

# 2023-24 Competitive Events Guidelines

## Personal Finance



Personal Finance provides members with the opportunity to demonstrate knowledge around introductory competencies in financial skills. This competitive event consists of an objective test. It aims to inspire members to learn how to manage personal finances.

### Event Overview

**Division:** High School

**Event Type:** Individual

**Event Category:** Objective Test, 100-multiple choice questions (breakdown of question by competencies below)

**Objective Test Time:** 50 minutes

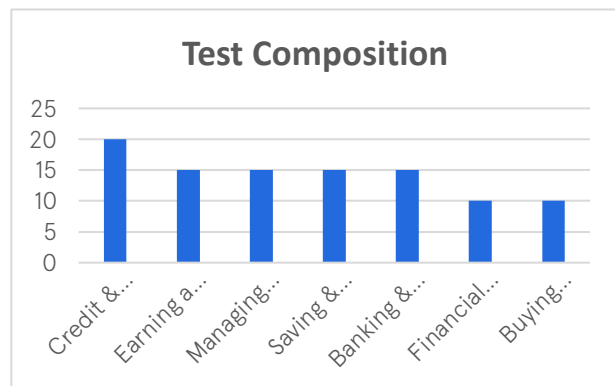
**NACE Connections:** Career & Self-Development

**Equipment Competitor Must Provide:** Pencil

**Equipment FBLA Provides:** One piece of scratch paper per competitor

### Objective Test Competencies

- Financial Principles Related to Personal Decision Making
- Earning a Living (Income, Taxes)
- Managing Budgets and Finance (Planning and Money Management)
- Saving and Investing
- Buying Goods and Services
- Banking and Insurance
- Credit and Debt



### California FBLA Guidelines (Section and State)

- No reference or study materials may be brought to the testing site.
- No calculators may be brought into the testing site; online calculators will be provided through the testing software.
- All electronic devices such as cell phones and smart watches must be turned off before competition begins.
- Bring a pencil to the testing site.

# 2023-24 Competitive Events Guidelines

## Personal Finance



### Section

- **Number of Competitors per Chapter:** The number of competitors from each chapter who can enter in this event will be based on local chapter membership on the section conference registration deadline.
  - 0-49 members – 3 competitors
  - 50-74 members – 4 competitors
  - 75-100 members – 5 competitors
  - 101+ members – 6 competitors
- **Number of Competitors Who Advance to State:** A minimum of the **top six (6) places** from each section will represent their section at the State Leadership Conference. The winners' list from each Section Leadership Conference will indicate the number of places that will advance.
- If the following number of competitors submit a test at the section level, more than six (6) winners from that section will be able to compete at state as shown below. Section Directors will determine the number of eligible competitors and send the list to the Competitive Events Coordinator.
  - 44-51 competitors completing a test – 7 competitors advance to state level
  - 52-60 competitors completing a test – 8 competitors advance to state level
  - 61-67 competitors completing a test – 9 competitors advance to state level
  - 68+ competitors completing a test – 10 competitors advance to state level

### State

- **Wild Card Entries:** Each chapter may have **three (3) members** compete as wild card entries at the state level. Wild cards may be used only in these 20 events:

Accounting I	Insurance & Risk Management
Advertising	Introduction to Business Communication
Agribusiness	Introduction to Business Concepts
Business Calculations	Introduction to Business Procedures
Business Communication	Introduction to FBLA
Business Law	Introduction to Financial Math
Computer Problem Solving	Introduction to Information Technology
Economics	Personal Finance
Healthcare Administration	Securities & Investments
Human Resource Management	Supply Chain Management

  - Using Wild Cards
    - Wild cards must be used in different events.
    - Any one member may only enter in one event as a wild card.
    - A wild card event counts as one of the two active events a member may enter.
- **The top four (4) places in state competition** will represent California at the National Leadership Conference.
- Middle school members who place in the top four **cannot** compete at the National Leadership Conference, per national guidelines.

