



Classroom Implementation Guide

PURPOSE

The purpose of this guide is to assist the classroom teacher or other education professional to implement a personal finance case study into their curriculum. This is best used as a culminating project or assignment when you have finished teaching personal finance.

OVERVIEW & PROCEDURES

- Form students into teams. Optimal team size is 4 members.
- Print and handout the fictitious family scenario case study to each student. The team becomes a financial planning company and should look at the case study information from that point of view. Their task will be to analyze the family's financial health and make specific recommendations to the family. The team should act as if the judges are the family when presenting.
- Teams will need a laptop to create a PowerPoint presentation. Google Slides may be used as an alternative if PowerPoint is not available. Other internet enabled devices may be used for preparation and research.
- Teams will need approximately 3 class periods to research and create a financial plan for the family. The PowerPoint is the only deliverable the team needs to complete. 2-3 class periods will be needed for presentations depending on class size.
- Provide teams 10 minutes to present their plan to a panel of judges. 7 minutes for presentation and 3 minutes to answer questions.
- Invite people from the local community to come into your classroom to judge if possible. Contact your local credit union for help on this! Principals, school board members, and local business owners may also like to be part of this activity.
- A sample judging rubric and scorecard has been provided. 80% of the scoring involves analysis & knowledge of personal finance issues as it applies to the family situation. 10% of score is teamwork displayed while the remaining 10% is professionally articulated presentation, including dress. Also included are examples judges can be watching for during presentations.

- Team members must display knowledge of personal finance Issues: personal consumption, debt, savings, insurance, taxes, and more as well as have superior teamwork, presentation and communication skills.

SAMPLE VIDEOS



[YouTube Playlist of
2019 State Finalist
Teams](#)

MICHIGAN
PERSONAL FINANCE
CHALLENGE
CASE STUDY

Family Financial Profile

FAMILY MEMBERS

The following narrative describes some details about the fictitious Burkey family, a couple with 2 children. Their financial circumstances:

Name	Age	Employment	Annual Salary	Credit Score
Mike Burkey	43	Electrician	\$75,000	670
Marissa Burkey	40	Private School Teacher	\$55,000	740
Brianna Burkey	12			
Joey Burkey	7			

The Burkeys have mentioned not knowing much about finance and want to ensure a secure retirement for themselves and college planning for their two children.

It is suggested that you create a budget for them using expenses that they may have and show what they are now spending plus other items. We have given you some of their expenses, but you should create the rest of their expenses from your knowledge of personal finance. The data provided and the following narrative is incomplete; however you may discover some areas where their personal financial practices could be improved.

GOALS

The Burkeys have recently decided to consult a financial expert on what they might do to improve their financial situation and achieve their goals.

Mike recently received a \$6,000 bonus and they want help to allocate it toward their financial goals.

They would like both of their children to attend a four-year university in Michigan, without having a burden of excessive student loan debt.

Mike and Marissa would like to retire no later than age 60.

They would like to make sure the mortgage on their home would be paid off and the children's college education would be taken care of in the event of one of their deaths.

SAVINGS

Marissa contributes 4% of her salary to her 403(b) through Fidelity Investments. Her employer offers a 100% match up to 6%. The current value of her 403(b) is \$55,000. She has invested her 403(b) investment in 3 different stocks.

Mike has a 401(k) invested with Fidelity. The current market value of his account is \$114,000, invested half in bonds and the rest in cash. He was contributing \$400 a month into his 401(k), but stopped contributing last year so they could afford a motorhome. His employer doesn't have a matching program.

The Burkeys have an emergency fund of \$500 and a working checking account with an average balance of \$1,650.

Neither Mike nor Marissa will receive a pension upon retirement.

Mike's father recently passed away and left him and his two sisters an inheritance. The inheritance consists of his father's home, which has a fair market value of \$120,000, but his father had a mortgage on the property of \$30,000. Mike would like some advice on what to do with this inheritance.

The Burkeys have a college saving account for each of their children. They are currently contributing to the New Hampshire UNIQUE 529 College Investing Plan through Fidelity since it is open to non-residents. Brianna's balance is \$26,000 and Joey's balance is \$14,000. Each of the portfolios are invested in an age weighted account. The Burkeys were wondering if Michigan has a 529 plan and if so, should they switch over to it.

DEBTS

HOME MORTGAGE

They financed their home at a 6.4% interest rate and have 24 years left on a 30 year fixed rate mortgage with a balance of \$260,000. The current market value of the home is \$325,000.

MONTHLY HOUSING EXPENSES

Principal & Interest	\$1,951
Property Tax	\$864
Homeowners Insurance	\$175
Monthly Total	\$2,990

CREDIT CARDS/OTHER DEBT

Marissa has a Kohl's credit card with a balance of \$960 with an APR of 24.99%. Mike has a Platinum Delta Skymiles credit card so he can earn miles toward free flights and other benefits. The credit card has a \$195 annual fee and a 19% APR. There is currently a balance of \$4,850 on the credit card.

