

### LESSON #2:

## DON'T BE THAT GIRL WHO SPENDS HER PAYCHECK WITHOUT UNDERSTANDING HER INCOME

**TOPIC:** READING A PAYCHECK

### 💡 WHAT TO DO:

1. Open the lesson by asking, "If you get a job that pays \$500 a week, does that mean you take home \$500? Why or why not?" Discuss students' ideas and predict how much money will be remaining for "take-home pay" after deductions.
2. Distribute the Lesson #2 Student Activity and provide students time to review the sample paycheck. As a class, discuss the various deductions and the difference between gross and net income, referring to the Student Glossary as needed.
3. Once students understand the different paycheck components, challenge small groups to answer Mariya's questions on the Lesson #2 Student Activity.
4. Have groups share their answers to Mariya's questions and use student responses to emphasize the following: we can control some deductions, such as 401(k) contributions, but others, such as federal and state taxes, are required and paid by everyone who works.
5. Close the lesson by asking students how they will apply this knowledge to the Budget Challenge. Ask students: What deduction choices will you make in the Budget Challenge and why? How much will you devote to savings and a 401(k)?

### LESSON #3:

## DON'T BE THAT GUY WHO DOESN'T UNDERSTAND HIS TAXES

**TOPIC:** UNDERSTANDING TAXES

### 💡 WHAT TO DO:

1. Open by asking what students know about taxes. What types of taxes do we pay? (*Federal, state and city income tax; Social Security, Medicare.*) Why do we pay taxes? (*Taxes help support city, state and national public services.*) How do we pay taxes? (*They are deducted from our paychecks and we must file a tax return every year.*)
2. Share the Lesson #2 Student Activity sheet and review the deductions on Mariya's paycheck, referring to the Student Glossary as needed.
3. Next, explain when you start a new job, you will be asked to fill out a W-4, which gives employers information to calculate deductions from future paychecks. Show students a sample W-4 (found on [www.IRS.gov](http://www.IRS.gov)).
4. Explain employers track your earnings and deductions all year long. In January of the following year, your employer will send you a W-2, stating how much you earned and how much was withheld for taxes. Share a sample W-2 from [www.IRS.gov](http://www.IRS.gov).
5. Distribute the Lesson #3 Student Activity sheet and provide students time to complete the game. When the game is complete, invite students to share their answers.

