

CASE STUDY C

Matthew and Sharon Thornton have been married for 6 years and have no children. Matthew is 30 years old and works for a garage in a church. Matthew gets paid every two weeks, while Sharon gets paid twice a month. They are currently renting a home in suburbia. They are members in church and usually give what is left over each month, if anything. In addition to 2 vacations a year, Matthew enjoys playing video games. Their budget live on a budget gets weak when he's near a Best Buy or Office Depot.

They have two cars. One is a 7 year old Chevrolet Malibu worth about \$7,000 and the other is a 1 year old Chevrolet Camaro worth about \$20,000. They are still making a payment of \$490/month on the Camaro, which is financed at 4.7% with a loan balance of \$21,000. They pay their credit cards on time.

They are both in good health so they have never seen the need for medical or disability insurance. Matthew's company provides a \$5,500 (gross) bonus to be paid next month. Matthew has been contributing to a 401k from each paycheck and its current balance is \$10,000.

Although they've stopped charging to their credit cards, they still owe about \$22,000 on them: \$7,800 to Discover at 23% interest, \$14,200 to the Raleigh Credit Union at 21.3% for a Mastercard. The minimum monthly payments are \$190 to Nations, \$160 to Discover and \$100 to the Credit Union.

They turned to Crown for help, but they aren't good at filling out spreadsheets. Instead, they uploaded their pay statement and bank statements to Crown.

Your assignment: Using their statements and the background info above, input information as best you can in the Assets & Liabilities section of the "Current" column in the Spending Plan sheet based on the information you have. Add any questions you would ask them and suggest solutions. You do NOT have to complete a New Budget for this client.

NOTE: This case study is an exercise to help coaches understand how clients should use their financial statements to complete their forms. Crown would not recommend that you use the client's paystubs and bank statements to fill out the forms for them, although we can show you how to do it. Our goal is that the clients learn how to manage their own finances through God's principles.

The questions below will be in the Assignment for Case Study C. They are listed here so you can be thinking about them before you start.

1. How would you help Matthew and Sharon realize the importance of putting God first in their finances?
2. What biblical principles and practical tools could help them get their discretionary spending under control?
3. For some categories such as giving, renter's insurance, auto maintenance, gifts and others, there doesn't appear to be anything in the current spending column. How would you ask the Thorntons to make sure everything is covered in the current spending column?
4. What additional information from the client would be helpful for your initial assessment?
5. What recommendations, if any, would you make around life insurance, health insurance and hobbies as they begin to budget?
6. What recommendations would you discuss with them about Matthew's annual \$5,500 bonus?

Pay Statement - Sharon	January 1-15		Pay Statement - Matthew	Jan 6 - Jan 19
Knightdale Methodist Church			New Worlds Gaming Co.	
Total Hours Worked	88.00		Total Hours Worked	122.00
Total Pay	1,320.00		Imputed Income - Life Ins	12.00
			Total Pay	1,900.00
NC Withholding Tax	50.00			
Fed Withholding Tax	130.00		Employee Retirement 401k Contribution	114.00
Fed EE Social Security	81.84		NC Withholding Tax	95.00
Fed EE Medicare	19.14		Fed Withholding Tax	250.00
			Fed EE Social Security	117.80
Net Pay	1,039.02		Fed EE Medicare	27.55
			Net Pay	1,295.65

