MAKING FINANCE PERSONAL

PROJECT-BASED LEARNING FOR THE PERSONAL FINANCE CLASSROOM

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MAKING FINANCE PERSONAL

PROJECT-BASED LEARNING FOR THE PERSONAL FINANCE CLASSROOM

In my experience, the greatest challenge that teachers of personal finance face is making the concepts relevant and the vocabulary approachable. Laying a foundation through active-learning classroom activities and discussion is the first step in the process. But basic conceptual knowledge and vocabulary aren't enough. Students need to know how to apply information in real-world situations. This is where project-based learning comes into play. The projects assembled here were created to allow students to experiment with developing financial strategies for the future. The accompanying student activities and assignments should complement both textbooks and classroom instruction.

Students receive a series of 11 projects to complete throughout the semester. These projects connect classroom instruction and activities with their personal lives. Of the 11 assignments, students must choose 10 to complete. Each of the projects is worth 20 points. I adopted this pick-and-choose strategy to mitigate push back due to the sensitive nature of personal finance. For example, a student may be reluctant to request (or share) a copy of her credit report. That is fine. I will give students a sample credit report to review when we go over the topic in class, but the student is now down to 10 modules to choose from if she wants to achieve the maximum 200-point total.

Students complete the assignments using their personal information and collect the assignments in a three-ring binder. This binder is a culminating project that represents a large portion of the final grade. Students are given checklists and rubrics throughout the process for guidance. Reflective essays are assigned with essential questions that students must answer to help evaluate their project progress, identify challenges, and apply what they have learned to their developing financial strategy.

I find that once students realize where the project is going and see it coming together, it is exciting. I have had many students comment that they are sharing the personal finance tools and strategies they are learning about in class with friends and family. The shift students undergo, from initially feeling overwhelmed to feeling empowered and even proud at the final binder check, is a powerful transformation. Once students have worked through the project, they leave the class with a financial strategy in hand. This personal financial strategy will always need to be revised and updated, but having a thoughtful plan in place at the beginning of their journeys can help students minimize costly future mistakes.

INTRODUCTION FOR STUDENTS

PERSONAL FINANCE BINDER PROJECT

We will use a project-based learning approach in this course that will require you to actively participate and complete assignments on time. You will be responsible for the assigned reading from your text, as well as projects that will need to be included in a three-ring binder.

WHY PROJECT BASED LEARNING?

http://www.pbl-online.org/About/whatisPBL.htm

Project-based learning involves activities that are designed to interest and motivate you as you learn. These activities will help you answer a question or solve a problem and generally reflect the types of learning and work people do in the everyday world, outside the classroom.

Throughout this process, you'll learn 21st century skills, as well as the basics of personal finance. These skills include communication and presentation, organization and time management, research and inquiry, self-assessment and reflection, and group participation and leadership.

Topics covered in this project include:

1. Expense tracking
2. Setting financial goals
3. Balance sheets and cash flow statements
4. Taxes
5. Creating a budget
6. Credit reports
7. Purchasing a vehicle
8. Saving and investing for the long term
9. Important financial documents
10. Retirement savings
11. Insurance inventory

Because of the nature of financial documents, much of the information is sensitive. Feel free to make a copy of the original document and black out any of the information you are uncomfortable sharing. You will only need to bring your binder to class once. We will have a binder check at the end of the semester.

INSTRUCTOR OVERVIEW

It is easy to remember how much money is spent on fixed expenses like rent or car payments. Variable expenses can be more difficult. Using the worksheet provided (Student Handout 1B), students will write down all expenses incurred during a 30-day period. They will then categorize the expenses and total them for the month (Student Handout 1C).

INSTRUCTIONAL OBJECTIVES

The first step in creating a budget is to track expenses. In this assignment, students will:

- Identify personal expenses incurred over the course of one month
- Determine how they should categorize or group their expenses
- Sort and compile expenses into groups

CENTRAL QUESTION OR PROBLEM

How do I spend my money?

ASSIGNMENT RESOURCES

For this assignment, students must use the worksheet (Student Handouts 1B and 1C) provided. They may not use phone apps, spreadsheets, or other electronic methods.

ASSIGNMENT LENGTH

One month

NOTES

- It is important to start this project as early as possible in the semester. Because students track expenses for one month, I typically assign this at the first class meeting. This allows for a smooth transition into the budget project later in the semester.
- Remind students each class meeting about the assignment. You may also want to do an expense-tracking assignment check at two weeks to make sure they are on task.
- When I first started using this assignment, I let students use bank statements, websites, spreadsheets, and phone apps to track expenses. I saw a considerable difference in proficiency between those who used pencil and paper and those who used electronic methods. I believe the tactile experience of writing expenses down helps students recall how they are spending their money in a more thoughtful way. I do let them transition to electronic methods for the budget project. My hope is that, by that point, they are more self-aware and have a better sense of their spending habits.
- I grade assignments at the beginning of class and hand them back. Checking assignments at the beginning of class eliminates problems with late work and ensures that students aren't

hastily completing work during class. Anything turned in after we have discussed the assignment is considered late, including the reflective writing.

- When grading, I don't check the dollar amounts for mathematical accuracy; my focus is on ensuring that students are comfortable with the process.
- Student feedback is typically very interesting. They are surprised at how much they spend on things such as gas, coffee, and eating out. After identifying students' spending behaviors, talk about what strategies they should put in place when creating their budgets (e.g., packing a lunch, making coffee at home, or carpooling to school).

EXPENSE TRACKING RUBRIC

This project has a total value of 20 points.

The student did not follow directions. (minus 2)	
The expense tracking worksheet was completed as instructed. (plus 8) The expense tracking worksheet was partially completed. (plus 4) The assignment was not completed. (no points)	
The essay was well written. The essay displays clear facility in the use of grammar, mechanics, usage and spelling. The essay is generally free from errors. (plus 6) The essay contained a few mistakes. The essay displays facility in the use of grammar, mechanics, usage, and spelling, though it may contain errors. However, these errors do not overly detract from the overall success of the message. (plus 4) The essay contained many mistakes. The essay displays serious deficiencies in the use of grammar, mechanics, usage, and spelling. The essay contains an accumulation of serious errors in any and/or all these areas. (plus 2)	
The essay answered all questions thoughtfully. The essay contains details that support the author's responses. (plus 6) The essay answered most questions but lacked detail. (plus 4) The essay was vague and lacked detail. (plus 2)	
The assignment was late. (loss of one point per day)	
Total	

PROJECT 1 OVERVIEW: EXPENSE TRACKING

HOW DO I SPEND MY MONEY?

The first step in creating a budget is to track your daily expenses. In this assignment, you will:

- Identify expenses incurred over the course of one month
- Include the date of the expense, a brief identification, and how much was spent
- Determine how you would like to categorize or group your expenses
- Sort and compile tracked expenses into these groups

It is easy to remember how much money you spend on fixed expenses like rent or car payments. Variable expenses can be more difficult.

ASSIGNMENT INSTRUCTIONS

Using the 30-Day Expense Tracking Worksheet (Student Handout 1B), write down all expenses you incur during a 30-day period. At the end of the month, total your expenses on the Expense Totals Worksheet (Student Handout 1C)

- Only write down transactions for goods or services.
- Do not write down ATM cash withdrawals. As you spend the cash you withdrew, record each transaction in your worksheet.
- If you have difficulty remembering how much you have spent, use an envelope to keep track of receipts.
- If you make a purchase that does not provide a receipt, use a scrap of paper to write it down and put it inside the envelope.
- On days that you do not incur expenses, write "none" and put a 0 (zero) in the amount column.
- If you are on a meal plan, divide the cost of your plan by the number of days in your billing cycle. (For instance, if you pay monthly for your meal plan, you'd divide the monthly cost by 30 to find your daily expense.)
- Use the categories listed at the top of your worksheet to label your expenses. If you do not see one that adequately describes the purchase, feel free to use your own. Make sure you add it to the bottom of the list under "other." This will be an important element when we start building your budget.
- Remember that this exercise is setting a baseline for your future budget. Spend as you would normally spend so that you can get an accurate picture of your spending behavior.

PROJECT 1 ACTIVITY

30-DAY EXPENSE TRACKING WORKSHEET

POSSIBLE EXPENSE CATEGORIES

Groceries • Dining Out • Gas • Entertainment • Car Payment • Car Repair • Car Insurance • Gifts • Rent • Renters Insurance • Health Insurance • Utilities • School • Clothing • Credit Cards • Loans • Pet Expenses • Savings • Hair/Nails • Fees or Dues • Other

Day 1

Expense Name	Amount

Day 2

Expense Name	Amount

Day 3

Expense Name	Amount

Day 4

Expense Name	Amount

Day 5

Expense Name	Amount

Day 6

Expense Name	Amount

PROJECT 1 ACTIVITY: 30-DAY EXPENSE TRACKING WORKSHEET (CONTINUED)

Day 7

Expense Name	Amount

Day 8

Expense Name	Amount

Day 9

Expense Name	Amount

Day 10

Expense Name	Amount

Day 11

Expense Name	Amount

Day 12

Expense Name	Amount

Day 13

Expense Name	Amount

Day 14

Expense Name	Amount

Day 15

Expense Name	Amount

PROJECT 1 ACTIVITY: 30-DAY EXPENSE TRACKING WORKSHEET (CONTINUED)

Day 16

Expense Name	Amount

Day 17

Expense Name	Amount

Day 18

Expense Name	Amount

Day 19

Expense Name	Amount

Day 20

Expense Name	Amount

Day 21

Expense Name	Amount

Day 22

Expense Name	Amount

Day 23

Expense Name	Amount

Day 24

Expense Name	Amount

PROJECT 1 ACTIVITY: 30-DAY EXPENSE TRACKING WORKSHEET (CONTINUED)

Day 25

Expense Name	Amount

Day 26

Expense Name	Amount

Day 27

Expense Name	Amount

Day 28

Expense Name	Amount

Day 29

Expense Name	Amount

Day 30

Expense Name	Amount

PROJECT 1 ACTIVITY

30-DAY EXPENSE TOTALS WORKSHEET

Groceries	$_____	**Cell Phone**	$_____
Dining Out	$_____	**Credit Cards**	$_____
Gas	$_____	**Loans**	$_____
Entertainment	$_____	**Pet Expenses**	$_____
Car Payment	$_____	**Savings**	$_____
Car Repair	$_____	**Hair/Nails**	$_____
Car Insurance	$_____	**Fees or Dues**	$_____
Gifts	$_____	**Other**	$_____
Rent	$_____		$_____
Renters Insurance	$_____		$_____
Health Insurance	$_____		$_____
Utilities	$_____		$_____
School	$_____		
Clothing	$_____	**Total**	$_____

PROJECT 1 ACTIVITY

30-DAY EXPENSE TRACKING ESSAY

In a one- to two-page reflective essay, typed and double-spaced, answer the following questions. Make sure you proof the essay for grammar and word usage mistakes.

- What challenges did you encounter with the assignment?
- How frequently did you record your transactions?
- Were you surprised by any of your spending habits?
- How would you summarize how you spend your money?
- Will you change your spending behavior? If so, how?

INSTRUCTOR OVERVIEW

Time-related goals can be sorted into three categories:

- **Short-term** – goals that can be achieved in less than one year
- **Intermediate-term** – goals that can be achieved within one to five years
- **Long-term** – goals that will take more than five years to achieve

INSTRUCTIONAL OBJECTIVES

Setting goals helps students visualize the gap between where they are and where they want to be. In this assignment, students will:

- Identify the purpose of financial goals
- Explore the criteria of a well-written goal
- Formulate four financial goals
- Prioritize their goals

CENTRAL QUESTION OR PROBLEM

What do I want to accomplish financially?

ASSIGNMENT RESOURCES

Students should use the worksheet provided to identify their financial goals. They should also use any resource necessary to identify costs, timelines, or steps to achieve the goals identified.

ASSIGNMENT LENGTH

One week

NOTES

- I typically start this assignment the second week of class.
- Try to keep students focused on the financial aspect of their goals. I have students say that their goal is to make better grades. Although that is admirable, it isn't a financial goal.
- If the students have trouble coming up with four goals, encourage them to keep it simple. Saving money for Christmas presents, a new pair of jeans or shoes, a down payment for a car, their first semester of college, or saving money for their first apartment are good examples.
- Most students struggle with putting a dollar value on achieving their goals. This is a wonderful opportunity to discuss saving and budgeting.

- My favorite experience with this project was a dialog with a student about his goal of a spring break trip to Miami. The student's goal was to save $1,000 for one week in South Beach, with flight, cabs, and incidentals. We had a good time talking about how much a flight would be, how far the airport was from where he wanted to stay, and how expensive food was in that area. We turned it into an opportunity to discuss the research that's needed prior to travel. Don't take for granted that the students have done this before. The next week, the student came to class and had revised his goal to include a beach that was closer to home so he could drive with a group of his friends. I don't want to squash students' dreams, but it's important to show them what it will take to get there.
- Prioritizing the goals is an important piece of this project. When students begin their budget, they will need to incorporate how much they will save to meet their financial goals. This can become tricky, and students need to be able to fall back on what they felt was most important when setting and prioritizing their goals.

PROJECT 2 ASSESSMENT

SETTING FINANCIAL GOALS RUBRIC

This project has a total value of 20 points.

The student did not follow directions. (minus 2)	
The student created four financial goals that were thoughtful and well written. (plus 8) The student created four financial goals but they were not thoughtful or well written. (plus 4)	
The student identified how to achieve the goals. (plus 8) The student partially identified how to achieve the goals. (plus 4) The student did not provide information on how to achieve the goals. (no points)	
The student listed goals in order of importance. (plus 4) The student did not list goals in order of importance. (no points)	
The assignment was late. (loss of one point per day)	
Total	

PROJECT 2 OVERVIEW: SETTING FINANCIAL GOALS

WHAT DO I WANT TO ACCOMPLISH FINANCIALLY?

Setting goals helps you visualize the gap between where you are and where you want to be. In this assignment, you will:

- Identify the purpose of financial goals
- Explore the criteria of a well-written goal
- Formulate four financial goals
- Prioritize your goals

Time-related goals can be sorted into three categories:

- **Short-term** – goals that can be achieved in less than one year
- **Intermediate-term** – goals that can be achieved within one to five years
- **Long-term** – goals that will take more than five years to achieve

If you establish unrealistic short-term goals, you face a high likelihood of failure. Instead, set financial targets that are almost too easy to meet.

ASSIGNMENT INSTRUCTIONS

Use Student Handouts 2B – 2E to fine-tune your financial goals. For each goal, you'll follow these steps:

Step 1: What is your goal?

Step 2: What is the target date for reaching your goal?

Step 3: What is the estimated cost?

Step 4: Can you cut back on current spending to put toward your goal?

Step 5: Can you increase income to put money toward your goal?

Step 6: How much money will you need to save monthly?

Once your goals are clearly identified, you'll prioritize them (using Student Handout 2F). Give priority to paying off high-interest debt. Another way to determine the priority of your goals is to create a list of the benefits that will occur when you reach them. Having goals influences your decisions and helps you stay focused on what is most important to you.

PROJECT 2 ACTIVITY

FINANCIAL GOALS WORKSHEET

Fill out steps one through six below for a **short-term financial goal** you have. Use the worksheet on the next page to complete step 3.

Remember that short-term financial goals can be completed in **less than one year**.

Step 1

- What is your goal? _____

_____

Step 2

- What is the target date for reaching your goal? _____

Step 3

- What is the estimated cost? _____

Step 4

- Can you cut back on current spending to put toward your goal? _____

Step 5

- Can you increase income to put money toward your goal? _____

Step 6

- How much money will you need to save monthly? _____

PROJECT 2 ACTIVITY: FINANCIAL GOALS WORKSHEET (CONTINUED)

To estimate the cost associated with reaching your goal, identify how much each component will cost and then the total amount needed (e.g., for a vacation goal, list the cost of travel, room, food, spending money, etc.).

Estimated Expenses	**Cost**
Total amount needed:	

PROJECT 2 ACTIVITY: FINANCIAL GOALS WORKSHEET (CONTINUED)

Fill out steps one through six for an **intermediate-term financial goal** you have. Use the worksheet on the next page to complete step 3.

Remember that intermediate-term financial goals can be completed in **between one and five years**.

Step 1

- What is your goal? _____

_____

Step 2

- What is the target date for reaching your goal? _____

Step 3

- What is the estimated cost? _____

Step 4

- Can you cut back on current spending to put toward your goal? _____

Step 5

- Can you increase income to put money toward your goal? _____

Step 6

- How much money will you need to save monthly? _____

PROJECT 2 ACTIVITY: FINANCIAL GOALS WORKSHEET (CONTINUED)

To estimate the cost associated with reaching your goal, identify how much each component will cost and then the total amount needed (e.g., for a vacation goal, list the cost of travel, room, food, spending money, etc.).

Estimated Expenses	**Cost**
Total amount needed:	

PROJECT 2 ACTIVITY: FINANCIAL GOALS WORKSHEET (CONTINUED)

Fill out steps one through six for a **long-term financial goal** you have. Use the worksheet on the next page to complete the step 3.

Remember that long-term financial goals are projected to be completed in **five years or more**.

Step 1

- What is your goal? _____

_____

Step 2

- What is the target date for reaching your goal? _____

Step 3

- What is the estimated cost? _____

Step 4

- Can you cut back on current spending to put toward your goal? _____

Step 5

- Can you increase income to put money toward your goal? _____

Step 6

- How much money will you need to save monthly? _____

PROJECT 2 ACTIVITY: FINANCIAL GOALS WORKSHEET (CONTINUED)

To estimate the cost associated with reaching your goal, identify how much each component will cost and then the total amount needed (e.g., for a vacation goal, list the cost of travel, room, food, spending money, etc.).

Estimated Expenses	**Cost**
Total amount needed:	

PROJECT 2 ACTIVITY: FINANCIAL GOALS WORKSHEET (CONTINUED)

Fill out steps one through six below for another financial goal you have. Use the worksheet on the next page to complete the step 3.

Step 1

- What is your goal? _____

_____

Step 2

- What is the target date for reaching your goal? _____

Step 3

- What is the estimated cost? _____

Step 4

- Can you cut back on current spending to put toward your goal? _____

Step 5

- Can you increase income to put money toward your goal? _____

Step 6

- How much money will you need to save monthly? _____

PROJECT 2 ACTIVITY: FINANCIAL GOALS WORKSHEET (CONTINUED)

To estimate the cost associated with reaching your goal, identify how much each component will cost and then the total amount needed (e.g., for a vacation goal, list the cost of travel, room, food, spending money, etc.).

Estimated Expenses	**Cost**
Total amount needed:	

PROJECT 2 ACTIVITY

FINANCIAL GOAL PRIORITIES EXERCISE

Think of the four financial goals you identified on the Financial Goals Worksheets (Student Handouts 2B – 2E). Which of these is the greatest priority for you to accomplish? List your four financial goals in order of importance below.

	Amount Needed	Date to Achieve Goal	Months to Save	Start Saving Date	Monthly Amount to Save
Goal 1					
Goal 2					
Goal 3					
Goal 4					

INSTRUCTOR OVERVIEW

Financial statements are compilations of personal financial data that describe an individual's current financial condition. Financial statements present a summary of assets and liabilities, as well as income and spending.

INSTRUCTIONAL OBJECTIVES

A financial statement captures a person's overall wealth at a specific point in time. In this lesson, students will:

- Define terms associated with financial statements
- Incorporate data into financial statements
- Determine if an item is an asset, liability, or both
- Compare and contrast the benefits of financial statements

CENTRAL QUESTION OR PROBLEM

How do I determine my wealth?

ASSIGNMENT RESOURCES

Students may use any resource to complete this project. Resources could include websites to value assets or personal financial statements.

ASSIGNMENT LENGTH

One week

NOTES

- I incorporated the in-class activity (Student Handouts 3B and 3C) because students were having trouble understanding the concepts in the textbook. I have students work in groups of two to three, with each group sharing a worksheet and a set of scenario cards.
- You will need to make a set of scenario cards for each group of students, or you could simply provide a copy of the cards sheet and have students check them off as they work through them. If you decide to make the card sets, print the cash flow and balance sheet cards on different colors of paper. I use green for the cash flow set and orange for the balance sheet set.
- I give students about 15 minutes to work through the activity and then we discuss. The activity allows them to practice the concepts before applying them to their personal balance sheet. Note that Student Handouts 3D and 3E are answer keys for the two in-class activities. You may wish to distribute the answers when the students have completed the in-class activities and are ready to discuss the process.

- Students have struggled with the idea that an item can be both an asset and a liability. For example a car is an asset, but if there is still a loan balance it is also a liability.
- Students are often surprised at how much wealth they have accumulated.

