CASE STUDY E

Mike and Sara Howard are both 45 and have 3 teenage kids. Mike works as a teacher at local middle schoo
manager at a coffee shop. They have lived in a small town in Alabama for the past 20 years. They have bee
decent emergency fund but are concerned that they are not being good stewards and want to begin being
living on a budget. They've always paid their credit cards off at the end of the month and believe in driving
They go to church, and put a $20 bill in the offering plate each Sunday.

Mike's job at the school provides good health and disability insurance, as well as a pension that should rep
income in retirement. Sara's job doesn't have a lot of benefits, but they both contribute the maximum amo
year. Mike and Sara both have 20 year term life insurance policies which cover about 10x their annual inco

Help the Howard family with their budget and maintenance system.
- 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 "cor
- Input their new budget into the "Monthly Budget" sheet for the month of January.
- Analyze their spending (pre-filled in the "Jan" sheet) against their budget and consider what you would lik
at your next meeting. Write your discussion points in the Comments box at the bottom of the "Jan" sheet.

**The questions below will be in the Assignment for Case Study E. They are listed here so you can be think
review the forms in this spreadsheet.**

1. While referring to the Crown Money Map, you will notice that the Howards are at Destination 4. What w
with them about developing a sustainable Maintenance Plan?

2. What specific actions would you recommend to the Howards about Destination 4 adjustments to their b

3. Are there topics or questions you might like to discuss with the Howards about their plans and goals?

Assets & Liabilities

Date:

ASSETS (Present Market Value)	Balance	Comments
Cash On Hand (both husband and wife if married)	300	
Checking Accounts	6,000	
Savings Accounts	40,000	
HSA / FSA Accounts		
Stocks and Bonds		
Cash Value of Life Insurance		
Valuable Collections (coins, stamps, etc.)		
Primary Home Value (look up value, e.g., zillow.com)	350,000	
Other Real Estate		
Mortgages/Notes Receivable		
Automobile 1 - 7 year old Chevy Malibu	7,600	
Automobile 2 - 7 year old Chrysler Town & Country Van	9,000	
Automobile 3 - 5 year old Honda CR-V	19,000	
Personal Property (Furniture, Jewelry, etc.)		
Retirement Savings (401k, 403b, IRAs, Pension, etc.)	350,000	
College Savings		
Other Assets		
Total Assets	**781,900**	

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	Comments
Total Credit Cards		**0**			**0**	

AUTO LOANS

Loan Company	Year, Make, Model	Minimum Monthly Payment	Interest Rate	Months Past Due	Balance Due	Comments
Total Auto Loans		**0**			**0**	

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	Comments
New American Funding	456 Lark Lane	1,020.00	5.00%		150,000.00	
Total Home Mortgages		**1,020**			**150,000**	

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	Comments
Total Other Debt		**0**			**0**	

Total Liabilities/Debts	**150,000**
NET WORTH (Total Assets minus Total Liabilities/Debts)	**631,900**

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:***		**8,050**	**96,600**
	Input appropriate % from "Percentage Guide"					**Annual Income**
Income Deductions	**Percentage**	**x**	**Gross Monthly Income**	**=**	**Guideline Amount**	
1. Tithe/Giving	10%	x	8,050		**805**	
2. Total Taxes	***no guideline***		***actual from Current Spending Plan:***		**1,904**	
Net Spendable Income (NSI)					**5,341**	**64,094**
						Annual NSI

Expense Category	**Percentage**	**x**	**Net Spendable Income**	**=**	**Guideline Amount**	
3. Housing	32%	x	5,341	=	1,709	
4. Food	14%	x	5,341	=	748	
5. Transportation	11%	x	5,341	=	588	
6. Insurance	5%	x	5,341	=	267	
7. Debts	5%	x	5,341	=	267	
8. Entertainment/Recreation	5%	x	5,341	=	267	
9. Clothing	7%	x	5,341	=	374	
10. Savings	5%	x	5,341	=	267	
11. Health & Wellness	7%	x	5,341	=	374	
12. Miscellaneous	5%	x	5,341	=	267	
13. Investments	4%	x	5,341	=	214	
14. School/Child Care	***no guideline***					
Total Percentages: ***(cannot exceed 100%)***	**100%**					
Total Guideline Expenses: (cannot exceed Net Spendable Income)					**5,341**	OK

