

NGPF Activity Bank Budgeting

INTERACTIVE: Living Paycheck to Paycheck

ō30 min



Part I: Set the Stage Living paycheck to paycheck means that you need every bit of your

paycheck to meet your

expenses which drains your balance back down to near \$0 before your next paycheck arrives...and

then you start the cycle again. As a result, you don't have savings to fall back on, every dollar counts, and you're faced with tough decisions on a daily basis. In this activity, you'll experience what it's like to live paycheck to paycheck by playing the game Spent. At the start of the game, you are faced with the following scenario:

Millions of Americans are unemployed. Now imagine you're one of them. Your savings are gone. You've lost your house. And you're down to your last \$1,000. Can you make it through the month?

1. How do you feel about your situation? Do you think you can live 30 days with \$1,000? Explain.

Part II: Play the Game

2. Go to playspent org. Click on **Continue to Spent** on the right side of the screen to start the game and play it all the way through.

PRO TIP: Keep an eye on the left-hand bar which keeps track of your progress and includes 3 options to get more money during the month:







www.ngpf.org

Part III: Your Experience

- 3. Did you make it through the entire month? If so, how much money did you have left? If not, on what day did you run out of money?
- 4. Think about your emotional state as you played the game and select the top 5 adjectives below that best describe what you felt.

🛛 Calm	Disappointed	Embarrassed	Excited
G FOMO	Frustrated/Angry	Hopeful	Hopeless
Motivated	🗅 Proud	Relieved	🛛 Sad
Scared	Self-sufficient	Shocked/Surprised	Stressed
Other	о. 		

- 5. How did some of your initial decisions (job, health insurance, where to live) impact the rest of your month in ways you did not expect?
- 6. Did you ever reach out to a friend for help? Why or why not?
- 7. Describe a scenario in which you thought you were making a good decision but there was still a negative outcome.
- 8. Describe a scenario that forced you to wrestle with your values. What was your ultimate decision and how do you feel about it? Explain.

SENDERO® FINANCIAL BOOT CAMP

QUESTIONS FOR COMPETITION OR OTHER:

DAY 1

INTERACTIVE: Living Paycheck to Paycheck

5 GOLDEN RULES OF PERSONAL FINANCE

- 1. Spend ______ than you _____
- 2. Avoid _____ debt
- 3. Invest _____ and _____
- 4. Set _____ and make a _____
- 5. Be _____

BANKING

What accounts do you need?

- _____account
- _____account
- _____account
- _____account

Organize your Income!

50%	30%	20%
	Restaurants	
		RRSPS/401k
Transportation		
	Luxury Items	Rental Property
Expenses	Electronics	Bonds/Mutual Funds
Essential Debt	Concerts	
Emergency Fund		

- Why do you need an emergency fund?
 - o _____ loss o _____ repairs
 - o _____ emergencies

• Have _____ month's expenses

o _____ fixes

MOVE: Build Your Budget



CATEGORY	ITEM	AMT PER MONTH
STARTING INCOME		
	Gross Pay	
	Net Pay	
FIXED PAYMENTS		
	Student Loan	
	Health Insurance	
CAVINCE		
SAVINUS	Saving & Retirement	
EXPENSES		
	Rent	
	Renters Insurance	
	Utilities	
	Streaming	
	High Speed Internet	
	Transportation	
	Car Ownership	
	Food	
	Cell Phone Plan	
	Basic Necessities	
	Clothes/Shoes	
	Fun Stuff	
	Savings & Expense Total	
	Monthly Budget Remaining	
	Budget Kennannig	

ZIX

DAY 2	

INVESTING

What is Investing?

• Committing ______, ____, and/or energy for a future

Why should we invest?

- It helps you grow _____, makes your money work for _____, and creates personal and professional
- You have the opportunity to take your money and allow it to generate ______ money. So, take it!

Compound interest

______ earned on money that was previously earned as ______

Investments to Start With

• _____, ____, ____, ____, funds, index fund, and _____

Why invest long term?

