

Unit 1: Earning and the Money Mind

Practice Workbook. The same problems, in the same order, as the Practice sections of the online lessons.

Name _____ Period _____

Lesson 1.1 — Your First Paycheck — Gross, Net and Where It Went

FLUENCY

1. A paycheck shows gross pay of \$840.00. Compute Social Security (6.2%) and Medicare (1.45%).

2. Sort these paycheck deductions into required and chosen: Medicare, 401(k) contribution, SDI, union dues, federal income tax withholding, health insurance premium.

3. Gross pay is \$1,250.00 and net pay is \$1,070.00. What are total deductions, and what percent of gross reaches the bank?

4. What is the combined FICA rate, and how much FICA is withheld from \$1,500.00?

APPLICATION

5. Aaliyah works at a Bakersfield grocery store for \$17.50 an hour, 24 hours a week, paid every two weeks. Find her gross pay per paycheck, then Social Security, Medicare and SDI (2025 rate, 1.2%), and what is left before income-tax withholding.

6. Luis in Oxnard earns \$19 an hour. His timesheet shows 62 hours for the pay period, but his stub shows 58. How much gross pay is missing, and roughly how much more should reach his account after FICA and SDI (8.85% combined)? What law entitles him to a stub he can check?

7. Mia's employer withheld \$55 of federal income tax from each of her 26 bi-weekly paychecks. Her return shows she owed \$610 for the year. What is her refund, and is it a bonus?

8. A pay stub shows gross pay \$1,320.00, a 3% 401(k) contribution, federal withholding \$72.00 and California withholding \$12.00. Compute Social Security, Medicare, SDI (1.2%), the 401(k) amount and net pay. What share of gross is net?

CHALLENGE

9. Marisol (Lesson 1.1) kept about \$929 of \$1,080. She raises her hours to 36 a week (72 per pay period) at \$18. If her federal withholding rises to \$70 and California withholding to \$11, what is her net pay, and is the share of gross she keeps higher or lower than before?

10. Devin wants \$1,000 net every two weeks. FICA and SDI take 8.85% of gross and income-tax withholding takes about 5% more. What gross pay does he need, and how many hours a week is that at \$18 an hour?

REVIEW

11. A \$64 jacket is marked 25% off. What is the sale price?

12. Convert \$19.25 an hour for 40 hours a week into weekly and annual pay (52 weeks).

Lesson 1.2 — Numeracy Lab — Calculating a California Paycheck

FLUENCY

1. A California worker earns \$18 an hour and works a 10-hour day. What is the day's gross pay?

2. A worker is paid \$1,625 bi-weekly. Find annual and monthly gross pay.

3. Use $G = 52 \times w \times h$ for \$21 an hour and 20 hours a week. Then compute FICA plus SDI at 8.85%.

4. A job pays \$1,800 semi-monthly. What is annual gross pay? What would you get if you wrongly used 26 pay periods?

APPLICATION

5. Diego is offered \$24 an hour, 32 hours a week, at a San Jose bike shop. Build his annual model: gross, FICA and SDI (8.85%), income tax estimated at 4% of gross, and net annual and monthly pay. Label units.

6. Kenji earns \$20 an hour. One week he works 9, 9, 8, 10 and 8 hours Monday to Friday. Using California's daily rule (over 8 hours in a day), find his regular hours, overtime hours and gross pay for the week.

7. Use these illustrative brackets (similar in shape to recent federal single-filer brackets; check this year's figures): 10% on taxable income up to \$11,925, 12% from \$11,925 to \$48,475. Find the tax on \$30,000 of taxable income, the marginal rate and the effective rate.

8. With the same illustrative brackets plus 22% above \$48,475, a raise lifts Tomás's taxable income from \$47,000 to \$50,000. How much more income tax does he owe? After income tax and 8.85% FICA and SDI on the raise, how much more does he take home?

CHALLENGE

9. Job X pays \$19.50 an hour for 30 hours a week. Job Y pays \$23 an hour. How many hours a week must Job Y offer to match Job X's weekly gross pay?

10. Write an annual net-pay model N in terms of wage w and weekly hours h , using 8.85% for FICA and SDI and 3% for income tax. Use it to find N for \$20 and 35 hours, and the weekly hours needed at \$20 for \$30,000 net.

REVIEW

11. What is 7.5% of \$2,480?

12. A worker's pay rises from \$17.25 to \$18.40 an hour. What is the percent increase?

Lesson 1.3 — Decision Lab — The Psychology of Money

FLUENCY

1. Name the pattern: a friend will not sell a stock that has fallen 40% because selling would "make the loss real".

2. Name the pattern: you buy \$150 sneakers after seeing them all over classmates' feeds.

3. A car is offered at \$429 a month for 72 months. What is the total of the payments?

4. Which safeguard targets present bias best: a sticky note saying "save more", or an automatic transfer to savings on payday? Why?

