

CASE STUDY D

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.

The questions below will be in the Test for Case Study D. They are listed here so you can be thinking about 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 you ask?
2. How would you approach Doug's inability to save for retirement? What "low hanging fruit" opportunities would you suggest to 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: _____	Comments

ASSETS (Present Market Value)	Balance	
Cash On Hand (both husband and wife if married)	200.00	
Checking Accounts	850.00	Add \$30,000 from home sale for six month emergency fund leaving
Savings Accounts	32,500.00	\$61,148 from home sale to invest for retirement.
Investment Assets	1,385.00	Robin Hood stock brokerage
Cash Value of Life Insurance	20,000.00	
Valuable Collections (coins, stamps, etc.)		you have \$280,000 to finance and you won't need PMI because of
Primary Home Value (look up value, e.g., zillow.com)	350,000.00	80% equity from large down payment.
Other Real Estate		
Mortgages/Notes Receivable		
Automobile 1 - 1 year-old Ford F-150	0.00	Sell truck
Automobile 2 (look up value, e.g., kbb.com)	5,000.00	Buy used car for \$5,000 from home sale equity
Automobile 3 (look up value, e.g., kbb.com)		
Personal Property (Furniture, Jewelry, etc.)	10,000.00	Add to your \$250,000 an additional IRA with the remaining \$61,148
Retirement Savings (401k, 403b, , IRAs, Pension, etc.)	311,148.00	from home sale
Other Assets		
Total Assets	731,083.00	

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	Due	Balance Due	
Citibank	Various	0.00	22.0%		0.00	Pay off \$2500 from home sale equity saves you \$50 per month
Total Credit Cards		0.00			0.00	
AUTO LOANS						
Loan Company	Year, Make, Model	Payment	Interest Rate	Due	Balance Due	
Ford Financing	Ford F-150	619.00	6.0%		0.00	Paid off with home sale equity saves you \$619 per month
Total Auto Loans		619.00			0.00	
HOME MORTGAGES (includes home equity loans or lines of credit)						
Mortgage Service Company	Property Address	Payment	Interest Rate	Due	Balance Due	
Nationwide	123 Hummingbird Lane	1,503.00	5.0%		280,000.00	\$1,503 saves you \$1,073 per month
Total Home Mortgages		1,503.00			280,000.00	
OTHER DEBT (education, medical, personal, business, legal, IRS, etc.)						
Who	education, etc.)	Payment	Interest Rate	Due	Balance Due	
Total Other Debt		0.00			0.00	

Total Liabilities/Debts	280,000.00
NET WORTH (Total Assets minus Total Liabilities/Debts)	451,083.00

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					

Revised Oct 29, 2022

Spending Plan	Current	Guideline	New Budget	Comments
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INCOME vs. EXPENSE SUMMARY (calculated)

Net Spendable Income	5,135		5,035	
Less Total Expenses	5,439		5,035	
Surplus or Deficit	(304)		0	

Monthly Income

Gross Monthly Income	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	1,100	
The Local Church	1,000		1,100	Increase giving to local church
The Poor				
Other Ministries				
Other Giving				
Category 2 - Taxes (monthly)	3,865	3,865	3,865	
Taxes (Fed, State, Medicare, Social Security)	3,865		3,865	
Other				
<i>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	5,035	

Monthly Expenses

Category 3 - Housing (monthly)	2,745	1,643	2,124	
Mortgage(s) (from Debt List)	1,503		1,503	After downsizing, new lower payment saves \$1073 per month
Extra Mortgage Payment				
Rent				
Insurance	250		125	50% insurance drop with smaller home
Property Taxes	432		216	50% property tax drop with smaller home
Electricity	170		85	50% utility drop with smaller home
Gas	80		40	50% utility drop with smaller home
Water	40		20	50% utility drop with smaller home
Sanitation	30		30	
Telephone / Cell phone	80		25	Total Wireless
Maintenance				
Internet / Cable Service	160		80	Easily cut in half
Other				

Category 4 - Food (monthly)

Category 4 - Food (monthly)	600	359	359	
Grocery	600		359	stores for staple items

Other				
Category 5 - Transportation (monthly)	1,021	668	986	
Auto Payment(s) <i>(from Debt List)</i>	619		0	Sold truck and bought used car for \$5,000 from home sale equity
Extra Auto Payment				
Gas & Oil	200		200	
Auto Insurance	150		75	Price drop from no collision and cheaper car
Licenses & Taxes	12		12	
Maintenance	40		80	Increase car maintenance since you are driving an older car.
Replacement			619	you could have \$29,712 not including interest.
Other - Tolls/Parking/Transit Fares				
Category 6 - Insurance (monthly)	135	257	135	
Life (\$30,000 Whole Life)	60		60	
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	100	
Savings Account	25		100	Increase savings
Credit Union				
Other				
Category 11 - Health & Wellness (monthly)	70	205	60	
Doctor	20		20	
Dentist	20		20	
Prescriptions	10		10	
Eye Glasses / Contacts	20		10	Cut cost of eyeglasses using Zennoptical.com
Other				
Category 12 - Miscellaneous (monthly)	133	359	133	

Toiletries / Cosmetics				
Beauty / Barber	20		20	
Laundry / Cleaning				
Allowances				
Subscriptions	3		3	
Gifts (including Christmas)	40		40	
Cash	70		70	
Other				
Category 13 - Investments (monthly)	450	308	878	
Employer 401k/403b plans	400		400	Continue with 4% to take advantage of company match. Add to retirement savings so you will be prepared for medical after retirement.
Retirement IRAs			428	
College Funds				
Non-Retirement Stocks, Bonds, Mutual Funds	50		50	
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	5,439	5,135	5,035	

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

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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
1. Tithe/Giving	10%	x	10,000
2. Total Taxes	<i>no guideline</i>		<i>actual from Current Spending Plan:</i>
Net Spendable Income (NSI)			5,135

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

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