

<p><b>Future Problem Solving New Zealand - Problem #2 -2000</b></p> <p><b>Junior Division Future Scene - Financial Security</b></p>
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Huki and Kathryn Rensar and their children Armin, 12, and Roxanne, 17, are holding a family conference to discuss their present financial state.

The parents are both have university degrees and have had flourishing careers as well-paid employees of New Zealand's most successful genetic engineering company, EnGen. Both children plan to attend university.

While in university, Huki and Kathryn had student loans and good holiday jobs. They used some of their holiday pay to invest in stocks and bonds through the Internet. They learned that if you invested \$10,000 in your early twenties, when you reached 65 you would have \$450,000. This investment plus their superannuations from their employer would provide a secure and comfortable retirement. At first, the family lived in a modest home and was careful with their expenses.

EnGen has been very successful in recent years. Huki and Kathryn earned high salaries. They have also done well buying high-risk investments which has increased their incomes. Saving has not been as important for them. They do have some money saved towards Roxanne's university expenses.

EnGen is located in a wealthy Wellington community. Many people here lead expensive lifestyles. The parents felt that the family could afford to live more like the wealthy residents of the community. They thought they could still provide a good retirement for themselves, so two years ago in 2018, the Rensar's bought one of the expensive, new "smart homes" complete with robotic systems. Last year, they bought two new aero-cars. Commercial space flights became available at the beginning of this year. The parents fulfilled a lifelong dream, and took the whole family for a week's vacation circling the Earth. It was wonderful, but the price was very high. They had to cash in their life insurance to pay for it. Lately the stock market has been down and this has caused them to lose income. Now their monthly bills take most of their monthly income.

Armin spends much of his life on-line and has been persuaded by a group of friends who he has been communicating with but has never met, to set up an on-line business, buying and selling collectible late 20th century Pokemon toys. He will need to invest \$3000 to help start up this business. His parents will lend him \$1500 to be repaid with 10% interest over two years. He will also use the \$1500 in his savings account which came from his holiday job working at his uncle's bungee-jumping business.

Roxanne finds it hard to save much money even though she will still need to find money for fees and living expenses for university. She has had several holiday jobs, but being a teenager these days is very expensive with pressure being brought to bear through holoadvertising for young people to follow the many fads promoted by marketers in an increasingly competitive market. Her latest purchase, a four-person hoverboard, has taken most of her savings.

Two months ago, serious problems were found with some of EnGen's products. This may cause the company to go out of business. EnGen has laid off 75% of its employees including the Rensars. Now, the members of the family need to decide how to deal with their financial problems.

**Help the Rensars to consider their situation by using your FPS skills. As a team, discuss the situation and generate challenges that caused this situation as well as the challenges that result from it. Select an underlying problem. Generate a list of possible solutions, select criteria to evaluate these, and develop your action plan.**