

**UNIT
2****CASE STUDY:****Transportation
Situation**

Case Brief

Case Question

How can Jordan buy her first car in a way that meets her needs without creating long-term financial stress?

How You'll Use This Case

This case will unfold across four topics. Each topic releases new case information and new case study materials to help you analyze the decision step by step.

You will not have all the information at once.

Each topic, your task is to analyze the new evidence, not to decide on a single "right path." Your final conclusions should be based on patterns you observe across all four topics.

The Situation

Jordan is 17 and working a part-time job while finishing high school. Getting around has never been easy. Jordan relies on the school bus for classes and depends on family or friends for rides to work. Lately, that's starting to feel limiting. A car would mean more independence, more reliable transportation to work, and less stress about schedules.



Jordan

But buying a car isn't just about picking something that looks good. Jordan has been watching a lot of car content on social media, and a friend recently bought a car that gets a lot of attention. Ads promise "low monthly payments," influencers make expensive cars look normal, and peer pressure makes it hard to tell what's a smart choice versus an impulsive one.

Jordan has some money saved and earns a steady (but limited) income. Every decision—where to keep her money, how much to spend, whether to save longer or borrow, and how to handle rising prices—will affect not just the car, but Jordan's stress level, future goals, and financial stability after graduation.

Throughout this unit, you'll help Jordan think through these decisions step by step, using real financial tools and discovering realistic trade-offs.

Your goal? Help Jordan make a transportation plan that meets her needs without creating financial stress later.

By the end of the unit, you should be able to recommend a clear, realistic plan for Jordan—and apply the same thinking to your own financial decisions.

Your Role

You are Jordan's trusted friend, someone she can think out loud with before making a big decision. Your job isn't to tell her what she wants to hear, but to help her slow down, weigh trade-offs, and think through both short-term benefits and long-term consequences.

Preview

As you move through each topic in this unit, you will receive new information about Jordan's transportation situation. Each topic focuses on a different dimension of money management and decision-making:

- **Topic 1:** Where should Jordan keep her money and which financial institutions or loan options make sense when preparing for a major purchase like a car?
- **Topic 2:** How do personal values, advertising, social media, and peer pressure influence Jordan's car choice, and what trade-offs come with each option?
- **Topic 3:** Can Jordan actually afford the car she wants once all costs are included, and how does budgeting reveal what's realistic?
- **Topic 4:** How do saving, borrowing, and interest affect Jordan's future, and what transportation plan protects long-term financial stability?

Each decision involves trade-offs between convenience, cost, independence, and peace of mind. Understanding how Jordan's values, priorities, and financial tools work together helps you make recommendations that fit Jordan's life. The ultimate goal, though? Take what you learn from Jordan's scenario and apply it to your own life decisions when it comes to big purchases and budgeting in your future!

Case Study Resolution (End of Unit)

At the end of the unit, you'll use evidence from all four topics to explain how Jordan's transportation choices affect her financial stability, stress, and future opportunities.

The goal is to show that smart money management is not about perfection—it's about making informed decisions that align with goals, values, and real-life constraints.

TOPIC 1: INTRODUCTION

Financial Institutions & Services

New Case Information

Before Jordan can seriously compare cars or talk about monthly payments, there's a more basic question that needs answering: *Where will the money come from, and how will it be managed safely?*

Jordan has been saving money and earns a steady paycheck by working part-time, but buying a car means handling larger amounts of money than ever before. Friends offer advice like, "Just finance it through the dealer," or "Banks are all the same." Others mention credit unions, online banks, or even short-term borrowing options without really explaining the differences.

Jordan needs to decide:

- where to keep her money
- how to make payments
- which type of financial institution makes sense when preparing for a major purchase.

This decision matters because the wrong financial services and tools can lead to higher costs, unnecessary fees, or risky borrowing—even before the car choice itself is made. Jordan needs help deciding where the money should be kept so it's safe, accessible, and protected.

