

Case Study B

This young family lives in Southern California where the real estate is high. The father, Jerry is 40 years old and works as a police officer. The mother, Janice, is 38 years old and is an X-ray technician. Neither are followers of Jesus Christ, but they do have a religious background. They do not attend church. They have two young children, Billy who is 8 years old, and Barb who is 6 years old.

Due to the financial challenges in this home, Jerry and Janice do not have a good marital relationship. In fact, they are seeing a counselor weekly to save and strengthen their marriage. Previously unknown to Jerry, Janice has accumulated most of the credit card debt (Credit cards #1 to #5) totaling \$48,000. He recently became aware of this debt and reached out to Crown for budget coaching. Currently, they are trying to make the minimum payments on all their debts.

Both Jerry and Janice are paid twice a month, on the first and fifteenth. Jerry has a part-time job as a security consultant. Jerry carries the medical and dental insurance for himself, Janice, and the two children. They have a Preferred Provider Option (PPO) plan with co-pays of \$30 per visit. Dental insurance is a Dental Health Maintenance Organization (HMO) with no co-pays for regular cleaning and check-ups, and a percentage of dental repair. The Vision Insurance covers the cost of an annual vision exam and 50% of the cost of glasses and frames or contact lenses. Jerry has a term life insurance policy with Janice as the beneficiary. Jerry and Janice own an investment home valued at \$400,000 with a mortgage of \$250,000 and a monthly mortgage payment of \$3,300. They get monthly rental income of \$3,500, leaving \$200 each month for maintenance, repairs, and other rental property costs.

They have two cars. Car #1 is paid off and car #2 is financed. The family has auto insurance with liability on both cars and collision on car #2.

The questions below are from the Case Study B Assignment. They are listed here so you can be thinking about them as you review the forms in this spreadsheet.

1. Jerry and Janice have different goals. How can you help them both align on and achieve their goals? Jerry's Goals: Get out of credit card debt; balance the budget; live within their income; save more. Janice's Goal: Spend money without feeling guilty
2. Neither are followers of Jesus Christ, but they do have a religious background. They do not attend church. How can you gently introduce them to Jesus Christ as their personal Savior?
3. Due to the financial challenges in this home, Jerry and Janice do not have a good marital relationship. In fact, they are seeing a counselor weekly to save and strengthen their marriage. What other actions might they take to relieve the financial tension between them?
4. While referring to the Crown MoneyMap, what would you recommend they do in each of the first three Destinations? (List each destination along with specific suggestions for that destination before moving to the next.) In light of this, how would you advise them about contributing to their kids' college savings funds?
5. How would you advise them regarding their rental/investment house?
6. What biblical principles and practical tools could you suggest to help them find contentment while getting their discretionary spending under control?

LIABILITIES / DEBT LIST ¹

| CREDIT CARDS | What Was Purchased | Minimum Monthly Payments | Interest Rate | Past Due? |
|--|--------------------|--------------------------|---------------|-----------|
| Credit Card #1 | | \$230.00 | 27.5% | |
| Credit Card #2 | | \$45.00 | 24.3% | |
| Credit Card #3 | | \$175.00 | 18.8% | |
| Credit Card #4 | | \$280.00 | 16.0% | |
| Credit Card #5 | | \$75.00 | 22.3% | |
| Credit Card #6 | | \$70.00 | 12.0% | |
| Credit Card #7 | | \$245.00 | 21.0% | |
| Total Credit Cards | | \$1,120.00 | | |
| AUTO LOANS | | | | |
| Automobile Loans | Car #2 | \$260.00 | 3.0% | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total Auto Loans | | \$260.00 | | |
| HOME MORTGAGES | | | | |
| Home Mortgage #1 (Primary Home) | | \$2,600.00 | 4.5% | |
| Home Mortgage #2 (Rental Property) | | \$3,300.00 | 4.0% | |
| | | | | |
| Total Home Mortgages | | \$5,900.00 | | |
| OTHER DEBT (education, medical, personal, business, legal, IRS, etc.) | | | | |
| Personal Debt To Relatives | | \$50.00 | 0.0% | |
| Educational Loans | | \$140.00 | 4.5% | |
| Medical/Other Past Due Bills | | \$25.00 | 0.0% | |
| | | | | |
| Total Other Debt | | \$215.00 | | |

| |
|---------------------|
| |
| Balance Due |
| \$10,000.00 |
| \$2,200.00 |
| \$11,000.00 |
| \$21,000.00 |
| \$3,800.00 |
| \$7,000.00 |
| \$14,000.00 |
| \$69,000.00 |
| |
| \$10,000.00 |
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| |
| \$10,000.00 |
| |
| |
| \$425,000.00 |
| \$250,000.00 |
| |
| |
| \$675,000.00 |
| |
| |
| \$3,500.00 |
| \$14,000.00 |
| \$400.00 |
| |
| |
| \$17,900.00 |

| | |
|----------------------|---------|
| Spending Plan | Current |
|----------------------|---------|

| INCOME vs. EXPENSE SUMMARY (calcu | |
|-----------------------------------|-----------------|
| Net Spendable Income | \$14,641 |
| Less Total Expenses | \$15,360 |
| Surplus or Deficit | (\$719) |

