



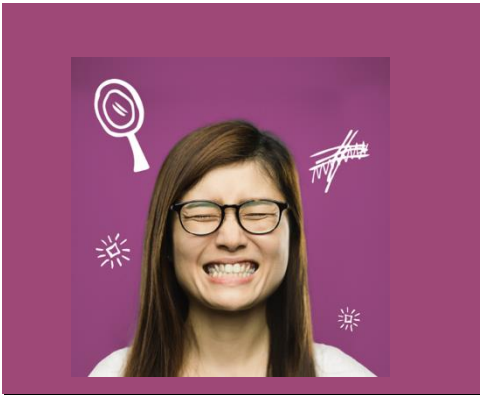
Moneywise  
America



# PAYCHECK

*Understanding  
your paycheck and  
what to do with it.*

*Teen guide*



## *Pre/Post Self-Reflection*

First Name: \_\_\_\_\_

Age: \_\_\_\_\_



### **Pre-Session**

Before beginning the session “Paycheck,” please respond to the following question:

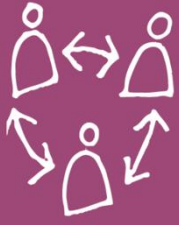
Why do I need to be able to anticipate the amount of money in my paycheck?



### **Post-Session**

After finishing the session “Paycheck,” please respond to the following question:

Why do I need to be able to anticipate the amount of money in my paycheck?



## Maya's First Paycheck

**Directions:** Maya has started her career in fashion marketing and has been anticipating getting her first paycheck. Review Maya's pay stub, or earnings statement, for her first paycheck. Use the information to answer the question set that follows.

Maya Olivetti 1234 Golden Ave. Los Angeles, CA 55555	<b>Pay period:</b> 5/17/2021 - 5/30/2021	<b>Pay date:</b> 5/31/2021
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### Earnings

	Rate	Hours	Current	YTD (Year to Date)
Regular	\$25	80	\$2,000.00	\$2,000.00
Overtime	\$40	4	\$160.00	\$160.00

### Gross Pay

	Current	YTD (Year to Date)
Gross	\$2,160.00	\$2,160.00

### Deductions

	Current	YTD (Year to Date)
FICA: Medicare	\$31.32	\$31.32
FICA: Social Security	\$133.92	\$133.92
Federal Tax	\$247.44	\$247.44
State Tax	\$101.04	\$101.04
401K	\$48.00	\$48.00
Health Insurance	\$50.00	\$50.00
Life Insurance	\$5.00	\$5.00

### Net Pay

	Current	YTD (Year to Date)
Net	\$1,543.28	\$1,543.28




## Question Set:

1. What is the amount of Maya's gross pay for the current pay period?
2. Fill in the table below with the current pay period amount for each deduction and identify if it is mandatory or voluntary.

Deduction	Amount	Mandatory	Voluntary
Federal Tax			
401K			
FICA: Medicare			
State Tax			
Health Insurance			
Life Insurance			
FICA: Social Security			

3. What is the amount of Maya's net pay for the current pay period?
4. Look at the chart of Maya's goals below. How do her deductions and net, or take-home, pay influence her ability to reach her goals?

Maya's Goals	Short-Term	Medium-Term	Long-Term
	New clothes for work and build up an emergency fund Goal per paycheck: \$150	Pay off student loans and credit card debt Goal per paycheck: \$300	Save for retirement Goal per paycheck: \$150

5. Is Maya earning and saving enough for her goals? Are there changes she can make in any of these areas to save or earn more? Which goals would these changes impact?



# Maya's Paycheck Deductions

**Directions:** It's been 3 years since Maya received her first paycheck. Her earnings are now a salary rate, and after a raise, each of her paychecks are a consistent amount. Now that she earns more, she wants to revisit her voluntary deductions to see if she can adjust her savings. Examine Maya's new earnings statement. Then, review her revised goals, read through the options presented, select the best option, and justify your reasoning.

<b>Maya Olivetti</b> 1234 Golden Ave. Los Angeles, CA 55555	<b>Pay period:</b> 5/17/2024- 5/30/2024	<b>Pay date:</b> 5/31/2024
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## Earnings

	Hours	Current	YTD (Year to Date)
Regular	80	\$2,400.00	\$26,400.00

## Gross Pay

	Current	YTD (Year to Date)
Gross	\$2,400.00	\$26,400.00

## Deductions

	Current	YTD (Year to Date)
FICA: Medicare	\$34.80	\$382.80
FICA: Social Security	\$148.80	\$1,636.80
Federal Tax	\$276.24	\$3,038.64
State Tax	\$112.80	\$1,240.80
401K	\$48.00	\$528.00
Health Insurance	\$50.00	\$550.00
Life Insurance	\$5.00	\$55.00

## Net Pay

	Current	YTD (Year to Date)
Net	\$1,724.36	\$18,967.96

Maya's Goals	Previous Goals	Revised Goals:
	<p><b>Short-term:</b> New clothes for work and build up emergency fund</p> <p><b>Medium Term:</b> Pay off student loans and credit card debt</p> <p><b>Long-term:</b> Save for retirement</p>	<p><b>Short-term:</b> New TV for apartment and continue to pay off credit card debt</p> <p><b>Medium Term:</b> Save for a trip to travel abroad</p> <p><b>Long-term:</b> Save for retirement</p>

### Maya's Options to Adjust her Deductions

*Reminder: After contributing 2% to her 401K per paycheck, Maya's net pay before her raise was \$1,543.28. Her employer will match up to 3% of her 401K contributions. Review the below options for her deductions, after getting her raise.*

