MWDI

MĀORI WOMEN'S DEVELOPMENT INC

MWDI He Papa Pūtea Financial Literacy Tool Kit

For Improved Personal & Whānau Financial Well-Being

Hei Manaaki i Te Mana Wāhine Māori

MWDI
MĀORI WOMEN'S DEVELOPMENT INC

About Māori Women's Development Inc

Māori Women's Development Inc. (MWDI) is a charitable organisation dedicated to encouraging the economic development and empowerment of Wāhine Māori and their whānau.

Our programs and services offer wāhine Māori the tools and resources to grow sustainable businesses and thriving futures for themselves, their whānau, and their communities.

Our Mission

To ensure Māori women and their whānau contribute equitably to Aotearoa's cultural, economic, social, and political achievements.

Our Values

Mana – Empower wāhine Māori

Manaaki – Foster and support wāhine Māori

Whanaketanga – Enhance the economic position of wāhine Māori

Wairuatanga – Embrace our spirituality

MWDI proudly supports wāhine Māori—nurturing innovation, fostering growth, and celebrating success.

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It is important to note that MWDI He Papa Pūtea is a starting point and this toolkit is not intended to be your only source of information when you are making financial decisions. This should be treated as a guide and not considered financial advice.

Introduction
Kōrero Taki

MWDI He Papa Pūtea Pakihi
A financial literacy toolkit for individuals and whānau.

Nau Mai, Whakatau mai ki MWDI He Papa Pūtea
Ko te whakahou tikanga pūtea ka mana mai te tangata

Financial capability is about you being equipped and empowered to take charge of your life and build a more secure and enriching future for yourself and your whānau.

Ko tēnei rawa he kohikohinga kōrerorero, pānui hei hiki ake ngā mōhiotanga e pā ana ki te whakahāere, whakatakoto pūtea ā muri ake nei.

The aim of this toolkit

To provide you with matauranga and ideas to assist you and your whānau to make better-informed decisions about how best to manage your finances, and to plan for your future. You can do this self-directed wānanga independently or sit down with the whole whānau and learn together!

WĀHANGA 1

Introduction to Financial Literacy

Me toro i ngā kete mātauranga
Reach into the basket(s) of knowledge

Financial literacy is the foundation of your financial well-being. Understanding basic financial principles helps you make informed decisions, avoid debt, and plan for the future.

Outcome

By the end of this module, you'll have a basic understanding of financial literacy and a clear set of financial goals for the year ahead.

Why is Financial Literacy Important?

Financial literacy is about more than just numbers—it's about gaining the matauranga (knowledge) and skills to manage your pūtea (money) effectively. This includes understanding budgeting, saving, managing credit, handling debt, and investing wisely. Financial literacy gives you and your whānau the tools you need to make informed choices, plan for the future, and work towards achieving your financial goals.

Activity 1: Reflect on Financial Literacy

Write down three ways that financial literacy can positively impact your life:

Here's an example

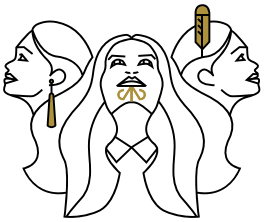
1. **Informed Spending Choices;** Financial literacy allows you to understand how to budget, helping you avoid impulse spending and save for future needs.
2. **Debt Management:** With knowledge of credit and interest rates, you can avoid getting into debt traps and create a plan to pay off any existing debt more efficiently.
3. **Building Financial Security**: Financial literacy helps you understand how to build savings and investments, giving you and your whānau a sense of financial security and independence.

Now It's Your Turn!

1.

2.

3.



Activity 2: Set Your Financial Goals

A clear financial goal gives you direction and purpose. Whether you're focused on saving for an emergency fund, paying off debt, or building wealth, setting specific and measurable goals is key.

Write down two specific financial goals you'd like to work towards in the next year:

1. Goal #1:

Example: Save $5,000 for an emergency fund in 6 months

Action Plan:

Example: Save $400 monthly by cutting nonessential expenses and setting up automatic transfers.

2. Goal #2:

Example: Pay off $3,000 in credit card debt within the next year.

Action Plan:

Pay an extra $250 per month towards the balance, while avoiding additional charges or using credit.

Wāhanga Summary

Being financially literate empowers you to manage your money wisely, make informed decisions and create a stable foundation for your financial future. By building these skills, you can take control of your financial journey and set yourself up for success.

WĀHANGA 2

Money Mindsets, Dreams and Goals

Whāia te iti kahurangi
Pursue your dreams

Financial literacy is the foundation of your financial well-being. Understanding basic financial principles helps you make informed decisions, avoid debt, and plan for the future.

