

## CASE STUDY D

Doug Wilson is a 55 year old single man whose wife passed away about 10 years ago. He has grown kids, a dog, and resides in a nice 4 bedroom house in Montana. Doug has been working for 30 years for an agricultural company. There are no real monthly financial problems, except that he can't seem to set much savings aside and is not saving enough to retire. He is a committed Christian and is very dedicated to his church.

He has been contributing 4% of his income to his company's 401k retirement plan (they match his contribution to a maximum of 4%). His employer does not provide a pension or medical benefits in retirement. He receives income tax refunds each year, but that money just seems to disappear soon after he gets it. Medical insurance is provided by Doug's employer for a small monthly amount, and they provide disability insurance at no cost.

Develop a recommended new budget for Doug, with the goal of getting him better prepared for retirement. 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 "old budget" column.

**The questions below will be in the Test for Case Study D. They are listed here so you can be thinking about them while working on the forms in this spreadsheet.**

1. List at least four questions you might ask to help Doug evaluate having enough money to retire? What would be the best question for each question?
2. How would you approach Doug's inability to save for retirement? What "low hanging fruit opportunities" would you suggest to help him?
3. Though Doug does not have sizable debt now, what advice would you give him about paying off his credit cards to avoid future indebtedness?
4. While referring to the Crown MoneyMap, what changes would you recommend for Doug to make in order to reach his first four destinations? List each destination followed by specific actions he should take in that destination to reach the next destination.
5. What steps can Doug take to leave a legacy for his children that will impact eternity, as well as earthly life?



Assets & Liabilities		
Date:	June 2024	Comments
<b>ASSETS</b> (Present Market Value)		<b>Balance</b>
Cash On Hand (both husband and wife if married)		200.00
Checking Accounts		850.00
Savings Accounts		4,648.00
Investment Assets		1,385.00
Cash Value of Life Insurance		0.00
Valuable Collections (coins, stamps, etc.)		
Primary Home Value (look up value, e.g., zillow.com)		0.00
Other Real Estate Newly purchased primary home for \$200,000		200,000.00
Mortgages/Notes Receivable		
Automobile 1 - 1 year-old Ford F-150		0.00
Automobile 2 (look up value, e.g., kbb.com) 5 year old used car to be purchased		10,000.00
Automobile 3 (look up value, e.g., kbb.com)		
Personal Property (Furniture, Jewelry, etc.)		10,000.00
Retirement Savings (401k, 403b, , IRAs, Pension, etc.)		250,000.00
Other Assets		
<b>Total Assets</b>		<b>477,083.00</b>

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
Citibank	Various	0.00	22.0%		
<b>Total Credit Cards</b>		<b>0.00</b>			<b>0.00</b>
AUTO LOANS					
Loan Company	Year, Make, Model	Minimum Monthly Payment	Interest Rate	Months Past Due	Balance Due
Ford Financing	Ford F-150	0.00	6.0%		0.00
<b>Total Auto Loans</b>		<b>0.00</b>			<b>0.00</b>
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
Nationwide	123 Hummingbird Lane	0.00	5.0%		0.00
<b>Total Home Mortgages</b>		<b>0.00</b>			<b>0.00</b>
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
<b>Total Other Debt</b>		<b>0.00</b>			<b>0.00</b>
<b>Total Liabilities/Debts</b>					<b>0.00</b>
<b>NET WORTH (Total Assets minus Total Liabilities/Debts)</b>					<b>477,083.00</b>