Supporting Question 1:

Which type of financial institution should Jordan use to save money and possibly finance a car, and why?

You will use case study materials to complete activities to help answer this question. Your answers must be supported with evidence.

How to Use the Case Study Materials

Financial Institutions, Tools & Services Comparison

The information in this chart will help you evaluate and compare fees, access, interest, and protection, so you can explain which option(s) might best support Jordan's financial goals and reduce financial risk.

FINANCIAL INSTITUTIONS & SERVICES

Financial Institutions, Tools & Services Comparison

How to Use This Chart

Help Jordan compare where and how to store and access her money.

Use this chart to:

- compare how each option stores and protects money.
- identify trade-offs between convenience and safety.
- decide which options may work best while saving for a big purchase.



Important Reminder

This chart helps you explain to Jordan where money should be kept and accessed.

It should not provide specific answers about:

- how much to spend,
- what a used car should cost,
- or whether to borrow money.

Those decisions come later.

FINANCIAL INSTITUTIONS & SERVICES

Financial Institutions, Tools & Services, Comparison Chart

FINANCIAL INSTITUTIONS

	What It Is & Services Offered	Fees	Access	Savings (Interest)	Loans (Interest Rates)	Protection & Risk
Traditional Bank	A for-profit financial institution that offers checking, savings, loans, and other services through branches and Automatic Teller Machines (ATMs).	May charge monthly fees, overdraft fees, and ATM fees (often avoidable with minimum balances).	Physical branches, ATMs, debit cards, online and mobile banking.	Usually low interest earned on basic savings accounts.	Loan rates are usually average or moderate and depend on credit and loan length.	Deposits are typically FDIC insured , ¹ meaning money is protected up to a limit if a bank fails.
Credit Union	A not-for-profit cooperative financial institution that offers bank services and is owned by its members.	Often lower fees and fewer penalties than banks.	Branches and ATMs (sometimes shared with other credit unions), debit cards, online and mobile banking.	Often slightly higher interest earned on savings than traditional banks.	Loan rates are often lower than banks and more flexible.	Deposits are typically NCUA insured , ² offering identical protection to FDIC insurance.
Online Bank	A bank that operates primarily online without physical branches. Offers checking, savings, and sometimes loans.	Often low or no monthly fees.	Online and mobile apps, debit cards, ATM networks.	Often higher interest on savings than brick-and-mortar banks.	May offer loans, but options can be limited. Rates vary.	Deposits are typically FDIC insured , ¹ but no in-person service.

¹ Federal Deposit Insurance Corporation (FDIC): a U.S. government agency with many responsibilities, including insuring bank deposits up to \$250,000 and overseeing financial institutions for safety, soundness, and consumer protection.

² National Credit Union Administration (NCUA): a U.S. government agency with many responsibilities, including insuring credit union deposits up to \$250,000 and overseeing credit unions for safety, soundness, and consumer protection.

FINANCIAL TOOLS/PLATFORMS

	What It Is & Services Offered	Fees	Access	Savings (Interest)	Loans (Interest Rates)	Protection & Risk
Mobile Payment Platform (Venmo, PayPal, Zelle, etc.)	An app used to send and receive money electronically, often linked to a bank account or debit card rather than holding money long-term.	Usually no monthly fees, but some transaction or transfer limits may apply.	Smartphone app only; relies on internet or cellular service.	n/a: Typically does not pay interest on stored balances.	n/a: Does not typically offer traditional loans.	Funds may have limited protection and may not be insured like bank deposits. Risk increases if phone or account access is lost.
Digital Asset Platform (Coinbase, Robinhood, Binance, etc.)	A platform used to buy, sell, or store digital assets like cryptocurrency ³ . Not a traditional bank.	Transaction fees can be high and prices can change quickly.	Online platforms and apps only.	n/a: Does not earn traditional savings interest.	n/a: Does not typically offer traditional loans.	High risk. Value can change quickly and funds are not typically insured like bank deposits. Not reliable for everyday money needs.

