

Reality Check Wednesday Unit

Grade Level: Middle School Mathematics

Time Frame: Each lesson should only be done once a week for a minimum of 6 weeks (but can be extended for however many weeks the teacher decides). Each lesson is meant to last for a typical one hour class period.

Learning Objectives

- I can figure out my bi-weekly gross pay given my annual salary
- I can figure out my bi-weekly net pay given my bi-weekly gross pay
- I can properly fill out an expense or an income in a check register
- I can keep a running balance in a check register
- I can make wise decisions about my finances
- I can understand how paying bills and getting paid works

Objective

Lacking in many schools today are the fundamental personal finance skills that every citizen needs to be successful in the real world. Most middle school students are not even aware how much an average employee makes each week or how much bills can be each month. Students need a reality check to get them aware of what the real world is really like! This unit will teach students the fundamentals of personal finance through a real-world simulation. Students will have to keep track of their finances each week to keep track of how much money they have after getting paid or paying bills. This should be a real eye-opener for a lot of students.

Week 1 – Picking a Career & Kids

The main objective for this lesson is to get students to pick a career and pick the number of kids they have. We begin the lesson by having students draw a number between 1 and 40 out of a bucket. Each number corresponds to a different career and the salary that goes with that career. Once all students have chosen a career, they will write down their given career on the career line on their student worksheet. Students will then have to choose a number between 0 and 5 from a bucket which will be the number of kids they have. Once all students have done this, they will write in the number of kids blank how many kids they have. The last part of this activity will be having students figure out their gross bi-weekly pay (before taxes) and their net bi-weekly pay (after taxes). They will have to divide their salary by 26 to find their gross bi-weekly pay and will have to take that number and multiply it by .72 to get their net bi-weekly pay. Students will record these numbers of their student worksheet.

Week 2 – Housing Type & Pay

This week students will begin by getting paid. After a brief explanation from the teacher about how a check register works, students will get “paid” their first paycheck. This will require them to fill out the first line of their check register with their net bi-weekly pay amount. After the students will choose a letter between A and G which will correspond to a housing type (which can be found on the information sheet). Students will write down their monthly house payment on their sheet and circle whether it is rent or mortgage that they will be paying. After this, students will make their first house payment on the second line of their check register.

Week 3 – Spouse & Other Payments

Since it can be quite expensive to pay \$1000 per month for each child, students who have 3 or more children are to draw in similar fashion to how they did to pick a spouse's career. These students will then have to calculate their new combined bi-weekly net income amount. After doing this, students will then get paid again (since in this simulation, each week counts as a two-week period). They will fill out their check register for the paycheck amount for this week and will also pay for their children. Students should see that although they are getting paid at a steady rate, the bills are piling up!

Week 4 – Phone & Electric Bill

Students will begin as they have every other lesson by getting paid and filling that amount in the next line of their check register. Since housing payments are monthly and it has been two actual weeks since paying the house payment, students will now pay their house payment and fill it in their check register. After doing this, students will then have to choose from a bucket a fixed electric bill amount that they will pay each month. After choosing this amount, they will also fill this bill in their check register. Next students will have to choose a cell phone bill plan. To make it easy, the flat rate for one line is \$50 per month and any additional line will be \$9.99 per month. Students are given the choice if they want to have any phones for their children or not. They will then have to pay this bill as well and fill it in their check register.

Week 5 – Governmental Assistance

We will start out having every student get paid and fill it in their check register. Since many of the students will be in the negatives likely due to having to pay a lot for their children, we will offer a “governmental assistance” for the students who have 4 or 5 children. They will receive \$432.10 per child per month from the government. This will require students to compute a new amount for how much they must pay per month for their children. After figuring this amount out, the students will then have to pay for their children. They will also pay for the other bills that are due this week.

Week 6 – Unexpected Life Events

Since life is full of unexpected events, this week students will be on the receiving end of some unexpected life event. This might include getting a flat tire and having to get a new one or simply winning the lottery and receiving money for it. The students will take turns drawing “unexpected life event” cards with a variety of different scenarios and amounts to either get paid or have to pay. Along with getting paid a paycheck and paying the usual bills, students will also record the unexpected life event in their check register and find the balance.

Materials Needed

- Student Worksheet
- Blank Check Register Sheets
- Information Sheet (includes careers, salaries, house types, etc.)
- Calculator
- Writing Utensil