

Part 1: Meet Morgan

Morgan began gambling as a junior in college. He actively follows his favorite NFL and college football teams. Lloyd was Morgan's college roommate and high school friend. One night, after watching a football game, Lloyd bragged that he won \$612 on his betting app. Impressed, Morgan inquired about the app and started betting that same night.

That was over four years ago and both Lloyd and Morgan are now **25-year-olds**. Morgan has continued his online betting throughout college and into his adult years. He has since graduated and lives with his parents **"to save money for a house."** He earns **\$5,200 after taxes** between his main job and side jobs. After work, Morgan enjoys attending sports bars, drinking beer, eating wings, and spending time on his sports betting apps and online video games. Since he **makes "good money" and has minimal expenses, he averages \$750 a month on eating out and drinks at sports bars.** Occasionally, Lloyd and other friends join him.

One day, Morgan received a message from Lloyd stating:

Hey man! I'm so stressed out. I just lost \$15,000 today on Superbowl. I dunno what to do. I'm behind on a lot of bills like my car, rent, and credit cards. I also owe my dad some money. What should I do? Can I please borrow \$210 to get caught up on my bills? I promise to pay it back. I get paid next week.

After reading the message, Morgan's heart sank: \$15,000!! He always thought that Lloyd had everything going well for himself. After all, he seemed to always be bragging about winning. **Morgan transferred him the money via PayPal.** At that moment, Morgan couldn't stop thinking about his own sports betting. Thank God he never lost \$15,000 on one game. But he did wonder, *is my betting out of hand?*

Recently, Morgan has been depressed. He didn't want to bet anymore. He worried about Lloyd. He worried about himself. He became stressed about the whole ordeal. Many ideas ran into his head: *If I "win big" I could pay off my credit card debt and Lloyd's? How much debt do I have? How do I pay off my debt?*

Morgan Googled "Do I gambled too much?" and he was directed to **1-800-GAMBLER**. He was eventually connected with a mental health professional that he has been working with him. His therapist recommended that he meet with a **GamFin Financial Counselor (FC)** to help him pay off his debt, save for his house, manage his money, and get back on track.

Part 2: Morgan's Finances

During the second meeting, the Gamfin Financial Counselor gathered information about Morgan's finances:

- Over the past year, \$25,000 was transferred to an online betting company through direct transfers, credit card cash advances, and PayPal transfers.
- His credit score is 440.
- Let's assume that he will not be eligible for a mortgage loan until:
 - His credit score increases to 680.
 - He has significantly reduced his debt.
 - He has \$30,000 in credit card debt, roughly \$39,000 in student loans, \$10,000 in personal loans, and owes \$2,700 from his auto loan.
 - He has \$25,000 saved for a down payment and closing costs for his home.

Monthly Spending

	Before	Notes
Net Pay	\$ 5,200.00	This includes his main job and side gigs. His employer is offering a 6% match for the company's 401(K).
Minimum on Credit Cards	\$ 700.00	
Eating Out	\$ 750.00	This includes beers and eating out at sports bars.
Sports Betting	\$ 1,600.00	He is very shocked that the number was this high. This also includes cash advances from credit cards.
Cell Phone	\$ 100.00	
Utilities, Internet, and Streaming	\$ 250.00	Send his parents \$250 via PayPal
Car Insurance	\$ 250.00	
Gas	\$ 250.00	
Student Loans	\$ 450.00	
Auto Loan	\$ 450.00	Has 6 months remaining.
Personal Loan	\$ 250.00	He has three years left for this loan
Groceries	\$ 150.00	
Total Spending	\$ 5,200.00	

What do you notice about his finances? (Please share your thoughts via the Padlet or by jotting them down here.)



Part 3: GamFin’s Recommendations

Morgan’s SMART Goals

1. Pay off \$30,000 of credit card debt by May 2026.
2. Pay off the personal loan by March 2027.
3. Pay off the auto loan in 6 months.
4. Increase credit score to a 680 by May 2027
5. Reduce consumer debt ratio to under 15%.
6. By May 2027, save \$25,000 for a down payment and closing cost on a condo/townhouse outside of Pittsburgh.
7. Continue making the payments on student loan payments until they are paid off.

Optional Closing the Door Techniques (Jody Bechtold)

1. [Remove or limit Cash Advances on credit cards](#)
2. Remove overdraft protection on all bank accounts

Financial Counseling Recommendations

3. Have \$250 auto drafted from your payroll every month and send to a savings account. This will help the client learn to save money slowly over time.
4. Continue to pay the minimum on all loan balances until they are paid off.
5. Reduce eating out to \$350 per month.
6. Have student loans auto debited for an interest rate reduction
7. Contribute 6% to company’s retirement account
8. Devote \$1,500/ month to paying off credit cards.
 - First, we will work on getting all the balances under the credit limit.
 - Next, we will try to pay all the balances under 30% of their credit limit.
 - Then we will work on paying off all credit cards.
9. When a card is paid off, use half of the minimum payment to pay off another card. Use the other half for saving for a home. Please do not close the card.