³ Cryptocurrency: a digital currency that uses a decentralized system to store transactions.

ALTERNATIVE FINANCIAL SERVICES

	What It Is & Services Offered	Fees	Access	Savings (Interest)	Loans (Interest Rates)	Protection & Risk
Payday Loans, Check-Cashing Services, Rent-To-Own, Dealer Financing	Services that provide quick access to money or purchases, often outside traditional banks, and typically used when someone cannot easily access bank services.	Often charge very high fees or interest. Costs can add up quickly.	Easy access, often with fewer requirements.	n/a: Do not offer savings accounts or interest.	Loans (if offered) often have very high interest rates or long-term costs.	Higher risk. Less protection and greater chance of long-term financial stress.

TOPIC 2: INTRODUCTION**Consumer Decision-Making****New Case Information**

Now that Jordan understands the basic financial services and tools available, the focus shifts to the actual car choice, and the forces shaping that decision.

Jordan is deciding between three different cars:

- one that looks newer and more exciting but costs more
- one that is reliable and affordable but less impressive
- one that is very cheap upfront but may come with hidden risks.

As Jordan compares options, outside influences start to matter more than expected. Social media posts make expensive cars feel normal. A friend keeps pushing the idea that “you only live once.” Advertisements emphasize low monthly payments instead of the total cost. At the same time, prices for gas, insurance, and repairs are rising, meaning Jordan’s money doesn’t go as far as it used to.

Jordan must now slow down and separate:

- needs from wants
- excitement from long-term impact
- marketing messages from real costs.

The challenge in this topic isn’t choosing the “best” car. It’s learning how consumer decisions are shaped by values, pressure, and trade-offs, and how to make choices that can be explained with evidence.

Supporting Question 2:

How do values, peer pressure, and advertising influence Jordan's car choice, and what trade-offs are involved?

You will use case study materials to identify outside influences on Jordan's thinking, analyze how emotions and pressure affect spending decisions, and explain the trade-offs Jordan faces between cost, reliability, appearance, and long-term stability.

Your answers must be supported with evidence.

How to Use the Case Study Materials

Car Choice & Influence Snapshot

Use this information to explain why some choices feel more tempting, even if they carry greater risk. These materials will help you practice slowing down your thinking, recognizing influence, and explaining trade-offs—skills you'll use again when building a budget and evaluating Jordan's borrowing options later in the unit.

Car Choice & Influence Snapshot

Jordan is torn between competing priorities:

- independence and reliability
- avoiding financial stress
- wanting to fit in and feel confident
- thinking about life after graduation

None of these priorities are “wrong.” The challenge is helping Jordan decide which priorities matter most right now.



How to Use These Materials

Use the information provided to understand:

- the three car options Jordan is considering
- examples of advertising, social media, and peer influence
- Jordan’s competing priorities and concerns.

Look for:

- persuasive language
- emotional triggers (excitement, fear of missing out, anxiety)
- what information is emphasized—or ignored.

Important Reminder

You are not telling Jordan what car to choose (yet). Your job in this topic is to help Jordan identify influences and trade-offs.

Part 1: The Car Options

Jordan is considering three different cars. Each option meets the basic need for transportation, but they differ in cost, reliability, and appeal.





Sporty Coupe

98k miles
\$13,500
 \$267/mo estimated
 \$0 cash down
 DRIVE IT HOME TODAY

Features: Sunroof, Sport Mode, Backup Camera, Bluetooth, New Brake Pads

Monthly payment based on approved credit. Actual rate and terms may vary based on creditworthiness. Down payment may be required. Tax, title, license, and dealer fees not included in advertised price. Total amount financed will exceed vehicle purchase price. Offer subject to change without notice.