CASH FLOW AND BALANCE SHEET RUBRIC

This project has a total value of 20 points.

The student did not follow directions. (minus 2)	
The student created a cash flow statement that was complete. The cash flow statement provided detail of income and expenses. (plus 10) The student attempted to create a cash flow statement but they were not thorough. (plus 5) The student did not attempt. (0 points)	
The student created a balance sheet that was complete. Detailed information was provided for assets and liabilities. (plus 10) The student attempted to create a balance sheet but they were not thorough. (plus 5) The student did not attempt. (0 points)	
The assignment was late. (loss of one point per day)	
Total	

PROJECT 3 OVERVIEW: CASH FLOW AND BALANCE SHEETS

HOW DO I DETERMINE MY WEALTH?

Financial statements capture your overall wealth at a specific point in time. In this lesson, you will:

- Define terms associated with financial statements
- Incorporate data into financial statements
- Determine if an item is an asset, liability, or both
- Organize personal financial data into a spreadsheet to determine net worth

Financial statements are compilations of personal financial data that describe an individual's current financial condition. They present a summary of assets and liabilities, as well as income and spending.

ASSIGNMENT INSTRUCTIONS

After completing the in-class activities (Student Handouts 3B and 3C), use the answer keys to check your work (Student Handouts 3D and 3E). Once you are comfortable with how to categorize assets, liabilities, income, and expenses, you will use the templates provided (Student Handouts 3F and 3G) to create your own financial statement.

Points to remember:

- A cash flow statement shows how much money has come in as income, and how much money has left in expenses. By subtracting your expenses from your income, you can tell if you have a surplus or a deficit in income.
- Fixed expenses recur at specific intervals. Rent and car payments are examples of fixed expenses. Variable expenses change over time. Examples of variable expenses are food and utilities.
- Once you have completed entering your income and expenses, you will need to determine if you have a monthly surplus (income exceeds expenses) or a deficit (expenses exceed income).
- Having a budget and using a cash flow statement can help you anticipate shortages and surpluses. For example, in December your outflow will be greater than normal because you would like to purchase Christmas gifts. However, in the summer months your cash inflow may be higher because of a summer job. By using a cash flow statement, you can more easily identify the flow of income and expenses.
- A balance sheet is a snapshot of what is happening in your financial life. It covers your overall wealth at a specific point in time. An asset is everything you own that has monetary value. Assets can be classified as monetary (cash or near cash), tangible (personal property) or investment assets (stocks and bonds).

PROJECT 3 OVERVIEW (CONTINUED)

- Liabilities are what you owe. Liabilities can be classified into short-term (debt repaid within one year) or long-term (longer than one year).
- Remember that an asset can also be a liability. For example, a car with a value of $5,000 would be listed in the asset column. If there were an outstanding loan balance of $2,500, it would be reflected in the long-term liability column.
- Once you have listed the value of your assets and balances of your liabilities, you will determine your net worth. Assets – Liabilities = Net Worth
- By completing a balance sheet, you can easily identify strategies to increase net worth. You should update your balance sheet at least once a year.

PROJECT 3 ACTIVITY

MONTHLY CASH FLOW EXERCISE

Use the following scenario cards to fill out the Monthly Cash Flow Statement worksheet.

You pay a $150 car payment.	You receive your monthly gross salary of $2,000.	You pay rent of $450 per month.	You pay your medical insurance of $75 a month.
You pay your renter's insurance of $20.	You pay your car insurance of $50.	You pay for monthly groceries $200.	Your monthly utilities are due. You owe $125.
Your monthly bill for gasoline comes in and you must pay $75.	It's your mother's birthday. You purchase a $50 present.	Taxes come out of your paycheck. Federal Tax $150 State Tax $50 Social Security $150	You go to a movie with a friend that costs $10.
You put $100 into savings for a vacation at the beach.	You hit a pothole and have a flat tire. You must pay $75 for a new one.	You go out to dinner with friends. Your bill is $25.	You find the perfect outfit for your date this weekend. You pay $100 for the outfit.

PROJECT 3 ACTIVITY: MONTHLY CASH FLOW EXERCISE

MONTHLY CASH FLOW STATEMENT WORKSHEET

Complete this worksheet with the information from the green scenario cards.

Income	
Gross salary	
Total Income	
Expenditures	
Fixed Expenses	
Rent	
Renter's insurance	
Automobile loan payment	
Automobile insurance	
Medical insurance	
Revolving savings fund	
Federal income tax	
State income tax	
Social Security tax	
Total Fixed Expenses	
Variable Expenses	
Food	
Utilities	
Gasoline and maintenance	
Clothing and personal upkeep	
Gifts	
Miscellaneous	
Total Variable Expenses	
Total Expenses	
SURPLUS (DEFICIT)	

PROJECT 3 ACTIVITY

BALANCE SHEET EXERCISE

Use the following scenario cards to fill out the Balance Sheet worksheet.

You have $1250 in your checking account.	You have $1750 in your revolving savings account.	You purchased a computer last summer and it is valued at $500.	You received a graduation gift of a watch and it is valued at $300.
You purchased new furniture for your apartment. It is valued at $1,000, but you still owe $400.	Your car is valued at $5,000, but you still owe $1,500.	You owe $300 on a credit card.	You have put $1,000 into a Roth IRA.
You participate in your employer's 401k program. You have saved $5,000.	You need a root canal procedure at your dentist office. You owe $400.	You just cashed your income tax refund of $1,000.	You purchased a flat-screen TV that is valued at $500.
You have $75 in cash.	You have a student loan balance of $20,000.	You purchase a condo for $60,000 and you owe $45,000.	You and your best friend move into your new condo. They pay you $450 a month in rent.

PROJECT 3 ACTIVITY: BALANCE SHEET EXERCISE

BALANCE SHEET WORKSHEET

Complete the balance sheet worksheet with the information from the orange scenario cards.

Assets	**$**	**Liabilities**	**$**
Monetary Assets		**Short-term Liabilities**	
Savings account		Credit card	
Checking account		Medical debt	
Cash			
Other			
Total Monetary Assets		**Total Short-term Liabilities**	
Tangible Assets		**Long-term Liabilities**	
Computer		Automobile loan	
Jewelry		Home mortgage	
Furniture		Furniture loan	
Automobile		Student loan	
Television			
Home			
Total Tangible Assets		**Total Long-term Liabilities**	
Investment Assets			
Roth IRA			
401K Retirement Account			
Total Investment Assets			
Total Assets		**Total Liabilities**	
Assets			
Liabilities			
Net Worth			

PROJECT 3 ACTIVITY

CASH FLOW STATEMENT ANSWER KEY

This chart shows the answers for the worksheet associated with the green cards.

Income	
Gross salary	$2,000
Total Income	$2,000
Expenditures	
Fixed Expenses	
Rent	$450
Renter's insurance	$20
Automobile loan payment	$150
Automobile insurance	$50
Medical insurance	$75
Revolving savings fund	$100
Federal income tax	$150
State income tax	$50
Social Security tax	$150
Total Fixed Expenses	$1,195
Variable Expenses	
Food	$200 + $25 = $225
Utilities	$125
Gasoline and maintenance	$75 + $75 = $150
Clothing and personal upkeep	$100
Gifts	$50
Miscellaneous	$10
Total Variable Expenses	$660
Total Expenses	$1,855
SURPLUS (DEFICIT)	$145

PROJECT 3 ACTIVITY

BALANCE SHEET WORKSHEET ANSWER KEY

This chart shows the answers for the worksheet associated with the orange cards.

Assets	**$**	**Liabilities**	**$**
Monetary Assets		**Short-term Liabilities**	
Savings account	$1,750	Credit card	$300
Checking account	$1,250	Medical debt	$400
Cash	$1,000 + $75 = $1,075		
Other	$450		
Total Monetary Assets	$4,525	**Total Short-term Liabilities**	$700
Tangible Assets		**Long-term Liabilities**	
Computer	$500	Automobile loan	$1,500
Jewelry	$300	Home mortgage	$45,000
Furniture	$1,000	Furniture loan	$400
Automobile	$5,000	Student loan	$20,000
Television	$500		
Home	$60,000		
Total Tangible Assets	$67,300	**Total Long-term Liabilities**	$66,900
Investment Assets	$1,000		
Roth IRA	$5,000		
401K Retirement Account			
	$6,000		
Total Investment Assets	$1,000		
Total Assets	$77,825	**Total Liabilities**	$67,600
Assets	$77,825		
Liabilities	$67,600		
Net Worth	$10,225		

PROJECT 3 ACTIVITY

MY CASH FLOW STATEMENT

Income		**Expenses**			
	$	Fixed Expenses	$	Variable Expenses	$
Wages #1 (gross)		Rent/Mortgage		Food (home)	
Wages #2 (gross)		Home Insurance		Food (meals away)	
Interest Income		Real Estate Taxes		Food (for entertainment)	
Dividend Income		Vehicle Loan #1		Entertainment	
Sales Commissions		Vehicle Loan #2		Electricity	
Bonuses		Automobile Insurance		Natural Gas	
Tips		Life Insurance		Water/Sewer	
Gifts		Medical Insurance		Garbage Collection	
Tax Refunds		Retirement Fund #1		Cable TV	
Other		Retirement Fund #2		Telephone	
Other		Student Loan Payments		Cell Phone	
Total Income		Federal Income Tax		Medical	
		State Income Taxes		Clothing	
		City Income Taxes		Gifts	
		Social Security Taxes		Personal Care	
		Personal Property Taxes		Personal Allowances	
		Savings #1		Gasoline	
		Savings #2		Vehicle Maintenance	
		Savings #3		Education Expenses	
		Other		Charitable Contributions	
		Other		Other	
		Other		Other	
		Total Fixed Expenses		Other	
				Other	
				Miscellaneous	
				Total Variable Expenses	
				TOTAL EXPENSES	
				SURPLUS (DEFICIT)	

PROJECT 3 ACTIVITY

MY BALANCE SHEET

Assets	$	**Liabilities**	$
Monetary Assets		**Short Term Liabilities**	
Cash		Credit Card #1	
Checking Account #1		Credit Card #2	
Checking Account #2		Credit Card #3	
Savings Account #1		Credit Card #4	
Savings Account #2		Medical Debts	
Savings Account #3		Past Due Utilities	
Cert. Of Deposit #1		Past Due Rent	
Cert. Of Deposit #2		Personal Loans	
Money Market Acc't		Other	
Other		Other	
Other		Other	
Total Monetary Assets		**Total Short Term Liabilities**	
Tangible Assets		**Long-term Liabilities**	
Vehicle #1		Vehicle Loan #1	
Vehicle #2		Vehicle Loan #2	
Home #1		Home Mortgage #1	
Home #2		Home Mortgage #2	
Clothing		Student Loan(s)	
Furniture		Furniture Loans	
Entertainment Electronics		Computer Loans	
Home Appliances & Equip.		Home Appliance Loans	
Computer Equipment		Personal Loans	
Computer Software		Other	
Jewelry		Other	
Recreation Items		**Total Long-term Liabilities**	
Personal Property		**TOTAL LIABILITIES**	
Other Tangible Assets			
Total Tangible Assets			

PROJECT 3 ACTIVITY: MY BALANCE SHEET (CONTINUED)

Investment Assets			
Stocks			
Bonds			
Mutual Fund #1			
Mutual Fund #2			
Employer Retirement Account(s)			
IRA Accounts			
Life Ins. Cash Value(s)			
Real Estate Investments			
Collectibles			
Other Investment Assets			
Total Investment Assets			
TOTAL ASSETS		**NET WORTH**	

INSTRUCTOR OVERVIEW

We spend a large part of our work year earning money to pay taxes. We are taxed when we work and often taxed when we make purchases. Besides federal income taxes, we have state taxes, personal property taxes, sales taxes, capital gains taxes, and more.

INSTRUCTIONAL OBJECTIVES

In this lesson, students will:

- Define taxes as compulsory charges imposed by government on its citizens and their property to pay for expenses
- Identify the most common IRS forms (W2 and 1099)
- Complete a Federal 1040EZ and/or 1040A form
- Explain the nature of progressive income taxes and determine marginal tax rate
- Identify appropriate strategies to avoid overpayment of income taxes

CENTRAL QUESTION OR PROBLEM

What can I do to avoid overpayment of income taxes?

ASSIGNMENT RESOURCES

Students will need to use the handouts provided for the in-class activity. They may use all resources at their disposal to complete the take-home assignment.

ASSIGNMENT LENGTH

One week

NOTES

- Students are typically intimidated by the thought of doing their own taxes. Many would prefer to pay a service to complete a 1040EZ. Others have friends or family members complete the forms. This activity is designed to build the students' confidence to complete tax forms themselves.
- We spend time in class discussing tax credits that are available for students. I also discuss tax-deferred savings and investing and how being strategic in contributions to 401k or IRAs can help you keep more of your money.
    - For more information on tax credits for students, I have found this link helpful: www.irs.gov/uac/Tax-Benefits-for-Education:-Information-Center.

- For information on tax deductions, I have found this information helpful: www.mint.com/blog/investing/7-tips-to-maximizing-the-tax-benefits-of-your-401ks-and-iras

- Students receive Student Handouts 4A and 4B, and we walk through each step. We discuss vocabulary and content found in the personal information, income, payments, credit, and taxes, and refund boxes. Students use math skills to complete the form. They will also need to review the W2 and 1099-INT forms for answers to the questions.

- One of the problems I had in pulling together this project was finding documents that were current. As I explain to the students, tax law changes every year. Most websites are not using current-year data. I found the IRS Understanding Taxes website (http://apps.irs.gov/app/understandingTaxes/index.jsp) to be one of the best resources for W2s and 1099-INT documents. I also use the IRS website for forms and publications (http://www.irs.gov/Forms-&-Pubs) for up-to-date 1040EZ and 1040A forms.

- I know that there are websites that do much of the calculating automatically, but I have my students do it the old-fashioned way. They must use the tax tables in the back of the handout packet to determine their refunds. I feel that it's important for students to have experience working with the tables, and we don't always have access to our computer lab. I let them use any format (online or electronic) when they complete their project-based piece.

- If I teach this class during the spring semester, I typically give the students a choice to either complete their personal income tax form or use the 1040A scenario. If this class is taught in the fall, I will have all of the students complete the 1040A assignment. The object is to make them feel comfortable enough with the process that they don't pay someone to complete their tax return for them.

INCOME TAXES RUBRIC

This project has a total value of 20 points.

The student did not follow directions. (minus 2)	
The student completed the tax form. (plus 10) The student attempted to complete the form but they were not thorough. (plus 5) The student did not attempt. (0 points)	
The essay was well written. The essay displays clear facility in the use of grammar, mechanics, usage and spelling. The essay is generally free from errors. (plus 6) The essay contained a few mistakes. The essay displays facility in the use of grammar, mechanics, usage, and spelling, though it may contain errors. However, these errors do not overly detract from the overall success of the message. (plus 4) The essay contained many mistakes. The essay displays serious deficiencies in the use of grammar, mechanics, usage, and spelling. The essay contains an accumulation of serious errors in any and/or all these areas. (plus 2)	
The essay answered all questions thoughtfully. The essay contains details that support the author's responses. (plus 4) The essay answered most questions but lacked detail. (plus 3) The essay was vague and lacked detail. (plus 1)	
Total	

Department of the Treasury—Internal Revenue Service

Form **1040EZ** **Income Tax Return for Single and Joint Filers With No Dependents** (99) **2012**

OMB No. 1545-0074

Your first name and initial: Tasha R.	Last name: Miller	Your social security number: 222 00 2222
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions.: 285 Linden Avenue	Apt. no.	▲ Make sure the SSN(s) above are correct.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).: Anywhere, AL 00100		Presidential Election Campaign: Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse
Foreign country name	Foreign province/state/county	Foreign postal code

Income

Attach Form(s) W-2 here.

Enclose, but do not attach, any payment.

1	Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2.	1	36,206.00
2	Taxable interest. If the total is over $1,500, you cannot use Form 1040EZ.	2	43.00
3	Unemployment compensation and Alaska Permanent Fund dividends (see instructions).	3	Ø
4	Add lines 1, 2, and 3. This is your **adjusted gross income.**	4	36,249.00
5	If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back. ☒ You ☐ Spouse. If no one can claim you (or your spouse if a joint return), enter $9,750 if **single;** $19,500 if **married filing jointly.** See back for explanation.	5	9,750.00
6	Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your **taxable income.** ▶	6	26,499.00

Payments, Credits, and Tax

7	Federal income tax withheld from Form(s) W-2 and 1099.	7	4,452.00
8a	**Earned income credit (EIC)** (see instructions).	8a	
b	Nontaxable combat pay election. 8b		
9	Add lines 7 and 8a. These are your **total payments and credits.** ▶	9	4,452.00
10	**Tax.** Use the amount on **line 6 above** to find your tax in the tax table in the instructions. Then, enter the tax from the table on this line.	10	3536.00

Refund

Have it directly deposited! See instructions and fill in 11b, 11c, and 11d or Form 8888.

11a	If line 9 is larger than line 10, subtract line 10 from line 9. This is your **refund.** If Form 8888 is attached, check here ▶ ☐	11a	916.00
▶ b	Routing number 123456780 ▶ c Type: ☒ Checking ☐ Savings		
▶ d	Account number 1100012345 6		

Amount You Owe

12	If line 10 is larger than line 9, subtract line 9 from line 10. This is the **amount you owe.** For details on how to pay, see instructions. ▶	12	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ **Yes.** Complete below. ☐ **No**

Designee's name ▶ Phone no. ▶ Personal identification number (PIN) ▶

Sign Here

Under penalties of perjury, I declare that I have examined this return and, to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Joint return? See instructions.

Keep a copy for your records.

Your signature: Tasha R. Miller	Date: 4/1/2012	Your occupation: Clerical	Daytime phone number: 123-456-7891
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶		Firm's EIN ▶		
Firm's address ▶		Phone no.		

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions. Cat. No. 11329W Form **1040EZ** (2012)

Form **1040A** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** (99) **2011** IRS Use Only—Do not write or staple in this space.

OMB No. 1545-0074

Your first name and initial	Last name	Your social security number
MONICA L.	LINDO	222 00 5463
If a joint return, spouse's first name and initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. **21 PECAN GROVE** Apt. no.

▲ Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **ANYTOWN, US 10103**

Foreign country name | Foreign province/county | Foreign postal code

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

Draft as of 06/30/2014

Filing status

Check only one box.

1 ☑ Single
2 ☐ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶
4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child (see instructions)

Exemptions

6a ☐ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a.
b ☐ **Spouse**

Boxes checked on 6a and 6b: 0

c **Dependents:**

If more than six dependents, see instructions.

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if child under age 17 qualifying for child tax credit (see instructions)
			☐
			☐
			☐
			☐
			☐
			☐

No. of children on 6c who:
- lived with you
- did not live with you due to divorce or separation (see instructions)

Dependents on 6c not entered above

d Total number of exemptions claimed. Add numbers on lines above ▶ 0

Income

Attach Form(s) W-2 here. Also attach Form(s) 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use **Form 1040-V.**

7	Wages, salaries, tips, etc. Attach Form(s) W-2.		7	4,821 00
8a	**Taxable** interest. Attach Schedule B if required.		8a	
b	**Tax-exempt** interest. **Do not** include on line 8a.	8b		
9a	Ordinary dividends. Attach Schedule B if required.		9a	
b	Qualified dividends (see instructions).	9b		
10	Capital gain distributions (see instructions).		10	
11a	IRA distributions.	11a	11b Taxable amount (see instructions). 11b	
12a	Pensions and annuities.	12a	12b Taxable amount (see instructions). 12b	
13	Unemployment compensation and Alaska Permanent Fund dividends.		13	
14a	Social security benefits.	14a	14b Taxable amount (see instructions). 14b	
15	Add lines 7 through 14b (far right column). This is your **total income.** ▶		15	4,821 00

Adjusted gross income

16	Educator expenses (see instructions).	16		
17	IRA deduction (see instructions).	17		
18	Student loan interest deduction (see instructions).	18		
19	Tuition and fees. Attach Form 8917.	19		
20	Add lines 16 through 19. These are your **total adjustments.**		20	
21	Subtract line 20 from line 15. This is your **adjusted gross income.** ▶		21	4,821 00

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11327A Form **1040A** (2011)

Tax, credits, and payments

22	Enter the amount from line 21 (adjusted gross income).	22	4,821	00
23a	Check if: ☐ **You** were born before January 2, 1947, ☐ Blind ☐ **Spouse** was born before January 2, 1947, ☐ Blind } **Total boxes checked** ▶ 23a ☐			
b	If you are married filing separately and your spouse itemizes deductions, check here ▶ 23b ☐			
24	Enter your **standard deduction.**	24	5,800	00
25	Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-.	25	0	00
26	**Exemptions.** Multiply $3,700 by the number on line 6d.	26	0	00
27	Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your **taxable income.** ▶	27	0	00
28	**Tax,** including any alternative minimum tax (see instructions).	28	0	00
29	Credit for child and dependent care expenses. Attach Form 2441. 29			
30	Credit for the elderly or the disabled. Attach Schedule R. 30			
31	Education credits from Form 8863, line 23. 31			
32	Retirement savings contributions credit. Attach Form 8880. 32			
33	Child tax credit (see instructions). 33			
34	Add lines 29 through 33. These are your **total credits.**	34	0	00
35	Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-. This is your **total tax.**	35	0	00
36	Federal income tax withheld from Forms W-2 and 1099. 36	47	00	
37	2011 estimated tax payments and amount applied from 2010 return. 37			
38a	**Earned income credit (EIC).** 38a			
b	Nontaxable combat pay election. 38b			
39	Additional child tax credit. Attach Form 8812. 39			
40	American opportunity credit from Form 8863, line 14. 40			
41	Add lines 36, 37, 38a, 39, and 40. These are your **total payments.** ▶	41	47	00

Standard Deduction for—
- People who check any box on line 23a or 23b **or** who can be claimed as a dependent, see instructions.
- All others:

Single or Married filing separately, $5,800

Married filing jointly or Qualifying widow(er), $11,600

Head of household, $8,500

If you have a qualifying child, attach Schedule EIC.

