

CASE STUDY C

Matthew and Sharon Thornton have been married for 16 years. Matthew is 45 years old and works. Sharon is 39 years old and is a stay at home mom. They have 2 children, a son 10 and a daughter 12. They purchased a home in Stafford, Virginia. They both are active members in church and usually give weekly if anything. In addition to 2 family vacations a year, Matthew enjoys purchasing the latest electronic equipment. They are struggling to save for the children college education. They turned to Crown for help.

The questions below will be in the Test for Case Study C. They are listed here so you can be thinking about them and review the forms in this spreadsheet.

1. How would you help Matthew and Sharon realize the importance of putting God first in their financial decisions?
2. What would you recommend that they do with Matthew's annual \$7,500 bonus?
3. While referring to the Crown MoneyMap, what would you recommend that they do in each of the categories?
4. What changes would you recommend they make to balance their budget? Are there categories that need to be decreased? Are there categories that need to be increased?
5. What biblical principles and practical tools could help them get their discretionary spending under control?
6. While referring to the Crown MoneyMap, what recommendations would you make regarding the education fund?

LIABILITIES / DEBT LIST ¹

CREDIT CARDS	What Was Purchased	Minimum Monthly Payments
Credit Card #1		\$212.00
Credit Card #2		\$285.00
Credit Card #3		\$189.00
Total Credit Cards		\$686.00
AUTO LOANS		
Automobile Loan #1		\$375.00
Automobile Loan #2		\$339.00
Total Auto Loans		\$714.00
HOME MORTGAGES		
Home Mortgages		\$1,587.00
Total Home Mortgages		\$1,587.00
OTHER DEBT (education, medical, personal, business, legal, IRS, etc.)		
Total Other Debt		\$0.00

Interest Rate	Past Due?	Balance Due
18.9%		\$7,800.00
15.0%		\$9,300.00
18.8%		\$5,700.00
		\$22,800.00
4.5%		\$15,800.00
4.7%		\$8,400.00
		\$24,200.00
4.0%		\$267,000.00
		\$267,000.00
		\$0.00

Spending Plan	Current
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INCOME vs. EXPENSE SUMMARY (calculated)	
Net Spendable Income	\$5,825
Less Total Expenses	\$7,197
Surplus or Deficit	(\$1,372)

Monthly Income	
GROSS MONTHLY INCOME	\$5,950
Matthew's NET (income minus taxes, medical and dental)	\$5,950
Interest Income	
Dividends	
Commissions	
Bonuses/Tips	
Retirement Income	
Net Business Income	
Other Income	
LESS	
Category 1 - Tithing (monthly)	\$125
The Local Church	\$125
The Poor	
Other Ministries	
Other Giving	
Category 2 - Taxes (monthly)	\$0
Taxes (Fed, State, Medicare, Social Security)	
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>	
NET SPENDABLE INCOME (monthly)	\$5,825