(202) 342-1243 jake@capitalcityauto.com

Option A:

"Looks Cool, Costs More"

- Price: \$13,500
- Mileage: 98,000 miles
- Purchased from a dealer Capital City Auto



Online Marketplace

Reliable Sedan for Sale by Owner

\$8,000
 120,000 miles

Tires have just been replaced

Katherine • **ONLINE NOW!**
 Please call or text me
 703-415-9012
 Serious inquiries only

Option B:

"Reliable and Practical"

- Price: \$8,000
- Mileage: 120,000 miles
- Purchased from a private seller

CAR FOR SALE



Price: \$4,200
Mileage: 165,000 miles

Runs great! Just needs a little TLC
 call or text Mo
 301-541-9576

call or text Mo	call or text Mo	call or text Mo	call or text Mo	call or text Mo	call or text Mo	call or text Mo
301-541-9576	301-541-9576	301-541-9576	301-541-9576	301-541-9576	301-541-9576	301-541-9576

Option C:

"Cheap Now, Risk Later"

- Price: \$4,200
- Mileage: 165,000 miles
- Purchased from a private seller

Part 2: Advertising Messages

Dealer Advertisement

SUPER SALE

Limited Time Offer

Annual Savings Event

3-month warranty!

Best deal!

Perfect for students!

Drive it home today for just \$249 a month!

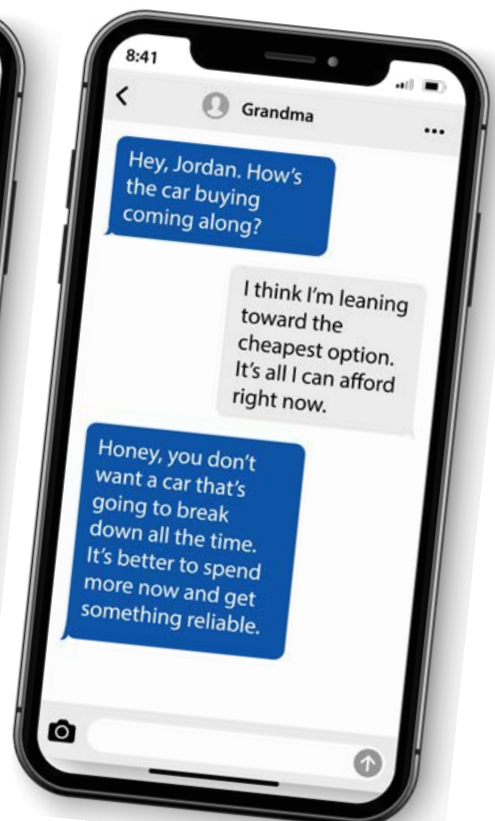
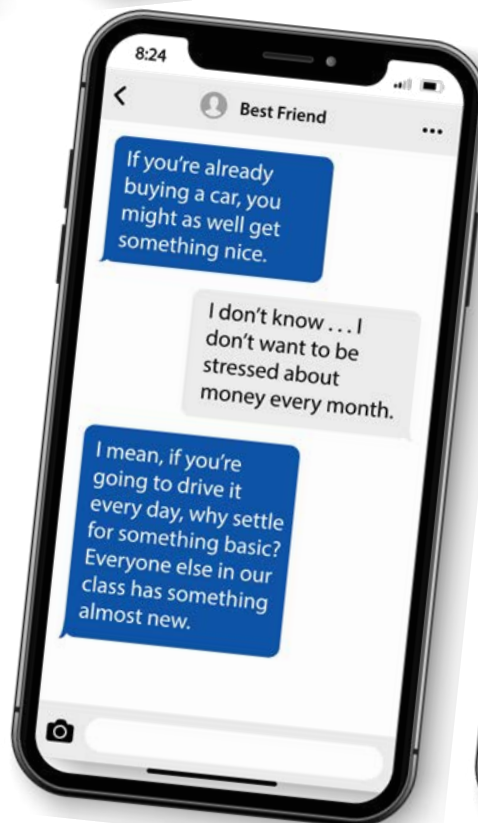
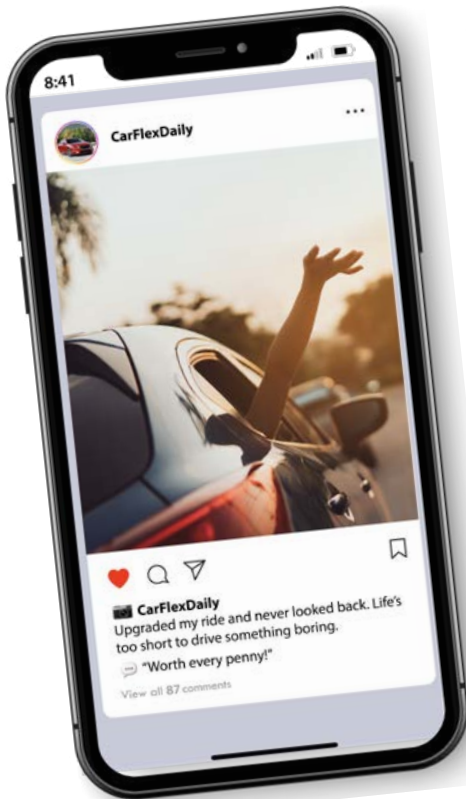
SPECIAL OFFER

