

## CASE STUDY D

Doug Wilson is a 55 year old single man whose wife passed away about 10 years ago. He has grown kids who no longer live with him, and resides in a nice 4 bedroom house in Montana. Doug has been working for 30 years for an agricultural supply company. There are no real monthly financial problems, except that he can't seem to set much savings aside and is worried about having 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 contributions dollar for dollar up to a maximum of 4%). His employer does not provide a pension or medical benefits in retirement. He receives about \$4,000 from income tax refunds each year, but that money just seems to disappear soon after he gets it. Medical insurance is provided through 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 "comments" column.

**The questions below will be in the Test for Case Study D. They are listed here so you can be thinking about them as you review 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 your reasoning be for each question?
2. How would you approach Doug's inability to save for retirement? What "low hanging fruit opportunities" would you discuss with him?
3. Though Doug does not have sizable debt now, what advice would you give him about paying off his credit card and preventing future indebtedness?

4. While referring to the Crown MoneyMap, what changes would you recommend for Doug to make in order to reach each of the first four destinations? List each destination followed by specific actions he should take in that destination before moving to 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
Savings Accounts	2,500.00
Investment Assets	1,385.00
Cash Value of Life Insurance	20,000.00
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	26,000.00
Automobile 2 (look up value, e.g., kbb.com)	
Automobile 3 (look up value, e.g., kbb.com)	
Personal Property (Furniture, Jewelry, etc.)	10,000.00
Retirement Savings (401k, 403b, , IRAs, Pension, etc.)	250,000.00
Other Assets	
<b>Total Assets</b>	<b>1,010,935.00</b>

Robin Hood stock brokerage

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	50.00	22.0%		2,500.00
<b>Total Credit Cards</b>		<b>50.00</b>			<b>2,500.00</b>
AUTO LOANS					
Loan Company	Year, Make, Model	Minimum Monthly Payment	Interest Rate	Months Past Due	Balance Due
Ford Financing	Ford F-150	619.00	6.0%		26,352.00
<b>Total Auto Loans</b>		<b>619.00</b>			<b>26,352.00</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	2,576.00	5.0%		435,000.00
<b>Total Home Mortgages</b>		<b>2,576.00</b>			<b>435,000.00</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>463,852.00</b>
<b>NET WORTH (Total Assets minus Total Liabilities/Debts)</b>	<b>547,083.00</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
<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>	39%	36%	32%	30%	30%	29%
<b>4. Food</b>	15%	12%	13%	12%	11%	11%
<b>5. Transportation</b>	15%	12%	13%	14%	13%	13%
<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%	5%	5%	7%	7%	8%
<b>9. Clothing</b>	4%	5%	5%	6%	7%	7%
<b>10. Savings</b>	5%	5%	5%	5%	5%	5%
<b>11. Health &amp; Wellness</b>	5%	6%	6%	5%	5%	5%
<b>12. Miscellaneous</b>	4%	4%	6%	6%	7%	7%
<b>13. Investments</b>	0%	5%	5%	5%	5%	5%
<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 Family Income

**(Married with No Children)**

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%	36%	34%	32%	31%	30%
<b>4. Food</b>	15%	14%	13%	12%	11%	11%
<b>5. Transportation</b>	15%	14%	14%	13%	13%	13%
<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%	7%	7%
<b>9. Clothing</b>	4%	4%	5%	6%	6%	7%
<b>10. Savings</b>	4%	4%	4%	5%	5%	5%
<b>11. Health &amp; Wellness</b>	6%	6%	6%	6%	5%	5%
<b>12. Miscellaneous</b>	3%	4%	5%	6%	7%	7%
<b>13. Investments</b>	0%	4%	5%	5%	5%	5%
<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 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					
<b>Net Spendable Income:(Gross Income - Tithe/Giving - Total Taxes) percentages below add to 100%</b>						
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%
<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 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
<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>	25%	24%	23%	22%	21%	20%
<b>4. Food</b>	6%	6%	6%	7%	7%	7%
<b>5. Transportation</b>	20%	19%	18%	16%	15%	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>	9%	9%	9%	9%	10%	10%
<b>9. Clothing</b>	7%	7%	7%	7%	7%	8%
<b>10. Savings</b>	8%	8%	9%	10%	10%	10%
<b>11. Health &amp; Wellness</b>	6%	6%	6%	5%	5%	5%
<b>12. Miscellaneous</b>	5%	6%	6%	7%	7%	7%
<b>13. Investments</b>	5%	6%	7%	7%	8%	10%
<b>Total Net Spendable Income:</b>	100%	100%	100%	100%	100%	100%
<b>14. School/Child Care</b>	no guideline percentages					

