

THE BARATELLI INSTITUTE · MENTORING AT  
SCALE

# Money *Smarts.*

*Your first paycheck, your first budget, your first plan.*

**Aligns to:** percentages, modeling, and data (high-school math practices); paychecks, budgeting, banking, and goal-setting (personal finance / Jump\$tart standards).

## Grade 9 · Ages 14–15

1. Gross Pay vs. Net Pay
2. Read a Pay Stub
3. The 50/30/20 Budget
4. Needs vs. Wants — Teen Edition
5. Build Your Own Monthly Budget
6. Banking Basics
7. The Emergency Fund
8. Set a SMART Money Goal

**Project — Budget a Summer Job**

A free classroom tool · [baratelliinstitute.com](http://baratelliinstitute.com)

# How to use this packet

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These are the foundations every adult needs: reading a paycheck, the 50/30/20 budget, banking, an emergency fund, and a SMART goal. Built around real teen numbers.

1. <b>Gross Pay vs. Net Pay</b>	Where your paycheck goes.
2. <b>Read a Pay Stub</b>	Deductions and FICA.
3. <b>The 50/30/20 Budget</b>	A budgeting rule.
4. <b>Needs vs. Wants — Teen Edition</b>	Categorizing spending.
5. <b>Build Your Own Monthly Budget</b>	Income minus expenses.
6. <b>Banking Basics</b>	Checking, savings, APY.
7. <b>The Emergency Fund</b>	Saving for surprises.
8. <b>Set a SMART Money Goal</b>	Goal-setting.

**The project.** In the project, students take a realistic summer job, compute true take-home pay, build a 50/30/20 budget, and set a savings goal — then see what that savings could become if invested. It pulls the skills together into one real-world task — assign it as a capstone, group work, or homework. **Print in black-and-white, single-sided.** Most worksheets take 15–20 minutes; the answer key with concept notes and differentiation tips is at the back. **Figures here are illustrations for learning — not financial, tax, or investment advice.**

# The ideas behind this packet

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Meet Aisha, whose first paycheck taught her where the money goes. Read the story once, then the worksheets will make sense — the answers will be things you were *taught*, not things you had to guess.

## Aisha's first paycheck

Start with the basics everyone needs: you **earn** money, you make a **budget** (a plan for it), and you **save** some before you spend. Aisha's first paycheck shows how the grown-up version works.

She lands a summer job at \$15 an hour and is stunned that her first check is smaller than expected.

Her **gross pay** is what she earned; her **net (take-home) pay** is what's left after the employer **withholds** taxes — including **FICA**, 7.65% for Social Security and Medicare. At tax time the employer sends a **W-2**, the form listing her wages and the taxes already taken out. Aisha splits her take-home with the **50/30/20** guideline: 50% to needs, 30% to wants, 20% to savings. She keeps spending money in a **checking** account and builds a three-month **emergency fund** in **savings**, which pays her interest measured as **APY** — about \$40 a year on \$1,000 at 4%.

## KEY TERMS IN THIS STORY

**Budget** — a plan for the money you earn

**Gross vs. net pay** — earned vs. take-home after deductions

**Withholding / W-2** — taxes taken from each check; the year-end wage form

**FICA** — 7.65% of pay for Social Security and Medicare

**50/30/20** — needs / wants / savings budgeting guideline

**Emergency fund** — 3–6 months of expenses saved for surprises

**APY** — the yearly interest a savings account pays you

## LESSON

# Your paycheck

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*You earn money, but you don't take home all of it. Here's where it goes.*

### Gross vs. net pay

Gross is what you earn; net (take-home) is what's left after taxes and deductions. **Example:** \$1,440 gross, 18% withheld → about **\$1,180** net.

### Reading a pay stub

A stub lists deductions: federal tax, state tax, and **FICA** (7.65% for Social Security and Medicare). At year-end your employer sends a **W-2** summarizing it. **Example:** FICA on \$1,440 =  $0.0765 \times 1,440 = \mathbf{\$110.16}$ .

