



PAYCHECK

*Your guide to
teaching about
paychecks and what
to do with them.*

*Facilitator
guide*



Facilitator Guide: Table of Contents

I.	Moneywise America Program Overview	1
II.	Session Structure—How it Works	3
III.	Preparation—What You Need to Know in Advance of Your Session	3
IV.	How to Use this Facilitator Guide	4
V.	Facilitator Script	8
VI.	Video Scripts (1&2)	21

I: MONEYWISE AMERICA PROGRAM OVERVIEW

ABOUT MONEYWISE AMERICA

Moneywise America (MWA) is an innovative new financial literacy program designed to help level the economic playing field through high-quality financial education for teens across the country, with a focus on reaching youth in under-resourced communities and schools. It encompasses four core components:

- **Training: Internal training for Schwabbies to build their skills and confidence to teach financial literacy to teens.** All MWA volunteers will complete at least 35 minutes of training; for those who are interested, there will be opportunities to complete up to three levels of certification, all at your own pace.
- **Content: Original, proprietary, standards-based financial literacy curriculum designed specifically for use with teens.** MWA content can be used on its own or as a supplement to a community organization's existing financial literacy content.
- **Volunteerism: Trained Schwabbies can utilize MWA content to teach financial literacy in the community or use their training to deliver an organization's existing financial literacy content.** While some Schwabbies may already know where they want to volunteer, we will provide resources and support to help ensure anyone who wants to can get out there and volunteer in their community.
- **Partnerships: Nonprofits and community organizations help us reach teens where they are.** National partners include Boys & Girls Clubs of America, Junior Achievement, and SIFMA Foundation. Locally, Schwabbies will also partner with schools and other teen-serving organizations in their communities.

Moneywise America builds upon Schwab's position and legacy as a national financial literacy leader. For more than three decades, Charles Schwab Foundation has worked to advance financial literacy for people of all ages. Through MWA, Schwab is doubling down on our efforts to reach as many youth as possible with high-quality financial education.

PARTICIPANT BENEFITS

Moneywise America is critical to Schwab's vision of preparing the next generation to achieve financial freedom. Financial literacy is an essential life skill, one that is especially important for teens, yet there is a stark lack of focus on financial literacy within our mainstream educational systems. Less than half of U.S. states require that students take a course in personal finance in order to graduate from high school, and only five states require that it be a standalone course.

This gap—between the need for quality financial education and access to it—is even more pronounced for teens from under-resourced communities and schools. According to the 2020-2021 [State of Financial Education Report](#), only 7.4% of Black and brown students, and 7.8% of low-income students, have access to a stand-alone personal finance course required for high school graduation.

Moneywise America is part of our effort to help fill that gap. It is designed to help teens develop both **comprehension** of key personal finance concepts and the **skills** to take informed action based on their personal goals and dreams. Participants will benefit from:

- Expertly created content designed to teach teens essential personal finance concepts including goal setting, budgeting and saving, managing money and unexpected costs, responsible credit and debt management, planning for college, and investing.

- A highly engaging and flexible program model designed to meet teens where they are.
- Interaction with impassioned and skilled Schwab volunteers, trained in delivering financial literacy content to a diverse teen audience.
- An enhanced understanding of key financial concepts and actionable takeaways, including how to apply them directly to their lives now in order to help them achieve their goals for the future.

PRIMARY AUDIENCE

- **Age Range:** MWA content is designed to appeal to teens ages 13-18.
- **Group Size:** 15-30 attendees is ideal to allow full participation in the allotted time.
- **Community Partners:** MWA is designed to be delivered in partnership with teen-facing nonprofit organizations (e.g., Boys & Girls Clubs, Junior Achievement, etc.) and/or local schools.

PROPRIETARY CONTENT

Moneywise America content includes 22 standards-based individual personal finance sessions, each designed to be used in a modular way.

- Each session* can act as a stand-alone lesson if you have only one visit with a group of teens.
- Each session can be bundled with other sessions for a more extensive learning experience if you are meeting with the same group of teens multiple times. For information on session bundle recommendations, visit the Content page at *Jumpword*: Moneywise America.

*Only one session, *Personal Goals & Decision Making*, is never used on its own.

This session, *Paycheck: Understanding Your Paycheck and What to Do With It*, is the second session within Module 2 of the MWA framework.