Bank Statement - Checking		Withdrawal	Deposit	Balance
	Starting Balance			21759.56
1/1/2023	TYPE: PAYMENT ID: DISCOVER AUTOPAY	160.00		
1/2/2023	TYPE: CHECK 3256: JL PROPERTIES	1800.00		
1/4/2023	TYPE: PAYMENT ID: EASTERN RALEIGH WATER	67.78		
1/5/2023	TYPE: PAYMENT ID: WALMART 14453 KING ST	57.16		
1/7/2023	TYPE: PAYMENT ID: KROGER SOUTH HIGHLANDS	94.68		
1/8/2023	TYPE: PAYMENT ID: JOES TRASH SERVICE	42.10		
1/8/2023	TYPE: PAYMENT ID: CHEVRON 432093 LINCOLN ST	58.95		
1/10/2023	Withdrawal: ATM ALLPOINT GREENS SQUARE	120.00		
1/12/2023	TYPE: AUTOPAY ID: 5452329 CO: NATIONS VISA Entry Class Code: PPD	190.00		
1/12/2023	TYPE: PAYMENT ID: KROGER SOUTH HIGHLANDS	25.13		
1/13/2023	DIRECT DEPOSIT NW GAMING		1295.65	
1/16/2023	DIRECT DEPOSIT KUMC		1039.02	
1/17/2023	TYPE: PAYMENT ID: AMAZON MKTPLC	92.15		
1/18/2023	TYPE: PAYMENT ID: BEST BUY 10748 NORRIS PKWY	156.29		
1/18/2023	TYPE: PAYMENT ID: KROGER SOUTH HIGHLANDS	112.53		
1/19/2023	TYPE: PAYMENT ID: RIDGEWOOD ELECTRIC CO-OP	205.35		
1/20/2023	AIRBNB HMJXWEX2H2C AIRBNB.COM CA	352.78		
1/21/2023	TYPE: PAYMENT ID: DELTA AIRLINES 321002338	729.00		
1/22/2023	TYPE: PAYMENT ID: CHILIS RALEIGH HILLS NORTH	64.58		
1/22/2023	TYPE: PAYMENT ID: US POSTAL SVC #45694	13.92		
1/23/2023	TYPE: PAYMENT ID: BEST BUY 10748 NORRIS PKWY	89.76		
1/24/2023	TYPE: PAYMENT ID: CHIPOTLE AVIATION WY	34.29		
1/24/2023	TYPE: PAYMENT ID: KROGER SOUTH HIGHLANDS	156.48		
1/24/2023	EFT: STATEFARM AUTO RENEWAL 450128	567.64		
1/25/2023	TYPE: PAYMENT ID: BLAZE PIZZA #1302 46 TEAL HEIGHTS	27.55		
1/25/2023	TYPE: PAYMENT ID: MISTER CAR WASH HIRSTEAD NC	11.00		
1/26/2023	TYPE: PAYMENT ID: CHEVRON 432093 LINCOLN ST	62.47		
1/26/2023	TYPE: PAYMENT ID: KROGER SOUTH HIGHLANDS	84.33		
1/26/2023	TYPE: PAYMENT ID: RALEIGH ART MUSEUM	24.00		
1/26/2023	EFT: VERIZON MOBILE	121.99		
1/27/2023	EFT: XFINITY TV+DATA SPEED PKG	148.78		
1/27/2023	EFT: ANYTIME FITNESS CLUB	52.00		
1/27/2023	TYPE: PAYMENT ID: KOHLS EAST MILLBROOK	86.71		
1/27/2023	DIRECT DEPOSIT NW GAMING		1295.65	
1/28/2023	TYPE: PAYMENT ID: FELIX YARD SERVICE	120.00		
1/28/2023	TYPE: PAYMENT ID: OFFICE DEPOT 2993	45.12		
1/28/2023	TYPE: PAYMENT ID: HAIR PIZZAZ	154.86		
1/29/2023	TYPE: AUTOPAY ID: 5452329 CO: RALEIGH CREDIT UNION Entry Class Code: PPD	115.00		
1/29/2023	EFT: GM FINANCING	490.00		
1/31/2023	DIRECT DEPOSIT KUMC		1039.02	
	Ending Balance			19694.52
Bank Statement - Savings				
	Starting Balance			14376.23
1/30/2023	Interest Earned 3.24%			40.97
	Ending Balance			14417.20

