Case Study B

This young family lives in Southern California where the cost of real estate is high. Jerry is 40 years
Janice is 38 years old and is an X-ray technician. Neither are followers of Jesus Christ but they do h
Due to the financial challenges in this home, Jerry and Janice do not have a good marital relationsh
counselor weekly to save and strengthen their marriage. Previously unknown to Jerry, Janice has a
debt (Credit cards #1 to #5). He recently became aware of this debt and reached out to Crown for h
trying to make the minimum payments on all their debts.

Both Jerry and Janice are paid twice a month, on the first and fifteenth. Jerry has a part-time job as
Jerry's employer provides paid life insurance, in the amount of 2 years salary. In addition, he has a t
employer pays the full premium for medical, dental and vision insurance for himself, Janice, and th
Jerry and Janice own their primary home. They kept their former home (which they originally boug
beneficiary. His employer also provides disability insurance which will pay 100% of his salary for sh
investment home. Its monthly mortgage payment is 3,600. They get monthly rental income of 3,90
maintenance, repairs, vacancies and other rental property costs. They are convinced that real estat
a better investment than putting money into a 401k retirement plan.

They have been contributing 100/mo per child to a 529 college savings fund. Their goal is for their
loans or work their way through college.

Help Jerry and Janice with their budget and debts.

The questions below are from the Case Study B Assignment. They are listed here so you can be t
the forms in this spreadsheet.

1. Neither are followers of Jesus Christ, but they do have a religious background. They do not atten
introduce them to Jesus Christ as their personal Savior?

2. What biblical principles and practical tools could you suggest to help them find contentment wh
spending under control?

3. Jerry and Janice have different goals. How can you help them both align on and achieve their go
card debt; balance the budget; live within their income; save more. Janice's Goal: Spend money wi

4. After completing the Percentage Spending Plan to show the guideline amounts, what recommen
and Janices's attention first? Why?

destination along with specific suggestions for that destination before moving to the next.) In light

6. What options would you discuss with them regarding their rental/investment house?

- How long will it take to pay off all their non-mortgage debt if they don't make any extra payments
- How long will it take to pay off all their non-mortgage debt if they pay an extra $200/month?

Assets & Liabilities

Date:

ASSETS **(Present Market Value)**	**Balance**	**Comments**
Cash On Hand (both husband and wife if married)	2,000.00	
Checking Accounts	150.00	
Savings Accounts		how is this zero if they are putting away $200/m?
Stocks and Bonds		
Cash Value of Life Insurance		
Valuable Collections (coins, stamps, etc.)		
Primary Home Value (look up value, e.g., zillow.com)	900,000.00	
Other Real Estate (Rental Property)	700,000.00	
Mortgages/Notes Receivable		
Automobile 1 - 5 year-old Acura RDX	20,000.00	
Automobile 2 - 2 year-old Ford F-150	30,000.00	
Automobile 3 (look up value, e.g., kbb.com)		
Personal Property (Furniture, Jewelry, etc.)		
Retirement Savings (Jerry's 401k)	60,000.00	
Retirement Savings (Janice's 401k)	10,000.00	
College Savings Account	4,000.00	
Total Assets:	**1,726,150.00**	

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**	**Payment**	**Interest Rate**	**Past Due**	**Balance Due**	
Credit Card #1		255.00	27.5%		10,000.00	
Credit Card #2		45.00	24.3%		2,200.00	
Credit Card #3		380.00	21.0%		18,000.00	
Credit Card #4		560.00	20.0%		28,000.00	
Credit Card #5		240.00	22.3%		10,800.00	
Total Credit Cards		**1,480.00**			**69,000.00**	

AUTO LOANS

Loan Company	**Year, Make, Model**	**Payment**	**Interest Rate**	**Past Due**	**Balance Due**	
Ford Financing Company	Ford F-150	600.00	5.0%		20,000.00	
Total Auto Loans		**600.00**			**20,000.00**	

HOME MORTGAGES (includes home equity loans or lines of credit)

Mortgage Service Company	**Property Address**	**Payment**	**Interest Rate**	**Past Due**	**Balance Due**	
Home Mortgage #1 (Primary Home)		4,800.00	4.5%		725,000.00	
Home Mortgage #2 (Rental Property)		3,600.00	4.0%		550,000.00	
Total Home Mortgages		**8,400.00**			**1,275,000.00**	

OTHER DEBT (education, medical, personal, business, legal, IRS, etc.)

Who	**education, etc.)**	**Payment**	**Interest Rate**	**Past Due**	**Balance Due**	
Personal Debt To Relatives		50.00	0.0%		3,500.00	
Educational Loans		220.00	4.5%		24,000.00	
Medical Bill		25.00	0.0%		400.00	
Total Other Debt		**295.00**			**27,900.00**	

Total Liabilities/Debts	**1,391,900.00**
NET WORTH (Total Assets minus Total Liabilities/Debts)	**334,250.00**

Form Version Nov 28, 2022

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				***from Current Spending Plan:***	**16,066**	**192,792**
						Annual Income
	Input appropriate % from "Percentage Guide"					
Income Deductions	**Percentage**	x	**Gross Monthly Income**	**=**	**Guideline Amount**	
1. Tithe/Giving	10%	x	16,066		**1,607**	
2. Total Taxes	***no guideline***		***actual from Current Spending Plan:***		**0**	
Net Spendable Income (NSI)					**14,459**	**173,513**
						Annual NSI

