

Unit 2: Taxes and Budgeting (4 weeks)

Content Area: **Business**
Course(s):
Time Period:
Length: **Semester**
Status: **Published**

UNIT RATIONALE

In this unit, students will learn the importance of tax planning and how to identify taxable income, deductions, and credits. Then, they will learn about various tax forms and how it applies to teens. They will be able to identify the tax cycle, identify parts of a pay stub, and file their income taxes. Next, students will be able to take their knowledge of income and apply it to managing their money using the tool of budgeting. Students will develop budgeting strategies in order to meet their financial goals.

PFL.9.1.12.EG.1	Review the tax rates on different sources of income and on different types of products and services purchased.
PFL.9.1.12.EG.2	Explain why various forms of income are taxed differently.

ESSENTIAL QUESTIONS

1. How are people affected by taxes?
2. What actions can you take throughout the year to help reduce the amount of taxes you owe?
3. What money management techniques can you employ to achieve your future goals?
4. What should be included in a budget?
5. How can having a budget help manage my money?

STANDARDS

MATH.K-12.2	Reason abstractly and quantitatively
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NEW JERSEY STUDENT LEARNING STANDARDS: CONTENT AREA

New Jersey (NJSL) - Grades 9-12 - Career Readiness, Life Literacies, and Key Skills (2020)

9.1.12.EG.1:

Review the tax rates on different sources of income and on different types of products and services purchased.

9.1.12.EG.2:

Explain why various forms of income are taxed differently.

9.1.12.FP.2:

Explain how an individual's financial values and goals may change across a lifetime and the adjustments to the personal financial plan that may be needed.

9.1.12.PB.3:

Design a personal budget that will help you reach your long-term and short-term financial goals.

9.1.12.PB.4:

Explain how you would revise your budget to accommodate changing circumstances.

9.1.12.PB.5:

Analyze how changes in taxes, inflation, and personal circumstances can affect a personal budget.

9.2.12.CAP.15:

Demonstrate how exemptions, deductions, and deferred income (e.g., retirement or medical) can reduce taxable income.

9.2.12.CAP.16:

Explain why taxes are withheld from income and the relationship of federal, state, and local taxes (e.g., property, income, excise, and sales) and how the money collected is used by local, county, state, and federal governments.

9.2.12.CAP.18:

Differentiate between taxable and nontaxable income from various forms of employment (e.g., cash business, tips, tax filing and withholding).

9.2.12.CAP.19:

Explain the purpose of payroll deductions and why fees for various benefits (e.g., medical benefits) are taken out of pay, including the cost of employee benefits to employers and self-employment income.

9.2.12.CAP.20:

Analyze a Federal and State Income Tax Return

PFL.9.1.12.EG.1	Review the tax rates on different sources of income and on different types of products and services purchased.
PFL.9.1.12.EG.2	Explain why various forms of income are taxed differently.
PFL.9.1.12.FP.2	Explain how an individual's financial values and goals may change across a lifetime and the adjustments to the personal financial plan that may be needed.
PFL.9.1.12.PB.3	Design a personal budget that will help you reach your long-term and short-term financial goals.
PFL.9.1.12.PB.4	Explain how you would revise your budget to accommodate changing circumstances.
PFL.9.1.12.PB.5	Analyze how changes in taxes, inflation, and personal circumstances can affect a personal budget.
WRK.9.2.12.CAP.15	Demonstrate how exemptions, deductions, and deferred income (e.g., retirement or medical) can reduce taxable income.
WRK.9.2.12.CAP.16	Explain why taxes are withheld from income and the relationship of federal, state, and local taxes (e.g., property, income, excise, and sales) and how the money collected is used by local, county, state, and federal governments.
WRK.9.2.12.CAP.18	Differentiate between taxable and nontaxable income from various forms of employment (e.g., cash business, tips, tax filing and withholding).
WRK.9.2.12.CAP.19	Explain the purpose of payroll deductions and why fees for various benefits (e.g., medical benefits) are taken out of pay, including the cost of employee benefits to employers and self-employment income.
WRK.9.2.12.CAP.20	Analyze a Federal and State Income Tax Return.