Revised Oct 29, 2022

Spending Plan	Current	Guideline	New Budget	Comments
INCOME vs. EXPENSE SUMMARY (calculated)				
Net Spendable Income	**6,036**		**6,156**	
Less Total Expenses	**6,685**		**6,156**	
Surplus or Deficit	**(649)**		**0**	
Monthly Income				
Gross Monthly Income	***8,050***		***8,050***	
Monthly Salary - Husband	4,583		4,583	
Monthly Salary - Wife	3,467		3,467	
Dividends				
Commissions				
Bonuses/Tips				
Retirement Income				
Net Business Income				
Other Income				
LESS				
Category 1 - Tithe/Giving (monthly)	***110***	***805***	***230***	
$0	80		**200**	**Increased giving: have the discussion about giving according to God's Word. Continue to gradually increase giving by cutting in other areas.**
The Poor				
Other Ministries - Food Pantry	30		30	
Other Giving				
Category 2 - Taxes (monthly)	***1,904***	***1,904***	***1,664***	
Taxes (Fed, State, Medicare, Social Security)	1,904		**1,664**	**Decrease taxes by $240- see Retirement IRA Note**
Other				
Do not include medical/dental premiums, retirement plans, HSA/FSA contributions, charity contributions that are deducted from paycheck. Include these deductions as expenses in rows listed below.				
NET SPENDABLE INCOME (monthly)	**6,036**	**5,341**	**6,156**	
Monthly Expenses				
Category 3 - Housing (monthly)	***1,950***	***1,709***	***1,820***	
Mortgage(s) *(from Debt List)*	1,020		1,020	
Extra Mortgage Payment				
Rent				
Insurance (paid annually, not escrowed in the mortgage)	200		200	
Property Taxes (paid annually, not escrowed in the mortgage)	100		100	
Electricity	150		150	
Gas	60		60	
Water	40		40	
Sanitation	30		30	
Telephone / Cell phone	180		**90**	**Search for a better deal on cell phones**
Maintenance	50		50	
Internet / Cable Service	120		**80**	**Search for a better deal on internet/cable**
Other				
Category 4 - Food (monthly)	***1,200***	***748***	***749***	

Spending Plan	Current	Guideline	New Budget	Comments
Grocery	1,200		749	$1,904
Other				
Category 5 - Transportation (monthly)	***650***	***588***	***650***	
Auto Payment(s) *(from Debt List)*	0		0	
Extra Auto Payment				
Gas & Oil	330		330	
Auto Insurance	250		250	
Licenses & Taxes	10		10	
Maintenance	60		60	
Replacement				
Other - Tolls/Parking/Transit Fares				
Category 6 - Insurance (monthly)	***200***	***267***	***200***	
Life	40		40	
Health/Dental	160		160	
Disability				
Other				
Category 7 - Debts (monthly)	***0***	***267***	***0***	
Total Credit Cards *(from Debt List)*	0		0	
Total Other Debt *(from Debt List)*	0		0	
Extra Debt Payments				
Category 8 - Entertainment & Recreation (monthly)	***280***	***267***	***280***	
Eating Out / Lunches	150		150	
Baby Sitters				
Activities / Trips				
Vacation	100		100	
Pets	30		30	
Hobbies and Sports				
Other				
Category 9 - Clothing (monthly)	***110***	***374***	***162***	
Children's Clothing Needs	60		92	
Husband/Wife Clothing Needs	50		70	
Other				
Category 10 - Savings (monthly)	***200***	***267***	***200***	
Savings Account	200		200	
Credit Union				
Other				
Category 11 - Health & Wellness (monthly)	***380***	***374***	***380***	
Doctor	250		250	
Dentist	100		100	
Prescriptions				
Eye Glasses / Contacts	30		30	
HSA or FSA Contributions				
Other				

