

**Presentation Date:** October 8, 2024

# Elizabethtown Area School District



## **Feasibility Study**

### **FINANCIAL IMPACT**

#### **Part 1**

**Presented by:**

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CFOO

Every Student Graduates Ready to Live,  
Learn, and Thrive in a Global Community.



# Alignment to Board Goals

## Goal 1:

Create a 5-year financial plan to include all operations and education including renovation and instruction.

## Goal 2:

Promote and support broad opportunities and flexibility for individual learning while complying with core standards.

## Goal 3:

Identify and remove barriers to help students grow educationally, emotionally, and socially and for staff to thrive and succeed.



# Alignment to Pillars

**Pillar 1: Student Learning**

**Pillar 2: Student Readiness**

**Pillar 3: Engaged, Well Rounded Students**

**Pillar 4: Well Being**

**Pillar 5: Effective Adults**

**Pillar 6: Community Connections**

**Pillar 7: Effective Systems**

*Pillars highlighted in **GREEN** are relevant to the presentation*



# **FAMILY PLANNING PROCESS for FINANCIAL IMPACT**

## **MAJOR PURCHASE**



# Preparation for MAJOR PURCHASE

- ❖ Identify GOAL
- ❖ Current Situation
- ❖ What is Needed
- ❖ How to get there —
  - SPECIFIC ANNUAL COMMITMENTS
  - Changes/Modifications - now and on the journey
- ❖ Changes on Arrival
- ❖ LONG-TERM COMMITMENTS after Arrival
- ❖ FINANCIAL NEEDS & IMPACT

# GOAL



RENT

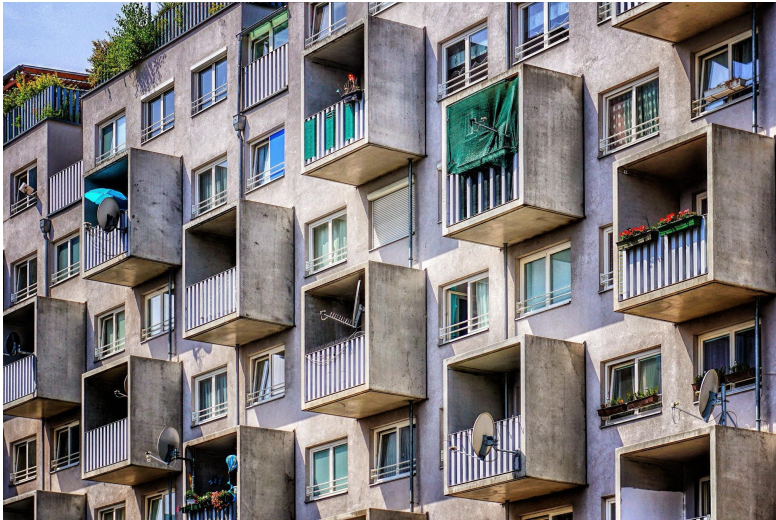
to

OWN

Family of 4

\$2,500 per month

\$500,000 purchase



## Current



- ❖ 2 Parent Income family
  - \$100,000 (\$50,000 each)
  - Anticipate a 3% annual pay increase for each income
- ❖ One Parent is getting a part-time job
  - \$20 / hr, 20 hours per week, 50 weeks per year
- ❖ Savings Account
  - \$5,000
- ❖ Rentals are hard to find - no option of moving to reduce rent
  - Current rent for 2 bedroom - \$2,500 + utilities
- ❖ GOAL
  - Purchase and move in 5 years



➤ CANNOT WAIVER/MODIFY

- Income Commitment
- Maintain Budget Plan
  - Revenue & Expense
- ANNUAL ROUTINE
- NO Unplanned Purchases

➤ Potential Consequences

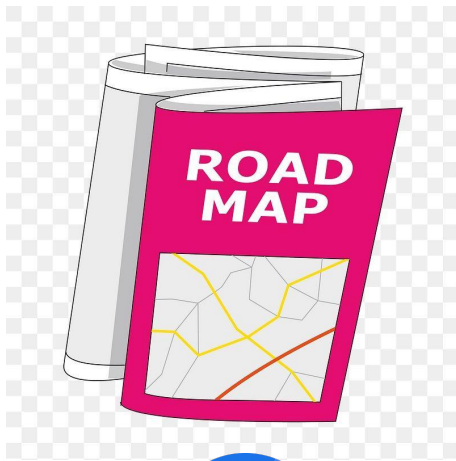
- Timeline Changes for attaining Goal
- Costs Change higher
- Uncontrollable issues - Goal must be modified
  - Development Full - look for new development and education system for children
- Goal is no longer attainable



## What is Needed

- ❖ Down Payment
  - \$100,000 - 20% of \$500,000 purchase
- ❖ Closing Costs
  - \$20,000 - 5% of \$400,000 loan amount
- ❖ Credit Score
  - 700+
- ❖ Sustainable Income and Savings
  - Mortgage payment vs Rent payment
    - \$3,500 vs \$2,500
  - Insurance increase - renters to homeowners
  - Home Cost Changes
    - Maintenance/Repairs vs Landlord provided
    - Taxes vs no rental taxes
    - Purchases - appliances, upgrades vs Landlord paid

# How do we get there?



Google Maps

## SPECIFIC DIRECTION PLAN

ANNUAL COMMITMENT

Financial Changes/Modifications

- today and on the journey



waze



## SPECIFIC DIRECTION PLAN



- ★ Income Increase - 3%
  - 1% to Regular Income & Living Expenses
  - 2% to Savings - GOAL
- ★ Second Job
  - \$20,000 (100% of income) to Savings - GOAL
- ★ Maintain Current Spending level
- ★ Anticipate Modifications
- ★ Prepare for Long-Term Sustainable Income

