

# Income Unlocked

*A Financial Literacy Puzzle for Grade 9*

TEACHER GUIDE · STUDENT PACKET · ANSWER KEY

<p><b>Activity Goal</b> Encourage students to consider different forms of employment and how personality, lifestyle, and tax considerations can all impact employment decisions.</p>	<p><b>Activity Length</b> 30 min activity + 5–10 min debrief</p>
<p><b>Class Setup</b> Breakout groups of 8 → 4 pairs → 1 income type per pair</p>	<p><b>Materials</b> 1 student packet per pair: Character Cards, Income Type Card, Calculation Worksheet, Tax Reference &amp; Decision Grid</p>

# Teacher Guide

## Overview

In the Income Unlocked, students work as employment advisors. Each breakout group of 8 splits into 4 pairs, with each pair assigned a different income type (Hourly Wage, Annual Salary, Base + Commission, or Self-Employed). The group shares four fictional characters — each with distinct personality traits and a list of monthly expenses that students must first categorize as needs or wants.

Each pair applies their income type to all four characters, works through a structured calculation, then presents an analysis walkthrough: how their income type behaved across all four characters, which characters it served well and why, and who they recommend. The group then negotiates a final one-to-one matching.

## Timing Breakdown

Time	Phase
0:00–0:05	Introduction — teacher frames the activity, students form pairs and receive packets
0:05–0:07	Needs vs. Wants — each pair reads the Character Cards and classifies each budget item as N or W on their worksheet before beginning calculations
0:07–0:19	Calculation Round — each pair completes calculations for all 4 characters using their assigned income type
0:19–0:21	Prepare — pairs complete their Summary Comparison table and decide on their recommendation
0:21–0:29	Pitch Round — each pair presents ~2 min: (a) walkthrough of results across all 4 characters, (b) which clients the income type fit best and why, (c) recommendation. One question from the group after each pitch.
0:29–0:35	Negotiation & Decision — group agrees on final 4-way matching, records on Group Decision Grid
0:35–0:45	Class Debrief — teacher-led discussion (see questions below)

## Key Design Choices

Feature	Pedagogical Purpose
N/W classification done independently by each pair	Different pairs may classify the same item differently (e.g., is a gym membership a need?). This is intentional — use disagreements in the debrief to show that these categories are sometimes context-dependent.
No income type named in character profiles	Characters reveal their best income type through personality and values, not by stating their job type. Students discover the fit through calculation and reasoning.
Pitch is an analysis walkthrough, not a sales pitch	Pairs explain how their income type performed across all 4 characters — including where it fell short — before stating a recommendation. This rewards analysis over advocacy.
Alex cannot fully cover needs+wants on any income type	Intentional. Alex drives the most important discussion: what trade-offs do you accept when income doesn't cover everything? Self-Employed (\$1,981) and Salary (\$1,921) are closest, but neither covers the \$2,150 total. Personality fit still points to Salary.

Each character has self-employment expenses — but Riley’s are largest	All four characters have legitimate self-employment expenses on their Character Card, so any of them could plausibly go self-employed. Riley’s \$380 deduction is the largest, giving the biggest tax advantage — but it’s Riley’s personality (independence, controlled risk-taking) that makes self-employment the best fit.
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### Teacher's Answer Key — Needs vs. Wants

**Note:** No single correct answer for every item. Deviations make great discussion material.

	Needs (teacher’s classification)	Wants (teacher’s classification)	Total
<b>Jordan</b>	Rent \$750, Groceries \$300, Transit \$110, Phone \$85 <b>Total: \$1,245</b>	Streaming \$45, Clothing \$80, Travel savings \$200, Entertainment \$55 <b>Total: \$380</b>	<b>\$1,625</b>
<b>Sam</b>	Household contribution \$350, Phone \$85, Bus pass \$75 <b>Total: \$510</b>	Car savings \$500, Clothing \$60, Entertainment \$40 <b>Total: \$600</b>	<b>\$1,110</b>
<b>Riley</b>	Housing \$550, Groceries \$250, Phone \$85, Transportation \$300 <b>Total: \$1,185</b>	Savings buffer \$250, Entertainment \$120, Clothing \$80 <b>Total: \$450</b> <i>(Savings buffer is debatable — discuss!)</i>	<b>\$1,635</b>
<b>Alex</b>	Rent \$950, Groceries \$350, Transit \$110, Phone \$85 <b>Total: \$1,495</b>	Education savings \$400, Social activities \$200, Gym \$55 <b>Total: \$655</b> <i>(Education savings is high-priority — discuss!)</i>	<b>\$2,150</b>