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## 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>	x	<b>Gross Monthly Income</b>	=	<b>Guideline Amount</b>
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
<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	30%	x	5,135	=	1,541
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	9%	x	5,135	=	462
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	7%	x	5,135	=	359
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>

OK

Revised Oct 29, 2022

Spending Plan	Current	Guideline	New Budget	Comments
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<b>INCOME vs. EXPENSE SUMMARY (calculated)</b>			
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Net Spendable Income	5,135		7,105
Less Total Expenses	6,562		7,105
Surplus or Deficit	(1,427)		0

<b>Monthly Income</b>			
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<b>Gross Monthly Income</b>	<b>10,000</b>		<b>11,800</b>
Monthly Salary	10,000		10,000
Interest Income			
Dividends			
Commissions			
Bonuses/Tips			
Retirement Income			
Net Business Income			
Other Income			1,800
LESS			
<b>Category 1 - Tithe/Giving (monthly)</b>	<b>1,000</b>	<b>1,000</b>	<b>1,180</b>
The Local Church	1,000		1,000
The Poor			90
Other Ministries			90
Other Giving			
<b>Category 2 - Taxes (monthly)</b>	<b>3,865</b>	<b>3,865</b>	<b>3,515</b>
Taxes (Fed, State, Medicare, Social Security)	3,865		3,515
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			
<b>NET SPENDABLE INCOME (monthly)</b>	<b>5,135</b>	<b>5,135</b>	<b>7,105</b>

rent out rooms in house / net income after considering taxes payable from this income

giving from the rental income  
giving from the rental income

Pay less in taxes now to break even at tax time.

<b>Monthly Expenses</b>			
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<b>Category 3 - Housing (monthly)</b>	<b>3,818</b>	<b>1,541</b>	<b>3,818</b>
Mortgage(s) (from Debt List)	2,576		2,576
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		80
Maintenance			
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>540</b>	
Grocery	600		540	shop smarter for groceries
Other				
<b>Category 5 - Transportation (monthly)</b>	<b>1,021</b>	<b>668</b>	<b>1,021</b>	
Auto Payment(s) <i>(from Debt List)</i>	619		619	
Extra Auto Payment				
Gas & Oil	200		200	
Auto Insurance	150		150	
Licenses & Taxes	12		12	
Maintenance	40		40	
Replacement				
Other - Tolls/Parking/Transit Fares				
<b>Category 6 - Insurance (monthly)</b>	<b>135</b>	<b>257</b>	<b>135</b>	
Life (\$30,000 Whole Life)	60		60	
Health/Dental	75		75	
Disability				
Other				
<b>Category 7 - Debts (monthly)</b>	<b>50</b>	<b>257</b>	<b>158</b>	
Total Credit Cards <i>(from Debt List)</i>	50		50	
Total Other Debt <i>(from Debt List)</i>	0		0	
Extra Debt Payments			108	pay extra on credit card to get it paid off and don't use credit cards any more
<b>Category 8 - Entertainment &amp; Recreation (monthly)</b>	<b>210</b>	<b>462</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>200</b>	
Clothing	50		200	
Other				
<b>Category 10 - Savings (monthly)</b>	<b>25</b>	<b>257</b>	<b>370</b>	
Savings Account	25		370	increase savings to get to goals
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>133</b>	
Toiletries / Cosmetics	20		20	
Beauty / Barber				
Laundry / Cleaning				
Allowances				
Subscriptions	3		3	
Gifts (including Christmas)	40		40	
Cash	70		70	
Other				
<b>Category 13 - Investments (monthly)</b>	<b>450</b>	<b>359</b>	<b>450</b>	
Employer 401k/403b plans	400		400	increase contributions which will may also decrease taxes on income
Retirement IRAs				
College Funds				
Non-Retirement Stocks, Bonds, Mutual Funds	50		50	
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>6,562</b>	<b>5,135</b>	<b>7,105</b>	

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