

# Lifestyle Choices

An Exercise in Timbit<sup>®</sup> Economics

Abundance  
CANADA



## Objective

Participants will gain a better understanding of the relationship between money, choice and power through the experience of planning and implementing a Timbit® budget.

## Supplies Needed

- 130 donut holes like Tim Horton's Timbits®—you may need more or less depending on the number of participants and how you choose to divide them (if possible, have these pre-portioned for the groups right at the donut shop)
- extra wax paper squares for each group to reduce handling
- 2 large bowls, preferably clear: one labeled TAXES, one labeled CHARITY
- napkins
- one copy of LIFESTYLE CHOICES worksheet for each group and a pen/pencil

### OPTIONAL:

- drinks
- chart paper/markers/tape for debriefing session
- large copy of Distribution of Timbits example found on LIFESTYLE CHOICES worksheet
- Bibles

## How it Works

The entire exercise is 45-60 minutes in length and is designed for 20-30 participants. It is easily adapted to larger or smaller groups. Participants will make purchasing decisions based on their assigned economic status and their lifestyle beliefs and desires. The larger group should be divided into smaller groups of 4 to 6 people. Each group will receive a specified amount of "currency". They will then have to make purchasing decisions regarding the necessities of life such as housing, food, clothing and transportation. They will also need to make decisions regarding their discretionary income after the necessities have been decided.

The currency for this exercise is not money but rather donut holes like Tim Horton's Timbits®. The number of Timbits® each group receives represents their monthly paycheque. Lifestyle choices in all areas correspond to a specified number of Timbits® as listed below.

For example, if you choose to live in a large home with a three car garage in a nice part of town it will cost you four Timbits®. This represents mortgage payments, utilities, property taxes and upkeep on the property for one month. You might also choose to enjoy a large sailboat with your discretionary income. It may not be as expensive as a 100 ft. yacht but it will cost something. You need to decide how much you will spend on these types of items. Your choices will be determined by your desires and beliefs about money (Timbits®) and the amount of monthly income you have to spend.

Just as in real life, you will have to pay taxes. The first five Timbits® you spend will be tax-free. Every three Timbits® you spend after the first five Timbits® will be assessed a tax of one Timbits®. For example, if you receive 14 Timbits® you will pay tax on nine Timbits®.

*(14 Timbits® received—five non-taxable Timbits® = nine taxable Timbits®)*

Your total tax bill will be three Timbits® leaving you a total monthly spending amount of 11 Timbits®. Remember, you cannot spend what you do not have and there is no bank from which you can get a loan. Taxes must be paid to the government in the 'TAXES' bowl.

You must spend **ALL** of your Timbits®. You cannot “bank” or “invest” them. The point of the exercise is to use all of your Timbits® in some way. To save money (Timbits®) is only deferring your ability to enjoy them later. Besides, each group will not only account for each Timbits® they will also eat them at the end of the exercise. They certainly will not want to save them then!!

One final thing to consider. Just like the real world, you can also make charitable donations. The charities available to you are the other groups involved in this exercise. For every 2 Timbits® you give away you get 1 refunded from your taxes owing. There is no limit to the number of Timbits® you can give away but you cannot be refunded for more than your total tax bill. Donation of Timbits® is treated just like a non-refundable tax credit. Charitable Timbits® must be paid to the 'CHARITY' bowl.

Although each item has a cost assessed to it, the groups do not have to part with any of their Timbits® except for those they choose to donate to other groups and their total tax bill which is payable to you. *(You, the group leader, are the government and are charged with the responsibility of the people's well-being. Distribute the taxes and charitable donations in a fair manner as you see fit after the exercise. Or you can drive home the point of fiscal mismanagement by government and the charitable sector and stuff your face!).* Each group will account for their allotted Timbits® in some way. After the debriefing section, which is still theoretical, they will get to put theory into practice and eat their Timbits®. More about that later.