• History has shown the longer the period, the ______ the chances of a

_____ outcome

• Time in the market > _____ the market

PLAY: Roll with the Market

WHY INVEST

History has shown the longer the period, the greater the chances of a positive outcome



LONGTERM



NGPF Activity Behavioral Economics Spanish version

PLAY: Roll with the Market [Student Worksheet]

The basic principles of investing may seem simple - "buy low, sell high". However, psychology can make it more complicated. Will you win, lose, or miss out? Find out how your feelings while investing could impact your bottom line.

Part I: Instructions

1. Listen to your teacher's instructions to play the game.

Part II: Play the Game

2. As you play each round of the game, fill out the table below.

Round	Starting Balance	In/Out of the Market	1 Die Roll (1-2: Bear 3,4,5,6: Bull) (Market Jp/Down Ro	3 Dice Il Total	lt oht Yaga +t	Ending Balance
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

Part III: Reflect

3. What emotions did you experience in the game?

4. Did your strategy change between rounds? Why or why not?

5. What did you learn about yourself and your tolerance for risk?

Stocks

- ______ stakes in companies
- Buy _____ in a company
- Make money through _____ gains and/or _____

Bonds

- A bond is an _____
- An investor ______ issuer/borrower money and is paid back with ______
- Bonds can be issued by ______ or corporations
- Characteristics of bonds
 - o Maturity date
 - o Fixed ______ rate
 - o _____ risky than stocks
 - o Decreased liquidity



Mutual Funds

- Investors _____ money into a mutual fund which ______ in securities to generate returns for the investor
- Benefits
 - o _____ o Diversified
 - o _____ to cash out
 - o Professionally managed
 - o _____ regulated

Index Funds

- Funds that ______ performance of an index
- Hold ______ securities as index in same ______
- Benefits
 - 0 _____
 - o _____ cost
 - o Solid track record

ETFs

- Traded Funds
- Most _____ index movement
 - ETFs vs. Mutual Funds
 - o _____ can be bought and sold throughout the day
 - o Mutual Funds trade only _____ a day

INTERACTIVE: What's the S&P 500?









INTERACTIVE: What's the S&P 500?

Interactive: FINVIZ S&P 500 Map

The S&P 500 is a major stock market index fund. In this activity, you'll use an online interactive to explore its composition and learn about diversification and the value of investing in index funds.

How to Read the Interactive Map:

- Each box represents one company in the S&P 500
- The size of the box represents the size of the company by market cap
- The letters represent the ticker symbols for the company (e.g., AMZN for Amazon, AAPL for Apple)
- Companies are grouped by industry (e.g., banks, technology)
- The color and percentages show stock price changes
 - Green indicates that the stocks rose during that time period. The brighter the green, the <u>better</u> the percentage return for that time period.
 - Red indicates that the stocks declined during that time period. The brighter the red, the worse the percentage return for that time period.

Part I: The S&P 500 as a Whole

- 1. Complete the following:
 - a. Open up the S&P 500 Map from Finviz in another tab
 - b. Review the blue box above on how to read the map
 - c. Hover over the different boxes across the map

2. What are the first 3 things that stand out to you?

- 3. The companies in the S&P 500 are organized by industry (e.g., Technology). List the major industries shown on the map and mark the three largest industry with a star
- 4. Select "**1 Year Performance**" in the far-left drop-down to see each company's stock performance over the last 12 months.
 - a. Overall, has it been a good year for stock investing? Use data from the map to explain.
 - b. Find three of the top-performing stocks and list their ticker symbol and percent return over the past year.
 - c. Find three of the worst-performing stocks and list their ticker symbol and percent return over the past year.

5. Even if some of the stocks have negative performances, why can investing in the whole S&P 500 still provide a decent return?

Part II: Dive Deeper Into Industries

- 6. Go back to "I Year Performance" and find the Communication Services industry.a. Who are the leading companies in this industry by size?
 - b. How would you assess the competitive situation in the industry?
 - c. Did companies in this industry have similar stock performances over the past year? What might explain the differences?
 - d. True or False: The largest companies performed the best over the past 12 months. Give evidence to support your answer.
- 7. Choose one of the following industries and complete a similar analysis in the table below. Circle or <mark>highlight</mark> the industry you choose.
 - Consumer Defensive Discount Stores
 - Consumer Cyclical Restaurants
 - Financial Credit Services
 - Consumer Defensive Beverages Soft Drinks
 - Healthcare Drug Manufacturers

a. Who are the leading companies in your industry by size?

b. Are the companies in the industry about the same size? If not, how do they differ?



d. Did companies in this industry have similar stock performances over the past year? What might explain the differences?