| Monthly Income | |
|---|-----------------|
| GROSS MONTHLY INCOME | \$14,666 |
| Jerry's NET Income | \$9,000 |
| Janice's NET Income | \$1,500 |
| Jerry's Overtime (NET) | \$500 |
| Commissions | |
| Bonuses/Tips | |
| Retirement Income | |
| Rental Income | \$3,500 |
| Other Income | \$166 |
| LESS | |
| Category 1 - Tithing/Giving (monthly) | \$25 |
| The Local Church | \$25 |
| 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) | \$14,641 |

| Monthly Expenses | |
|---------------------------------------|----------------|
| Category 3 - Housing (monthly) | \$7,470 |
| Mortgage(s) <i>(from Debt List)</i> | \$5,900 |
| Rent | |
| Insurance | |

| | |
|--|----------------|
| Home Warranty | \$30 |
| Electricity | \$300 |
| Home Owners Accociation | \$400 |
| Water and Garbage Pickup | \$100 |
| Yard Service | \$250 |
| Telephone / Cell phone | \$300 |
| Maintenance | |
| Cable TV | \$115 |
| Internet | \$75 |
| Category 4 - Food (monthly) | |
| | \$1,450 |
| Grocery | \$1,450 |
| Other | |
| Category 5 - Transportation (monthly) | |
| | \$1,085 |
| Auto Payment(s) <i>(from Debt List)</i> | \$260 |
| Gas & Oil | \$300 |
| Auto Insurance | \$290 |
| Licenses & Taxes | \$35 |
| Maintenance | \$100 |
| Replacement | |
| Other - Tolls/Parking/Transit Fares | \$100 |
| Category 6 - Insurance (monthly) | |
| | \$67 |
| Life | \$67 |
| Health/Dental | |
| Disability | |
| Other | |
| Category 7 - Debts (monthly) | |
| | \$1,335 |
| Total Credit Cards <i>(from Debt List)</i> | \$1,120 |
| Total Other Debt <i>(from Debt List)</i> | \$215 |
| Extra Debt Payments | |
| Category 8 - Entertainment & Recreation (monthly) | |
| | \$1,478 |
| Eating Out | \$400 |
| Lunches | \$200 |
| Movies/Events | \$200 |
| Activities (Kids) | \$300 |
| Baby Sitters | \$100 |
| Health Club | \$50 |
| Vacation | \$100 |
| Amazon Prime | \$11 |
| Audible | \$15 |
| Sirius | \$27 |
| Apple | \$25 |
| Pets | \$50 |

| | |
|--|-----------------|
| Category 9 - Clothing (monthly) | \$50 |
| Children's Clothing Needs | \$50 |
| Husband/Wife Clothing Needs | |
| Other | |
| Category 10 - Savings (monthly) | \$200 |
| Savings Account | \$200 |
| Credit Union | |
| Other | |
| Category 11 - Health & Wellness (monthly) | \$150 |
| Medical/Dental/Vision | \$100 |
| Dentist | |
| Prescriptions | |
| Eye Glasses / Contacts | \$50 |
| Other | |
| Category 12 - Miscellaneous (monthly) | \$1,675 |
| Toiletries / Cosmetics | |
| Beauty / Barber | |
| Laundry / Cleaning | |
| Allowances | |
| Other | \$500 |
| Gifts (including Christmas) | \$75 |
| Cash (Jerry) | \$400 |
| Cash (Janice) | \$400 |
| Marriage Counseling | \$300 |
| Category 13 - Investments (monthly) | \$400 |
| Employer 401k/403b plans | \$200 |
| Retirement IRAs | |
| College Funds | \$200 |
| 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 | \$15,360 |

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 Taxes ¹ | 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 Care ² | 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%.



CROWN™

Advancing God's Principles of Stewardship and Life

Percentage Spending Plan ¹

Annual Income: **\$ 175,992**

Gross Monthly Income:

Use appropriate % from "Percentage Guide"

1. Tithe/Giving **10.0%** x 14,666

1. Total Taxes **Actual Current** Monthly Withholdings

Net Spendable Income (NSI)

| Spending Category | Percentage | | Net Spendable Income | |
|-----------------------------|------------|---|----------------------|---|
| 3. Housing | 29.0% | x | 13,199 | = |
| 4. Food | 11.0% | x | 13,199 | = |
| 5. Transportation | 13.0% | x | 13,199 | = |
| 6. Insurance | 5.0% | x | 13,199 | = |
| 7. Debts | 5.0% | x | 13,199 | = |
| 8. Entertainment/Recreation | 5.0% | x | 13,199 | = |
| 9. Clothing | 6.0% | x | 13,199 | = |
| 10. Savings | 5.0% | x | 13,199 | = |
| 11. Health & Wellness | 5.0% | x | 13,199 | = |
| 12. Miscellaneous | 6.0% | x | 13,199 | = |
| 13. Investments | 5.0% | x | 13,199 | = |

| | | | | |
|--|---------------|---|--------|---|
| 14. School/Child Care² | 5.0% | x | 13,199 | = |
| Total: (cannot exceed 100%) | 100.0% | | | |
| TOTAL: (cannot exceed Net Spendable Income) | | | | |

¹Use 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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\$ 14,666

1,467

-

13,199

\$ 158,392.80 Annual NSI

Amount

3,828

1,452

1,716

660

660

660

792

660

660

792

660

660

13,199 OK

holdings

must be deducted from other budget categories