Outcome

By the end of this module, you'll gain a deeper understanding of your money mindset and learn how to create SMART financial goals to turn your dreams into reality.

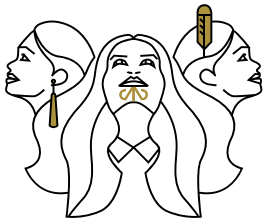
What is my money mindset?

Your money mindset is the set of beliefs and attitudes you have about money *i.e. "I never have enough", "I don't know enough about how to manage money" or "I don't want to think about managing money because it makes me feel uncomfortable".*

Our beliefs shape how you handle your finances. These beliefs guide the goals you set—specific, measurable objectives like saving for a house, paying off debt, going on holiday or preparing for retirement.

Activity

1. **Reflect on Your Money Mindset:** Take a moment to write down your current thoughts and beliefs about money. What do you believe about managing finances? How does this affect your decisions?



He aha tōu āhua pūtea? What's your money mindset?

Take the [money personality quiz to find out]

2. **Challenge Your Beliefs:** Review your answers from the Money Personality Quiz. Are there any beliefs or habits you want to challenge or change? Write down a few thoughts on how you can shift these beliefs to improve your financial habits.

What are the strengths of this money personality?

What are the challenges it may create for your financial future?

What steps can you take to improve your relationship with money?

SMART Financial Goals: SMART goals can help you take control of your finances with a clear and practical plan.

SMART stands for:

- **Specific:** Clearly define what you want to achieve with your money.
- **Measurable:** Set goals you can track to see your progress.
- **Achievable:** Make sure your goals are realistic and within reach.
- **Relevant:** Focus on goals that matter to you and your financial well-being.
- **Time-bound:** Set a deadline to keep you motivated and on track.

Online Resources

FAST Goals for People Who Roll Their Eyes at Goal Setting

Simpler Goal Setting Guide

Sorted Goal Planner Tool

Download SMART Goals template

3. **Set a SMART Financial Goal:** Using the SMART Goals Template, write down one specific financial goal you want to achieve.

Here's an example

Instead of saying, "I want to save more money," set a SMART financial goal: "I will save $100 every week for the next 3 months to build my emergency fund."

This goal is **specific** (saving $100 weekly), **measurable** (track your savings), **achievable** (within your budget), **relevant** (builds financial security), and **time-bound** (3-month deadline).

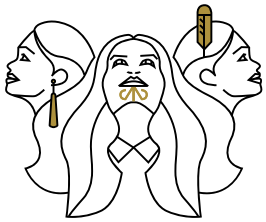
My SMART Goal: Start Small!

Step 1: Write down one short-term SMART financial goal

Example: Saving for a trip, paying off a bill.

Step 2: Write down one long-term SMART financial goal

Example: Buying a house, building retirement savings.



SMART Goals Template

Specific What do you want to achieve?	
Measurable How will you track progress?	
Achievable Is it realistic? How?	
Relevant Why does this goal matter to you?	
Time-bound What's your deadline?	

Wāhanga Summary

Understanding your money mindset and setting SMART goals are powerful steps towards achieving financial success. By identifying limiting beliefs and focusing on clear, actionable goals, you're on the path to building a stronger financial future.

WĀHANGA 3

Sources of Income

He kai kei aku ringa
I have the means to support myself

With the rising cost of living in Aotearoa and around the world, coupled with increasing job insecurity, many of us are looking for ways to boost our income. This module will help you understand different types of income and give you ideas on how you can increase yours.

Outcome

By the end of this section, you will be able to:

- **Understand the difference between earned and unearned income.**
- **Identify ways to increase your income and reach your financial goals faster.**

Types of Income

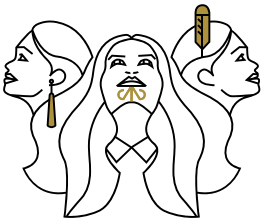
When it comes to income, there are two main types:

1. **Earned Income:** This is money you receive in exchange for your time and work. It includes:
   - **Salaries and Wages:** Money you earn from your job.
   - **Invoiced Work:** Payments you receive for freelance or contract work.
2. **Unearned Income:** This is money you receive without having to actively work for it. It might include:
   - **Rental Income:** Money earned from renting out a room or property.
   - **Investment Income:** Earnings from things like interest on savings, dividends from stocks, or returns from term deposits (we'll dive into this more in a later module).

