

FINANCIAL PLANNING CHALLENGE

Building the Next Generation of Planners

Presented by:
Ameriprise Financial,
Certified Financial Planner Board of Standards, Inc.,
and Financial Planning Association



Financial Planning Challenge 2026

Phase 1: Written Financial Planning Case Study

The first phase of the competition consists of a financial planning case study for a hypothetical client. Students must assess the client's needs and prepare a comprehensive financial plan based on the data provided and using financial planning software. The Phase 1 case study and supporting learning resources are developed in collaboration with Dalton Education, the competition's supporting partner, to reflect current financial planning practices and academic standards.

To ensure fairness and reflect real-world financial planning practice, the following apply:

Use of Financial Planning Software

- Financial planning software may be used in preparing the case study, provided teams submit supporting data and documentation for all components of the plan.
- Access to MoneyGuidePro will be made available to each team at no cost through the support of MoneyGuidePro, the competition's supporting partner. Teams who need access should contact learning@onefpa.org for assistance.
- Teams must clearly document assumptions, inputs, and outputs, and be prepared to explain and defend all results.

No Use of Artificial Intelligence

- The use of generative AI tools (such as ChatGPT, Claude, Gemini, or similar systems) to draft, analyze, or produce any portion of the financial plan, welcome letter, summary outline, or presentation materials is **not permitted**.
- Submissions suspected of AI-generated content may be reviewed and may result in disqualification.

Each submission should reflect the student team's own learning, judgment, and preparation.

The Written Plan Should Include the Following:

- An executive summary letter that introduces the client's situation, assesses the client's current financial condition, summarizes key recommendations toward the client's goals, and addresses any conflicts or trade-offs with the client's values in mind.
- A one-page summary outline highlighting the major components of the financial plan.
- A SWOT analysis identifying the client's key strengths, weaknesses, opportunities, and threats.
- Documented analysis with clear identification and explanation of the assumptions used in evaluating each goal and financial need.
- Discussion of any conflicts between the client's goals, needs, and financial constraints, including how those conflicts are addressed in the plan.
- A client service model that demonstrates thoughtful understanding of the client's values, priorities, and circumstances, including identification of when other professionals may be needed to implement recommendations.

Note: Teams are encouraged to make reasonable assumptions where details are not provided.

Submission Instructions

- Each team must submit its financial plan as one compiled PDF document.
- To preserve blind judging, do not include your school name, location, or team member names anywhere in the case submission, file name, or document properties.
- All submissions must be uploaded through the official competition registration form by the published deadline listed on the Financial Planning Challenge website.
- If you experience technical issues with the registration form, please contact learning@onefpa.org for assistance.

Judging

- Judges are appointed by the presenting organizations and reflect professional expertise across the financial planning field.
- Judges review submissions using a standardized grading rubric (available on the Financial Planning Challenge website) to ensure consistency and fairness.
- Each team will receive a score based on the quality of their submission. Phase 1 represents 30% of the total competition score.

Students and Academic Advisors with questions about the case study, guidelines, or submissions should contact learning@onefpa.org.

THANK YOU TO OUR SUPPORTING PARTNERS

MoneyGuidePro for financial planning software access and support to student teams.

Dalton Education for case study development and learning resources.

Meet Your Clients: The Martinez Family

Marcus and Sofia Martinez arrive at their first meeting feeling both proud of what they have built and uncertain about what lies ahead. Like many busy families, they have managed their finances on their own for years, but with growing responsibilities, they believe it is time for professional guidance.

The Martinez family lives in suburban Atlanta, Georgia, where they are raising their three children. Both Marcus and Sofia have established successful careers, and while their household income is strong, they increasingly feel that many financial decisions, from retirement to college funding to caring for family members, are becoming more complex.

They found you through the Financial Planning Association's PlannerSearch® and scheduled their first planning meeting hoping to gain clarity and confidence about their financial future.

Marcus begins the conversation simply: "We feel like we're doing a lot of things right, but we're not sure if we're doing them in the right order."

Family Background

Marcus Martinez, age 42, works as a Nurse Practitioner for a large nonprofit hospital system. He earns a base salary of \$125,000 and has been with the organization for seven years. Marcus enjoys his work and values the stability of his employer, which also qualifies for federal Public Service Loan Forgiveness (PSLF).

In addition to his full-time position, Marcus runs a small telehealth consulting practice on evenings and weekends that generates approximately \$40,500 per year.

Marcus prefers to keep financial matters simple. He generally trusts automatic savings strategies and target-date investment funds and tends to avoid watching markets closely because volatility makes him uncomfortable.

Sofia Martinez, age 40, works as a Product Manager at a mid-sized technology company. She earns a base salary of \$140,000 and typically receives an annual bonus averaging 20% of salary, or about \$28,000.

