

CASE STUDY A

Mindy Smith, 33 years old, was recently divorced from her husband Terry after 10 years of marriage. She has three children, ages 3, 5, and 8. Terry is a CPA. Mindy has never worked outside of the home, although she completed one year of college. Terry and Mindy had been actively involved in a large church since they were married. Mindy now wants to marry Carol, a lady who sings in the church choir. The church quickly responded by following the steps outlined in Matthew 18:15-17, but Terry and Carol are not repentant and now want nothing to do with the old church. Mindy has stayed in the house, which is in a small city with limited public transit. They have a dog.

Mindy is working 40 hours per week at a bookstore, where she earns just over the minimum wage. Mindy's mother has offered to watch the children while Mindy works. The church has helped with food and utility bills, but Mindy 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 medical expenses the health insurance doesn't pay, plus all dental and prescription drug expenses for the children if the 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 beneficiaries until the 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 "old budget" column.

The questions below will be in the Assignment for Case Study A. They are listed here so you can be thoughtful 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 her money and decide about declaring bankruptcy?
2. What actions should Mindy take to help her adjust to her new lifestyle and her resulting emotions?
3. Mindy's debt payments are significantly over the guideline. What practical steps should Mindy take to reduce her debt payments?
4. Mindy's housing expense is significantly over the guideline. How would you help Mindy decide whether to keep her house or sell it?
5. What actions should Mindy take to secure some type of health and life insurance?
6. What actions should Mindy take to fund emergency savings and clothing?

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		Comments
Date:	November 6, 2025	

ASSETS (Present Market Value)	Balance	
Cash On Hand (both husband and wife if married)	50.00	
Checking Accounts	250.00	
Savings Accounts	1,025.00	This amount is added from the proceeds of the sale of car and home. Total proceeds were \$32,000. \$12,000 paid to credit card debt, \$8,000 to paid the loan amount, \$9,500 to purchase a used vehicle, \$1,025 for rent deposit (1 month + \$500 security deposit), which leaves \$1,025 for an emergency fund.
Stocks and Bonds		
Cash Value of Life Insurance		
Valuable Collections (coins, stamps, etc.)		
Primary Home Value (look up value, e.g., zillow.com)	0.00	
Other Real Estate		
Mortgages/Notes Receivable		
Automobile 1 (look up value, e.g., kbb.com) - 4 year-old Honda Accord	0.00	
Automobile 2 (look up value, e.g., kbb.com) - Used Vehicle Purchase	9,500.00	Purchase a used vehicle with proceeds from sale of car and home.
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:	30,825.00	

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	0.00	23.0%	0	0.00
Citibank Visa	Various	0.00	20.0%	0	0.00
Capital One Mastercard	Various	0.00	21.0%	0	0.00
Total Credit Cards		0.00			0.00

AUTO LOANS					
Loan Company	Year, Make, Model	Minimum Monthly Payment	Interest Rate	Months Past Due	Balance Due
Honda Financing	4 year-old Honda Accord	0.00	6.0%	0	0.00
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
My Town Credit Union	18 Oak Court	0.00	4.0%	0	0.00
Total Home Mortgages		0.00			0.00

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	0.00	10.00%		0.00
Total Other Debt		0.00			0.00

Total Liabilities/Debts	0.00
NET WORTH (Total Assets minus Total Liabilities/Debts)	30,825.00

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

Percentage Spending Plan

Gross Monthly Income	<i>from Current Spending Plan:</i>	3,648	43,776
	Use appropriate % from "Percentage Guide"		Annual Income
Income Deductions	Percentage	x	Gross Monthly Income
		=	Guideline Amount
1. Tithe/Giving	10.0%	x	3,648
1. Total Taxes	<i>no guideline</i>		<i>actual from Current Spending Plan:</i>
			365
			141
Net Spendable Income (NSI)			3,142
			37,702

Annual NSI

Expense Category	Percentage	x	Net Spendable Income	=	Guideline Amount
3. Housing	32%	x	3,142	=	1,005
4. Food	13%	x	3,142	=	408
5. Transportation	13%	x	3,142	=	408
6. Insurance	5%	x	3,142	=	157
7. Debts	5%	x	3,142	=	157
8. Entertainment/Recreation	5%	x	3,142	=	157
9. Clothing	5%	x	3,142	=	157
10. Savings	5%	x	3,142	=	157
11. Health & Wellness	6%	x	3,142	=	189
12. Miscellaneous	6%	x	3,142	=	189
13. Investments	5%	x	3,142	=	157
14. School/Child Care	<i>no guideline</i>				
Total Percentages: (cannot exceed 100%)			100%		
Total Guideline Expenses: (cannot exceed Net Spendable Income)					3,142

