CASE STUDY A

Mindy Smith, 33 years old, was recently divorced from her husband Terry after 10 years of marriage. She children, ages 3, 5, and 8. Terry is a CPA. Mindy has never worked outside of the home, although she co one year of college. Terry and Mindy had been actively involved in a large church since they were marrie now wants to marry Carol, a lady who sings in the church choir. The church quickly responded by followi steps outlined in Matthew 18:15-17, but Terry and Carol are not repentant and now want nothing to do old church. Mindy has stayed in the house, which is in a small city with limited public transit. They have dog.

Mindy is working 40 hours per week at a bookstore, where she earns just over the minimum wage. Mind has offered to watch the children while Mindy works. The church has helped with food and utility bills, b cannot continue this long-term.

Following are the agreements in the divorce settlement.

- Mindy was awarded the house but has to pay the mortgage.
- Mindy was awarded all personal belongings - furniture, toys, clothes.
- Mindy was awarded child support of 1,800 per month.
- Mindy was awarded the Honda Accord, which has a loan against it.
- Mindy will be responsible for the credit cards and personal loans shown on the debt list.
- Terry is responsible for providing health insurance for the children. He is also responsible for all medic expenses the health insurance doesn't pay, plus all dental and prescription drug expenses for the childre employer does not provide health insurance.
- Terry is to carry life insurance on himself in the amount of 250,000 with the children as the beneficiari youngest child reaches age 21.
- No alimony was awarded.
- Mindy was awarded the exemptions of the children for income tax purposes.

Help Mindy develop a realistic budget for her new situation as a single mother.
- Complete the "% Spending Plan" tab, using appropriate percentages from the "Percentage Guide" tab.
- In the "Spending Plan" tab, complete the "new budget" column, explaining significant changes in the "c column.

The questions below will be in the Assignment for Case Study A. They are listed here so you can be thi about them as you review the forms in this spreadsheet.

1. What scriptures and biblical principles could help Mindy understand how God wants her to manage h
and decide about declaring bankruptcy?

2. What actions should Mindy take to help her adjust to her new lifestyle and her resulting emotions?

3. Mindy's debt payments are significantly over the guideline. What practical steps should Mindy take to

4. Mindy's housing expense is significantly over the guideline. How would you help Mindy decide wheth

5. What actions should Mindy take to secure some type of health and life insurance?

6. What actions should Mindy take to fund emergency savings and clothing?

This is a very sad situation that you may very well run in to. Statistics show:
- 41 percent of first marriages end in divorce.
- 60 percent of second marriages end in divorce.
- 73 percent of third marriages end in divorce.

This is alarming and sad news. Yet Christians are not exempt from these types of situations.

Assets & Liabilities

		Comments
Date:		

ASSETS (Present Market Value)	Balance	Comments
Cash On Hand (both husband and wife if married)	50.00	
Checking Accounts	250.00	
Savings Accounts	0.00	
Stocks and Bonds		
Cash Value of Life Insurance		
Valuable Collections (coins, stamps, etc.)		
Primary Home Value (look up value, e.g., zillow.com)	300,000.00	
Other Real Estate		
Mortgages/Notes Receivable		
Automobile 1 (look up value, e.g., kbb.com) - 4 year-old Honda Accord	22,000.00	
Automobile 2 (look up value, e.g., kbb.com)		
Automobile 3 (look up value, e.g., kbb.com)		
Personal Property (Furniture, Jewelry, etc.)	20,000.00	
Retirement Savings (401k, 403b, , IRAs, Pension, etc.)		
College Savings		
Other Assets		
Total Assets:	**342,300.00**	

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	Minimum Monthly Payment	Interest Rate	Months Past Due	Balance Due	Comments
Chase Amazon	Various	50.00	23.0%	0	4,000.00	
Citibank Visa	Various	65.00	20.0%	0	5,500.00	Negotiate with credit card companies.
Capital One Mastercard	Various	40.00	21.0%	0	2,500.00	
		(155.00)				
		304.35				Consolidated debt loan @ 10% 4 year fixed terms.
Total Credit Cards		**304.35**			**12,000.00**	

AUTO LOANS

Loan Company	Year, Make, Model	Minimum Monthly Payment	Interest Rate	Months Past Due	Balance Due	Based upon current KBB and bank rates:
Honda Financing	4 year-old Honda Accord	530.00	6.0%	0	18,000.00	Sell Honda Accord - KBB value with 70k miles is 25% above loan payoff.
		(530.00)				
		260.00				Repurchase 13.5k10yr Honda accord with 70k miles & 20% down.
						at 6%.
						Or Refinance 4yr Honda to reduce payment to $423
Total Auto Loans		**260.00**			**18,000.00**	

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	Comments
My Town Credit Union	18 Oak Court	1,800.00	4.0%	0	250,000.00	
Total Home Mortgages		**1,800.00**			**250,000.00**	

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	Comments
Best Finance	Debt Consolidation Loan	260.00	10.00%		8,000.00	
Total Other Debt		**260.00**			**8,000.00**	

Total Liabilities/Debts	**288,000.00**
NET WORTH (Total Assets minus Total Liabilities/Debts)	**54,300.00**

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:***		**3,648**	**43,776**
						Annual Income
	Use appropriate % from "Percentage Guide"					
Income Deductions	**Percentage**	**x**	**Gross Monthly Income**	**=**	**Guideline Amount**	
1. Tithe/Giving	10.0%	x	3,648		**365**	
1. Total Taxes	***no guideline***		***actual from Current Spending Plan:***		**141**	
Net Spendable Income (NSI)					**3,142**	**37,702**
						Annual NSI

