



## Reading Your Paystub | Lesson Plan

What are paystubs and how do they work?

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Students will understand the importance of paystubs, learn how to interpret them and identify practical steps to apply the information for effective financial planning.

### Learning Objectives:

- Explain what a paystub is and how it works.
- Define key terms associated with paystubs, including pay period, gross pay, net pay, and deductions.
- Explore types of paystub deductions (taxes, retirement, and insurance).
- Consider financial action items to take in the future using paystub information.

### Key Vocabulary:

- **Paystub:** A paper document provided by an employer that breaks down earnings
- **Pay Period:** The time of work which an employer is paying a worker for
- **Gross Pay:** The total amount of your salary earned
- **Net Pay:** The part of your salary kept (gross pay minus deductions)
- **Deductions:** The money removed from earnings by an employer

**Educational Standards:** CCRA.R.7, CCRA.R.10, CCRA.W.2, CCRA.W.4, CCRA.W.7, CCRA.SL.1, CCRA.SL.2, CCRA.L.6

**Academic Subject Areas:** Financial Literacy, Decision Making, Personal Responsibility, Personal Finance

### What You'll Need

- Video: *Ca\$h Cour\$e: Reading Your Paystub* (Watch [Here](#))
- Worksheet: *Ca\$h Cour\$e: Reading Your Paystub* (Click [Here](#))
- Use classroom whiteboard and dry-erase markers (Or use a technology solution if available).

### Lesson Plan (45 mins.)

Warm-Up: What are paystubs? (10 mins.)

1. Encourage students to talk about their after-school schedules and routines, as well as any schedules they have for sports, lessons, or other activities.
2. Create a two-column chart on the dry-erase board with headings for the positive and negative aspects of having a schedule. Invite students to contribute their thoughts as you record them on the board.



3. Highlight the importance of knowing when events happen through schedules, drawing a parallel to handling earned money. Introduce the concept of paystubs as a tool for financial scheduling and planning.

Watch and Complete: 25 mins.)

1. Announce that the class will watch a video to learn about paystubs—instruct students to pay attention to how paystubs are helpful and why they are essential in managing finances.
2. Show the video to the class.
3. After watching the video, invite students to share what they learned about the usefulness of pay stubs. Record their responses on the dry-erase board. Then, prompt a discussion on potential issues that could arise without a pay stub.

Wrap-Up: (10 mins.)

1. Hand out the "Ca\$h Cour\$e: Reading Your Paystub Worksheet" for students to complete, providing time for this task.
2. Review the worksheet answers as a group, addressing challenging areas and answering students' questions.
3. Lead a discussion about the insights gained on paystubs. Encourage students to talk about how understanding paystubs can contribute to better financial planning and a secure financial future for themselves and their families.

Extension Activities:

- Research Assignment: Have students research different types of deductions (e.g., federal taxes, state taxes, Social Security, Medicare, retirement contributions) and present their findings to the class.
- Mock Paystub Creation: Ask students to create a mock paystub for a fictional employee, including various deductions and calculating net pay.
- Budgeting Exercise: Using the net pay from their mock paystub, students can create a monthly budget, categorizing expenses and planning savings.

**Don't have time for the full lesson? Quick Activity (10-15 mins.)**

Distribute the worksheet and allow students to complete it while they follow along with the video. Or, have students watch the video at home and use the worksheet as a quick quiz the next day in class.