NEW JERSEY STUDENT LEARNING STANDARDS: CAREER READINESS, LIFE LITERACIES AND KEY SKILLS

PFL.9.1.12.FI.3	Develop a plan that uses the services of various financial institutions to prepare for long term personal and family goals (e.g., college, retirement).
PFL.9.1.12.FP.1	Create a clear long-term financial plan to ensure its alignment with your values.
PFL.9.1.12.FP.2	Explain how an individual's financial values and goals may change across a lifetime and the adjustments to the personal financial plan that may be needed.
PFL.9.1.12.FP.3	Relate the concept of delayed gratification (i.e., psychological distance) to meeting financial goals, investing and building wealth over time.
PFL.9.1.12.FP.4	Identify how unconscious beliefs like "money scripts" (money avoidant, money worship, money status, money vigilant) influence financial decision-making.
PFL.9.1.12.PB.3	Design a personal budget that will help you reach your long-term and short-term financial goals.
PFL.9.1.12.PB.4	Explain how you would revise your budget to accommodate changing circumstances.

NEW JERSEY STUDENT LEARNING STANDARDS: COMPUTER SCIENCE AND DESIGN THINKING

CS.9-12.8.1.12.AP.8	Evaluate and refine computational artifacts to make them more usable and accessible.
CS.9-12.8.1.12.CS.1	Describe ways in which integrated systems hide underlying implementation details to simplify user experiences.
CS.9-12.8.1.12.DA.5	Create data visualizations from large data sets to summarize, communicate, and support different interpretations of real-world phenomena.
CS.9-12.8.1.12.DA.6	Create and refine computational models to better represent the relationships among different elements of data collected from a phenomenon or process.
CS.9-12.8.1.12.NI.4	Explain how decisions on methods to protect data are influenced by whether the data is at rest, in transit, or in use.

PRE-ASSESSMENTS

Discussion Prompts

INSTRUCTIONAL PLAN

MODULE 8

Lesson 8.1

Taxes and your Paystub

Student Learning Intentions (SLI) WALT: (We are learning to...)	<ul style="list-style-type: none">• Explain where income taxes are collected from and how they provide revenue for public expenses• Read a pay stub and describe the different deductions	
Student Learning Strategies	Discussion prompts Think-Pair-Share Peer Feedback Close read Short written responses Note-taking and Ed-Puzzle responses	
Success Criteria	<ul style="list-style-type: none">• Identify which level(s) of government typically receive(s) the tax revenue for income taxes, payroll taxes, property taxes, and sales taxes• Describe the benefits they receive, or may receive in the future, from government-collected tax revenue• Differentiate between gross, net, and taxable income	
Formative Assessment (drives instructional decisions)	<table border="1"><tr><td>Class Discussion Interactive after reading articles Graph analysis Exit Ticket</td></tr></table>	Class Discussion Interactive after reading articles Graph analysis Exit Ticket
Class Discussion Interactive after reading articles Graph analysis Exit Ticket		
Activities and Resources	Interactive: Your Federal Income tax receipt Interactive: Reading a Paystub	

	Fine Print Paystub
Suggested Modifications	

LESSON 8.2

**Lesson 8.2
Teens and Taxes**

<p>Student Learning Intentions (SLI) WALT: (We are learning to...)</p>	<ul style="list-style-type: none"> • Explain why so few teenagers file taxes • Identify common misconceptions about taxes and state the correct facts • Determine whether they need to file taxes based on a variety of scenarios • Identify what types of income are taxed
<p>Student Learning Strategies</p>	<p>Discussion prompts Think-Pair-Share Peer Feedback Close read Short written responses Note-taking and Ed-Puzzle responses</p>
<p>Success Criteria</p>	<ul style="list-style-type: none"> • Explain the difference between earned and unearned income • Evaluate the benefits and costs of gig employment, such as driving for a cab or delivery service • : Discuss the pros and cons of small business ownership as

	their primary source of income
Formative Assessment (drives instructional decisions)	Class Discussion Interactive after reading articles Graph analysis Exit Ticket
Activities and Resources	Research the Tax Cycle Compare Tax Forms and their purposes Fine Print W4 Activity
Suggested Modifications	