Spending Plan	Current	Guideline	New Budget	Comments
Category 12 - Miscellaneous (monthly)	***315***	***267***	***315***	
Toiletries / Cosmetics	80		80	
Beauty / Barber	50		50	
Laundry / Cleaning				
Allowances	60		60	
Subscriptions				
Gifts (including Christmas)	125		125	
Cash				
Other				
Category 13 - Investments (monthly)	***1,000***	***214***	***1,000***	
Employer 401k/403b plans				
Retirement IRAs	1,000		**1,000**	normally contribute about 12,000 to two Roth IRAs at end of the year
College Funds				**Considering the above--Seek a tax professional or financial advisor: Consider dividing this money between a Roth and a Traditional IRA. Individuals can contribute up to $7,000 each in a Traditional IRA and Roth IRA. Based on Mike and Sara's effective tax rate, they could potentially save $240 in taxes. They are doing great with their company retirement plans. Dollar-cost-averaging is a great way to invest in the market, and if possible, they might want to invest as they go rather than all at once at year-end.**
Non-Retirement Stocks, Bonds, Mutual Funds				
Investment Real Estate				
Other				
Category 14 - School/Child Care (monthly)[(1)]	***400***		***400***	
School Tuition				
School Books, Supplies, Materials, etc				
Transportation				
Day Care				
Tutoring, Lessons for Music, Dance, etc	400		400	
Other				**Need to consider college funding and perhaps put less in retirement plan, especially considering that Mike has a pension that, if he will be fully vested, will replace 60% of his income.**
Total Expenses	**6,685**	**5,341**	**6,156**	

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

Form Version Nov 28, 2022

Monthly Budget **For Year :**

Category: / Month	INCOME	TITHE/ GIVING	TAXES	HOUSING	FOOD	TRANSPORT	INSURANCE	DEBTS	ENTERTAINMENT RECREATION	CLOTHING	SAVINGS	HEALTH & WELLNESS	MISC.	INVESTMENTS	SCHOOL/ CHILD CARE	TOTAL EXPENSES	SURPLUS / DEFICIT
Jan	8,050	230	1,664	1,820	749	650	200	0	280	162	200	380	315	1,000	400	8,050	0
Feb	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mar	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Apr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jun	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jul	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aug	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sep	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oct	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nov	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dec	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	8,050	230	1,664	1,820	749	650	200	0	280	162	200	380	315	1,000	400	8,050	0

Form Version Nov 28, 2022

Monthly Budget

Month: **January** Year: **0**

Category	INCOME	TITHE/ GIVING	TAXES	HOUSING	FOOD	TRANSPORT	INSURANCE	DEBTS	ENTERTAINMENT RECREATION	CLOTHING	SAVINGS	HEALTH & WELLNESS	MISC.	INVESTMENTS	SCHOOL/ CHILD CARE	TOTAL EXPENSES	This Month SURPLUS / DEFICIT
BUDGETED	8,050	230	1,664	1,820	749	650	200	0	280	162	200	380	315	1,000	400	8,050	0
Date																	
1	2,291.50		542.00				80.00									622	
2		20.00				75.00			54.00		200.00					349	
3					134.00											134	
4	866.75		204.99							164.80						370	
5				1,020.00		84.00						134.45				1,238	
6																0	
7				30.00	85.00				83.20				13.70			212	
8				90.00		64.00										154	
9		20.00														20	
10															75.00	75	
11	866.75		204.99		97.00	89.00							56.00			447	
12																0	
13				70.00												70	
14									76.58							77	
15	2,291.50		542.00	35.00	178.00		80.00									835	
16		20.00			31.00										162.00	213	
17						63.00										63	
18	866.75		204.99													205	
19					240.00											240	
20		30.00				78.00			42.10							150	
21				179.95												180	
22					112.00								71.29			183	
23		20.00											14.30		234.00	268	
24									23.54							24	
25	866.75		204.99		86.00		40.00									331	
26				120.00		82.00			56.92							259	
27									74.21							74	
28					152.00											152	
29						250.00										250	
30		20.00														20	
31																0	
This Month	8,050	130	1,904	1,545	1,115	785	200	0	411	165	200	134	155	0	471	7,215	835
This Month vs.	**0**	**100**	**(240)**	**275**	**(366)**	**(135)**	**0**	**0**	**(131)**	**(3)**	**0**	**246**	**160**	**1,000**	**(71)**	**835**	
Year to Date	8,050	230	1,664	1,820	749	650	200	0	280	162	200	380	315	1,000	400	8,050	
Year to Date	8,050	130	1,904	1,545	1,115	785	200	0	411	165	200	134	155	0	471	7,215	835
YTD Actual vs. Budget	**0**	**100**	**(240)**	**275**	**(366)**	**(135)**	**0**	**0**	**(131)**	**(3)**	**0**	**246**	**160**	**1,000**	**(71)**	**835**	

Form Version Aug 6, 2023

Comments / Questions / Recommendations (*hit Alt-Enter to move to a new line*):