HOT PRICE

INVENTORY CLEARANCE EVENT

Part 3: Social Media & Peer Pressure

Social Media Posts



TOPIC 3: INTRODUCTION

Budgeting & Cash Flow Management

New Case Information

At this point, Jordan has compared financial institutions and examined how values, advertising, and peer pressure influence which car feels most appealing. Now comes a critical reality check: Can Jordan actually afford this decision?

Jordan is starting to realize that owning a car involves more than just a purchase price. There are ongoing costs to consider. Some of those costs stay the same each month, while others change depending on usage, prices, or unexpected events. Jordan's income is limited and not guaranteed, which means every monthly decision carries weight.

Use the case study materials to help Jordan figure out what's actually financially possible.

Supporting Question 3:

How can Jordan use a budget to determine whether each car option is financially realistic, and what trade-offs appear once all costs are included?

You will use case study materials to complete activities to answer this question. Your answers must be supported with evidence.

How to Use the Case Study Materials

Jordan's Financial Snapshot

Explore Jordan's monthly income and expenses and identify fixed and variable costs. Then, examine some potential loan options for each of Jordan's car options and determine her potential cash flow for each option. Use the data provided to help evaluate whether each car option leads to a budget surplus or a deficit.

Jordan's Financial Snapshot

These case study materials help you understand Jordan's monthly financial picture before helping decide how to pay for a car. They focus on her income, existing expenses, and new car-related costs without adding loan payments yet.

Your goal is to help Jordan see just how much flexibility is in her budget each month and why budgeting matters before borrowing. Remember: You are not helping Jordan choose a car or the best loan option yet. Your job is to understand trade-offs between monthly payments, affordability, and stress.



Part 1: Jordan's Monthly Income

Jordan works part-time during the school year, but she was able to bump up her hours over the summer and save up a bit extra.

- Average hours worked per week: 18 hours
- Hourly wage: \$15/hour
- Approximate monthly take-home pay (after taxes): \$900/month
- Savings: \$500

Note: Jordan's income is steady right now, but her hours could change.

Part 2: Jordan's Current Monthly Expenses

Expense	Monthly Cost
Phone plan (portion of family plan)	\$45
Fast food, snacks, and food delivery	\$115
Netclicks (video streaming service)	\$25
All Systems Pro (gaming subscription service)	\$20
PulsePlay (music streaming service)	\$10
Helping at home (assisting parents with groceries, rent, or utilities)	\$75
Personal spending (clothes, gifts, etc.)	\$100
Gas money for rides	\$40

Part 3: Estimated Monthly Car-Related Expenses (No Loan)

These costs apply once Jordan owns a car, regardless of how it is paid for.