APPLICATION

5. Your cousin chooses \$40 today over \$60 in one month. What monthly return is she turning down, and how does it compare with a savings account paying about 4% a year?

6. A phone costs \$1,299 outright or "only \$45.99 a month" for 36 months. What is the total of the monthly payments, and how much more is it than paying outright?

7. Jae, a Long Beach student, sets up an automatic \$75 transfer to savings every bi-weekly payday. How much is saved in a year, and how many paychecks until a \$1,000 starter emergency fund?

8. Rosa pays for five streaming and app subscriptions: \$8.99, \$11.99, \$15.49, \$6.99, \$13.99 a month. What does she spend a year? If she cancels the \$11.99 and \$15.49 ones, how much does she save a year?

CHALLENGE

9. A coin-flip bet pays +\$150 on heads and −\$100 on tails. What is its expected value? If a loss feels twice as bad as an equal gain, what is its "felt" value, and what does loss aversion predict people will do?

10. A dealer offers a car at \$389 a month for 60 months, then says, "I can get you to \$339 a month" by stretching the loan to 72 months. Compare the totals of the payments.

REVIEW

11. A price falls from \$120 to \$70. What is the percent change?

12. A 15% tip on a \$46.80 bill is how much?

Lesson 1.4 — Workshop — Filing a First Federal and California Return

FLUENCY

1. On Form W-2, which box shows wages, and which shows federal income tax withheld?

2. Federal withholding for the year was \$640. The return shows \$455 of tax. Refund or balance due, and how much?

3. A filer owes \$120 of tax and qualifies for a \$300 refundable credit. How much of the credit is paid out beyond wiping out the tax?

4. Name the federal return, the California resident return, and one free way to file each.

APPLICATION

5. Priya's W-2 shows Box 1 wages of \$21,400 and Box 2 withholding of \$1,020. Use an illustrative standard deduction of \$15,000 and a 10% rate on all her taxable income (check this year's figures). Find taxable income, tax and her refund or balance due.

6. A 17-year-old earned \$4,000 at a summer job and had \$180 of federal tax withheld. Her taxable income works out to \$0. Should she file, and what does she get?

7. Andrés's W-2 shows California withholding of \$95. His Form 540 tax after credits is \$38, and he qualifies for a CalEITC of \$255 (illustrative amount). What is his California refund?

8. Jada had two jobs: Box 1 wages \$3,850 with \$120 withheld, and \$6,200 with \$310 withheld. With the illustrative \$15,000 standard deduction, what is her taxable income and her refund?

CHALLENGE

9. Marco gets a \$1,560 federal refund every year. How much extra per bi-weekly paycheck could he have had? If he adjusts his W-4 to aim for a \$200 refund, how much more does each paycheck bring?

10. Priya (above) owed \$640 on \$21,400 of wages, and her bracket is 10%. What is her effective tax rate, and why is it so much lower than 10%?

REVIEW

11. Bi-weekly pay of \$1,180: what is annual pay?

12. What is 8.85% of \$1,500?

Unit 1 checkpoint

1. A worker earns \$1,200 gross. How much FICA is withheld?
A. \$91.80
B. \$74.40
C. \$17.40
D. \$106.20
2. At the 2025 rates the lessons use, FICA plus SDI is _____% of gross; a bi-weekly paycheck of \$1,000 means _____ dollars a year.
3. A Californian works 11 hours in one day at \$20 an hour. What is that day's gross pay?
A. \$220
B. \$250
C. \$240
D. \$330
4. True or false: Moving into a higher tax bracket can lower your take-home pay.

5. Which deduction funds Paid Family Leave in California?
- A. Medicare
 - B. SDI
 - C. Social Security
 - D. Federal withholding
6. Withheld \$900; tax owed \$640. The result is a _____ of \$_____.
7. True or false: A large refund means the government gave you extra money.
8. "Only \$389 a month!" draws attention away from the total. Which pattern is this?
- A. Loss aversion
 - B. Anchoring
 - C. Social comparison
 - D. Diversification
9. Which safeguard works best against present bias?
- A. Reading about present bias
 - B. An automatic transfer to savings on payday
 - C. Checking your balance daily
 - D. Promising yourself to save
10. W-2 Box _____ shows wages; Box _____ shows federal income tax withheld.
11. True or false: A refundable credit can be paid to you even if you owe no tax.
12. Annual gross is \$28,080 and total income tax is \$1,404. What is the effective tax rate?
- A. 5%
 - B. 10%
 - C. 12%
 - D. 8.85%