

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		Comments
Date:		
ASSETS (Present Market Value)		Balance
Cash On Hand (both husband and wife if married)	200.00	
Checking Accounts	850.00	
Savings Accounts	2,500.00	
Investment Assets	1,385.00	Robin Hood stock brokerage
Cash Value of Life Insurance	20,000.00	sell this for \$20,000 since don't need life ins., pay off debt and buy a used truck
Valuable Collections (coins, stamps, etc.)		
Primary Home Value (look up value, e.g., zillow.com)	700,000.00	
Other Real Estate		
Mortgages/Notes Receivable		
Automobile 1 - 1 year-old Ford F-150	0.00	
Automobile 2 (look up value, e.g., kbb.com)	17,500.00	20,000 life insurance less 2500 cc debt
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	What age would you like to retire? How much income will you need? How much Social Security will you receive? Consider meeting with a financial planner. Using the Crown retirement calculator, to have \$1,000,000 at age 70, assuming starting with \$250,000 at age 55 and making a 7% return, need to put in roughly \$700 monthly
Other Assets		
Total Assets	1,002,435.00	

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
Citibank	Various	0.00	22.0%		0.00
					eliminate this \$2,500 debt with life insurance payout
Total Credit Cards		0.00			0.00
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
					Would pay off this 26,352 debt by selling the truck for 26,000 and then putting the remainder of the life insurance payout towards a used car
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
Nationwide	123 Hummingbird Lane	2,576.00	5.0%		435,000.00
					may want to consider selling and downsizing or renting to get within housing % and to save more for retirement
Total Home Mortgages		2,576.00			435,000.00
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
Total Other Debt		0.00			0.00

Total Liabilities/Debts	435,000.00
NET WORTH (Total Assets minus Total Liabilities/Debts)	567,435.00

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					

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Percentage Spending Plan

Gross Monthly Income		<i>from Current Spending Plan:</i>	10,000	120,000
	Input appropriate % from "Percentage Guide"			Annual Income
Income Deductions	Percentage	x	Gross Monthly Income	=
			Guideline Amount	
1. Tithe/Giving	10%	x	10,000	1,000
2. Total Taxes	<i>no guideline</i>		<i>actual from Current Spending Plan:</i>	3,865
Net Spendable Income (NSI)				5,135
				61,620
				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>				
Total Percentages: (cannot exceed 100%)			100%		
Total Guideline Expenses: (cannot exceed Net Spendable Income)					5,135

Annual NSI

OK

Revised Oct 29, 2022

Spending Plan	Current	Guideline	New Budget	Comments
INCOME vs. EXPENSE SUMMARY (calculated)				
Net Spendable Income	5,135		5,468	
Less Total Expenses	5,893		5,468	
Surplus or Deficit	(758)		0	
Monthly Income				
<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				
Category 1 - Tithe/Giving (monthly)	1,000	1,000	1,000	
The Local Church	1,000		1,000	
The Poor				
Other Ministries				
Other Giving				
Category 2 - Taxes (monthly)	3,865	3,865	3,532	
Taxes (Fed, State, Medicare, Social Security)	3,865		3,532	adjust w-4 to eliminate \$4,000 refund (approximately 333 month)
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>				
NET SPENDABLE INCOME (monthly)	5,135	5,135	5,468	
Monthly Expenses				
Category 3 - Housing (monthly)	3,818	1,643	3,688	
Mortgage(s) (from Debt List)	2,576		2,576	make a plan to reduce this and then to put the difference in savings and retirement
Extra Mortgage Payment				
Rent				
Insurance	250		250	
Property Taxes	432		432	
Electricity	170		170	
Gas	80		80	
Water	40		40	
Sanitation	30		30	
Telephone / Cell phone	80		50	look for a cheaper cell phone plan
Maintenance				
Internet / Cable Service	160		60	consider eliminating cable
Other				

Spending Plan	Current	Guideline	New Budget	Comments
Category 4 - Food (monthly)	600	359	550	
Grocery	600		550	consider ways to reduce food bill
Other				
Category 5 - Transportation (monthly)	402	668	462	
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		100	increase for used car
Replacement				
Other - Tolls/Parking/Transit Fares				
Category 6 - Insurance (monthly)	135	257	75	
Life (\$30,000 Whole Life)	60		0	cash out (see assets and liabilities)
Health/Dental	75		75	
Disability				
Other				
Category 7 - Debts (monthly)	0	257	0	
Total Credit Cards <i>(from Debt List)</i>	0		0	
Total Other Debt <i>(from Debt List)</i>	0		0	
Extra Debt Payments				
Category 8 - Entertainment & Recreation (monthly)	210	411	210	
Eating Out / Lunches	80		80	
Baby Sitters				
Activities / Trips	55		55	
Vacation	75		75	
Pets				
Hobbies and Sports				
Other				
Category 9 - Clothing (monthly)	50	411	50	
Clothing	50		50	
Other				
Category 10 - Savings (monthly)	25	257	260	
Savings Account	25		260	once figure out how to reduce housing expense, put difference in savings to reach 3 months expenses
Credit Union				
Other				
Category 11 - Health & Wellness (monthly)	70	205	70	
Doctor	20		20	
Dentist	20		20	
Prescriptions	10		10	
Eye Glasses / Contacts	20		20	
Other				

Spending Plan	Current	Guideline	New Budget	Comments
Category 12 - Miscellaneous (monthly)	133	359	103	
Toiletries / Cosmetics				
Beauty / Barber	20		20	
Laundry / Cleaning				
Allowances				
Subscriptions	3		3	
Gifts (including Christmas)	40		40	
Cash	70		40	what is this for?
Other				
Category 13 - Investments (monthly)	450	308	0	
Employer 401k/403b plans	400		0	Once have 3 months savings, resume retirement savings
Retirement IRAs				
College Funds				
Non-Retirement Stocks, Bonds, Mutual Funds	50		0	
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	5,893	5,135	5,468	

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