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. Min
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?

Romans 13:8 - owe nothing to anyone; Psalm 37:21 - we are to pay our debts

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

Get Christian counseling or a mentor in her church that will disciple her during this difficult time.

To find higher paying jobs, use Crown's Career Direct assessment or read the book "Finding the Career th
You" by Larry Burkett and Lee Ellis.

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

Consider working with CCC to lower her interest and monthly payments.

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

Determine the market and if it is a good time to sell. If so, potentially get a less expensive home. Perhaps
a bridge loan to get her from marketing the house to the sell of the house.

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

She could contact CH Ministries for health insurance on herself or see if she qualifies fror healthcare.gov

- If your income is relatively low, you may qualify for subsidized medical plans at healthcare.gov

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

cheaper car.

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

Date:

Comments

ASSETS **(Present Market Value)**	**Balance**	
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	
Chase Amazon	Various	50.00	23.0%	0	4,000.00	
Citibank Visa	Various	65.00	20.0%	0	5,500.00	
Capital One Mastercard	Various	40.00	21.0%	0	2,500.00	
Total Credit Cards		**155.00**			**12,000.00**	

AUTO LOANS

Loan Company	Year, Make, Model	Minimum Monthly Payment	Interest Rate	Months Past Due	Balance Due	
Honda Financing	4 year-old Honda Accord	530.00	6.0%	0	18,000.00	
Total Auto Loans		**530.00**			**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	
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	
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	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**		**3,715**	
Less Total Expenses	**4,505**		**3,715**	
Surplus or Deficit	**(1,038)**		**0**	
Monthly Income				
Gross Monthly Income	***3,648***		***4,200***	
Monthly Salary	1,848		2,400	Get a raise to $15/hour or another job
Child Support	1,800		1,800	
Dividends				
Commissions				
Bonuses/Tips				
Retirement Income				
Net Business Income				
Other Income				
LESS				
Category 1 - Tithe/Giving	***40***	***365***	***420***	
The Local Church	40		420	
The Poor				
Other Ministries				
Other Giving				
Category 2 - Taxes	***141***	***141***	***65***	
Taxes (Fed, State, Medicare, Social Security)	141		65	taxes will be less since she is claiming all three children
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**	**3,715**	
Monthly Expenses				
Category 3 - Housing	***2,100***	***1,225***	***1,985***	
Mortgage(s) *(from Debt List)*	1,800		1,800	
Extra Mortgage Payment				consider selling house and renting or getting smaller house and paying off cc
Rent				
Insurance (included in mortgage)				
Property Taxes (included in mortgage)				
Electricity	150		75	gets help from church, pay 50%
Gas				
Water	60		60	
Sanitation				
Telephone / Cell phone	45		25	reduce cell phone bill to $25
Maintenance				
Internet / Cable Service	45		25	decrease internet to $25 - no cable service
Other				
Category 4 - Food	***800***	***440***	***220***	

Spending Plan	Current	Guideline	New Budget	Comments
Grocery	800		220	get help at ministry for food supply and shop for reduced cost food
Other				
Category 5 - Transportation	***910***	***440***	***800***	
Auto Payment(s) *(from Debt List)*	530		530	
Extra Auto Payment				
Gas & Oil	200		120	drive less
Auto Insurance	150		120	get cheaper car insur
Licenses & Taxes	30		30	
Maintenance				
Replacement				
Other - Tolls/Parking/Transit Fares				
Category 6 - Insurance	***0***	***126***	***40***	
Life			40	get burial insurance
Health/Dental				see if healthcare.gov is an option for health insur
Disability				
Other				
Category 7 - Debts	***415***	***157***	***435***	
Total Credit Cards *(from Debt List)*	155		155	
Total Other Debt *(from Debt List)*	260		260	
Extra Debt Payments			20	
Category 8 - Entertainment & Recreation	***220***	***126***	***100***	
Eating Out / Lunches	150		60	change eating out - make lunches
Baby Sitters	30		0	sister will babysit
Activities / Trips				
Vacation				
Pets	40		40	
Hobbies and Sports				
Other				
Category 9 - Clothing	***0***	***157***	***60***	
Children's Clothing Needs			40	thrift store for clothes
Husband/Wife Clothing Needs			20	
Other				
Category 10 - Savings	***0***	***157***	***50***	
Savings Account			50	emergency funds
Credit Union				
Other				
Category 11 - Health & Wellness	***0***	***189***	***0***	
Doctor				
Dentist				
Prescriptions				
Eye Glasses / Contacts				
Other				

Spending Plan	Current	Guideline	New Budget	Comments
Category 12 - Miscellaneous	***60***	***126***	***25***	
Toiletries / Cosmetics	20		10	get some cosmetics and toiletries from ministries
Beauty / Barber	20		15	cheapcut every other month
Laundry / Cleaning	20			
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	**4,505**	**3,142**	**3,715**	

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

Form Version Nov 28, 2022