Follow the Money

Read a paystub, build a budget, reconcile an account, and find your net worth.

Name: _____ Date: _____

OBJECTIVE

Compare types of income, read the parts of a paystub, build a personal budget, reconcile a checking account, and calculate net worth.

1. Match the income type

____ 1. Hourly wages	A. A fixed annual amount, paid in regular installments regardless of hours worked
____ 2. Salary	B. Paid per hour worked; total varies with hours
____ 3. Tips	C. Profit from selling an investment for more than you paid
____ 4. Form 1099 income	D. Extra pay from customers, common in service jobs
____ 5. Dividends	E. A share of a company's profit paid to stockholders
____ 6. Capital gains	F. Income earned as an independent contractor, no taxes withheld

2. Read a sample paystub

Sam works part-time. Use these numbers to answer the questions below.

Line	Amount
Gross pay	$640.00
Federal income tax	$48.00
State income tax	$19.00
FICA (Social Security + Medicare)	$48.96
401(k) contribution (elective)	$25.00
Net pay	?

a) Calculate Sam's net pay: _____ b) Which deduction is required by law, and which is Sam's own choice?

_____

3. Build a one-month budget

Fill in reasonable numbers for a part-time worker earning about $1,100/month net. Label each expense fixed (F) or variable (V).

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Category	F / V	Monthly amount
Income (net pay)	—	
Rent / phone / car payment		
Gas / groceries / entertainment		
Short-term savings		
Long-term savings / investing		
Total expenses + savings	—	

4. Reconcile a checking account

Your register shows a balance of $312.40. The bank's online balance shows $355.15. You wrote a $42.75 check that hasn't cleared yet.

Does the account balance? Show your work:

_____

WHY THIS MATTERS
Reconciling catches transactions that haven't posted yet (checks, weekend debit swipes, auto-pay) so you don't overdraft an account that looks fuller than it really is (SSEPF2e).

5. Calculate net worth

Assets (what you own)	Value	Liabilities (what you owe)	Value
Checking + savings	$1,240	Credit card balance	$310
Car (resale value)	$4,500	Student loan balance	$2,000
Total assets		Total liabilities	

Net worth = total assets − total liabilities = _____