

Personal Finance Activity

Pick 3 jobs:

Job 1:
Salesperson at
Footlocker

A part-time job you might
work while in college
(10-30 hours/week)

Job 2:
Fashion Designer

A full time job you might
work after college
(40 hours/week)

Job 3:
Detective

Another full-time job you
might work after college
(40 hours/week)

Job 1: This job is a part time job that you may work while attending college or learning a trade. Choose the number of hours a week you want to work (between 10-30 hours).

Research the hourly wage for the job you chose.

a. What is your gross income after one year (52 weeks)?

\$

b. What is your gross income each month?

\$

c. Suppose 10% of your income is withheld for federal taxes, 3% is withheld for state taxes, and 7.65% is withheld for FICA taxes.

i. How much will you spend in taxes after one year?

\$

ii. What is your annual net income?

\$

iii. What percentage of your income will be withheld for taxes?

%

Job 2: This is a job you see as a long-term career. Research the starting/average salary for the job you chose.

a. What is your starting/average annual salary?

b. What is your monthly income?

c. Use your annual salary for the following question.

Suppose you qualify for:

- i. Adjustments: \$2000
- ii. Standard Deduction: \$6300 or Itemized Deductions: \$11,000
- iii. Exemption: \$4050 per person
- iv. Tax Credits: \$150

What is your adjusted gross income?

What is your taxable income?

How much will you have to pay in taxes? (Refer to Table 8.1: 2016 Marginal Tax Rates from the 8.2 notes)

What is your net income?

Job 3: This is another job that you see as a long-term career just in case your first choice doesn't work out. Research the starting/average salary for the job you chose.

d. What is your starting/average annual salary?

\$ 63,084

e. What is your monthly income?

\$ 3,287

f. Use your annual salary for the following question.

Suppose you qualify for:

- i. Adjustments: \$3000
- ii. Standard Deduction: \$6300 or Itemized Deductions: \$2300
- iii. Exemption: \$4050 per person
- iv. Tax Credits: \$0

What is your adjusted gross income?

\$ 60,084

What is your taxable income?

\$42,434

How much will you have to pay in taxes? (Refer to Table 8.1: 2016 Marginal Tax Rates from the 8.2 notes)

25%

What is your net income?

\$