**2019 Michigan Personal Finance Challenge**

**JUDGING MATERIALS**

***Suggested examples for judges to be watching for.***

**SAVINGS**

Diversify Heidi’s 401(k) since she is currently in only 1 narrow sector-focused mutual fund. Perhaps they show the strength of investing in an index fund.

Increase contribution to Marissa’s 401(k) from 3% to 5% to get the full match from her employer.

Have Heidi contribute to a Roth IRA up to the $6,000 maximum which would put her around 15% invested for retirement.

Increase the aggressiveness of investments in Shawn’s mutual fund. Get out of the bond mutual fund and take more risk, but making sure the investments are diversified.

Increase Shawn’s contributions into his retirement account. Since he doesn’t have a match perhaps he should begin by putting money into a Roth IRA.

Project how much money the family will need for retirement to replace 85% of their income while retiring at 58 and how close they are to those goals before and after the adjustments are made. Good place for students to use a graph/chart of some kind, including data from a calculator.

How do they handle medical expenses for the Bradleys in retirement from ages 58 until 65 when they become eligible for Medicare? Perhaps they plan to build up money in the HSA account to pay health care premiums in retirement.

Create an emergency fund of 3-6 months of expenses.

Determination of how much money will be needed to fund a 4 year degree for each child. (This could be 2 years of community college, followed by finishing at a University, going straight to a 4 year University, etc.)

They should likely open up a 529 rather than an UTMA so money could be transferred to another family member if needed and it stays under the parents control and must be used for educational expenses. They should identify how much should be put in the 529 to pay for a majority of the college cost they calculated, considering how much the money in the account Grandma will be worth. They could discuss the state tax advantage of a MESP 529 account.

**DEBT**

Does the family need to change their housing situation? (Recognize if housing is no more than 1/3 of the family income.)

Do they recognize that the family is close to being able to ask for PMI to be taken off their monthly housing expenses?

Use funds to pay off the Capital One Quicksilver Cash Rewards credit card. Do they realize how long it would take to pay this debt off if they continue to make only the minimum monthly payment?

Use funds to pay off the Costco Anywhere VISA credit card

Plan to pay off Heidi’s student loan immediately or allocate for it in the budget for the next 4 years or so.

Evaluate if the family should forfeit the $500 deposit on the vacation to Disney World or if they should allocate funds to the family vacation.

Is the Ford F-150 too much car? Should they sell it and get a lower monthly payment? The rate is high, did they look at a possible refinance?

Determination of a plan for a new vehicle for Heidi when her lease expires.

**INSURANCE**

Recognize Shawn and Heidi are underinsured and need to increase the life insurance for each to be 8-10x their salary.

Increase emergency fund so they could cover any funeral expenses if a child died or perhaps purchase a rider on one of their insurance policies or a small insurance policy for their children. It would also be acceptable for them to say they could use contributions from a Roth IRA to pay funeral expenses if need be.

At the very least, a life insurance policy that would be worth enough to pay off the house ($170,000) and pay for the kid’s college (about $250,000 if they died today)

Do they take Shawn out of the whole life policy and into a term life policy and allocate that cash elsewhere?

There is no life insurance policy on the children. How do the students handle that? If they even get life insurance for the children it should be a minimal policy.

Identify the Bradley family should fund a HSA account for their high deductible health insurance. $7,000 is the family limitation for 2018.

Increase the deductible on their vehicle insurance in order to lower their monthly premium.

Address long-term disability need for Shawn.

Short-term disability for the Bradleys until they get an adequate amount in their emergency fund?

**TAXES**

What does the team do with the $1,800 tax return?

Did the team address the under withholding for the state income tax obligation?

**OTHER**

Advice on living situation. Should they move? How does that impact their budget?

Do they allocate about $2,000-$3,000 for travel softball?

Suggest things that can be done to improve credit scores.

Most practical use of the $3,000 bonus Heidi received and explanation.

Rental home-Do they sell the rental home to get Shawn $33,500 cash to work with? How do they allocate that money? Or do they have a plan to keep the home since it currently has a tenant?

Provided advise on another source of income for Shawn such as Uber driver or some other gig economy sort of thing or a way for him to improve his skills and get a raise or better job.

Did the presentation gave some suggestions for to the family of how they can cut their daily or monthly expenses such as making coffee at home, packing a lunch, going out to dinner less, cutting the cable bill, etc.

How do they handle the family preference for vacations for family bonding, addressing the summer vacations to the cottage up north?

