

Student Workbook

MONEY SAVVY KIDS™
Basic Personal Finance Curriculum

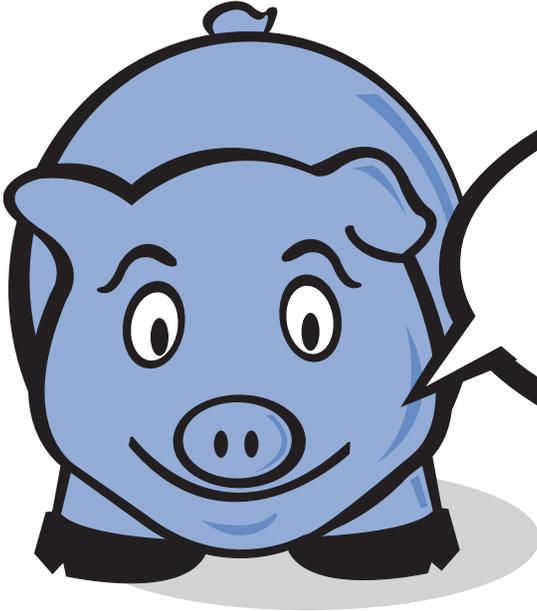
**How to Be a
Money Savvy Kid.
And even teach your
parents a thing or two!**

This book belongs to:

Level E

LESSON ONE

WORKSHEET 2: Earnings and Deductions



How do taxes effect Tom's paycheck?
You do the math.

The chart to the right shows how much Tom earns every two weeks and how much is deducted from his earnings.

Earnings	\$4,120.00
Deductions	
Federal Income Tax	-\$936.14
Social Security Tax	-\$255.44
Medicare Tax	-\$59.74
IL State Income Tax	-\$121.10

1. How much does Tom pay in total taxes every two weeks?

$$\begin{array}{r}
 \$936.14 \\
 \$255.44 \\
 \$59.74 \\
 + \$121.10 \\
 \hline
 \end{array}$$

A.

2. How much are Tom's earnings after taxes?

$$\begin{array}{r}
 \$4120.00 \\
 - \text{A. } \text{ } \\
 \hline
 \text{ } \text{ (earnings after taxes)}
 \end{array}$$

3. How much in Federal Taxes will Tom pay at the end of in one year?

$$\begin{array}{r}
 \$936.14 \\
 \times \text{B. } 24 \\
 \hline
 \text{ } \text{ (Total Federal Taxes paid in one year)}
 \end{array}$$

5. If Tom pays \$255.44 in Social Security Tax every two weeks, how much money will Tom have paid into Social Security at the end of one year?

$$\begin{array}{r}
 \$255.44 \\
 \times 24 \\
 \hline
 \text{D. } \text{ } \text{ (One year of Social Security)}
 \end{array}$$

4. How much in State Taxes and Federal Taxes combined will Tom pay in one year?

$$\begin{array}{r}
 \$121.10 \\
 \times 24 \\
 \hline
 \text{C. } \text{ } \text{ (Total State Taxes)} \\
 + \text{B. } \text{ } \text{ (Total Federal Taxes)} \\
 \hline
 \text{ } \text{ (Total State \& Federal Taxes paid in one year)}
 \end{array}$$

6. How much will Tom have paid in Social Security Taxes when he retires in 30 years?

$$\begin{array}{r}
 \text{D. } \text{ } \\
 \times 30 \\
 \hline
 \text{ } \text{ (Total paid into Social Security after 30 years)}
 \end{array}$$

LESSON TWO

WORKSHEET 2: Problem Solving



Let's take a look at how revolving credit works. Remember, revolving credit is when you have a set amount of money you can keep borrowing against, so your balance of available funds changes from month to month. By solving the following word stories you can see how a credit limit can go up and down.

1. Sally has a \$500 limit on her credit card. She buys a new stereo for \$350, a cd for \$12 and a blouse for \$22.50. At the end of the month Sally pays \$200 on her bill. What is Sally's new credit limit?
2. The Smiths have a \$5000 limit on their credit card. A really bad wind storm knocks over a tree and it falls through their roof. The cost to repair the roof is \$2888.59. The new window costs \$1255.38. At the end of the month, they pay \$1997.75 toward their balance, which makes the new balance what?
3. Dan's new credit card has a limit of \$15,000. While he's driving cross-country to visit his family, his car breaks down which costs \$3,756 in towing and repairs. While he's pulled off on the side of the road, his dog gets loose and chases a skunk. In turn, the skunk sprays the dog. Dan has to take the dog to the groomer where it gets 5 shampoos to get all the stink out. The costs for the groomer is \$175. Dan's hotel room, meals and dog treats costs another \$588. When Dan gets home, he sends the credit card company a payment for \$4519. How much is Dan's new credit limit?