**Now practice** → the Gross vs. Net Pay and Read a Pay Stub worksheets.

## 1. Gross Pay vs. Net Pay

*Gross is what you earn; net (take-home) is what's left after taxes and deductions. The withholding rate used here is an estimate — your real rate depends on your state and your W-4.*

a) You earn \$18/hour and work 80 hours in a pay period. Gross pay =

b) If 18% is withheld for taxes, net pay =

c) Why is your take-home smaller than your salary suggests?

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Name: \_\_\_\_\_

Date: \_\_\_\_\_

## 2. Read a Pay Stub

*Every paycheck lists deductions. FICA (Social Security + Medicare) is 7.65% of gross.*

Line	Amount
Gross pay	\$1,440.00
Federal income tax	\$150.00
FICA (7.65%)	
<b>Net pay</b>	

Compute FICA on \$1,440, then net pay (gross – federal – FICA).

*This stub shows federal tax and FICA only; many workers also have state income tax withheld, which lowers take-home pay further.*

## LESSON

# Budgeting your take-home pay

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*A budget is a plan for the money you keep. Decide before you spend.*

### **The 50/30/20 guideline**

A common split: 50% needs, 30% wants, 20% savings & debt — a guideline, not a rule. **Example:** on \$3,000, that's \$1,500 / \$900 / \$600.

### **Needs vs. wants**

Needs you must have (rent, food, getting to work); wants are nice-to-have. Sorting them is the heart of any budget.

### **Building a budget**

List income, then expenses; income minus expenses should leave money to save. If it doesn't, cut a want.

**Now practice** → the 50/30/20 Budget, Needs vs. Wants, and Build Your Own Monthly Budget worksheets.

### 3. The 50/30/20 Budget

*A common guideline — not a hard rule: 50% needs, 30% wants, 20% savings & debt. In high-rent areas, needs often top 50%, and that's okay. Apply it to \$3,000 take-home.*

Bucket	Percent	Amount
Needs	50%	
Wants	30%	
Savings & debt	20%	

## 4. Needs vs. Wants — Teen Edition

Label each N (need) or W (want). Some depend on the situation — be ready to defend it.

rent \_\_\_\_\_

streaming service \_\_\_\_\_

groceries \_\_\_\_\_

new phone upgrade \_\_\_\_\_

bus pass to work \_\_\_\_\_

concert ticket \_\_\_\_\_

car insurance \_\_\_\_\_

fast food \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

## 5. Build Your Own Monthly Budget

You take home \$2,400 a month. Fill in real amounts. Income minus expenses should leave money to save.

Money in	\$	Money out	\$
Take-home pay	\$2,400	Rent / housing	
		Food	
		Transportation	
		Phone / fun	
		<b>Savings</b>	

Total out =  Left to save (in - out) =

## LESSON

# Banking, safety nets, and goals

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*Keep your money in the right place and aim it at something.*

### Banking basics

Use **checking** for spending and **savings** for goals; savings pays interest, shown as **APY**. **Example:** 4% APY on \$1,000  $\approx$  \$40 a year.

### Emergency fund

Save 3–6 months of expenses for surprises like a car repair or lost job. **Example:** \$2,000/month expenses  $\rightarrow$  a 3-month fund is \$6,000.

### SMART goals

A good goal is Specific, Measurable, Achievable, Relevant, Time-bound. Divide the amount by the months to find what to save each month.

**Now practice**  $\rightarrow$  the Banking Basics, Emergency Fund, and SMART Money Goal worksheets.

## 6. Banking Basics

*Checking is for spending; savings earns interest (APY). Answer each.*

a) A savings account pays 4% APY. On \$1,000, that's about  in a year.

b) Which account would you use for daily spending? \_\_\_\_\_ For a vacation fund?

\_\_\_\_\_

c) What is an overdraft, and why does it cost money?