Ways to Boost Your Income

Increasing Earned Income

- **Take on extra work:** Consider picking up a part-time job or freelance gigs that align with your skills and interests.
- **Start a side hustle:** This could be a business based on your passion or expertise—anything from offering a cleaning service, setting up a food stall, creating and selling art, or starting a rongoā Māori (traditional medicine) business.
- **Monetize your skills:** Think about offering services like tutoring, coaching, consulting, or freelance writing/design.
- **Pay Increase Conditions:** Reflect on your performance, achievements, feedback, and compare your current salary with industry benchmarks to confidently approach your employer.



Increasing Unearned Income

- **Rental opportunities:** Rent out spare rooms, properties, or even parking spaces. Platforms like Airbnb can help you rent out a room short-term, or consider long-term rentals.
- **Invest for the future:** Set aside spare money in savings accounts, term deposits, or other low-risk investments that generate interest over time.
- **Sell unused assets:** Declutter your home and consider selling items that you no longer need—old furniture, electronics, or collectibles might provide some passive income.

Activity: Evaluate Your Skills and Assets

Take a moment to assess what skills, knowledge, or assets you already have that can help you boost your income.

What skills or experiences can you leverage to offer services or products?

Example: Are you good at social media marketing, or have you been trained in a craft or trade?

What unused assets or spaces can generate passive income?

Example: Do you have an extra vehicle that could be rented out, or unused tech gadgets you could sell?

How could you increase your earned income?
List 3 ideas you could start working on now.

1.

2.

3.

How could you increase your unearned income?
List 3 ways you could bring in extra money.

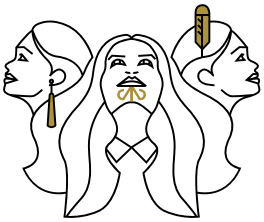
1.

2.

3.

Wāhanga Summary

Understanding the different types of income and knowing how to increase yours is key to building a stronger financial future. With a bit of creativity and planning, you can find ways to boost your earnings and get closer to your financial goals.



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WĀHANGA 4

Budgeting Basics

Mahia te mahi, hei painga mō te whānau

Do the work, for the benefit of whānau

A budget is a powerful tool that helps you control your finances, ensuring you can meet your needs, cover your wants, and save for future goals. This module teaches you how to create and maintain a budget, allowing you to track your income and expenses.

Outcome

By the end of this module, you'll understand budgeting, fill out a basic budget template, and learn how to track your spending with confidence.

Plan for success

Budgeting involves **planning how to use your money wisely**. A well-structured budget allows you to:

- Keep track of where your money goes each month.
- Allocate money for essentials (like rent and groceries), savings, and the fun stuff.
- Avoid overspending and stay within your means.
- Prepare for unexpected expenses with an **Emergency Fund**—a separate account for things like car repairs or medical bills

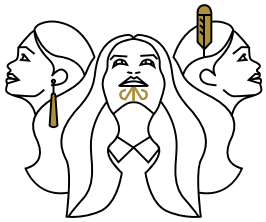
Tracking your spending regularly helps you stick to your budget, avoid debt, and make sure your money aligns with your financial goals and values.

Tip: Setting up a budget for the first time might feel overwhelming, but once you see a clear picture of your finances, you'll feel more empowered and ready to make positive changes. Kia kaha!

Activity

Create a basic monthly budget: List your income sources (e.g., salary, side hustle) and categorise your expenses (e.g., rent, utilities, groceries, savings).

Use an online tool like the Sorted Budget Planner or MoneyHub Budget to get started.



Track your spending for a week: For the next 7 days, write down everything you spend. At the end of the week, compare your spending with your budget. Identify areas where you can adjust your spending.

Download the sorted spending planner *and try the* Booster MyBudgetPal *for easy tracking*

Reflection Questions: By completing these activities, you'll better understand your financial habits and learn how to adjust your budget to align with your goals.

1. Compare your weekly spending total to your budgeted expenses.

Did you spend more or less than planned?

2. Identify any "want" items.

Can you reduce similar purchases moving forward?

3. Did any unexpected expenses arise?

How can you prepare for these in future months? (e.g., an emergency fund)?

Wāhanga Summary

Budgeting is a key tool for taking control of your money. It helps you manage your finances, avoid unnecessary stress, and stay on track to achieve your financial goals. Start small, stay consistent, and watch your confidence grow as you master your money.

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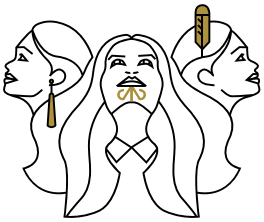


Notes

WĀHANGA 5

Understanding Debt

Kaua e hokona te whare ki te whata
Don't sell the house to fill the shelves

Debt is when you borrow money with the agreement to pay it back, usually with interest. Common types of debt include personal loans, mortgages, credit cards, and hire purchases. While debt can be helpful at times, understanding the difference between good debt and bad debt, and learning to manage it effectively, is key to maintaining financial health.

