2026 Illinois Personal Finance Challenge Case Study

Meet the Johnson-Wright family! They are a young family living in Edwardsville, IL. Sarah and Jacob just welcomed their first child, Henry.

Name & Age	Occupation	Gross Annual Income	Credit Score
Sarah Johnson (27)	Pharmacy Tech	$48,000	700
Jacob Wright (26)	Auto repair store clerk (PT), FT Student	$24,000	670
Henry Johnson-Wright (0)	n/a	n/a	n/a

Sarah recently completed a pharmacy program and is preparing to take exams necessary to become a licensed pharmacist in Illinois, which will cost **$1,150** in total.

Sarah currently works at a hospital full-time as an entry level Pharmacy Technician where she makes **$24/hour**. After successful completion of her licensure exams, she stands to become a Staff Pharmacist in the next year and increase her income to **$50/hour**.

Jacob works at an auto parts store part-time, earning **$15/hour** for about 30 hours a week. Working part-time allows Jacob to stay home and care for their newborn baby Henry.

Sarah's current after-tax income is $40,000 and Jacob's current after-tax income is $20,000.

Jacob is going back to school to become a machinist and will continue to work part-time during the year-long program. His school is in St. Louis and will cost **$9,000** total for the year-long program. He can take out loans to pay for part or all his tuition, though he would prefer not to.

After his year of school, Jacob will complete a 4-month apprenticeship program. He can work as a full-time apprentice for **$18/hour**, which may lead to a job as an Assembly Mechanic at that firm for **$25/hour**, with an opportunity to get paid **$30 per hour** in the future. If he starts now, he could be earning **$62,000** in just two years.

Savings & Goals

The couple has **$7,000** in a savings account earning 1% interest. They would like to save more.

The hospital offers a 403(b) retirement plan, the nonprofit equivalent of a 401(k). Sarah's employer will match her contributions up to 5%.

A friend told Jacob and Sarah about 529 college savings plans, and now they are wondering if they should start saving for Henry's future education.

The couple wants to visit Jacob's parents in Wisconsin soon so they can meet baby Henry. In a couple of years, they want to take Henry to the beach on a family vacation.

Debt
Sarah has no credit card debt. She has student loans totaling **$58,000** with an interest rate of 7%. The monthly payment is **$685** under a standard 10-year repayment plan.

Alternatively, Sarah could enroll in a graduated repayment plan, which would gradually increase her student loan payments over ten years. Under this plan, her monthly payment will be **$376** for the first two years and will increase every two years to a maximum payment of **$1,200**.

Having just graduated, Sarah has a six-month grace period before she must start repaying her student loans, though the loans will accumulate interest during this time.

Jacob has one credit card with an average balance of **$500** at 23% interest. He currently makes the minimum payment of **$48/month** on it.

Transportation Costs
The couple currently share the family hand-me-down car that Sarah's parents gifted her.

They need to purchase another car for Jacob's commute to St. Louis because there aren't any public transportation options. They found a used sedan for **$15,000**. If they put **$5,000** down, their monthly payment will be about **$250 a month**. However, that would nearly exhaust their savings. They could put less down but would have higher monthly payments and would pay more in interest.

They currently spend **$100/month** on gas, which will increase to **$200/month** when Jacob starts driving to St. Louis.

Car insurance is **$150/month** for Sarah's car, and they estimate another **$150/month** for Jacob's car.

Insurance & Estate Planning
Sarah, Jacob, and Henry have health, dental, and vision insurance through the hospital that employs Sarah. Her premiums are **$450/month** for the whole family.

Neither Sarah nor Jacob currently has renter's insurance.

Neither Sarah nor Jacob currently has a will, power of attorney, or health care directive.

Housing
The couple spends **$1,500** per month on rent for a 3-bedroom house in Edwardsville. Utilities are included.

They want to buy a house eventually but aren't sure about the timing. The couple recently noticed a 2-bedroom house on their block up for **$190,000**. Now they are starting to think about purchasing a home sooner.

<u>Childcare Expenses</u>
Both of their families live far away, so it's been difficult to navigate childcare plans for Henry. Luckily, they found infant care at the Edwardsville YMCA.

Right now, the couple can coordinate their schedules, so they only need half-time care for the first year. They pay **$165/week** for 2 days of care. However, they anticipate needing full-time childcare when Jacob starts his apprenticeship. Full-time care is **$16,850 a year**.

The couple spends about **$4,000/year** on other baby-related expenses for Henry.

<u>Other Expenses</u>
The couple spends about **$500/month** on groceries. Sarah found a bundle deal which includes phone, internet, and streaming for **$175/month** for the first year and increases to **$200/month** after that**.**

Jacob and Sarah have been married for four years, and value quality time with one another. Before they had Henry, they went on dates every week, often spending **$40 on a date** but occasionally splurging and spending **$75**. Date nights have become more expensive with the cost of a babysitter factored in at $**20/hour** or $60 for a three-hour date.

Your task, as the Johnson-Wright's financial advisor, is to put together a comprehensive <u>five-year financial plan</u> for the family, taking into account the following questions. <u>Pay special attention to how they will manage their expenses in the first year.</u>

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 in the narrative is incomplete.

Remember that the judges have the case study in front of them. Do not spend time reiterating the case study.

- How should they budget their monthly income?
- How will Jacob pay for his school tuition?
- How much should they put down on Jacob's new car?
- What long-term goals should they prioritize right now? Which should they put off for later?
- How should they manage their debt?
- How much should Sarah contribute to her 403(b)?
- Should the couple rent or own? When?
- Should the couple contribute to a college savings account for Henry's future education expenses? If so, when?