Refund

Direct deposit? See instructions and fill in 43b, 43c, and 43d or Form 8888.

42	If line 41 is more than line 35, subtract line 35 from line 41. This is the amount you **overpaid.**	42	47	00
43a	Amount of line 42 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐	43a	47	00
▶ b	Routing number ☐☐☐☐☐☐☐☐☐ ▶ c Type: ☐ Checking ☐ Savings			
▶ d	Account number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐			
44	Amount of line 42 you want **applied to your 2012 estimated tax.** 44			

Amount you owe

45	**Amount you owe.** Subtract line 41 from line 35. For details on how to pay, see instructions. ▶	45		
46	Estimated tax penalty (see instructions). 46			

Third party designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ **Yes.** Complete the following. ☐ **No**

Designee's name ▶ Phone no. ▶ Personal identification number (PIN) ▶ ☐☐☐☐☐

Sign here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Joint return? See page 13. Keep a copy for your records.

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	

Paid preparer use only

Print/type preparer's name	Preparer's signature	Date	Check ▶ ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

PROJECT 4 OVERVIEW: INCOME TAXES

WHAT CAN I DO TO AVOID OVERPAYMENT OF INCOME TAXES?

We spend a large part of our work year earning money to pay taxes. We are taxed when we work and often taxed when we make a purchase. Besides federal income taxes, we have state taxes, personal property taxes, sales taxes, capital gains taxes, and more. In this lesson, you will:

- Define taxes as compulsory charges imposed by government on its citizens and their property to pay for expenses
- Identify the most common IRS forms (W2 and 1099)
- Complete a Federal 1040EZ and/or 1040A form
- Explain the nature of progressive income taxes and determine marginal tax rate
- Identify appropriate strategies to avoid overpayment of income taxes

ASSIGNMENT INSTRUCTIONS

For our classroom assignment, you will complete a Federal 1040EZ tax form. The 1040EZ is for people with no dependents and do not itemize deductions. It is considered one of the simplest tax forms to complete.

Use the information below to complete the boxes in the blank 1040EZ (Student Handout 4B).

1. Your name is Tasha R. Miller and you live at 285 Linden Avenue, Anywhere, Alabama, 00100. You social security number is 222-00-2222.
2. You choose to decline the Presidential Election Campaign box.
3. You are out of college and have been working at the Job Center. Use your W2 handout to complete line 1 of the 1040EZ form. A W2 is a wage and tax statement sent to you by your employer. It provides documentation of income earned and taxes paid for the tax year.
4. Use your 1099-INT form to complete line 2. The 1099-INT form is documentation of how much interest you earned on a specific account.
5. You did not have unemployment compensation because you were employed full time last year. Put a zero in line 3.
6. Figure your adjusted gross income (the total from lines 1 – 3) and write it on line 4.

PROJECT 4 OVERVIEW (CONTINUED)

A **dependent** is a relative or household member for whom an exemption may be claimed. Exemptions may be claimed for the taxpayer and qualifying dependents, such as a spouse, children, parents, and other dependents earning less than a specific income and from whom the taxpayer provides more than half of their financial support. For example, a husband and wife with two young children would have four exemptions.

7. You are single and no one else can claim you as a dependent.
8. Subtract line 5 from line 4 to find your taxable income. Taxable income is the income upon which income taxes are levied. You are not taxed on 100% of your earning.
9. Use your W2 form to determine how much you paid in Federal income tax. This can be found in box 2.
10. To qualify for the Earned Income Credit, you have to earn less than $13,980. You do not qualify. Write a zero on line 8a. You did not serve in the military and have no combat pay. Put a zero in line 8b.
11. Add lines 7 and 8 together and place total in line 9.
12. Using the total from line 6, use the tax table attached to find out how much Federal tax you owe for this year. Write the dollar amount on line 10.
13. Subtract line 10 from line 9. Do you receive a refund or do you have to pay?
14. Use the information below for 11b, 11c, and 11d.

15. You can leave line 12 blank.
16. You do not want to allow a third party to discuss the return.
17. Sign, date, indicate your occupation, and list your phone number. You do not have a spouse.

PROJECT 4 OVERVIEW (CONTINUED)

18. You did not pay someone to prepare the return so leave the last boxes empty.

19. Congratulations! You have completed your taxes.

According to the table below, what was Tasha's marginal tax rate? _____

Schedule X—If your filing status is Single

If your taxable income is: *Over—*	*But not over—*	The tax is:	*of the amount over—*
$0	$8,500	..... 10%	$0
8,500	34,500	$850.00 + 15%	8,500
34,500	83,600	4,750.00 + 25%	34,500
83,600	174,400	17,025.00 + 28%	83,600
174,400	379,150	42,449.00 + 33%	174,400
379,150	.....	110,016.50 + 35%	379,150

Your average tax rate is the proportion of total taxable income earned into your tax liability. (Taxable income can be found on line 6 and your tax liability can be found on line 10.)

What was Tasha's average tax rate? _____

Department of the Treasury—Internal Revenue Service

Form **1040EZ**

Income Tax Return for Single and Joint Filers With No Dependents (99) 2012

OMB No. 1545-0074

Your first name and initial	Last name	**Your social security number**
If a joint return, spouse's first name and initial	Last name	**Spouse's social security number**
Home address (number and street). If you have a P.O. box, see instructions.	Apt. no.	▲ Make sure the SSN(s) above are correct.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).		**Presidential Election Campaign** Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse
Foreign country name	Foreign province/state/county / Foreign postal code	

Income

Attach Form(s) W-2 here.

Enclose, but do not attach, any payment.

1	Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2.	1	
2	Taxable interest. If the total is over $1,500, you cannot use Form 1040EZ.	2	
3	Unemployment compensation and Alaska Permanent Fund dividends (see instructions).	3	
4	Add lines 1, 2, and 3. This is your **adjusted gross income.**	4	
5	If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back. ☐ **You** ☐ **Spouse** If no one can claim you (or your spouse if a joint return), enter $9,750 if **single;** $19,500 if **married filing jointly.** See back for explanation.	5	
6	Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your **taxable income.** ▶	6	

Payments, Credits, and Tax

7	Federal income tax withheld from Form(s) W-2 and 1099.	7	
8a	**Earned income credit (EIC)** (see instructions).	8a	
b	Nontaxable combat pay election. 8b		
9	Add lines 7 and 8a. These are your **total payments and credits.** ▶	9	
10	**Tax.** Use the amount on **line 6 above** to find your tax in the tax table in the instructions. Then, enter the tax from the table on this line.	10	

Refund

Have it directly deposited! See instructions and fill in 11b, 11c, and 11d or Form 8888.

11a	If line 9 is larger than line 10, subtract line 10 from line 9. This is your **refund.** If Form 8888 is attached, check here ▶ ☐	11a	
▶ b	Routing number ▶ c Type: ☐ Checking ☐ Savings		
▶ d	Account number		

Amount You Owe

12	If line 10 is larger than line 9, subtract line 9 from line 10. This is the **amount you owe.** For details on how to pay, see instructions. ▶	12	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ **Yes.** Complete below. ☐ **No**

Designee's name ▶ Phone no. ▶ Personal identification number (PIN) ▶

Sign Here

Under penalties of perjury, I declare that I have examined this return and, to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Joint return? See instructions.

Keep a copy for your records.

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶		Firm's EIN ▶		
Firm's address ▶		Phone no.		

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions. Cat. No. 11329W Form **1040EZ** (2012)

Student Handout 4B

	a Employee's social security number 222-00-2222	OMB No. 1545-0008	Safe, accurate, FAST! Use IRS e-file Visit the IRS website at www.irs.gov/efile
b Employer identification number (EIN) 10-000003		1 Wages, tips, other compensation $36,206.00	2 Federal income tax withheld $4,452.00
c Employer's name, address, and ZIP code JOB CENTER 30 ASH GROVE ANYTOWN, US 00100		3 Social security wages $36,206.00	4 Social security tax withheld $1,520.65
		5 Medicare wages and tips $36,206.00	6 Medicare tax withheld $521.36
		7 Social security tips	8 Allocated tips
d Control number		9	10 Dependent care benefits
e Employee's first name and initial Last name Suff. TASHA R. MILLER 285 LINDEN AVENUE ANYTOWN, US 00100		11 Nonqualified plans	12a See instructions for box 12 Code
		13 Statutory employee ☐ Retirement plan ☐ Third-party sick pay ☐	12b Code
		14 Other	12c Code
			12d Code
f Employee's address and ZIP code			

15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
US	20-0000000	$36,206.00	$2,480.12			

Form **W-2** **Wage and Tax Statement** 2011 Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

Student Handout 4B

☐ CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112	
FIRST FEDERAL BANK OF ANYTOWN **960 HIGH STREET** **ANYTOWN, US 00100**		1 Interest income $ **43.00**	2011	**Interest Income**
		2 Early withdrawal penalty $	Form **1099-INT**	
PAYER'S federal identification number **10-0000002**	RECIPIENT'S identification number **222-00-2222**	3 Interest on U.S. Savings Bonds and Treas. obligations $		**Copy B** **For Recipient** This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name **TASHA MILLER**		4 Federal income tax withheld $	5 Investment expenses $	
Street address (including apt. no.) **285 LINDEN AVENUE**		6 Foreign tax paid $	7 Foreign country or U.S. possession	
City, state, and ZIP code **ANYTOWN, US 00100**		8 Tax-exempt interest $	9 Specified private activity bond interest $	
Account number (see instructions)		10 Tax-exempt bond CUSIP no. (see instructions)		

Form **1099-INT** (keep for your records) Department of the Treasury - Internal Revenue Service

Worksheet To See if Any of Your Social Security Benefits Are Taxable

Keep for Your Records

Before you begin: √ If you are filing a joint return, be sure to include any amounts your spouse received when entering amounts on lines 1, 3, and 4 below.

1. Enter the amount from **box 5** of **all** your **Forms SSA-1099** and **Forms RRB-1099** . . . . . 1. _____
2. Is the amount on line 1 more than zero?

   ☐ **No.** STOP None of your social security benefits are taxable.

   ☐ **Yes.** Enter one-half of line 1 . . . . . 2. _____
3. Enter your total wages, salaries, tips, etc., from Form(s) W-2. Also, include any taxable unemployment compensation and Alaska Permanent Fund dividends you received (see the instructions for Form 1040EZ, line 3, earlier) . . . . . 3. _____
4. Enter your total interest income, including any tax-exempt interest . . . . . 4. _____
5. Add lines 2, 3, and 4 . . . . . 5. _____
6. If you are:
   - Single, enter $25,000
   - Married filing jointly, enter $32,000

   } . . . . . 6. _____
7. Is the amount on line 6 less than the amount on line 5?

   ☐ **No.** None of your social security or railroad retirement benefits are taxable this year. You can use Form 1040EZ. **Do not** list your benefits as income.

   ☐ **Yes.** STOP Some of your benefits are taxable this year. You **must** use Form 1040A or 1040.

8 Lines 8a and 8b, Earned Income Credit (EIC)

What Is the EIC?

The EIC is a credit for certain people who work. The credit may give you a refund even if you do not owe any tax.

Note. If you have a qualifying child (defined in Step 1, later), you may be able to take the credit, but you must use Schedule EIC and Form 1040A or 1040 to do so. For details, see Pub. 596.

To Take the EIC:

- Follow Steps 1 through 3 next.
- Complete the *Earned Income Credit (EIC) Worksheet*, later, or let the IRS figure the credit for you.

TIP *For help in determining if you are eligible for the EIC, go to www.irs.gov/eitc and use the "EITC Assistant." This service is available in English and Spanish.*

CAUTION *If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. See* Form 8862, who must file *under* Definitions and Special Rules, *later. You also may have to pay penalties.*

Step 1 All Filers

1. Is the amount on Form 1040EZ, line 4, less than $13,980 ($19,190 if married filing jointly)?

   ☐ **Yes.** Go to question 2. ☐ **No.** STOP You cannot take the credit.

Payments, Credits, and Tax	7	Federal income tax withheld from Form(s) W-2 and 109	7	7
	8a	**Earned income credit (EIC)** (see instructions).	8	8a
	b	Nontaxable combat pay election.	8b	
	9	Add lines 7 and 8a. These are your **total payments and credits.**	9	9 ▶
	10	**Tax.** Use the amount on **line 6 above** to find your tax in the tax table in the instructions. Then, enter the tax from the table on this line.	10	10

2. Do you, and your spouse if filing a joint return, have a social security number that allows you to work or is valid for EIC purposes (explained later in *Social security number (SSN)* under *Definitions and Special Rules*)?

   ☐ **Yes.** Go to question 3. ☐ **No.** STOP You cannot take the credit. Enter "No" in the space to the left of line 8a.

3. Were you, or your spouse if filing a joint return, at least age 25 but under age 65 at the end of 2012? (Check "Yes" if you, or your spouse if filing a joint return, were born after December 31, 1947, and before January 2, 1988). If your spouse died in 2012, see Pub. 596 before you answer.

   ☐ **Yes.** Go to question 4. ☐ **No.** STOP You cannot take the credit.

4. Was your main home, and your spouse's if filing a joint return, in the United States for more than half of 2012? Members of the military stationed outside the United States, see *Members of the military* under *Definitions and Special Rules*, later, before you answer.

   ☐ **Yes.** Go to question 5. ☐ **No.** STOP You cannot take the credit. Enter "No" in the space to the left of line 8a.

5. Are you filing a joint return for 2012?

   ☐ **Yes.** Skip questions 6 and 7; go to Step 2. ☐ **No.** Go to question 6.

6. Look at the qualifying child conditions next. Could you be a qualifying child of another person in 2012? (Check "No" if the other person is not required to file, and is not filing, a 2012 return or is filing a 2012 return only as a claim for refund (defined under *Definitions and Special Rules*, later.))

   ☐ **Yes.** STOP You cannot take the credit. Enter "No" in the space to the left of line 8a. ☐ **No.** Go to question 7.

A **qualifying child** for the EIC is a child who is your...

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, half brother, half sister, or a descendant of any of them (for example, your grandchild, niece, or nephew).

AND

was...

Under age 19 at the end of 2012 and younger than you (or your spouse if filing jointly)

or

Under age 24 at the end of 2012, a student (defined later), and younger than you (or your spouse if filing jointly)

or

Any age and permanently and totally disabled (defined later)

AND

Who is not filing a joint return for 2012 or is filing a joint return for 2012 only as a claim for refund (defined later)

AND

Who lived with you in the United States for more than half of 2012. If the child did not live with you for the required time, see *Exception to time lived with you* under *Definitions and Special Rules*, later.

CAUTION *Special rules apply if the child was married or also meets the conditions to be a qualifying child of another person (other than your spouse if filing a joint return). For details, use TeleTax topic 601 or see Pub. 596.*

7. Can you be claimed as a dependent on someone else's 2012 tax return?

   ☐ **Yes.** STOP You cannot take the credit. ☐ **No.** Go to Step 2.

Step 2 Earned Income

1. Figure earned income:

Form 1040EZ, line 1 _____

a. **Subtract**, if included in line 1, any:

- Taxable scholarship or fellowship grant not reported on a Form W-2.
- Amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (enter "DFC" and the amount subtracted in the space to the left of line 1 on Form 1040EZ). This amount may be shown on your Form W-2 in box 11. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity.
- Amount received for work performed while an inmate in a penal institution (enter "PRI" in the space to the left of line 1 on Form 1040EZ).

– _____

b. **Add** all of your nontaxable combat pay if you elect to include it in earned income. Also enter this amount on Form 1040EZ, line 8b. See *Combat pay, nontaxable* under *Definitions and Special Rules,* later, and the Caution below.

+ _____

CAUTION *Electing to include nontaxable combat pay may increase or decrease your EIC. Figure the credit with and without your nontaxable combat pay before making the election.*

Earned Income = [ ]

2. Is your earned income less than $13,980 ($19,190 if married filing jointly)?

☐ **Yes.** Go to Step 3. ☐ **No.** STOP You cannot take the credit.

Step 3 How To Figure the Credit

1. Do you want the IRS to figure the credit for you?

☐ **Yes.** See *Credit figured by the IRS* under *Definitions and Special Rules,* later.

☐ **No.** Go to the *Earned Income Credit (EIC) Worksheet*.

2012 Tax Table

Example. Mr. Brown is single. His **taxable income** on line 6 of Form 1040EZ is $26,250. He follows two easy steps to figure his tax: **1.** He finds the $26,250-26,300 taxable income line. **2.** He finds the Single filing status column and reads down the column. The **tax** amount shown where the taxable income line and the filing status line meet is $3,506. He enters this amount on line 10 of Form 1040EZ.

