

## Unit 4 - Employment and Income

### Objectives

In this lesson we will be learning about both income, compensation, and employment.

- We will learn about the difference between direct and indirect compensation.
- We will have a basic understanding of income tax and the different ways of filing our taxes.
- We will learn some best practices for starting our careers.
- We will learn about the importance of saving for retirement.

Students will continue progressing through the PersonalFinanceLab Budget Game and continue to work with their teams on their investing portfolio.

### Slideshow

Included in the Employment and Income slideshow are all the challenge questions, key terminology and project prompts.

### Unit 4.1 - Career & Income

Activity	Type	Summary	Time
Class Discussion	Lecture	<a href="#">Slideshow</a> Follow through the slides for Unit 4.1	15 min.
Read Article	In-Class	Income and Compensation <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> </ul>	14 min.
Read Article	In-Class	Career Development <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> </ul>	10 min.
Read Article	In-Class	Unemployment and Assistance Programs <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> </ul>	7 min.
Read Article	Home Work	Employer and Employee Rights and Responsibilities <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> </ul>	8 min.

## Unit 4.2 - Intro to Bank Accounts

Activity	Type	Summary	Time
Class Discussion	Lecture	<a href="#">Slideshow</a> Follow through the slides for Unit 4.2	15 min.
Read Article	In-Class	Banks, Credit Unions, and Savings and Loans <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> </ul>	16 min.
Read Article	In-Class	Debit Cards <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> </ul>	6 min.
Read Article	In-Class	Bank Overdraft Fees <ul style="list-style-type: none"> <li>• <a href="#">Bank overdraft fees (consumerreports.org)</a></li> </ul>	3 min.
Read Article	In-Class	Consumer Right and Responsibilities <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> </ul>	8 min.
Interactive Activity	Home Work	Play 1 month of the Budget Game	10 min.

## Unit 4.3 - Intro to Taxes

Activity	Type	Summary	Time
Class Discussion	Lecture	<a href="#">Slideshow</a> Follow through the slides for Unit 4.3	15 min.
Read Article	In-Class	Taxation Overview <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> </ul>	10 min.
Read Article	In-Class	Filing Taxes and 1040 <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> <li>• <a href="#">View Slides</a></li> </ul>	10 min.
Watch Video	In-Class	Ways to File Your Taxes <ul style="list-style-type: none"> <li>• <a href="#">View Video</a></li> </ul>	2 min.
Interactive Activity	In-Class	Play 1 month of the Budget Game	10 min.
Interactive Activity	Home Work	Stock Game: Manage Portfolio	10 min.

## Unit 4.4 - Starting Your Career

Activity	Type	Summary	Time
Class Discussion	Lecture	<a href="#">Slideshow</a> Follow through the slides for Unit 4.4	15 min.
Read Article	In-Class	Ace Your Interview <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> </ul>	6 min.
Read Article	In-Class	Using Keywords in Your Job Search <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> </ul>	6 min.
Read Article	In-Class	How to Choose an Internship? <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> </ul>	10 min.
Interactive Activity	In-Class	Play 1 month of the Budget Game	10 min.
Read Article	Home Work	The 5 Biggest Mistakes of Job Seekers <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> </ul>	9 min.

## Unit 4.5 - Building & Sharing Wealth

Activity	Type	Summary	Time
Class Discussion	Lecture	<a href="#">Slideshow</a> Follow through the slides for Unit 4.5	15 min.
Read Article	In-Class	Building Wealth <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> </ul>	8 min.
Read Article	Home Work	Charitable Giving <ul style="list-style-type: none"> <li>• <a href="#">View Lesson</a></li> </ul>	10 min. Reading
In-Class Activity	In-Class	Stock Game: Check-In <ul style="list-style-type: none"> <li>• Students should go over their portfolios with their teams.</li> </ul>	15 min.

By the end of the lesson, students will:

- Define different types of income
- Understand consumer and employment rights and responsibilities
- Understand debit cards and bank accounts
- Have a basic understanding of income tax
- Know how to develop a career plan that supports their long-term financial goals

## Key Glossary Terms

The key terminology is covered in each of the sub-units, here is a complete list of all the terms introduced in the Employment and Income Unit.