<b>Option 1:</b> Eliminate the 401K deduction.	<b>Option 2:</b> Keep 401K deduction the same at 2% of gross pay.	<b>Option 3:</b> Increase the 401K deduction to 6% of gross pay.	<b>Option 4:</b> Increase the 401K deduction to 10% of gross pay.																
<p><b>Pros:</b> More take-home pay, save for short-term goals in 3 months to make credit card purchases without incurring interest charges. Can save towards medium-term goals.</p> <p><b>Cons:</b> Missing out on the employer matching in her 401K (\$48 per paycheck) and the long-term compound growth. No longer making progress towards long-term goals.</p>	<p><b>Pros:</b> Receive 2% employer match (\$48) and more take-home pay than before. Save for short-term goals in 6 months to make credit card purchases without incurring interest charges. Can save towards medium-term goals.</p> <p><b>Cons:</b> Missing out on 1% of additional employer matching in her 401K (\$72 per paycheck) and the earnings from compound growth.</p>	<p><b>Pros:</b> Receive 3% employer match (\$72) and slightly more take-home pay than before. Increases long-term savings and compound growth earnings.</p> <p><b>Cons:</b> The additional 401K savings means only some of her raise will go to discretionary income for spending on wants and needs. It will take 12 months for Maya to save for short-term goals, or she can make purchases with a credit card but must pay interest on her credit card debt for 9 months.</p>	<p><b>Pros:</b> Receive 3% employer match (\$72). This will result in an increase in long-term savings with maximum matching and increased compound growth earnings.</p> <p><b>Cons:</b> The 401K savings increase means even less of her raise will go to discretionary income for wants and needs, causing only a bit more net pay than before the raise. Will take 18 months to save for short-term goals or can make purchases with credit card but must pay interest on debt for 12 months.</p>																
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">401K deduction:</td> <td style="width: 50%;">Employer Matching:</td> </tr> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$0</td> </tr> </table>	401K deduction:	Employer Matching:	\$0	\$0	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">401K deduction:</td> <td style="width: 50%;">Employer Matching:</td> </tr> <tr> <td style="text-align: center;">\$48</td> <td style="text-align: center;">\$48</td> </tr> </table>	401K deduction:	Employer Matching:	\$48	\$48	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">401K deduction:</td> <td style="width: 50%;">Employer Matching:</td> </tr> <tr> <td style="text-align: center;">\$144</td> <td style="text-align: center;">\$72</td> </tr> </table>	401K deduction:	Employer Matching:	\$144	\$72	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">401K deduction:</td> <td style="width: 50%;">Employer Matching:</td> </tr> <tr> <td style="text-align: center;">\$240</td> <td style="text-align: center;">\$72</td> </tr> </table>	401K deduction:	Employer Matching:	\$240	\$72
401K deduction:	Employer Matching:																		
\$0	\$0																		
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401K deduction:	Employer Matching:																		
\$144	\$72																		
401K deduction:	Employer Matching:																		
\$240	\$72																		
<p><b>Savings per paycheck:</b> \$0</p>	<p><b>Savings per paycheck:</b> \$96 (\$48 from Maya and \$48 employer matching)</p>	<p><b>Savings per paycheck:</b> \$216 (\$144 from Maya and \$72 employer matching)</p>	<p><b>Savings per paycheck:</b> \$312 (\$240 from Maya and \$72 employer matching)</p>																
<p><b>Net Pay per paycheck:</b> \$1,764.25</p>	<p><b>Net Pay per paycheck:</b> \$1,724.36</p>	<p><b>Net Pay per paycheck:</b> \$1,644.59</p>	<p><b>Net Pay per paycheck:</b> \$1,564.81</p>																



Based on Maya's revised goals, how does increasing/decreasing Maya's 401K contribution impact her ability to reach those goals? Which option do you think is the best choice for her, and why?



# Session Evaluation Survey

Thank you for your participation in today's session! We appreciate you taking a couple of minutes to provide your feedback. **Your response is important to us and is completely anonymous.** Your input will help us continue to improve our programs supporting teens on their journey to financial freedom.

## How to Complete this Survey

You can access and [complete the survey online here](#). If you prefer, you can complete a hard copy of the survey below, and hand it in to your Schwab facilitator at the end of your session. Either way, please make sure to submit your survey at the close of your session.

## Survey Questions

1. What Moneywise America session did you participate in? **(REQUIRED)**
  - a. Get Started: Intro to Money Basics
  - b. Personal Goals and Decision Making
  - c. Session 1.0: Set Money Goals
  - d. Session 2.0: Manage Your Money
  - e. Session 3.0: Master Credit & Debt
  - f. Session 4.0: Plan for the Future
  - g. Session 5.0: Get Invested
  
2. I feel more confident about my understanding of money and how to manage it. **(REQUIRED)**
  - a. Strongly Agree
  - b. Agree
  - c. No Change
  - d. Disagree
  - e. Strongly Disagree
  
3. How likely are you to use information from this session to make decisions to help you reach your future financial goals? **(REQUIRED)**
  - a. Highly Likely
  - b. Likely
  - c. Neutral
  - d. Unlikely
  - e. Highly Unlikely

4. I have a clear understanding of the key personal finance topics that were presented during the session. **(REQUIRED)**
- a. Strongly Agree
  - b. Agree
  - c. No Change
  - d. Disagree
  - e. Strongly Disagree

If you selected Disagree or Strongly Disagree for Question 4, please explain specifically what components of the lesson were unclear or confusing.

5. Why is it important for teens to learn about personal finance? **(OPTIONAL)**

6. Is there any other feedback that you'd like to share about the session or the content covered? **(OPTIONAL)**

**Thank You**

Thank you for taking the time to provide your feedback. We appreciate your input as we continue to support teens on their journey to financial freedom.