

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 \$1,000. 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

Spending Plan	Current
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INCOME vs. EXPENSE SUMMARY (calcu
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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 - Tithe/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	
<i>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</i>	
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

Guideline	New Budget
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lated)	
	\$9,999
	\$9,999
	\$1

\$11,166	\$11,166
	\$9,000 \$1,500 \$500
	\$166
1,167	\$1,167
	\$1,167
\$0	\$0
\$9,999	\$9,999

3,045	\$4,270
	\$2,600
	\$30
	\$300
	\$400
	\$100
	\$250
	\$300
	\$100
	\$115
	\$75
1,155	\$1,303
	\$1,303
1,365	\$1,025
	\$300
	\$290
	\$35
	\$100
	\$200
	\$100
525	\$67
	\$67
525	\$0
	\$0
	\$0
840	\$1,176
	\$300
	\$150
	\$150
	\$250
	\$100

\$50
\$100
\$11
\$15
\$0
\$0
\$50

735	\$50
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\$50

525	\$200
------------	--------------

\$200

525	\$150
------------	--------------

\$100

\$50

735	\$1,358
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\$293
\$75
\$345
\$345
\$300

525	\$400
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\$200

\$200

-	\$0
\$10,499	\$9,999

Comments

Option of her increasing her income? This is low for a monthly income and a job skill and only a little above
If she can make more, then put this into savings/retirement

This income disappears with selling off the rental property.

Would like to see this increase. They are not believers so may be difficult to increase to 10% to start with.
Need to see some sort of conversion happen in their lives.
I think they may be willing to increase but not to 10%, I can see them want to go to 3-5%. My question will
what is your experience with non-believers?

Housing expense is high, but they mention in California, so somewhat expected.

At 37%, not pushing the danger mark, just high.

I am assuming all these expenses are for their home, none of them apply to the rental property. But would

I want to put something into maintenance. All homes need something.

Attempt to lower this cost. Compromise halfway with guidelines

Removed these with sale of rental property

Adding something back in for replacement of next car.

Removed these with sale of rental property

Removed these with sale of rental property

Way over guideline

In general, need to see if we can work towards meeting the guideline.

Some of these expenses seem high, and the fact the guidelines is about 55% of this indicates they are high

Trying to suggest lowering some items to a degree to help meet where they should be.

Could they remove this? Not a need.
Could they remove this? Not a need.

\$50 is drastically under estimating their expense. Need to review their last year purchased.
I would like to increase this to at least the guideline after discussing their Misc and Entertainment category
Maybe within the cash they spend each month?

I would like to increase this to at least the guideline after discussin their Misc and Entertainment category

Need to review past year to see if accurate.

Way over guideline

Somewhere they purchase toiletries, cosmetics, have haircuts. Where are these located, maybe in Other?

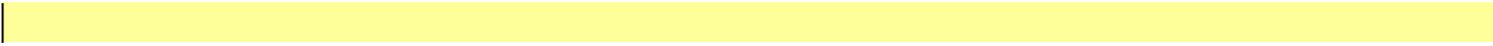
Need to find out what 'other' is. A large amount of money (\$6000 a year) without a name to it.

\$4800 per year seems like a lot, so would like to know where it goes more precisely

\$4800 per year seems like a lot, so would like to know where it goes more precisely

Is this a Christian counselor? Would help lead them to Christ. This will drop at sometime, so add to retire

I would like to increase this to at least the guideline after discussin their Misc and Entertainment category



um wage.

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: **\$ 139,992**

Gross Monthly Income:

	Use appropriate % from "Percentage Guide"		
1. Tithe/Giving	10.0%	x	11,666
1. Total Taxes	Actual Current		Monthly Withholdings
Net Spendable Income (NSI)			

Spending Category	Percentage		Net Spendable Income	
3. Housing	29.0%	x	10,499	=
4. Food	11.0%	x	10,499	=
5. Transportation	13.0%	x	10,499	=
6. Insurance	5.0%	x	10,499	=
7. Debts	5.0%	x	10,499	=
8. Entertainment/Recreation	8.0%	x	10,499	=
9. Clothing	7.0%	x	10,499	=
10. Savings	5.0%	x	10,499	=
11. Health & Wellness	5.0%	x	10,499	=

12. Miscellaneous	7.0%	x	10,499	=
13. Investments	5.0%	x	10,499	=
14. School/Child Care²	0.0%	x	10,499	=
Total: (cannot exceed 100%)	100.0%			
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



\$	11,666
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1,167

-

10,499

\$	125,992.80	Annual NSI
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Amount

3,045

1,155

1,365

525

525

840

735

525

525

735

525

-

10,499 OK

holdings
must be deducted from other budget categories

Spending Plan	Current
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INCOME vs. EXPENSE SUMMARY (calcu	
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Monthly Income	
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Category 1 - Tithe/Giving (monthly)	\$25
The Local Church	\$25
The Poor	
Other Ministries	
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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	
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Mortgage(s) (from Debt List)	\$5,900
Rent	

Insurance	
Home Warranty	\$30
Electricity	\$300
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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)	
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Life	\$67
Health/Dental	
Disability	
Other	
Category 7 - Debts (monthly)	
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Extra Debt Payments	
Category 8 - Entertainment & Recreation (monthly)	
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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



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	8.0%	x	13,199	=
9. Clothing	7.0%	x	13,199	=
10. Savings	5.0%	x	13,199	=
11. Health & Wellness	5.0%	x	13,199	=
12. Miscellaneous	7.0%	x	13,199	=
13. Investments	5.0%	x	13,199	=

14. School/Child Care²	0.0%	x	13,199	=
Total: (cannot exceed 100%)	100.0%			
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

-

13,199

\$	158,392.80	Annual NSI
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Amount

3,828

1,452

1,716

660

660

1,056

924

660

660

924

660

-

13,199 OK

holdings

must be deducted from other budget categories