MICHIGAN CREDIT UNION FOUNDATION

Center for Financial Planning, Inc.®

2026

CASE STUDY

MICHIGAN PERSONAL FINANCE CHALLENGE

Rules

1. Each team is provided with incomplete financial information about a fictional family's financial situation. You are not given all the information necessary and are free to create additional information about the family if you wish.

2. Your team is charged with studying this family's finances and making recommendations as if you are their financial advisor. Present to the judges as if they are the fictitious family. You can create a budget and expense sheet and anything else you might want to show them as you present your recommendation.
   Most financial advisors suggest you follow the steps listed below in developing a plan for clients.
   a. Assess Client's Current Financial Position (Budget creation, Net worth statement, etc.)
   b. Define Client Goals/Objectives
   c. Answer Client's Questions/Concerns
   d. Develop Recommendations

3. You will create a Powerpoint, Canva, or Google Slides presentation as a team and present it to the panel of judges. The presentation must not exceed 12 minutes in length. Judges will have at least 5 minutes for Q and A. Each member of your team should have a speaking part in your presentation. You may use any creative method of delivery to enhance your presentation.

4. Your goal is to give the family advice for their future based on your knowledge of financially sound practices. You will have two weeks to prepare your presentation after receiving the case study. You should arrive at the Federal Reserve with a finished product, ready to present to judges.

FAMILY FINANCIAL PROFILE

FAMILY MEMBERS

The following narrative describes some details about the fictitious Garcia family. Their basic financial circumstance:

Name	Age	Employment	Gross Annual Salary	Credit Score
Sofia Garcia	41	Owner, Home-based bakery	$46,000	720
Miguel Garcia	43	Warehouse Supervisor	$78,000	670
Elena Garcia	15			
Mateo Garcia	11			
Rosa Garcia	76	Retired *Used to work part-time*	Social Security Survivor Benefit	Unknown

Sofia and Miguel Garcia have been married for 17 years. Sofia owns and operates a home-based bakery that has grown in popularity but has inconsistent profits due to rising costs and seasonal demand. Miguel works full-time and provides the family's most stable income.

Miguel's mother, Rosa, recently moved in with the family due to health concerns and the recent death of her husband, adding both emotional and financial responsibilities. This forced Elena and Mateo to share a room until the family can decide to renovate the basement to add an additional bedroom or purchase a new home. They are not sure how much the renovation will cost. They currently live in Sterling Heights, MI. Rosa's husband was a hard worker, but did not have much money saved nor a life insurance policy. Rosa's income consisted of her Social Security benefit of about $1,800 per month, but now that her husband has passed she will receive the Social Security survivor benefit of $3,000 from her husband in its place. When Rosa sold her home to move in with Miguel and Sofia she walked away with a $150,000 check from the difference between what was still owed on the mortgage and the sales price.

The Garcias feel like they are working hard but “not getting ahead,” and want guidance on how to stabilize their financial future. The couple notes that “money issues” are a constant source of frustration and causes arguments. For example, a recent argument between the couple stemmed from Miguel’s desire to purchase a $1,099 Trager smoker. Miguel told Sofia that in the long run it would save them money by eating a home more often. Sofia is constantly stressed about their lack of retirement and college savings and tells Miguel they don’t have the money to purchase the smoker.

Be sure to address the judges as if they were Sofia and Miguel Garcia. You can select the pronouns (he/she/they) that you prefer for this family.

It is suggested that you create a budget for the Garcia family using typical expenses for a family of their size. You will be given some of their expenses throughout this document, 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 will likely discover some areas where their personal financial practices could be improved.

GOALS

Rosa Garcia gifted Sofia and Miguel with a pre-paid financial planning session with a CERTIFIED FINANCIAL PLANNER™ once it was determined she would be moving in with the family. The Garcia family has never really discussed their financial priorities, but came up with what they feel is an incomplete list in preparation for the meeting:

1. Establish a budget so they know where their money is going and get advice if they should establish joint accounts or keep finances separate. They would like to know where they could make adjustments to reallocate their spending to better accomplish their financial goals.
2. Get guidance about spending money to renovate their home to add an additional bedroom or move into a home that has enough bedrooms for the couple, two children, and Rosa.
3. Save for Elena and Mateo’s future college expenses.
4. Plan for Rosa’s increasing healthcare needs.
5. Pay off debt and improve their overall financial position.
6. Determine if retiring before 65 is realistic for either of them.
7. Afford a vehicle for Elena when she turns 16 next month.
8. Determine if Sofia should continue with her home-based baking business, open a commercial bakery in the community, or pursue a different career all-together.

SAVINGS

CREDIT UNION ACCOUNT
Sofia’s Credit Union checking balance: $900
Sofia’s Credit Union savings: $1,200
Miguel’s Bank checking balance: $950
Miguel’s Bank savings: $1,400
Emergency Fund: $0

Sofia and Miguel have never completed a monthly budget. They are overwhelmed by the idea and it usually causes arguments between the couple. Sofia and Miguel have separate bank accounts. Miguel pays the bills in even numbered months and Sofia pays the bills in odd numbered months. Sofia often needs to remind Miguel that it is his turn to pay the bills and he puts it off, often causing late payments.

They are unsure if they should combine their finances and would like advice from the certified financial planner.

RETIREMENT SAVINGS
Miguel has a 401(k) available through his employer. The employer offers a 50% match up to a maximum of $4,000. He is not currently contributing to his 401(k). Miguel puts $100 per month into a Roth IRA which has a current balance of $62,000.

Sofia doesn’t have a 401(k) available since she is self-employed. She does have a Roth IRA, but doesn’t contribute to it regularly. She checked the balance in preparation for the meeting with the certified financial planner and saw that the balance is $18,400 and is invested in Fidelity®Investment Grade Bond (FBNDX).

