Personal Finance Final Project

Life Happens

Spring 2018

**First things first**

You will find a template shared with you on Google Classroom. Once you open your own copy of your slides, make sure that it is saved as- FIRST NAME LAST NAME, SECTION, LIFE HAPPENS PRESENTATION.

For this assignment every student will be given one family profile card. This profile will include;

* Gross Annual Income
* After Tax Annual Income
* Monthly Income
* Assets
* Savings Account Amount
* Family Members
* Description

All of this information will be crucial throughout this project since you will be reporting this family’s progress over a six-month time frame.

**Introduction Steps**

Each student will be creating an entire Family based on their profile card. Students will;

1. Place their Profile Card on a slide which includes salary information on their profile card, family members, and description of their family.
2. Create a family! Even though you have basic information about the family members, you are asked to take it to the next level and personally create this family. Give all of them a name, specific age (if not provided), and include any other details that may not be given in the profile.
3. Create financial goals that you would like your family to start achieving throughout this process. Make sure that you pick at least one short-term goal and one long-term goal. It is also important to describe how you hope to achieve these goals.
4. Next you will select your family’s financial institution. You can choose which type of Financial Institution works best for your family. Please state your choice and describe why you made this choice.
5. Next you will predict your family’s Credit Rating. This will require outside research (maybe those activities we did on Credit Ratings in class would be a good start) to predict what type of score you believe that your family has. You will then explain how you came to this answer.
6. Next you will describe the types of investments that you would like your family to start investing in. This could include any retirement accounts, investment portfolios, real estate, etc.

**Budget**

1. Each student will create a budget, or a plan, for how they plan on spending their money on a monthly basis.
2. Students will be provided with a costs packet, which includes the costs of various bills that will appear on this “Life Happens” project. However, there are some costs that are not provided for you and you will need to figure it out from prior knowledge.
3. Students are allowed to use their notes, which does include a section of percentage based budgeting and what percent is recommended for each category.
4. Students are required to fill out the mandatory expenses and optional expenses.
5. The idea is that each family should stick to their budget each month. However, since you will be receiving “Life Happens” cards, it is likely that you will have to constantly make adjustments.

**Monthly Cash Flow**

1. At this point, students will have already made a budget, which is their plan for the next 6 months. Now it is time to calculate each month’s cash flow with a Cash Flow statement. The idea is that your Cash Flow statement should match your budget. However, life happens and you will probably make constant adjustments.
2. Students will be receiving a “Life Happens” card for months 2, 3, 5 and 6. Month 1 and Month 4 are months where there will be no “Life Happens” cards. Ideally, month 1 and month 4 should have a cash flow statement that is identical to their budget that was created at the start of this project, since these are the months where nothing unique is happening.
3. You are expected to make certain decisions about your family’s quality of life, and what types of luxuries that they will spend their money on. Therefore, if you are having trouble making ends meet every month, but still leave room in the budget for unnecessary expenses, that is showing me that you are not making wise financial decisions.
4. Over the course of this project, students will be given a “Life Happens” card for 4 out of the 6 months.
5. Students will receive their “Life Happens” cards on months 2, 3, 5 and 6.
6. “Life Happens” cards can be either positive or negative, which means that some will cost money and some will earn money. You should react accordingly.
7. You are required to be making constant adjustments to your budget/monthly cash flow statement, especially since your “Life Happens” cards are unpredictable.

**Reflection**

1. Students will do a reaction after every month. These reactions should describe the student’s thought process as they were setting up their budget, what choices they had to make, and their overall feeling towards their family budget. Were you shocked by some of the sacrifices that you had to make? Were you able to afford all of the luxuries that you hoped you could? Or any other thoughts about the budget.
2. Students will also be doing an overall reaction at the end of the assignment. This reflection should include your thoughts on how the entire 6 months went. Did your family have to make severe adjustments every month? Did you have many months where you earned more money? How do you feel about your family’s budget now that everything is done?

Overall remember that this project is a great application on the knowledge you have gained all semester!