# 2023–24 Competitive Events Guidelines

## Personal Finance



### National

#### *Policy and Procedures Manual*

- Competitors should be familiar with the Competitive Events Policy & Procedures Manual, found on the Competitive Events page on [www.fbla.org](http://www.fbla.org).

#### *Eligibility*

- FBLA membership dues are paid by 11:59 pm Eastern Time on March 1 of the current program year.
- Members may compete in an event at the National Leadership Conference (NLC) more than once if they have not previously placed in the top 10 of that event at the NLC. If a member places in the top 10 of an event at the NLC, they are no longer eligible to compete in that event.
- Members must be registered for the NLC and pay the national conference registration fee in order to participate in competitive events.
- Members must stay in an official FBLA hotel to be eligible to compete.
- Each state may submit four entries per event.
- Each member can only compete in one individual/team event and one chapter event (American Enterprise Project, Community Service Project, Local Chapter Annual Business Report, Partnership with Business Project).
- Picture identification (physical or digital driver's license, passport, state-issued identification, or school-issued identification) is required when checking in for competitive events.
- If competitors are late for an objective test, they will be allowed to compete until such time that results are finalized, or the accommodation would impact the fairness and integrity of the event. Competitive event schedules cannot be changed. Competitive events start in the morning before the Opening Session of the NLC.

#### *Recognition*

- The number of competitors will determine the number of winners. The maximum number of winners for each competitive event is 10.

#### *Event Administration*

- This event is an objective test administered online at the NLC.
- No reference or study materials may be brought to the testing site.
- No calculators may be brought into the testing site; online calculators will be provided through the testing software.

#### *Tie Breaker*

- Ties are broken by comparing the correct number of answers to 10 pre-determined questions on the test. If a tie remains, answers to 20 pre-determined questions on the test will be reviewed to determine the winner. If a tie remains, the competitor who completed the test in a shorter amount of time will place higher.

# 2023-24 Competitive Events Guidelines

## Personal Finance



### *Americans with Disabilities Act (ADA)*

- FBLA meets the criteria specified in the Americans with Disabilities Act for all competitors with accommodations submitted through the conference registration system by the registration deadline.

### *Penalty Points*

- Competitors may be disqualified if they violate the Competitive Event Guidelines or the Honor Code.
- Five points are deducted if competitors do not follow the Dress Code or are late to the testing site.

### *Electronic Devices*

- All electronic devices such as cell phones and smart watches must be turned off before competition begins.

### Study Guide: Competencies and Tasks

#### A. Financial Principles Related to Personal Decision Making

1. Evaluate how decisions made at one stage of your life can affect your options at other stages.
2. Find and evaluate financial information from a variety of sources.
3. Identify major consumer protection laws.
4. Make financial decisions by systematically considering alternatives and consequences.
5. Develop communication strategies for discussing financial issues.
6. Control and secure personal information.
7. Describe how wise financial planning can help you achieve your goals.
8. Predict the effects of financial planning on specific situations.
9. Define money (characteristics, role, and forms) and trace how money and resources flow through the American economic system.
10. Define basic economic concepts (such as supply and demand; production, distribution, and consumption; labor, wages, and capital; inflation and deflation).

#### B. Earning a Living (Income, Taxes)

1. Identify components and sources of personal income.
2. Describe how the demand for certain skills helps determine the amount you will be paid.
3. Identify the effects of employment on financial security.
4. Relate employee benefits to disposable income.
5. Compute gross earnings and describe factors affecting take-home pay.
6. Calculate mandatory and voluntary deductions to get net pay.
7. Compare various employee benefits and retirement programs.
8. Identify various types of taxes that relate to income.
9. Summarize guidelines for reporting taxes.
10. Define exemptions, dependents, and taxable and nontaxable income.
11. Prepare tax forms such as 1040EZ, 1040A using a W2 form and a 1099 interest form, W-4, and I-9 forms
12. Compute taxes using a tax table and other appropriate information.
13. Describe the differences in various types of employment. (i.e., flextime, job sharing, telecommuting, full- and part-time, piece work)

#### C. Managing Budgets and Finance (Planning and Money Management)

1. Determine short- and long-term goals.
2. Develop and implement a personal financial plan for earning, spending, saving, and investing.
3. Develop a system for keeping and using financial records.
4. Track income and spending to analyze and prepare a budget and make adjustments.
5. Describe the effect of different payment methods—cash, credit, installment loans, mortgages, debit cards, checks or online deposits, transfers, and payments on the budget and financial plan.
6. Identify some of the serious problems that can arise when you don't plan your finances or implement your financial plan.
7. Use financial management software to prepare a budget, track income and expenses, and project taxes.

