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. Minc
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 medica
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 beneficiarie
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.

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Assets & Liabilities

Date:		Comments

ASSETS (Present Market Value)	Balance	
Cash On Hand (both husband and wife if married)	50.00	
Checking Accounts	250.00	
Savings Accounts	30.00	Remainder from selling house
Stocks and Bonds		
Cash Value of Life Insurance		
Valuable Collections (coins, stamps, etc.)		
Primary Home Value (look up value, e.g., zillow.com)	0.00	Sold house for apartment or condo
Other Real Estate		
Mortgages/Notes Receivable		
Automobile 1 (look up value, e.g., kbb.com) - 4 year-old Honda Accord	0.00	Sold
Automobile 2 (look up value, e.g., kbb.com) - 2013 year old Honda Accord	12,902.00	87,184 miles
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:	**33,232.00**	

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	
Chase Amazon	Various	0.00	23.0%	0	0.00	$4,000.00
Citibank Visa	Various	0.00	20.0%	0	0.00	$5,000.00
Capital One Mastercard	Various	0.00	21.0%	0	0.00	$2,500.00
					0.00	
Christian Credit Counselors						$11,500 paid off from selling house
Total Credit Cards		**0.00**			**0.00**	

AUTO LOANS

Loan Company	Year, Make, Model	Minimum Monthly Payment	Interest Rate	Months Past Due	Balance Due	
Honda Financing	4 year-old Honda Accord	0.00	0.0%	0	0.00	Sold car - KKB private sell $21,432 - $23,181 - paid loan off at $18,000 have $3432 left over.
Total Auto Loans		**0.00**			**0.00**	

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	
My Town Credit Union	18 Oak Court	0.00	4.0%	0	0.00	Sold house for $300k, after realtor fees left with $29,000 - Best Finance - $8,000 - Honda Accord - $9,470 + ($3,432 from selling 4 year old car) - Credit Cards - $11,500
Total Home Mortgages		**0.00**			**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	
Best Finance	Debt Consolidation Loan	0.00	10.00%		0.00	Paid of $8000 with the $29,000
Total Other Debt		**0.00**			**0.00**	

Total Liabilities/Debts	**0.00**
NET WORTH (Total Assets minus Total Liabilities/Debts)	**33,232.00**

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	39%	x	3,142	=	1,225	
4. Food	14%	x	3,142	=	440	
5. Transportation	14%	x	3,142	=	440	
6. Insurance	4%	x	3,142	=	126	
7. Debts	5%	x	3,142	=	157	
8. Entertainment/Recreation	4%	x	3,142	=	126	
9. Clothing	5%	x	3,142	=	157	
10. Savings	5%	x	3,142	=	157	
11. Health & Wellness	6%	x	3,142	=	189	
12. Miscellaneous	4%	x	3,142	=	126	
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**		**3,142**	
Less Total Expenses	**1,760**		**3,142**	
Surplus or Deficit	**1,707**		**0**	
Monthly Income				
Gross Monthly Income	***3,648***		***3,648***	
Monthly Salary	1,848		1,848	
Child Support	1,800		1,800	
Dividends				
Commissions				
Bonuses/Tips				
Retirement Income				
Net Business Income				
Other Income				
LESS				
Category 1 - Tithe/Giving	***40***	***365***	***365***	
The Local Church	40		365	
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**	**3,142**	
Monthly Expenses				
Category 3 - Housing	***300***	***1,225***	***1,225***	
Mortgage(s) *(from Debt List)*	0		0	
Extra Mortgage Payment				Sold house and rent apartment or condo. Sold house for $300k, after realtor fees left with $29,000 - Best Finance - $8,000 (Paid off debt consolidation loan) - Honda Accord - $9,470 + ($3,432 from selling 4 year old car) - Credit Cards - $11,500 (Paid off all 3 credit cards - Savuings - $30.00
Rent			1,000	
Insurance (included in mortgage)				
Property Taxes (included in mortgage)				
Electricity	150		120	
Gas				
Water	60		60	
Sanitation				

Spending Plan	Current	Guideline	New Budget	Comments
Telephone / Cell phone	45		45	
Maintenance				
Internet / Cable Service	45		0	
Other				
Category 4 - Food	***800***	***440***	***596***	
Grocery	800		440	
Other			156	
Category 5 - Transportation	***380***	***440***	***440***	
Auto Payment(s) *(from Debt List)*	0		0	
Extra Auto Payment				Sold 4 year old honda accourd- KKB private sell $21,432 - $23,181 Assumed sold at $21,432 Paid off $18,000 loan, $3,432 leftover for downpayment on older car Bought 2013 Honda for $12,902 (Reference KBB), $3,432 rest of the amount came from the sell of the house.
Gas & Oil	200		200	
Auto Insurance	150		150	
Licenses & Taxes	30		30	
Maintenance			60	
Replacement				
Other - Tolls/Parking/Transit Fares				
Category 6 - Insurance	***0***	***126***	***126***	
Life			126	
Health/Dental				
Disability				
Other				
Category 7 - Debts	***0***	***157***	***0***	
Total Credit Cards *(from Debt List)*	0		0	
Total Other Debt *(from Debt List)*	0		0	
Extra Debt Payments				Debt Consolidation $8,000 paid off from selling personal property
Category 8 - Entertainment & Recreation	***220***	***126***	***126***	
Eating Out / Lunches	150		56	
Baby Sitters	30		30	
Activities / Trips				
Vacation				
Pets	40		40	
Hobbies and Sports				
Other				
Category 9 - Clothing	***0***	***157***	***157***	
Children's Clothing Needs			157	
Husband/Wife Clothing Needs				
Other				
Category 10 - Savings	***0***	***157***	***157***	

Spending Plan	Current	Guideline	New Budget	Comments
Savings Account			157	
Credit Union				
Other				
Category 11 - Health & Wellness	***0***	***189***	***189***	
Doctor			189	
Dentist				
Prescriptions				
Eye Glasses / Contacts				
Other				
Category 12 - Miscellaneous	***60***	***126***	***126***	
Toiletries / Cosmetics	20		20	
Beauty / Barber	20		20	
Laundry / Cleaning	20		20	
Allowances			66	
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	**1,760**	**3,142**	**3,142**	

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

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