The Burkeys enjoy camping and purchased a used 2008 Gulf Stream RV Sun Voyager motorhome last summer for \$59,385. They had saved up \$12,000 for a down payment and borrowed the remainder with an interest rate of 6.9% on a 10 year fixed rate loan. The monthly payment is \$548 per month.

TRANSPORTATION

Mike drives a 2017 GMC Yukon, which he bought new. The current monthly payment is \$662 with a remaining total balance of \$38,642. The car is financed at a rate of 6.2%

Marissa drives a leased 2016 Ford Flex. The monthly payment is \$410 and the contract expires in August 2018. She is concerned about having enough money for a down payment for a new vehicle when her lease expires.

INSURANCE

LIFE

Mike has a \$60,000 life insurance plan through his employer. Marissa has a \$50,000 life insurance policy through her employer. The Burkeys don't have any life insurance for their children.

HEALTH

The Burkey family gets its health care coverage through Marissa's employer. Her employer just switched over to a high-deductible health plan with a \$4,000 family deductible so the Burkey family doesn't have a monthly premium payment. Marissa is wondering if there are any tax-advantaged programs available with her new health care plan. The family has determined that the coverage through Marissa's employer is better than what is available through Mike's employer.

Marissa also has group long-term disability insurance, which covers 60% of her salary.

AUTO

Both vehicles and the motorhome are fully insured. Their comprehensive deductible for all vehicles is \$100 while their collision deductible is \$250. The Burkey family pays a total premium of \$1,680 every 6 months to insurance all of their vehicles.

INCOME TAX

Mike and Marissa are expecting a tax return of \$8,700 from the federal government in early May 2018, but owe the State of Michigan \$270.

OTHER THINGS TO KNOW

In your presentation, you should consider covering the following questions and any other additional recommendations for the Burkey family.

1. How can they be more efficient in handling their debts?
2. What can they do to better address their goals?
3. Are there any changes needed to their insurance?
4. What should they do about their retirement savings?
5. What's the best use of the family's tax return?
6. Do you have any advice regarding their income taxes?
7. What should they do with the inherited assets and other one-time sources of income or cash?

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JUDGING MATERIALS

Suggested examples for judges to be watching for. Do not provide to students.

SAVINGS

Diversify Marissa's 403(b)

Increase contribution to Marissa's 403(b) from 4% to 6%

Have Marissa contribute to a Roth IRA or additional money into her 403(b)

Choose a diversified investment, perhaps index or other mutual funds, for Mike's 401(k)

Have Mike contribute into a Roth IRA or 401(k)

Project how much money the family will need for retirement and how close they are to those goals after the adjustments are made.

Increase emergency fund to 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.)

Do they need to increase contributions to either child's 529 and should they open up a MESP 529 to get the state income tax deduction?

DEBT

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

Use funds to pay off the Kohl's credit card

Use funds to pay off the Delta Skymiles credit card

Evaluate if the family can afford to keep the motor home

Is the GMC Yukon too much car? Should they sell it and get a lower monthly payment?

Determination of a plan for a new vehicle and down payment on a vehicle for Marissa when her lease expires.

INSURANCE

Recognize Mike and Marissa 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.

Identify the Burkey family should fund a HSA account for their high deductible health insurance. \$6,850 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 Mike.

Short-term disability for Marissa and Mike?

TAXES

Did the team address the over withholding for the federal income tax obligation and determine they need to change the number of dependents on their W-4?

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

OTHER

Determine that the inheritance from the home will be \$30,000 and explain a practical use for that money.

Most practical use of the \$8,700 federal tax return and explanation.

Most practical use of the \$6,000 bonus Mike received and explanation.

Budget is comprehensive and balanced, integrating in all parts of the case study.

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

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C H A L L E N G E
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

