Affordability workshop

Agenda:

1. Introduce PEN – 2 mins
2. Money management principles –and why budgeting a good idea – 5 mins

* Know where the money comes from (part time job, allowance, birthdays etc)
* Understand the benefits of saving. Putting away some money into a savings account each month can grow into large amounts of savings over time
* Track expenses to stay on budget
* Think long term
* Understanding risk

1. Introduce the game and rules – 5 mins
2. Split into teams – 5 mins
3. Come up with a team name – 2 mins
4. Round 1 of simulation – agree items – 15 mins
5. Round 2 of simulation – 10 mins
6. Round 3 of simulation – 10 mins

Rules:

You are all on your way to a summer holiday in the Caribbean, unfortunately your plane crashes on a large desert island but you luckily survive. The island is beautiful with temperatures alternating between -6 degrees and 40 degrees and occasional tropical storms. There are trees and plants on the island with drinking water available, but it is not known whether there are any dangerous animals. It is not clear if there are any survivors other than yourself and it takes two weeks on average for rescuers to arrive. The only certainty is the mysterious shop in front of you and the £100 in your pocket which you will need to use to survive the next two weeks. Whilst waiting for others to come rescue you certain things might happen to you. You need to prepare yourself for these scenarios, if you are unable to deal with the scenario you will lose either money or an item. The team which survives the best wins!

Round 1 Budgeting:

Decide how you would spend the money in order to best survive. What is the bare minimum we need to survive? Consider warmth, shelter, food and drink.

|  |  |
| --- | --- |
| Item of spending | Price |
| Blanket | 15 |
| Plastic container | 15 |
| Metal cooking pot | 15 |
| Food parcel | 15 |
| Pillow | 10 |
| Fishing net | 15 |
| Fishing rod | 20 |
| Suncream | 10 |
| Toilet paper (per roll) | 5 |
| Chocolate | 5 |
| First aid kit | 15 |
| Toothbrush | 5 |
| Knife | 20 |
| Solar powered torch | 10 |
| Rope | 10 |

Pirate visit:

Good news, pirates visit the island – they will not let you onto their ship but they will buy any fish you have caught. The pirates will only buy fish from you if it has been caught by fishing net or rod. The pirates give you £20 for the raw fish caught by net and £30 for the raw fish caught by rod.

Bad news, the pirates see your solar powered torch and steal it from you. The pirates also charge you £5 as a tax for staying on the island.

The temperature drops suddenly in the evening, only those groups who have bought either the blanket or the knife (to build a fire) are able to cope with the cold temperature. If you are unable to cope lose £20 or an item worth that value (you can choose which).

Round 2:

|  |  |
| --- | --- |
| Item of spending | Price |
| Blanket | 20 |
| Plastic container | 20 |
| Metal cooking pot | 20 |
| Food parcel | 20 |
| Pillow | 15 |
| Fishing net | 20 |
| Fishing rod | 25 |
| Suncream | 15 |
| Toilet paper (per roll) | 10 |
| Chocolate | 10 |
| First aid kit | 20 |
| Toothbrush | 10 |
| Knife | 25 |
| Solar powered torch | 15 |
| Rope | 15 |

The first 5 days have passed on the island, the mystery shop reappears. However, the prices of all items have increased by £5, this is due to inflation the shopkeeper says. Inflation is the rate at which prices for goods and services rise. This unfortunately means any money you saved is worth less, as it buys less goods.

Decide how you will spend your money. Items cannot be sold back to the shop.

Loan shark attack:

Whilst swimming one of your team is attacked by a loan shark, a loan shark is a bad shark who offers loans at extremely high interest rates. Interest rates are the amount of money on top of the amount of money borrowed that you have to pay back. Your team member is badly injured and requires the use of first aid equipment. If you have bought the first aid kit you can use it, however if you haven’t you will need to lose an item(s) worth £25 or pay £25 to the shopkeeper.

Archaeologist part time job:

A local archaeologist appears, he needs some help collecting valuable fossils from the island. However, he will only employee you if you have something to carry the fossils with such as the plastic container or metal cooking pot. He pays you £30 for your services.

Round 3:

|  |  |
| --- | --- |
| Item of spending | Price |
| Blanket | 22 |
| Plastic container | 22 |
| Metal cooking pot | 22 |
| Food parcel | 22 |
| Pillow | 17 |
| Fishing net | 22 |
| Fishing rod | 27 |
| Suncream | 12 |
| Toilet paper (per roll) | 12 |
| Chocolate | 12 |
| First aid kit | 22 |
| Toothbrush | 12 |
| Knife | 27 |
| Solar powered torch | 17 |
| Rope | 17 |

It is the last few days upon the island, you are sure that a rescue team will arrive soon. Decide how you will spend your money.

Mysterious cave:

You discover a mysterious cave on the island, a ghostly voice tells you that the cave contains a special game. You must pay £5 to enter, but if you enter and roll the dice and it lands on a 5 or a 6 you win £20. If you roll less than that you win nothing. This is a financial risk - Financial risk is the possibility of losing money on an investment or business venture.

The rescue boats finally arrive, the team with the most items + money left over gets to go on the luxury cruise ship. The other teams are on a local fisherman’s smelly boat.

Please add up your remaining money and value of items. The value of items are determined by their original lowest price in round 1.