Moneywise America Content at a Glance				
Foundational Sessions	Get Started: Intro to Money Basics			
	Personal Goals & Decision Making			
Module 1: The Basics	Module 2: Money Management	Module 3: Credit & Debt	Module 4: College & Career Planning	Module 5: Investing
1.0: Set Money Goals	2.0: Manage Your Money	3.0: Master Credit & Debt	4.0: Plan for the Future	5.0: Get Invested
1.1: Budgeting	2.1: Paycheck	3.1: Types of Debt	4.1: Career Path	5.1: Saving & Investing
1.2: Spending	2.2: Financial Products	3.2: Responsible Credit	4.2: Education Costs	5.2: Power of Investing
1.3: Saving	2.3: The Unexpected	3.3: Credit History		5.3: Investing Options
		3.4: Identity Protection		

II: SESSION STRUCTURE—HOW IT WORKS

Moneywise America content and sessions are developed by expert educators. They are intentionally designed to create a positive learning environment, elicit engagement and facilitate an easy flow. There is a consistency to the session structure which builds familiarity and comfort for teens when multiple sessions are used.

The *Paycheck: Understanding Your Paycheck and What to Do With It* 60-minute session includes the below components, and Section V of this Facilitator Guide offers a detailed script and clear prompts for each.

- **Welcome:** This is where you welcome participants, introduce yourself and establish rapport, including a welcome exercise, reviewing expectations for working collaboratively, and participant reflection related to the learning objectives.
- **Engage:** You will share a video to introduce the main content of the session. Typically, the video will be followed by a guided discussion or an exercise. In addition to the presentation slides, there may be worksheets in the Teen Guide to support the exercises.
- **Explore:** In many cases, you will introduce a second video to further expand upon and deepen the lesson. Following the video, you will reinforce the learning through a combination of guided discussion, individual, and/or group exercises that will enable participants to apply concepts to their own lives. In addition to the presentation slides, there may be worksheets in the Teen Guide to support the exercises.
- **Wrap-Up:** You will close the session with group and individual reflection on key takeaways. Participants will revisit the same prompt from the beginning of the session and record their updated response. Finally, you will ask participants to complete a brief session evaluation and thank them for participating.

III: PREPARATION—WHAT YOU NEED TO KNOW IN ADVANCE OF YOUR SESSION

Prior to your session, work together with your Schwabbie co-volunteer(s) to confirm the **WHO, WHAT, WHERE, WHEN** and **WHY**. Doing so will ensure you're fully prepped and ready for a seamless program delivery.

We recommend a **total of two or three volunteers** and the roles can be shared in the following way:

- **Project lead:** delivers content as facilitator and plans the volunteer project with the community organization
- **Engagement lead:** guides the teen engagement process, works the room or monitors chat, may relay questions on behalf of teens if needed, watching for reactions or places where it looks like they are stuck or excited
- **Operations lead:** runs the technology, troubleshoots, and is there to support the overall event to make sure it runs smoothly

If you are delivering a session with two volunteers, we recommend that you combine the project and engagement lead into one role.

- **WHO:** As you're preparing for your session, you'll want to make sure you have a good understanding of who will be in the room with you. Confirm with your host the demographics of the participants, as well as their ages/grades so you can be intentional in how you're gearing the discussion to a younger or older audience. Are there any key challenges or unique aspects of the student group that you should be aware of? Since your host will be familiar with the group, you'll want to make sure they'll be available throughout the session to help keep the students engaged and paying attention.
- **WHAT:** Get comfortable with the material you'll be teaching! Take time to review this entire Facilitator Guide, prepare a few personal or current event stories to use as examples where appropriate, and determine what supplies you'll need for the session, as noted in Section IV of this Guide, and if you or the host will provide them.
- **WHERE:** You'll want to talk with your host to gain a good sense of the physical space in which you'll be delivering the lesson. Is it a classroom? Is there space for participants to work in small breakout groups? Make sure you understand the technical capabilities of your location as well, including internet availability, the required screen capabilities, connectors, and adapters to play the video(s). What equipment or resources do you need to supply? Check with your host that they (or someone else on site) will be able to assist with any technology troubleshooting on the day of. Are there other staff or teachers who will be in the room to help facilitate?
- **WHEN:** Plan to arrive at the location at least 20-30 minutes prior to the start of the session so you have plenty of time to set up and prepare, including testing the tech, making sure the video sound is working, acquainting yourself with the space, and identifying an area for breakout groups. Confirm with your host the dynamics of when you are presenting and where the teens are coming from/going to on either end of the session. Understanding these details will provide some helpful insight into the mindset of your participants.
- **WHY:** To best meet the participants where they are, it's important to understand why they're here. Did they self-select to take this course, or are you delivering to a group with mixed interests? Is this part of a larger curricula, or are you being viewed as more of a one-time guest speaker or someone who is introducing the topic that will be explored further over time? Knowing the "why" behind the teens' attendance will help you estimate their potential engagement level, and prep accordingly.

IV: HOW TO USE THIS FACILITATOR GUIDE

This Facilitator Guide is your step-by-step outline for how to facilitate the *Paycheck: Understanding Your Paycheck and What to Do With It* session, and includes a script, directions for delivery, and helpful tips and reminders. This Guide is for your own use when preparing for and presenting the session; it is not to be shared with program participants. Before diving into the Facilitator Script (Section V), read the key information below.

