

Name: Ken

Date: _____

1) Terry is offered a social media director position at Ponce City Market. They say he will be paid \$47,500 annually.

- a. What type of income does this offer entail? **salary**
- b. Given this offer, how much would Terry's monthly gross income be?

$$\frac{\$47,500}{12} = \$3,958.33$$

2) Terry is offered another social media director position for \$18.50 an hour.

- a) What type of income does this offer entail? **Hourly**

b) What would his annual gross income be?

$$18.50 \times 40 = \$740 \text{ weekly}$$

$$740 \times 52 = \$38,480 \text{ annually}$$

$$\frac{\$38,480}{12} = \$3,206.67$$

- d) Which offer is better (from #1 or #2)? **Salary from #1**

3) Sierra is offered a sales position with Sysco Foods. She will make 5% on her sales goal of \$80,000 per month.

- a) What type of income does this offer entail?

Commission

- b) How much can Sierra expect monthly gross income to be, if she hits her sales goal?

$$80,000 \times .05 = \$4,000 \text{ monthly}$$

- c) How much can she expect her annual gross income to be, if she hits her sales goal? $\frac{\$4,000 \times 12}{1} = \$48,000$

Make sure to review all notes and vocab terms from the following topics covered in Unit 3B. **They include, but are not limited to:**

salary	hourly	commission
gross income	net income	federal tax
state tax	social security	Medicare
Budget	steps in budgeting	emergency fund
surplus	deficit	discretionary income
Risk	emergency savings	insurance
policy	coverage	policyholder
premium	claim	deductible
co-insurance	health insurance	disability
Long-term care	property insurance	liability insurance
life insurance		

Make your own list of vocab terms and definitions on your note card.

Don't forget to include insurance terms from yesterday's lesson (they are listed above, don't skip over them because you have to understand them). Keep up the hard work!

Using the information provided, complete the monthly income chart.

Round all values to the nearest cent.

Gross Annual Income	\$ 85,672
Gross Monthly Income	1) $85,672/12 =$ \$ 7,139.33
Line 1 - Federal Withholding 13.42%	2) \$ 958.10
Line 2 - Social Security 6.2%	3) \$ 442.64
Line 3 - Medicare 1.45%	4) \$ 103.52
Line 4 - Georgia (State Tax) 5.29%	5) \$ 377.67
Line 5 - Healthcare (Employee Cost)	\$200
Line 6 - Pension Contribution (3% of gross monthly income)	6) \$ 214.18
TOTAL WITHHOLDING (add lines 1 - 6)	7) \$ 2,296.11
MONTHLY NET (TAKE-HOME) INCOME (subtract total withholding from gross monthly income)	8) \$ 4,843.22

Using the information provided, complete the monthly budget chart.

MONTHLY NET (TAKE-HOME) INCOME (from #8)	9) \$ 4,843.22
Housing - 30%	10) \$ 1,452.97
Utilities - 10%	11) \$ 484.32
Food - 15%	12) \$ 726.48
Transportation - 10%	13) \$ 484.32
Debt Repayment - 10%	14) \$ 484.32
Savings - 10%	15) \$ 484.32
Clothing - 5%	16) \$ 242.16
Entertainment - 5%	17) \$ 242.16
Car Insurance & Misc. - 5%	18) \$ 242.16
TOTAL MONTHLY BUDGET	19) \$ 4,843.21 (1¢ off)