# PLAN - Years 1 to 9



## FINANCIAL NEEDS & IMPACT

	2024	2025	2026	2027	2028	2029	YEAR 5	2030	2031	2032	2033	YEAR 9
Total Income	\$100,000.00	\$103,000.00	\$106,090.00	\$109,272.70	\$112,550.88	\$115,927.41		\$119,405.23	\$122,987.39	\$126,677.01	\$130,477.32	
Total Increase		\$3,000.00	\$6,090.00	\$9,272.70	\$12,550.88	\$15,927.41		\$19,405.23	\$22,987.39	\$26,677.01	\$30,477.32	
Regular Income	1%	\$1,020.00	\$2,070.60	\$3,152.72	\$4,267.30	\$5,415.32		\$6,597.78	\$7,815.71	\$9,070.18	\$10,362.29	
Savings Income	2%	\$1,980.00	\$4,019.40	\$6,119.98	\$8,283.58	\$10,512.09	\$30,915.05	\$12,807.45	\$15,171.68	\$17,606.83	\$20,115.03	\$65,700.98
Extra Job Increase		\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$100,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$80,000.00
Deposit to Savings		\$21,980.00	\$24,019.40	\$26,119.98	\$28,283.58	\$30,512.09		\$32,807.45	\$35,171.68	\$37,606.83	\$40,115.03	
<b>AVAILABLE for PURCHASE</b>							\$130,915.05					
<b>AVAILABLE for INCREASED COSTS</b>												\$145,700.98
<b>ANNUAL INCOME for LIVING EXPENSES</b>		\$101,020.00	\$102,070.60	\$103,152.72	\$104,267.30	\$105,415.32		\$106,597.78	\$107,815.71	\$109,070.18	\$110,362.29	
		101.02%	101.04%	101.06%	101.08%	101.10%		101.12%	101.14%	101.16%	101.18%	

# PLAN - Years 1 to 5



## FINANCIAL NEEDS & IMPACT

	2024	2025	2026	2027	2028	2029	YEAR 5
Total Income	\$100,000.00	\$103,000.00	\$106,090.00	\$109,272.70	\$112,550.88	\$115,927.41	
Total Increase		\$3,000.00	\$6,090.00	\$9,272.70	\$12,550.88	\$15,927.41	
Regular Income	1%	\$1,020.00	\$2,070.60	\$3,152.72	\$4,267.30	\$5,415.32	
Savings Income	2%	\$1,980.00	\$4,019.40	\$6,119.98	\$8,283.58	\$10,512.09	<b>\$30,915.05</b>
Extra Job Increase		\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	<b>\$100,000.00</b>
Deposit to Savings		\$21,980.00	\$24,019.40	\$26,119.98	\$28,283.58	\$30,512.09	
<b>AVAILABLE for PURCHASE</b>							<b>\$130,915.05</b>
<b>AVAILABLE for INCREASED COSTS</b>							
ANNUAL INCOME for LIVING EXPENSES		\$101,020.00	\$102,070.60	\$103,152.72	\$104,267.30	\$105,415.32	
		101.02%	101.04%	101.06%	101.08%	101.10%	

# PLAN - Years 6 to 9



## FINANCIAL NEEDS & IMPACT

	2024	YEAR 5		2030	2031	2032	2033	YEAR 9
		SAVINGS	AFTER					
Total Income	\$100,000.00		PURCHASE	\$119,405.23	\$122,987.39	\$126,677.01	\$130,477.32	
Total Increase				\$19,405.23	\$22,987.39	\$26,677.01	\$30,477.32	
Regular Income	2%			\$12,807.45	\$15,171.68	\$17,606.83	\$20,115.03	
Savings Income	1%	\$30,915.05	\$30,915.05	\$6,597.78	\$7,815.71	\$9,070.18	\$10,362.29	\$33,845.96
Down Payment			-\$100,000.00					
Closing Costs			-\$20,000.00					
Savings after purchase								\$10,915.05
Extra Job Increase		\$100,000.00	\$100,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$80,000.00
Deposit to Savings				\$26,597.78	\$27,815.71	\$29,070.18	\$30,362.29	
<b>AVAILABLE for PURCHASE</b>		\$130,915.05						
<b>AVAILABLE for INCREASED COSTS</b>			\$10,915.05					\$124,761.01
ANNUAL INCOME for LIVING EXPENSES				\$112,807.45	\$115,171.68	\$117,606.83	\$120,115.03	
				107.01%	102.10%	102.11%	102.13%	



## LONG-TERM PLANNING

- ❖ Is Part-Time Income needed?
  - Reduce number of hours for additional income
- ❖ Keep 1% of Income Increase going to Savings?
- ❖ Change to 2% of Income Increase going to Savings?
  - Emergency Fund
  - Upgrades
- ❖ Future planning for additional needs
  - Newer vehicles, vacation, children needs

# Family OPTIONS



1. Move toward GOAL
  - a. 2% savings
  - b. 2nd job all toward savings
  
2. Modify GOAL
  - a. Smaller, not new house - less price
  - b. Potential higher long-term costs
    - i. Repairs
    - ii. additions/remodels
    - iii. Less efficient - higher utilities
  
3. Do nothing
  - a. Stay in apartment and if needed search for larger rental unit



# Questions?

For more information on this presentation, contact:

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Every Student Graduates  
Ready to Live, Learn, and  
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