

41 Activities in Basic Money Management

SECOND EDITION

Nancy Lobb

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Paycheck Vocabulary

Hourly pay	How much a person earns for every hour worked (per hour).
Gross pay	Hourly pay multiplied by the number of hours worked. Gross pay is how much is actually earned before deductions are taken out of the paycheck.
Deduction	Money taken out of a person's paycheck. Some deductions might be: insurance, income tax, Social Security (FICA), union dues, or money put in a savings account.
Net pay	How much money a person takes home after deductions.

◆ **Fill in the Blanks.** Fill in each blank using a word or phrase from the box above. You will use each term only once.

1. Take-home pay is called _____ .
2. Amounts of money that are subtracted from a person's gross pay are called _____ .
3. If you earn \$8.50 an hour, your _____ is \$8.50.
4. The money a person earns before any deductions are taken out is called _____ .

◆ **Matching.** Match each item in the left column with a word or phrase in the right column. Write the letter of the correct item in each blank on the left. You will use some choices in the right column more than once.

- | | |
|----------------------------------|----------------|
| 5. _____ income tax | (a) hourly pay |
| 6. _____ take-home pay | (b) gross pay |
| 7. _____ union dues | (c) deduction |
| 8. _____ earning per hour | (d) net pay |
| 9. _____ pay before deductions | |
| 10. _____ Social Security (FICA) | |
| 11. _____ insurance | |
| 12. _____ money put in savings | |





Name _____ Date _____

Finding Number of Hours Worked

Joey had a part-time job. He knew he should keep track of the hours he worked. That way he could be sure his paycheck was right.

Joey worked 2 hours Monday through Friday after school. On Saturday he worked 8 hours. He wanted to know how many hours he had worked.

First Joey multiplied 2 hours by 5 days (Monday through Friday). This made 10 hours worked.

Next Joey added the 8 hours he worked on Saturday to the 10 hours he had worked during the week. This made a total of 18 hours worked.

◆ **Directions:** Find how many hours each person below worked.

<p>1. Teresa worked from 1:00 P.M. to 4:00 P.M. Monday through Friday.</p>	<p>4. Leo worked 3 hours each on Tuesday and Thursday. On Friday, he worked from 3:00 P.M. to 10:00 P.M.</p>
<p>2. Sara worked from 4:00 P.M. to 6:00 P.M. on Monday, Wednesday, and Friday.</p>	<p>5. Etienne worked from noon until 6:00 P.M. Monday through Friday. On Saturday, he worked 8 hours.</p>
<p>3. David worked from 8:00 a.m. to 4:00 p.m. Monday through Friday. On Saturday, he worked from 10:00 A.M. to 6:00 P.M.</p>	<p>6. Chandra worked 2 hours a day, Monday through Friday. On Saturday, she worked 4 hours.</p>





Finding Gross Pay

Mark's part-time job paid \$5.50 an hour. One week, he worked 20 hours. Mark wanted to find his gross pay.

To find his gross pay, Mark multiplied the number of hours he worked (20) by his hourly pay (\$5.50).

$$\begin{array}{r}
 5.50 \\
 \times 20 \\
 \hline
 000 \\
 1100 \\
 \hline
 110.00
 \end{array}$$

$\$5.50 \times 20 = \110.00

Mark's gross pay was \$110 that week.

◆ **Directions:** Find each person's gross pay:

<p>1. Elena worked for 20 hours at Jill's Boutique. She earned \$5.15 an hour.</p>	<p>5. Jamal worked for 18 hours at the movie theater. He earned \$5.25 an hour.</p>
<p>2. Sara worked for 10 hours at Joe's Burgers. She earned \$4.85 an hour.</p>	<p>6. Jose worked for 12 hours at the ice cream shop. He earned \$5.85 an hour.</p>
<p>3. Tia baby-sat for 14 hours one weekend. She earned \$4.25 an hour.</p>	<p>7. Martin worked for 15 hours at Skateland. He earned \$5.17 an hour.</p>
<p>4. Tran worked for 25 hours on his uncle's farm. He earned \$6.00 an hour.</p>	<p>8. Keisha worked for 20 hours at the grocery store. She earned \$5.95 an hour.</p>



Name _____ Date _____

Adding Deductions

Sumida had a job in a factory. The hourly pay was \$6. She worked 40 hours one week. Sumida figured her gross pay would be \$240 ($\6×40 hours). But when she got her paycheck, it was only \$159. What went wrong?

Sumida forgot some deductions would be taken out of her gross pay. Her deductions were:

Federal Income Tax	\$36	State Income Tax	\$15
FICA (Social Security)	\$16	Health Insurance	\$3
Retirement	\$3	Union Dues	\$3
Savings Plan	\$5		

To find her total deductions, add all the deductions up. Sumida had \$81 in deductions. ($\$36 + \$16 + \$3 + \$5 + \$15 + \$3 + \3)

◆ **Directions:** Find the total deductions on each paycheck stub. Write the total in the box marked “Total Deductions.”

Name: Kim Chang			Date of Check: May		
Federal Withholding Tax \$57.29		Social Security \$25.15	Retirement	State Income Tax \$6.85	
Health Insurance	Savings \$10.00	Life Insurance	Parking	Other	
Total Deductions					

Name: LaToya Miller			Date of Check: July		
Federal Withholding Tax \$89.23		Social Security \$45.19	Retirement \$38.00	State Income Tax \$10.50	
Health Insurance \$13.95	Savings \$50.00	Life Insurance \$2.98	Parking \$6.00	Other	
Total Deductions					

Name: Sven Paulsen			Date of Check: September		
Federal Withholding Tax \$159.92		Social Security \$72.93	Retirement \$64.00	State Income Tax \$17.97	
Health Insurance \$27.50	Savings \$5.19	Life Insurance	Parking	Other	
Total Deductions					





Finding Net Pay

It is a good idea to know how to check a paycheck to make sure that the net pay has been figured correctly.