Expense Category	**Percentage**	**x**	**Net Spendable Income**	**=**	**Guideline Amount**	
3. Housing	38%	x	3,142	=	1,194	
4. Food	15%	x	3,142	=	471	
5. Transportation	14%	x	3,142	=	440	
6. Insurance	5%	x	3,142	=	157	
7. Debts	5%	x	3,142	=	157	
8. Entertainment/Recreation	3%	x	3,142	=	94	
9. Clothing	5%	x	3,142	=	157	
10. Savings	4%	x	3,142	=	126	
11. Health & Wellness	8%	x	3,142	=	251	
12. Miscellaneous	3%	x	3,142	=	94	
13. Investments	0%	x	3,142	=	-	
14. School/Child Care	***no guideline***					
Total Percentages: ***(cannot exceed 100%***	**100%**					
Total Guideline Expenses: (cannot exceed Net Spendable Income)					**3,142**	OK

Spending Plan	Current	Guideline	New Budget	Comments
INCOME vs. EXPENSE SUMMARY (calculated)				
Net Spendable Income	**3,467**		**3,667**	
Less Total Expenses	**4,384**		**3,667**	
Surplus or Deficit	**(918)**		**(0)**	
Monthly Income				
Gross Monthly Income	***3,648***		***3,848***	
Monthly Salary	1,848		1,848	
Child Support	1,800		1,800	
Dividends				
Commissions				
Bonuses/Tips				
Retirement Income				
Net Business Income				
Other Income			200	Babysit Saturday nights for extra income.
LESS				
Category 1 - Tithe/Giving	***40***	***365***	***40***	
The Local Church	40		40	Contribute
The Poor				
Other Ministries				
Other Giving				
Category 2 - Taxes	***141***	***141***	***141***	
Taxes (Fed, State, Medicare, Social Security)	141		141	
Other				
do not include medical/dental premiums, retirement plans, HSA/FSA contributions, charity contributions that are taken out of the paycheck. Instead, include these deductions as expenses below				
NET SPENDABLE INCOME	**3,467**	**3,142**	**3,667**	
Monthly Expenses				
Category 3 - Housing	***2,100***	***1,194***	***2,025***	
Mortgage(s) *(from Debt List)*	1,800		1,800	
Extra Mortgage Payment				
Rent				
Insurance (included in mortgage)				
Property Taxes (included in mortgage)				
Electricity	150		75	If church/ministry is paying electricity - save for winter months.
Gas				
Water	60		60	
Sanitation				
Telephone / Cell phone	45		45	
Maintenance				
Internet / Cable Service	45		45	
Other				
Category 4 - Food	***800***	***471***	***471***	

Spending Plan	Current	Guideline	New Budget	Comments
Grocery	800		471	Church/Family are helping. Also, Suggest discount grocery outlets, prepare meals, eliminate food items (ie. Junk food) and replace with homemade goodies.
Other				
Category 5 - Transportation	***640***	***440***	***440***	
Auto Payment(s) *(from Debt List)*	260		260	
Extra Auto Payment				Repurchase 10yr Honda accord with 70k miles & 20% down.
Gas & Oil	200		100	Share rides when available - consolidate trips in car to necessity.
Auto Insurance	150		70	Compare auto insurances - should be cheaper
Licenses & Taxes	30		10	Older car will have lower tax/license fees.
Maintenance			0	
Replacement				
Other - Tolls/Parking/Transit Fares				
Category 6 - Insurance	***0***	***157***	***0***	
Life				
Health/Dental				
Disability				
Other				
Category 7 - Debts	***564***	***157***	***564***	
Total Credit Cards *(from Debt List)*	304		304	
Total Other Debt *(from Debt List)*	260		260	
Extra Debt Payments			0	Consolidated debt loan on credt cards with compounding interest charges.
Category 8 - Entertainment & Recreation	***220***	***94***	***34***	
Eating Out / Lunches	150		0	Take lunches from home - healthy!
Baby Sitters	30		0	Include children in activities- ask church and family for necessary babysitting needs.
Activities / Trips			9	Use local cultural activities for outings that are free.
Vacation				
Pets	40		25	Ask family for help with pet foods, can cook chicken, turkey for pet meat.
Hobbies and Sports				Volunteer at local Pet Rescue for exchange of pet needs.
Other				
Category 9 - Clothing	***0***	***157***	***0***	
Children's Clothing Needs			0	Volunteer at local Good Samaritan Food/clothing bank and receive free clothing.
Husband/Wife Clothing Needs				
Other				
Category 10 - Savings	***0***	***126***	***126***	
Savings Account			126	Start saving for maintenance, repairs, birthdays…
Credit Union				
Other				
Category 11 - Health & Wellness	***0***	***251***	***0***	
Doctor			0	
Dentist			0	
Prescriptions			0	
Eye Glasses / Contacts			0	

Spending Plan	Current	Guideline	New Budget	Comments
Other				
Category 12 - Miscellaneous	***60***	***94***	***7***	
Toiletries / Cosmetics	20		7	Discount store
Beauty / Barber	20		0	Learn to cut your own family's hair
Laundry / Cleaning	20		0	Clean clothes with hand washing etc…
Allowances				
Subscriptions				
Gifts (including Christmas)				
Cash				
Other				
Category 13 - Investments	***0***	***0***	***0***	
Employer 401k/403b plans				
Retirement IRAs				
College Funds				
Non-Retirement Stocks, Bonds, Mutual Funds				
Investment Real Estate				
Other				
Category 14 - School/Child Care [(1)]	***0***	***0***	***0***	
School Tuition				
School Books, Supplies, Materials, etc				
Transportation				
Day Care				
Tutoring, Lessons for Music, Dance, etc				
Other				
Total Expenses	**4,384**	**3,142**	**3,667**	

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

Form Version Nov 28, 2022