Sofia has always taken a strong interest in financial matters. She reads financial news regularly, reviews their accounts monthly, and has historically taken the lead in financial decisions for the household. However, both Marcus and Sofia now want to become more involved together in long-term planning decisions.

They have been married for 14 years and have three children:

- **Isabella (12)** – A gifted student with strong interests in STEM and a competitive swimmer.
- **Diego (9)** – Diagnosed with ADHD and currently receiving occupational and behavioral therapy.
- **Lucia (5)** – Energetic and curious, preparing to begin kindergarten this fall.

The Martinez family describes their core values as education, health, financial stability, and family security. They are active in their local community and regularly donate to local charities and their children's schools.

Extended Family Considerations

Family responsibilities are also becoming an important factor in their financial planning.

Sofia's parents live in Florida and are both retired educators. Her father, age 68, was recently diagnosed with early-stage Parkinson's disease. While both parents remain independent today, Sofia is concerned that their needs may change in the future and wonders whether she may eventually need to help support them financially.

Marcus's mother, age 64, lives in Texas. She is widowed and owns her home outright. She receives income from a pension and Social Security and currently appears financially independent.

The Martinez Family's Financial Life Today

The family purchased their four-bedroom home in suburban Atlanta in 2018 and have no plans to relocate. Their home has appreciated significantly since purchase and now represents a meaningful portion of their net worth.

Their annual living expenses total approximately \$156,000, excluding debt payments. These expenses include housing costs, transportation, childcare, therapy for Diego, insurance premiums, and discretionary spending.

Marcus and Sofia track their spending using Mint and review their finances monthly. Their credit scores are excellent, Marcus: 792 and Sofia: 785, and they feel confident they maintain a healthy emergency reserve, although they admit they have never formally calculated how much they should keep in cash.

Income Overview

The Martinez household currently earns approximately **\$333,500 in total annual gross income**, derived from the following sources:

- Marcus Base Salary: **\$125,000**
- Marcus Telehealth Consulting: **\$40,500**
- Sofia Base Salary: **\$140,000**
- Sofia Annual Bonus: **\$28,000**

They file their taxes Married Filing Jointly and reside in the state of Georgia, which imposes state income tax.

Employment Benefits

Both Marcus and Sofia have access to employer-sponsored benefits through their respective employers.

Marcus participates in a 403(b) retirement plan, which includes a 3% employer contribution. He also receives long-term disability insurance covering 60% of his base salary, partially paid by his employer, along with group life insurance equal to one times his base salary.

Sofia participates in a 401(k) plan with a dollar-for-dollar employer match up to 6% of salary. Her employer also provides both short- and long-term disability coverage, along with life insurance equal to two times her base salary.

Through Sofia's employer, the family currently participates in a PPO health insurance plan, though they have never fully evaluated whether an alternative plan may be more advantageous.

Their current health plan includes:

- Annual Premium: **\$5,200**
- Family Deductible: **\$1,500**
- Family Out-of-Pocket Maximum: **\$6,000**

An alternative High Deductible Health Plan (HDHP) is available with:

- \$0 premium

- \$3,200 deductible
- \$7,500 out-of-pocket maximum
- \$1,000 employer HSA contribution

The family also pays:

- **Dental insurance:** \$800 annually
- **Vision insurance:** \$240 annually

Cash and Savings

The family maintains several cash accounts:

- Marcus Checking: **\$6,200**
- Sofia Checking: **\$8,500**
- Joint Checking: **\$22,000**
- Joint High-Yield Savings: **\$75,000**

Marcus and Sofia believe this provides an adequate emergency reserve, though they have never formally evaluated how much they should maintain.

Retirement Savings

The couple has accumulated meaningful retirement savings across multiple accounts as they consider retirement a high priority goal.

Sofia's 401(k)

Balance: **\$285,000**

Current contribution: **12% of salary (\$16,800)**

Employer match: **\$8,400 annually**

Investment allocation:

- 70% Vanguard Total Stock Market Index
- 20% Vanguard Total International Stock Index
- 10% Vanguard Total Bond Market Index

Marcus's 403(b)

Balance: **\$178,000**

Current contribution: **10% of salary (\$12,500)**

Employer contribution: **\$3,750 annually**

Invested entirely in a Vanguard Target Retirement 2050 Fund.

Marcus's Former Employer Plan

Balance: **\$67,000**

Investment allocation:

- 60% Fixed annuity (3.5% guaranteed return)
- 40% TIAA Target 2050 Fund with relatively high expenses

Sofia's Rollover IRA

Balance: **\$142,000**

Invested across low-cost index funds.

Taxable Investments

The couple also maintains brokerage accounts:

- Sofia Brokerage Account: **\$110,000**
- Joint Brokerage Account: **\$45,000**

These accounts are invested primarily in ETFs.

Education Savings

The Martinezes have started saving for their children's college education using **529 plans**.

