

Learning by the Case Method

**Adapted from a guide developed by John Hammond
at the Harvard Business School**

The case method is not only the most relevant and practical way to learn financial literacy skills, it's also meant to be exciting and fun. But, it can also be very confusing if you don't know much about it. This brief note is designed to remove the confusion by explaining how the case method works and then to suggest how you can get the most out of it.

Simply stated, the case method calls for discussion of *real-life financial dilemmas* that real people face. Case writers, as good reporters, have written up these dilemmas to present you with the information available to the people involved. As you review their cases you will put yourself in the shoes of the people facing the dilemma, analyze the situation, decide what you would do, and come to class prepared to present and support your ideas to your classmates.

How Cases Help You Learn

Cases will help you sharpen your financial literacy skills, since you must use knowledge of best practices in managing finances to support your recommendations. In class discussion you and your classmates will challenge each other to defend your analyses and solutions, You will hone both your problem-solving and your ability to think and reason rigorously.

Because a collection of case studies can cut across a range of financial dilemmas, they provide you with an exposure to problems beyond those you are likely to have encountered yourself. (And this will be particularly true when used with high school students) Nevertheless, by placing the problem in a real-life context, and zeroing in on it, the case allows you to build and *use* new areas of knowledge. You should see that, as different as these problems are, finding solutions to them builds a set of skills and a body of content knowledge that cuts across the dilemmas and broadens your expertise in financial management.

Learning about financial management by working with cases is meant to build *real-life* problem solving capacity. In class discussions, participants bring to bear their expertise, experience, observations, analyses, and rules of thumb. What each class member brings to identifying the central problems in a case, analyzing them, and proposing solutions is as important as the content of the case itself.

Perhaps the most important benefit of using cases is that they help participants learn how to determine what the real problem¹ is and to ask the right questions. An able business leader once commented: "Ninety per cent of the task of a top manager is to ask useful questions. Answers are relatively easy to find, but asking good questions is the most critical skill." This is as true in solving the financial dilemmas faced by private citizens as it is in solving the dilemmas faced by corporations.

The task that follows a case might be presented in a way that focuses on certain aspects to the exclusion of others. This is not meant to relieve you of the responsibility to step back and ask yourself: "What *really* are the problems this person or family has to resolve?" In real-life situations, the people directly involved may lose the forest for the trees.

In short, the case method is really a focused form of learning by doing.

How to Prepare a Case

The use of the case method calls first for you, working individually, to carefully read and to think about each case. Ask yourself:

"What, broadly, is the case about, and what types of information am I being given to analyze?" (Try hard to put yourself in the position of the people involved and make the problem your problem.)

Make notes on what you find to be the most pertinent facts in the case. Ask yourself:

What more do I need to know or understand in order to solve the case?

1. Review the list of terms following each case. They point to financial management concepts that *may* be useful in developing the best solution to this case. Because there are multiple approaches to most cases, you may find only a few terms helpful and, because you are approaching this case with fresh eyes, you may need to use concepts not listed.

¹ See, for example, Hammond, Keeney and Raiffa, *Smart Choices, A Practical Guide to Making Better Decisions*, Harvard Business School Press, 1999, especially Chapter 2.

2. *Use the linked resources at the end of each case. Some will be relevant and helpful to the approach you take with the case. Make note of what you can use.*

Make a set of preliminary recommendations and bring those to the workshop.

Until now, your best results will come if you have worked by yourself.

What Happens in Class

In class, you and your group will discuss whatever aspects of the case you wish. Pose questions of each other. Play the devils advocate. Prod and draw out your classmate 'reasoning. A healthy debate and discussion can lead to the best problem solving.

Ask one member of the group to summarize the discussion.

A typical request at the end of a discussion is "What's the answer?" The case method of learning does not provide *the* answer. Rather, various participants in the discussion will have developed and supported *several* viable "answers".

Personal finance is not an exact science. There is no single, demonstrably right answer to every financial dilemma, particularly because they are result of forces and factors beyond the control of the players. In real life, you cannot peek at the back of the books to see if you have found the right solution to a dilemma or a crisis. In every case discussion, there is always a reasonable possibility that the best answer has not yet been found—by the experts..

You can't acquire judgment and skill simply by reading books or listening to lectures any more than you can become a great swimmer just by reading a book on swimming. While the knowledge obtained from books and lectures can be valuable, the real gains come from practice at analyzing real problems.