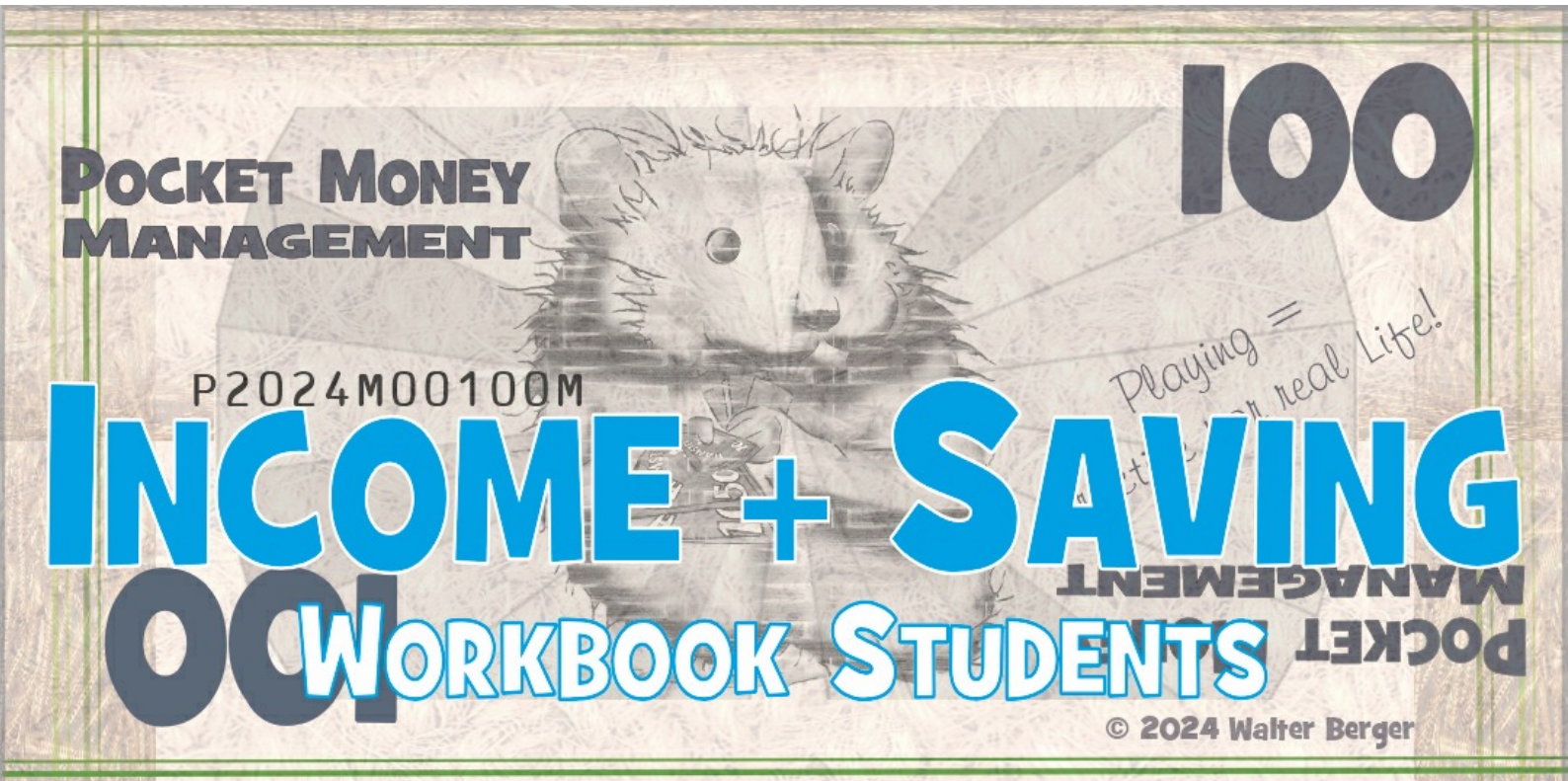


Pocket Money Management
Playing=Real Life Practice!



Workbook Student on

Income + Saving



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At the end of this workbook you will:

- ✓ Have more clarity about what you want to do in your life
- ✓ Have shared previous work experiences with the classmates
- ✓ Be able to calculate net income and better understand taxes and other deductions
- ✓ Understand the importance of regularly saving 10% of each income
- ✓ Know the effects of compound interest

Some aspects of **Income in a private household** to remember:

Income are all payments that we receive. These can be regular monthly payments (pocket money, salary as an employee), irregular payments (parental allowance, vacation pay) or one-off payments (birthday present, bonus).

Key questions: *What income do I have?*
Can I reliably plan it into my private budget?



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C1 - ‚My Job‘ - Visualization exercise

After taking some time to think about your work, about what you want to do in your life, write a short vision statement.

The following questions could guide you:

What do you want to do and why? What kind of work will you do, with which colleagues and in which environment? What clients will you have, what problems will you solve for them? Where will you work? Also write down the income you will receive and the happy, fulfilling moments you will experience.