8. Industry Trends Reflection: Based on your analysis of Communication Services and your chosen industry, identify any trends in:

a. How companies within the same industry perform

b. How company size impacts performance

c. How performance varies across industries

Part III: Reflection

9. Why might investing experts like Warren Buffett advise young people to invest in index funds like the S&P 500 over individual stocks for the long term?

Active vs. Index Investing

Goal:	the market	the market
Coun	the market	the market
	Seek out only the	Hold investments as
How:	investments	index in same proportions
	Chance at	
Key Benefit:	returns	cost

Short-Term and Long-Term Capital Gains Tax

• Short-term capital gains is a tax on profits from the sale of an asset held for _____

_____ one year

• Short-term capital gains _____ federal marginal income tax rate

Types of Investment Accounts

- Taxable _____
- Roth IRA
- Traditional IRA
- •

Roth IRA

- How it works
 - o _____ an account
 - o Contribute _____-tax money
 - o Money grows tax _____
 - o Withdraw tax _____ in retirement
- Benefits

 O Can withdraw contributions _______ free anytime
 O Use for a first-time _____ purchase
 - o Many _____ choices

 Traditional IRA: contribute ______ Roth IRA: contribute ______ tax

 grows tax ______

 ______ taxes on withdrawals

 ______ taxes on withdrawals





Guided ChatGPT Activity: Stock Picking with AI

Part 1: Short-Term Stock Market Competition (1 Month)

Objective: Use ChatGPT to help you research and choose a stock you believe will perform well over the next month.

STEP 1: What's Hot Right Now?

What are a few stocks that have gone up a lot recently or are getting a lot of attention? Follow-up: - Which of these stocks is still a good buy now? - Why are these stocks going up? - Which one might keep going up for another few weeks?

STEP 2: Focus on One or Two Companies

I'm thinking about [Stock A] and [Stock B]—which one seems like a better short-term pick? Follow-up: - Which one had better earnings recently? - Which one has more momentum? - Is either one expected to have any big news or events coming up?

STEP 3: Check the Sector

What sectors are doing well right now? Which sector might continue to perform well this month? Follow-up: -Can you give me a good stock from that sector?

STEP 4: Assess the Risk

Is [Stock Name] risky for a short-term investment? Follow-up: - What are the chances it might go down soon? - What might cause it to drop in price?

STEP 5: Final Decision

Based on everything we talked about, would you recommend I pick [Stock A], [Stock B], or something else? Optional Challenge Questions

- Can you explain what kind of investor might like this stock? - If I were building a 3-stock mini portfolio, what other 2 stocks would go well with this one? - What are the key numbers I should know about this stock?



Part 2: Beginner Investing Exploration

Objective: Use ChatGPT to explore how to pick a stock to invest in by asking smart questions about companies, industries, and stock market basics.

STEP 1: Discover a Company You Might Want to Invest In

What are some well-known companies that have been growing steadily over the past few years? Follow-up:

- What does [Company Name] do?
- Why might someone invest in [Company Name]?

STEP 2: Understand the Company Better

Can you explain what [Company Name] does in simple terms? Follow-up:

- Is this company profitable?
- Does it have a lot of debt?
- What's something interesting about this company?

STEP 3: Compare Two Companies

I'm choosing between [Company A] and [Company B]—which one seems stronger? Follow-up:

- Which company is growing faster?
- Which one has a better reputation?
- Which one has a better chance of doing well in the next year?

STEP 4: Learn About the Industry or Sector

What industries are expected to grow over the next 5–10 years? Follow-up:

- What's a strong company in that industry?
- How is [Company Name] doing compared to its competitors?

STEP 5: Think About Building a Portfolio

Can you suggest 3 different types of companies that would make a balanced mini-portfolio? Follow-up:

- Which one is safest?
- Which one is more risky but could grow faster?
- What kind of investor would like this group of stocks?

