

PICKENS COUNTY SCHOOLS

Standards-Based Assignment Packet

Subject/Grade: Financial Planning & Budgeting

Sample Lesson for the Jump\$tart Coalition's "Know Your Take-Home Pay" Principle

Prepared by the National Endowment for Financial Education



My Notes



☐ Done

"Analyzing Pay Stubs"

Lucinda has a part-time job after school and on weekends at Blue Wisp Cleaners. To help you better understand the difference between gross pay, net pay, and some common payroll deductions, analyze the pay stub for Lucinda on page 39. Then answer the following questions.

1. Who is Lucinda's employer? _____
2. What is the length of the pay period Lucinda just worked?

3. How many total hours did Lucinda work during this pay period? _____
4. What amount per hour does Lucinda get paid for regular hours worked? _____
5. Did she work any overtime this period? _____
If so, how many hours? _____
6. What amount per hour does Lucinda get paid for overtime?

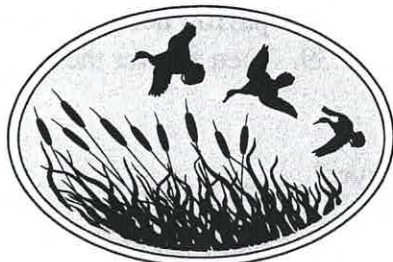
7. What is Lucinda's gross income for this pay period? _____
8. List the type and amount of each payroll deduction for Lucinda this pay period.

9. What was the total amount of her deductions this period?
_____ YTD? _____
10. What is Lucinda's net income (take-home pay) for this pay period? _____
11. What amount has been available for Lucinda's financial objectives YTD? _____

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Blue Wisp Cleaners

Employee: Lucinda Smith
SSN: 000-11-0000
Pay Period: 11/9/97 to 11/16/97
Pay Date: 11/16/97
Net Pay: \$231.71
Check No: 006022

HOURS			EARNINGS				
	Regular	O/T	Regular	Overtime	Bonus	Other	Gross Pay
T/P	40	6	\$240.00	\$54.00	—	—	\$294.00
YTD			\$960.00	\$135.00			\$1,095.00
DEDUCTIONS							
	Social Security Tax	Medicare Tax	Federal W/H Tax	State W/H Tax	Pension	Other	Net Pay
T/P	\$18.23	\$4.26	\$29.00	\$10.80			\$231.71
YTD	\$67.89	\$15.88	\$102.00	\$32.00			\$877.23

O/T = Overtime
T/P = This Period
YTD = Year to Date



Assignment
2.2
(Cont'd)

Budget scenarios

A budget is a spending plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time.

A key term to understand in creating a budget is net income, which is the amount of money you bring home in your paycheck after taxes and other deductions are taken out; this is also called take-home pay.

The following scenarios describe three different personal budgets.

Scenario 1: Recent college graduate

Sara recently graduated with a degree in marketing. She started a job that pays her \$48,000 per year. Her monthly net income is \$2,800. She's moving into her own one-bedroom apartment in the city. She doesn't own a car, but she has subway expenses. She also adopted a dog, so she now has to pay for dog food and vet bills. Sara has budgeted for the following monthly expenses:

Expense type	Expense cost	Expense type	Expense cost
Rent	\$960	Utilities	\$80
Food	\$400	Cell phone	\$100
Clothing	\$150	Savings	\$100
College loan	\$140	Renter's insurance	\$80
Eating out/entertainment	\$200	Pet care	\$60
Subway	\$220	Cable/Internet	\$160

Scenario 2: Planning for family goals

Derek and his wife Diana have two children under 4 years of age. Derek works as a school security officer and earns \$20/hour, or \$41,600 per year. Diana is an assistant manager for a hotel and earns a yearly salary of \$46,200. Their net income is \$5,121 per month. Their cars are a little older, but they are both paid off.