Outcome

By the end of this module, you'll understand the different types of debt, the impact of debt on your financial health, and gain practical strategies for managing and reducing debt effectively.

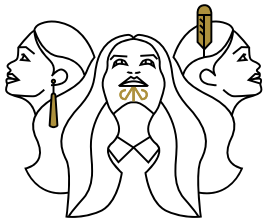
Understanding Debt

Managing debt involves prioritising payments, avoiding unnecessary borrowing, and understanding the terms of any debt you take on.

- **Good Debt:** Used to invest in your future, such as a student loan, mortgage, or business loan. This type of debt helps build wealth or increase your earning potential.
- **Bad Debt:** Involves borrowing for things that don't hold or gain value, like high interest credit card debts, payday loans or borrowing to purchase depreciating assets like cars or consumer goods. These can lead to financial stress, especially when they carry high interest rates.

Managing Debt Wisely

- **Credit Cards:** Useful but need to be handled with care. Only spend what you can afford to pay off each month to avoid interest charges. Don't max out your cards—aim to keep your balances low.
- **Prioritising Payments:** Focus on paying off high-interest debt first. This approach will save you money in the long-run and help you become debt-free faster. List your debts, prioritise them by interest rate, and make regular payments.
- **Seek Help:** If your debt feels overwhelming, don't be afraid to ask for help. Reach out to a financial advisor or a reputable community service. Kaua e whakamā—don't be ashamed, seeking advice is a smart step!



Tip: Before taking on any debt, ask yourself if it's truly necessary and if you can realistically afford to pay it back. Be cautious of quick cash loans or payday lenders, which often have extremely high interest rates and can quickly spiral out of control.

Activity

List Your Debts: Use the table below OR the Debt Calculator to record all your current debts, their interest rates, minimum payments, and outstanding balances. This will help you prioritise which debts to tackle first.

Debt Type	Outstanding Balance ($)	Interest Rate (%)	Repayments ($)	Frequency (Weekly, Fortnightly, Monthly, Annually)	Comments (e.g. no. of payments remaining)
Buy Now, Pay Later (Afterpay/ Laybuy)					
Credit Card					
Personal Loan					
Car Loan					
Student Loan					
Overdraft					
Other (specify)					
Total					

Create a Debt Repayment Plan: Develop a plan to pay off high-interest debt first, and consider strategies to avoid accumulating more debt.

Two common methods are:

- **Snowball Method:** Pay off the smallest debt first while making minimum payments on others. Once the smallest debt is paid, focus on the next smallest, creating momentum.
- **Avalanche Method:** Prioritise paying off debts with the highest interest rates first to save on overall interest payments.

Tip: Your credit score matters! Your credit score is also influenced by how you handle debt. Most credit scores are between 500 and 900.

A good score is considered more than 705. A good credit score can affect your ability to borrow money, rent a home, or even secure a job, so knowing how to maintain a strong credit history is crucial.

Check your Credit Report: Obtain a copy of your credit report. Review it for errors and identify any areas that need improvement, e.g. incorrect balances, unrecognised payments, missed payments. This helps you understand where you stand and what actions you can take.

Improve Your Credit Score - List three actions you can take to improve or maintain your credit score, such as paying bills on time, reducing credit card balances or avoiding unnecessary new debt.

1.

2.

3.

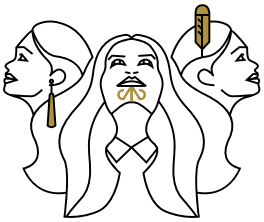
Track Your Progress

Revisit your plan monthly to check your progress:

- Have you reduced your total debt?
- Are you meeting your repayment goals?
- Has your credit score improved?

Wāhanga Summary

Managing debt wisely is essential to your financial well-being. Reducing high-interest debt should be a priority to improve your financial health. Once you understand your debt you will feel more empowered to take action! Don't stop here, keep going!



Online Resources

Debt Calculator

Understanding Credit Reports & Scores

Notes

WĀHANGA 6

The Power of Saving

Kīwaha: Penapena pūtea *Saving money.*

Tāwhia tō pūtea mō ngā rā kei te heke mai
Plan your money for the days to come

Saving is the process of putting money aside for future needs or emergencies and is key for financial security. This money is usually kept in low-risk accounts designed to protect and grow your funds, making it ideal for short to medium-term goals. An emergency fund provides a safety net, allowing you to handle unexpected expenses and financial setbacks with confidence.

Outcome

By the end of this module, you will understand the importance of regularly saving money and the role of an emergency fund in preparing for life's unexpected events.