# 2023–24 Competitive Events Guidelines

## Personal Finance



### D. Saving and Investing

1. Define investment terms including risk management, yields, and rate of return.
2. Explain how investing and saving builds wealth and helps meet financial goals.
3. Distinguish between short- and long-term savings goals.
4. Determine saving options and the need for and the purpose of savings.
5. Evaluate investment alternatives and sources of investment information and prepare a personal investment strategy.
6. List types and methods of savings.
7. Compare and choose among saving and investment options such as stocks, bonds, CDs, and 401K savings plans.
8. Describe how to buy and sell investments.
9. Track various stocks over a period of time.
10. Compute the anticipated rate of return on specific investments and savings accounts using various factors such as simple or compound interest, dividends, fees, etc.
11. Explain how taxes affect the rate of return on investments.
12. Demonstrate how to evaluate advisors' credentials and how to select professional advisors and their services.
13. Investigate how agencies that regulate financial markets protect investors.

### E. Buying Goods and Services

1. Compare and contrast the advantages and disadvantages of renting versus purchasing property such as a home, auto, and equipment.
2. Calculate costs involved in purchasing and maintaining a vehicle and a home and the methods of figuring depreciation.
3. Determine spending patterns based on a review of financial records.
4. Evaluate information about products and services such as warranties, clearance items, and consumer reports.
5. Compare the advantages and disadvantages of alternative payment types—credit, cash, loans, etc.
6. Describe the rights and responsibilities of buyers and sellers under consumer protection laws.

### F. Banking and Insurance

1. Identify common types of risks and basic risk management methods.
2. Identify the purpose, importance, and major characteristics of property and liability insurance protection.
3. Identify the purpose, importance, and major characteristics of health, disability, and life insurance protection.
4. Evaluate how insurance (e.g., auto, home, life, medical, and long-term health) and other risk management strategies protect against financial loss.
5. Compute the costs and benefits of specific insurance plans.
6. Predict how personal factors affect insurance needs and costs.
7. Compare different types of banking options such as credit unions and other banks.
8. Identify the types of banking services and their costs for meeting various needs.
9. Write a check and prepare deposits and withdrawal slips.
10. Maintain a check register including proper procedures for ATM and automatic payment withdrawals.
11. Reconcile a bank statement.
12. Explain the advantages and security issues with online banking and bill payment.

# 2023–24 Competitive Events Guidelines

## Personal Finance



### G. Credit and Debt

1. Identify the costs, benefits, and sources of various types of credit.
2. Give the advantages and disadvantages of using credit in specific situations.
3. Explain the purpose of a credit record and identify borrowers' credit report rights.
4. Develop and use personal debt-reduction strategies to manage and avoid or correct debt problems.
5. Identify major consumer credit laws.
6. Reconcile a credit card statement and analyze finance charges.
7. Evaluate the terms and conditions of credit offers and make recommendations based on the analysis.
8. Evaluate the concept of creditworthiness as it relates to credit records, credit ratings, credit reports, and credit laws.
9. Describe the advantages and disadvantages of bankruptcy.
10. Compare the terms and rates of mortgage agreements.
11. Demonstrate awareness of consumer protection and information (identify theft, phishing, scams, etc.).
12. Complete credit forms and loan applications.
13. Compare the costs of a purchase if paid with cash, credit cards, charge accounts, and installment loans.
14. Evaluate various personal and economic factors that influence the availability of credit.
15. Describe the responsibilities of the consumer to the creditor in terms of handling credit as a responsible consumer.