**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)**

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

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

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

**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					
<b>Net Spendable Income:(Gross Income - Tithe/Giving - Total Taxes) percentages below add to 100%</b>						
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%
<b>Total Net Spendable Income:</b>	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	<b>Use Current Monthly Taxes</b>					
<b>Net Spendable Income:(Gross Income - Tithe/Giving - Total Taxes) percentages below add to 100%</b>						
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%
<b>Total Net Spendable Income:</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
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
<b>1. Tithe/Giving</b>	10%	10%	10%	10%	10%	10%
<b>2. Total Taxes</b>	<b>Use Current Monthly Taxes</b>					
<b>Net Spendable Income:(Gross Income - Tithe/Giving - Total Taxes) percentages below add to 100%</b>						
<b>3. Housing</b>	40%	39%	39%	36%	34%	30%
<b>4. Food</b>	15%	14%	14%	13%	13%	12%
<b>5. Transportation</b>	15%	14%	14%	13%	13%	12%
<b>6. Insurance</b>	3%	3%	4%	4%	5%	5%
<b>7. Debts</b>	5%	5%	5%	5%	5%	5%
<b>8. Entertainment/Recreation</b>	3%	4%	4%	6%	6%	6%
<b>9. Clothing</b>	5%	5%	5%	6%	7%	7%
<b>10. Savings</b>	5%	5%	5%	5%	5%	5%
<b>11. Health &amp; Wellness</b>	6%	7%	6%	6%	6%	6%
<b>12. Miscellaneous</b>	3%	4%	4%	6%	6%	6%
<b>13. Investments</b>	0%	0%	0%	0%	0%	6%
<b>Total Net Spendable Income:</b>	100%	100%	100%	100%	100%	100%
<b>14. School/Child Care</b>	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
<b>1. Tithe/Giving</b>	10%	10%	10%	10%	10%	10%
<b>2. Total Taxes</b>	<b>Use Current Monthly Taxes</b>					
<b>Net Spendable Income:(Gross Income - Tithe/Giving - Total Taxes) percentages below add to 100%</b>						
<b>3. Housing</b>	40%	38%	36%	34%	32%	30%
<b>4. Food</b>	6%	6%	7%	7%	7%	7%
<b>5. Transportation</b>	15%	15%	14%	14%	13%	13%
<b>6. Insurance</b>	4%	4%	4%	5%	5%	5%
<b>7. Debts</b>	5%	5%	5%	5%	5%	5%
<b>8. Entertainment/Recreation</b>	6%	6%	7%	7%	8%	9%
<b>9. Clothing</b>	5%	6%	6%	7%	8%	8%
<b>10. Savings</b>	5%	5%	5%	5%	5%	5%
<b>11. Health &amp; Wellness</b>	6%	5%	5%	5%	4%	4%
<b>12. Miscellaneous</b>	5%	6%	6%	6%	7%	7%
<b>13. Investments</b>	3%	4%	5%	5%	6%	7%
<b>Total Net Spendable Income:</b>	100%	100%	100%	100%	100%	100%
<b>14. School/Child Care</b>	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					
<b>Net Spendable Income:(Gross Income - Tithe/Giving - Total Taxes) percentages below add to 100%</b>						
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%
<b>Total Net Spendable Income:</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
14. School/Child Care	no guideline percentages					

Revised Oct 29, 2022

## Percentage Spending Plan

<b>Gross Monthly Income</b>		<i>from Current Spending Plan:</i>	<b>10,000</b>	<b>120,000</b>
	Input appropriate % from "Percentage Guide"			Annual Income
<b>Income Deductions</b>	<b>Percentage</b>	<b>x</b>	<b>Gross Monthly Income</b>	<b>=</b>
				<b>Guideline Amount</b>
1. Tithe/Giving	10%	x	10,000	=
2. Total Taxes	<i>no guideline</i>		<i>actual from Current Spending Plan:</i>	=
				<b>1,000</b>
				<b>3,865</b>
<b>Net Spendable Income (NSI)</b>				<b>5,135</b>
				<b>61,620</b>
				Annual NSI

Expense Category	Percentage	x	Net Spendable Income	=	Guideline Amount
3. Housing	32%	x	5,135	=	1,643
4. Food	7%	x	5,135	=	359
5. Transportation	13%	x	5,135	=	668
6. Insurance	5%	x	5,135	=	257
7. Debts	5%	x	5,135	=	257
8. Entertainment/Recreation	8%	x	5,135	=	411
9. Clothing	8%	x	5,135	=	411
10. Savings	5%	x	5,135	=	257
11. Health & Wellness	4%	x	5,135	=	205
12. Miscellaneous	7%	x	5,135	=	359
13. Investments	6%	x	5,135	=	308
14. School/Child Care	<i>no guideline</i>				
<b>Total Percentages: (cannot exceed 100%)</b>			<b>100%</b>		
<b>Total Guideline Expenses: (cannot exceed Net Spendable Income)</b>					<b>5,135</b>