Emergency Fund

A **well-established** Emergency Fund is crucial for covering unforeseen expenses like medical bills, home repairs, or job loss. Ideally, this fund should cover 3-6 months' worth of living expenses, offering you peace of mind in times of uncertainty. Having an emergency fund can also work in your favour when applying for a mortgage, as a solid savings record demonstrates financial responsibility and stability.

Saving Strategies

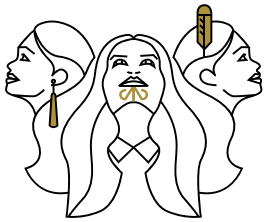
Compound Interest

When you save, your money doesn't just sit idle—it grows. **Compound interest** allows you to earn interest not only on the initial amount you deposit but also on the interest previously earned. For example, saving $1,000 at an interest rate of 5% will accumulate more over time, as the interest compounds.

Saving Rules to Live By:

- **The 10% Rule:** Try to save at least 10% of your income each month. It's a manageable goal that helps build a habit of saving consistently.
- **The 50/30/20 Rule:** This rule helps you balance your spending and saving. Allocate 50% of your income to needs, 30% to wants, and 20% to savings and debt repayment. This simple method can help you maintain control over your finances.

Learn More About the 50/30/20 Rule



Activity

1. **Calculate your emergency fund:** Use the table below to calculate how much you need to save to cover three months' worth of essential living expenses.

Category	Monthly Expenses	3-Month Total
Housing (Rent/Mortgage)	$	$
Utilities	$	$
Groceries	$	$
Transport	$	$
Insurance	$	$
Other Essentials	$	$
Total Emergency Fund Goal	$	$
Total	**$**	**$**

2. **Set a savings goal:** Based on your emergency fund calculation, create a realistic plan to achieve it.

Goal	Amount
Total Emergency Fund Goal	$
Current Savings (if any)	$
Amount Still Needed	$
Monthly Savings Target	$
Timeframe to Achieve Goal (in months)	

Wāhanga Summary

Building a habit of saving money regularly and having an emergency fund is essential for handling life's surprises and reducing financial stress. By taking small, consistent steps, you will feel more empowered and secure in your financial journey.

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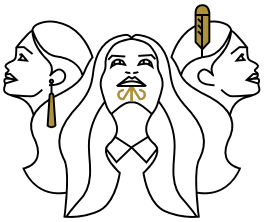

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WĀHANGA 7

Investing for the Future

He rā anō āpōpō
Tomorrow is another day!

Investing is about using your money to buy assets that have the potential to increase in value over time. Common investments include stocks, bonds, real estate, KiwiSaver, or even cryptocurrencies. While saving is great for short-term goals, investing is designed for long-term financial growth and can help you reach bigger goals like buying a house or planning for retirement.

Outcome

This module introduces key investment concepts, including different types of investments, understanding risk vs. return, and why it's important to start investing early.

Why Invest?

Investing can help your money grow over time, turning small amounts into significant savings through the power of compound growth. By investing, you're setting yourself up to achieve long-term goals and build a strong financial future.

Investing for the Future

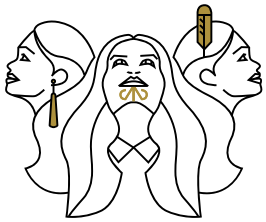
Investing means putting your money into assets (like stocks, bonds, or property) with the aim of getting a return. The key is to understand the risks involved and choose options that match your financial goals.

- **Risk vs. Return:** Generally, the higher the potential return, the higher the risk. It's important to understand your risk tolerance and how long you plan to keep your money invested (investment horizon).
- **Diversification:** Don't put all your eggs in one basket. Spread your investments across different asset types (e.g., stocks, property, bonds) to balance risk.
- **Compounding:** Investing early allows your money to benefit from compounding. This means your earnings generate even more earnings over time.
- **The Rule of 72:** To find out how many years it will take for your investment to double, divide 72 by the annual interest rate. *(For example, if you earn a 6% return, your investment will double in about 12 years.)*

Investor Profile

How much risk is right for you? Understanding your risk tolerance is a key part of building a solid investment strategy.

Take the Investor Profile Quiz to get started.



Activity

1. **Research an Investment Type:** Choose one type of investment (e.g., stocks, bonds, or real estate) and write a short summary of its potential risks and rewards.

What is this investment?

Briefly describe the investment type

What are the potential risks of this investment?

Example: Market fluctuations, economic downturns, etc.

What are the potential rewards of this investment?

Example: Long-term growth, dividends, passive income, etc.

2. **Understand Risk Tolerance & Set an Investment Goal:** Set a clear investment goal that matches your comfort level with risk and your financial timeline. Create a simple plan for how you will begin or adjust your investment strategy.