WHAT YOU WILL NEED FOR THE *PAYCHECK: UNDERSTANDING YOUR PAYCHECK AND WHAT TO DO WITH IT* SESSION:

- **Facilitator Guide:** Read through this full Guide prior to volunteering so you are prepared and confident before your session. Print out this Guide and bring it with you for reference and in case of technical difficulties.
- **Presentation Slides:** You will walk program participants through these slides during the session. They work hand in hand with the session outlined in the Facilitator Guide and are key to engaging program participants. In case of technical difficulties, download the presentation slides to your computer and send them to the host beforehand.
- **Video:** Each session has at least one video that corresponds with the lesson. The video(s) are embedded in the presentation and can also be found by visiting the Content page at *Jumpword: Moneywise America*. As with the presentation slides, download the video(s) to your computer and send them to the host as separate file(s) beforehand. Details on when to play the video(s) are included in the Facilitator Script (Section V).
- **Teen Guide:** Session worksheets and handouts should be distributed to program participants prior to the start of the session, either by you or your host. Teens will complete the worksheets during the lesson and keep them as a helpful takeaway. You can find the Teen Guide for this session (including the handouts below) by visiting the Content page at *Jumpword: Moneywise America*.
 - Pre/Post Session Self-Reflection Form
 - Maya’s First Paycheck Worksheet
 - Maya’s Paycheck Deductions Worksheet
 - Session Evaluation Survey (Note: Teens may complete the survey online using the link at the top of the form and in the presentation. For those who complete hard copies, please collect the surveys at the completion of the session and email responses to SchwabCommunityServices@Schwab.com)

PRE-SESSION CHECKLIST

Details of each session (the **WHO, WHAT, WHERE, WHEN, and WHY**) will vary for each facilitator. For a seamless delivery, work together with your host and Schwabbie volunteer partner(s) to make sure you’ve confirmed the following details. If you have any questions prior to your event, please email SchwabCommunityServices@Schwab.com.

<input type="checkbox"/> Confirm Attendees (Ages/Grades of Teens)	<input type="checkbox"/> Confirm Role of Each Volunteer
<input type="checkbox"/> Confirm Interest/Experience Level of Teens	<input type="checkbox"/> Confirm if Laptop is Provided (Or if You Will Bring)
<input type="checkbox"/> Confirm Role of Host; Exchange Contact Information with Host	<input type="checkbox"/> Confirm Who Will Run the Presentation Slides and Video(s) (You or Host)
<input type="checkbox"/> Confirm Who Will Provide Any Other Needed Materials Such as Sticky Notes or Markers (You or Host)	<input type="checkbox"/> Confirm Required Screen Capabilities and Tech to Play Video(s)
<input type="checkbox"/> Confirm Who Will Print Teen Guide Materials (You or Host)	<input type="checkbox"/> Review Facilitator Guide and Video Script(s); Print Copies to Bring
<input type="checkbox"/> Confirm Internet Access at Location	<input type="checkbox"/> Brainstorm Personal Examples or Relevant Current Events to Share with Teens
<input type="checkbox"/> Confirm Space for Breakout Groups	<input type="checkbox"/> Arrive 20-30 Minutes Early for Prep
<input type="checkbox"/> Remember to Have Your Cell Phone Handy to Help Track Time	

VOLUNTEER GUIDANCE—ENGAGING YOUR TEEN AUDIENCE

This Guide includes a script for your session and ideas for introductions. For more comprehensive information on working with teens of different backgrounds and abilities, and group facilitation techniques, refer back to your Employee Training Modules.

- **Personalize the Session:** Personalize the session by including real-life examples and stories. Try to make examples relatable to the teens; for example, speaking about retirement or goals 20 years from now may not resonate as much as saving \$100 a week from a summer job. It may be hard for teens to conceptualize past a few years in the future.
- **Don't Move Too Quickly:** Leave teens enough time to properly think through questions by taking pauses and stopping the video where necessary. Take breaks and allow for questions to ensure teens are following along with the session. And remember, silence in the group doesn't necessarily signal disengagement—participants may be processing the information/concepts they're hearing about.
- **Gauge the Personality of the Group:** For example, if the group is energetic, calling on people may be appropriate and an efficient way to encourage participation, but if the group is shy this may seem intimidating.
- **Engage the Host:** Allow the host to assist, as they may know methods for engaging their groups.
- **Meet Teens Where They Are:** Remember, teens aren't used to talking about financial concepts the way you and your colleagues, or even other adults, might be. Use basic language and avoid complex financial, educational and/or Schwab-specific terminology that may confuse participants. Also be sure to present financial services and concepts objectively—do not “sell” Schwab to teens.
- **Use Proper Pronouns:** To personalize the experience and avoid accidentally offending someone by assuming gender identity, ask for teens to use name tags with their preferred pronouns. Consider including your pronouns on your nametag as well to show inclusiveness.