30 Day Tracker																	
Month:	January	Year:	2023													This Month	
Category	INCOME	TITHE/ GIVING	TAXES	HOUSING	FOOD	TRANSPORT	INSURANCE	DEBTS	ENTERTAINMENT RECREATION	CLOTHING	SAVINGS	HEALTH & WELLNESS	MISC.	INVESTMENTS	SCHOOL/ CHILD CARE	TOTAL EXPENSES	SURPLUS / DEFICIT
Date																	
1																	
2				1,800.00									160.00			160	
3																1,800	
4				67.78												0	
5													57.16			68	
6																57	
7					94.68											0	
8				42.10		58.95										95	
9																101	
10													120.00			0	
11																120	
12					25.13			190.00								0	
13	1,295.65															215	
14																0	
15																0	
16	1,039.02															0	
17													92.15			92	
18					112.53				156.29							269	
19				205.35												205	
20									352.78							353	
21									729.00							729	
22									64.58							79	
23									89.76				13.92			90	
24					156.48		567.64		34.29							758	
25						11.00			27.55							39	
26				121.99	84.33	62.47			24.00							293	
27	1,295.65			148.78						86.71		52.00				287	
28				120.00					45.12				154.86			320	
29						490.00		115.00								605	
30																0	
31	1,039.02															0	
This month	4,669	0	0	2,506	473	622	568	305	1,523	87	0	52	598	0	0	6,734	(2,065)

Form Version Aug 6, 2023

Assets & Liabilities	
Date:	January 31, 2023

Comments

ASSETS (Present Market Value)	Balance
Cash On Hand (both husband and wife if married)	
Checking Accounts	19,694.52
Savings Accounts	14,417.20
Stocks and Bonds	
Cash Value of Life Insurance	50,000.00
Valuable Collections (coins, stamps, etc.)	
Primary Home Value (look up value, e.g., zillow.com)	
Other Real Estate	
Mortgages/Notes Receivable	
Automobile 1	7,000.00
Automobile 2	34,000.00
Automobile 3	
Personal Property (Furniture, Jewelry, etc.)	
Retirement Savings (Matthew 401k)	63,000.00
College Savings	
Total Assets:	188,111.72

Do they have any investments?

Ask Matthew & Sharon for this information

Does the church offer a 401k that Sharon can participate in?

LIABILITIES / DEBT LIST					
CREDIT CARDS (only list cards for which you do not pay the full statement balance each month)					
Credit Card Issuer	What Was Purchased	Minimum Monthly Payment	Interest Rate	Months Past Due	Balance Due
Discover		160.00	23.0%		7,800.00
Nations Bank Visa		190.00	25.0%		9,300.00
Raleigh Credit Union	Mastercard	115.00	21.3%		5,700.00
Total Credit Cards		465.00			22,800.00
AUTO LOANS					
Loan Company	Year, Make, Model	Payment	Interest Rate	Due	Balance Due
GM Financing	2022 Chevrolet Camaro	490.00	4.7%		21,000.00
Total Auto Loans		490.00			21,000.00
HOME MORTGAGES (includes home equity loans or lines of credit)					
Mortgage Service Company	Property Address	Minimum Monthly Payment	Interest Rate	Months Past Due	Balance Due
JL Properties		1,800.00			
Total Home Mortgages		1,800.00			0.00
OTHER DEBT (education, medical, personal, business, legal, IRS, etc.)					
Who	Type of Debt (medical, education, etc.)	Minimum Monthly Payment	Interest Rate	Months Past Due	Balance Due
Total Other Debt		0.00			0.00

Ask Matthew & Sharon - what was purchased?

Ask Matthew & Sharon - what was purchased?

Is this how to show monthly rent payments?

Do they have any other debt? School loans or anything we're missing?

Total Liabilities/Debts	43,800.00
NET WORTH (Total Assets minus Total Liabilities/Debts)	144,311.72

Instructions

1. Find the family situation that most closely represents your family (i.e. Married with 4 children, Single with roommate, etc.).
2. Find the gross income level that most closely represents your family (i.e. \$25,000 to \$125,000).
3. Taxes include all current actual monthly Federal, Social Security, Medicare, State, and Local Income Tax Taxes.