Direct Compensation	The compensation that an employee receives directly from his or her place of work. This includes the base salary and any incentive pay.
Indirect Compensation	Includes non-monetary benefits provided to workers, such as pension funds, mobile phones, company cars, health and life insurance, overtime pay, and annual leave. From legally obligated health insurance to social security, child care, and more.
Equity Compensation	Non-cash pay that is offered to employees, and may include options, restricted stock, and performance shares; all of these investment vehicles represent ownership in the firm.
Salary	Fixed compensation paid regularly for services often expressed as an annual sum. Salaried workers are almost exclusively full-time employees.
Wages	Mostly associated with employees hired at hourly rates. You are paid a specific amount for every hour that you work.
Gross Pay	The amount of an employee's wages or salary before any taxes or deductions are taken out.
Unemployment Insurance	State-provided insurance that pays money to individuals on a weekly basis when they lose their job and meet certain eligibility requirements. When an individual has a lack of available work at no fault of their own usually qualifies for unemployment benefits.
Employee	A worker who gets paid an hourly wage or annual salary for a set job. Not all hourly workers are employees. They have certain protections and obligations that differ from other types of workers.
Contractor	A person or company that undertakes a contract to provide materials or labor to perform a service or do a job.
Minimum Wage	The lowest wage permitted by law or by a special agreement (such as one with a labor union).
Overtime Pay	Money earned at an increased rate for working more than the usual number of hours in one week.

Bank	For-profit corporations with a charter issued at the local, state, or national level. Generally, they specialize in commercial loans – making loans to businesses to help them get started or expand.
Credit Union	Non-profit organizations, almost exclusively local, and are owned by the people who make deposits. Every member who makes a deposit at a credit union is a part-owner, and can vote on issues relating to the institution.
Savings and Loans Institution	Focus strongly on residential mortgages. by law they need to invest 65% of their assets in residential mortgages, and only up to 20% in commercial loans. They can also be local or national (like a bank).
Savings Account	Traditionally, an account where you can make deposits of cash, and earn interest. The larger your balance, the higher the interest rate you will be offered. Most savings accounts come with a limited number of withdrawals you can make each month.
Checking Account	Where you store your “day to day” money. When you issue a check, pay with your debit card or use an ATM, this is the account you’re accessing.
Commercial Loan	A loan made to a business, usually to “start up” or to expand their operations. The duration of these loans can be anywhere from 18 months (small, short-term start-up loans) to 25 years (larger commercial mortgages). Unlike a normal mortgage, it is rare for a business to pay off their entire loan.
Debit Card	A card used to make purchases using funds from a person's checking account.
Account Fees	An annual fee charged for having a checking account at your banking institution. This fee will usually go up or down depending on your checking account type – account types that give you more flexibility with your debit card are usually more expensive.
Usage Limits	The number of times you can use your debit card per month (which can be as low as 10 transactions). If you go over this limit, you will typically be charged a fee per transaction.
Overdraft fees	When you spend more on your debit card than you had in your checking account. Your checking account may or may not allow overdraft.
Progressive Tax	Imposes a higher percentage rate on taxpayers who have higher incomes.

Regressive Tax	A type of tax where lower-income earners pay a higher tax rate than high-income earners. An example is sales tax - low earners usually spend most of their income, while high earners typically save or invest a lot of income. This means that as a total percentage of income, more of a low-income earner's income will be spent on sales tax.
Capital Gains Tax	A tax levied on profit from the sale of property or an investment.
Sales Tax	A tax on sales or on the receipts from sales.
Property Tax	A tax paid on property owned by an individual or other legal entity. Property owners pay property tax calculated by the local government where the property is located.
Income Tax	A state or federal government's levy on individuals as personal income tax and on the earnings of corporations as corporate income tax.
Net Income	The income that individuals or businesses have after subtracting tax.
Audit	A formal examination of an organization's or individual's accounts or financial situation.
Internship	The position of a student or trainee who works in an organization, sometimes without pay, in order to gain work experience or satisfy requirements for a qualification.
Resume	A short account of one's career and qualifications prepared typically by an applicant for a position, also known as a curriculum vitae or CV.
Objective Statement	A brief, targeted statement that clearly outlines your career direction while simultaneously positioning you as someone who fits what the employer is looking for exactly.
Qualifications	An official record of achievement awarded on the successful completion of a course of training or passing of an exam. Especially, one that provides the individual with the credentials to perform a particular job or task.
Wealth	An accumulation of valuable economic resources that can be measured in terms of either real goods or money value. Contrary to income, wealth measures the value at a point in time.
Career Plan	The process of enhancing an individual's future value in the workforce through on-the-job experience, qualifications and personal development that matches their goals and skills to opportunities in the marketplace.