Most importantly, remember to smile, use eye contact, and be friendly and conversational throughout the activity.

SESSION ADAPTATIONS

We all know that technology isn't foolproof; things happen! If challenges arise while facilitating, try not to stress. Be flexible and adapt, as best you can, by continuing to deliver the session. Here are some ideas for addressing potential hiccups:

- **Video Issues:** As noted above, it is best to bring the video(s) in a few formats. While the video(s) will be embedded in the presentation, also download them to your computer before the event and send them to the host ahead of time. If the video(s) do not play on the device you're delivering the program on, try a different format or have the host try to play the video(s). Prepare for the worst by coming with the session's video script(s) printed out (Section VI of this Guide) so you can summarize the concepts if needed. Don't spend too much time fussing with the video(s); if they don't work, read the script(s) and move on to the next activity.

- **No Internet:** Familiarize yourself with the lesson ahead of time and think through your action plan if tech is unavailable. Bring a printed copy of this Facilitator Guide to the session so you will still have all the presentation information and the teens will be able to do the activities.
- **No Room for Breakout Groups:** If there is no space for teens to work in small groups, have them work in pairs, or do all the activities together as one big group, encouraging participation from everyone. Or, get creative! Choose a way to “split” the group into teams while keeping everyone in the same space. For example, “if your birthday is between January–March, you’re team A. What would everyone on team A choose for this question?”

SHARE YOUR EXPERIENCE

We are proud of our Schwab volunteers for empowering the next generation with financial literacy skills through Moneywise America. As we continuously enhance this program, we want to hear from you about your volunteer experience. Following your session, please consider doing the following:

- Share your volunteer feedback by visiting *Jumpword: Moneywise America* and navigating to the Quicklinks section
- Join the conversation on the Moneywise America Teams channel
- Post on social media (*Jumpword: Schwab4Good*)

V: FACILITATOR SCRIPT



Paycheck: Your guide to teaching about paychecks and what to do with them.

Session Overview

The purpose of this session is to orient participants to various aspects of earning an income, including how wages are earned, what types of deductions are taken from gross pay, and understanding how much is left to take home. Preparing participants for the expectation vs. reality of earning money is an important part of financial literacy, and after participants learn the basics, they'll be able to take the next step in money management by adjusting deductions and estimating take-home pay.

This session includes two videos, the first of which shows the joy of receiving your first paycheck, but also the confusion of why the amount is not what was anticipated. After a phone call between two of the teen characters, set in the future when they are regularly employed, they realize they need to understand net pay to be smart about saving and spending.

The second video will explain the difference between hourly and salary earnings and further define gross and net pay. Additionally, participants will learn about mandatory and voluntary paycheck deductions. Participants will then circle back to how meeting short-, medium-, and long-term goals depends on understanding and planning for net pay.

Take Away:

As a result of taking this session, participants should understand that to reach their financial goals, it is important to know the difference between the income they earn (gross pay) and what they take home (net pay). Comprehending the ways net pay is determined is a key step in creating a budget that will help them reach their goals while attending to savings, wants, and needs.

Session Outline: In-Person Delivery



Notes to the Facilitator:

- Remember this is a guide, personalize your talking points so it doesn't feel like you're just reading to the participants.
- Be relatable! You're talking to teens so try not to use too much "industry" language.
- Remember not to push Schwab on the participants when talking about financial institutions or brokerage firms. Always say "through Schwab or similar companies, you can do XYZ."
- If you're meeting with the same group of teens multiple times, you can skip the "Collaborate" section after your first session.

Welcome

- Welcome: Thumbs Up or Down Exercise 6 minutes
- Collaborate 2 minutes
- Pre-Session Self-Reflection 4 minutes
- Objectives 2 minutes

Engage

- Paycheck: Video 1 3 minutes
- Discuss 2 minutes

Explore

- Paycheck: Video 2 9 minutes
- Discuss 2 minutes
- Practice: Maya's First Paycheck Worksheet 10 minutes
- Practice: Maya's Paycheck Deductions Worksheet 10 minutes

Wrap-Up

- Discuss: Overall Session 6 minutes
- Post-Session Self-Reflection & Evaluation 3 minutes
- Close 1 minute

Total:
60 minutes

Materials Needed

Facilitator

- Presentation slides (PPT)
- Facilitator Guide (PDF); printed copy of this document, includes:
 - Video Scripts 1&2
- Videos 1&2 (these are embedded in the presentation slides, but you may want to download as back-up)

For Participants

- Teen Guide (PDF), includes:
 - Pre/Post Session Self-Reflection Form
 - Maya's First Paycheck Worksheet
 - Maya's Paycheck Deductions Worksheet
 - Session Evaluation Survey



WELCOME

Notes to the Facilitator:

“Thumbs Up or Down” is a cooperative learning strategy that invites participants to express their opinions and take a position while incorporating movement and discussion. Participants are able to express their opinions when presented the following options:

- *Thumbs Up: Agree*
- *Thumbs Down: Disagree*

To begin, read a statement. Afterwards, give participants a chance to express their position. You can call on a volunteer from each position to explain the reason for their selection. This helps the group understand each other's perspectives.



