Playing it smart

Age is no barrier to financial wisdom as LIAO SHUyi finds out from NTU's annual Cashflow competition

OME 240 students from various educational institutions, including polytechnics, junior colleges and universities, took part in the annual "Cashflow" competition, organised by the Nanyang Technological University (NTU) Investment Interactive Club. Held over three days, the competition culminated in a final round where 50 finalists battled it out to become the richest investors. It was an exciting three hours as participants raced against time to accumulate as much assets as they could.

"Cashflow" is a popular board game created by Robert Kiyosaki, author of Rich Dad, Poor Dad, to teach its players financial skills.

The ultimate aim is to attain financial freedom by the end of the game. This involves getting oneself out of the "rat race" one is placed in at the start by making wise investment choices. The more financially astute one is, the bigger the chances of winning.

Interestingly, the top three winners of the game were all in their twenties, proving, perhaps, that age is no barrier to financial wisdom.

Tan Leong Chew, a third-year business student from Singapore Management University, emerged the top winner, accumulating an impressive $28 million by the end of the game. This win was somewhat unexpected as he had played this game in a few financial seminars before and had not managed to get out of the "rat race" much less successfully create steady cash flows of positive income. In fact, this was Mr Tan’s motivation for joining this competition: "I joined this game mainly to improve my financial literacy as I have a small investment in the stock market. However, I did not expect to win.

He was, however, delighted that his main game strategy of analysing the price fluctuations of stocks and purchasing the undervalued ones did not fail him this time round. Though obviously a financial whiz of sorts, Mr Tan has plans to become a financial analyst himself in the future. "I will probably hire a financial analyst myself," he said.

Coming a close second was NTU's own Ang Kang Ling, with a sum of $26.9 million. Mr Ang, an electronic and electrical engineering student, had a diverse portfolio of assets, choosing to invest in not only stocks, but also real estate properties, thus reaping heavy cash flows from the high rentals he "charged".

He said: "I learnt a lot from 'Cash flow' and the importance of managing my money to get out of the rat race. These lessons will come in handy after I graduate. I want to repay my student loans as quickly as possible and provide a good life for my family."

Attaining financial freedom

Like Mr Tan, Mr Ang has no interest in working in the financial services industry. "My occupation in the board game was as an engineer. I guess I'll take that as a sign to stick to that career upon graduation." But he was quick to point out: "It's ok to have any occupation as long as you are able to generate passive income to attain financial freedom in the end."

Hoe Jun Xian, the third and youngest prize winner from Temasek Polytechnic, is the only one considering putting his financial talents to good use as he is interested in becoming a financial analyst after studying for his diploma in Business IT.

He said: "I’ve always been interested in finance. Mr Hoe was well prepared for the game, having read Rich Dad, Poor Dad in advance. He had Kiyosaki’s financial principles firmly in his mind.

Still, getting out of the rat race was a close shave for him. He was overwhelmed by the liabilities he accrued and could not pay them off until the very last 15 minutes of the game. Nevertheless he remained calm, as he knew his strategy was all about optimal timing of buying and selling investments. "If it is the right time, you should go for it and chunk your money in."

His hold approach worked as he ended up with $16 million overall. "With the investment principles I've learnt while playing this game, I would really like to become wealthy enough to travel all over the world someday. In fact, I would like to attain financial freedom by the time I'm thirty. I'm ambitious, aren't I?" he said.

The competition, supported by NTU's student affairs office, proved itself a huge success. The competition's organisers were thrilled with the positive feedback they received from participants about the game.

Ray Goh, vice president of NTU Investment Interactive Club, said: "The participants told us they learnt a lot from playing this game.”

Malcolm Tan, president, added: "The players of the game got to understand the significance of various investments using a real-time board game approach, which was a nice change from the usual simulated training platforms used these days. We thank the NTU's student affairs office for providing us with such support and Rich Dad Asia for renting to us the board game sets.”