At least	But less than	Single	Married filing jointly
		Your tax is—	
26,200	26,250	3,499	3,064
26,250	26,300	3,506	3,071
26,300	26,350	3,514	3,079
26,350	26,400	3,521	3,086

If Form 1040EZ, line 6, is–		And you are–	
At least	But less than	Single	Married filing jointly
		Your tax is–	
0	5	0	0
5	15	1	1
15	25	2	2
25	50	4	4
50	75	6	6
75	100	9	9
100	125	11	11
125	150	14	14
150	175	16	16
175	200	19	19
200	225	21	21
225	250	24	24
250	275	26	26
275	300	29	29
300	325	31	31
325	350	34	34
350	375	36	36
375	400	39	39
400	425	41	41
425	450	44	44
450	475	46	46
475	500	49	49
500	525	51	51
525	550	54	54
550	575	56	56
575	600	59	59
600	625	61	61
625	650	64	64
650	675	66	66
675	700	69	69
700	725	71	71
725	750	74	74
750	775	76	76
775	800	79	79
800	825	81	81
825	850	84	84
850	875	86	86
875	900	89	89
900	925	91	91
925	950	94	94
950	975	96	96
975	1,000	99	99

If Form 1040EZ, line 6, is–		And you are–	
At least	But less than	Single	Married filing jointly
		Your tax is–	
1,000			
1,000	1,025	101	101
1,025	1,050	104	104
1,050	1,075	106	106
1,075	1,100	109	109
1,100	1,125	111	111
1,125	1,150	114	114
1,150	1,175	116	116
1,175	1,200	119	119
1,200	1,225	121	121
1,225	1,250	124	124
1,250	1,275	126	126
1,275	1,300	129	129
1,300	1,325	131	131
1,325	1,350	134	134
1,350	1,375	136	136
1,375	1,400	139	139
1,400	1,425	141	141
1,425	1,450	144	144
1,450	1,475	146	146
1,475	1,500	149	149
1,500	1,525	151	151
1,525	1,550	154	154
1,550	1,575	156	156
1,575	1,600	159	159
1,600	1,625	161	161
1,625	1,650	164	164
1,650	1,675	166	166
1,675	1,700	169	169
1,700	1,725	171	171
1,725	1,750	174	174
1,750	1,775	176	176
1,775	1,800	179	179
1,800	1,825	181	181
1,825	1,850	184	184
1,850	1,875	186	186
1,875	1,900	189	189
1,900	1,925	191	191
1,925	1,950	194	194
1,950	1,975	196	196
1,975	2,000	199	199

If Form 1040EZ, line 6, is–		And you are–	
At least	But less than	Single	Married filing jointly
		Your tax is–	
2,000			
2,000	2,025	201	201
2,025	2,050	204	204
2,050	2,075	206	206
2,075	2,100	209	209
2,100	2,125	211	211
2,125	2,150	214	214
2,150	2,175	216	216
2,175	2,200	219	219
2,200	2,225	221	221
2,225	2,250	224	224
2,250	2,275	226	226
2,275	2,300	229	229
2,300	2,325	231	231
2,325	2,350	234	234
2,350	2,375	236	236
2,375	2,400	239	239
2,400	2,425	241	241
2,425	2,450	244	244
2,450	2,475	246	246
2,475	2,500	249	249
2,500	2,525	251	251
2,525	2,550	254	254
2,550	2,575	256	256
2,575	2,600	259	259
2,600	2,625	261	261
2,625	2,650	264	264
2,650	2,675	266	266
2,675	2,700	269	269
2,700	2,725	271	271
2,725	2,750	274	274
2,750	2,775	276	276
2,775	2,800	279	279
2,800	2,825	281	281
2,825	2,850	284	284
2,850	2,875	286	286
2,875	2,900	289	289
2,900	2,925	291	291
2,925	2,950	294	294
2,950	2,975	296	296
2,975	3,000	299	299

If Form 1040EZ, line 6, is–		And you are–	
At least	But less than	Single	Married filing jointly
		Your tax is–	
3,000			
3,000	3,050	303	303
3,050	3,100	308	308
3,100	3,150	313	313
3,150	3,200	318	318
3,200	3,250	323	323
3,250	3,300	328	328
3,300	3,350	333	333
3,350	3,400	338	338
3,400	3,450	343	343
3,450	3,500	348	348
3,500	3,550	353	353
3,550	3,600	358	358
3,600	3,650	363	363
3,650	3,700	368	368
3,700	3,750	373	373
3,750	3,800	378	378
3,800	3,850	383	383
3,850	3,900	388	388
3,900	3,950	393	393
3,950	4,000	398	398
4,000			
4,000	4,050	403	403
4,050	4,100	408	408
4,100	4,150	413	413
4,150	4,200	418	418
4,200	4,250	423	423
4,250	4,300	428	428
4,300	4,350	433	433
4,350	4,400	438	438
4,400	4,450	443	443
4,450	4,500	448	448
4,500	4,550	453	453
4,550	4,600	458	458
4,600	4,650	463	463
4,650	4,700	468	468
4,700	4,750	473	473
4,750	4,800	478	478
4,800	4,850	483	483
4,850	4,900	488	488
4,900	4,950	493	493
4,950	5,000	498	498

(Continued)

2012 Tax Table—*Continued*

If Form 1040EZ, line 6, is– At least	But less than	And you are– Single	Married filing jointly
		Your tax is–	
5,000			
5,000	5,050	503	503
5,050	5,100	508	508
5,100	5,150	513	513
5,150	5,200	518	518
5,200	5,250	523	523
5,250	5,300	528	528
5,300	5,350	533	533
5,350	5,400	538	538
5,400	5,450	543	543
5,450	5,500	548	548
5,500	5,550	553	553
5,550	5,600	558	558
5,600	5,650	563	563
5,650	5,700	568	568
5,700	5,750	573	573
5,750	5,800	578	578
5,800	5,850	583	583
5,850	5,900	588	588
5,900	5,950	593	593
5,950	6,000	598	598
6,000			
6,000	6,050	603	603
6,050	6,100	608	608
6,100	6,150	613	613
6,150	6,200	618	618
6,200	6,250	623	623
6,250	6,300	628	628
6,300	6,350	633	633
6,350	6,400	638	638
6,400	6,450	643	643
6,450	6,500	648	648
6,500	6,550	653	653
6,550	6,600	658	658
6,600	6,650	663	663
6,650	6,700	668	668
6,700	6,750	673	673
6,750	6,800	678	678
6,800	6,850	683	683
6,850	6,900	688	688
6,900	6,950	693	693
6,950	7,000	698	698
7,000			
7,000	7,050	703	703
7,050	7,100	708	708
7,100	7,150	713	713
7,150	7,200	718	718
7,200	7,250	723	723
7,250	7,300	728	728
7,300	7,350	733	733
7,350	7,400	738	738
7,400	7,450	743	743
7,450	7,500	748	748
7,500	7,550	753	753
7,550	7,600	758	758
7,600	7,650	763	763
7,650	7,700	768	768
7,700	7,750	773	773
7,750	7,800	778	778
7,800	7,850	783	783
7,850	7,900	788	788
7,900	7,950	793	793
7,950	8,000	798	798

If Form 1040EZ, line 6, is– At least	But less than	And you are– Single	Married filing jointly
		Your tax is–	
8,000			
8,000	8,050	803	803
8,050	8,100	808	808
8,100	8,150	813	813
8,150	8,200	818	818
8,200	8,250	823	823
8,250	8,300	828	828
8,300	8,350	833	833
8,350	8,400	838	838
8,400	8,450	843	843
8,450	8,500	848	848
8,500	8,550	853	853
8,550	8,600	858	858
8,600	8,650	863	863
8,650	8,700	868	868
8,700	8,750	874	873
8,750	8,800	881	878
8,800	8,850	889	883
8,850	8,900	896	888
8,900	8,950	904	893
8,950	9,000	911	898
9,000			
9,000	9,050	919	903
9,050	9,100	926	908
9,100	9,150	934	913
9,150	9,200	941	918
9,200	9,250	949	923
9,250	9,300	956	928
9,300	9,350	964	933
9,350	9,400	971	938
9,400	9,450	979	943
9,450	9,500	986	948
9,500	9,550	994	953
9,550	9,600	1,001	958
9,600	9,650	1,009	963
9,650	9,700	1,016	968
9,700	9,750	1,024	973
9,750	9,800	1,031	978
9,800	9,850	1,039	983
9,850	9,900	1,046	988
9,900	9,950	1,054	993
9,950	10,000	1,061	998
10,000			
10,000	10,050	1,069	1,003
10,050	10,100	1,076	1,008
10,100	10,150	1,084	1,013
10,150	10,200	1,091	1,018
10,200	10,250	1,099	1,023
10,250	10,300	1,106	1,028
10,300	10,350	1,114	1,033
10,350	10,400	1,121	1,038
10,400	10,450	1,129	1,043
10,450	10,500	1,136	1,048
10,500	10,550	1,144	1,053
10,550	10,600	1,151	1,058
10,600	10,650	1,159	1,063
10,650	10,700	1,166	1,068
10,700	10,750	1,174	1,073
10,750	10,800	1,181	1,078
10,800	10,850	1,189	1,083
10,850	10,900	1,196	1,088
10,900	10,950	1,204	1,093
10,950	11,000	1,211	1,098

If Form 1040EZ, line 6, is– At least	But less than	And you are– Single	Married filing jointly
		Your tax is–	
11,000			
11,000	11,050	1,219	1,103
11,050	11,100	1,226	1,108
11,100	11,150	1,234	1,113
11,150	11,200	1,241	1,118
11,200	11,250	1,249	1,123
11,250	11,300	1,256	1,128
11,300	11,350	1,264	1,133
11,350	11,400	1,271	1,138
11,400	11,450	1,279	1,143
11,450	11,500	1,286	1,148
11,500	11,550	1,294	1,153
11,550	11,600	1,301	1,158
11,600	11,650	1,309	1,163
11,650	11,700	1,316	1,168
11,700	11,750	1,324	1,173
11,750	11,800	1,331	1,178
11,800	11,850	1,339	1,183
11,850	11,900	1,346	1,188
11,900	11,950	1,354	1,193
11,950	12,000	1,361	1,198
12,000			
12,000	12,050	1,369	1,203
12,050	12,100	1,376	1,208
12,100	12,150	1,384	1,213
12,150	12,200	1,391	1,218
12,200	12,250	1,399	1,223
12,250	12,300	1,406	1,228
12,300	12,350	1,414	1,233
12,350	12,400	1,421	1,238
12,400	12,450	1,429	1,243
12,450	12,500	1,436	1,248
12,500	12,550	1,444	1,253
12,550	12,600	1,451	1,258
12,600	12,650	1,459	1,263
12,650	12,700	1,466	1,268
12,700	12,750	1,474	1,273
12,750	12,800	1,481	1,278
12,800	12,850	1,489	1,283
12,850	12,900	1,496	1,288
12,900	12,950	1,504	1,293
12,950	13,000	1,511	1,298
13,000			
13,000	13,050	1,519	1,303
13,050	13,100	1,526	1,308
13,100	13,150	1,534	1,313
13,150	13,200	1,541	1,318
13,200	13,250	1,549	1,323
13,250	13,300	1,556	1,328
13,300	13,350	1,564	1,333
13,350	13,400	1,571	1,338
13,400	13,450	1,579	1,343
13,450	13,500	1,586	1,348
13,500	13,550	1,594	1,353
13,550	13,600	1,601	1,358
13,600	13,650	1,609	1,363
13,650	13,700	1,616	1,368
13,700	13,750	1,624	1,373
13,750	13,800	1,631	1,378
13,800	13,850	1,639	1,383
13,850	13,900	1,646	1,388
13,900	13,950	1,654	1,393
13,950	14,000	1,661	1,398

If Form 1040EZ, line 6, is– At least	But less than	And you are– Single	Married filing jointly
		Your tax is–	
14,000			
14,000	14,050	1,669	1,403
14,050	14,100	1,676	1,408
14,100	14,150	1,684	1,413
14,150	14,200	1,691	1,418
14,200	14,250	1,699	1,423
14,250	14,300	1,706	1,428
14,300	14,350	1,714	1,433
14,350	14,400	1,721	1,438
14,400	14,450	1,729	1,443
14,450	14,500	1,736	1,448
14,500	14,550	1,744	1,453
14,550	14,600	1,751	1,458
14,600	14,650	1,759	1,463
14,650	14,700	1,766	1,468
14,700	14,750	1,774	1,473
14,750	14,800	1,781	1,478
14,800	14,850	1,789	1,483
14,850	14,900	1,796	1,488
14,900	14,950	1,804	1,493
14,950	15,000	1,811	1,498
15,000			
15,000	15,050	1,819	1,503
15,050	15,100	1,826	1,508
15,100	15,150	1,834	1,513
15,150	15,200	1,841	1,518
15,200	15,250	1,849	1,523
15,250	15,300	1,856	1,528
15,300	15,350	1,864	1,533
15,350	15,400	1,871	1,538
15,400	15,450	1,879	1,543
15,450	15,500	1,886	1,548
15,500	15,550	1,894	1,553
15,550	15,600	1,901	1,558
15,600	15,650	1,909	1,563
15,650	15,700	1,916	1,568
15,700	15,750	1,924	1,573
15,750	15,800	1,931	1,578
15,800	15,850	1,939	1,583
15,850	15,900	1,946	1,588
15,900	15,950	1,954	1,593
15,950	16,000	1,961	1,598
16,000			
16,000	16,050	1,969	1,603
16,050	16,100	1,976	1,608
16,100	16,150	1,984	1,613
16,150	16,200	1,991	1,618
16,200	16,250	1,999	1,623
16,250	16,300	2,006	1,628
16,300	16,350	2,014	1,633
16,350	16,400	2,021	1,638
16,400	16,450	2,029	1,643
16,450	16,500	2,036	1,648
16,500	16,550	2,044	1,653
16,550	16,600	2,051	1,658
16,600	16,650	2,059	1,663
16,650	16,700	2,066	1,668
16,700	16,750	2,074	1,673
16,750	16,800	2,081	1,678
16,800	16,850	2,089	1,683
16,850	16,900	2,096	1,688
16,900	16,950	2,104	1,693
16,950	17,000	2,111	1,698

(Continued)

2012 Tax Table—*Continued*

If Form 1040EZ, line 6, is– At least	But less than	And you are– Single	Married filing jointly
		Your tax is–	
17,000			
17,000	17,050	2,119	1,703
17,050	17,100	2,126	1,708
17,100	17,150	2,134	1,713
17,150	17,200	2,141	1,718
17,200	17,250	2,149	1,723
17,250	17,300	2,156	1,728
17,300	17,350	2,164	1,733
17,350	17,400	2,171	1,738
17,400	17,450	2,179	1,744
17,450	17,500	2,186	1,751
17,500	17,550	2,194	1,759
17,550	17,600	2,201	1,766
17,600	17,650	2,209	1,774
17,650	17,700	2,216	1,781
17,700	17,750	2,224	1,789
17,750	17,800	2,231	1,796
17,800	17,850	2,239	1,804
17,850	17,900	2,246	1,811
17,900	17,950	2,254	1,819
17,950	18,000	2,261	1,826
18,000			
18,000	18,050	2,269	1,834
18,050	18,100	2,276	1,841
18,100	18,150	2,284	1,849
18,150	18,200	2,291	1,856
18,200	18,250	2,299	1,864
18,250	18,300	2,306	1,871
18,300	18,350	2,314	1,879
18,350	18,400	2,321	1,886
18,400	18,450	2,329	1,894
18,450	18,500	2,336	1,901
18,500	18,550	2,344	1,909
18,550	18,600	2,351	1,916
18,600	18,650	2,359	1,924
18,650	18,700	2,366	1,931
18,700	18,750	2,374	1,939
18,750	18,800	2,381	1,946
18,800	18,850	2,389	1,954
18,850	18,900	2,396	1,961
18,900	18,950	2,404	1,969
18,950	19,000	2,411	1,976
19,000			
19,000	19,050	2,419	1,984
19,050	19,100	2,426	1,991
19,100	19,150	2,434	1,999
19,150	19,200	2,441	2,006
19,200	19,250	2,449	2,014
19,250	19,300	2,456	2,021
19,300	19,350	2,464	2,029
19,350	19,400	2,471	2,036
19,400	19,450	2,479	2,044
19,450	19,500	2,486	2,051
19,500	19,550	2,494	2,059
19,550	19,600	2,501	2,066
19,600	19,650	2,509	2,074
19,650	19,700	2,516	2,081
19,700	19,750	2,524	2,089
19,750	19,800	2,531	2,096
19,800	19,850	2,539	2,104
19,850	19,900	2,546	2,111
19,900	19,950	2,554	2,119
19,950	20,000	2,561	2,126

If Form 1040EZ, line 6, is– At least	But less than	And you are– Single	Married filing jointly
		Your tax is–	
20,000			
20,000	20,050	2,569	2,134
20,050	20,100	2,576	2,141
20,100	20,150	2,584	2,149
20,150	20,200	2,591	2,156
20,200	20,250	2,599	2,164
20,250	20,300	2,606	2,171
20,300	20,350	2,614	2,179
20,350	20,400	2,621	2,186
20,400	20,450	2,629	2,194
20,450	20,500	2,636	2,201
20,500	20,550	2,644	2,209
20,550	20,600	2,651	2,216
20,600	20,650	2,659	2,224
20,650	20,700	2,666	2,231
20,700	20,750	2,674	2,239
20,750	20,800	2,681	2,246
20,800	20,850	2,689	2,254
20,850	20,900	2,696	2,261
20,900	20,950	2,704	2,269
20,950	21,000	2,711	2,276
21,000			
21,000	21,050	2,719	2,284
21,050	21,100	2,726	2,291
21,100	21,150	2,734	2,299
21,150	21,200	2,741	2,306
21,200	21,250	2,749	2,314
21,250	21,300	2,756	2,321
21,300	21,350	2,764	2,329
21,350	21,400	2,771	2,336
21,400	21,450	2,779	2,344
21,450	21,500	2,786	2,351
21,500	21,550	2,794	2,359
21,550	21,600	2,801	2,366
21,600	21,650	2,809	2,374
21,650	21,700	2,816	2,381
21,700	21,750	2,824	2,389
21,750	21,800	2,831	2,396
21,800	21,850	2,839	2,404
21,850	21,900	2,846	2,411
21,900	21,950	2,854	2,419
21,950	22,000	2,861	2,426
22,000			
22,000	22,050	2,869	2,434
22,050	22,100	2,876	2,441
22,100	22,150	2,884	2,449
22,150	22,200	2,891	2,456
22,200	22,250	2,899	2,464
22,250	22,300	2,906	2,471
22,300	22,350	2,914	2,479
22,350	22,400	2,921	2,486
22,400	22,450	2,929	2,494
22,450	22,500	2,936	2,501
22,500	22,550	2,944	2,509
22,550	22,600	2,951	2,516
22,600	22,650	2,959	2,524
22,650	22,700	2,966	2,531
22,700	22,750	2,974	2,539
22,750	22,800	2,981	2,546
22,800	22,850	2,989	2,554
22,850	22,900	2,996	2,561
22,900	22,950	3,004	2,569
22,950	23,000	3,011	2,576

If Form 1040EZ, line 6, is– At least	But less than	And you are– Single	Married filing jointly
		Your tax is–	
23,000			
23,000	23,050	3,019	2,584
23,050	23,100	3,026	2,591
23,100	23,150	3,034	2,599
23,150	23,200	3,041	2,606
23,200	23,250	3,049	2,614
23,250	23,300	3,056	2,621
23,300	23,350	3,064	2,629
23,350	23,400	3,071	2,636
23,400	23,450	3,079	2,644
23,450	23,500	3,086	2,651
23,500	23,550	3,094	2,659
23,550	23,600	3,101	2,666
23,600	23,650	3,109	2,674
23,650	23,700	3,116	2,681
23,700	23,750	3,124	2,689
23,750	23,800	3,131	2,696
23,800	23,850	3,139	2,704
23,850	23,900	3,146	2,711
23,900	23,950	3,154	2,719
23,950	24,000	3,161	2,726
24,000			
24,000	24,050	3,169	2,734
24,050	24,100	3,176	2,741
24,100	24,150	3,184	2,749
24,150	24,200	3,191	2,756
24,200	24,250	3,199	2,764
24,250	24,300	3,206	2,771
24,300	24,350	3,214	2,779
24,350	24,400	3,221	2,786
24,400	24,450	3,229	2,794
24,450	24,500	3,236	2,801
24,500	24,550	3,244	2,809
24,550	24,600	3,251	2,816
24,600	24,650	3,259	2,824
24,650	24,700	3,266	2,831
24,700	24,750	3,274	2,839
24,750	24,800	3,281	2,846
24,800	24,850	3,289	2,854
24,850	24,900	3,296	2,861
24,900	24,950	3,304	2,869
24,950	25,000	3,311	2,876
25,000			
25,000	25,050	3,319	2,884
25,050	25,100	3,326	2,891
25,100	25,150	3,334	2,899
25,150	25,200	3,341	2,906
25,200	25,250	3,349	2,914
25,250	25,300	3,356	2,921
25,300	25,350	3,364	2,929
25,350	25,400	3,371	2,936
25,400	25,450	3,379	2,944
25,450	25,500	3,386	2,951
25,500	25,550	3,394	2,959
25,550	25,600	3,401	2,966
25,600	25,650	3,409	2,974
25,650	25,700	3,416	2,981
25,700	25,750	3,424	2,989
25,750	25,800	3,431	2,996
25,800	25,850	3,439	3,004
25,850	25,900	3,446	3,011
25,900	25,950	3,454	3,019
25,950	26,000	3,461	3,026

If Form 1040EZ, line 6, is– At least	But less than	And you are– Single	Married filing jointly
		Your tax is–	
26,000			
26,000	26,050	3,469	3,034
26,050	26,100	3,476	3,041
26,100	26,150	3,484	3,049
26,150	26,200	3,491	3,056
26,200	26,250	3,499	3,064
26,250	26,300	3,506	3,071
26,300	26,350	3,514	3,079
26,350	26,400	3,521	3,086
26,400	26,450	3,529	3,094
26,450	26,500	3,536	3,101
26,500	26,550	3,544	3,109
26,550	26,600	3,551	3,116
26,600	26,650	3,559	3,124
26,650	26,700	3,566	3,131
26,700	26,750	3,574	3,139
26,750	26,800	3,581	3,146
26,800	26,850	3,589	3,154
26,850	26,900	3,596	3,161
26,900	26,950	3,604	3,169
26,950	27,000	3,611	3,176
27,000			
27,000	27,050	3,619	3,184
27,050	27,100	3,626	3,191
27,100	27,150	3,634	3,199
27,150	27,200	3,641	3,206
27,200	27,250	3,649	3,214
27,250	27,300	3,656	3,221
27,300	27,350	3,664	3,229
27,350	27,400	3,671	3,236
27,400	27,450	3,679	3,244
27,450	27,500	3,686	3,251
27,500	27,550	3,694	3,259
27,550	27,600	3,701	3,266
27,600	27,650	3,709	3,274
27,650	27,700	3,716	3,281
27,700	27,750	3,724	3,289
27,750	27,800	3,731	3,296
27,800	27,850	3,739	3,304
27,850	27,900	3,746	3,311
27,900	27,950	3,754	3,319
27,950	28,000	3,761	3,326
28,000			
28,000	28,050	3,769	3,334
28,050	28,100	3,776	3,341
28,100	28,150	3,784	3,349
28,150	28,200	3,791	3,356
28,200	28,250	3,799	3,364
28,250	28,300	3,806	3,371
28,300	28,350	3,814	3,379
28,350	28,400	3,821	3,386
28,400	28,450	3,829	3,394
28,450	28,500	3,836	3,401
28,500	28,550	3,844	3,409
28,550	28,600	3,851	3,416
28,600	28,650	3,859	3,424
28,650	28,700	3,866	3,431
28,700	28,750	3,874	3,439
28,750	28,800	3,881	3,446
28,800	28,850	3,889	3,454
28,850	28,900	3,896	3,461
28,900	28,950	3,904	3,469
28,950	29,000	3,911	3,476