Wāhanga Summary

Investing is a powerful way to grow your wealth and reach your long-term financial goals. By starting early, diversifying your investments, and understanding the risks and rewards, you can set yourself up for a secure financial future.

WĀHANGA 8

Understanding Insurance

Kīwaha: Kia pai mai hoki!
Praising.

Insurance is an essential tool for managing risk and protecting what matters most—your health, your whānau, your home, and your income. By choosing the right types of insurance, you can safeguard your financial future and provide peace of mind for you and your loved ones.

Outcome

This module explains different types of insurance and why they are important, helping you make informed decisions about which coverage is right for your needs. By the end of this module, you will understand the key insurance options available and know how to review your policies as your life circumstances change.

Why is Insurance Important?

Life is full of unexpected events that can disrupt your financial stability. Insurance helps protect you from the financial consequences of these events, giving you a safety net. Whether it's an illness, a natural disaster, or an accident, having the right insurance coverage can prevent you from experiencing significant financial loss.

Types of Insurance to Consider

1. Savings as Self-Insurance

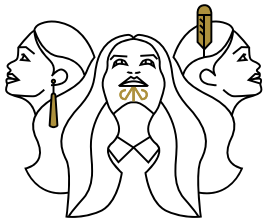
For smaller risks or unexpected expenses, you might choose to self-insure by setting aside emergency savings. This approach can work well if you have the discipline to regularly save and keep the funds accessible for emergencies only.

2. Life Insurance

Life insurance provides financial support to your whānau if you pass away. It can help cover costs such as funeral expenses, mortgage payments, and ongoing living expenses. This type of insurance is particularly important if you have dependents who rely on your income.

3. Health Insurance

Health insurance helps cover the cost of medical treatments, including specialist care that may not be fully funded by the public health system. It provides access to faster treatment, which can be crucial if you need urgent care or want to avoid long wait times in the public system.



4. Home and Contents Insurance

This insurance protects your home and personal belongings from risks like fire, theft, or natural disasters. Given New Zealand's exposure to events like earthquakes and floods, having adequate home and contents insurance is vital for protecting your most valuable assets.

5. Car Insurance

Car insurance covers damage to your vehicle and potential liability costs if you are involved in an accident. In New Zealand, third-party insurance is the minimum recommended coverage, protecting you against costs if you damage another person's property. Comprehensive car insurance also covers repairs to your own vehicle, theft, and vandalism, giving you peace of mind on the road.

6. Income Protection Insurance

Income protection insurance ensures you continue to receive a portion of your income if you are unable to work due to illness or injury. It's particularly important for the self-employed or those with limited sick leave, providing a financial buffer while you recover.

Key Tips for Choosing Insurance

- **Assess Your Needs:** Consider what assets you need to protect and what risks you face.
- **Understand the Terms:** Read the fine print and understand what is covered and what is excluded in your policy.
- **Shop Around:** Compare quotes from different providers to find the best coverage at a competitive price.
- **Bundle Policies:** Many insurance companies offer discounts if you purchase multiple types of insurance (e.g., home and car insurance) from the same provider.

Regular Policy Reviews

As your circumstances change—such as buying a new home, having children, or changing jobs— your insurance needs may also change. Regularly review your policies to ensure they still align with your current situation and adjust them as needed.

Activity 1: Identify Your Risks

List three potential risks in your life **and** consider which type of insurance could help you protect against these risks.

Risk #1:

Example: Loss of income due to illness or injury

Insurance Type(s) to Protect Against This Risk:

Example: Income protection insurance, health insurance

Risk #2:

Example: Health issues, such as needing urgent medical care

Insurance Type(s) to Protect Against This Risk:

Example: Health insurance, critical illness cover

Risk #3:

Example: Damage to your home from an earthquake or fire

Insurance Type(s) to Protect Against This Risk:

Example: Home and contents insurance, natural disaster coverage

Activity 2: Review Your Current Insurance

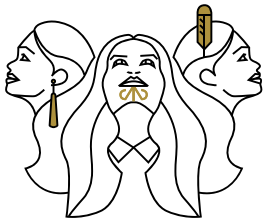
If you already have insurance policies, review them to check if they still meet your needs. Write down any changes you might need to make.

Step 1: Consider any recent changes in your life, such as:

- **Major life changes:** Getting married, having children, or buying a home.
- **Changes in income:** Have you experienced a significant salary increase or a change in your work situation?
- **Changes in health:** Have your medical needs or family health situation changed?

