

## CASE STUDY C

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 what they can if anything. In addition to 2 family vacations a year, Matthew enjoys purchasing the latest electronic equipment. **you 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?  
In light of this, how would you advise them about saving for their children's college education?
4. What biblical principles and practical tools could help them get their discretionary spending under control?



## Assets & Liabilities

**Date:** \_\_\_\_\_

<b>ASSETS</b> (Present Market Value)
Cash On Hand (both husband and wife if married)
Checking Accounts
Savings Accounts
Stocks and Bonds
Cash Value of Life Insurance
Valuable Collections (coins, stamps, etc.)
Primary Home Value (look up value, e.g., zillow.com)
Other Real Estate
Mortgages/Notes Receivable
Automobile 1 (look up value, e.g., kbb.com)
Automobile 2 (look up value, e.g., kbb.com)
Automobile 3 (look up value, e.g., kbb.com)
Personal Property (Furniture, Jewelry, etc.)
Retirement Savings (Matthew 401k)
College Savings (Children)
<b>Total Assets:</b>

<b>LIABILITIES / DEBT LIST *</b>				
<b>CREDIT CARDS</b>	What Was Purchased	Payments	Interest Rate	Due?
Credit Card #1		\$212.00	18.9%	
Credit Card #2		\$285.00	15.0%	
Credit Card #3		\$189.00	18.8%	
<b>Total Credit Cards</b>		<b>\$686.00</b>		
<b>AUTO LOANS</b>				
Automobile Loan #1		\$375.00	4.5%	
Automobile Loan #2		\$339.00	4.7%	
<b>Total Auto Loans</b>		<b>\$714.00</b>		
<b>HOME MORTGAGES</b>				
Home Mortgages		\$1,587.00	4.0%	
<b>Total Home Mortgages</b>		<b>\$1,587.00</b>		
<b>personal, business, legal, IRS, etc.)</b>				
<b>Total Other Debt</b>		<b>\$0.00</b>		

<b>TOTAL DEBT</b>
<b>NET WORTH (Total assets minus total debt)</b>

1 When you are ready to work on your Debt Snowball Strategy, go to [www.Crown.org/FindHelp/Personal/Calculators](http://www.Crown.org/FindHelp/Personal/Calculators) and look for the "De

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Comments

<b>Balance</b>	
\$7,800.00	
\$18,000.00	
\$343,000.00	
\$15,000.00	
\$12,000.00	
\$63,000.00	
\$4,000.00	
<b>\$462,800.00</b>	

<b>Balance Due</b>	
\$7,800.00	
\$9,300.00	
\$5,700.00	
<b>\$22,800.00</b>	

\$15,800.00	
\$8,400.00	
<b>\$24,200.00</b>	

\$267,000.00	
<b>\$267,000.00</b>	

<b>\$0.00</b>	

<b>\$314,000.00</b>
<b>\$148,800.00</b>

:bt Snowball Calculator."



**DISCLAIMER**  
 1. This is the only equation that most closely represents your family (i.e. Married with 4 children, Single with 1 child, etc.)  
 2. Total net spend is based on the most conservative assumptions (i.e. \$20,000 to \$25,000)  
 3. Total net spend is based on current market rates for the following: Social Security, Medicare, State, and Local Income Tax, and mortgage.

**Suggested Percentage Guidelines For 2 Family Income**

Income Category	\$25,000	\$50,000	\$75,000	\$100,000	\$125,000
Net Disposable Income	100%	100%	100%	100%	100%
Food	10.0%	10.0%	10.0%	10.0%	10.0%
Transportation	10.0%	10.0%	10.0%	10.0%	10.0%
Insurance	5.0%	5.0%	5.0%	5.0%	5.0%
Utilities	5.0%	5.0%	5.0%	5.0%	5.0%
Entertainment/Recreation	5.0%	5.0%	5.0%	5.0%	5.0%
Clothing	5.0%	5.0%	5.0%	5.0%	5.0%
Savings	5.0%	5.0%	5.0%	5.0%	5.0%
Health & Wellness	5.0%	5.0%	5.0%	5.0%	5.0%
Miscellaneous	5.0%	5.0%	5.0%	5.0%	5.0%
Unassigned	5.0%	5.0%	5.0%	5.0%	5.0%
Total Net Spendable Income	100.0%	100.0%	100.0%	100.0%	100.0%
Individual Case *	0.0%	0.0%	0.0%	0.0%	0.0%

