CASE STUDY D

Peter and Shelly Smith are 29 and 27, respectively. They have two children, ages 4 and 6. They live
a small rural town. Peter is a sales rep for an agricultural supply company and currently makes $2,5
monthly financial problems, except that they have little margin in their lives. They owe $4,000 to
paid eventually. However, there is no immediate pressure to repay this loan. The Smith's receive
refunds each year, which they spend frivolously. When their first child was born, they purcha
written. Medical insurance is provided through Peter's employer for a small monthly amount.

**The questions below will be in the Test for Case Study D. They are listed here so you can be think
the forms in this spreadsheet.**

1. The Smiths' income is relatively low. Many would use this as an excuse to not give at all, or to de
faithfully giving a full 10% of their income. What discussion might you have with them around the

2. Discuss the Smiths' current use of their yearly income tax refund. Would you suggest any chang
and what should they consider in making their decision?

3. Though the Smiths do not have sizable debt now, what advice would you give them about payi
from parents and preventing future indebtedness?

4. While referring to the Crown MoneyMap, what changes would you recommend that they make
first four destinations? List each destination followed by specific actions they should take in that de
next destination.

5. What steps can they take to leave a legacy for their children that will impact eternity, as well as

6. Consider the Four Levels of Financial Difficulties discussed in the Coaching Practice section of th

What level would you say best fits the Smiths' situation and why? Looking back on the other case s
you think best fits:

Case Study A: Mindy, who became a single mom
Case Study B: Jerry and Janice, who made decent money, had a second home (rental property), and
Case Study C: Matthew and Sharon, middle income with some credit card debt and were struggling

(This does not need to be an in-depth discussion. A brief analysis is fine.)

LIABILITIES / DEBT LIST [1]				
CREDIT CARDS	What Was Purchased	Minimum Monthly Payments	Interest Rate	Past Due?
Credit Card (Visa)		$20.00	13.0%	
Total Credit Cards		**$20.00**		
AUTO LOANS				
Total Auto Loans		**$0.00**		
HOME MORTGAGES				
Total Home Mortgages		**$0.00**		
OTHER DEBT (education, medical, personal, business, legal, IRS, etc.)				
Personal Debt to Parents				
Total Other Debt		**$0.00**		

Balance Due
$800.00
$800.00
$0.00
$0.00
$4,000.00
$4,000.00

Spending Plan	Current

INCOME vs. EXPENSE SUMMARY (calcu	
Net Spendable Income	$1,700
Less Total Expenses	$1,628
Surplus or Deficit	$72

Monthly Income

GROSS MONTHLY INCOME	***$2,500***
Monthly Salary	$2,500
Interest Income	
Dividends	
Commissions	
Bonuses/Tips	
Retirement Income	
Net Business Income	
Other Income	
LESS	
Category 1 - Tithe/Giving (monthly)	***$250***
The Local Church	$250
The Poor	
Other Ministries	
Other Giving	
Category 2 - Taxes (monthly)	***$550***
Taxes (Fed, State, Medicare, Social Security)	$550
Other	
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	
NET SPENDABLE INCOME (monthly)	**$1,700**

Monthly Expenses

Category 3 - Housing (monthly)	***$513***

Mortgage(s) *(from Debt List)*	$0
Rent	$375
Insurance	
Property Taxes	
Electricity	$55
Gas	$40
Water	$13
Sanitation	$5
Telephone / Cell phone	$25
Maintenance	
Internet / Cable Service	
Other	
Category 4 - Food (monthly)	***$350***
Grocery	$350
Other	
Category 5 - Transportation (monthly)	***$182***
Auto Payment(s) *(from Debt List)*	$0
Gas & Oil	$80
Auto Insurance	$50
Licenses & Taxes	$12
Maintenance	$40
Replacement	
Other - Tolls/Parking/Transit Fares	
Category 6 - Insurance (monthly)	***$60***
Life ($30,000 Whole Life)	$60
Health/Dental	
Disability	
Other	
Category 7 - Debts (monthly)	***$20***
Total Credit Cards *(from Debt List)*	$20
Total Other Debt *(from Debt List)*	$0
Extra Debt Payments	
Category 8 - Entertainment & Recreation (monthly)	***$230***
Eating Out / Lunches	$80
Baby Sitters	$20
Activities / Trips	$55
Vacation	$75
Pets	
Hobbies and Sports	
Other	

Category 9 - Clothing (monthly)	***$50***
Clothing	$50
Other	
Category 10 - Savings (monthly)	***$25***
Savings Account	$25
Credit Union	
Other	
Category 11 - Health & Wellness (monthly)	***$50***
Doctor	$20
Dentist	$20
Prescriptions	$10
Eye Glasses / Contacts	
Other	
Category 12 - Miscellaneous (monthly)	***$148***
Toiletries / Cosmetics	
Beauty / Barber	
Laundry / Cleaning	
Allowances / Lunches	$35
Subscriptions	$3
Gifts (including Christmas)	$40
Cash	$70
Other	
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	**$1,628**

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%.

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Percentage Spending Plan [1]

Annual Income: $ 30,000

Gross Monthly Income:

	Use appropriate % from "Percentage Guide"		
1. Tithe/Giving	10.0%	x	2,500
1. Total Taxes	**Actual Current**	**Monthly Withholdings**	
Net Spendable Income (NSI)			

Spending Category	Percentage		Net Spendable Income	
3. Housing	38.0%	x	1,700	=
4. Food	15.0%	x	1,700	=
5. Transportation	14.0%	x	1,700	=
6. Insurance	5.0%	x	1,700	=
7. Debts	5.0%	x	1,700	=
8. Entertainment/Recreation	3.0%	x	1,700	=
9. Clothing	5.0%	x	1,700	=
10. Savings	4.0%	x	1,700	=
11. Health & Wellness	8.0%	x	1,700	=
12. Miscellaneous	3.0%	x	1,700	=
13. Investments	0.0%	x	1,700	=

	100.0%			
14. School/Child Care[2]	0.0%	x	1,700	=
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 withh

[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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$ 2,500	
250	ld congratulate them on this level of Tithe, make no change
550	**They are providing the government a no-interest loan. Take a loo**
1,700	
	$ 20,400.00 / **Annual NSI**

Amount
646
255
238
85
85
51
85
68
136
51
-

-

1,700	OK

ıoldings

ɪnust be deducted from other budget categories

k at adjusting their withholding, adjust so they can anticipate NO tax refund as they c

an use the $200/month toward debt repayment.