

# Liabilities and Assets

## Objectives:

By the end of this section, participants will learn about the difference between liabilities and assets

## *Time:*

1 hour

## Materials

1. Cashflow Game for Kids.<sup>1</sup>
2. Name Tags
3. Pencils
4. Calculators
5. Envelopes
6. Flip chart(s) and Markers
7. Tables/Chairs
  - a. Table/Chair – Broker
  - b. Table for Game Board
  - c. Tables/Chairs for each team

## **Activity: Cashflow Game for Kids**

The idea of this game is to teach participants the difference between liabilities and assets. Participants will also learn about personal cash flow management. Participants will understand the difference between the 3 types of income; earned, passive, and portfolio.

### ***Prior to activity:***

1. Make name tags for all participants
2. Set up flip chart(s) and markers
3. If you have more than 5 teams then make additional copies of the game card or financial sheet
4. Sharpen pencils
5. Place salary, passive income, and expenses in envelopes for each team. Envelopes should contain
  - (1) \$1,000 blue Salary triangle to represent beginning salary
  - (7) \$100 red Expense squares to represent beginning expense of \$700
  - \$ 3000 in cash
6. Set up broker area: Table, Chair, and Money (See Room Set Up)
7. Set up tables and chairs for each team (See Room Set Up)
8. Set up table for Game Board (See Room Set Up)

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<sup>1</sup> Found on [www.richdadpoordad.com](http://www.richdadpoordad.com).

9. Write directions for “How to Win” (found in Cashflow for Kids game instructions on p.10) on a flip chart and display for the group.

### ***Roles of Facilitator(s) and Volunteers***

1. **Game Facilitator**- facilitates the game by instructing the group on play
2. **Banker**- collects and distributes passive income circles, expense squares, salary triangles, and cash
3. **Auditor** - checks each group’s game card or financial sheet for accuracy and assists teams by answering questions and keeping groups focused on game

### ***Start of Activity***

1. When participants arrive distribute to each team:
  - ❑ Name Tags
  - ❑ (1) Game card/financial sheets forms
  - ❑ Sharpened Pencils
  - ❑ Passive income, expense, and Game Money Envelope
  - ❑ Calculators (should be given to the financial officer)
2. Group participants into 4 or 5 teams depending on number of participants.

**Leader’s Notes** - Once you have divided participants into teams, begin the activity by reviewing the liability and asset lesson below:

1. Explain to participants that an asset is something that puts money into your pocket
  - *For example: owning stocks, bonds, and real estate*
2. Explain to participants that a liability is something that takes money out of your pocket
  - *For example: car payment, buying clothes and shoes, credit card payment*

**Leader’s Notes** – Begin game by assigning roles or you can allow the teams to select who on their team will play the roles (see #3 below).

- ❖ **Note:** *to save time you may want to assign the roles instead of allowing the teams to choose, especially if the participants are not familiar with each other or are meeting for the first time.*



3. If a team has 4 members then assign roles A-D below. If a team has 5 members then assign one of the roles below to 2 people in the group. If there are 5+ members then duplicate the roles. Each team should have:
    - A. **Team captain** – leader of the team; represents the team at the game board; roll the dice for the team and move playing piece on the game board (this person should get feedback from the group before making a decision)
    - B. **Accountant** – puts the color coded pieces on the financial sheet/ game card
    - C. **Financial officer** – keeps the money
    - D. **Runner-** gives and takes money to the banker when team is buying and selling assets or paying for a doodad
  4. Review Game Board and Pieces with participants (see **Getting Started on p. 5 in the Game instructions**)
  5. Review Game Definitions below on a flipchart in below with students.
  6. On another piece of flipchart paper, have the runner from each team write the name of the Asset that each team owns. (See the **Financial Sheet Flipchart**)
- a. *For example, make 2 columns for each team that says: **Asset** (students should list the name of the asset they own) and **Passive Income Amount** (students should list how much passive income they are receiving from the asset.)*

### **Cashflow Game Definitions**

1. **Passive Income circles** (green) – make money from assets without doing a lot of work.
2. **Salary Triangles** (blue) – money someone is paid form working on a job.
3. **Expense Squares** (red) – spending money on things that don't put money in your pocket.
4. **Assets** – something that puts money in your pocket
5. **Liabilities** – something that takes money out of your pockets

## Financial Sheet for Cashflow

### Group 1

#### Assets

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

#### Passive Income

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

### Group 2

#### Assets

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

#### Passive Income

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

**Leader's Notes** – Play the game using “Getting Started” as outlined in the instruction guide in the game. At the end of the game, teams should calculate their total value of green passive income circles and the red expense squares. The team with the greatest green passive income circles and the least amount of red expense squares wins the game.

Team A = \$1,000 passive income (green circles)  
= \$500 expense circles (red squares)

$$\$1,000 - \$500 = \$500$$

Team B = \$1,800 passive income (green circles)  
= \$1,000 expense circle (red squares)

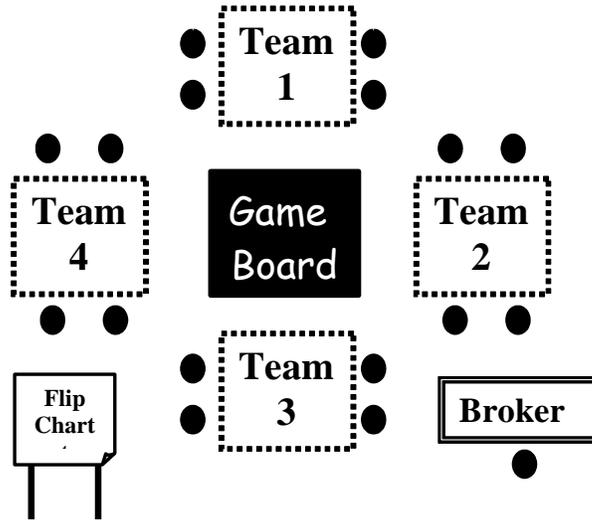
$$\$1,800 - \$1,000 = \$800$$

Team B wins the game because they have \$800 more passive income than expenses.  
Team A only has \$500 more passive income than expenses

**Debrief the activity** – Ask the group for feedback regarding:

1. What were some the liabilities in the Cashflow Game?
2. What were some of the assets in the Cashflow game?
3. If you had money to buy something, would you buy an asset or liability?
4. Was it difficult to buy assets in the game?
5. Can you all think of assets that you can buy if you had money?

## Room Setup for Cashflow Game



*Note: Please place flip chart(s) so that it is visible to all teams.*