Michigan Personal Finance Challenge

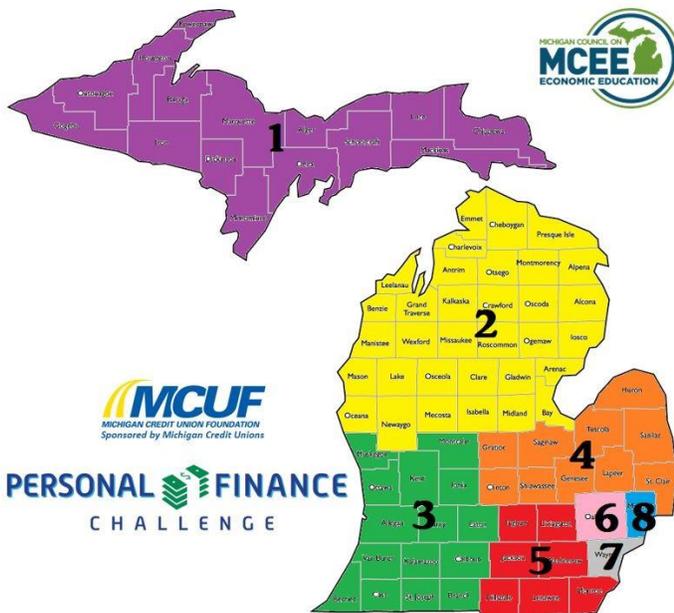
JUDGING RUBRIC

Analysis of Current Family Finances 40 Points Total	Analysis of the strengths and weaknesses of the family's large financial decisions.										Fails to Meaningfully Analyze 1 Point
	Comprehensive Analysis 10 points	9 Points	8 Points	7 Points	6 Points	5 Points	4 Points	3 Points	2 Points	1 Point	
	Analysis of the strengths and weaknesses of the family's small financial decisions (Day-to-Day Purchases)										Fails to Meaningfully Analyze 1 Point
	Comprehensive Analysis 10 points	9 Points	8 Points	7 Points	6 Points	5 Points	4 Points	3 Points	2 Points	1 Point	
	Illustrates depth of knowledge of sound financial practices										Fundamental or Numerous Flaws 1 Point
	Perfectly Sound Analysis 10 points	9 Points	8 Points	7 Points	6 Points	5 Points	4 Points	3 Points	2 Points	1 Point	
	Demonstrates critical thinking										Broken Understanding of Family's Situation 1 Point
	Total Understanding of Family's Situation 10 points	9 Points	8 Points	7 Points	6 Points	5 Points	4 Points	3 Points	2 Points	1 Point	
	Rationale explained using specific examples from data										Assumes Far Too Much /Disjointed From Model 1 Point
	Perfectly Sound Approach 10 points	9 Points	8 Points	7 Points	6 Points	5 Points	4 Points	3 Points	2 Points	1 Point	
Financial Planner Recommendations 40 Points Total	Projections for short and long term financial stability are supported using data analysis										Fails to Meaningfully Analyze Their Work 1 Point
	Comprehensive Analysis Used 10 points	9 Points	8 Points	7 Points	6 Points	5 Points	4 Points	3 Points	2 Points	1 Point	
	Recommendations aren't just ways to cut costs, but also show interest in optimizing each family member's quality of life/happiness. (Don't just make everyone stop doing everything fun)										Family's Quality of Life Seems Severely Reduced 1 Point
	Quality of Living Seems Improved for All 10 points	9 Points	8 Points	7 Points	6 Points	5 Points	4 Points	3 Points	2 Points	1 Point	
	Demonstrates depth of knowledge beyond the general expectations of this scenario and suggests a creative and viable plan to improve the financial well-being of the family (Uniqueness)										Plan Lacks Any Creativity/Inspiration 1 Point
	Very Creative Yet Well-Grounded Recommendations 10 points	9 Points	8 Points	7 Points	6 Points	5 Points	4 Points	3 Points	2 Points	1 Point	
	Professional, well organized and well orchestrated										Fails to Meaningfully Analyze 1 Point
	All Team Members Are Outstanding 10 points	9 Points	8 Points	7 Points	6 Points	5 Points	4 Points	3 Points	2 Points	1 Point	
	Articulation of presentation and in answering questions										Presentation Style/Flaws Damage Comprehension 1 Point
	Absolute Clarity 10 points	9 Points	8 Points	7 Points	6 Points	5 Points	4 Points	3 Points	2 Points	1 Point	
Presentation 20 Points Total											

INTERESTED IN BRINGING A TEAM TO THE STATE FINALS?

Here are your next steps

- Go to michiganecon.org/pfc and click the button to register. It will take you to financechallenge.unl.edu/Michigan to complete the registration process.
- Register as a teacher and await the activation email.
- Once your account is activated you should create teams and enter students into the system. It doesn't matter what team a student is on because your top scores will determine qualification for the state finals regardless of which team they were originally placed on.
- Students should take the online qualification test without any help or assistance.
- When the qualification window closes, 8 regional winners will be selected as well as up to 8 at-large teams to participate in the state finals at the Federal Reserve Bank in Detroit. Travel scholarships are available upon special request.
- The state finals event is all day. Students will spend 2 hours preparing their case study and then present to a panel of judges. The top two teams will face off in a quiz bowl to determine the state champion. State champions will receive a scholarship and all expense paid trip to the national finals.



Key Dates for 2020

January 2, 2020: Teacher registration opens

January 2, 2020 - April 1, 2020: Online Qualifier Window Open

April 1, 2020: State Finalist Teachers Notified

April 20, 2020: State Finals at the Federal Reserve - Detroit

May 4, 2020: National Finals at the University of Nebraska

CONTACT EMAIL & MORE INFORMATION

Derek D'Angelo

derek@michiganecon.org

michiganecon.org/pfc