1 Where Did $177 Go?

L3.2.1 · GROSS VS. NET

I CAN

build a pay stub from gross pay down to net pay and name every line in between

MILLER · TWO WEEKS AT $15/HR

Miller worked 80 hours. He expected $1,200. The paycheck says $1,023.

Gross pay	
Federal income tax withheld	
Social Security — 6.2%	
Medicare — 1.45%	
State income tax	
Total deductions	
Net pay	

DEDUCTION	WHO GETS IT	WHAT IT BUYS MILLER
Social Security		
Medicare		
Federal income tax		
State income tax		

MILO

"Miller did not lose $177. He bought things — some now, some at 67. He just was not told the price."

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Answers and talking points

What a good answer looks like, and one question to ask when the pencils go down.

K–2 Need or Want?

Needs: food on the table, a warm coat, a place to sleep, clean water. **Wants:** a new game, ice cream.

Ask: "Is a coat always a need? What about a fifth coat?" The same thing can be both, and that's the lesson.

3–5 50 / 30 / 20

$10 → $5 / $3 / $2 · $20 → $10 / $6 / $4 · $50 → $25 / $15 / $10.

Ask: "Which slice would you change, and what would you give up to do it?" Any answer with a reason is a good one.

6–8 Where Did $177 Go?

Gross pay $1,200. Social Security $74.40. Medicare $17.40. The remaining $85.20 is federal and state income tax withheld. Net pay $1,023.

Ask: "Who gets each deduction, and what does it buy Miller?" A student who can name where the money goes stops reading a pay stub as theft.

9–12 The Credit Card Trap

First month's interest is about $85. The minimum payment is about $82, so the balance grows and never clears. At $150 a month it takes about 41 months and roughly $2,000 in interest. At $300 a month, about 17 months and roughly $770. A 0% balance transfer clears it in 18 months at about $228 a month, plus the transfer fee.

Ask: "Why would a card company set the minimum below the interest?"

Want the rest of the unit?

Each of these comes from a full Financial Foundations™ unit of 10 to 12 lessons, with teacher scripts, family letters and a unit checkpoint. For a free five-day money game your students can play in a browser, try **The $100 Week™**. Everything is at **wealthwisekids.org**.

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