Current balances:

- Isabella: **\$45,000**

- Diego: **\$28,000**
- Lucia: **\$8,000**

They currently contribute \$500 per month to each account. Their goal, which is very important to them, is to help fund undergraduate education, ideally at in-state public universities, though they want flexibility if circumstances change.

Real Estate

Primary Residence:

- Current Value: **\$675,000**
- Purchase Price (2018): **\$485,000**
- Mortgage Balance: **\$385,000**
- Interest Rate: **3.875%**
- Remaining Term: **22 years**

Annual housing expenses include:

- Property taxes: **\$14,500**
- Homeowners insurance: **\$2,800**

Vehicles and Personal Property

Vehicles:

- 2023 Honda Pilot (owned outright): **\$42,000 value**
- 2021 Audi A4 (loan balance \$18,000)

Combined auto insurance: **\$3,600 annually**

Household contents, jewelry, and electronics are estimated to have a replacement value of \$85,000 and are covered under homeowners insurance.

Debt and Liabilities

Marcus carries \$165,000 in federal student loans at a 6.5% interest rate. He is enrolled in an Income-Based Repayment plan and has completed 84 qualifying PSLF payments, leaving 36 payments remaining before potential loan forgiveness.

Sofia carries \$45,000 in MBA student loans at 6.8% interest with six years remaining on a standard repayment schedule.

The family also carries \$12,000 in credit card debt at an average interest rate of 19.9%, often related to travel and irregular expenses.

They very much want to know how to manage multiple forms of debt and how to prioritize.

Estate Planning

The Martinez estate plan was last updated in 2015 and currently includes:

- Basic wills naming each other as primary beneficiaries
- Guardianship designation for Isabella only
- No trusts
- No powers of attorney
- No healthcare directives
- No HIPAA authorizations

They recently updated beneficiary designations on retirement accounts and life insurance policies. Protecting their family and understanding estate planning strategies is important to them!

Special Needs Planning Considerations

Diego's ADHD requires ongoing support, including:

- Occupational therapy
- Behavioral therapy
- Medication

Annual costs average approximately **\$16,000**, or about **\$13,000 after insurance**.

Marcus and Sofia worry about ensuring Diego has appropriate support if something were to happen to them but have not yet explored special needs planning options.

Investment Attitudes and Financial Behavior

Sofia describes herself as comfortable with moderate investment risk and regularly monitors their accounts.

Marcus is more cautious and prefers investments that adjust automatically over time.

Together they:

- Track spending monthly
- Automate savings
- Maintain strong credit scores
- Have never worked with a financial planner before

Questions the Martinez Family Wants Help Answering

At the end of the meeting, Marcus and Sofia shared the questions weighing most heavily on their minds:

1. Can we afford to fully fund college for all three children?
2. What amount of life insurance do we really need?
3. How should we plan for Diego's long-term needs?
4. How should we prepare for potential support for Sofia's parents?
5. Should we consider Roth conversions?
6. What tax strategies should we implement?
7. Should we invest in cryptocurrency?
8. Is real estate investing something we should pursue?
9. Could Sofia retire early at 62?
10. Can we both retire comfortably at 65?
11. Should we save for home improvements or finance them?

Marcus smiles and adds one final comment: "We've worked hard to get where we are. Now we want to make sure we're making the smartest decisions for our family's future."

Martinez Family – 2026 Projected Cash Flow Statement

Category	Annual Amount (\$)
Total Gross Income	333,500
Federal Income Taxes (Estimated)	63,500
FICA Taxes	23,200
Georgia State Income Taxes	18,000
Living Expenses (excl. debt)	156,000
Marcus Student Loan Payments	11,844
Sofia Student Loan Payments	6,216
Auto Loan Payments	4,200
Credit Card Payments	6,000
Employee Retirement Contributions	29,300
529 Plan Contributions	18,000
Additional Savings	10,000

Living expenses include medical, dental (\$800), and vision (\$240) premiums. Living expenses exclude all debt payments.

Martinez Family – Investment Holdings Statement (2026)

Account	Balance (\$)
Sofia Brokerage Account (ETFs)	110,000
Joint Brokerage Account (ETFs)	45,000
Sofia 401(k)	285,000
Sofia Rollover IRA	142,000
Marcus Roth 403(b)	178,000
Marcus Traditional 403(b)	67,000
Total Invested Assets	827,000

Martinez Family – Net Worth Statement (2026)

Category	Amount (\$)
Cash & Savings	111,700
Taxable Investments	155,000
Retirement Accounts	672,000
529 Education Savings	81,000
Primary Residence	675,000
Vehicles	74,000
Personal Property	85,000
Total Assets	1,853,700
Mortgage	385,000
Marcus Student Loans	165,000
Sofia Student Loans	45,000
Auto Loan	18,000
Credit Card Debt	12,000
Total Liabilities	625,000
Net Worth	1,228,700