OK

Spending Plan	Current	Guideline	New Budget	Comments
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INCOME vs. EXPENSE SUMMARY (calculated)			
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Net Spendable Income	3,467		3,142
Less Total Expenses	1,760		3,142
Surplus or Deficit	1,707		0

Monthly Income			
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Gross Monthly Income	3,648		3,648
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Monthly Salary	1,848		1,848
Child Support	1,800		1,800
Dividends			
Commissions			
Bonuses/Tips			
Retirement Income			
Net Business Income			
Other Income			

Recommend that Mindy utilize the Crown Career Direct Assessment to explore options for a vocation that could increase her income.

LESS			
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Category 1 - Tithe/Giving	40	365	365
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The Local Church	40		347
The Poor			
Other Ministries			
Other Giving			18

Increase to the Biblical standard of 10% for giving
Flexibility

Category 2 - Taxes	141	141	141
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Taxes (Fed, State, Medicare, Social Security)	141		141
Other			
<small>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</small>			

Remains consistent

NET SPENDABLE INCOME	3,467	3,142	3,142
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Monthly Expenses			
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Category 3 - Housing	300	1,005	1,225
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Mortgage(s) (from Debt List)	0		0
Extra Mortgage Payment			
Rent			1,135
Insurance (included in mortgage)			
Property Taxes (included in mortgage)			
Electricity	150		0
Gas			
Water	60		0
Sanitation			
Telephone / Cell phone	45		45
Maintenance			
Internet / Cable Service	45		45
Other			

Rent for apartment/duplex (assuming \$975 for base rent + all utilities included except internet)
Stick with current plan
Stick with basic plan

Spending Plan	Current	Guideline	New Budget	Comments
Category 4 - Food	800	408	467	
Grocery	800		407	Utilize meal planning, shopping at discount stores (ALDI), coupon clipping and buying store brand, eliminating unnecessary spending. Other consumables
Other			60	
Category 5 - Transportation	380	408	330	
Auto Payment(s) <i>(from Debt List)</i>	0		0	Reduce unnecessary driving and ensure tire pressure is good Lower value vehicle typically means lower insurance costs Lower value vehicle means lower taxes (\$180/year prorated) Set aside for vehicle repairs/maintenance
Extra Auto Payment				
Gas & Oil	200		150	
Auto Insurance	150		110	
Licenses & Taxes	30		15	
Maintenance			55	
Replacement				
Other - Tolls/Parking/Transit Fares				
Category 6 - Insurance	0	157	250	
Life				Insuring Mindy with Christian Healthcare Ministries plan
Health/Dental			250	
Disability				
Other				
Category 7 - Debts	0	157	0	
Total Credit Cards <i>(from Debt List)</i>	0		0	Have her eliminate credit card spending so she can stay debt free!
Total Other Debt <i>(from Debt List)</i>	0		0	
Extra Debt Payments				
Category 8 - Entertainment & Recreation	220	157	150	
Eating Out / Lunches	150		70	Reducing eating out to a couple times a month for family meals; pack lunches for work (this goes to quality of life/enjoyment)
Baby Sitters	30		0	
Activities / Trips			40	Utilize friends/family for childcare Parks, library, events
Vacation				
Pets	40		40	For current pet
Hobbies and Sports				
Other				
Category 9 - Clothing	0	157	100	
Children's Clothing Needs			65	Thrift, consignment options Needs-based only
Husband/Wife Clothing Needs			35	
Other				
Category 10 - Savings	0	157	325	
Savings Account			325	Priority goal to increase savings
Credit Union				
Other				
Category 11 - Health & Wellness	0	189	110	
Doctor			50	After sharing AHP

Spending Plan	Current	Guideline	New Budget	Comments
Dentist			15	Generics, GoodRx
Prescriptions			25	Preventative
Eye Glasses / Contacts			10	Annual exam fund
Other			10	First aid, vitamins
Category 12 - Miscellaneous	60	189	165	
Toiletries / Cosmetics	20		35	Basics
Beauty / Barber	20		30	Budget cuts/color
Laundry / Cleaning	20		20	Supplies
Allowances				
Subscriptions				
Gifts (including Christmas)			60	\$720/year
Cash			20	Flexibility
Other				
Category 13 - Investments	0	157	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	20	
School Tuition				
School Books, Supplies, Materials, etc			20	Kids' needs
Transportation				
Day Care				
Tutoring, Lessons for Music, Dance, etc				
Other				
Total Expenses	1,760	3,142	3,142	

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