LESSON 8.3

Lesson 8.3

The Tax Cycle and Job Paperwork

Student Learning Intentions (SLI) WALT: (We are learning to...)	<ul style="list-style-type: none"> Identify important dates of the tax cycle Understand the difference between common tax forms Explain the purpose of a W-4
Student Learning Strategies	Discussion prompts Think-Pair-Share Peer Feedback Close read Short written responses Note-taking and Ed-Puzzle responses
Success Criteria	<ul style="list-style-type: none"> Differentiate between gross, net, and taxable income

	Complete IRS Form W-4
Formative Assessment (drives instructional decisions)	Class Discussion Interactive after reading articles Graph analysis Exit Ticket
Activities and Resources	Research the Tax Cycle Compare Tax Forms and their purposes Fine Print W4 Activity
Suggested Modifications	

LESSON 8.4

**Lesson 8.4
How to File Your Taxes**

Student Learning Intentions (SLI) WALT: (We are learning to...)	<ul style="list-style-type: none"> • Identify items they need to prepare their tax return • Explain the different ways they can file their taxes • Understand the purpose of a W-2 form and how to use it to file their taxes • Explain how to make a tax payment if taxes are owed • Understand the importance of filing state taxes
Student Learning Strategies	Discussion prompts Think-Pair-Share Peer Feedback Close read Short written responses

	Note-taking and Ed-Puzzle responses
Success Criteria	<ul style="list-style-type: none"> Identify which level(s) of government typically receive(s) the tax revenue for income taxes, payroll taxes, property taxes, and sales taxes Explain why some income is reported on an IRS Form W-2 and some is reported on an IRS Form 1099, and how that could affect their taxes Explain the difference between earned and unearned income
Formative Assessment (drives instructional decisions)	Class Discussion Interactive after reading articles Graph analysis Exit Ticket
Activities and Resources	Fine Print W2
Suggested Modifications	

LESSON 8.5

Lesson 8.5 Completing the 1040

Student Learning Intentions (SLI) WALT: (We are learning to...)	Complete a 1040 form to file their tax returns
Student Learning Strategies	Discussion prompts Think-Pair-Share Peer Feedback Close read Short written responses

	Note-taking and Ed-Puzzle responses
Success Criteria	Completing a 1040
Formative Assessment (drives instructional decisions)	Class Discussion Interactive after reading articles Graph analysis Exit Ticket
Activities and Resources	Calculate: Completing a 1040
Suggested Modifications	

MODULE 9

LESSON 9.7

Lesson 9.7

Budgeting for Food

Student Learning Intentions (SLI) WALT: (We are learning to...)	<ul style="list-style-type: none"> • Implement a variety of strategies to save money on groceries • Calculate the unit price on common grocery items and use it as a part of your decision making process • Understand how dining out affects your financial goal
Student Learning Strategies	<p>Discussion prompts Think-Pair-Share Peer Feedback Close read Short written responses Note-taking and Ed-Puzzle response</p>

Success Criteria	<ul style="list-style-type: none"> • Develop a budget to allocate current income to necessary and desired spending, including estimates for both fixed and variable expenses • Describe a process for making an informed consumer decision • Explain how pre-purchase research encourages consumers to avoid impulse buying • Explain how having a system for financial record-keeping can make it easier to make financial decisions
Formative Assessment (drives instructional decisions)	Class Discussion Interactive after reading articles Graph analysis Exit Ticket
Activities and Resources	Math: Unit Price
Suggested Modifications	