Optional Extension Questions

- What's a blue-chip stock, and can you give examples?
- What is a stock's P/E ratio and why does it matter?
- Can you tell me about a company that young people might want to invest in?



Stock Pitch Competition Guidelines for Teams What Judges Are Looking For

To succeed in the competition, focus on these key areas:

- Clear Investment Thesis:
 - Clearly explain why this stock is a good investment opportunity.
- Thorough Research:
 - Back your pitch with solid financial data, industry trends, and a well-rounded analysis.
 - Highlight risks and explain how they can be mitigated.
- Market Opportunity:
 - Show the company's growth potential or profitability prospects.
 - Support your claims with valuation methods like P/E ratios, DCF, or others.
- Engaging Presentation:
 - Make your pitch professional, organized, and easy to follow.
 - Use visuals or data effectively to strengthen your case.
- Confident Q&A Responses:
 - Be prepared to answer questions from judges thoughtfully and with supporting
- evidence.

Creativity and Originality:

- Bring a unique perspective to your pitch.
- Think outside the box and show why your idea stands out.

Competition Format

• Presentation Time: Each team will have 10 minutes to present their stock pitch. • Q&A Time: Judges will have 5 minutes to ask questions and evaluate responses. • Timing: Presentations will be timed. Teams will receive a 2-minute warning and be stopped if they exceed the 10- minute limit.

Tips for Success

- Practice: Rehearse your pitch to stay within the time limit and refine your delivery.
- Focus: Highlight the most important points to make your pitch concise and
- impactful. Prepare for Q&A: Anticipate potential questions and practice your responses.
- META, MSFT, GS, CCL, AAPL, NVDA, LLY, AMZN, BH, VUG, COST, BRK.B, EL, SHOP, T, BYDDY, BX



DAY 3 DEBT

What is debt?

- Money that you _____
- Types of Debt

0	car	d o
		0
Student	loan	0
	loan	0
Small busi	ness	



INTERACTIVE: Shady Sam









INTERACTIVE: Shady Sam

Interactive: <u>Shady Sam</u>

Part I: Play Shady Sam

- 1. Go to shadysam.com. Enter your first name and click START PLAYING.
- 2. **End of the game:** Take a screenshot of the final email and paste it below. Then, click "Clock Out" and continue to answer the rest of the questions.

Part II: Reflection Questions

3. Reflect on your emotional state as you played the game and saw your total profits at the end. Explain why you felt that way.

4. As an employee of Shady Sam, your goal was to maximize profits. How well do you think you did?

5. Most borrowers only pay attention to the monthly payment when taking out a loan. a. Why do you think this is?

b. How can this benefit the lender?

6. Complete this sentence by circling or highlighting one term:

The loans that were most profitable tended to have the <u>shortest / longest</u> terms and the <u>lowest / highest</u> monthly payments.

7. Which loan kept the borrower returning for extensions? Why do you think these loans are popular despite trapping borrowers in a cycle of debt?

8. One of the most profitable loans that you offered was the adjustable-rate mortgage. What risk is the borrower taking with this loan?

9. What are three takeaways you learned from playing Shady Sam that will help you as a **borrower** in the future? Be specific.

Paying down debt

• Main strategies for paying down debt

o _____ method

Pay off debts with ______ interest rates first

o _____ method

Pay off ______ balances first

FICO Score

- ____% Amounts Owed
- _____% Payment History
- ____% Length of Credit History
- _____% New Credit
- ____% Credit Mix

< 580 Poor Demonstrates to lenders that you're a ______ borrower

- 580 669 Many lenders will _____ loans
- 670 739 Most lenders consider this a _____ score
- 740 799 Demonstrates to lenders you're a very ______ borrower
- 800+Demonstrates to lenders you're an ______ borrower

Factors that Lower Credit Scores

- Late or _____ payments
- Too much credit in _____
- A _____ credit history, or _____ at all
- Too many ______ for new lines of credit
- Too few _____ of credit

MOVE: Up and Down with Credit Scores

INSURANCE

What is the purpose of insurance?