Budget is comprehensive and balanced, integrating in all parts of the case study, including allocation of money toward retirement and college savings as well as paying off debt.

**TEAMWORK and PRESENTATION**

* Did all team members participate in the presentation?
* Were they able to answer your questions about the presentation?
* Did they use the PowerPoint to enhance their presentation?
* Did they demonstrate knowledge of personal finance throughout their presentation?
* Did they maintain a professional demeanor throughout, including appearance?

**JUDGING RUBRIC**

* Knowledge of Personal Finance Issues Displayed in Presentation – 80% of total
* Teamwork Displayed – 10% of Total
* Presentation/Communication Skills, including dress – 10% of total
  + Speak clearly, voice projection, notes as an aid/not reading



**2018 Personal Finance Challenge Case Study Analysis**

**TEAM SCORECARD**

**TEAM #1: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  |  |
| --- | --- |
|  | TEAM SCORE |
| Knowledge of Personal Finance Issues Displayed in Presentation – 80% of total |  |
| Teamwork Displayed – 10% of Total |  |
| Presentation/Communication Skills, including dress – 10% of total |  |
| TOTAL |  |

**NOTES:**

Savings

Debts

Insurance

Taxes

Other

**2018 Personal Finance Challenge Case Study Analysis**

**TEAM SCORECARD**

**TEAM #2: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  |  |
| --- | --- |
|  | TEAM SCORE |
| Knowledge of Personal Finance Issues Displayed in Presentation – 80% of total |  |
| Teamwork Displayed – 10% of Total |  |
| Presentation/Communication Skills, including dress – 10% of total |  |
| TOTAL |  |

**NOTES:**

Savings

Debts

Insurance

Taxes

Other

**2018 Personal Finance Challenge Case Study Analysis**

**TEAM SCORECARD**

**TEAM #3: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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| --- | --- |
|  | TEAM SCORE |
| Knowledge of Personal Finance Issues Displayed in Presentation – 80% of total |  |
| Teamwork Displayed – 10% of Total |  |
| Presentation/Communication Skills, including dress – 10% of total |  |
| TOTAL |  |

**NOTES:**

Savings

Debts

Insurance

Taxes

Other

**2018 Personal Finance Challenge Case Study Analysis**

**TEAM SCORECARD**

**TEAM #4: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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| --- | --- |
|  | TEAM SCORE |
| Knowledge of Personal Finance Issues Displayed in Presentation – 80% of total |  |
| Teamwork Displayed – 10% of Total |  |
| Presentation/Communication Skills, including dress – 10% of total |  |
| TOTAL |  |

**NOTES:**

Savings

Debts

Insurance

Taxes

Other

**2018 Personal Finance Challenge Case Study Analysis**

**TEAM SCORECARD**

**TEAM #5: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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| --- | --- |
|  | TEAM SCORE |
| Knowledge of Personal Finance Issues Displayed in Presentation – 80% of total |  |
| Teamwork Displayed – 10% of Total |  |
| Presentation/Communication Skills, including dress – 10% of total |  |
| TOTAL |  |

**NOTES:**

Savings

Debts

Insurance

Taxes

Other

**2018 Personal Finance Challenge Case Study Analysis**

**TEAM SCORECARD**

**TEAM #6: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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| --- | --- |
|  | TEAM SCORE |
| Knowledge of Personal Finance Issues Displayed in Presentation – 80% of total |  |
| Teamwork Displayed – 10% of Total |  |
| Presentation/Communication Skills, including dress – 10% of total |  |
| TOTAL |  |

**NOTES:**

Savings

Debts

Insurance

Taxes

Other

**2018 Personal Finance Challenge Case Study Analysis**

**TEAM SCORECARD**

**TEAM #7: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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| --- | --- |
|  | TEAM SCORE |
| Knowledge of Personal Finance Issues Displayed in Presentation – 80% of total |  |
| Teamwork Displayed – 10% of Total |  |
| Presentation/Communication Skills, including dress – 10% of total |  |
| TOTAL |  |

**NOTES:**

Savings

Debts

Insurance

Taxes

Other

**2018 Personal Finance Challenge Case Study Analysis**

**TEAM SCORECARD**

**TEAM #8: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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| --- | --- |
|  | TEAM SCORE |
| Knowledge of Personal Finance Issues Displayed in Presentation – 80% of total |  |
| Teamwork Displayed – 10% of Total |  |
| Presentation/Communication Skills, including dress – 10% of total |  |
| TOTAL |  |

**NOTES:**

Savings

Debts

Insurance

Taxes

Other