Step 2: For each of your policies (life, health, home, car, etc.), ask the following questions:

- Does my coverage still match my current situation?
- Are there any gaps in my coverage I should address?
- Is the amount I'm paying for coverage reasonable, or could I shop around for better options?



Use this space to write down any changes or updates you need to make:

Policy 1

Policy 2

Policy 3

Activity 3: Compare Insurance Quotes

To ensure you are getting the best value, consider comparing quotes from different insurance providers. Use this activity to research and compare at least

- Home Insurance
- Car Insurance
- Health Insurance

Answer the following questions:

1. What are the key differences in coverage between the providers?

2. How much do the premiums cost per month or year?

3. Which policy seems like the best value for your situation?

Write down your findings:

Provider #1:

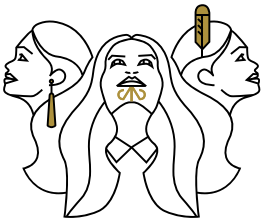
Example: Price, coverage details, customer service, etc.

Provider #2:

Example: Price, coverage details, customer service, etc.

Wāhanga Summary

Insurance is a key part of a solid financial plan. By understanding your risks and choosing the right types of coverage, you can protect yourself and your whānau from unexpected financial setbacks. Regularly reviewing your policies and making adjustments as needed ensures that you stay prepared for whatever life throws your way. Remember, the best time to plan for a crisis is before it happens.



Notes

WĀHANGA 9

Creating and Growing My Personal Wealth

Waiho mā te tangata e mihi
Let others speak of your success (growing wealth humbly)

Creating wealth involves taking deliberate steps to increase your financial resources over time through investing, saving, and boosting your income. Building wealth is essential for achieving financial independence and securing your future, giving you the freedom to live comfortably, pursue your dreams, and provide for your whānau.

Protecting your assets means safeguarding what you own through insurance and smart financial planning to prevent loss or damage. Together, these practices help ensure long-term financial security and support the well-being of your whānau.

Outcome

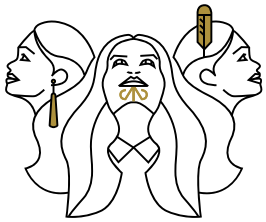
This module introduces the concept of wealth creation, explaining its importance and the basic strategies to start building wealth over time.

Let's Get Serious About Wealth Creation

Wealth creation is about growing your financial resources to reach a point where your money works for you, generating income and building a stable financial future. It's a strategy that involves accumulating assets through saving, investing, and strategic planning.

Key Wealth Creation Strategies:

- **Start Early:** The earlier you begin building wealth, the more time you have to benefit from compound growth.
- **Diversify Income Streams:** Create multiple sources of income, such as investments, rental properties, or a side business.
- **Budgeting and Saving:** Follow the 10-10-80 rule: save 10%, give 10%, and live on 80% of your income.
- **Insurance Protection:** Use insurance to safeguard your assets against unexpected events, ensuring financial security for you and your whānau.
- **Investing Wisely:** Explore investment options like KiwiSaver, shares, or real estate to grow your wealth over time.
- **Diversifying Investments:** Spread your investments across various asset types (e.g., stocks, bonds, real estate) to reduce risk and increase potential returns.
- **Property Investment:** Purchase property to generate rental income or sell for a profit. It offers potential for both steady income and capital growth.
- **Estate Planning:** Prepare a will or trust to manage the transfer of your assets, protecting your legacy and reducing potential legal issues.



Activity

1. **Define Your Vision of Wealth** Reflect on what wealth means to you personally and why it's important. Wealth is more than just money; it's about what gives you freedom and security. Consider how building wealth can impact your goals and your whānau's future.

What does wealth look like for you?

Is it financial independence, a secure home for your whānau, or the ability to travel the world? Be specific.

Why is building wealth important to you?

Think about your long-term goals: owning a home, securing a comfortable retirement, or providing education for your children.

How will your whānau benefit from your wealth-building efforts?

Consider both immediate and future impacts on your loved ones.

2. **Set Two Wealth-Building Goals:** Based on the strategies discussed, identify two specific financial goals that you want to achieve in the next 1-3 years.

Write down your goals.

1. Goal #1:

Example: Save $10,000 for a first home deposit within 18 months.

Strategy to achieve this goal:

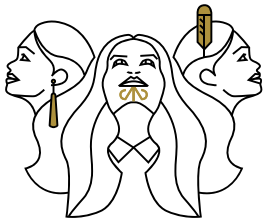
Example: Follow the 10-10-80 rule, reducing non-essential spending and setting up automatic savings into a dedicated account.

2. Goal #2:

Example: Invest $5,000 in a diversified portfolio through KiwiSaver and shares within 12 months.