• To protect the holder against major ______ loss

Types of Insurance Policies You May Need in Your Lifetime

- _____insurance
- _____ insurance
 - Disability insurance
 - Homeowners and _____ insurance
 - insurance



INTERACTIVE: Bummer!

Insurance

NGPF Activity Bank

Interactive: **Bummer!**

Part I: Play Bummer!

- A. Go to www.thebummergame.com.and play Bummer!
- B. As you play the game, pay attention to how your insurance choices and the outcomes of the Wheel of Bummers impact Your Total Money. If you want, you can jot down any notes from the game here.

Part II: Reflection Questions

- 1. Bummer! has 4 rounds pet, rental, auto, and then all 3 combined.
 - a. How many rounds did you make it through before running out of money? Or, did you win the game?
 - b. What factors did you consider before deciding on a plan? How did you decide which plan was the best value?
 - c. If you played again, what would you do differently? Why?
- 2. Generally speaking, what was the relationship between the premiums, deductibles, and coverage limits for your insurance coverage?

3. After buying your basic coverage, the game offered you extra coverage referred to as Add Ons. In real life they're called *riders* or *endorsements*. What strategies did you use to determine if a rider was worth the additional premium cost per month?

WELLNESS	D
CORN COB PROTECTION	D
SNOOT PROTECTION	D

- 4. In the game, you're forced to buy at least minimal coverage for each of three insurance types -- pet, rental, and auto.
 - a. In real life, if your monthly budget was tight, what insurance type(s) would you cut? Why?

b. What would be the risk of reducing or eliminating coverage?

5. The purpose of insurance is to provide you with financial protection against a possible risk. In Bummer!, risk is generated by the Wheel of Bummers. Describe how you felt each time you spun the Wheel of Bummers, both when you had plenty of money and when you were short on cash.

6. Agree or disagree, then **explain your answer**: In real life, the best strategy is to pay the highest premiums and buy as many *Add Ons* as you can afford so you're protected against many financial risks.

DAY 4 TAXES

What are Taxes?

- Funds that ______ & companies pay to the ______
 - Different types of taxes

o _____ income

o Sales

o _____ gains

o Estate

- 0 _____
- o Corporate income



STANDARD DEDUCTION

A preset lump sum you can deduct from your taxable income



ITIMIZED DEDUCTIONS

Certain gualified expenses you can report to deduce your taxable income





ANALYZE: Should They File a Tax Return?

Name(s):

Follow your teacher's instructions to fill out the table below.

	Can this person be claimed as a dependent?	Is this person <i>legally required</i> to file a tax return? Why or why not?	If not, <i>should</i> they file a tax return? Explain your reasoning.
TIM			
JESSICA			
MASON			
KATHRYN			
YANELY			
REN			
TORI			

	a Employee's social security number 123-XX-XXXX	OMB No. 1545-0008 FA	afe, accurate, AST! Use	IRSE	Visit the IRS w www.irs.gov/e	vebsite at file
b Employer Identification Number (EIN 12-XXXXXXX))	1 Wages, tips, other con \$6,240.00	mpensation	2 Federal inc \$196.25	ome tax withheld	
c Employer's name, address, and ZIP	code	3 Social security wages \$6,240.00		4 Social secu \$386.88	ity tax withheld	
The Roasted Bean Coffee Shop		5 Medicare wages and ti \$6,240.00	ips	6 Medicare ta \$90.48	x withheld	
950 Westview Road Philadelphia, PA 19052		7 Social security tips		8 Allocated tip	05	
d Employee's social security number		9 Verification Code		10 Dependent	care benefits	
e Employee's first name and initial	Last name Suff.	11 Nonqualfied plans		12a See instruc	tions for box 12	
		13 Statutory Retirement Thin employee plan sick	rd-party k pay	12b		
		14 Other		12c		
Ashley L. Roslin 222 Eastview Street Philadelphia, PA 19052				12d		
f Employee's address and ZIP code						
15 State Employer's State ID numb PA 12-XXXXXXX	er 16 State wages, tips, etc. \$6,240.00	17 State income tax 18 \$34.12	8 Local wage	es, tips, etc.	19 Local income tax	20 Locality name
W-2 Wage and	Tax	2024		De	epartment of the ?	Freasury - IRS