## How to Start

Divide the larger group into smaller economic groups of 4 to 6. Give each group a copy of the attached sheet that explains the cost structure. You may discuss the items and if the group wants to add items. If so, what value would they attach to the new items. Be careful to limit this discussion. Explain briefly the objective of the exercise. Be sure that each group knows what they are supposed to do **before** distributing the Timbits® and having them work through the exercise. Distribute as follows:

Group A	7 Timbits®
Group B	10-15 Timbits®
Group C	18-25 Timbits®
Group D	30-35 Timbits®
Group E	45 Timbits®

You want to distribute in such a way so that you have rich and poor and all points in between. Change the number of Timbits® per group if you like. You will notice that a group with 7 Timbits® or less can not pay tax. Regardless of how many you distribute to each group there will be real people that represent that amount. (Note: Simulation of Bill Gates' wealth would require the purchase of several Tim Hortons' franchises).

After all questions have been answered, distribute the Timbits® with the clear instruction **DO NOT EAT ANY OF THE TIMBITS®!** Groups will need about 10 to 15 minutes to make their plans.

The participants will quickly pick up on the unfair distribution of Timbits®. They may make comments such as, “this is not fair” or “why do they get more than us?” Make note of the comments that are made and bring them to the attention of the larger group during the debriefing. You may find that some groups attempt to steal from the wealthy. This, too, is part of reality. Be sure to stop the stealing and to stress the importance of **not eating the Timbits®**. You will have to remind them.

After they have made their plans, have each group share their choices with the larger group and why they chose as they did. (You may want to start with the group that was given the least amount of Timbits® and work your way up to the group with the most Timbits®. You may find they completed their planning in that same order).

## **DO NOT EAT THE TIMBITS® AFTER SHARING WITH THE REST OF THE GROUP!**

### **Debriefing**

Ask for their observations. There are many teachable points that can be noted. Things you might want to point out are:

- How did you like being poor/rich?
- Did you notice how choice corresponds directly to how much you have at your disposal?
- Would you have felt the way you did had you been part of another group with a different amount of Timbits®?
- What did you think of the economic disparity?
- How many of you considered charitable gifting/tithing?
- At what point in the exercise did you think of gifting Timbits®?
- Did you do it for a tax break or did you do it to help others?
- Did you do it because you believe in regular giving? (This is a teachable moment for first fruits living: See Abundance Canada’s *Giving your First Fruits: Money, Faith and Worship*, section 1.1 and 2.5.)

For a scriptural focus you might want to get their comments on Matthew 6: 25-34.

- Does this verse make sense in light of economic injustice?
- Does this passage mean different things to the various groups given that some were poor and others were rich during this exercise?
- Another passage to consider is 1 Timothy 6: 17-18.

### **EAT TIMBITS®**

In the appropriate bowl, collect the charitable donations and taxes owing from each group. Now that they have thought, debriefed and exercised all manner of patience, **each group may now eat their Timbits®**, less their tax bill and charitable donations.

**Now is the time to distribute the taxes collected earlier.** Do it any way you wish, after all, you are the government. You may choose to give some to the group that received very few. You may decide to give most of them to the wealthy group and point out that tax breaks work mainly for the rich. (RRSPs for example, are a great way for people to keep otherwise payable tax dollars in their pocket. The more you have to invest the more you get to keep in your pocket). There will still be great “economic disparity” at this point. It will feel odd and appear unfair to some that the

larger group does not redistribute the Timbits® fairly now that the exercise is over so that all may receive an equal portion. Others will think it is great. Arguably the exercise is not over but only just beginning. It is one thing to think theoretically but quite another to apply theory in common practice. **Do not redistribute Timbits® or attempt to make things fair.** You are on the cusp of a teachable moment.

This is a great time to point out that life is no different than this exercise. You can find examples of great disparity anywhere you look. Distribution of earthly wealth will happen in one of two ways. Those with nothing will steal from those that have something, or those with something will choose to share with those who have less. (You may also want to point out that the second option is more Christlike)!

Do not be surprised if some share their wealth or their poverty while others choose to stuff their face with as many Timbits® as possible with no regard for anyone else. Eventually those that have may share the leftovers when they realize everyone else is finished eating and they are still stuffing their face. (Sometimes a little guilt and shame is a good thing)!

Close the session with a prayer. Ask God to be with these young people and give them guidance and a generous spirit as they continue to make lifestyle and purchasing decisions.