Expense Category	**Percentage**	x	**Net Spendable Income**	**=**	**Guideline Amount**	
3. Housing	29%	x	14,459	=	4,193	
4. Food	11%	x	14,459	=	1,591	
5. Transportation	13%	x	14,459	=	1,880	
6. Insurance	5%	x	14,459	=	723	
7. Debts	5%	x	14,459	=	723	
8. Entertainment/Recreation	8%	x	14,459	=	1,157	
9. Clothing	7%	x	14,459	=	1,012	
10. Savings	5%	x	14,459	=	723	
11. Health & Wellness	5%	x	14,459	=	723	
12. Miscellaneous	7%	x	14,459	=	1,012	
13. Investments	5%	x	14,459	=	723	
14. School/Child Care	***no guideline***					
Total Percentages: ***(cannot exceed 100%)***	**100%**					
Total Guideline Expenses: (cannot exceed Net Spendable Income)					**14,459**	OK

Revised Oct 29, 2022

Spending Plan	Current	Guideline	New Budget	Comments
INCOME vs. EXPENSE SUMMARY (calculated)				
Net Spendable Income	**16,026**		**16,066**	
Less Total Expenses	**18,260**		**16,258**	
Surplus or Deficit	**(2,234)**		**(192)**	
Monthly Income				
Gross Monthly Income	***16,066***		***16,066***	
Jerry's NET Income	7,000		7,000	
Janice's NET Income	4,000		4,000	
Jerry's part-time income (NET)	1,000		1,000	
Commissions				
Bonuses/Tips				
Retirement Income				
Rental Income	3,900		3,900	
Other Income	166		166	
LESS				
Category 1 - Tithe/Giving (monthly)	***40***	***1,607***	***0***	
The Local Church				
The Poor				
Other Ministries				
Other Giving	40			
Category 2 - Taxes (monthly)	***0***	***0***	***0***	
Taxes (Fed, State, Medicare, Social Security)				
Other				
charity contributions that are taken out of the paycheck. Instead, include these deductions as expenses below				
NET SPENDABLE INCOME (monthly)	**16,026**	**14,459**	**16,066**	
Monthly Expenses				
Category 3 - Housing (monthly)	***9,970***	***4,193***	***9,545***	
Mortgage(s) *(from Debt List)*	8,400		8,400	is cutting WAY into their budget
Extra Mortgage Payment				
Rent				
Insurance				allowed?
Home Warranty	30		30	
Electricity	300		240	average for Cali is lower. Small changes to conserve energy.
Home Owners Accociation	400		400	
Water and Garbage Pickup	100		100	
Yard Service	250		150	of the time.
Telephone / Cell phone	300		150	this is unnecessary, shouldn't be more than maybe 200/m
Maintenance				
Cable TV	115			cut cable and use streaming services already paid for
Internet	75		75	
Category 4 - Food (monthly)	***1,450***	***1,591***	***1,100***	

Grocery	1,450		1,100	could they spend less if they shopped at more budget friendly options in Cali?
Other				
Category 5 - Transportation (monthly)	***1,525***	***1,880***	***1,325***	
Auto Payment(s) *(from Debt List)*	600		600	outright with no monthly payments
Extra Auto Payment				
Gas & Oil	400		300	cut back on unnecessary individual driving
Auto Insurance	290		290	
Licenses & Taxes	35		35	
Maintenance	100		100	
Replacement				
Other - Tolls/Parking/Transit Fares	100			give up tolls and paid city travel routes for a while. Find free parking alternatives.
Category 6 - Insurance (monthly)	***67***	***723***	***67***	
Life - 750,000 20 year term on Jerry	67		67	
Health/Dental				
Disability				
Other				
Category 7 - Debts (monthly)	***1,775***	***723***	***1,975***	
Total Credit Cards *(from Debt List)*	1,480		1,480	
Total Other Debt *(from Debt List)*	295		295	
Extra Debt Payments			200	with no other changes or additional debt repayment
Category 8 - Entertainment & Recreation (monthly)	***1,498***	***1,157***	***871***	
Eating Out	400		200	slash this by prepping at home more
Lunches	200		150	take snacks from home for lunches
Movies/Events	200			cut back on this entertainment spending at least for a while to get debts in order
Activities (Kids)	300		150	may need to consider pulling back and spending more family time together at home.
Baby Sitters	100		100	
Health Club	50		50	
Vacation	100		100	
Amazon Prime	15		15	
Audible	15		15	
Sirius	27			Prime has included music instead
Netflix	16		16	
Apple	25		25	
Pets	50		50	
Category 9 - Clothing (monthly)	***50***	***1,012***	***50***	
Children's Clothing Needs	50		50	
Husband/Wife Clothing Needs				
Other				
Category 10 - Savings (monthly)	***200***	***723***	***200***	
Savings Account	200		200	this should be enough to help them (if not already, establish emergency find)
Credit Union				
Other				

Category 11 - Health & Wellness (monthly)	***450***	***723***	***450***	
Medical/Dental/Vision	100		100	
Dentist				
Prescriptions				
Eye Glasses / Contacts	50		50	
Marriage Counseling	300		300	
Category 12 - Miscellaneous (monthly)	***875***	***1,012***	***75***	
Toiletries / Cosmetics				
Beauty / Barber				
Laundry / Cleaning				
Allowances				
Gifts (including Christmas)	75		75	
Cash (Jerry)	400			short time - push some of this to debt repayment
Cash (Janice)	400			^^
Other				
Category 13 - Investments (monthly)	***400***	***723***	***600***	
Employer 401k/403b plans	200		400	increase to aid in retirement savings (closer to 5% mark for Jerry)
Retirement IRAs				
College Fund - 529 plan	200		200	
Non-Retirement Stocks, Bonds, Mutual Funds				
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	**18,260**	**14,459**	**16,258**	

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

Form Version Nov 28, 2022