



# Time is money

Students at a Women's Foundation Life Skills workshop realised the importance of saving up for the future early on through playing the realistic simulation game *Praxis*

‘WHY are you so rich?’ That was the question asked to those who managed to accumulate the most money over the course of *Praxis*, a money simulation game, during one of the Life Skills Programme's extra-curricular activities.

## Real life decisions

AT the beginning of the game, each student receives HK\$10,000 cash as the salary for their first month of employment after graduation. With each roll of the dice,

players might find themselves on squares that **prompt** them to buy savings cards, insurance, retirement funds, or become unemployed, hospitalised or encounter other unexpected events.

When the economic cycle changes from the boom to recession to slump to recovery, a whole new set of economic conditions related to job opportunities, hospital fees and property prices enters into play. As in real life, to get a job promotion and higher salary, players have to pay tuition for self-improvement.

## Lessons on economy

THROUGH the course of the game, the students gained an appreciation for the impact of economic cycles on an individual's financial fortunes and opportunities. While it is important to take some risks when investing in one's future, the players also learned to weigh those risks against possible outcomes and the **opportunity costs** behind each decision. As with life, luck plays an element in one's fortunes. However, astute planning can **mitigate** the excessive ups and downs experienced with each economic cycle and allows people to make the most of the opportunities available.

Ms Tam Wai-Yee, a teacher at Po Leung Kuk Lo Kit Shing (1983) College, said, “The students really enjoyed the game and got the message that they will face many different situations and choices in life.” She said that students as young as those in Form 2 and 3 could benefit from learning about financial planning concepts such as opportunity costs, saving and budgeting. “After playing *Praxis*, they began to understand the consequences and uses of different financial products.”

## Planning ahead

MOST teenagers think that saving money is something they need not think about until they are older and working full-time. According to Bonny Tse, Senior Client Adviser, J.P. Morgan Asset Management, some common **myths** about savings include ‘I need to make more money before I can start saving’.

In fact, teenagers should start saving the moment they start receiving some sort of income. For most teenagers, that can be red packet money from Chinese New Year or birthdays, allowance from parents or money from part-time jobs.

## Money is a tool

“TWO key lessons that our teenagers should learn are to start saving early and always pay yourself first, that is, set aside a desired amount of money, even a small amount, that you want to save and stick to the plan. If they save **diligently** and in a disciplined way, and if they put their savings in a bank account, they will be amazed at how large the pool of money can grow over time because of the **compounding** effect,” Tse explained.

According to Tse, we should see money as a tool that will help us achieve our goals and dreams. “Saving is the key to getting the things out of life that are important to you,” she added. As we all know, most things these days, including getting an education, cost money. So teenagers should think about what they would like to achieve and set some goals – both short and long-term – and focus on them.”

