



Time Travel, Inflation Style

LESSON 19: STUDENT ACTIVITY SHEET 1

What does inflation really mean? Enter the amount your group was given at the beginning of class (\$100, \$500 or \$1,000) in the space above the chart below. Then use the Inflation Calculator at data.bls.gov/cgi-bin/cpicalc.pl to calculate the difference in buying power that amount of money represented over several decades in comparison with 1990, 2000 and today. Enter the amount of money you were assigned at the beginning of the class in the calculator, then input the years according to the chart and see how the values change over time. Note: You can look up even more current inflation tables using the same tool.

Amount of money I have:

Year	Starting Value	Buying Power in 1990	Buying Power in 2000	Buying Power Today
1920				
1930				
1940				
1950				
1960				
1970				
1980				

What happened to the numbers on your chart? Why did they change the way they did? What does this say about the value of a dollar and inflation?



Net Pay: The Effects of Taxes on Your Income

LESSON 19: STUDENT ACTIVITY SHEET 2

We all have to pay taxes to help fund government programs. But how will they affect your financial future? Read the scenario below and do the math to find out.

Scenario:

Courtney is a senior in college and just started her first job as a sales associate. At her new job, she expects to make about \$24,000 per year. She is excited to receive her first paycheck, which is given every two weeks. Courtney learns that 15% of her gross pay will be withheld for federal income tax, 4% for state income tax and 6% for Social Security and Medicare taxes. Help Courtney figure out what her take home, or net pay is, and how much she will pay in taxes each paycheck.

A. How much money will Courtney pay in taxes each paycheck?

Federal: _____

State: _____

Social Security and Medicare: _____

B. What is Courtney's net pay? In other words, how much money does Courtney take home from each paycheck after paying all taxes?

C. Based on your knowledge of taxes, to which programs, services and accounts do you think the money withheld from Courtney's paycheck will go?

