



INSTRUCTIONAL AREA
Credit and Debt

PERSONAL FINANCIAL LITERACY EVENT

PARTICIPANT INSTRUCTIONS

- The event will be presented to you through your reading of the 21st Century Skills, Performance Indicators and Case Study Situation. You will have up to 10 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will have up to 10 minutes to make your presentation to the judge (you may have more than one judge).
- You will be evaluated on how well you meet the performance indicators of this event.
- Turn in all of your notes and event materials when you have completed the event.

21st CENTURY SKILLS

- Critical Thinking – Reason effectively and use systems thinking.
- Problem Solving – Make judgments and decisions, and solve problems.
- Communication – Communicate clearly.
- Creativity and Innovation – Show evidence of creativity.

PERFORMANCE INDICATORS

1. Identify indicators of excessive debt.
2. Predict possible consequences of excessive debt.
3. Recommend actions that a borrower could take to reduce or better manage excessive debt.

EVENT SITUATION

You are to assume the role of a credit counselor at a non-profit organization that helps people with financial questions. A new client (judge) has asked you to analyze the financial information brought to the meeting and recommend actions for better financial health.

A new client (judge) is meeting with you to discuss financial information. The new client (judge) has brought in the following information regarding financial debt:

Store credit card:

APR: 24.9%

Balance: \$500

Minimum Monthly Payment Due: \$20

Average Monthly Payment: \$20

Major credit card:

APR: 21.7%

Balance: \$9,000

Minimum Monthly Payment Due: \$199

Average Monthly Payment: \$250

Gas credit card:

APR: 24.9%

Balance: \$500

Minimum Monthly Payment Due: \$20

Average Monthly Payment: \$20

Student loan:

APR: 4.2%

Balance: \$25,000

Minimum Monthly Payment Due: \$100

Average Monthly Payment: \$100

The new client (judge) has also told you that after paying for rent, utilities and other living expenses, the new client (judge) has \$500 leftover to pay for financial debt. Currently, the new client (judge) spends \$390 of the \$500 each month on financial debt. The extra \$110 is used for fun. Also, the new client (judge) has \$7,000 in a savings account.

You have been asked to explain the indicators of the new client's (judge's) debt and demonstrate possible consequences if the debt is not paid. You must also recommend actions the new client (judge) can take to reduce the debt.

You will meet with the new client (judge) in your office. The new client (judge) will begin the meeting by greeting you and asking to hear your analysis of the debt. After you have presented the information and have answered the new client's (judge's) questions, the new client (judge) will conclude the meeting by thanking you for your work.

JUDGE'S INSTRUCTIONS

DIRECTIONS, PROCEDURES AND JUDGE'S ROLE

In preparation for this event, you should review the following information with your event manager and other judges:

1. Procedures
2. Performance Indicators
3. Interview Situation
4. Judge Situation Characterization
Participants may conduct a slightly different type of meeting and/or discussion with you each time; however, it is important that the information you provide and the questions you ask be uniform for every participant.
5. Judge's Evaluation Instructions
6. Judge's Evaluation Form
Please use a critical and consistent eye in rating each participant.

JUDGE SITUATION CHARACTERIZATION

You are to assume the role of a new client meeting with a credit counselor (participant) at a nonprofit organization that helps people with financial questions. You have asked the credit counselor (participant) to analyze the financial information brought to the meeting and recommend actions for better financial health.

You are meeting with the credit counselor (participant) to discuss financial information. You have brought in the following information regarding financial debt:

Store credit card:

APR: 24.9%
Balance: \$500
Minimum Monthly Payment Due: \$20
Average Monthly Payment: \$20

Major credit card:

APR: 21.7%
Balance: \$9,000
Minimum Monthly Payment Due: \$199
Average Monthly Payment: \$250

Gas credit card:

APR: 24.9%
Balance: \$500
Minimum Monthly Payment Due: \$20
Average Monthly Payment: \$20

Student loan:

APR: 4.2%
Balance: \$25,000
Minimum Monthly Payment Due: \$100
Average Monthly Payment: \$100

You have also told the credit counselor (participant) that after paying for rent, utilities and other living expenses, you have \$500 leftover to pay for financial debt. Currently, you spent \$390 of the \$500 each month on financial debt. The extra \$110 is used for fun. Also, you have \$7,000 in a savings account.

The credit counselor (participant) has been asked to explain the indicators of your debt and demonstrate possible consequences if the debt is not paid. The credit counselor (participant) must also recommend actions you can take to reduce the debt.

The meeting will take place in the credit counselor's (participant's) office. You will begin the meeting by greeting the credit counselor (participant) and asking to hear about the debt. After the participant has presented the information, you are to ask the following questions of each participant:

1. Why is it important to have a savings account when you also have debt to pay?
2. Why can't I just continue making minimum payments?

Once the credit counselor (participant) has answered your questions, you will conclude the discussion by thanking the participant for the work.

You are not to make any comments after the event is over except to thank the participant.

JUDGE'S EVALUATION INSTRUCTIONS

Evaluation Form Information

The participants are to be evaluated on their ability to perform the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although you may see other performance indicators being demonstrated by the participants, those listed in the Performance Indicators section are the critical ones you are measuring for this particular event.

Evaluation Form Interpretation

The evaluation levels listed below and the evaluation rating procedures should be discussed thoroughly with your event chairperson and the other judges to ensure complete and common understanding for judging consistency.

Level of Evaluation	Interpretation Level
Exceeds Expectations	Participant demonstrated the performance indicator in an extremely professional manner; greatly exceeds business standards; would rank in the top 10% of business personnel performing this performance indicator.
Meets Expectations	Participant demonstrated the performance indicator in an acceptable and effective manner; meets at least minimal business standards; there would be no need for additional formalized training at this time; would rank in the 70-89 th percentile of business personnel performing this performance indicator.
Below Expectations	Participant demonstrated the performance indicator with limited effectiveness; performance generally fell below minimal business standards; additional training would be required to improve knowledge, attitude and/or skills; would rank in the 50-69 th percentile of business personnel performing this performance indicator.
Little/No Value	Participant demonstrated the performance indicator with little or no effectiveness; a great deal of formal training would be needed immediately; perhaps this person should seek other employment; would rank in the 0-49 th percentile of business personnel performing this performance indicator.



**PERSONAL FINANCIAL LITERACY EVENT,
2017**

Participant: _____

I.D. Number: _____

**JUDGE'S EVALUATION FORM
SAMPLE**

**INSTRUCTIONAL AREA
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Did the participant:

Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
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PERFORMANCE INDICATORS

1.	Identify indicators of excessive debt?	0-1-2-3-4-5-6-7-8	9-10-11-12-13	14-15-16-17-18	19-20-21-22-23-24	
2.	Predict possible consequences of excessive debt?	0-1-2-3-4-5-6-7-8	9-10-11-12-13	14-15-16-17-18	19-20-21-22-23-24	
3.	Recommend actions that a borrower could take to reduce or better manage excessive debt?	0-1-2-3-4-5-6-7-8	9-10-11-12-13	14-15-16-17-18	19-20-21-22-23-24	

21st CENTURY SKILLS

4.	Reason effectively and use systems thinking?	0-1	2-3	4-5	6-7	
5.	Communicate clearly?	0-1	2-3	4-5	6-7	
6.	Show evidence of creativity?	0-1	2-3	4-5	6-7	
7.	Overall impression and responses to the judge's questions	0-1	2-3	4-5	6-7	

TOTAL SCORE