Monthly Expenses	
Category 3 - Housing (monthly)	\$2,463
Mortgage(s) (from Debt List)	\$1,587
Insurance	\$0
Property Taxes	\$0
Electricity	\$275
HOA	\$185
Water	\$68
Sanitation	\$42
Telephone / Cell phone	\$160
Maintenance	
Cable TV	\$57
Internet Service	\$89
Other	
Category 4 - Food (monthly)	\$1,125
Grocery	\$1,125
Other	
Category 5 - Transportation (monthly)	\$983
Auto Payment(s) (from Debt List)	\$714
Gas & Oil	\$100
Auto Insurance	\$169
Licenses & Taxes	
Maintenance	
Replacement	
Other - Tolls/Parking/Transit Fares	
Category 6 - Insurance (monthly)	\$52
Life	\$52
Health/Dental	
Disability	
Other	
Category 7 - Debts (monthly)	\$688
Total Credit Cards (from Debt List)	\$688
Total Other Debt (from Debt List)	\$0
Extra Debt Payments	
Category 8 - Entertainment & Recreation (monthly)	\$558
Eating Out	\$150
Lunches/Shacks	\$45
Health Club	\$25
Activities (Kids)	\$50
Amazon Prime	\$13
Apple	\$25
Baby Sitters	\$0
Vacation	\$250
Category 9 - Clothing (monthly)	\$100
Children's Clothing Needs	\$100
Husband/Wife Clothing Needs	
Other	
Category 10 - Savings (monthly)	\$375
Savings Account	\$375
Credit Union	
Other	
Category 11 - Health & Wellness (monthly)	\$230
Doctor	\$100
Dentist	\$50
Prescriptions	\$30
Eye Glasses / Contacts	\$50
Other	
Category 12 - Miscellaneous (monthly)	\$625
Toiletries / Cosmetics	
Beauty / Barber	\$100
Laundry / Cleaning	
Allowances	
Subscriptions	
Gifts (including Christmas)	
Cash (Matthew)	\$100
Cash (Sharon)	\$125
Other	\$300
Category 13 - Investments (monthly)	\$0
Employer 401k/403b plans	
Retirement IRAs	
College Funds	
Non-Retirement Stocks, Bonds, Mutual Funds	
Investment Real Estate	
Other	
Category 14 - School/Child Care (monthly)	\$0
School Tuition	
School Books, Supplies, Materials, etc	
Transportation	
Day Care	
Tutoring, Lessons for Music, Dance, etc	
Other	
Total Expenses	\$7,197

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	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
2. Total Taxes¹	Use Current Monthly Withholdings					
Net Spendable Income:(Gross Income - Tithe/Giving - Total Taxes) percentages below add to 100%						
3. Housing	39.0%	36.0%	32.0%	30.0%	30.0%	29.0%
4. Food	15.0%	12.0%	13.0%	12.0%	11.0%	11.0%
5. Transportation	15.0%	12.0%	13.0%	14.0%	13.0%	13.0%
6. Insurance	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
7. Debts	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
8. Entertainment/Recreation	3.0%	5.0%	5.0%	7.0%	7.0%	8.0%
9. Clothing	4.0%	5.0%	5.0%	6.0%	7.0%	7.0%
10. Savings	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
11. Health & Wellness	5.0%	6.0%	6.0%	5.0%	5.0%	5.0%
12. Miscellaneous	4.0%	4.0%	6.0%	6.0%	7.0%	7.0%
13. Investments	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total Net Spendable Income:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
14. School/Child Care²	8.0%	6.0%	5.0%	5.0%	5.0%	5.0%

¹ Taxes include all current monthly Federal, Social Security, Medicare, State and Local income taxes.

² This category is added as a guide only. If you have this expense, the percentage shown must be deducted from other budget categories so overall Net Spendable Income equals 100%.



Percentage Spending Plan ¹

Annual Income: **\$ 71,400**

Gross Monthly Income:

Use appropriate
% from
"Percentage
Guide"

1. Tithe/Giving

10.0%

x

5,950

1. Total Taxes

Actual Current Monthly Withholdings

Net Spendable Income (NSI)

Spending Category	Percentage		Net Spendable Income	
3. Housing	30.0%	x	5,355	=
4. Food	11.0%	x	5,355	=
5. Transportation	13.0%	x	5,355	=
6. Insurance	5.0%	x	5,355	=
7. Debts	5.0%	x	5,355	=
8. Entertainment/Recreation	7.0%	x	5,355	=
9. Clothing	7.0%	x	5,355	=
10. Savings	5.0%	x	5,355	=
11. Health & Wellness	5.0%	x	5,355	=
12. Miscellaneous	7.0%	x	5,355	=
13. Investments	5.0%	x	5,355	=
14. School/Child Care ²	4.0%	x	5,355	=

Total: (cannot exceed 100%) 104.0%

TOTAL: (cannot exceed Net Spendable Income)

¹ Use current actual monthly Federal, Social Security, Medicare, State, and Local tax with

² This category is added as a guide only. If you have this expense, the percentage shown r so overall Net Spendable Income equals 100%.

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\$ 5,950

595

-

5,355

\$ 64,260.00 Annual NSI

Amount

1,607

589

696

268

268

375

375

268

268

375

268

214

5,569 Too High

holdings

must be deducted from other budget categories