(Continued)

2012 Tax Table—*Continued*

If Form 1040EZ, line 6, is– At least	But less than	And you are– Single	Married filing jointly
		Your tax is–	
29,000			
29,000	29,050	3,919	3,484
29,050	29,100	3,926	3,491
29,100	29,150	3,934	3,499
29,150	29,200	3,941	3,506
29,200	29,250	3,949	3,514
29,250	29,300	3,956	3,521
29,300	29,350	3,964	3,529
29,350	29,400	3,971	3,536
29,400	29,450	3,979	3,544
29,450	29,500	3,986	3,551
29,500	29,550	3,994	3,559
29,550	29,600	4,001	3,566
29,600	29,650	4,009	3,574
29,650	29,700	4,016	3,581
29,700	29,750	4,024	3,589
29,750	29,800	4,031	3,596
29,800	29,850	4,039	3,604
29,850	29,900	4,046	3,611
29,900	29,950	4,054	3,619
29,950	30,000	4,061	3,626
30,000			
30,000	30,050	4,069	3,634
30,050	30,100	4,076	3,641
30,100	30,150	4,084	3,649
30,150	30,200	4,091	3,656
30,200	30,250	4,099	3,664
30,250	30,300	4,106	3,671
30,300	30,350	4,114	3,679
30,350	30,400	4,121	3,686
30,400	30,450	4,129	3,694
30,450	30,500	4,136	3,701
30,500	30,550	4,144	3,709
30,550	30,600	4,151	3,716
30,600	30,650	4,159	3,724
30,650	30,700	4,166	3,731
30,700	30,750	4,174	3,739
30,750	30,800	4,181	3,746
30,800	30,850	4,189	3,754
30,850	30,900	4,196	3,761
30,900	30,950	4,204	3,769
30,950	31,000	4,211	3,776
31,000			
31,000	31,050	4,219	3,784
31,050	31,100	4,226	3,791
31,100	31,150	4,234	3,799
31,150	31,200	4,241	3,806
31,200	31,250	4,249	3,814
31,250	31,300	4,256	3,821
31,300	31,350	4,264	3,829
31,350	31,400	4,271	3,836
31,400	31,450	4,279	3,844
31,450	31,500	4,286	3,851
31,500	31,550	4,294	3,859
31,550	31,600	4,301	3,866
31,600	31,650	4,309	3,874
31,650	31,700	4,316	3,881
31,700	31,750	4,324	3,889
31,750	31,800	4,331	3,896
31,800	31,850	4,339	3,904
31,850	31,900	4,346	3,911
31,900	31,950	4,354	3,919
31,950	32,000	4,361	3,926

If Form 1040EZ, line 6, is– At least	But less than	And you are– Single	Married filing jointly
		Your tax is–	
32,000			
32,000	32,050	4,369	3,934
32,050	32,100	4,376	3,941
32,100	32,150	4,384	3,949
32,150	32,200	4,391	3,956
32,200	32,250	4,399	3,964
32,250	32,300	4,406	3,971
32,300	32,350	4,414	3,979
32,350	32,400	4,421	3,986
32,400	32,450	4,429	3,994
32,450	32,500	4,436	4,001
32,500	32,550	4,444	4,009
32,550	32,600	4,451	4,016
32,600	32,650	4,459	4,024
32,650	32,700	4,466	4,031
32,700	32,750	4,474	4,039
32,750	32,800	4,481	4,046
32,800	32,850	4,489	4,054
32,850	32,900	4,496	4,061
32,900	32,950	4,504	4,069
32,950	33,000	4,511	4,076
33,000			
33,000	33,050	4,519	4,084
33,050	33,100	4,526	4,091
33,100	33,150	4,534	4,099
33,150	33,200	4,541	4,106
33,200	33,250	4,549	4,114
33,250	33,300	4,556	4,121
33,300	33,350	4,564	4,129
33,350	33,400	4,571	4,136
33,400	33,450	4,579	4,144
33,450	33,500	4,586	4,151
33,500	33,550	4,594	4,159
33,550	33,600	4,601	4,166
33,600	33,650	4,609	4,174
33,650	33,700	4,616	4,181
33,700	33,750	4,624	4,189
33,750	33,800	4,631	4,196
33,800	33,850	4,639	4,204
33,850	33,900	4,646	4,211
33,900	33,950	4,654	4,219
33,950	34,000	4,661	4,226
34,000			
34,000	34,050	4,669	4,234
34,050	34,100	4,676	4,241
34,100	34,150	4,684	4,249
34,150	34,200	4,691	4,256
34,200	34,250	4,699	4,264
34,250	34,300	4,706	4,271
34,300	34,350	4,714	4,279
34,350	34,400	4,721	4,286
34,400	34,450	4,729	4,294
34,450	34,500	4,736	4,301
34,500	34,550	4,744	4,309
34,550	34,600	4,751	4,316
34,600	34,650	4,759	4,324
34,650	34,700	4,766	4,331
34,700	34,750	4,774	4,339
34,750	34,800	4,781	4,346
34,800	34,850	4,789	4,354
34,850	34,900	4,796	4,361
34,900	34,950	4,804	4,369
34,950	35,000	4,811	4,376

If Form 1040EZ, line 6, is– At least	But less than	And you are– Single	Married filing jointly
		Your tax is–	
35,000			
35,000	35,050	4,819	4,384
35,050	35,100	4,826	4,391
35,100	35,150	4,834	4,399
35,150	35,200	4,841	4,406
35,200	35,250	4,849	4,414
35,250	35,300	4,856	4,421
35,300	35,350	4,864	4,429
35,350	35,400	4,874	4,436
35,400	35,450	4,886	4,444
35,450	35,500	4,899	4,451
35,500	35,550	4,911	4,459
35,550	35,600	4,924	4,466
35,600	35,650	4,936	4,474
35,650	35,700	4,949	4,481
35,700	35,750	4,961	4,489
35,750	35,800	4,974	4,496
35,800	35,850	4,986	4,504
35,850	35,900	4,999	4,511
35,900	35,950	5,011	4,519
35,950	36,000	5,024	4,526
36,000			
36,000	36,050	5,036	4,534
36,050	36,100	5,049	4,541
36,100	36,150	5,061	4,549
36,150	36,200	5,074	4,556
36,200	36,250	5,086	4,564
36,250	36,300	5,099	4,571
36,300	36,350	5,111	4,579
36,350	36,400	5,124	4,586
36,400	36,450	5,136	4,594
36,450	36,500	5,149	4,601
36,500	36,550	5,161	4,609
36,550	36,600	5,174	4,616
36,600	36,650	5,186	4,624
36,650	36,700	5,199	4,631
36,700	36,750	5,211	4,639
36,750	36,800	5,224	4,646
36,800	36,850	5,236	4,654
36,850	36,900	5,249	4,661
36,900	36,950	5,261	4,669
36,950	37,000	5,274	4,676
37,000			
37,000	37,050	5,286	4,684
37,050	37,100	5,299	4,691
37,100	37,150	5,311	4,699
37,150	37,200	5,324	4,706
37,200	37,250	5,336	4,714
37,250	37,300	5,349	4,721
37,300	37,350	5,361	4,729
37,350	37,400	5,374	4,736
37,400	37,450	5,386	4,744
37,450	37,500	5,399	4,751
37,500	37,550	5,411	4,759
37,550	37,600	5,424	4,766
37,600	37,650	5,436	4,774
37,650	37,700	5,449	4,781
37,700	37,750	5,461	4,789
37,750	37,800	5,474	4,796
37,800	37,850	5,486	4,804
37,850	37,900	5,499	4,811
37,900	37,950	5,511	4,819
37,950	38,000	5,524	4,826

If Form 1040EZ, line 6, is– At least	But less than	And you are– Single	Married filing jointly
		Your tax is–	
38,000			
38,000	38,050	5,536	4,834
38,050	38,100	5,549	4,841
38,100	38,150	5,561	4,849
38,150	38,200	5,574	4,856
38,200	38,250	5,586	4,864
38,250	38,300	5,599	4,871
38,300	38,350	5,611	4,879
38,350	38,400	5,624	4,886
38,400	38,450	5,636	4,894
38,450	38,500	5,649	4,901
38,500	38,550	5,661	4,909
38,550	38,600	5,674	4,916
38,600	38,650	5,686	4,924
38,650	38,700	5,699	4,931
38,700	38,750	5,711	4,939
38,750	38,800	5,724	4,946
38,800	38,850	5,736	4,954
38,850	38,900	5,749	4,961
38,900	38,950	5,761	4,969
38,950	39,000	5,774	4,976
39,000			
39,000	39,050	5,786	4,984
39,050	39,100	5,799	4,991
39,100	39,150	5,811	4,999
39,150	39,200	5,824	5,006
39,200	39,250	5,836	5,014
39,250	39,300	5,849	5,021
39,300	39,350	5,861	5,029
39,350	39,400	5,874	5,036
39,400	39,450	5,886	5,044
39,450	39,500	5,899	5,051
39,500	39,550	5,911	5,059
39,550	39,600	5,924	5,066
39,600	39,650	5,936	5,074
39,650	39,700	5,949	5,081
39,700	39,750	5,961	5,089
39,750	39,800	5,974	5,096
39,800	39,850	5,986	5,104
39,850	39,900	5,999	5,111
39,900	39,950	6,011	5,119
39,950	40,000	6,024	5,126
40,000			
40,000	40,050	6,036	5,134
40,050	40,100	6,049	5,141
40,100	40,150	6,061	5,149
40,150	40,200	6,074	5,156
40,200	40,250	6,086	5,164
40,250	40,300	6,099	5,171
40,300	40,350	6,111	5,179
40,350	40,400	6,124	5,186
40,400	40,450	6,136	5,194
40,450	40,500	6,149	5,201
40,500	40,550	6,161	5,209
40,550	40,600	6,174	5,216
40,600	40,650	6,186	5,224
40,650	40,700	6,199	5,231
40,700	40,750	6,211	5,239
40,750	40,800	6,224	5,246
40,800	40,850	6,236	5,254
40,850	40,900	6,249	5,261
40,900	40,950	6,261	5,269
40,950	41,000	6,274	5,276

(Continued)

PROJECT 4 ACTIVITY

INCOME TAXES: TAKE-HOME ASSIGNMENT

For your project-based learning assignment, you will have a choice as to how you would like to demonstrate you have mastered filing income taxes.

CHOICE A

If you plan to file your personal taxes, you may show me your completed return for the 10-point assignment credit. Please recall that if you are uncomfortable with sharing personal information, you may make a copy and black out anything you don't want to share. I will not review the return for accuracy. I will simply make sure you have completed the form and filed a copy in your project binder.

CHOICE B

If you do not work or your parents claim you on their taxes and you don't plan to file a return, you will need to select and complete this option.

The scenario below indicates that you had a job and your parents claim you as a dependent, but you still need to file a tax return. You will need to complete a 1040A Federal Form (Student Handout 4D). This is very similar to the 1040EZ Form. Use the profile information below to complete the assignment.

PROFILE INFORMATION

Name: Monica Lindo

Employment: Full-time student, part-time registration assistant in ER

Marital status: Single

Spouse's name (if any): N/A

Children: None

U.S. citizen: Yes

Other: You live in the United States with your parents, who pay for all of the costs of maintaining the home. Your parents paid for your food, clothing, and tuition during this tax year. You paid for your books and transportation.

It's the end of the tax year. You receive your W-2 from your employer. You have earned $4,821 from your job.

Note: Your employer is required to send your W-2 postmarked by January 31.

PROJECT 4 ACTIVITY: TAKE-HOME ASSIGNMENT (CONTINUED)

You have everything you need to file your taxes. You will be using Form 1040A and the W2 statement provided.

Don't get tripped up:

- Your parents will claim you as a dependent so do not check box 6a. Your total number of exemptions is zero.
- In the income section, you did not receive a 1099 Form so the only income to report is indicated on your W2.
- You **are** allowed to take the standard deduction even if your parents claim you.
- This scenario does not include tax credits. This area can be left blank or use a zero.

When you have completed the tax assignment, you will then include either your actual tax forms or your sample tax forms in your binder.

Form **1040A** Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return (99) 2012

IRS Use Only—Do not write or staple in this space.

OMB No. 1545-0074

Your first name and initial	Last name	Your social security number
If a joint return, spouse's first name and initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.

▲ Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).

Foreign country name | Foreign province/state/county | Foreign postal code

Presidential Election Campaign
Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

Filing status

Check only one box.

1 ☐ Single
2 ☐ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶
4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child (see instructions)

Exemptions

6a ☐ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a.
b ☐ **Spouse**

Boxes checked on 6a and 6b

c **Dependents:**

If more than six dependents, see instructions.

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if child under age 17 qualifying for child tax credit (see instructions)
			☐
			☐
			☐
			☐
			☐
			☐

No. of children on 6c who:
- lived with you
- did not live with you due to divorce or separation (see instructions)

Dependents on 6c not entered above

Add numbers on lines above ▶

d Total number of exemptions claimed.

Income

Attach Form(s) W-2 here. Also attach Form(s) 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use **Form 1040-V.**

7	Wages, salaries, tips, etc. Attach Form(s) W-2.		7
8a	**Taxable** interest. Attach Schedule B if required.		8a
b	**Tax-exempt** interest. **Do not** include on line 8a.	8b	
9a	Ordinary dividends. Attach Schedule B if required.		9a
b	Qualified dividends (see instructions).	9b	
10	Capital gain distributions (see instructions).		10
11a	IRA distributions. 11a	11b Taxable amount (see instructions).	11b
12a	Pensions and annuities. 12a	12b Taxable amount (see instructions).	12b
13	Unemployment compensation and Alaska Permanent Fund dividends.		13
14a	Social security benefits. 14a	14b Taxable amount (see instructions).	14b
15	Add lines 7 through 14b (far right column). This is your **total income.** ▶		15

Adjusted gross income

16	Educator expenses (see instructions).	16	
17	IRA deduction (see instructions).	17	
18	Student loan interest deduction (see instructions).	18	
19	Tuition and fees. Attach Form 8917.	19	
20	Add lines 16 through 19. These are your **total adjustments.**		20
21	Subtract line 20 from line 15. This is your **adjusted gross income.** ▶		21

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11327A Form **1040A** (2012)

Tax, credits, and payments

22	Enter the amount from line 21 (adjusted gross income).	22	
23a	Check if: ☐ **You** were born before January 2, 1948, ☐ Blind; ☐ **Spouse** was born before January 2, 1948, ☐ Blind. **Total boxes checked** ▶ 23a		
b	If you are married filing separately and your spouse itemizes deductions, check here ▶ 23b ☐		
24	Enter your **standard deduction.**	24	
25	Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-.	25	
26	**Exemptions.** Multiply $3,800 by the number on line 6d.	26	
27	Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your **taxable income.** ▶	27	
28	**Tax,** including any alternative minimum tax (see instructions).	28	
29	Credit for child and dependent care expenses. Attach Form 2441. 29		
30	Credit for the elderly or the disabled. Attach Schedule R. 30		
31	Education credits from Form 8863, line 19. 31		
32	Retirement savings contributions credit. Attach Form 8880. 32		
33	Child tax credit. Attach Schedule 8812, if required. 33		
34	Add lines 29 through 33. These are your **total credits.**	34	
35	Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-. This is your **total tax.**	35	
36	Federal income tax withheld from Forms W-2 and 1099. 36		
37	2012 estimated tax payments and amount applied from 2011 return. 37		
38a	**Earned income credit (EIC).** 38a		
b	Nontaxable combat pay election. 38b		
39	Additional child tax credit. Attach Schedule 8812. 39		
40	American opportunity credit from Form 8863, line 8. 40		
41	Add lines 36, 37, 38a, 39, and 40. These are your **total payments.** ▶	41	

Standard Deduction for—

- People who check any box on line 23a or 23b **or** who can be claimed as a dependent, see instructions.
- All others:

Single or Married filing separately, $5,950

Married filing jointly or Qualifying widow(er), $11,900

Head of household, $8,700

If you have a qualifying child, attach Schedule EIC.

Refund

42	If line 41 is more than line 35, subtract line 35 from line 41. This is the amount you **overpaid.**	42	
43a	Amount of line 42 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐	43a	
▶ b	Routing number ☐☐☐☐☐☐☐☐☐ ▶ c Type: ☐ Checking ☐ Savings		
▶ d	Account number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐		
44	Amount of line 42 you want **applied to your 2013 estimated tax.** 44		

Direct deposit? See instructions and fill in 43b, 43c, and 43d or Form 8888.

Amount you owe

45	**Amount you owe.** Subtract line 41 from line 35. For details on how to pay, see instructions. ▶	45	
46	Estimated tax penalty (see instructions). 46		

Third party designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ **Yes.** Complete the following. ☐ **No**

Designee's name ▶ Phone no. ▶ Personal identification number (PIN) ▶ ☐☐☐☐☐

Sign here

Joint return? See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.) ☐☐☐☐☐

Paid preparer use only

Print/type preparer's name	Preparer's signature	Date	Check ▶ ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

	a Employee's social security number 222-00-5463	OMB No. 1545-0008	Safe, accurate, FAST! Use IRS e-file Visit the IRS website at www.irs.gov/efile
b Employer identification number (EIN) 10-5570912		1 Wages, tips, other compensation $4,821.00	2 Federal income tax withheld $47.00
c Employer's name, address, and ZIP code ANYTOWN SAMARITAN EMERGENCY 5 CENTER CIRCLE ANYTOWN, US 10103		3 Social security wages $4,821.00	4 Social security tax withheld $202.48
		5 Medicare wages and tips $4,821.00	6 Medicare tax withheld $69.90
		7 Social security tips	8 Allocated tips
d Control number		9	10 Dependent care benefits
e Employee's first name and initial Last name Suff. MONICA L. LINDO 21 PECAN GROVE ANYTOWN, US 10103		11 Nonqualified plans	12a See instructions for box 12 Code
		13 Statutory employee ☐ Retirement plan ☐ Third-party sick pay ☐	12b Code
		14 Other	12c Code
			12d Code
f Employee's address and ZIP code			

15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** **Wage and Tax Statement** 2011 Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

Student Handout 4D

PROJECT 4 ACTIVITY

INCOME TAXES ESSAY

In a one- to two-page reflective essay, typed and double-spaced, answer the following questions. Make sure you proof the essay for grammar and word usage mistakes.

- Have you filed taxes before? If so, did you complete the forms or did you have someone do it for you?
- What thoughts do you have on the process? Did you find it difficult?
- After reading the text and class discussion, what are some ways you can keep more of your income?
- After practicing taxes in class, will you complete your taxes in the future?

INSTRUCTOR OVERVIEW

Budgeting is an approach to allocating financial resources to maximize the satisfaction one gets from life.

INSTRUCTIONAL OBJECTIVES

Even if students don't have a full-time job, they still have spending power. In this lesson, students will:

- Distinguish between fixed and variable expenses as well as planned and unplanned expenses
- Analyze expenses
- Develop a budget
- Evaluate how well a budget is kept based on expenses and income for a one month period

CENTRAL QUESTION OR PROBLEM

What is my plan for sensible spending based on my income?

ASSIGNMENT RESOURCES

Students should use the handouts and spreadsheets provided.

ASSIGNMENT LENGTH

One month

NOTES

- Once students have completed the expense-tracking project, they will need to begin to create their budget. When you hand out the daily budget-tracking worksheet (Student Handout 5C) they tend to complain. I am a little more flexible the second go-around. I will not check their worksheet, but they will need to complete the Excel spreadsheet with the evaluating budget target worksheet (Student Handout 5B) and their budget tracking worksheet (Student Handout 5E).
- Expense categories and totals should be carried over from the Project 1 Expense Tracking piece (Student Handout 1C). Have students review these costs and see if they need to be revised. If so, have them put the new dollar amount in the revised amount column (in Student Handout 5B). If they have revised the dollar amount, they need to create a strategy for how they will make the new number work. For example, I will make coffee at home instead of stopping at a coffee shop. It is very interesting to hear the feedback of how they develop their strategies. One student informed me she was going to bring her lunch to school to offset what she was spending eating out.