My Job will be

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C2 - My work experience so far

In this task, write down all the paid vacation jobs, temporary jobs and other jobs you have had so far, write them down and present them to the class.

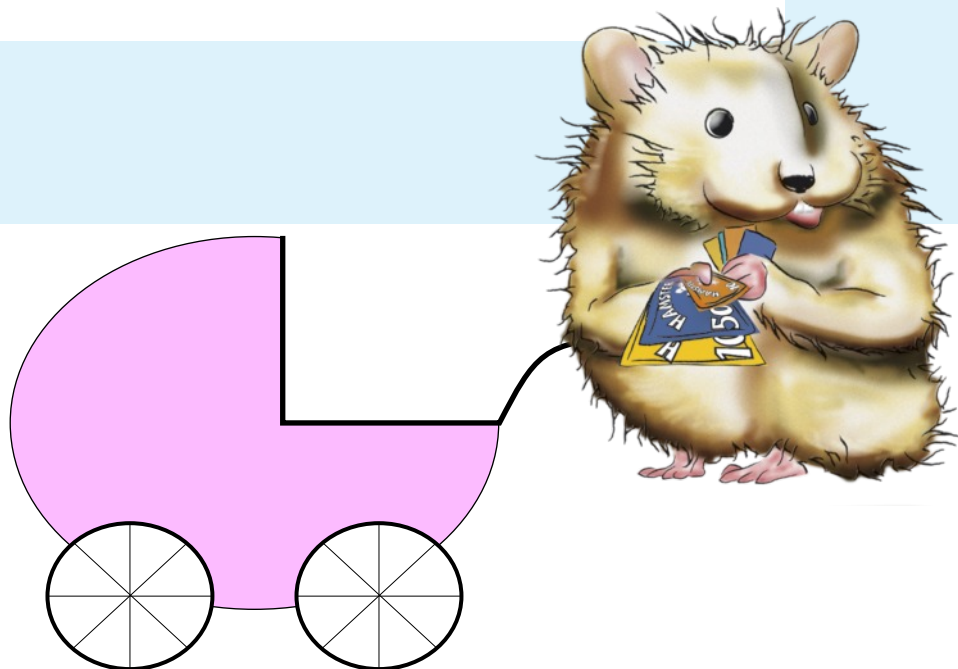
Think about the following guiding questions

- *What jobs have you already had?*
- *How did you get the job?*
- *How long did you work and how much did you get paid?*
- *What did you do there?*
- *What did you enjoy most?*

At the end, each group presents its results and we summarize them on the board.

Group work

Duration
15 minutes



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My WORK experience so far?

| Job | \$/hr | earned? | Fun |
|-----|-------|---------|-----|
| 1. | \$ | \$ | |
| 2. | \$ | \$ | |
| 3. | \$ | \$ | |

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C3.1 - How much will I earn as ...?

In this task, we will take a closer look at your career aspirations and the situation on the labor market in various areas of the country.

Select your profession on the following page www.bls.gov/oes/ and check the information there for your profession using the following questions:

- What is the current estimated employment level and average income?
- In which different industries is your desired profession represented and strong?
- What is the employment level in different states?
- What is the average annual wage in different states?

At the end, present your career and your results.

Group work

Duration
20 minutes

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C3.2 - How much will I earn as ...?

In the last task, you calculated how much your monthly salary could be for your desired job. Now let's take this amount and calculate the net income you can plan with.

To do this, use the salary calculator on the Internet at <https://salaryaftertax.com/us/salary-calculator>:

Please also define the various tax deductions and explain what they are used for.

At the end, the results are presented to the group.

A **gross wage** is the agreed remuneration or salary.

A **net wage** is the amount paid out after deductions.

Tax deductions from gross wages

- **Federal income tax** *The percentages for the taxes vary between the individual states in the USA. There is a set*
- **State tax** *minimum wage in the USA, which can also vary,*
- **Social Security tax** *be higher, from state to state.*
- **Medicare tax**