\* Individual case is based on individual circumstances and should be used as a guide only. It is not intended to be used as a benchmark for comparison.

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**Suggested Percentage Guidelines For Individual Income**

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## Percentage Spending Plan <sup>1</sup>

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	32.0%	x	5,355	=
4. Food	14.0%	x	5,355	=
5. Transportation	11.0%	x	5,355	=
6. Insurance	5.0%	x	5,355	=
7. Debts	5.0%	x	5,355	=
8. Entertainment/Recreation	5.0%	x	5,355	=
9. Clothing	7.0%	x	5,355	=
10. Savings	5.0%	x	5,355	=
11. Health & Wellness	7.0%	x	5,355	=
12. Miscellaneous	5.0%	x	5,355	=
13. Investments	4.0%	x	5,355	=
14. School/Child Care <sup>2</sup>	0.0%	x	5,355	=
<b>Total: (cannot exceed 100%)</b>	<b>100.0%</b>			

## **TOTAL: (cannot exceed Net Spendable Income)**

<sup>1</sup> Use current actual monthly Federal, Social Security, Medicare, State, and Local tax with

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

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\$	5,950
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595
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5,355
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\$	64,260.00	Annual NSI
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<b>Amount</b>
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1,714
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750
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589
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268
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268
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268
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375
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268
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375
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268
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214
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**5,355** OK

**holdings**

**must be deducted from other budget categories**

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

Monthly Income	
<b>GROSS MONTHLY INCOME</b>	<b>\$5,950</b>
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	
<b>Category 1 - Tithe/Giving (monthly)</b>	<b>\$125</b>
The Local Church	\$125
The Poor	
Other Ministries	
Other Giving	
<b>Category 2 - Taxes (monthly)</b>	<b>\$0</b>
Taxes (Fed, State, Medicare, Social Security)	
Other <small>Charity contributions that are taken out of the paycheck. Instead, include these deductions as expenses below</small>	
<b>NET SPENDABLE INCOME (monthly)</b>	<b>\$5,825</b>

Monthly Expenses	
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<b>Category 3 - Housing (monthly)</b>	<b>\$2,463</b>
Mortgage(s) <i>(from Debt List)</i>	\$1,587
Insurance	
Property Taxes	
Electricity	\$275
HOA	\$185
Water	\$68
Sanitation	\$42
Telephone / Cell phone	\$160
Maintenance	
Cable TV	\$57
Internet Service	\$89
Other	
<b>Category 4 - Food (monthly)</b>	<b>\$1,125</b>
Grocery	\$1,125
Other	
<b>Category 5 - Transportation (monthly)</b>	<b>\$983</b>
Auto Payment(s) <i>(from Debt List)</i>	\$714
Gas & Oil	\$100
Auto Insurance	\$169
Licenses & Taxes	
Maintenance	
Replacement	
Other - Tolls/Parking/Transit Fares	
<b>Category 6 - Insurance (monthly)</b>	<b>\$52</b>
Life	\$52
Health/Dental	
Disability	
Other	
<b>Category 7 - Debts (monthly)</b>	<b>\$686</b>
Total Credit Cards <i>(from Debt List)</i>	\$686
Total Other Debt <i>(from Debt List)</i>	\$0
Extra Debt Payments	
<b>Category 8 - Entertainment &amp; Recreation (monthly)</b>	<b>\$558</b>
Eating Out	\$150
Lunches/Snacks	\$45