\_\_\_\_\_

## 7. The Emergency Fund

*Experts suggest saving 3–6 months of expenses for surprises (car repair, lost job).*

a) If your expenses are \$2,000/month, a 3-month fund =

b) A 6-month fund =

c) Name two “emergencies” that are really just planned expenses (not emergencies).

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Name: \_\_\_\_\_

Date: \_\_\_\_\_

## 8. Set a SMART Money Goal

*A good goal is Specific, Measurable, Achievable, Relevant, Time-bound. Write one.*

My goal: \_\_\_\_\_

Amount needed:  By when: \_\_\_\_\_

I will save  each month to get there. (Amount needed  $\div$  months.)

# Budget a Summer Job

You landed a summer job: **\$15/hour, 30 hours a week, for 10 weeks**. You'll figure your real take-home pay, build a 50/30/20 budget, and set a savings goal you can actually hit.

## Step 1 — Your pay

Gross for the summer =  $\$15 \times 30 \times 10 =$

About 20% goes to taxes. Estimated take-home =

## Step 2 — A 50/30/20 plan

Bucket	Percent	Amount
Needs	50%	
Wants	30%	
Savings	20%	

## Step 3 — A goal

What will you do with the savings bucket? \_\_\_\_\_

If you invested that savings at 8% for 40 years, roughly what could it become? (Use the Rule of 72.)

**Step 4 — One trade-off**

Name one 'want' you'd cut to save more, and what you'd gain by doing it.



# Teacher's Answer Key & Concept Notes

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**1. Gross Pay vs. Net Pay** — a) \$1,440 b) \$1,180.80 c) taxes and deductions come out before you get paid.

**Differentiate:** Support: gross first. Challenge: what hourly rate nets \$1,500 after 18%?

**2. Read a Pay Stub** — FICA = \$110.16; net =  $1,440 - 150 - 110.16 = \$1,179.84$ .

**Differentiate:** Support:  $7.65\% = \times 0.0765$ . Challenge: add a \$50 health-insurance deduction.

**3. The 50/30/20 Budget** — Needs \$1,500, Wants \$900, Savings & debt \$600.

**Differentiate:** Support: 10% of \$3,000 = \$300 anchor. Challenge: redo at \$4,200.

**4. Needs vs. Wants — Teen Edition** — N: rent, groceries, bus pass, car insurance. W: streaming, phone upgrade, concert, fast food. (Defensible either way for some.)

**Differentiate:** Support: ask 'needed to live/work?' Challenge: argue a 'want' that's actually a need.

**5. Build Your Own Monthly Budget** — Open — total out  $\leq \$2,400$ , with money left to save.

**Differentiate:** Support: fill housing first (biggest). Challenge: keep savings  $\geq 20\%$ .

**6. Banking Basics** — a)  $\approx \$40$  b) checking; savings c) spending more than your balance — banks charge an overdraft fee.

**Differentiate:** Support:  $4\% = \times 0.04$ . Challenge: compare 0.01% vs 4% APY on \$5,000.

**7. The Emergency Fund** — a) \$6,000 b) \$12,000 c) e.g., car registration, holidays, back-to-school — recurring, so plan for them.

**Differentiate:** Support:  $\times 3$  and  $\times 6$ . Challenge: how many months at \$400/mo to fund 3 months?

**8. Set a SMART Money Goal** — Open — goal is specific, has an amount, a date, and a monthly figure (amount  $\div$  months).

**Differentiate:** Support: give a template sentence. Challenge: build in a small buffer.

**P. Project — Budget a Summer Job** — Open — gross \$4,500, take-home  $\approx \$3,600$ ; buckets \$1,800/\$1,080/\$720; Rule-of-72 estimate reasonable.

**Differentiate:** Support: compute gross step by step. Challenge: model two summers.

*Free to copy for classroom use. Standards references are general (Common Core mathematics; national personal-finance education standards / Jump\$tart) — verify specific alignment before publishing. Figures are rounded for teaching. © 2026 The Baratelli Institute.*