

CASE STUDY D

Doug Wilson is a 55 year old single man whose wife passed away about 10 years ago. He has grown kids, a dog, and resides in a nice 4 bedroom house in Montana. Doug has been working for 30 years for an agricultural company. There are no real monthly financial problems, except that he can't seem to set much savings aside and is not saving 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 contribution 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.

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 "old budget" column.

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 be the best question for each question?
2. How would you approach Doug's inability to save for retirement? What "low hanging fruit opportunities" would you suggest to help 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
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	
Total Assets	1,010,935.00

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
Total Credit Cards		50.00			2,500.00
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
Total Auto Loans		619.00			26,352.00
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
Nationwide	123 Hummingbird Lane	2,576.00	5.0%		435,000.00
Total Home Mortgages		2,576.00			435,000.00
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
Total Other Debt		0.00			0.00

Total Liabilities/Debts	463,852.00
NET WORTH (Total Assets minus Total Liabilities/Debts)	547,083.00

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

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	= Guideline Amount
1. Tithe/Giving	10%	x	10,000	1,000
2. Total Taxes	<i>no guideline</i>		<i>actual from Current Spending Plan:</i>	3,528
Net Spendable Income (NSI)			5,472	65,664
				Annual NSI

Expense Category	Percentage	x	Net Spendable Income	=	Guideline Amount
3. Housing	32%	x	5,472	=	1,751
4. Food	7%	x	5,472	=	383
5. Transportation	13%	x	5,472	=	711
6. Insurance	5%	x	5,472	=	274
7. Debts	5%	x	5,472	=	274
8. Entertainment/Recreation	8%	x	5,472	=	438
9. Clothing	8%	x	5,472	=	438
10. Savings	5%	x	5,472	=	274
11. Health & Wellness	4%	x	5,472	=	219
12. Miscellaneous	7%	x	5,472	=	383
13. Investments	6%	x	5,472	=	328
14. School/Child Care	<i>no guideline</i>				
Total Percentages: (cannot exceed 100%)			100%		
Total Guideline Expenses: (cannot exceed Net Spendable Income)					5,472

Annual NSI

OK

Revised Oct 29, 2022

Spending Plan	Current	Guideline	New Budget	Comments
Maintenance Internet / Cable Service Other	160		80	Consolidate the cable, internet, and phone into one package.
Category 4 - Food (monthly)	600	383	359	
Grocery Other	600		359	
Category 5 - Transportation (monthly)	1,021	711	735	
Auto Payment(s) (from Debt List)	619		619	
Extra Auto Payment				Trying to get this auto payment down to a responsible amount. Maybe re-writing at a lesser amount as he has a mortgage. I would see if he could secure a less interest rate on this truck.
Gas & Oil	200		59	His transportation is way over in what he can afford also and he has a lot of maintenance he might look for another vehicle too.
Auto Insurance	150		25	See if he can get less amount on insurance for his truck.
Licenses & Taxes	12		12	He is way over on insurance so there must be better deals on insurance.?
Maintenance Replacement Other - Tolls/Parking/Transit Fares	40		20	His transportation is way over in what he can afford also and he has a lot of maintenance he might look for another vehicle too. His maintenance on this truck seems really high each month. I would consider selling it and buying a lesser vehicle with less payments.
Category 6 - Insurance (monthly)	135	274	75	
Life (\$30,000 Whole Life)	60		0	I don't think he needs a life insurance policy as he lives alone and his children are grown.
Health/Dental Disability Other	75		75	
Category 7 - Debts (monthly)	50	274	50	
Total Credit Cards (from Debt List)	50		50	
Total Other Debt (from Debt List)	0		0	
Extra Debt Payments				Adding in an extra debt of the 4000.00 could pay off the credit card right away. And then I would add that to paying off the truck each year and he is getting behind because his cost of living is too high. So paying off debt will really help. If he could add the 4000 each year to the truck it would be paid off in a short time and then move that over to the mortgage.
Category 8 - Entertainment & Recreation (monthly)	210	438	75	
Eating Out / Lunches Baby Sitters Activities / Trips Vacation Pets Hobbies and Sports Other	80		25	
	55		25	
	75		25	
Category 9 - Clothing (monthly)	50	438	37	

Spending Plan	Current	Guideline	New Budget	Comments
Clothing	50		37	
Other				
Category 10 - Savings (monthly)	25	274	25	
Savings Account	25		25	The other percentage is being saved to his 401 K at 400.00 per month. He needs an emergency fund How much does he have in savings at this point?
Credit Union				
Other				
Category 11 - Health & Wellness (monthly)	70	219	40	
Doctor	20		10	Maybe seeing if he could get a medical plan and dental plan in place with the money he saves from no life insurance. Just a thought. His amounts are way over.
Dentist	20		10	
Prescriptions	10		10	
Eye Glasses / Contacts	20		10	
Other				
Category 12 - Miscellaneous (monthly)	133	383	63	
Toiletries / Cosmetics				Less haircuts
Beauty / Barber	20		10	
Laundry / Cleaning				
Allowances				
Subscriptions	3		3	
Gifts (including Christmas)	40		25	
Cash	70		25	
Other				
Category 13 - Investments (monthly)	450	328	425	
Employer 401k/403b plans	400		400	
Retirement IRAs				
College Funds				
Non-Retirement Stocks, Bonds, Mutual Funds	50		25	
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	6,562	5,472	5,472	

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

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