

Case Study B

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

Due to the financial challenges in this home, Jerry and Janice do not have a good marital relationship. They see a marriage counselor weekly to save and strengthen their marriage. Previously unknown to Jerry, Janice has a credit card debt (Credit cards #1 to #5) totaling \$48,000. He recently became aware of this debt and reached out to the creditors. 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 medical assistant. He pays the medical and dental insurance for himself, Janice, and the two children. They have a Preferred Provider Organization (PPO) with copays of \$30 per visit. Dental insurance is a Dental Health Maintenance Organization (HMO) with no deductibles, annual check-ups, and a percentage of dental repair. The Vision Insurance covers the cost of an annual vision exam, eyeglasses and frames or contact lenses. Jerry has a term life insurance policy with Janice as the beneficiary. They own an investment home valued at \$400,000 with a mortgage of \$250,000 and a monthly mortgage payment of \$1,500. They have a rental income of \$3,500, leaving \$200 each month for maintenance, repairs, and other rental property expenses.

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

The questions below are from the Case Study B Assignment. They are listed here so you can be prepared to complete 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 Goal: Pay off credit card debt; balance the budget; live within their income; save more. Janice's Goal: Spend money wisely.
2. Neither are followers of Jesus Christ, but they do have a religious background. They do not attend church. How can you 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. They see a marriage counselor weekly to save and strengthen their marriage. What other actions might they take to help them?

4. While referring to the Crown MoneyMap, what would you recommend they do in each of the financial destinations along with specific suggestions for that destination before moving to the next.) In light of this, what 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 with their 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
\$10,000.00
\$425,000.00
\$250,000.00
\$675,000.00
\$3,500.00
\$14,000.00
\$400.00
\$17,900.00

	monthly pymts	annual payment		
Credit Card #1	\$230.00	\$2,760.00	27.5%	
Credit Card #2	\$45.00	\$540.00	24.3%	
Credit Card #3	\$175.00	\$2,100.00	18.8%	
Credit Card #4	\$280.00	\$3,360.00	16.0%	
Credit Card #5	\$75.00	\$900.00	22.3%	
Credit Card #6	\$70.00	\$840.00	12.0%	
Credit Card #7	\$245.00	\$2,940.00	21.0%	
Total Credit Cards	\$1,120.00	\$13,440.00		

Weighted avg= 19.48%

Credit Card #1	\$230.00	\$2,760.00	27.5%	
Credit Card #2	\$45.00	\$540.00	24.3%	
Credit Card #3	\$175.00	\$2,100.00	18.8%	
Credit Card #4	\$280.00	\$3,360.00	16.0%	
Credit Card #5	\$75.00	\$900.00	22.3%	
Credit Card #6	\$70.00	\$840.00	12.0%	
Credit Card #7	\$245.00	\$2,940.00	21.0%	
Total Credit Cards	\$1,120.00	\$13,440.00		

Balance transfer cards 1,2,5 and 7 for a total of: \$30,000.00 assuming it's a

New monthly credit card payment = \$2,191.67

\$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
\$2,200.00
\$11,000.00
\$21,000.00
\$3,800.00
\$7,000.00
\$14,000.00
\$69,000.00

an 18 month 0% monthly payment= \$1,666.67

Spending Plan	Current
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INCOME vs. EXPENSE SUMMARY (calcu

Net Spendable Income	\$12,148
Less Total Expenses	\$15,360
Surplus or Deficit	(\$3,212)

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 - Tithe/Giving (monthly)	\$25
The Local Church	\$25
The Poor	
Other Ministries	
Other Giving	
Category 2 - Taxes (monthly)	\$2,493
Taxes (Fed, State, Medicare, Social Security)	\$2,493
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)	\$12,148

Monthly Expenses

Category 3 - Housing (monthly)	\$7,470
Mortgage(s) (from Debt List)	\$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%.



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	10,706	=
4. Food	11.0%	x	10,706	=
5. Transportation	13.0%	x	10,706	=
6. Insurance	5.0%	x	10,706	=
7. Debts	5.0%	x	10,706	=
8. Entertainment/Recreation	8.0%	x	10,706	=
9. Clothing	7.0%	x	10,706	=
10. Savings	5.0%	x	10,706	=
11. Health & Wellness	5.0%	x	10,706	=
12. Miscellaneous	7.0%	x	10,706	=
13. Investments	5.0%	x	10,706	=

	100.0%			
14. School/Child Care ²	0.0%	x	10,706	=
Total: (cannot exceed 100%)	200.0%			
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%.



\$	14,666
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1,467

2,493

10,706

\$	128,474.16	Annual NSI
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Amount
3,105

1,178

1,392

535

535

856

749

535

535

749

535

-

10,706 OK

holdings

must be deducted from other budget categories