The couple knows they need to increase their retirement savings, but doesn’t know what their next steps are. They would like to know if retiring before age 65 is realistic for either of them.

COLLEGE SAVINGS
Sofia and Miguel are concerned they will not have enough money to send Elena and Mateo to college if they choose that path. They have not saved any money for college for their children.

SHELTER

HOUSING

Monthly house payment: $1,778 (includes homeowners insurance and taxes)

The Garcia family lives in a 3 bedroom ranch in Sterling Heights, Michigan. The estimated market value of the home is $279,900. Their mortgage balance is $198,000. They don't recall how many years are left on their mortgage, but know their interest rate is 4.25%.

DEBTS

CREDIT CARDS

Sofia has a Capital One Venture X Rewards Credit Card with a 24.49% APR and a balance of $4,200. She uses this card for personal and business purchases. Sofia also has a Kohl's credit card with a 30.49% APR with a $0 balance. She normally pays the bill off each month except around when the kids head back to school and she is purchasing a lot of clothing for them.

Miguel has an American Express Platinum credit card with a 22.99% APR and a $1,450 balance.

They both use their credit card quite regularly as it is a convenient method of payment and they get rewards from the credit card company.

BUY NOW, PAY LATER

The couple both regularly use Buy Now, Pay Later services. They are usually able to pay off their charges in 4 interest-free payments, but fall behind with their payments every once in a while when unexpected expenses arise. An example of something Miguel recently used Buy Now, Pay Later services for was to purchase tickets for a concert he took Elena to.

TRANSPORTATION

Miguel drives a 2018 Ford F-150 truck. It is showing signs of wear and tear and he would like to replace the vehicle before he runs into major repair bills. The vehicle is paid off.

Sofia currently leases a 2023 Chevrolet Traverse. Her monthly payment is $539. Her lease is 36 months and will be ending in May 2026. She is undecided what she will do when her lease expires.

Rosa purchased a new 2025 Ford Explorer last year for $41,280. Her monthly payment is $626 per month. Rosa's health concerns don't allow her to drive much anymore and she only put 4,000 miles on the vehicle last year.

INSURANCE

HEALTH INSURANCE

Miguel's employer offers a health care plan that can cover their family.

They have a high-deductible health plan with a $4,000 family deductible. The monthly premium Miguel is required to pay on the health insurance policy is $362 per month. Miguel has the option of enrolling in a health savings account but has not taken the time to complete the paperwork and thinks if he puts money into the health savings account it will be forfeited if they don't use the money on medical expenses by the end of the year.

Miguel has employer provided benefits including:

- life insurance equal to 50% salary
- long term disability for 75% of salary
- short term disability of $300 per week for 8 weeks

LIFE INSURANCE

Miguel currently has a whole life insurance policy through New York Life that costs $235 per month and provides a $100,000 death benefit. Sofia and Rosa do not have a life insurance policy. Since Rosa is getting older, the couple feels they should probably purchase life insurance for her.

AUTO

Miguel's auto insurance premium for his Ford F-150 truck is $893 every 6 months. He is insured by Geico. His bodily injury liability protection is $100,000. His comprehensive deductible is $100. His collision deductible is $250. His Underinsured/Uninsured benefits are $20,000.

Sofia's auto insurance premium for her Chevrolet Traverse is $1,105 every 6 months. Her auto insurance is with Allstate. The comprehensive deductible is $100, and the collision deductible is $250. Her bodily injury liability protection is $100,000. Her Underinsured/Uninsured benefits are $20,000.

They feel very concerned about what will happen to their auto insurance rates once Elena turns 16.

INCOME TAX

Sofia and Miguel use TurboTax to complete their taxes each year. They have already completed their forms for tax year 2025 and are expecting a $4,200 direct deposit from the federal government and $92 back from their State of Michigan taxes.

OTHER THINGS TO KNOW

- Utilities for the Garcia family are average for their community in Sterling Heights, MI
- Sofia and Miguel have subscriptions to the following streaming services: Netflix, Paramount+, Amazon Prime Video through their Amazon membership, Peacock, and Spotify Premium for Family.
- Sofia, Miguel, and Elena have phones with Verizon. Their combined bill is $215 per month. Miguel has an iPhone 17 while Sofia and Elena have an iPhone 16. The couple plans to allow Mateo to get his own phone when he turns 12 in a couple months.
- The family has a standard family membership at LifeTime Fitness.
- Rosa's husband was a big fan of the Detroit Lions and had two season tickets since Miguel was a young boy. Rosa recently received an email to renew the season tickets for the 2026 season. She has until June 1 to decide if she will purchase the two season tickets for the 2026 season. Rosa's husband always paid for the tickets and enjoyed bringing friends and family to games. Miguel has great memories of going to the games with his father and would like to keep the season tickets in the family. He would like Rosa to transfer the tickets to him, but doesn't know how he will afford the season tickets..
- MIguel has an Xbox and spends about $75 per month on subscriptions, new games, and in-game purchases.
- Sofia enjoys browsing Amazon on her phone and considers it retail therapy. She routinely spends about $200 per month on unplanned purchases on the site.
- Miguel gets a Caramel Marvel Latte every morning at Biggby Coffee on his way to work for $5.99. He says it gives him the power to attack each day with an enthusiasm unknown to mankind. He loves his latte.
- Miguel grabs lunch at fast casual restaurants like Chipotle every day while at work. Sofia eats lunch at home since that is where she is baking.
- The family eats dinner away from home about 3-4 days per week on average. They typically will door dash one meal per week over the weekend.
- The family doesn't have a great idea about how much they spend on groceries each month.