LESSON 9.6

Lesson 9.6 Budgeting for Transportation

Student Learning Intentions (SLI) WALT: (We are learning to...)	<ul style="list-style-type: none"> • Identify different options for car ownership and the costs associated with these options • Conduct online research regarding the true cost of car ownership
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	<ul style="list-style-type: none"> • Make decisions to budget effectively in order to meet your transportation needs
Student Learning Strategies	<p>Discussion prompts Think-Pair-Share Peer Feedback Close read Short written responses Note-taking and Ed-Puzzle response</p>
Success Criteria	<ul style="list-style-type: none"> • Select a product or service and describe the various factors that may influence a consumer's purchase decision • : Explain the factors to evaluate when buying a durable good • Brainstorm consumer research strategies and resources to use when making purchase decisions <p>Managing Credit</p> <ul style="list-style-type: none"> • identify examples of loans that may require down
Formative Assessment (drives instructional decisions)	<p>Class Discussion Interactive after reading articles Graph analysis Exit Ticket</p>
Activities and Resources	<p>Research: Monthly Cost of Car Ownership Cartoons: Car Payments</p>
Suggested Modifications	

LESSON 9.5

Lesson 9.5
Budgeting for your Home

<p>Student Learning Intentions (SLI) WALT: (We are learning to...)</p>	<ul style="list-style-type: none"> • Factors to consider when deciding where to live, including the cost of living • Benefits of having a roommate and how to set themselves up for success in living with others • How to find and rent their first apartment • How much they'll need to budget for utilities and renters insurance • How to decide whether to rent or buy a home
<p>Student Learning Strategies</p>	<p>Discussion prompts Think-Pair-Share Peer Feedback Close read Short written responses Note-taking and Ed-Puzzle response</p>
<p>Success Criteria</p>	<ul style="list-style-type: none"> • Identify financial and personal reasons that younger adults often choose to rent a home instead of buying • Compare the short-term and long-term costs and benefits of renting versus buying a home in their city of residence • Define key rental contract terminology, including lease term, security deposit, grace period, and eviction • Identify factors that influence the cost of renter's insurance and homeowners' insurance
<p>Formative Assessment (drives instructional decisions)</p>	<p>Class Discussion Interactive after reading articles</p>

	Graph analysis Exit Ticket
Activities and Resources	Budgeting with Roomates Compare: Find an Apartment
Suggested Modifications	

LESSON 9.4

Lesson 9.4 Budgeting in a Gig Economy

Student Learning Intentions (SLI) WALT: (We are learning to...)	<ul style="list-style-type: none"> • Define the gig economy and freelancing • Understand the financial implications of working in the gig economy • Acknowledge the special importance of saving if you work a gig job
Student Learning Strategies	<p>Discussion prompts Think-Pair-Share Peer Feedback Close read Short written responses Note-taking and Ed-Puzzle response</p>
Success Criteria	<ul style="list-style-type: none"> • Evaluate the tradeoffs between income and non-income factors when making career or job choices • : Discuss how economic and labor market conditions can

	<p>affect income, career opportunities, and employment status</p> <ul style="list-style-type: none"> • Evaluate the benefits and costs of gig employment, such as driving for a cab or delivery service
Formative Assessment (drives instructional decisions)	<p>Class Discussion Interactive after reading articles Graph analysis Exit Ticket</p>
Activities and Resources	<p>Making it in a Gig economy Can you make it as an Uber Driver?</p>
Suggested Modifications	

LESSON 9.3

Lesson 9.3 Complete a Budget

Student Learning Intentions (SLI) WALT: (We are learning to...)	<ul style="list-style-type: none"> • Differentiate between gross and net pay • Create a budget on a salaried adult's income and adjust it as required • Research and choose appropriate budgeting apps to meet specific needs
Student Learning Strategies	<p>Discussion prompts Think-Pair-Share Peer Feedback Close read Short written responses Note-taking and Ed-Puzzle response</p>

Success Criteria	<ul style="list-style-type: none"> • Develop a budget to allocate current income to necessary and desired spending, including estimates for both fixed and variable expenses • Evaluate the advantages of using budgeting tools, such as spreadsheets or apps <p>Earning Income</p> <ul style="list-style-type: none"> • Differentiate between gross, net, and taxable income
Formative Assessment (drives instructional decisions)	<p>Class Discussion Interactive after reading articles Graph analysis Exit Ticket</p>
Activities and Resources	<p>Create a Salary-Based Budget Move: The Average American Budget</p>
Suggested Modifications	