So their primary travel expenses are gas, tolls, and general car maintenance. Cable TV is important to them because Derek loves watching football games, and, since their children are young, they don't go out much. They've talked about opening 529 college savings plans for both children, but they seem to forget each month. They would also like to make improvements to their house and are thinking about getting a home equity loan to meet this goal. Derek and Diana have budgeted for the following monthly expenses:

Expense type	Expense cost	Expense type	Expense cost
Mortgage	\$1,240	Child care	\$1,200
Food	\$1,300	Cable/Internet	\$170
Utilities	\$110	Cell phones	\$160
Transportation	\$140	Credit card payments	\$400
Insurance (home, cars)	\$240	Eating out/entertainment	\$300

Scenario 3: Young working woman

Kenza was born and raised in a small town. She loves animals and got a full-time job as a vet tech after she graduated from high school. The vet gave her on-the-job training. Kenza wants to leave home and get an apartment with a friend. She realizes having a roommate to share the costs of living will help keep her expenses low. Kenza earns \$11.77 an hour and works 40 hours per week. Her annual income will be just under \$25,000. Kenza's monthly net income is \$1,458. There is a bus that runs between her job and the apartment she wants to rent. She and her friend go out every weekend and have fun. Kenza has budgeted for the following monthly expenses:

Expense type	Expense cost	Expense type	Expense cost
Rent	\$375	Renter's insurance	\$33
Groceries	\$175	Cell phone	\$55
Utilities	\$45	Savings	\$25
Bus passes	\$40	Cable/Internet	\$40
Clothing	\$200	Eating out/entertainment	\$350

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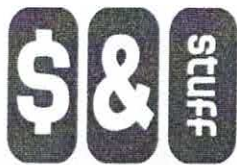
Handout 6: Budget Worksheet

Directions

You recently graduated from college and started a new job. Your net pay is \$2,000 a month. With your group, develop a budget in the **Estimate** column. You will need to indicate how you would spend your money. Be careful not to go over budget. After you complete your estimate, you will receive your scenario cards from your teacher. Take turns drawing a card from the stack of scenarios. Each of you should enter the value of the card under the **Actual** column for the appropriate category on the monthly budget worksheet. Remember to add dollar signs and decimal points. Once you have drawn all cards, sum up the fixed expenses and variable expenses, and then calculate the surplus/deficit. When you have completed the worksheet, answer the questions at the bottom.

Income	Estimate (based on \$2,000)	Actual (based on scenario cards)
Net income		
Fixed expenses		
Rent		
Renter's insurance		
Automobile loan payment		
Automobile insurance		
Medical insurance		
Student loan		
Total fixed expenses		
Variable expenses		
Groceries		
Dining out		
Utilities		
Gasoline		
Car maintenance		
Clothing and personal upkeep		
Gifts		
Entertainment		
Savings		
Total variable expenses		
Total expenses		
SURPLUS (DEFICIT)		





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*grab hold
of your future*

Sample Monthly Budget for Kids

What is a Budget?

A Budget is a list that helps you remember how much money you have to buy things.

It is easy to make a Budget!

1. Write down the money that you get
2. Write down the money that you spend when you buy things.

Here is how it works:

If your parents give you \$2 a week for allowance, then your “Income” (or Money) is \$2.

If you want to buy a toy that costs \$6, then you know you won’t have enough money yet. You only have \$2 now.

So you have to earn 4 more dollars to buy the toy.

$$\begin{array}{r} \$6 \text{ Toy} \\ - \quad \$2 \text{ “Income” (Money)} \\ \hline = \quad \$4 \text{ Still Needed to Buy the Toy.} \end{array}$$

If you save your allowance for three weeks, then you can buy the toy!

$$\begin{array}{r} \$2 \text{ Week 1 Allowance} \\ + \quad \$2 \text{ Week 2 Allowance} \\ + \quad \$2 \text{ Week 3 Allowance} \\ \hline = \quad \$6 \text{ Total “Income” (Money)} \end{array}$$

If you save your money for three weeks, you will have enough money to buy the toy!

Use the sample budget on the next page to practice making a budget. Ask your parents for help!



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*grab hold
of your future*

Sample Weekly Budget for Kids

Money	How Much Money Do I Have?	How I Got the Money
Allowance	\$2.00	\$2 a week for helping Mom & Dad
Birthday Money	\$5.00	\$5 from Grandma in my birthday card
Other Money	50 Cents	I found two quarters in the sofa!
All Of My Money Together	\$7.50	All my money added up
Things I Want to Buy	How Much Does It Cost?	Why I Want To Buy It
New Toy	\$6	I saw it at the toy store and I like it!
Birthday Gift for Mom (Ring)	\$4	Mom will like the pretty ring!
Candy Bar	60 Cents	Buy a Candy bar at School
What it All Costs	\$10.60	Everything I want to buy together
Do I have enough money? (Money – Cost)	-\$3.10	Oops! I don't have enough money yet! I still need \$3.10.