Car-Related Expenses	Estimated Monthly Cost
Insurance	\$240
Gas*	\$70
Maintenance & Repair (put into savings account)	\$60
Registration Renewal and Property Tax (put into savings account)	\$50
Parking/Tolls	\$25
TOTAL MONTHLY CAR COSTS	\$445

*The budgeted gas amount includes the \$40 that was previously allotted for "Gas for Rides" since Jordan should no longer need rides from family and friends.

Part 4: Estimated Monthly Loan Payments

This chart helps you explore how borrowing affects Jordan's monthly budget. You will compare estimated loan payments for different car options and see how borrowing changes cash flow.

Car Option	Approximate Car Price	Estimated Monthly Loan Payment
Option A: Newer, More Expensive Car	\$13,500	\$260
Option B: Reliable, Mid-Range Car	\$8,000	\$150
Option C: Older, Cheapest Car	\$4,200	\$80

Note: These are example estimates of a 60-month loan based on different car prices and typical auto loan rates. They are not exact offers.

TOPIC 4: INTRODUCTION

Saving & Financial Goal Setting

New Case Information

Jordan has made progress: she understands financial tools, can recognize influence, and can use a budget to see what's realistic. But Jordan still faces a major challenge: how to build financial stability while working a part-time job and wanting a car.

Jordan has some savings already, but saving isn't just "having money left over." Saving requires intentional spending choices—especially when:

- friends are spending money on fun things
- social media makes upgrades feel urgent
- prices feel higher than expected
- it's tempting to spend now instead of planning ahead.

In this topic, Jordan needs to shift from "What do I want?" to "What am I saving for, and how will I actually do it?" That includes setting short-, medium-, and long-term goals, building habits like Pay Yourself First, and using tools like automation to make saving easier. Jordan also needs strategies to handle barriers like impulse spending, emotions, and the pressure to keep up with others while still leaving room for generosity and balance.

Supporting Question 4:

How should Jordan balance saving, spending, and borrowing to buy a car without harming her future financial stability?

You will use the case study materials to complete activities to answer this question. Your answers must be supported with evidence.

How to Use the Case Study Materials

Jordan's Financial Snapshot (Jordan's Current Monthly Expenses)

How is Jordan's current spending (and savings) plan working? Use the information provided to determine if Jordan is paying herself first, and to investigate how close she is to using the 50/30/20 budgeting framework.

Long-Term Impact

When someone borrows money, they don't just pay back the price of the purchase. They also pay interest, which is the cost of borrowing. The longer a loan lasts, the more interest is added over time. Use the information provided to familiarize yourself with how loan interest would add to the cost of Jordan's car over time.

Long-Term Impact

This case study information helps you understand how time, interest, and down payments change the real cost of buying a car. If Jordan borrows money, she won't just pay back the price of the purchase, she'll also pay **interest**, which is the cost of borrowing. The longer a loan lasts, the more interest adds up over time, even if the monthly payment feels more manageable.



A down payment reduces how much needs to be borrowed, which lowers both the monthly payment and the total amount paid over time. But using savings for a down payment may also reduce the financial cushion available for unexpected expenses. Examine this chart to see the effect a down payment has on the monthly amounts and total costs:

Down Payment Amount	Effect on Monthly Payment	Effect on Total Cost
No down payment	Highest monthly payment	Highest total cost
Small down payment	Slightly lower monthly payment	Lower total cost
Larger down payment	Much lower monthly payment	Much lower total cost

Keep in mind: advertisements often highlight monthly payments, but a loan that feels affordable month to month may cost significantly more overall. As you use the tables below, consider both what Jordan can afford *each month* and what Jordan will pay in *total*.