- These pieces work together to help students understand where they are spending money, identify if there are areas they should cut back, and incorporate their prioritized financial goals from Project 2 into their budget. They may realize that they don't have enough in their budget to meet their expenses. They will then need to make hard choices or reallocate funds.

CREATING A BUDGET RUBRIC

This project has a total value of 20 points.

The student did not follow directions (minus 2)	
The student completed their budget form. (plus 10) The student attempted to complete the form but they were not thorough. (plus 5) The student did not attempt. (0 points)	
The essay was well written. The essay displays clear facility in the use of grammar, mechanics, usage and spelling. The essay is generally free from errors. (plus 6) The essay contained a few mistakes. The essay displays facility in the use of grammar, mechanics, usage, and spelling, though it may contain errors. However, these errors do not overly detract from the overall success of the message. (plus 4) The essay contained many mistakes. The essay displays serious deficiencies in the use of grammar, mechanics, usage, and spelling. The essay contains an accumulation of serious errors in any and/or all these areas. (plus 2)	
The essay answered all questions thoughtfully. The essay contains details that support the author's responses. (plus 4) The essay answered most questions but lacked detail. (plus 3) The essay was vague and lacked detail. (plus 1)	
Total	

PROJECT 5 OVERVIEW: CREATING A BUDGET

WHAT IS MY PLAN FOR SENSIBLE SPENDING BASED ON MY INCOME?

Budgeting is an approach to allocating financial resources to maximize the satisfaction one gets from life. Even if you don't have a full-time job, you still have spending power. In this assignment, you will:

- Distinguish between fixed and variable expenses as well as planned and unplanned expenses
- Analyze your expenses, create spending targets, and develop a strategy to reach targets
- Evaluate how well a budget is kept based on expenses and income for one month
- Establish a sensible spending plan to meet financial plans and achieve goals

Now that you have completed tracking your expenses, you can start to develop your budget.

A budget is a document used to record both planned and unplanned expenses and income over a period of time. Your budget represents the major mechanism through which your financial plans are carried out and goals are achieved.

ASSIGNMENT INSTRUCTIONS

- Using the monthly expense totals from the expense-tracking project (Student Handout 1C), record your total expenses in the Evaluating Your Budget Target worksheet. (Student Handout 5B)
- Review the variable expenses to see if you have spent too much or too little in each category. After reviewing each category, determine a dollar amount to target. In the next column, indicate strategies you will use to reach your target spending. For example, you could spend less on gas by consolidating errands. You could also shop around for car and renters insurance if you feel that you are paying too much.
- Once you have determined a spending target for each category, key them into the **Target** column of the Budget Tracking Worksheet (Student Handout 5E).
- Track your expenses for another month to see if the targets are in-line with spending. Use the worksheet provided (Student Handout 5C) to track daily expenses, then update your Budget Tracking Worksheet (5E) weekly. At the end of the four weeks, you will need to determine if you had a surplus or deficit in your spending targets.
- You may need to adjust your targets for the next budgeting cycle until you have reached a sensible spending plan.
- Once you have completed the budget project, complete the reflective essay (Student Handout 5F) and determine if you have created a sensible plan for spending.

PROJECT 5 ACTIVITY

EVALUATING YOUR BUDGET TARGET WORKSHEET

Use the totals from the 30-day expense-tracking exercise in Project 1 to fill in the "Monthly Total" column.

Expense Categories	Monthly Total	Monthly Target	Strategy to Reach Revised Target
Groceries			
Dining Out			
Gas			
Entertainment			
Car Payment			
Car Repair			
Car Insurance			
Gifts			
Rent			
Renters Insurance			
Health Insurance			
Utilities			
School			
Clothing			
Credit Cards			
Loans			
Pet Expenses			
Savings			
Hair/Nails			
Fees or Dues			
Other			
Total			

PROJECT 5 ACTIVITY

30-DAY EXPENSE TRACKING WORKSHEET

POSSIBLE EXPENSE CATEGORIES

Groceries • Dining Out • Gas • Entertainment • Car Payment • Car Repair • Car Insurance • Gifts • Rent • Renters Insurance • Health Insurance • Utilities • School • Clothing • Credit Cards • Loans • Pet Expenses • Savings • Hair/Nails • Fees or Dues • Other

Day 1

Expense Name	Amount

Day 2

Expense Name	Amount

Day 3

Expense Name	Amount

Day 4

Expense Name	Amount

Day 5

Expense Name	Amount

Day 6

Expense Name	Amount

PROJECT 5 ACTIVITY: 30-DAY EXPENSE TRACKING WORKSHEET (CONTINUED)

Day 7

Expense Name	Amount

Day 8

Expense Name	Amount

Day 9

Expense Name	Amount

Day 10

Expense Name	Amount

Day 11

Expense Name	Amount

Day 12

Expense Name	Amount

Day 13

Expense Name	Amount

Day 14

Expense Name	Amount

Day 15

Expense Name	Amount

PROJECT 5 ACTIVITY: 30-DAY EXPENSE TRACKING WORKSHEET (CONTINUED)

Day 16

Expense Name	Amount

Day 17

Expense Name	Amount

Day 18

Expense Name	Amount

Day 19

Expense Name	Amount

Day 20

Expense Name	Amount

Day 21

Expense Name	Amount

Day 22

Expense Name	Amount

Day 23

Expense Name	Amount

Day 24

Expense Name	Amount

PROJECT 5 ACTIVITY: 30-DAY EXPENSE TRACKING WORKSHEET (CONTINUED)

Day 25

Expense Name	Amount

Day 26

Expense Name	Amount

Day 27

Expense Name	Amount

Day 28

Expense Name	Amount

Day 29

Expense Name	Amount

Day 30

Expense Name	Amount

PROJECT 5 ACTIVITY

30-DAY EXPENSE TOTALS WORKSHEET

Groceries	$_____	Cell Phone	$_____
Dining Out	$_____	Credit Cards	$_____
Gas	$_____	Loans	$_____
Entertainment	$_____	Pet Expenses	$_____
Car Payment	$_____	Savings	$_____
Car Repair	$_____	Hair/Nails	$_____
Car Insurance	$_____	Fees or Dues	$_____
Gifts	$_____	Other	$_____
Rent	$_____		$_____
Renters Insurance	$_____		$_____
Health Insurance	$_____		$_____
Utilities	$_____		$_____
School	$_____		
Clothing	$_____	Total	$_____

PROJECT 5 ACTIVITY

30-DAY BUDGET TRACKING WORKSHEET

Expense Categories	**Week 1**	**Week 2**	**Week 3**	**Week 4**	**Total**	**Target**	**Surplus/Deficit**
Groceries							
Dining Out							
Gas							
Entertainment							
Car Payment							
Car Repair							
Car Insurance							
Gifts							
Rent							
Renters Insurance							
Health Insurance							
Utilities							
School							
Clothing							
Credit Cards							
Loans							
Pet Expenses							
Savings							
Hair/Nails							
Fees or Dues							
Other							
Total Expenses							
Total Income							

PROJECT 5 ACTIVITY

CREATING A BUDGET ESSAY

In a one- to two-page reflective essay, typed and double-spaced, answer the following questions. Make sure you proof the essay for grammar and word usage mistakes.

- After the second month of tracking expenses, did you make any changes to your spending habits?
- Were there areas that you spent too much money? How do you plan to compensate for that in the future?
- Do you feel that you have developed a plan for sensible spending that you can stick with?
- Were you able to work your financial goals into your budget? Did you have to make any compromises?

INSTRUCTOR OVERVIEW

Checking and understanding your credit report is a vital part of your personal financial strategy.

INSTRUCTIONAL OBJECTIVES

In this lesson, students will:

- Identify the three credit-reporting agencies
- Request a copy of your Experian® credit report at www.annualcreditreport.com.
- Identify features on a credit report
- Review your credit report and investigate any questions or concerns

CENTRAL QUESTION OR PROBLEM

What does my credit report say about me?

ASSIGNMENT RESOURCES

Students will need a computer with Internet access and a printer to request their free credit report.

ASSIGNMENT LENGTH

One week

NOTES

- It is fairly common for students to be hesitant about this project. Most students are misinformed about hard and soft inquiries on their credit. When you request your credit report, it is considered a soft inquiry and it does not hurt your credit score. I typically stress that several times.
- I provide a sample credit report for students who choose to not complete the assignment: http://www.experian.com/credit_report_basics/pdf/samplecreditreport.pdf
- I also recommend that students make a copy of the credit report and black out any sensitive information before they bring it to class.
- If the student has never applied for credit, they may get a message that requires written documentation before they will release the credit report. This is to protect from identity theft. Have students print or take a screen shot of the message and bring it to class. I

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encourage students to go ahead and submit the written request. They will need more time because it has to be mailed. I just tell them to bring it in for credit when they receive it.

- You may also have trouble if a student is here from another country and they haven't established credit. They won't have a social security card. I typically have those students follow along with the sample credit report. They will need to complete the alternative assignment.

CREDIT REPORT RUBRIC

This project has a total value of 20 points.

The student did not follow directions. (minus 2)	
The student successfully pulled their credit report. (plus 20) The student did pull a credit report, but it was the wrong one. (plus 10) The student did not attempt. (0 points)	
The assignment was late. (loss of one point per day)	
Total	

PROJECT 6 OVERVIEW: CREDIT REPORT

WHAT DOES MY CREDIT REPORT SAY ABOUT ME?

Checking and understanding your credit report is a vital part of your personal financial strategy. In this assignment, you will:

- Identify the three credit reporting agencies
- Request a copy of your free Experian credit report at www.annualcreditreport.com
- Review and evaluate the content of a credit report
- Evaluate your credit report and identify any questions or concerns

A credit report is a record of your credit history that includes information about your identity, existing credit, public records, and credit inquiries. Credit bureaus get information from your creditors, such as banks, credit card issuers, or auto finance companies. They also get information about you from public records, such as property or court records. Each credit bureau gets its information from different sources, so the information in one report many not be the same as the information in another.

Your credit report is important because lenders, insurers, employers, and others may obtain your credit report from credit bureaus to assess how you manage financial responsibilities. There are three major credit-reporting bureaus: Equifax, Experian, and TransUnion.

PROJECT 6 ACTIVITY

REQUESTING YOUR CREDIT REPORT

Go online to www.annualcreditreport.com and request a copy of your **Experian** credit report.

NOTES

- While the annualcreditreport.com website is secure, you should avoid accessing it on a public computer or over an unsecured wireless (wifi) Internet connection, because of the sensitive, personally identifiable information (such as your social security number) that the site will ask you to provide.
- Requesting your free annual credit report will **NOT** affect your credit rating.
- During the request process, you'll be asked to answer a number of identity verification questions. This can be a little tricky; so, it may help to have access to your financial records.
- To receive credit for the assignment, you'll need to print a copy of your report. However, you don't have to bring your entire report to class. You can bring just the first page, which doesn't include any sensitive personal identification or financial information.
- We will discuss the components of a credit report in class. You can bring your copy or I will have a sample you can review.
- If you have never applied for credit, you may get a message that requires you to submit written documentation before Experian will release your credit report. This is to protect from identity theft. You will need to print the message and bring it to class with you. **Bringing the printed copy of the message will keep you from getting a zero for the assignment.** You will have the option of an alternative assignment in the insurance portion of the course, or you can request that Experian send a copy in the mail to you.

INSTRUCTOR OVERVIEW

Through this assignment students will gain a better understanding of the car-buying process and the components that affect monthly payments. We will compare the purchase of a new car, used car, and a lease.

INSTRUCTIONAL OBJECTIVES

Purchasing a vehicle can greatly affect students' financial situations. In this lesson, students will:

- Define the terms associated with buying a car (including leasing, buying new, and buying used)
- Research used car values
- Identify the factors that affect the total price for a car (including the interest rate, the length of a contract, and the size of a down payment)
- Evaluate the costs and benefits of car purchase options

CENTRAL QUESTION OR PROBLEM

What is my best option for buying a vehicle?

ASSIGNMENT RESOURCES

Students may use all legitimate resources to complete the lesson.

ASSIGNMENT LENGTH

One week

NOTES

During class, I walk students through the "build a car" process on VW.com, examining both purchase and lease options, as well as looking at the same model, used, through autotrader.com. As we go, we discuss whether monthly payments seem reasonable, the pros and cons of changing the payment term, the impact of credit ratings on interest rates, how down payment amounts affect monthly payments, the basics of leasing agreements, and the importance of examining warranties for all purchases.

- This take-home car-building exercise is a fun activity for the students. I let them pick any car that they can readily find information about online.
- When checking the assignment, I typically make sure they have included all components. I don't judge what type of car they researched. Much of this is part of the learning process when deciding how much car to buy.

- I really enjoy reading the essays. Students have very strong feelings about what type of car they would like. Many feel it is an extension of their identity; some have brand loyalty, others only think of utility. Regardless, they are always entertaining.

- As a general rule, textbooks suggest that leasing an automobile is the least advantageous method of acquiring a vehicle. There are some compelling arguments that students come up with when arguing their point. I had a foreign student that was planning to be here for three years. He argued that he could put a little money down and have a low monthly payment. He also wouldn't have to worry about dependability and could turn it in to the dealership when he was ready to return home. The bottom line is that this activity has them working with online calculators to compare and contrast what options they have when looking to purchase a vehicle. This research will help them better prepare for their first experience with a car dealership.

PURCHASING A VEHICLE RUBRIC

This project has a total value of 20 points.

The student did not follow directions. (minus 2)	
The student completed the car worksheet. (plus 10) The student attempted to complete the form but they were not thorough. (plus 5) The student did not attempt. (0 points)	
The essay was well written. The essay displays clear facility in the use of grammar, mechanics, usage and spelling. The essay is generally free from errors. (plus 6) The essay contained a few mistakes. The essay displays facility in the use of grammar, mechanics, usage, and spelling, though it may contain errors. However, these errors do not overly detract from the overall success of the message. (plus 4) The essay contained many mistakes. The essay displays serious deficiencies in the use of grammar, mechanics, usage, and spelling. The essay contains an accumulation of serious errors in any and/or all these areas. (plus 2)	
The essay answered all questions thoughtfully. The essay contains details that support the author's responses. (plus 4) The essay answered most questions but lacked detail. (plus 3) The essay was vague and lacked detail. (plus 1)	
Total	

PROJECT 7 OVERVIEW: PURCHASING A VEHICLE

WHAT IS MY BEST OPTION FOR PURCHASING A VEHICLE?

Purchasing a vehicle can greatly affect your financial situation. In this lesson, you will:

- Define the terms associated with buying a car (including leasing, buying new and buying used)
- Research used-car values
- Identify the factors that affect the total price for a car (including the interest rate, the length of a contract, and the size of a down payment)
- Evaluate the costs and benefits of car-purchase options

Through this assignment you will gain a better understanding of the car-buying process and the components that affect your monthly payments. We will compare the purchase of a new car, used car, and a lease.

ASSIGNMENT INSTRUCTIONS

Is there a new car or truck you have dreamed about owning? Now is your chance to see how much it would cost.

- For this assignment, you will need Internet access and the Buying a Car worksheet (Student Handout 7B)
- First, choose a car or truck, then build and price a new model with varying terms and interest rates. Print out a fact sheet or brochure, if available, about your selected new car.
- Next you'll look at a used model, including certified used models and leasing options. You'll also review warranty information on the vehicle. Print out a fact sheet or brochure, if available, about your selected used car.
- After completing the worksheet, summarize the activity in a reflective essay that includes your conclusion about which vehicle-purchasing option is best for you.
- Be careful about providing your email address or other contact information to auto dealerships, whose sales staff may contact you repeatedly.
- Remember that this assignment is hypothetical. Relax and have fun.

PROJECT 7 ACTIVITY

PURCHASING A VEHICLE WORKSHEET

1. Build and price a new car of your choice (something other than the car your instructor demonstrated in class).

    a. Calculate your monthly payment for a five-year term, 5% expected APR, with a $10,000 down payment.

    b. What happens to your payment if you decrease your term to three years?

    c. You lost your savings and can no longer afford to put money down on the car. The day worsens when the dealership informs you that your credit rating is less than ideal, and your expected APR is 18%. How does this affect your monthly payment for a three-year term?

    d. Multiply your monthly payments by the amount of months in the term to determine the total price you will have paid for the car. How much more are you paying for the car in comparison to the selling price?

PROJECT 7 ACTIVITY: PURCHASING A VEHICLE WORKSHEET (CONTINUED)

2. Visit a website that sells used cars (e.g., AutoTrader.com) to see how much the used version of the car you selected earlier cost. Use that price for the following questions.

    a. Using the used car price, calculate your monthly payments for a five-year term, 5% expected APR, with $10,000 down. Compare the payments to that of a new car.

    b. Once again, you cannot afford to put any money down on the car and the dealer informs you your poor credit results in an 18% APR. How does this affect your monthly payment for a three-year term?

    c. Multiply your monthly payments by the amount of months in the term to determine the total price you will have paid for the car. How much more are you paying for the car in comparison to the selling price?

PROJECT 7 ACTIVITY: PURCHASING A VEHICLE WORKSHEET (CONTINUED)

3. Find a leasing deal for a car other than the car your instructor used as an example in class.

    a. State the terms of the lease.

    b. Calculate how many miles you drive per month. Use that number to estimate the amount of miles you drive yearly. Is the allotted mileage for this lease a viable option for you? Explain.

    c. If you stated you drive more than 1,000 miles every month, calculate the mileage overage fees you would incur based on the additional per mile cost stated in the lease.

    d. Calculate how much you will have paid for the car after the 3 years including the money due at signing.

4. What is a certified used car?

5. What type of warranty does the company offer? What is covered and for how long? Is maintenance included?

    a. New car

    b. Certified used

PROJECT 7 ACTIVITY

PURCHASING A VEHICLE ESSAY

In a one- to two-page reflective essay, typed and double-spaced, answer the following questions. Make sure you proof the essay for grammar and word usage mistakes.

- Have you purchased a vehicle before? If so, do you have any regrets about the experience?
- After completing the worksheet, do you feel more confident about researching a vehicle?
- Now that you have gone through this exercise, if you were in the market for a car or truck, which option would you choose: buying new, used, or leasing? Explain how this choice will benefit you financially in the future.

INSTRUCTOR OVERVIEW

INSTRUCTIONAL OBJECTIVES

Building wealth over the long term requires an understanding of investment strategies to reach your goals. In this lesson, students will:

- Learn the importance of beginning to invest at an early age and continuing throughout their careers
- Understand various strategies for investing
- Understand the tools available for evaluating stocks as potential investments
- Weigh risks and rewards associated with equity investing

CENTRAL QUESTION OR PROBLEM

How should I invest my money?

ASSIGNMENT RESOURCES

Students will need a computer, printer, and Internet access.

ASSIGNMENT LENGTH

One month

NOTES

- I use SmartStocks (www.smartstocks.com) as my trading platform. There is no cost involved and there are great, self-guided resources for the students.
- You will need to create an account for your class, including a class name and password that they will make note of on Student Handout 8A (Step 5).
- I have found that the class typically splits on this activity. They will either love it or really excel or they won't engage. I came across a stock market bingo game that worked very well to introduce the Dow Jones and its components. I was able to introduce the companies that make up the Dow and students were more comfortable after that. You can find the game using the link provided. www.dallasfed.org/assets/documents/educate/pubs/wealth_classroom/05_lesson.pdf
- I have used SmartStocks several times with a pretty predictable result. Students become very competitive towards the end. Many students will buy and sell feverishly the last week. It was an interesting class discussion the day that Apple's value fell and stocks tumbled. Students were required to sell all stocks on the last day. They were begging for extra time to recover from the losses.

- I typically pull up the game in the instructor's view in the first few minutes of class during the month and see how everyone is doing. We talk about what is going on in business and why it is important to keep up with the news while investing.
- I review the instructor's page before class to see who has been working with their portfolio. If I see students that haven't been active, I often make a point to talk with them about any issues they may be having. I have also sent out emails to the class with stock tips and news clips. My hope is to expose students to the stock market, and help them learn to identify the potential for gains and risk of losses when investing in stocks. If you have the opportunity, you can discuss the business cycle and the impact of fluctuation on investments.

PROJECT 8 ASSESSMENT

SAVING AND INVESTING RUBRIC

This project has a total value of 20 points.