Facilitation: **Welcome**
6 minutes (Slides 2-7)

Greet participants by introducing yourself. Take 6 minutes to guide participants through “Thumbs Up or Down.” Provide participants the following directions:

- *“Good morning/afternoon. My name is _____ and I’m from Charles Schwab and I’m a Moneywise America volunteer. My job is _____ and I’m here today to start the conversation about how a paycheck works and the differences between the amount you earn and the actual amount you take home. **(ADVANCE TO SLIDE 3)** To begin, I’m going to make a statement and depending on your position, use your hand to give me a Thumbs Up if you Agree, or a Thumbs Down if you Disagree.” **(ADVANCE TO SLIDE 4)***

Share the following statements. Ask one participant from each position to explain the reason for their opinion.

- *I receive a regular paycheck. **(SLIDE 4)***
- *I’m familiar with the idea that taxes and other items are deducted from a paycheck. **(SLIDE 5)***
- *I know what a mandatory deduction is. **(SLIDE 6)***
- *I know what a voluntary deduction is. **(SLIDE 7)***

Thank participants and transition to Collaborate, SLIDE 8



Collaborate

Notes to the Facilitator:

Setting norms within a group is essential to establish the expected behaviors of group members. As participants will be working collaboratively and cooperatively with both you and each other, the “4 Ps” are designed to promote the development of mutual respect and a collaborative spirit.



Facilitation: **Collaborate**
2 minutes (Slide 8)

Present participants with the group norms of collaboration, elaborating if needed.

- *“We will be working together as a group, so here are some guidelines that we can follow to help us succeed in our work together. Can I get a volunteer to help me read through the ‘4 Ps’?”*
 1. *Posing questions–If you’re unsure, ask! It’s the best way to learn.*
 2. *Putting ideas on the table–Sharing your ideas helps us all learn.*
 3. *Paying attention to self and others–Being attentive shows respect and encourages curiosity.*
 4. *Presuming positive intentions–Start with the assumption that people mean well–it will make us better listeners and communicators.”*

Thank the participants who volunteered, by name, and transition to the Pre-Session Self-Reflection, SLIDE 9



Pre-Session Self-Reflection

Notes to the Facilitator:

Participants will use the Pre/Post Self-Reflection Form (found in their Teen Guide) twice during the session. Here, they will be asked to respond briefly to a prompt before the lesson begins. Towards the end of the session, they will be asked to respond to the same prompt. This will help reinforce key lessons and how they apply to their lives.



Facilitation: **Pre-Session Self-Reflection**
4 minutes (Slides 9-10)

Have participants access the **Pre/Post Self-Reflection Form** and give directions for completion:

- *“Before we get started, I have a question that I’d like you to respond to. Once you access the Pre/Post Self-Reflection Form, please write a sentence or two to respond to this question. Don’t worry about writing a long paragraph, just focus on getting your general thoughts or ideas down in 1 to 2 sentences.*
- **(ADVANCE TO SLIDE 10)** *Why do I need to be able to anticipate the amount of money in my paycheck? Take a moment to think about this question and let me know if you have any questions. Hold on to this form, as we will revisit this same question at the end of today’s learning experience.”*

Transition to Objectives, SLIDE 11



Objectives

Notes to the Facilitator:

Learning objectives help provide a roadmap for the participants and give purpose to the learning.



Facilitation: **Objectives**
2 minutes (Slide 11)

Explain learning objectives to participants:

- *“Today during our session, you will be able to:*
 - *Know the most common ways to get paid*
 - *Know the components of a paycheck*
 - *Understand the difference between gross and net pay*
 - *Know the difference between mandatory and voluntary deductions*
 - *Estimate net take-home pay, and calculate how that differs from gross pay*
 - *Make and prioritize financial decisions that support your goals.”*

Transition to show Paycheck: Video 1, SLIDE 12



ENGAGE: Paycheck: Video 1

Notes to the Facilitator:

Providing participants with a short introduction to the video will help set the stage for how they view the video.

This video begins with Maya receiving her first paycheck, confused with her net pay. Through a phone call with Cameron, she gets an explanation of the types of deductions that are taken from a paycheck, both voluntary and involuntary. This gives her a better understanding of how to look at her take-home pay.

The premise of this video is to explain to participants the differences between gross and net pay; understanding that net or take-home pay is not the same as earned income. Knowing the types of deductions and their amounts can help individuals better anticipate the amount of their paycheck.