Suggested Percentage Guidelines For Family Income

(Married with 4 Children)

GROSS HOUSEHOLD INCOME:	25,000	35,000	45,000	55,000	85,000	125,000
1. Tithe/Giving	10%	10%	10%	10%	10%	10%
2. Total Taxes	Use Current Monthly Taxes					

Net Spendable Income:(Gross Income - Tithe/Giving - Total Taxes) percentages below add to 100%

3. Housing	38%	38%	34%	33%	32%	32%
4. Food	15%	15%	14%	14%	14%	14%
5. Transportation	14%	14%	12%	12%	11%	11%
6. Insurance	5%	5%	5%	5%	5%	5%
7. Debts	5%	5%	5%	5%	5%	5%
8. Entertainment/Recreation	3%	4%	4%	5%	5%	5%
9. Clothing	5%	5%	6%	6%	7%	7%
10. Savings	4%	4%	5%	5%	5%	5%
11. Health & Wellness	8%	7%	7%	7%	7%	7%
12. Miscellaneous	3%	3%	5%	5%	5%	5%
13. Investments	0%	0%	3%	3%	4%	4%
Total Net Spendable Income:	100%	100%	100%	100%	100%	100%

14. School/Child Care no guideline percentages

Suggested Percentage Guidelines For Family Income

(Married with 2 Children)

GROSS HOUSEHOLD INCOME:	25,000	35,000	45,000	55,000	85,000	125,000
1. Tithe/Giving	10%	10%	10%	10%	10%	10%
2. Total Taxes	Use Current Monthly Taxes					
Net Spendable Income:(Gross Income - Tithe/Giving - Total Taxes) percentages below add to 100%						
3. Housing	39%	36%	32%	30%	30%	29%
4. Food	15%	12%	13%	12%	11%	11%
5. Transportation	15%	12%	13%	14%	13%	13%
6. Insurance	5%	5%	5%	5%	5%	5%
7. Debts	5%	5%	5%	5%	5%	5%
8. Entertainment/Recreation	3%	5%	5%	7%	7%	8%
9. Clothing	4%	5%	5%	6%	7%	7%
10. Savings	5%	5%	5%	5%	5%	5%
11. Health & Wellness	5%	6%	6%	5%	5%	5%
12. Miscellaneous	4%	4%	6%	6%	7%	7%
13. Investments	0%	5%	5%	5%	5%	5%
Total Net Spendable Income:	100%	100%	100%	100%	100%	100%
14. School/Child Care	no guideline percentages					

Suggested Percentage Guidelines For Family Income

(Married with No Children)

GROSS HOUSEHOLD INCOME:	25,000	35,000	45,000	55,000	85,000	125,000
1. Tithe/Giving	10%	10%	10%	10%	10%	10%
2. Total Taxes	Use Current Monthly Taxes					
Net Spendable Income:(Gross Income - Tithe/Giving - Total Taxes) percentages below add to 100%						
3. Housing	40%	36%	34%	32%	31%	30%
4. Food	15%	14%	13%	12%	11%	11%
5. Transportation	15%	14%	14%	13%	13%	13%
6. Insurance	5%	5%	5%	5%	5%	5%
7. Debts	5%	5%	5%	5%	5%	5%
8. Entertainment/Recreation	3%	4%	4%	5%	7%	7%
9. Clothing	4%	4%	5%	6%	6%	7%
10. Savings	4%	4%	4%	5%	5%	5%
11. Health & Wellness	6%	6%	6%	6%	5%	5%
12. Miscellaneous	3%	4%	5%	6%	7%	7%
13. Investments	0%	4%	5%	5%	5%	5%
Total Net Spendable Income:	100%	100%	100%	100%	100%	100%
14. School/Child Care	no guideline percentages					

Suggested Percentage Guidelines For Individual Income

(Single with 1 Child)