The student did not follow directions. (minus 2)	
The student successfully set up a portfolio and made the required trades. (plus 10) The student set up a portfolio but did not complete as assigned. (plus 5) The student did not attempt. (0 points)	
The research project answered all questions thoughtfully. (plus 6) The research project answered most questions but lacked detail. (plus 4) The research project was vague and lacked detail. (plus 2)	
The essay was well written. The essay displays clear facility in the use of grammar, mechanics, usage and spelling. The essay is generally free from errors. (plus 4) The essay contained a few mistakes. The essay displays facility in the use of grammar, mechanics, usage, and spelling, though it may contain errors. However, these errors do not overly detract from the overall success of the message. (plus 3) The essay contained many mistakes. The essay displays serious deficiencies in the use of grammar, mechanics, usage, and spelling. The essay contains an accumulation of serious errors in any and/or all these areas. (plus 1)	
Total	

Please note that your grade will **not** be based on how your "investments" perform, i.e., whether or not you make money. Four weeks is a brief time in the life of the stock market; the purpose of the game is to develop an understanding of how the market operates and how investing is accomplished. However, extra credit will be awarded to the top two earners in the class, provided they have met all of the above criteria.

PROJECT 8 OVERVIEW: SAVING AND INVESTING

HOW SHOULD I INVEST MY MONEY?

Building wealth over the long term requires an understanding of investment strategies to reach your goals. In this assignment, you will:

- Learn the importance of beginning to invest at an early age and continuing throughout your work career
- Understand various strategies for investing
- Understand the tools available for evaluating stocks as potential investments
- Weigh risks and rewards associated with equity investing

ACTIVITY INSTRUCTIONS

We will be playing a stock market game for approximately one month. Below are the procedures of the game, which you should read carefully. Failure to meet all the requirements of the game will negatively affect your grade on the project.

During the one-month period, we will examine a stock page, the meaning of various tools that are used to analyze stock and various strategies for investing.

PROCEDURE

1. You will be given a hypothetical $1,000,000 to invest in stocks.
2. You must invest in at least five companies.
3. You must research at least one of the five companies, providing a one-page overview. Be sure to include the following components:
    - A company profile, i.e., history and what they produce
    - Relevant financial information, such as total sales, total profits, dividends, P/E ratio, number of outstanding shares, recent stock performance
    - Why you selected this company as a "buy"
4. You will be required to make at least two trades during the course of the game. These trades may be either a simple sale of one stock and the purchase of another in the same value, or a partial sale of one to acquire a new holding or more of an existing holding. At all times, you must own at least **five** stocks to simulate a "diversified" portfolio, as most investment counselors and brokers recommend.

PROJECT 8 OVERVIEW (CONTINUED)

5. Your instructor will give you a class name and password that will allow you to set up and access your online portfolio. Note them here:
    - Class name: _____
    - Password: _____
6. To set up your online portfolio:
    - Go to: www.smartstocks.com.
    - Enter the registration information requested.
    - Once you have received the confirmation email, click on the link and enter your email address and password.
    - Click **join group** and find your class group.
    - Click **join**.
    - Enter password.
7. Click on the **learn** button and complete the beginner, intermediate, and advanced investor certifications.
8. To start purchasing stock, go to the Dashboard and click **buy/sell stock**.
9. You will track your stocks weekly, recording the results in your transaction register.
10. On the last day of trading, liquidate all stocks and print a copy of your account balance. Indicate whether you made or lost money and what contributed to your outcome.

Note: We will NOT be investing in mutual funds, preferred stocks, bonds, bond funds, or any of a number of other possible investment vehicles. For the sake of simplicity and uniformity, we will only invest in common stocks.

PROJECT 8 ACTIVITY

STOCKS TRANSACTION REGISTER

Name:_____ Date:_____

Company	Stock Symbol	Total Amount I Want To Invest in This Company	Current Stock Price	# of Shares I Am Buying (rounded down to the nearest tenth)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

Note: You must buy stock in **at least five** companies. I included #6-10 in case you wanted to further diversify your portfolio.

INSTRUCTOR OVERVIEW

INSTRUCTIONAL OBJECTIVES

The likelihood that students and their families will recover from an emergency tomorrow often depends on the planning and preparation done today. In this lesson, students will:

- Evaluate personal needs
- Identify resources to develop a plan
- Identify types of documents that are important
- Construct a binder with important documents

CENTRAL QUESTION OR PROBLEM

Am I financially prepared for an emergency?

ASSIGNMENT RESOURCES

Students may use whatever they feel is necessary to complete the project.

ASSIGNMENT LENGTH

One month

NOTES

- I typically find that I need to give the students about a month to complete this project. Many times students will need to discuss the project with their parents and work with them to locate the documents.
- You can modify the documents that you require. My students are in college; so, their lists may look different from high school students' lists. High school students may want to focus on what documents they will need to apply for college or move into their first apartment.
- I typically pair this project with Katrina's Classroom: Financial Lessons from a Hurricane's Module 2 video (www.frbatlanta.org/forms/katrina_aftermath.cfm). This piece does a really nice job of illustrating why it is important to have your important documents ready for an emergency.
- I have students include a copy of the important documents in their binder. When they bring the binder in at the end of the semester, they can just mark out any important information on the copies.

IMPORTANT FINANCIAL DOCUMENTS RUBRIC

Documents are worth 1 point each. To receive full credit for this assignment, you will need to include at least 10 items from the list above and include your reflective essay.

This project has a total value of 20 points.

The student did not follow directions. (minus 2)	
The essay was well written. The essay displays clear facility in the use of grammar, mechanics, usage and spelling. The essay is generally free from errors. (plus 3) The essay contained a few mistakes. The essay displays facility in the use of grammar, mechanics, usage, and spelling, though it may contain errors. However, these errors do not overly detract from the overall success of the message. (plus 2) The essay contained many mistakes. The essay displays serious deficiencies in the use of grammar, mechanics, usage, and spelling. The essay contains an accumulation of serious errors in any and/or all these areas. (plus 1)	
The essay answered all questions thoughtfully. The essay contains details that support the author's responses. (plus 3) The essay answered most questions but lacked detail. (plus 2) The essay was vague and lacked detail. (plus 1)	
Total number of documents included in binder. (plus 1 for each, up to 10)	
The assignment was late. (loss of one point per day)	
Total	

PROJECT 9 OVERVIEW: IMPORTANT FINANCIAL DOCUMENTS

AM I FINANCIALLY PREPARED FOR AN EMERGENCY?

The likelihood that you and your family will recover from an emergency tomorrow often depends on the planning and preparation done today. In this lesson, you will:

- Evaluate your personal preparation needs
- Identify resources to develop a plan
- Create a basic emergency plan
- Identify types of documents that are important
- Organize a binder with important documents and information

Part of having a financial plan is to identify the hazards that have happened or could happen in your area and plan for the unique actions for each.

What are some hazards we should be prepared for in our area?

_____

_____

_____

Share the hazard-specific information with family members and include pertinent materials in your family disaster plan.

- Determine where you will meet or whom you will contact if a crisis does occur.

  _____

  _____

  _____

PROJECT 9 OVERVIEW (CONTINUED)

- What three things would you grab if you had to go to a place of safety or evacuate quickly?

  _____

  _____

  _____

There are several options for storing your important documents. You can use your binder or a password-protected area in the Cloud (http://www.apps.gov/cloud/main/start_page.do) or a secure USB drive that you can keep readily available. This USB drive can be kept on a key ring so it can be accessed from any computer, anytime, anywhere. Remember important documents, such as:

- Personal and property insurance
- Identification: driver's license/passport (for family members, as well)
- Banking information

Don't forget your pets!

- Store your pet's veterinary medical records documents online.
- Consider an information digital implant.
- Keep a current photo of your pet in your online kit to aid in identification if you are separated.

Your family may not be together when disaster strikes; so, it is important to plan in advance.

- Create an Emergency Information Document (https://docs.google.com/previewtemplate?id=0AppAbzoFksoadEhnUEZKNG94U09CM25RczJBUTVWSHc&mode=public in the Google Chrome browser)
- Create a Family Communications Plan (www.ready.gov/sites/default/files/documents/files/Family_Emegency_Plan.pdf) to record how you will contact one another, how you will get back together, and what you will do in different situations.

Make sure to share these documents with family members, friends and coworkers who will also need to access it in an emergency or crisis. Note: When handling personal and sensitive information, always keep your data private and share it only with those who need access in case of emergency.

PROJECT 9 OVERVIEW (CONTINUED)

PERSONAL DOCUMENTS

Personal and financial documents can help you reestablish yourself if you experience a disaster. It is important to have a copy of this information in a safe place. Using the list below, you need to come up with at least 10 documents and place them in your binder. I suggest that you make copies of the originals and mark out any information you feel is sensitive.

1. _____ Birth certificate
2. _____ Personal identification (driver's license or school identification)
3. _____ Social security card
4. _____ Immunization records
5. _____ Report card or transcripts
6. _____ Health insurance information
7. _____ Banking information (checking or savings account)
8. _____ ACT/SAT standardized test scores

SUBSTITUTION DOCUMENTS

1. _____ Recent pay stubs
2. _____ Proof of auto insurance
3. _____ Vehicle registration
4. _____ Tax documents
5. _____ College application information
6. _____ FAFSA (Free Application for Federal Student Aid)
7. _____ Student loan information
8. _____ Medical records or prescription information
9. _____ Copy of lease or rental agreement

PROJECT 9 ACTIVITY

IMPORTANT FINANCIAL DOCUMENTS ESSAY

In a one- to two-page reflective essay, typed and double-spaced, answer the following questions. Make sure you proof the essay for grammar and word usage mistakes.

- Describe whether or not you were successful in gathering all of the documents listed.
- If not, what did you have difficulty locating?
- How long did it take you to locate the information?
- Did you put anything in your binder that wasn't on the list?
- Was there anything that surprised you during this process?
- Do you feel more prepared for an emergency? Explain your response.

INSTRUCTOR OVERVIEW

Retirement is the time in life when the major sources of income change from earned income to employer based retirement benefits, private savings and investments, social security, etc.

INSTRUCTIONAL OBJECTIVES

As students begin their working phase of life, they should start planning for a comfortable retirement. In this lesson, students will:

- Examine the need to start saving early
- Calculate how much money they will need for retirement
- Identify sources of retirement income
- Create a strategy for saving for retirement

CENTRAL QUESTION OR PROBLEM

How much money will I need to retire?

ASSIGNMENT RESOURCES

Students will need a computer, printer, and access to the Internet.

ASSIGNMENT LENGTH

One week

NOTES

- This is one of my favorite projects to go through with the students. It does a nice job of making saving for retirement relevant. It also illustrates how easy this can be if you start saving early and often.
- Read through the sample social security statement with the students. Make sure they understand the vocabulary and how credits are earned. You will get feedback on whether or not students feel social security will be around when they get ready to retire. I typically respond that, for the purposes of this project, we are going to assume that it will be funded at today's levels.
- Many experts suggest that saving for retirement requires a three-legged stool approach.
- You must determine how much money you need in retirement.
    - How much will social security contribute monthly?
    - How much will your employer-based retirement benefits contribute monthly?

    - How much will you need to save of your disposable income for retirement?

- I typically walk them through the calculators during class and let them work independently to determine their specific numbers.

- I have received positive feedback from students on the project. Retirement seems so far away when you are young. Understanding the steps to determine how much you need for retirement make the process less intimidating.

PROJECT 10 ASSESSMENT

RETIREMENT PLANNING RUBRIC

This project has a total value of 20 points.

The student did not follow directions. (minus 2)	
The student completed the social security piece. (plus 6) The student did not attempt. (0 points)	
The student completed the What's Your Number worksheet. (plus 6) The student did not attempt. (plus 0)	
The student completed the retirement income calculator. (plus 6) The student did not attempt. (plus 0)	
The student completed the Three-Legged Stool worksheet. (plus 2) The student did not attempt. (plus 0)	
Total	

PROJECT 10 OVERVIEW: RETIREMENT PLANNING

HOW MUCH MONEY WILL I NEED TO RETIRE?

Retirement is the time in life when the major sources of income change from earned income to employer-based retirement benefits, private savings and investments, social security, etc. In this lesson, you will:

- Examine the need to start saving early
- Calculate how much money you will need for retirement
- Identify the sources of retirement income
- Create a strategy for saving for retirement

As you begin your working phase of life, it is a good idea to start planning what you will need to be comfortable during retirement. You will need to start thinking about the following questions:

1. What age do I want to retire?
2. How long do I anticipate living past retirement?
3. What type of lifestyle do I want in retirement?
4. How much money will I need to maintain that lifestyle?

PROJECT 10 ACTIVITY

RETIREMENT PLANNING EXERCISE

STEP 1: ESTIMATE YOUR SOCIAL SECURITY BENEFITS

Using the Social Security Administration's website, www.ssa.gov/retire2, familiarize yourself with the rules surrounding collecting social security benefits. Determine what age you would like to retire and what your life expectancy might be. If you are currently working or have worked in the past, you can access your personal information by creating an account.

Use this link to open an account and print your benefits statement: https://secure.ssa.gov/RIL/SiView.do.

If you have not had a job or do not have a social security number, use this link to access a sample social security benefits statement: www.ssa.gov/myaccount/SSA-7005-OL.pdf.

Understanding how much you will receive in social security benefits is the first step in planning for your financial future during retirement.

_____ Estimated Monthly Income

_____ Estimated Yearly Income

STEP 2: FIND YOUR NUMBER

Access the retirement calculator here: www.ingyournumber.com.

- Click **Find Your Number Now.**
- Enter your age.
- Enter the average income for the career path you have chosen (For example, if you want to go into accounting you could use the following link to see what the national average is: www.payscale.com/rcsearch.aspx?category=Job&str=accounting&CountryName=United+States&SourceId=Country.) If you have a different career path, type the job title in the box to the left.
- Recall the chart from the Social Security Administration in Step 1. Enter the age you plan to retire.
- To calculate the annual income you will need for retirement, find 80% of your current household income.

PROJECT 10 RETIREMENT PLANNING EXERCISE (CONTINUED)

- To estimate how long you will live, you can look at the average age of relatives. Most experts say that you should plan to live until the age of 90. This may need to be adjusted as you grow older and as life expectancy models change.
- Click **calculate**.
- Print the page that shows your number. Put this with your social security benefits estimate.

STEP 3: RETIREMENT INCOME CALCULATOR

Now that you know what you need for retirement, it is important to understand how you will reach such a large number. Use the following link and complete the questions.
https://www3.troweprice.com/ric/ricweb/public/ric.do?src=startover

- Do not hit register or log in. Go directly to **start**.
- This assignment is to be completed as an individual. Do not include a partner or spouse (click **no**).
- Enter the month and year you were born, click **saving for retirement**, and then click **next**.
- In the first box, enter how much you have saved for retirement. If you don't have a retirement account, indicate zero.
- Enter your current salary. If you aren't working, enter the average salary for your chosen career (determined in Step 2, above).
- If you are currently working, enter your correct information into the workplace contributions space. If you are not working, assume that you contribute 5% and your employer matches your 5% contribution for a total of 10%.
- List other contributions if they apply. Click **next**.
- For asset allocation, click the second option and let the calculator adjust the model over time. Click **next.**
- Enter the age you expect to retire.
- Click the **yes** button to include the estimated social security benefit.
- If your place of business provides a pension, include that information in the next box. If you aren't working, leave it blank. Click **next**.
- Review the results and print the page.

You will need to turn in the social security benefits sheet, the ING number printout, and the Retirement Income Calculator printout with your Three Legged Stool worksheet.

Be prepared to discuss how you felt about this process.

PROJECT 10 ACTIVITY

THREE-LEGGED STOOL WORKSHEET

Planning for retirement is a three-legged stool.

Insert the dollar amount from the retirement calculator:

_____

How much will you need per month?

_____

What are your monthly social security contributions?

_____

How much are you employer benefits contributions per month?

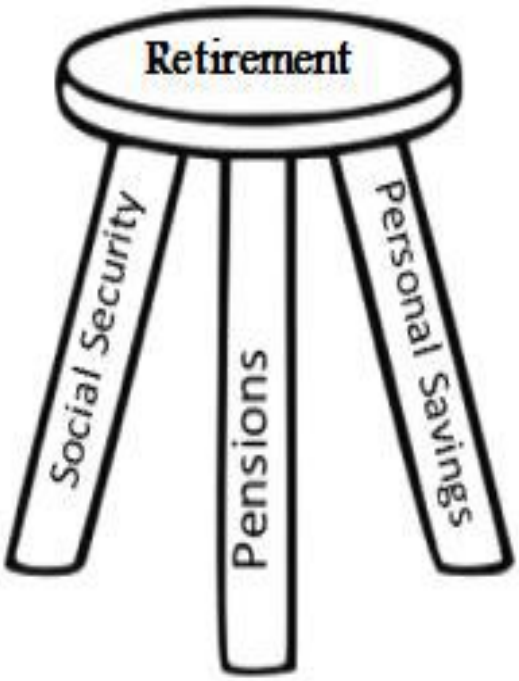
_____

What do you plan to contribute from personal savings each month?

_____

Will you have enough money to retire at the age you chose?

_____



Prevent identity theft—protect your Social Security number

Your Social Security Statement

www.socialsecurity.gov

Prepared especially for Wanda Worker

January 2, 2014

See inside for your personal information

WANDA WORKER
456 ANYWHERE AVENUE
MAINTOWN, USA 11111-1111

What's inside…

Your Estimated Benefits.....2
Your Earnings Record.....3
Some Facts About Social Security.....4
If You Need More Information.....4

What Social Security Means To You

This *Social Security Statement* can help you plan for your financial future. It provides estimates of your Social Security benefits under current law and updates your latest reported earnings.

Please read this *Statement* carefully. If you see a mistake, please let us know. That's important because your benefits will be based on our record of your lifetime earnings. We recommend you keep a copy of your *Statement* with your financial records.

Social Security is for people of all ages…
We're more than a retirement program. Social Security also can provide benefits if you become disabled and help support your family after you die.

Work to build a secure future…
Social Security is the largest source of income for most elderly Americans today, but Social Security was never intended to be your only source of income when you retire. You also will need other savings, investments, pensions or retirement accounts to make sure you have enough money to live comfortably when you retire.

Saving and investing wisely are important not only for you and your family, but for the entire country. If you want to learn more about how and why to save, you should visit ***www.mymoney.gov***, a federal government website dedicated to teaching all Americans the basics of financial management.

About Social Security's future…
Social Security is a compact between generations. Since 1935, America has kept the promise of security for its workers and their families. Now, however, the Social Security system is facing serious financial problems, and action is needed soon to make sure the system will be sound when today's younger workers are ready for retirement.

Without changes, in 2033 the Social Security Trust Fund will be able to pay only about 77 cents for each dollar of scheduled benefits.* We need to resolve these issues soon to make sure Social Security continues to provide a foundation of protection for future generations.

Social Security on the Net…
Visit ***www.socialsecurity.gov*** on the Internet to learn more about Social Security. You can read publications, including *When To Start Receiving Retirement Benefits*; use our Retirement Estimator to obtain immediate and personalized estimates of future benefits; and when you're ready to apply for benefits, use our improved online application—It's so easy!

Carolyn W. Colvin
Acting Commissioner

* These estimates are based on the intermediate assumptions from the Social Security Trustees' Annual Report to the Congress.

Your Estimated Benefits

***Retirement** You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until…

your full retirement age (67 years), your payment would be about	$ 1,680 a month
age 70, your payment would be about	$ 2,094 a month
age 62, your payment would be about	$ 1,159 a month

***Disability** You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about ..... $ 1,527 a month

***Family** If you get retirement or disability benefits, your spouse and children also may qualify for benefits.

***Survivors** You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits:

Your child	$ 1,176 a month
Your spouse who is caring for your child	$ 1,176 a month
Your spouse, if benefits start at full retirement age	$ 1,569 a month
Total family benefits cannot be more than	$ 2,908 a month

Your spouse or minor child may be eligible for a special one-time death benefit of $255.

Medicare You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.

* **Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2033, the payroll taxes collected will be enough to pay only about 77 percent of scheduled benefits.**

We based your benefit estimates on these facts:

Your date of birth (please verify your name on page 1 and this date of birth)	April 5, 1974
Your estimated taxable earnings per year after 2014	$47,423
Your Social Security number (only the last four digits are shown to help prevent identity theft)	XXX-XX-1234

How Your Benefits Are Estimated

To qualify for benefits, you earn "credits" through your work — up to four each year. This year, for example, you earn one credit for each $1,200 of wages or self-employment income. When you've earned $4,800, you've earned your four credits for the year. Most people need 40 credits, earned over their working lifetime, to receive retirement benefits. For disability and survivors benefits, young people need fewer credits to be eligible.

We checked your records to see whether you have earned enough credits to qualify for benefits. If you haven't earned enough yet to qualify for any type of benefit, we can't give you a benefit estimate now. If you continue to work, we'll give you an estimate when you do qualify.

What we assumed — If you have enough work credits, we estimated your benefit amounts using your average earnings over your working lifetime. For 2014 and later (up to retirement age), we assumed you'll continue to work and make about the same as you did in 2012 or 2013. We also included credits we assumed you earned last year and this year.