Facilitation: **Engage: Video 1**
5 minutes (Slides 12-14)

Before showing **Paycheck: Video 1**, prompt participants with the following:

- *“Now we’re going to jump about 7 years into the future. Maya has started a job in fashion marketing and received her first paycheck. She is quite surprised to see that the amount she received is less than anticipated. Maya calls Cameron to get a better understanding of what is going on with her paycheck, and what all those deductions really mean. Let’s take a look.”*
(ADVANCE TO SLIDE 13, play Paycheck: Video 1)

After the video plays, **ADVANCE TO SLIDE 14**. Ask the participants the following questions, calling on one or two participants for answers:

- *“Does anyone have a part-time job?”*
- *“Has anyone ever received a paycheck? If so, what did you notice?”*
- *“Has anyone ever talked to someone about the components of a paycheck? What did they say?”*

Transition to Paycheck: Video 2, SLIDE 15



EXPLORE: Paycheck: Video 2

Notes to the Facilitator:

The informational video is designed to elaborate on the basic parts of a pay stub, or earnings statement that accompanies a payroll check. This will include the following elements:

- The difference between **hourly** and **salary** wages
- The difference between **gross** and **net** pay
- **Mandatory payroll deductions:** Federal & State taxes, Social Security & Medicare (FICA)
- **Voluntary payroll deductions:** Health & Life Insurance, Retirement Plan, and Job-Related Expenses

After the video, give participants the opportunity to ask any questions they may have about the concepts that were presented. Although it can be uncomfortable, make sure to give the appropriate amount of wait time to participants so they may think of their questions. Then, move on to the next part of the session.



Facilitation: **Explore: Video 2**
11 minutes (Slides 15-17)

Introduce the informational video to participants:

- “Let’s take a closer look at what Cameron was explaining to Maya about paycheck deductions. Keep in mind the differences between gross and net pay, as well as mandatory vs. voluntary deductions.”

(ADVANCE TO SLIDE 16, play Paycheck: Video 2)

After showing the video, solicit questions from participants and provide clarifying answers to check for understanding. **(ADVANCE TO SLIDE 17)**

- “What questions do you have about pay stubs, gross and net pay, and/or the different types of paycheck deductions?”
- (If participants do not have questions) If there are no questions, we’ll move forward to our next task. If any questions come up later, don’t hesitate to ask.”

Transition to Practice, SLIDE 18



Practice: Maya's First Paycheck

Notes to the Facilitator:

This activity is designed for participants to work in small groups to discuss and identify the parts of Maya's paycheck stub. All questions, except for the last question, are factual and easily answered by looking at the information provided. For the last question, remind participants of the 50/30/20 guideline.

Additional points to mention:

- *Because this is her first paycheck, the Current and YTD amounts will be the same.*
- *Employer matching may not show up on paycheck stubs.*
- *There may be a waiting period to begin contributions to an employer sponsored savings program.*



Facilitation: Practice: Maya's First Paycheck
10 minutes (Slide 18)

Have participants access the **Maya's First Paycheck Worksheet** from the Teen Guide. Walk them through the parts of Maya's "paycheck stub" and give directions for the activity.

- *"We're going to look at what Maya and Cameron were discussing and view the earnings statement for her first paycheck. After we walk through this information, you'll work in groups to get more familiar with, and identify, the parts of a pay stub. With your group, think about how understanding net pay connects to Maya's ability to reach her goals."*
- *As participants are answering question 5 and making the connection between net pay and reaching goals, teach them about the 50/30/20 guideline to provide context on what Maya's expenses should be. Explain that the 50/30/20 guideline means:*
 - *50% of take-home pay should cover needs*
 - *30% of take-home pay should cover wants*
 - *20% of income should go to savings (can be a combination of pre/post tax deductions or savings)*

(Provide participants with 8 minutes of group work time to complete the question set. Bring participants back together as a whole group and review the answers by calling on volunteers to share.)

Transition to Practice, SLIDE 19



Practice: Maya's Paycheck Deductions

Notes to the Facilitator:

Participants will analyze Maya's new earning statement and take her revised goals into consideration when selecting an option for new 401K deductions. Explain the following factors to participants before they begin to work:

- There can be a big tradeoff between when Maya can comfortably retire with each option. Less long-term savings means a longer road to retirement.
- Increasing pre-tax 401K deductions DOES NOT reduce Maya's paycheck by the equivalent amount. It reduces taxable income before other taxes and deductions are applied.
- Saving less to pay down debt to avoid interest charges can be wise but saving less for discretionary purchases like travel wouldn't be wise. The impact of short- and medium-term goals on reaching long-term goals should be carefully considered.

Overall, **Option 3 or 4** are the best options for Maya's goals: she receives more take home pay, can save for the long-term and qualifies for the maximum company match.



Facilitation: **Practice: Maya's Paycheck Deductions**
10 minutes (Slides 19-21)

Have participants access the **Maya's Paycheck Deductions Worksheet** from the Teen Guide and introduce the task.