Health Club	\$25
Activities (Kids)	\$50
Amazon Prime	\$13
Apple	\$25
Baby Sitters	
Vacation	\$250
<b>Category 9 - Clothing (monthly)</b>	<b>\$100</b>
Children's Clothing Needs	\$100
Husband/Wife Clothing Needs	
Other	
<b>Category 10 - Savings (monthly)</b>	<b>\$375</b>
Savings Account	\$375
Credit Union	
Other	
<b>Category 11 - Health &amp; Wellness (monthly)</b>	<b>\$230</b>
Doctor	\$100
Dentist	\$50
Prescriptions	\$30
Eye Glasses / Contacts	\$50
Other	
<b>Category 12 - Miscellaneous (monthly)</b>	<b>\$625</b>
Toiletries / Cosmetics	
Beauty / Barber	\$100
Laundry / Cleaning	
Allowances	
Subscriptions	
Gifts (including Christmas)	
Cash (Matthew)	\$100
Cash (Sharon)	\$125
Other	\$300
<b>Category 13 - Investments (monthly)</b>	<b>\$0</b>
Employer 401k/403b plans	
Retirement IRAs	
College Funds	
Non-Retirement Stocks, Bonds, Mutual Funds	
Investment Real Estate	

Other	
<b>Category 14 - School/Child Care (monthly)</b>	<b>\$0</b>
School Tuition	
School Books, Supplies, Materials, etc	
Transportation	
Day Care	
Tutoring, Lessons for Music, Dance, etc	
Other	
<b>Total Expenses</b>	<b>\$7,197</b>

Guideline	New Budget
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<b>lated)</b>	
	<b>\$5,667</b>
	<b>\$5,667</b>
	<b>\$0</b>

<b>\$5,950</b>	<b>\$6,325</b>
	\$5,950
	\$375
<b>\$595</b>	<b>\$658</b>
	\$658
<b>\$0</b>	<b>\$0</b>
<b>\$5,355</b>	<b>\$5,667</b>

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<b>\$1,714</b>	<b>\$2,197</b>
	\$1,587
	\$175
	\$185
	\$68
	\$42
	\$75
	\$65
<b>\$750</b>	<b>\$750</b>
	\$750
<b>\$589</b>	<b>\$983</b>
	\$714
	\$100
	\$169
<b>\$268</b>	<b>\$52</b>
	\$52
<b>\$268</b>	<b>\$1,005</b>
	\$1,005
	\$0
<b>\$268</b>	<b>\$120</b>
	\$75
	\$20

	\$0
	\$25
	\$0
	\$0
	\$0
<b>\$375</b>	<b>\$50</b>
	\$50
<b>\$268</b>	<b>\$100</b>
	\$100
<b>\$375</b>	<b>\$230</b>
	\$100
	\$50
	\$30
	\$50
<b>\$268</b>	<b>\$180</b>
	\$30
	\$50
	\$50
	\$50
<b>\$214</b>	<b>\$0</b>

\$0	\$0
\$5,355	\$5,667

## Comments

Sharon should consider taking part-time work when the kids are at school.

### *Gross income already has taxes subtracted*

Sharon should consider finding a part-time job while the kids are at school.

\$625

Annual Bonus of \$7500 - Closer to 4500 after taxes  $4500/12 = 375$

*Allocate bonus towards paying down debts.*

62.5

4500

**\$**

Encourage to give

New house is a bit out of their budget. Consider downsizing unless Sharon is able to pickup part-time wo

Cut back

Can find a cheaper plan

Find other forms of entertainment

Will need to cut back at least until debts are paid

***Could consider selling the more expensive car for a cheaper, used car***

***Negotiate lower rates***

Allocate the whole bonus towards paying off credit card debt first.

Start savings for kids college/retirement once this high interest debt is paid off

***Will need to cut back on these areas until debts are paid off***