Part A: Comparing Loan Lengths (Same Car, Different Timeframes)

No matter what car Jordan chooses, there is a difference based on the loan length chosen.

Comparing Loan Lengths

Loan Length	Estimated Monthly Payment	Estimated Total Paid Over Time
36 months (3 years)	Higher monthly payment	Lower total cost (lowest interest paid)
48 months (4 years)	Medium monthly payment	Medium total cost
60 months (5 years)	Lower monthly payment	Higher total cost (highest interest paid)

Notice: As loan length increases, monthly payments go down, but the total amount paid goes up, because interest is part of each and every monthly payment.

Part B: Loan Comparison Charts

Remember: A smart financial decision balances what feels manageable now with what makes sense for the future. Use these charts for actual dollar numbers Jordan is working with.

60-Month Loan Comparison

	\$0 Down		\$500 Down		\$1,500 Down	
Car	Monthly Cost	Total Cost	Monthly Cost	Total Cost	Monthly Cost	Total Cost
Newer (\$13,500)	\$267	\$16,020	\$258	\$15,480	\$238	\$14,280
Mid-Range (\$8,000)	\$159	\$9,540	\$149	\$8,940	\$129	\$7,740
Cheapest (\$4,200)	\$84	\$5,040	\$75	\$4,500	\$54	\$3,240

48-Month Loan Comparison

	\$0 Down		\$500 Down		\$1,500 Down	
Car	Monthly Cost	Total Cost	Monthly Cost	Total Cost	Monthly Cost	Total Cost
Newer (\$13,500)	\$323	\$15,504	\$311	\$14,928	\$287	\$13,776
Mid-Range (\$8,000)	\$192	\$9,216	\$180	\$8,640	\$156	\$7,488
Cheapest (\$4,200)	\$102	\$4,896	\$91	\$4,368	\$66	\$3,168

36-Month Loan Comparison

	\$0 Down		\$500 Down		\$1,500 Down	
Car	Monthly Cost	Total Cost	Monthly Cost	Total Cost	Monthly Cost	Total Cost
Newer (\$13,500)	\$417	\$15,012	\$402	\$14,472	\$371	\$13,356
Mid-Range (\$8,000)	\$246	\$8,856	\$231	\$8,316	\$200	\$7,200
Cheapest (\$4,200)	\$131	\$4,716	\$116	\$4,176	\$85	\$3,060

Note: The monthly and total cost figures in the charts are estimates based on a 7% annual percentage rate (APR). APR is the yearly cost of borrowing money, expressed as a percentage. Actual rates will vary. A borrower with a strong credit history or a co-signer may qualify for a lower rate, while a borrower with limited or no credit history may receive a higher rate. These figures are provided for comparison purposes so you can see how down payment size and loan length affect cost, not to represent an exact offer Jordan, or any other teenager, would actually receive.

Case Study Resolution

You've followed Jordan through every stage of her car-buying decision—exploring where to keep her money, examining how advertising and peer pressure may be shaping her choices, analyzing whether her budget could realistically handle a car payment, and evaluating how saving and borrowing strategies affect her long-term financial stability. Now it's time to bring all of that together.

Case Question:

How can Jordan buy her first car in a way that meets her needs without creating long-term financial stress?

Using evidence from all four topics, create a **Transportation Plan** for Jordan that supports financial stability and long-term well-being.

Your plan should explain your opinion about what car Jordan should buy. Include reasoning and an overall plan that covers the following topics:

- where Jordan should keep her money and why (Topic 1)
- how values, advertising, and peer pressure influenced her car choice (Topic 2)
- what Jordan's realistic budget reveals about affordability (Topic 3)
- whether Jordan should put a down payment on the car, and how long the terms of the loan should be (Topic 4)
- how Jordan's saving goals and habits support her future financial security (Topic 4)

There is no single "right" answer. You will be evaluated on how clearly you explain your reasoning and use evidence from the case study materials.