

 BUILDING BLOCKS STUDENT WORKSHEET

Tracking income and benefits

Having a clear picture of monthly net income and benefits can help you manage your money.

Income can be regular (a set amount of money you receive at the same time each week or month) or irregular (an inconsistent amount of money you receive on a varying schedule or in different amounts with each payment).

Instructions

1. Review the details of the West family case study.
2. Identify key details to complete the “Weekly earnings snapshot” for February and July.
3. Complete the “Income and benefits tracker” to calculate the West family’s monthly net income in these two months.
4. Reflect on how their earnings change as a result of irregular income.
5. Provide the West family with your advice to help them manage their irregular income.

Case study: The West family

This is the story of Reggie and Diondra West, a married couple who live in the city with their adult son, Marcus.

- They care for their son, Marcus, who has a disability and can’t work. Each month, they receive a government transfer payment (disability payment) of \$1,197 on behalf of Marcus.
- Reggie is a retired U.S. Army veteran. For his 20 years of service, he receives an annual pension of \$30,052, which ends up being about \$22,000 after taxes.

KEY TERMS

Income: Money earned or received such as wages or salaries, tips, commissions, contracted pay, government transfer payments, dividends on investments, tax refunds, gifts, and inheritances.

Benefit: A payment or gift made by an employer, the government, or an insurance company that’s often used only for a particular purpose, such as food or medical costs.

Net income: The amount of money you bring home in your paycheck after taxes and other deductions are taken out; also called take-home pay.

- Reggie runs the scoreboard for sporting events at the local high school and gets paid \$45 per game (after taxes). He works twice a week September through May.
- Diondra works part-time as a server for Pasquale’s Italian Restaurant. She typically works Thursday afternoons and Friday and Saturday nights. She earns \$3 per hour plus tips (which average \$40 on Thursdays, \$90 on Fridays, and \$130 on Saturdays). She doesn’t receive any pay if she takes vacation or sick days.

Weekly earnings snapshot

Calculate the average weekly earnings from each income source for February and July.

Family member	Source	Income calculation	Weekly income: February	Weekly income: July
Diondra	Server job	Wages: \$3/hour x 20 hours Tips: \$40 + \$90 + \$130 Deductions: \$34.43 per week		
Reggie	Scoreboard job	Wages (after deductions): \$45 X 2 games per week		
Marcus	Disability payment	Monthly income: \$1,197/4 weeks		
Reggie	Military pension	Annual pension (after taxes): \$22,000/52 weeks		
Total weekly net income				

Income and benefits tracker

Use your weekly calculations to determine the West family’s monthly net income for February and July.

- Fill in the net income the West family receives each week from each income source.
- Circle regular income sources to help show what the family can depend on each month.
- Add up the amounts the Wests receive each week and write the weekly total.
- Add up the weekly totals and record the West family’s monthly net income.

INCOME AND BENEFITS FOR THE MONTHS OF FEBRUARY AND JULY

	Week 1	Week 1	Week 2	Week 2	Week 3	Week 3	Week 4	Week 4
	Feb.	July	Feb.	July	Feb.	July	Feb.	July
Server								
Scoreboard								
Pension								
Disability benefits								
Other								
Total weekly income								
Total monthly net income	February:				July:			

Reflection questions

1. Explain what happens to the West family's monthly net income in July when Reggie is not working his scoreboard job. What comparisons can you make between their income in February and July?

2. What if Diondra must take two weeks off in July to care for Marcus? Explain how this affects their net income.

Planning for irregular income

After exploring how irregular income may affect the West family, what advice might you give to help them plan ahead so they can save some of their income in the winter to help cover expenses in the summer?