GROSS HOUSEHOLD INCOME:	25,000	35,000	45,000	55,000	85,000	125,000
1. Tithe/Giving	10%	10%	10%	10%	10%	10%
2. Total Taxes	Use Current Monthly Taxes					
Net Spendable Income:(Gross Income - Tithe/Giving - Total Taxes) percentages below add to 100%						
3. Housing	40%	39%	39%	36%	34%	30%
4. Food	15%	14%	14%	13%	13%	12%
5. Transportation	15%	14%	14%	13%	13%	12%
6. Insurance	3%	3%	4%	4%	5%	5%
7. Debts	5%	5%	5%	5%	5%	5%
8. Entertainment/Recreation	3%	4%	4%	6%	6%	6%
9. Clothing	5%	5%	5%	6%	7%	7%
10. Savings	5%	5%	5%	5%	5%	5%
11. Health & Wellness	6%	7%	6%	6%	6%	6%
12. Miscellaneous	3%	4%	4%	6%	6%	6%
13. Investments	0%	0%	0%	0%	0%	6%
Total Net Spendable Income:	100%	100%	100%	100%	100%	100%
14. School/Child Care	no guideline percentages					

Suggested Percentage Guidelines For Individual Income

(Single with No Children / Living Alone)

GROSS HOUSEHOLD INCOME:	25,000	35,000	45,000	55,000	85,000	125,000
1. Tithe/Giving	10%	10%	10%	10%	10%	10%
2. Total Taxes	Use Current Monthly Taxes					
Net Spendable Income:(Gross Income - Tithe/Giving - Total Taxes) percentages below add to 100%						
3. Housing	40%	38%	36%	34%	32%	30%
4. Food	6%	6%	7%	7%	7%	7%
5. Transportation	15%	15%	14%	14%	13%	13%
6. Insurance	4%	4%	4%	5%	5%	5%
7. Debts	5%	5%	5%	5%	5%	5%
8. Entertainment/Recreation	6%	6%	7%	7%	8%	9%
9. Clothing	5%	6%	6%	7%	8%	8%
10. Savings	5%	5%	5%	5%	5%	5%
11. Health & Wellness	6%	5%	5%	5%	4%	4%
12. Miscellaneous	5%	6%	6%	6%	7%	7%
13. Investments	3%	4%	5%	5%	6%	7%
Total Net Spendable Income:	100%	100%	100%	100%	100%	100%
14. School/Child Care	no guideline percentages					

Suggested Percentage Guidelines For Individual Income

(Single with No Children / Living with Roommate)

GROSS HOUSEHOLD INCOME:	25,000	35,000	45,000	55,000	85,000	125,000
1. Tithe/Giving	10%	10%	10%	10%	10%	10%
2. Total Taxes	Use Current Monthly Taxes					
Net Spendable Income:(Gross Income - Tithe/Giving - Total Taxes) percentages below add to 100%						
3. Housing	25%	24%	23%	22%	21%	20%
4. Food	6%	6%	6%	7%	7%	7%
5. Transportation	20%	19%	18%	16%	15%	13%
6. Insurance	4%	4%	4%	5%	5%	5%
7. Debts	5%	5%	5%	5%	5%	5%
8. Entertainment/Recreation	9%	9%	9%	9%	10%	10%
9. Clothing	7%	7%	7%	7%	7%	8%
10. Savings	8%	8%	9%	10%	10%	10%
11. Health & Wellness	6%	6%	6%	5%	5%	5%
12. Miscellaneous	5%	6%	6%	7%	7%	7%
13. Investments	5%	6%	7%	7%	8%	10%
Total Net Spendable Income:	100%	100%	100%	100%	100%	100%
14. School/Child Care	no guideline percentages					

Revised Oct 29, 2022

Percentage Spending Plan

Gross Monthly Income		<i>from Current Spending Plan:</i>	6,481	77,772
	Input appropriate % from "Percentage Guide"			Annual Income
Income Deductions	Percentage	x	Gross Monthly Income	=
				Guideline Amount
1. Tithe/Giving	10%	x	6,481	=
2. Total Taxes	<i>no guideline</i>		<i>actual from Current Spending Plan:</i>	=
				648
				771
Net Spendable Income (NSI)			5,062	60,739
				Annual NSI