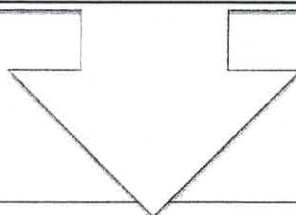
Make Your Own Weekly Budget

Name: _____

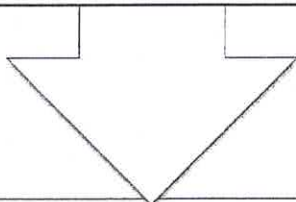
Money	How Much Money Do I Have?	How I Got the Money
Allowance	\$	
Birthday Money	\$	
Other Money	\$	
All Of My Money Together	\$	
Things I Want to Buy	How Much Does It Cost?	Why I Want To Buy It
1.	\$	
2.	\$	
3.	\$	
What it All Costs	\$	
Do I have enough money? (Money – Cost)	\$	

Gathering Information for a Résumé

Heading		
Name	Address	Phone number



Objective

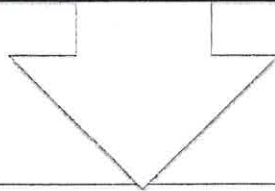


Education	

Gathering Information for a Résumé

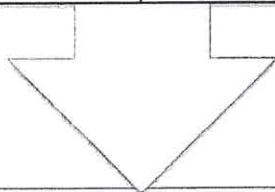
Experiences

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Activities

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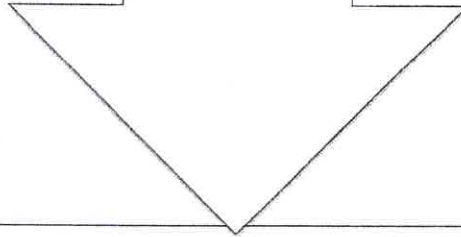


Summary of Skills

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Gathering Information for a Résumé

References



Name _____ Period _____ Date _____

Sample Chronological Résumé Template

Heading

Name

Address

City, State, Zip

Telephone number

Email address

Objective:

List your job objective (name of job applying for)

Education:

School name

Date you graduated

Course you have taken in high school which pertain to the job you are applying for

Experience:

Job title

Company name

City, State

Job description

Dates of employment

(List all previous work experiences, most current listed first)

Activities:

Using action words, list all honors and awards. Also list all extracurricular activities and service learning projects you have been involved in.

Summary of Skills:

List all work skills you possess (use action words)

References:

SITUATION 1

Fred loves clothes. His favorite activity is to go shopping at the mall and try on new clothes. He looks forward to the day when he has a job so he can buy all the clothes he wants.

Next week is Fred's birthday and he will receive \$75.00 for his present. He saw a pair of jeans at the mall that were \$72.00; however, he also needs new shirts, new shorts, and some swim trunks for the summer. His \$75.00 could purchase all of these things or it could purchase the one pair of designer jeans.

All the kids at school wear these jeans. Fred states, "If only I had a pair of these jeans, I would be popular." What should Fred do?

SITUATION 2

Katie loves clothes. She wishes she could have all the designer clothes she wants. Unfortunately, she can't; she has two brothers and three sisters, and her parents cannot afford to buy all their children designer clothes.

Katie has a few friends that have some designer jeans. Her friends let her borrow the jeans, even though this is against her parents' wishes. Her parents felt that Katie should not borrow them in case something were to happen to them. In that case, they would need to purchase an outfit to replace the damaged one.

One day on the way home from school, Katie tripped and fell on her knees. She tore holes in both knees of the designer jeans she had borrowed from her friend, Julie. Katie was crying, not only because she had injured her knees, but because the new jeans were ruined and they weren't even hers. What is Katie going to do?

SITUATION 3

Steve is fourteen and has taken piano lessons since he was five. He feels that he misses out on many fun activities because he has to practice everyday after school. He wants to quit piano lessons, but his mother will not allow him to; she says, "If you quit the piano now you'll be sorry when you get older." Steve wants to quit anyway. What should Steve do?