Annual NSI

OK

Revised Oct 29, 2022

Spending Plan	Current	Guideline	New Budget	Comments
<b>INCOME vs. EXPENSE SUMMARY (calculated)</b>				
Net Spendable Income	5,135		5,368	
Less Total Expenses	3,317		5,368	
Surplus or Deficit	1,818		0	
<b>Monthly Income</b>				
<i>Gross Monthly Income</i>	10,000		10,000	
Monthly Salary	10,000		10,000	
Interest Income				
Dividends				
Commissions				
Bonuses/Tips				
Retirement Income				
Net Business Income				
Other Income				
LESS				
<b>Category 1 - Tithe/Giving (monthly)</b>	1,000	1,000	1,100	
The Local Church	1,000		1,000	
The Poor			100	Raised giving budget to stretch and grow faith
Other Ministries				
Other Giving				
<b>Category 2 - Taxes (monthly)</b>	3,865	3,865	3,532	
Taxes (Fed, State, Medicare, Social Security)	3,865		3,532	Adjusted taxes to recognize the \$4000 tax return
Other				
<i>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</i>				
<b>NET SPENDABLE INCOME (monthly)</b>	5,135	5,135	5,368	
<b>Monthly Expenses</b>				
<b>Category 3 - Housing (monthly)</b>	1,242	1,643	1,051	
Mortgage(s) (from Debt List)	0		0	Primary home is sold, mortgage is paid off, and paid cash for smaller home with no payment
Extra Mortgage Payment				
Rent				
Insurance	250		200	Lower insurance with less of a house
Property Taxes	432		124	Property taxes should be proportionally lower with the lower value home.
Electricity	170		170	
Gas	80		80	
Water	40		40	
Sanitation	30		30	
Telephone / Cell phone	80		80	
Maintenance			167	Added 1% maintenance for the newly purchased \$200,000 home
Internet / Cable Service	160		160	
Other				

Spending Plan	Current	Guideline	New Budget	Comments
<b>Category 4 - Food (monthly)</b>	<b>600</b>	<b>359</b>	<b>0</b>	
Grocery	600			
Other				
<b>Category 5 - Transportation (monthly)</b>	<b>402</b>	<b>668</b>	<b>668</b>	
Auto Payment(s) <i>(from Debt List)</i>	0		0	
Extra Auto Payment				
Gas & Oil	200		200	
Auto Insurance	150		150	
Licenses & Taxes	12		12	
Maintenance	40		40	
Replacement			266	
Other - Tolls/Parking/Transit Fares				Saving for next used vehicle. After 5 years of saving at 5%, will have \$15,960
<b>Category 6 - Insurance (monthly)</b>	<b>135</b>	<b>257</b>	<b>75</b>	
Life (\$30,000 Whole Life)	60		0	Liquidated whole life policy. Insurance policy is no longer needed.
Health/Dental	75		75	
Disability				
Other				
<b>Category 7 - Debts (monthly)</b>	<b>0</b>	<b>257</b>	<b>0</b>	
Total Credit Cards <i>(from Debt List)</i>	0		0	
Total Other Debt <i>(from Debt List)</i>	0		0	
Extra Debt Payments				High interest credit card is now paid off
<b>Category 8 - Entertainment &amp; Recreation (monthly)</b>	<b>210</b>	<b>411</b>	<b>210</b>	
Eating Out / Lunches	80		80	
Baby Sitters				
Activities / Trips	55		55	
Vacation	75		75	
Pets				
Hobbies and Sports				
Other				
<b>Category 9 - Clothing (monthly)</b>	<b>50</b>	<b>411</b>	<b>50</b>	
Clothing	50		50	
Other				
<b>Category 10 - Savings (monthly)</b>	<b>25</b>	<b>257</b>	<b>2,661</b>	
Savings Account	25		2,661	Save the full \$2,661 per month until you get to the 6 months expenses in your emergency fund, then adjust your budget to fully fund your 401k.
Credit Union				
Other				
<b>Category 11 - Health &amp; Wellness (monthly)</b>	<b>70</b>	<b>205</b>	<b>70</b>	
Doctor	20		20	
Dentist	20		20	
Prescriptions	10		10	
Eye Glasses / Contacts	20		20	
Other				

Spending Plan	Current	Guideline	New Budget	Comments
<b>Category 12 - Miscellaneous (monthly)</b>	<b>133</b>	<b>359</b>	<b>183</b>	
Toiletries / Cosmetics			30	Added Toiletries
Beauty / Barber	20		20	
Laundry / Cleaning			20	Added Laundry / Cleaning
Allowances			70	
Subscriptions	3		3	
Gifts (including Christmas)	40		40	
Cash	70			
Other				
<b>Category 13 - Investments (monthly)</b>	<b>450</b>	<b>308</b>	<b>400</b>	
Employer 401k/403b plans	400		400	Continue to invest \$400 in 401k to get the match until the Emergency Savings is large enough, then adjust budget to fully fund your 401k.
Retirement IRAs				
College Funds				
Non-Retirement Stocks, Bonds, Mutual Funds	50		0	Move the monthly non-retirement amount to your savings for now until you hit your savings goal, then you'll want to fully fund your 401k.
Investment Real Estate				
Other				
<b>Category 14 - School/Child Care (monthly) (1)</b>	<b>0</b>		<b>0</b>	
School Tuition				
School Books, Supplies, Materials, etc				
Transportation				
Day Care				
Tutoring, Lessons for Music, Dance, etc				
Other				
<b>Total Expenses</b>	<b>3,317</b>	<b>5,135</b>	<b>5,368</b>	

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

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