Generally, the older you are and the closer you are to retirement, the more accurate the retirement estimates will be because they are based on a longer work history with fewer uncertainties such as earnings fluctuations and future law changes. We encourage you to use our online Retirement Estimator at ***www.socialsecurity.gov/estimator*** to obtain immediate and personalized benefit estimates.

We can't provide your actual benefit amount until you apply for benefits. **And that amount may differ from the estimates stated above because:**

(1) Your earnings may increase or decrease in the future.
(2) After you start receiving benefits, they will be adjusted for cost-of-living increases.
(3) Your estimated benefits are based on current law. **The law governing benefit amounts may change.**
(4) Your benefit amount may be affected by **military service, railroad employment or pensions earned through work on which you did not pay Social Security tax**. Visit ***www.socialsecurity.gov*** to learn more.

Windfall Elimination Provision (WEP) — In the future, if you receive a pension from employment in which you do not pay Social Security taxes, such as some federal, state or local government work, some nonprofit organizations or foreign employment, and you also qualify for your own Social Security retirement or disability benefit, your Social Security benefit may be reduced, but not eliminated, by WEP. The amount of the reduction, if any, depends on your earnings and number of years in jobs in which you paid Social Security taxes, and the year you are age 62 or become disabled. For more information, please see *Windfall Elimination Provision* (Publication No. 05-10045) at ***www.socialsecurity.gov/WEP***.

Government Pension Offset (GPO) — If you receive a pension based on federal, state or local government work in which you did not pay Social Security taxes and you qualify, now or in the future, for Social Security benefits as a current or former spouse, widow or widower, you are likely to be affected by GPO. If GPO applies, your Social Security benefit will be reduced by an amount equal to two-thirds of your government pension, and could be reduced to zero. Even if your benefit is reduced to zero, you will be eligible for Medicare at age 65 on your spouse's record. To learn more, please see *Government Pension Offset* (Publication No. 05-10007) at ***www.socialsecurity.gov/GPO***.

Your Earnings Record

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1990	654	654
1991	1,592	1,592
1992	2,854	2,854
1993	4,678	4,678
1994	6,367	6,367
1995	7,923	7,923
1996	9,985	9,985
1997	13,095	13,095
1998	16,232	16,232
1999	19,252	19,252
2000	22,240	22,240
2001	24,543	24,543
2002	26,341	26,341
2003	28,412	28,412
2004	30,970	30,970
2005	33,253	33,253
2006	35,799	35,799
2007	38,342	38,342
2008	40,065	40,065
2009	40,191	40,191
2010	41,790	41,790
2011	43,768	43,768
2012	45,718	45,718
2013	Not yet recorded	

You and your family may be eligible for valuable benefits:

When you die, your family may be eligible to receive survivors benefits.

Social Security may help you if you become disabled—even at a young age.

A young person who has worked and paid Social Security taxes in as few as two years can be eligible for disability benefits.

Social Security credits you earn move with you from job to job throughout your career.

Total Social Security and Medicare taxes paid over your working career through the last year reported on the chart above:

Estimated taxes paid for Social Security:		Estimated taxes paid for Medicare:	
You paid:	$31,322	You paid:	$7,744
Your employers paid:	$33,112	Your employers paid:	$7,744

Note: Currently, you and your employer each pay a 6.2 percent Social Security tax on up to $117,000 of your earnings and a 1.45* percent Medicare tax on all your earnings. If you are self-employed, you pay the combined employee and employer amount, which is a 12.4 percent Social Security tax on up to $117,000 of your net earnings and a 2.9* percent Medicare tax on your entire net earnings.

*If you have earned income of more than $200,000 ($250,000 for married couples filing jointly), you must pay 0.9 percent more in Medicare taxes.

Help Us Keep Your Earnings Record Accurate

You, your employer and Social Security share responsibility for the accuracy of your earnings record. Since you began working, we recorded your reported earnings under your name and Social Security number. We have updated your record each time your employer (or you, if you're self-employed) reported your earnings.

Remember, it's your earnings, not the amount of taxes you paid or the number of credits you've earned, that determine your benefit amount. When we figure that amount, we base it on your average earnings over your lifetime. If our records are wrong, you may not receive all the benefits to which you're entitled.

Review this chart carefully using your own records to make sure our information is correct and that we've recorded each year you worked. You're the only person who can look at the earnings chart and know whether it is complete and correct.

Some or all of your earnings from **last year** may not be shown on your *Statement*. It could be that we still were processing last year's earnings reports when your *Statement* was prepared. Your complete earnings for last year will be shown on next year's *Statement*. **Note:** If you worked for more than one employer during any year, or if you had both earnings and self-employment income, we combined your earnings for the year.

There's a limit on the amount of earnings on which you pay Social Security taxes each year. The limit increases yearly. Earnings above the limit will not appear on your earnings chart as Social Security earnings. (For Medicare taxes, the maximum earnings amount began rising in 1991. Since 1994, **all** of your earnings are taxed for Medicare.)

Call us right away at **1-800-772-1213** (7 a.m.–7 p.m. your local time) if any earnings for years **before last year** are shown incorrectly. Please have your W-2 or tax return for those years available. (If you live outside the U.S., follow the directions at the bottom of page 4.)

Some Facts About Social Security

About Social Security and Medicare…

Social Security pays retirement, disability, family and survivors benefits. Medicare, a separate program run by the Centers for Medicare & Medicaid Services, helps pay for inpatient hospital care, nursing care, doctors' fees, drugs, and other medical services and supplies to people age 65 and older, as well as to people who have been receiving Social Security disability benefits for two years or more. Medicare does not pay for long-term care, so you may want to consider options for private insurance. Your Social Security covered earnings qualify you for both programs. For more information about Medicare, visit ***www.medicare.gov*** or call **1-800-633-4227** (TTY **1-877-486-2048** if you are deaf or hard of hearing).

Retirement — If you were born before 1938, your full retirement age is 65. Because of a 1983 change in the law, the full retirement age will increase gradually to 67 for people born in 1960 and later.

Some people retire before their full retirement age. You can retire as early as 62 and take benefits at a reduced rate. If you work after your full retirement age, you can receive higher benefits because of additional earnings and credits for delayed retirement.

Disability — If you become disabled before full retirement age, you can receive disability benefits after six months if you have:

— enough credits from earnings (depending on your age, you must have earned six to 20 of your credits in the three to 10 years before you became disabled); and
— a physical or mental impairment that's expected to prevent you from doing "substantial" work for a year or more *or* result in death.

If you are filing for disability benefits, please let us know if you are on active military duty or are a recently discharged veteran, so that we can handle your claim more quickly.

Family — If you're eligible for disability or retirement benefits, your current or divorced spouse, minor children or adult children disabled before age 22 also may receive benefits. Each may qualify for up to about 50 percent of your benefit amount.

Survivors — When you die, certain members of your family may be eligible for benefits:

— your spouse age 60 or older (50 or older if disabled, or any age if caring for your children younger than age 16); and
— your children if unmarried and younger than age 18, still in school and younger than 19 years old, or adult children disabled before age 22.

If you are divorced, your ex-spouse could be eligible for a widow's or widower's benefit on your record when you die.

Extra Help with Medicare — If you know someone who is on Medicare and has limited income and resources, extra help is available for prescription drug costs. The extra help can help pay the monthly premiums, annual deductibles and prescription co-payments. To learn more or to apply, visit ***www.socialsecurity.gov*** or call **1-800-772-1213** (TTY **1-800-325-0778**).

Receive benefits and still work...

You can work and still get retirement or survivors benefits. If you're younger than your full retirement age, there are limits on how much you can earn without affecting your benefit amount. When you apply for benefits, we'll tell you what the limits are and whether work would affect your monthly benefits. When you reach full retirement age, the earnings limits no longer apply.

Before you decide to retire...

Carefully consider the advantages and disadvantages of early retirement. If you choose to receive benefits before you reach full retirement age, your monthly benefits will be reduced.

To help you decide the best time to retire, we offer a free publication, *When To Start Receiving Retirement Benefits* (Publication No. 05-10147), that identifies the many factors you should consider before applying. Most people can receive an estimate of their benefit based on their actual Social Security earnings record by going to ***www.socialsecurity.gov/estimator***. You also can calculate future retirement benefits by using the Social Security Benefit Calculators at ***www.socialsecurity.gov***.

Other helpful free publications include:

— *Retirement Benefits* (No. 05-10035)
— *Understanding The Benefits* (No. 05-10024)
— *Your Retirement Benefit: How It Is Figured* (No. 05-10070)
— *Windfall Elimination Provision* (No. 05-10045)
— *Government Pension Offset* (No. 05-10007)
— *Identity Theft And Your Social Security Number* (No. 05-10064)

We also have other leaflets and fact sheets with information about specific topics such as military service, self-employment or foreign employment. You can request Social Security publications at our website, ***www.socialsecurity.gov***, or by calling us at **1-800-772-1213**. Our website has a list of frequently asked questions that may answer questions you have. We have easy-to-use online applications for benefits that can save you a telephone call or a trip to a field office.

You may also qualify for government benefits outside of Social Security. For more information on these benefits, visit ***www.govbenefits.gov***.

If you need more information—Contact any Social Security office, or call us toll-free at **1-800-772-1213**. (If you are deaf or hard of hearing, you may call our TTY number, **1-800-325-0778**.) If you have questions about your personal information, you must provide your complete Social Security number. If you are in the United States, you also may write to the Social Security Administration, Office of Earnings Operations, P.O. Box 33026, Baltimore, MD 21290-3026. If you are outside the United States, please write to the Office of International Operations, P.O. Box 17769, Baltimore, MD 21235-7769, USA.

INSTRUCTOR OVERVIEW

Before a catastrophe strikes and students are faced with a loss, they should make a home inventory: lists, pictures or videos of the contents of their homes. Most people would be unable to remember all the possessions they've accumulated over the years if they were destroyed by a fire. Having an up-to-date home inventory will help students get an insurance claim settled faster, verify losses for an income tax return and help them purchase the correct amount of insurance.

INSTRUCTIONAL OBJECTIVES

In this assignment students will:

1. List personal possessions in a household inventory log
2. Calculate the value of their possessions
3. Determine if they have enough insurance to cover a total loss
4. Examine policy limits and determine if they need to add a rider

CENTRAL PROBLEM OR QUESTION

Do I have enough insurance to replace my possessions?

ASSIGNMENT RESOURCES

Students can use the handouts provided or any other insurance industry standard tool.

ASSIGNMENT LENGTH

One week

NOTES

- I typically offer this as an alternative assignment for students who feel strongly about not completing one of the previous projects.
- Students who live with parents can catalog their bedrooms.
- Students will need to determine replacement values for the items on their lists.
- Students who live at home really like this project. They can talk with parents about what items they can take with them when they move out. They can also discuss how much items will cost if they need to buy them when they live on their own.
- I warn students who choose to do this project instead of others that this project tends to take a lot longer than other projects.

INSURANCE INVENTORY RUBRIC

This project has a total value of 20 points.

The student did not follow directions. (minus 2)	
The student completed the home inventory completely. (plus 20) The student completed most of the home inventory (3/4 or more). (plus 15) The student completed some of the home inventory (3/4 – 1/2). (plus 10) The student completed very little of the home inventory (1/2 or less). (plus 5) The student did not attempt. (0 points)	
Total	

PROJECT 11 OVERVIEW: INSURANCE INVENTORY

DO I HAVE ENOUGH INSURANCE?

Before a catastrophe strikes and you're faced with a loss, make a home inventory: lists, pictures or videos of the contents of your home. After all, would you be able to remember all the possessions you've accumulated over the years if they were destroyed by a fire? Having an up-to-date home inventory will help you get your insurance claim settled faster, verify losses for your income tax return and help you purchase the correct amount of insurance.

According to a 2012 survey from the National Association of Insurance Commissioners (NAIC; www.naic.org), **more than half of Americans don't have a home inventory of their possessions,** putting them at risk for inadequate home insurance coverage, should severe weather strike.

Survey results show 59 percent of consumers have not made a list or inventory of their possessions. Of those individuals with a home inventory, 48 percent do not have receipts; 27 percent do not have photos of their property; and 28 percent do not have a back-up copy of the inventory outside the home.

Additionally, 59 percent of people with inventories have not updated their inventories in more than a year, meaning new purchases and gifts may not be covered.[1]

In this assignment you will:

- List personal possessions in a household inventory log
- Calculate the value of your possessions
- Determine if you have enough insurance to cover a total loss
- Examine policy limits and determine if you need to add a rider

TAKING INVENTORY

Start by making a list of your possessions (see Student Handout 11B), describing each item, and noting where you bought it and its make and model. Clip to your list any sales receipts, purchase contracts, and appraisals that you have.

For clothing, count the items you own by category—pants, coats, shoes, for example—making notes about those that are especially valuable.

For major appliances and electronic equipment, record their serial numbers, which are usually found on the back or bottom.

[1] Information provided by http://www.rmiia.org/Homeowners/Walking_Through_Your_Policy/Home_Inventory.asp

PROJECT 11 OVERVIEW (CONTINUED)

Don't be overwhelmed! If you are just setting up a household, starting an inventory list can be relatively simple. If you've been living in the same house for many years, however, the task of creating a list can be daunting. Still, it's better to have an incomplete inventory than nothing at all. Start with recent purchases and then try to remember what you can about older possessions.

Big ticket items: Valuable items like jewelry, art work, and collectibles may have increased in value since you received them. Check with your insurance agent to make sure that you have adequate insurance for these items. They may need to be insured separately.

Take a picture: Besides the list, you can take pictures of rooms and important individual items. On the back of the photos note what is shown, where you bought each item, and the make or model. Don't forget things that are in closets or drawers.

Create a video: Walk through your house or apartment describing the contents.

Use a personal computer: Use your computer to make your inventory list. Personal finance software packages often include a homeowner's room-by-room inventory program.

Storing the list, photos and tapes: Regardless of how you do it, keep your inventory, along with receipts in a safe deposit box or at a friend's or relative's home. That way, you'll have something to give your insurance representative if your home is damaged. When you make a significant purchase, add the information to your inventory while the details are fresh in your mind.

CREATING YOUR INVENTORY

You can list your items by category or by room. For many items like books, CDs, bed sheets, or pots and pans, you can make a general estimate of how many you have. For expensive items, note the make and model, the store where the item was purchased, and the approximate date.

SAMPLE LIST: LIVING ROOM INVENTORY

Item	Description	When/Where Purchased	Make/Model	Serial #	Approximate Replacement Value
TV	27" Color	ABC Electronics, 2005	Panasonic	1234567	$400
Rug	Antique Turkish 6' x 8'	Anniversary gift 2001			$1000
Computer	Toshiba laptop	ABC Electronics, 2004	Toshiba	654321	$500

PROJECT 11 ACTIVITY

HOME INVENTORY LIST

General Household Equipment & Electronics	Description	When/ Where Bought	Make/ Model	Serial Number	Approximate Replacement Value
Televisions					
DVR/DVD Players					
DVDs					
Camcorder/Cameras					
CD players					
Stereo Equipment					
CDs/Tapes/Records					
Sewing Machine					
Cameras					
Telephones					
Telephone Equipment (answering machines, etc.)					
Washer/Dryer					
Air Conditioners					
Heaters					
Fans					
Vacuum Cleaners					
Exercise Equipment					
Humidifiers					
Misc. Items					
Living Room/Den	**Description**	**When/Where Bought**	**Make/Model**	**Serial Number**	**Approximate Replacement Value**
Carpet/Rugs					
Sofas					
Cushions					
Chairs					
Coffee Tables					
End Tables					
Desks					
Bookcases					
Books					

PROJECT 11 ACTIVITY: HOME INVENTORY LIST (CONTINUED)

Living Room/Den (cont.)	**Description**	**When/Where Bought**	**Make/Model**	**Serial Number**	**Approximate Replacement Value**
Clocks					
Entertainment Center					
Wall Units					
Piano					
Other Musical Instruments					
Mirrors					
Vases					
Fireplace Equipment					
Collections (Coins, Stamps, etc.)					
Planters					
Lamps/Light Fixtures					
Pictures/Other Wall Hangings					
Window Coverings					
Misc. Items					
Dining Room	**Description**	**When/Where Bought**	**Make/Model**	**Serial Number**	**Approximate Replacement Value**
Carpet/Rugs					
Window Coverings					
Buffet					
Table					
Chairs					
China Cabinet					
China					
Silverware					
Crystal					
Table Linens					
Tea/Coffee Set					
Serving Table/Cart					
Clocks					
Lamps/Light Fixtures					

PROJECT 11 ACTIVITY: HOME INVENTORY LIST (CONTINUED)

Dining Room (cont.)	**Description**	**When/Where Bought**	**Make/Model**	**Serial Number**	**Approximate Replacement Value**
Pictures/Other Wall Hangings					
Misc. Items					
Bedroom	**Description**	**When/Where Bought**	**Make/Model**	**Serial Number**	**Approximate Replacement Value**
Carpet/Rugs					
Window Coverings					
Headboards					
Beds/Mattresses					
Linens					
Pillows					
Dressers					
Chests					
Dressing Tables					
Night Tables					
Bookcases					
Books					
Chairs					
Desks					
Mirrors					
Clocks					
Lamps/Light Fixtures					
Pictures/Other Wall Hangings					
Misc. Items					
Clothing	**Description**	**When/Where Bought**	**Make/Model**	**Serial Number**	**Approximate Replacement Value**
Shoes					

PROJECT 11 ACTIVITY: HOME INVENTORY LIST (CONTINUED)

Clothing (cont.)	**Description**	**When/Where Bought**	**Make/Model**	**Serial Number**	**Approximate Replacement Value**
Coats					
Furs					
Suits					
Dresses					
Sport Apparel					
Shirts					
Skirts					
Jewelry					
Misc. Items					
Kitchen	**Description**	**When/Where Bought**	**Make/Model**	**Serial Number**	**Approximate Replacement Value**
Window coverings					
Table					
Chairs					
Refrigerator					
Freezer					
Stove					
Microwave Oven					
Convection Oven					
Dishwasher					
Coffee Maker					
Other Small Appliances					
Pots & Pans					
Bowls					
Dishes					
Glasses					
Kitchen Tools					
Utensils					
Clocks					
Step Stool					
Food/Supplies					

PROJECT 11 ACTIVITY: HOME INVENTORY LIST (CONTINUED)

Kitchen (cont.)	**Description**	**When/Where Bought**	**Make/Model**	**Serial Number**	**Approximate Replacement Value**
Pictures/Other Wall Hangings					
Light Fixtures					
Misc. Items					
Bathroom	**Description**	**When/Where Bought**	**Make/Model**	**Serial Number**	**Approximate Replacement Value**
Window Coverings					
Hair Dryers					
Other Electrical Appliances					
Scales					
Shower Curtain					
Towels/Bath Mat					
Pictures/Other Wall Hangings					
Misc. Items					
Home Office/Study	**Description**	**When/Where Bought**	**Make/Model**	**Serial Number**	**Approximate Replacement Value**
Window Coverings					
Carpet/Rugs					
Desks					
Chairs					
Clocks					
Sofas					
Computers					
Computer Equipment					
Fax Machine					
Scanner					
Printer					

PROJECT 11 ACTIVITY: HOME INVENTORY LIST (CONTINUED)

Home Office/Study (cont.)	**Description**	**When/Where Bought**	**Make/Model**	**Serial Number**	**Approximate Replacement Value**
Tape Recorder					
Stocks/Bonds/Securities					
Manuscripts					
Bookcases					
Books					
Tables					
Business Supplies					
Fireplace Equipment					
Pictures/Other Wall Hangings					
Lamps/Light Fixtures					
Misc. Items					
Garage/Basement/Shed /Attic	**Description**	**When/Where Bought**	**Make Model**	**Serial Number**	**Approximate Replacement Value**
Furniture					
Luggage/Trunks					
Sport Equipment					
Toys/Outdoor Games					
Bicycles					
Small Boats					
Trailers					
Dehumidifier					
Lawn Mower					
Snow Blower					
Shovels					
Sprinklers/Hoses					
Wheelbarrows					
Garden Tools/Supplies					
Ladders/Step Stools					
Work Bench					
Carpentry Tools/Supplies					
Collections					

PROJECT 11 ACTIVITY: HOME INVENTORY LIST (CONTINUED)

Garage/Basement/Shed /Attic (cont.)	**Description**	**When/Where Bought**	**Make Model**	**Serial Number**	**Approximate Replacement Value**
Holiday Decorations					
Misc. Items					
Porch/Patio	**Description**	**When/Where Bought**	**Make/Model**	**Serial Number**	**Approximate Replacement Value**
Chairs					
Tables					
Umbrellas					
Rugs/Mats					
Lamps/Light Fixtures					
Outdoor Cooking Equipment					
Planters					
Jacuzzi					
Misc. Items					