**Source: Internet, Aug. 14th 2024 <https://salaryaftertax.com/us/salary-calculator>*

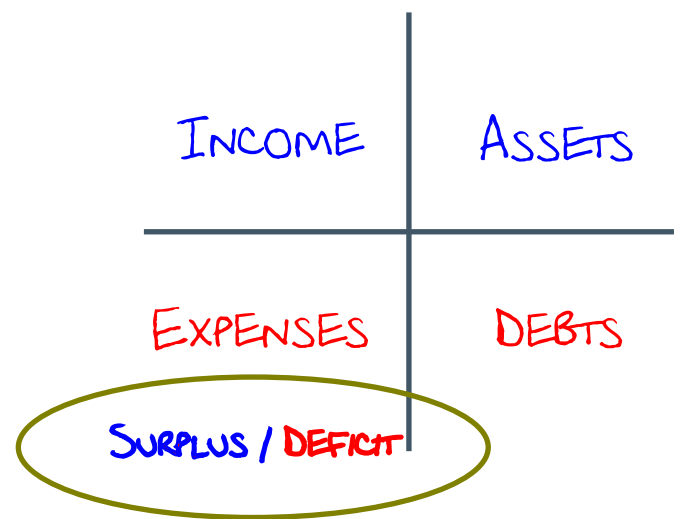
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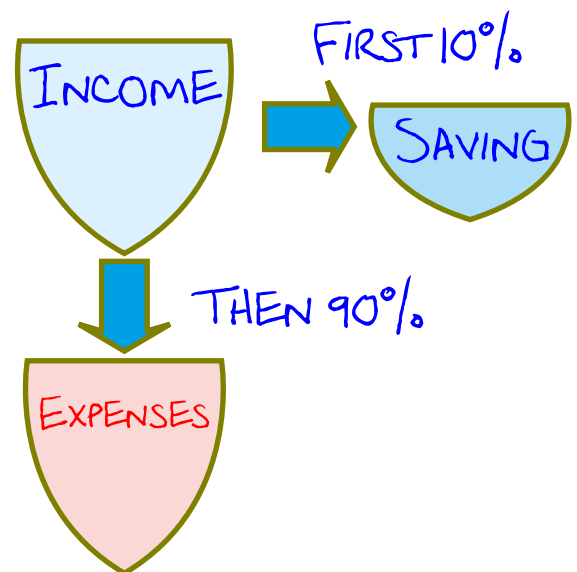
C4 - Paying monthly expenses and saving

If this simple table is filled with real items and realistic amounts, you will get an overview of:

- What kind of monthly income and expenses do I have?
- What amounts do they have?
- What will be the total income and expenditure?
- Whether there is anything left over or not.



Whenever a payment comes in, you should save 10% first.
Make it a habit!



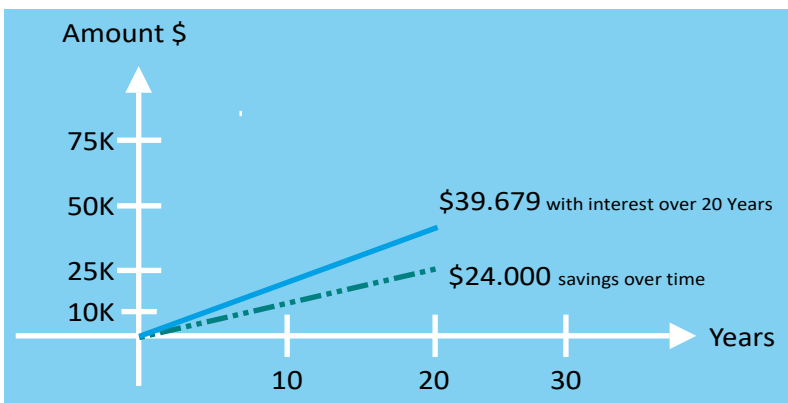
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C5 - Saving over time with compound interest

Aspects of Saving in a private household to remember:

- The act or process of saving money for reserves, investments etc.
- Money that can be saved through price value comparison
- Monthly surplus of income minus expenditure
- Conservation, the wise use of financial or material resources



In the graph you can see how the monthly savings of 100 dollars will develop over a period of 20 years.

In the next task you can calculate the results for 10, 30 and 40 years using the calculator on [investor.gov](https://www.investor.gov).

Only 100 \$ per month! The following table shows how savings develop with different interest rates and savings periods. The amounts were calculated using the above calculator mentioned, without guarantee.

| Years | Amount Savings | 2% | 3% | 4% | 5% |
|-------|----------------|-----------|-----------|------------|------------|
| 5 | \$ 6.000 | \$ 6.244 | \$ 6.370 | \$ 6.500 | \$ 6.630 |
| 10 | \$ 12.000 | \$ 13.140 | \$ 13.757 | \$ 14.407 | \$ 15.094 |
| 20 | \$ 24.000 | \$ 29.157 | \$ 32.244 | \$ 35.734 | \$ 39.679 |
| 30 | \$ 36.000 | \$ 48.682 | \$ 57.090 | \$ 67.302 | \$ 79.727 |
| 40 | \$ 48.000 | \$ 72.482 | \$ 90.481 | \$ 114.031 | \$ 144.960 |

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Evaluation Questionnaire

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Your Rating

1. My expectations for the lessons were met.
2. The topic is important for now and my ,later' life.
3. The visualization process about my future career was very interesting and helpful.
4. Information on income opportunities and the employment situation in different countries is important.
5. I can now better calculate what remains after the deductions from my salary.
6. My questions and objections were answered.
7. The workshop was vivid,m quite real and fun.
8. Saving 10% first and regularly is a good tip!
9. The effect of compound interest over a long savings period was interesting.
10. The workshop motivated me to apply the content presented in my private life.
11. Also important to me would be:





Taschengeld Management
Spielen = Training für den Alltag!

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Part A - Expenses

Part B - Advertisement/Consumption

Part C - Income + Saving

Part D - Financial State / Home Budget

Part E - Play Financial Basics