Strategy to achieve this goal:

Example: Research different investment options, set up a monthly contribution plan, and consult with a financial advisor to guide your investment choices.



Optional Activity: ***Estate Planning***

Step 1: Reflect on Your Legacy

What do you want to leave behind for your whānau? Consider how estate planning can help you protect your wealth and ensure it's passed down according to your wishes.

Step 2: Create Your Estate Planning Checklist

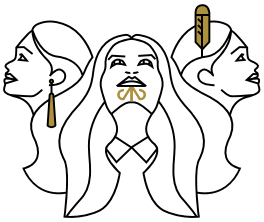
- Have you made a will or trust?
- Do you know who will handle your affairs when you pass away?
- Are your assets (property, investments, savings) documented and organised?

Learn more about Protecting Wealth and Wills

Wāhanga Summary

Wealth creation is a journey that requires patience, planning, and smart financial decisions. By understanding your goals and taking deliberate actions, you can build a secure and prosperous future for yourself and your whānau. Remember, the key to financial success is consistency—start now, stay disciplined, and let your efforts grow over time.

Notes



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Concluding Summary

As we conclude this toolkit, remember that financial literacy is an ongoing journey. This resource has equipped you with valuable knowledge and strategies to take control of your finances, helping you build a more secure and prosperous future for you and your whānau.

Whether it's understanding wealth creation, managing risks, or making informed decisions, the key is to stay proactive and empowered in your financial journey.

This toolkit is just the beginning.

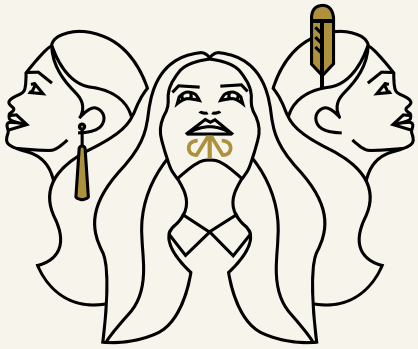
It's designed to guide you, spark new ideas, and encourage discussions within your whānau. Continue to expand your knowledge, seek out further resources, and adjust your strategies as you move towards your financial goals. With commitment, discipline, and planning, you can unlock opportunities for growth, security, and success.

The path to financial capability is yours to shape. Use the tools, apply the strategies, and take the steps that align with your vision for a brighter future. Wealth creation is not just about financial success—it's about nurturing a legacy of financial security, independence, and empowerment for future generations.

Hāpaitia te ara tika pūmau ai te rangatiratanga mō ngā uri whakatipu

Foster the pathway of knowledge to strength, independence and growth for future generations.

Resources



Sorted	**Sorted** is a free service by Te Ara Ahunga Ora Retirement Commission, the government-funded, independent agency dedicated to helping New Zealanders get ahead financially.
MoneyHub	**MoneyHub** was founded with the sole aim of presenting consumer and financial products and services in a clear and understandable way to the general public. A New Zealand consumer website, dedicated to money saving via in-depth journalistic research and reporting as well as harvesting and presenting public information in an easy-to-follow manner.
Keep the Change	**Keep the Change** ever wanted to learn about money without feeling embarrassed asking? Everyday money advice for people to learn from.
Māori Millionaire	**Māori Millionaire** join Te Kahukura Boynton on her journey towards financial independence and empowerment for Māori individuals and communities.
The Happy Saver	**The Happy Saver** presented by Ruth, if you want to hear real life stories rather than a technical lecture then check this out. Underpinning this podcast is the desire to be debt free and happy.
Your money with Mary Holm	**Your money with Mary Holm**, described as the "first lady of personal finance", Mary covers a range of topics, saving for retirement, how to invest and financial mistakes. Her episodes are straight to the point.
Pūtea Māori with Haumitanga	**Pūtea Māori with Haumitanga**, an up-to-date investment facebook page. Haumitanga posts regularly about what is happening in the current financial climate, putting a Te Ao Māori lens on its potentia problems and solutions.
Cooking the Books	**Cooking the Books** a series from the New Zealand Herald hosted by personal finance expert Frances Cook. As well as offering content covering mortgages, budgeting, everyday expense management and KiwiSaver, the podcast brings in trusted experts to demystify money and explain concepts in everyday language.
It's no Secret	**It's no Secret** hosted by Cat and Christine, the podcast was created on the premise that there is no secret to attaining financial freedom. Covering topics such as why you do not need to buy a house before you're 30, to whether investing with family is for money or love.

MWDI

MĀORI WOMEN'S DEVELOPMENT INC

MWDI He Papa Pūtea Financial Literacy Tool Kit

For Improved Personal & Whānau Financial Well-Being

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