LESSON 9.2

Lesson 9.2 Budgeting Strategies

Student Learning Intentions (SLI) WALT: (We are learning to...)	<ul style="list-style-type: none"> • How to define wealth and differentiate it from “having lots of fancy stuff” • The importance of creating a budget and paying yourself first • Key aspects of three popular budgeting strategies -- 50/30/20, Zero-based, and Cash Envelope
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Student Learning Strategies	<p>Discussion prompts Think-Pair-Share Peer Feedback Close read Short written responses Note-taking and Ed-Puzzle response</p>
Success Criteria	<ul style="list-style-type: none"> • Develop a budget to allocate current income to necessary and desired spending, including estimates for both fixed and variable expenses • Explain methods for adjusting a budget for unexpected expenses or emergencies • Explain how having a system for financial record-keeping can make it easier to make financial decisions
Formative Assessment (drives instructional decisions)	<p>Class Discussion Interactive after reading articles Graph analysis Exit Ticket</p>
Activities and Resources	<p>Move: Organize Budget Expenses Interactive: 50/30/20 Budget Calculator</p>
Suggested Modifications	

LESSON 9.1

**Lesson 9.1
Budgeting for Teens**

Student Learning Intentions (SLI) WALT: (We are learning to...)	<ul style="list-style-type: none"> • Differentiate between income and expenses •
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	<p>Classify expenses into needs or wants</p> <ul style="list-style-type: none"> • Think critically about how daily choices impact a young person's budget now and in the future
<p>Student Learning Strategies</p>	<p>Discussion prompts Think-Pair-Share Peer Feedback Close read Short written responses Note-taking and Ed-Puzzle responses</p>
<p>Success Criteria</p>	<ul style="list-style-type: none"> • Identify their short-term and long-term financial goals • Develop a budget to allocate current income to necessary and desired spending, including estimates for both fixed and variable expenses <p>Saving</p> <ul style="list-style-type: none"> • Identify strategies to manage psychological and emotional obstacles to saving <p>Earning Income</p> <ul style="list-style-type: none"> • Differentiate between gross, net and taxable income
<p>Formative Assessment (drives instructional decisions)</p>	<p>Discussion prompts Think-Pair-Share Peer Feedback Close read Short written responses Note-taking and Ed-Puzzle responses</p>
<p>Activities and Resources</p>	<p>Compare Needs and Wants Case Study: How Do I Budget?</p>
<p>Suggested Modifications</p>	

REFLECTIONS

INTERDISCIPLINARY CONNECTIONS: NEW JERSEY STUDENT LEARNING STANDARDS FOR ELA, SOCIAL STUDIES, SCIENCE AND/OR MATHEMATICS

PFL.9.1.12.EG.1	Review the tax rates on different sources of income and on different types of products and services purchased.
PFL.9.1.12.EG.2	Explain why various forms of income are taxed differently.
PFL.9.1.12.EG.4	Explain the relationship between your personal financial situation and the broader economic and governmental policies.
PFL.9.1.12.EG.5	Relate a country's economic system of production and consumption to building personal wealth, the mindset of social comparison, and achieving societal responsibilities.
PFL.9.1.12.FI.3	Develop a plan that uses the services of various financial institutions to prepare for long term personal and family goals (e.g., college, retirement).
PFL.9.1.12.FP.1	Create a clear long-term financial plan to ensure its alignment with your values.
PFL.9.1.12.PB.3	Design a personal budget that will help you reach your long-term and short-term financial goals.
PFL.9.1.12.PB.4	Explain how you would revise your budget to accommodate changing circumstances.
PFL.9.1.12.PB.5	Analyze how changes in taxes, inflation, and personal circumstances can affect a personal budget.
PFL.9.1.12.RM.1	Describe the importance of various sources of income in retirement, including Social Security, employer-sponsored retirement savings plans, and personal investments.