

UNIT 1 REVIEW

Employment, Income, & Financial Decision- Making

UNIT 1 REVIEW

Employment, Income & Financial Decision-Making

Student Directions

- Answer all questions.
- You may respond in complete sentences or bullet points.
- Show your thinking using examples or explanations.
- Use these sentence starters if helpful:
 - "One reason is . . ."
 - "This matters because . . ."
 - "A better choice would be . . ."

Topic 1: Earning & Spending

1. Complete the chart.

Term	What Does It Mean?	Example or Situation
Gross Income		
Net Income		
Payroll Deduction		

2. A student earns \$600 in gross pay. Taxes and other deductions total \$90.
 - a. Calculate the student's net pay.
 - b. Explain why net pay is usually more useful for budgeting than gross pay.

3. Compare two income types.

Use ideas such as income stability, predictability, benefits, flexibility, or financial risk in your responses.

Income Type	One Advantage	One Disadvantage
Salary		
Gig Work or Self-Employment		

4. Two people earn the same monthly income.

Person A spends money on travel and experiences.

Person B saves money for a future home purchase.

a. Why might these two people make different financial decisions?

b. Explain why neither choice is automatically right or wrong.

Topic 2: Education, Careers, & Earning Potential

5. a. Identify two factors that can influence a person's earning potential.

b. Explain how one of those factors may affect income over time.

6. Complete the chart.

Pathway	One Benefit	One Possible Cost or Trade-Off
Four-Year College		
Trade School or Apprenticeship		
Entering the Workforce Immediately		

7. a. What is the purpose of the FAFSA?

b. Name two forms of financial aid that typically do not need to be repaid.

c. Explain why these types of aid may be preferable to student loans.

8. Technology changes many careers over time.
 - a. Describe one way technology can create new job opportunities.
 - b. Describe one way technology can reduce demand for certain jobs.
 - c. Explain why workers may need to continue learning throughout their careers.
9. A student enjoys working with people, values flexibility, and wants to enter the workforce relatively quickly while keeping education costs manageable.
 - a. Identify one education or career pathway that might fit this student.
 - b. Explain why it may be a good fit.

Topic 3: Taxes, Withholding, & Public Benefits

10.a. In your own words, what is withholding?

b. Why does withholding reduce take-home pay?

c. Why might withholding help a taxpayer avoid a large tax bill later?

11. Match each tax type to the correct description.

Tax Type	Description
Income Tax	
Payroll Tax	
Sales Tax	
Property Tax	

Descriptions:

- A tax collected on income earned from work or other sources
- A tax withheld from paychecks to help fund programs such as Social Security and Medicare
- A tax added to the purchase price of many goods and services
- A tax assessed on homes, land, and other property

12.a. What is the difference between a tax deduction and a tax credit?

b. Which one generally reduces taxes owed more directly?

13.a. What is the difference between a tax deduction and a tax credit?

b. Which one generally reduces taxes owed more directly?

14. Choose one government program below.

- Social Security
- Medicare
- Medicaid
- SNAP

a. Describe the purpose of the program.

b. Identify who the program is designed to help.

c. Explain how the program can support a person's financial stability.

Topic 4: Employee Benefits & Total Compensation

- 15.a. In your own words, what is total compensation?
- b. What does total compensation include besides wages or salary?
- c. Why might two jobs with the same salary offer different total compensation?
16. Two jobs both pay \$50,000 per year. One includes health insurance, retirement matching, and paid time off. The other includes none of these benefits.
- a. Which job likely provides greater total compensation?
- b. Explain your reasoning.
17. Why can employer-provided benefits help protect a person's financial stability?
- a. Explain one financial risk a person might face without health insurance.
- b. Explain one financial advantage of participating in an employer-sponsored retirement plan.
- c. Explain how either benefit can help a person prepare for the future.

18. Some job benefits are not directly related to money.
- a. Identify one non-monetary benefit.
 - b. Explain how it could influence a person's career decision.
 - c. Describe one type of worker who might especially value this benefit.

Extended Response

19. Jordan is comparing two job offers.

Job A

- Salary: \$55,000
- Limited health insurance
- No retirement match
- Flexible schedule

Job B

- Salary: \$50,000
- Strong health insurance
- Employer retirement match
- Paid time off

Answer the questions below.

- Identify one advantage of Job A.
- Identify one advantage of Job B.
- Which job might provide greater long-term financial stability?
- Explain your reasoning using evidence from the job descriptions.
- Identify one person who might reasonably choose Job A and explain why.
- Identify one person who might reasonably choose Job B and explain why.