	a Employee's social security number 042-XX-XXXX	OMB No. 1545-0008	Safe, accurate FAST! Use	TRS C + 1	Visit the IRS www.irs.gov/e	vebsite at afile
b Employer Identification Number (EIN	1)	1 Wages, tips, other \$34,220.00	compensation	2 Federal inc \$3,947.30	ome tax withheld	
c Employer's name, address, and ZIP	code	3 Social security was \$34,220.00	ges	4 Social secu \$2,121.63	ity tax withheld	
Die Vellen Die Ormeren		5 Medicare wages at \$34,220.00	nd tips	6 Medicare ta \$470.47	ax withheld	
1850 Main St. Bethel, CT 06801		7 Social security tips		8 Allocated tip	ps	
d Employee's social security number		9 Verification Code		10 Dependent	care benefits	
e Employee's first name and initial	Last name Suff.	11 Nonqualfied plans	Third-party sick pay	12a See instruc c 12b c 12b c 12c c 12c c 12d c 12d	ctions for box 12	
Bethel, CT 06801 f Employee's address and ZIP code				d e		
15 State Employer's State ID numb CT 12-XXXXXXX	er 16 State wages, tips, etc. \$34,220.00	17 State income tax \$1,539.90	18 Local wag	es, tips, etc.	19 Local income tax	20 Locality name
Form W-2 Wage and Statement	Tax	2024		D	epartment of the	Treasury - IRS

	OMB No. 1545-0116		ty or town, state or province, country, ZIF one no.	PAYER'S name, street address, c or foreign postal code, and teleph
Nonemployee	Form 1099-NEC			Cutting Edge Tech 999 Meta Way
Compensation	For calendar year 2024			Palo Alto, CA 94020
Copy E	ation	1 Nonemployee comper	RECIPIENT'S TIN	PAYER'S TIN
For Recipien	66500.00	\$	567-XX-XXXX	83-XXXXXXX
This is important ta information and is bein furnished to the IRS. If you ar	s totaling \$5,000 or more of recipient for resale	2 Payer made direct sa consumer products t		RECIPIENT'S name
required to file a return, a negligence penalty or othe sanction may be imposed o		3		Street address (including apt. no.)
you if this income is taxable and the IRS determines that has not been reported	ithheld	4 Federal income tax \$	untry, and ZIP or foreign postal code	222 2nd Ave City or town, state or province, co
7 State income \$	6 State/Payer's state no.	5 State tax withheld		San Diego, CA 92101 Account number (see instructions)
Ś		\$		

(keep for your records)

www.irs.gov/Form1099NEC

Department of the Treasury - Internal Revenue Service



NGPF Activity Taxes

CALCULATE: The Math Behind Your Federal Taxes

Can you crack the tax puzzle? Use W-2 and 1099 forms, along with deductions and credits, to figure out who owes taxes and who gets a refund!

Part I: Scenarios

Let's explore three individuals to see how different circumstances impact their tax returns. All file as single and not claimed as dependents.

Name	Employment Info	W-2 Form	Deductions	Credits
Ashley Roslin	Part time barista working 10 hours per week at \$13 per hour	Ashley's W-2	\$50 donation to an animal shelter	No credits available
Elyse McPherson	Worked as a bus driver making \$32/hour plus overtime pay	<u>Elyse's</u> <u>W-2</u>	\$1,500 in state and local taxes and \$5,000 in charitable contributions	\$1,000 in credits
Jameson Michaels	Independent contractor consulting for a tech firm	<u>Jameson's</u> r <u>1099</u>	\$16,000 in nortgage interest and \$2,500 in charitable contributions	\$1,400 in credits

Calculation Table

Use the table below to track calculations for this activity. For each part, fill in the indicated rows based on the instructions provided.