Expense Category	Percentage	x	Net Spendable Income	=	Guideline Amount
3. Housing	31%	x	5,062	=	1,569
4. Food	11%	x	5,062	=	557
5. Transportation	13%	x	5,062	=	658
6. Insurance	5%	x	5,062	=	253
7. Debts	5%	x	5,062	=	253
8. Entertainment/Recreation	7%	x	5,062	=	354
9. Clothing	6%	x	5,062	=	304
10. Savings	5%	x	5,062	=	253
11. Health & Wellness	5%	x	5,062	=	253
12. Miscellaneous	7%	x	5,062	=	354
13. Investments	5%	x	5,062	=	253
14. School/Child Care	<i>no guideline</i>				
Total Percentages: (cannot exceed 100%)			100%		
Total Guideline Expenses: (cannot exceed Net Spendable Income)					5,062

OK

Revised Oct 29, 2022

Spending Plan	Current	Guideline	New Budget	Comments
Sanitation	42		42	Is the trash service mandatory? If not, would cancel this service. Would recommend trying to re-negotiate either the internet and/or phone service to a cheaper plan Yard service - would stop this service and have Matthew do his own yard work
Telephone / Cell phone	122		122	
Maintenance				
Internet / Cable Service	149			
Other	120			
Category 4 - Food (monthly)	473	557	473	
Grocery	473		473	
Other				
Category 5 - Transportation (monthly)	1,190	658	717	
Auto Payment(s) (from Debt List)	490		490	Paid every 6 months, so will need to budget \$95 per month for this
Gas & Oil	121		121	
Auto Insurance	568		95	
Licenses & Taxes				
Maintenance				
Replacement				
Other - Tolls/Parking/Transit Fares	11		11	
Category 6 - Insurance (monthly)	0	253	250	
Life			250	Would recommend some sort of health, dental & vision insurance
Health/Dental				
Disability				
Other				
Category 7 - Debts (monthly)	465	253	465	
Total Credit Cards (from Debt List)	465		465	Matthew should put his bonus towards paying off their debt. In addition, they can try working with CCC to lower the interest rates.
Total Other Debt (from Debt List)	0		0	
Extra Debt Payments				
Category 8 - Entertainment & Recreation (monthly)	1,454	354	100	
Eating Out / Lunches	126		100	Until their debt is repaid and a budget followed, Matthew and Sharon should not be vacationing to this extent twice a year. Matthew needs to find a way to be disciplined and not stop at Best Buy. 3 trips this month!
Baby Sitters				
Activities / Trips				
Vacation	1,082			
Pets				
Hobbies and Sports	246			
Other				
Category 9 - Clothing (monthly)	87	304	100	
Children's Clothing Needs			100	
Husband/Wife Clothing Needs	87			
Other				

Spending Plan	Current	Guideline	New Budget	Comments
Category 10 - Savings (monthly)	0	253	250	
Savings Account			250	Sharon & Matthew
Credit Union				
Other				
Category 11 - Health & Wellness (monthly)	52	253	52	
Doctor				What other expenses are we missing from this category that we should budget for?
Dentist				
Prescriptions				
Eye Glasses / Contacts				
HSA or FSA Contributions				
Fitness Club	52		52	
Other				
Category 12 - Miscellaneous (monthly)	507	354	150	
Toiletries / Cosmetics				Hopefully this is a bi-annual expense. If quarterly, would recommend trying to find a cheaper spot.
Beauty / Barber	155		150	
Laundry / Cleaning				
Allowances				
Subscriptions				
Gifts (including Christmas)				
Cash	120			
Other	232			
Category 13 - Investments (monthly)	114	253	250	
Employer 401k/403b plans	114		250	If Sharon is not offered something through work, they could look to start their own plan for her.
Retirement IRAs				
College Funds				
Non-Retirement Stocks, Bonds, Mutual Funds				
Investment Real Estate				
Other				
Category 14 - School/Child Care (monthly) (1)	0		0	
School Tuition				
School Books, Supplies, Materials, etc				
Transportation				
Day Care				
Tutoring, Lessons for Music, Dance, etc				
Other				
Total Expenses	6,848	5,062	5,044	

(1) This category does not have a guideline amount.