**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)?