Balance Sheet

Checking Account	\$ (330)
Savings Accounts (Home Fund)	\$ 5,000
401(K)	\$ -
Car Value	\$ 22,000
Total Assets	\$ 26,670
Student Loans	\$ 39,375
Credit Cards	\$ 30,000
Personal Loans	\$ 10,000
Auto Loan	\$ 2,700
Total Liabilities	\$ 82,075
Net Worth	\$ (55,405)

Debt Log

	Balance	Credit Limit	Credit Utilization	Minimum Monthly Payment	APR	Interest Accumulated Each Month
Credit Card 1 (Oldest)	\$ 9,000.00	\$ 9,000.00	100%	\$ 200.00	25.99%	\$ 194.93
Credit Card 2	\$ 7,500.00	\$ 7,000.00	107%	\$ 150.00	18.99%	\$ 118.69
Credit Card 3	\$ 8,500.00	\$10,000.00	85%	\$ 200.00	27.99%	\$ 198.26
Credit Card 4	\$ 5,000.00	\$ 6,000.00	83%	\$ 150.00	25.99%	\$ 108.29
Total	\$30,000.00	\$32,000.00	94%	\$ 700.00	24%	\$ 620.17

Spending Plan

	Before GamFin	After GamFin
Net Pay	\$ 5,200.00	\$ 5,200.00
Minimum on Credit Cards	\$ 700.00	\$ 700.00
Extra Debt Payments		\$ 1,500.00
House Fund	\$ -	\$ 250.00
Eating Out	\$ 750.00	\$ 300.00
Sports Betting	\$ 1,600.00	
Retirement Account		\$ 300.00
Cell Phone	\$ 100.00	\$ 100.00
Utilities, Internet, and Streaming	\$ 250.00	\$ 250.00
Student Loans	\$ 450.00	\$ 450.00
Car Insurance	\$ 250.00	\$ 250.00
Auto Loan	\$ 450.00	\$ 450.00
Personal Loan	\$ 250.00	\$ 250.00
Gas	\$ 250.00	\$ 250.00
Groceries	\$ 150.00	\$ 150.00
Total	\$ 5,200.00	\$ 5,200.00

Part 4: How is Morgan Doing?

About 7 months later, during a follow-up meeting Morgan report the following:

1. His credit score is now 586.
2. He is getting a raise which equates to a \$300 after-tax increase. His new after-tax pay is \$5,500.
3. His car has been paid off and he has been using the money to reward himself with nice dinners.
4. His auto insurance went up by \$50 this month.
5. He is about to pay off one of his cards. Should he close it?
6. He remembered that he owes his grandfather \$2,000. What should he do?
7. He has a credit card offer of 0% interest until January 2025. He must transfer the balance over by the end of this month. Afterwards, his new APR is 20.24% and there is a 4% transaction fee. Should he do a balance transfer for his remaining credit card debt?

Based on this information, how might the GamFin financial counselor adjust their plan?

	Revised Spending Plan
Net Pay	\$ 5,500.00
Minimum on Credit Cards	\$ 550.00
Extra Debt Payments	\$ 2,000.00
House Fund	\$ 550.00
Eating Out	\$ 350.00
Retirement Account	\$ 350.00
Cell Phone	\$ 100.00
Utilities, Internet, and Streaming	\$ 250.00
Student Loans	\$ 450.00
Car Insurance	\$ 250.00
Auto Loan	Paid Off
Personal Loan	\$ 250.00
Gas	\$ 250.00
Groceries	\$ 100.00

	Balance	Credit Limit	Credit Utilization	Minimum Monthly Payment	APR	Interest Accumulated Each Month
Credit Card 1 (Oldest)	\$ 6,500.00	\$ 9,000.00	72%	\$ 200.00	25.99%	\$140.78
Credit Card 2	\$ 6,000.00	\$ 7,000.00	86%	\$ 150.00	18.99%	\$94.95
Credit Card 3	\$ 7,000.00	\$10,000.00	70%	\$ 200.00	27.99%	\$163.28
Credit Card 4	\$ -	\$ 6,000.00	0%		25.99%	\$0.00
Total	\$ 19,500.00	\$32,000.00	61%	\$ 550.00	24%	\$399.00