

Take Home Pay



Lesson: Earning an Income

Introduction

Earning your first big paycheck from a job is satisfying, but it can be surprising to find out how large the difference is between your gross pay (what you earn) and your net pay (what you take home).

Objective

Learn how taxes, employee benefits, and payroll deductions affect income.

Activity

Instruct students to complete the chart below.

1. Use the Bureau of Labor Statistics website (bit.ly/Laborstats) to find average starting salaries for the occupations in the chart. (Click "All Occupations," then use filter to search table.)
2. Next, use the take home pay calculator (bit.ly/CalcPaycheck) to compute the amount of taxes withheld. Use your current location and "1" for federal, state and local withholding.
3. Finally, subtract your insurance contribution and retirement contribution from your monthly income to calculate monthly net income - example on line 1.

Occupation	Annual Salary	Monthly Gross Income	Monthly Taxes	Medical Insurance	Retirement Contribution	Monthly Net Income
Electrician	\$57,910	\$4,826	\$1,144	\$103	\$483	\$3,096
Engineer				\$103		
Teacher				\$103		
Construction Worker				\$103		
Graphic Designer				\$103		
Computer Programmer				\$103		

Have students use the Bureau of Labor Statistics website to research other careers in which they are interested.

Reflective Questions:

1. In general, is take home pay more or less than you expected?
2. Do the careers you are interested in pay more or less than you expected?