childcare	R	R	R
Family support	R	R	R
	R	R	R
<b>Total</b>	<b>R</b>	<b>R</b>	<b>R</b>

Financial protection	Current <sup>1</sup>	Planned <sup>2</sup>	Actual <sup>3</sup>
Home insurance	R	R	R
Funeral cover / Life Insurance	R	R	R
	R	R	R
<b>Total</b>	<b>R</b>	<b>R</b>	<b>R</b>

Debt repayment	Current <sup>1</sup>	Planned <sup>2</sup>	Actual <sup>3</sup>
Credit card repayment	R	R	R
Loan repayment	R	R	R
Home loan repayment	R	R	R
Car repayment	R	R	R
	R	R	R
<b>Total</b>	<b>R</b>	<b>R</b>	<b>R</b>

Savings and wealth creation	Current <sup>1</sup>	Planned <sup>2</sup>	Actual <sup>3</sup>
Retirement contributions	R	R	R
Emergency savings	R	R	R
Education	R	R	R
Investments	R	R	R
Stokvel	R	R	R
	R	R	R
<b>Total</b>	<b>R</b>	<b>R</b>	<b>R</b>

Lifestyle spending	Current <sup>1</sup>	Planned <sup>2</sup>	Actual <sup>3</sup>
Holidays	R	R	R
Entertainment	R	R	R
Cellphone	R	R	R
Tv licence/Dstv	R	R	R
Furniture account	R	R	R
Clothing account	R	R	R
	R	R	R
	R	R	R
<b>Total</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>Surplus or shortfall<sup>4</sup></b>	<b>R</b>	<b>R</b>	<b>R</b>

**Notes:**

- <sup>1</sup> How much are you currently spending in each category? (Look through your last few months of bank and credit card statements to understand your spending.)
- <sup>2</sup> After reviewing your expenses and your priorities, how much are you planning to spend in each category next month (i.e. what is your 'new' budget amount in each category)?
- <sup>3</sup> At the end of each month, calculate and insert how much you actually spent in each category. This way you know whether you stuck to your planned budget, or not.
- <sup>4</sup> Add your totals for each category. Deduct all your expenses from your income. If your income is more than your expenses, you have a surplus. If your expenses are more than your income, you have a shortfall.