### **Some Statistics to Keep in Mind**

If the world were equally represented by 100 people, approximately:

- 60 would be from Asia (# increases annually)
- 15 would be from Africa (# increases annually)
- 11 would be from Europe (# decreases annually)
- 9 would be from Latin American & the Caribbean (# decreases annually)
- 5 would be from North American (# decreases annually)
  
- 83% would not be able to read or write
- 15% would be undernourished
- 26% would be children
- 7% would have a post-secondary degree
- 77% would have shelter
- The richest 1% would own 48% of the wealth. The poorest 80% would own 5.5% of the wealth.

## **So, how rich are you?**

If you have any comments or questions about this resource or would like to know what other resources are available from Abundance Canada, please contact one of our offices. To find an office near you, go to [abundance.ca/contact-us](http://abundance.ca/contact-us).

1-800-772-3257 | [abundance.ca](http://abundance.ca) | [contact@abundance.ca](mailto:contact@abundance.ca)

*As each has received a gift, employ it for one another as good stewards of God's varied grace.*  
—1 Peter 4:10 NIV

# Lifestyle Choices

**Object:** You must spend all of your Timbits® through charitable giving, income tax and living expenses.

## Distribution of Timbits®:

**TOTAL**            -----    (total Timbits® you were given)  
**CHARITY**        -----    (pay to designated groups)  
**TAXES**           -----    (pay to government)  
**SPENDING** =    -----    (you keep these for lifestyle expenses)

### Charitable Giving:

Timbits® donated (from CHARITY line above) ----- divided by 2 = ----- tax credits  
(round up to whole number)

### Income Tax:

total Timbits® ----- minus 5 = ----- divided by 3 = ----- income tax  
(round up to whole number)

income tax ----- minus ----- tax credits = ----- total tax owed *(This goes in the TAXES line.)*

### EXAMPLE:

**TOTAL**            16  
**CHARITY**        -1  
**TAXES**            -2  
**SPENDING**      13

### Charitable Giving

$1 \div 2 = 1$  (round 0.5 up)

### Income Tax

$16 - 5 = 11 \div 3 = 3$  (round 0.67 down)

$3 - 1 = 2$  total tax owed

## Lifestyle Expenses:

	CATEGORY	DESCRIPTION	TIMBIT® COST	TOTAL
You must choose one thing from each of these four categories:	<b>Housing</b>	two bedroom apartment	3	
		a modest bungalow	5	
		large home in a nice area with a two-car garage	10	
		monster home on estate lot with pool, spa and tennis courts	20	
	<b>Food</b>	Kraft dinner, wieners and pasta with ketchup	1	
		basic nutritious food from a low priced grocery store, no eating out	2	
		anything from any grocery store, dine out (modestly) twice a week	4	
		gourmet food, upscale restaurants and catering as desired	8	
	<b>Clothing</b>	thrift shops and second hand stores only	1	
		discount stores like Walmart only	2	
		trendy stores in the mall	4	
		designer clothing	8	
	<b>Transportation</b>	walk everywhere	0	
		bus pass or bicycle	1	
		used older car with over 200,000 km	2	
		compact car	3	
pickup truck, minivan, SUV		5		
luxury car, Rolls Royce, Mercedes Benz		12		
You may choose as much as you like and can afford from these two categories:	<b>Recreation</b>	big screen TV	1	
		new computer and selection of games	1	
		annual family vacation	2	
		music lessons	1	
		health club	1	
		one kid at private school	3	
		rec sports for the kids	2	
		rep sports for the kids	3	
		golf membership	1	
	<b>Optional Choices</b>	motorcycle	3	
sailboat		4		
yacht		8		
family cottage		5		
			<b>TOTAL SPENT</b>	

# Lifestyle Choices

## Object:

You must spend all of your Timbits® through charitable giving, income tax and living expenses.

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### Distribution of Timbits®:

**TOTAL**            **16** (total Timbits® you were given)  
**CHARITY**    -    **1** (pay to designated groups)  
**TAXES**        -    **2** (pay to government)  
**SPENDING** =    **13** (you keep these for lifestyle expenses)

### Charitable Giving:

Timbits® donated (from CHARITY line above) **1** divided by 2 = **1** tax credits  
(round up to whole number)

### Income Tax:

total Timbits® **16** minus 5 = **11** divided by 3 = **3** income tax  
(round up to whole number)

income tax **3** minus **1** tax credits = **2** total tax owed *(This goes in the TAXES line.)*