To find the net pay:

1. Add all the deductions.
2. Subtract the total deductions from the gross pay.

◆ **Directions:** Find the total deductions and the net pay in each example below.

1.

Gross Pay	179.95
Deductions:	
Federal Withholding 35.19	
State Income Tax 4.20	
FICA 17.50	
Health Insurance 7.89	
Dues 4.50	
Savings 15.00	
Total Deductions	
Net Pay	

3.

Gross Pay	235.00
Deductions:	
Federal Withholding 45.19	
State Income Tax 3.58	
FICA 20.45	
Health Insurance	
Dues	
Savings 15.00	
Total Deductions	
Net Pay	

2.

Gross Pay	589.19
Deductions:	
Federal Withholding 112.56	
State Income Tax 12.09	
FICA 68.14	
Health Insurance 13.50	
Dues 5.19	
Savings 50.00	
Total Deductions	
Net Pay	

4.

Gross Pay	785.09
Deductions:	
Federal Withholding 175.14	
State Income Tax 20.45	
FICA 78.40	
Health Insurance 25.19	
Dues	
Savings 55.00	
Total Deductions	
Net Pay	



Name _____ Date _____

Paycheck Review

<p>1. Joan has a part-time job at the mall. She works 4 hours every Monday, Wednesday, and Friday. On Saturday she works 8 hours. What are her total hours per week?</p>	<p>3. Carlos's paycheck deductions are: Federal Income Tax: \$35.50 State Income Tax: \$2.05 FICA: \$5.00 Insurance: \$1.29 What are Carlos's total deductions?</p>
<p>2. Tony works 20 hours per week. He earns \$5.15 per hour. What is his gross pay?</p>	<p>4. Complete Shakira's paycheck stub using the information below. What is her net pay? Gross pay: \$312.00 Deductions: Federal Income Tax: \$35.10 State Income Tax: \$3.01 FICA: \$7.50 Insurance: \$2.19</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px; text-align: center;"> <p><u>Shakira Roy</u></p> <p>Gross Pay _____</p> <p>Total Deductions _____</p> <p>Net Pay _____</p> </div>

◆ **Matching.** Match each item in the left column with a definition in the right column. Write the letter of the correct definition in each blank on the left. Use each definition only once.

- | | |
|---------------------|---|
| 5. _____ deduction | (a) take-home pay |
| 6. _____ gross pay | (b) what a person earns in 1 hour |
| 7. _____ hourly pay | (c) money taken out of a person's pay for taxes, insurance, or dues |
| 8. _____ net pay | (d) a person's earnings before deductions are taken out |
| 9. _____ FICA | (e) Social Security |





Checking Account Vocabulary

Check	An order to pay money from your checking account to a person or company.
Deposit	Putting money into a bank account.
Deposit slip	A paper you fill out to show how much money (cash or checks) you are depositing.
Signature	The way you sign your name.
Checkbook register	A record of checks and deposits made to a checking account.
Balance	How much money is in the account.

◆ **Fill in the Blanks.** Fill in each blank using a word or phrase from the box above. You will use each term only once.

1. If Vic has \$14.98 in his checking account, then his _____ is \$14.98.
2. If Nicki put \$50 into her checking account, she made a _____.
3. All checks should be recorded in the _____.
4. When making a deposit, Ramon gave the teller the money and a _____.
5. At the grocery store Mrs. Alvarez wrote a _____ for \$48 worth of food.
6. A check is not good without your _____ on the bottom line.

◆ **Matching.** Match each item in the left column with a word or phrase in the right column. Write the letter of the correct item in each blank on the left. Use each choice only once.

- | | |
|---|------------------------|
| 7. _____ a paper that shows money being deposited | (a) check |
| 8. _____ how you sign your name | (b) deposit |
| 9. _____ record of checks | (c) deposit slip |
| 10. _____ an order to pay money | (d) signature |
| 11. _____ money now in an account | (e) checkbook register |
| 12. _____ putting money in an account | (f) balance |



Name _____ Date _____

Opening a Checking Account

Choose a bank or credit union that is convenient and offers the services you want. You must go to the bank in person to open an account. Go to the "New Accounts" desk. Ask what kinds of checking accounts the bank offers. Choose the one you want.

You will be asked to fill out a signature card. This card gives the bank a record of how you sign your name. You should sign every check you write the same way you signed the signature card.

Next you will need to deposit some money in your account. You will also choose the kind of checks you want. They will have your name and address printed on them.

◆ **Directions:** Fill out the sample signature card below. Use your own name and address and today's date. Your account number is 30481.

Date _____		Account No. _____
Signature Card For:		
Name(s): _____		
All checks require _____ of the _____ authorized signatures herein.		
The undersigned certify that the signatures on this card are the duly authorized signatures which you will recognize on checks, drafts, money orders, and other instruments drawn by us against our Deposit Account No. _____.		
<u>Title</u>	<u>Type Name Below</u>	<u>Sign Name Below</u>
_____	_____	will sign _____
_____	_____	will sign _____
_____	_____	will sign _____
Address _____		

- How do you think the signature card protects the checking account owner?

- Why do you think there is space on the card for more than one signature?