- "We're going to travel 3 more years further into the future with Maya. She has received a pay raise, paid down some of her student loan debt, and revised her short- and medium-term goals. She thinks it's a good time to make some changes to her voluntary deductions. In your small groups (or independently) examine Maya's new earnings, review the four options provided for her, and select the one you think is best, based on her revised goals. Make sure to explain why you think this is the right choice for her."
- Read the 4 options out loud and **ADVANCE TO SLIDES 20-21**. (Provide 8 minutes of work time answering any questions participants may have. Afterward, review answers by calling on volunteers to share.)
- "Let's discuss your selections. Which option did you choose? Why?" (Provide the additional follow up for each option):
 - **Option 1:** Eliminating savings contributions means "leaving money on the table", including future compounding.
 - **Option 2:** Keeping 401K at 2% is some savings and company matching, but still leaves some employer matching funds "on the table."
 - **Option 3:** Increasing the 401K contribution to 6% takes advantage of maximum employer matching and increases compound growth earnings.
 - **Option 4:** Increasing the 401K contribution to 10% takes advantage of maximum employer matching. It leaves about the same take home pay but the earnings from compound growth over time on employee contributions will be much greater than the other options.

Transition by calling the group to attention for **Wrap-Up, SLIDE 22**



WRAP UP: Discuss: Overall Session

Notes to the Facilitator:

These questions are designed to be reflective of the overall session and review the main concepts and skills presented. While there are responses that are generally stronger than others, it is important to validate the participants by using neutral language to avoid value judgements that may impact participants.

It may be beneficial to reiterate that impact of 401K deductions as a pre-tax benefit, noting that the higher the tax rate, the greater the savings.

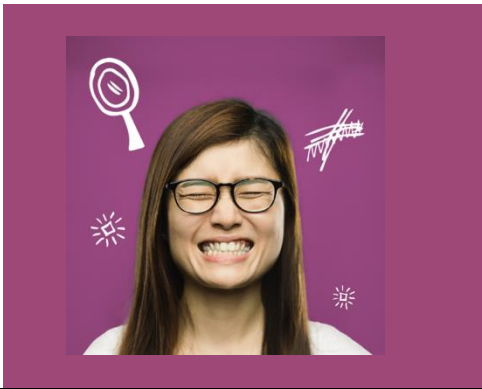


Facilitation: **Discuss: Overall Session**
6 minutes (Slides 22-23)

Advance quickly from SLIDE 22 to SLIDE 23. After participants have completed the **Maya's Paycheck Deductions Worksheet**, come back together as a whole group to discuss and reflect on the overall session. Ask participants the following questions:

- *"We've done some good work together today. Before we finish up, I have a couple of questions for you related to the session overall:*
 - *What is the difference between gross and net pay?*
 - *Why do you need to know about paycheck deductions and take-home pay?*
 - *How do voluntary deductions change over time?"*

Transition to the Post-Session Self-Reflection & Evaluation, SLIDE 24



Post-Session Self-Reflection & Evaluation

Notes to the Facilitator:

Participants will complete the rest of the Pre/Post Self-Reflection Form by answering the same question posed in the beginning of the session. If participants ask why they are answering the same question, prompt them by asking if there are any new understandings or perspectives they could add to their original response.

After completing the Self-Reflection, participants should complete the Session Evaluation Survey found in their Teen Guide, or follow the link provided to complete it online. Remember to collect any surveys completed in-person.

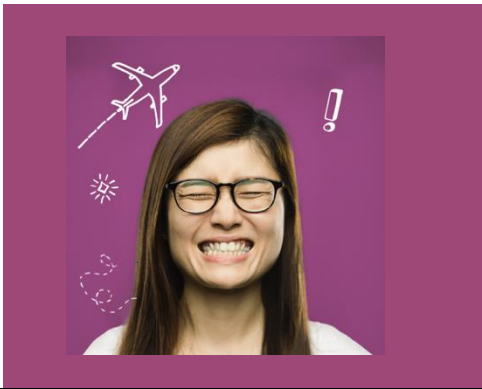


Facilitation: **Post Session Self-Reflection & Evaluation**
3 minutes (Slide 24)

Have participants access their **Pre/Post Self Reflection Form**.

- “Before we end our time together, I want you to go back to the very first question you asked yourself: **Why do I need to be able to anticipate the amount of money in my paycheck?** Take a moment to think about how you would respond to this question with the information and activities from this session. You can write a sentence or two to respond to this question.
- When you are finished, please go to the Session Evaluation Survey in your Teen Guide, or use the evaluation link provided, to complete a very brief survey on your experience with this session.”