Row		Ashley	Elyse	Jameson
а	Gross income on W-2/1099			
b	Total Deductions			
с	Taxable Income			
d	10% Bracket			
е	12% Bracket			
f	22% Bracket			
g	Total Taxes Owed			
h	Total Eligible Credits			
i	Taxes Owed After Credits			
j	Federal Taxes Withheld on W-2/1099			
k	Refund/Taxes Due			
I	Marginal Tax Rate			
m	Effective Tax Rate			

Deductions reduce the part of your income that's taxed, lowering how much you owe.

- Standard Deduction: Single filers can deduct \$14,600 in 2024
- Itemized Deductions: Choose this if your deductions exceed the standard deduction. Itemized deductions include:
 - a) Interest on the first \$750,000 of a mortgage
 - b) State and local taxes up to \$10,000
 - c) Charitable contributions

Example

You earned \$30,000 last year. The standard deduction of \$14,600 is better than itemizing \$10,000 in eligible deductions.

Taxable income: \$30,000 - \$14,600 = \$15,400

1. Review the scenarios in Part I.

- Row a: List income from all W-2/1099 forms
- Row b: Enter total deductions
- Row c: Calculate taxable income (income minus deductions)

Part III: Federal Income Taxes Owed

2024 tax brackets for single filers:

Tax Rate	For Single Filers
10%	\$0 to \$11,600
12%	\$11,600 to \$47,150
22%	\$47,150 to \$100,525
24%	\$100,525 to \$191,950
32%	\$191,950 to \$243,725
35%	\$243,725 to \$609,350
37%	\$609,350 or more

Example: \$57,500 in Taxable Income					
Tax Bracket	Income in this bracket	Taxes paid in this bracket			
10% Bracket	\$11,600 (income between \$0 and \$11600)	10% of \$11,600 = \$1,160			
12% Bracket	\$35,550 (income between \$11,600 and \$47,150)	12% of \$35,550 = \$4,266			
22% Bracket	\$10,350 (income between \$47,150 and \$100,525, but maxes out because total earnings are \$57,500)	22% of \$10,350 = \$2,277			
Total		\$1,160 + \$4,266 + \$2,277 = \$7,703			

2. Calculate the total taxes owed for each individual and add it to the table.

- Rows d, e, and f: For each individual, determine how much of their income from row c is taxed at each bracket
- Row g: Add the amounts from all brackets to calculate their overall taxes owed

Part IV: Credits

Credits reduce your **Total Taxes Owed**. In this activity, assume all credits are non-refundable, which means they can reduce taxes owed to \$0 but won't result in a refund.

Example

If you owe \$4,700 in taxes and have a \$500 tax credit. Your new taxes owed after credits would be \$4,700 - \$500 = **\$4,200 in taxes owed after credits.**

3. Apply Credits:

- Row h: Write the amount of each individual's total credits listed in Part I
- Row i: Use this information to complete row (i) of the table.

Part V: Final Calculations

To determine if you'll receive a refund or owe taxes, subtract your **Total Taxes Owed** from the **Federal Income Tax Withheld** on your W-2 or 1099.

Example

- Total Taxes Owed: \$8,367.60
- Federal Income Tax Withheld: \$9,250.60 (Box 2 on W-2)

\$8,367.60 - \$9,250.60 = -\$883.00

Since you paid more than you owed, you'll receive an **\$883 refund**!

4. Taxes owed or refunded:

- Row j: Record the amount withheld as shown on the W-2/1099.
- Row k: Subtract taxes after credits (row i) from federal taxes withheld (row j) to determine if the individual owes taxes or will receive a refund.

Marginal Tax Rate: Identify the highest tax bracket where taxes are owed
 Effective Tax Rate: Use this formula:

Taxes Owed After Credits ÷ Total Taxable Income After Deductions × 100

Example

- Total income: \$70,050.00
- Total taxable income after standard deduction: \$55,450
- Total taxes owed: \$7252.00 total federal taxes owed

Your marginal tax rate is 22% because that is the highest tax bracket that your money is taxed in

Your effective tax rate will be $\frac{taxes owed}{taxable income} = \frac{7252}{55450} = 13.1\%$

5. Marginal and effective tax rates:

Row I: Identify the highest tax bracket that applies to the individual's taxable income.
 Row m: Calculate by dividing taxes owed after credits (row i) by total taxable income after deductions and multiplying by 100.