Collect any hard-copies of the completed survey. Transition to Close, SLIDE 25



Close

Notes to the Facilitator:

This part of the session provides closure to participants' learning experience. It gives a last opportunity to connect the participants to the content through a personal reason or anecdote from the facilitator related to understanding how we get paid, the difference between gross and net pay, and what types of deductions determine those numbers. Ultimately, net pay has a direct impact on how we reach our personal goals. This example will help participants understand the practical application of the session.



Facilitation: **Close**
1 minute (Slide 25)

Thank participants for their time, attention, and engagement.

Single Session Closing:

- *“Before we end, I want to thank you for your time today. Being here to talk with you about the difference between what you earn, what you are paid, and how that is determined is important to me because... [offer a personal reason here, e.g., ‘I wish I’d had this information when I was your age,’ or ‘I hope you can avoid some of the pitfalls I’ve had.’]”*
- *I appreciated the way we worked together to understand the types of deductions that are taken from a paycheck and how they impact your ability to reach your goals. So once again, thank you.”*

Alternate Closing, if coming back for additional sessions:

- *“Before we end, I want to thank you for your time today. Being here to talk with you about the difference between what you earn, what you are paid, and how that is determined is important to me because... [offer a personal reason here, e.g., ‘I wish I’d had this information when I was your age,’ or ‘I hope you can avoid some of the pitfalls I’ve had.’]”*
- *I appreciated the way we worked together to understand the types of deductions taken from a paycheck and how they impact your ability to reach your goals. I look forward to seeing you again to continue to talk about managing your money and achieving your financial goals. So once again, thank you.”*

VI: VIDEO SCRIPTS (1&2)

Paycheck: Video 1 Talking Points

- This video starts with Maya receiving her first paycheck from her new fashion marketing job. At first, she's excited, but when she sees the actual dollar amount on the paycheck, she becomes confused.
- She calls Cameron; she is supposed to be getting paid \$25 an hour, and she's working 40 hours per week, but the math isn't adding up.
- Cameron, whose had jobs since high school, asks her about her paycheck deductions, a concept Maya is not familiar with.
- He explains that things like taxes, medical benefits, and retirement savings are taken out of each paycheck. Deductions can be both voluntary and involuntary, which is why Maya's paycheck is less than she thought it would be.
- He further clarifies that there's gross pay, or the total amount Maya earns before any deductions, and then there's net or take-home pay, which is the amount you get to spend after deductions.
- Maya starts to understand; she had thought her paycheck would be her gross pay. Now that she knows it is less than she thought it would be, she shares that she needs to adjust her budget and be more thoughtful about her spending.
- The video ends with Cameron posing the following question: Why do you need to be able to anticipate the amount of money in your paycheck?

Paycheck: Video 2 Talking Points

- This video explores paycheck calculations and deductions. A paycheck comes with an attached earnings statement, or “pay stub” which gives you information about the pay period for which you are receiving payment, along with year-to-date earnings and deductions. Your earnings could be an hourly wage, where you are paid a set wage for each hour you work, or another wage for each hour of overtime (any hours beyond the 40-hour work week). Or this pay could be salary, a fixed amount where employees complete their job and responsibilities even if extra hours are required.
- Whether you are an hourly or salaried employee, your pay can be calculated in two ways: gross and net pay. **Gross pay** is everything that you earn before any deductions or taxes are taken out. **Net pay** is everything you’re left with after taxes and deductions are taken out. It’s also called your “take-home pay” or “disposable income.”
- So, what are these deductions? First up are the **mandatory deductions**. Your employer is legally obligated to withhold this money from your paycheck according to federal and state law, but mandatory deductions may vary.
 - Mandatory deductions include money for both federal and state income tax (if your state has it), as well as FICA, a payroll tax percentage set by the federal government that includes paying into Social Security and Medicare.
- Now let’s shift to **voluntary deductions**. These are not required by law, and as an employee, you can opt to have additional deductions for certain benefits plans or other reasons.
 - **Health, Disability, and Life Insurance:** Your employer may offer insurance plans that include medical, dental, and/or vision coverage, as well as life insurance. If you participate, you pay into a plan and your employer may also cover some of the costs of the health plan. The amount you will pay depends on what is offered, and which plan you choose. Life insurance deductions are usually taken out “post-tax,” meaning after your mandatory taxes are paid.
 - **Retirement and Savings Plans:** Both retirement savings and health savings accounts (HSA) are tax advantaged ways to save through payroll deductions—that means you get to use money before taxes are taken out. For example, retirement savings can be done through an employer-sponsored program such as a 401K plan and you can choose your savings amount, or how much to take out of each paycheck.
 - **Job-Related Expenses:** There are several additional voluntary deductions that can include expenses for travel, meals, and/or uniforms. Even union dues can be included in voluntary deductions.
- When you know the types of deductions that come out of your paycheck, which ones you can control, and how much they are, you’ll have fewer surprises when you get that long awaited paycheck! More importantly, you’ll have a more accurate starting point to be able to budget for your short-term, emergency, and long-term savings, your wants, and your needs.