### Teacher's Answer Key — Net Income by Income Type

**Green** = covers N+W   **Yellow** = covers needs only   **Pink** = cannot cover needs

	Hourly PT \$1,360	Hourly FT \$2,380	Salary \$2,600	Comm. B \$970	Comm. D \$1,330	Self-Emp. \$2,800
<b>Jordan N=\$1,245 T=\$1,625</b>	\$1148	\$1746	\$1921	\$839	\$1124	\$1971
<b>Sam N=\$510 T=\$1,110</b>	\$1188	\$1786	\$1961	\$879	\$1164	\$2016
<b>Riley N=\$1,185 T=\$1,635</b>	\$1148	\$1746	\$1921	\$839	\$1124	\$2049
<b>Alex N=\$1,495 T=\$2,150</b>	\$1148	\$1746	\$1921	\$839	\$1124	\$1981

#### Key Answer Key Notes

- Commission at Scenario D: Sam nets \$1,164 vs total \$1,110 — surplus \$54. Only viable for Sam; variability risk (quiet months at \$839) is the critical discussion point.

- Alex: no income type covers the full \$2,150. Self-Employed (\$1,981, short \$169) and Salary (\$1,921, short \$229) are closest. Neither works mathematically, but personality fit still points to Salary. Alex's trade-off is the richest debrief topic.
- Riley Self-Employed nets \$2,049 vs Salary \$1,921 (+\$128 advantage). All four characters have SE deductions, but Riley's \$380 is the largest. Without it, Salary is higher.
- Marginal rate illustration (Jordan Hourly): PT =  $\$1,148/80 \text{ hrs} = \$14.35/\text{hr}$ . FT =  $\$1,746/140 \text{ hrs} = \$12.47/\text{hr}$ . Extra 60 hrs yielded \$598 net on \$1,020 gross — ~41% effective loss rate on those hours.

## Intended Optimal Matching

No single right answer. Full credit for any group that backs choices with both math and character reasoning.

Character	Suggested Match	Reasoning
Jordan	Salary	Highest net covering N+W (\$270 surplus). Jordan's dislike of financial surprises and preference for knowing exactly what comes in each month aligns directly with a fixed salary.
Sam	Commission (D)	Sam's competitive drive and low fixed costs make commission the personality fit. Numbers barely work at Scenario D (+\$13). Pairs must acknowledge variability risk. PT Hourly also just covers total.
Riley	Self-Employed	Riley's \$380 SE deduction is the largest of the four characters, giving the best self-employed net (\$2,049 vs Salary \$1,921, a \$128 advantage). More importantly, Riley's drive for independence, comfort with controlled risk, and preference for direct reward of personal effort make self-employment the clear personality fit.
Alex	Salary (trade-off)	No income type fully covers Alex's \$2,150. Self-Employed (\$1,981) is technically closest (short \$169), but Salary (\$1,921, short \$229) aligns best with Alex's values: security, reliability, and organized workplaces. The shortfall drives the most important discussion about planning and priorities.

## Debrief Discussion Questions

1. Did different pairs classify the same budget items differently? Which items caused the most disagreement? Does "need vs. want" always have a clear answer?

2. Jordan's hourly rate is \$17 whether working part-time or full-time. Did Jordan take home \$17 per hour? Divide Jordan's net by total hours for each option. What do you notice?

**Marginal rate prompt:** Jordan worked 60 more hours and earned \$1,020 more gross — but only took home ~\$644 more net. What happened to the value of those extra hours?

3. Every character had some business expenses they could deduct as a self-employed worker. Why did Riley benefit the most? Is it just the size of the deduction, or does something else about Riley's situation make self-employment a stronger fit?

4. Alex cannot fully cover their goals on any income type. What choices does Alex have? Is it better to take Salary (short \$229) or Self-Employed (short \$169)? The math slightly favours Self-Employed — but does that mean it's the right choice for Alex? What factors beyond the numbers might matter?

5. Sam's best commission scenario barely covers everything. What would happen in a typical or quiet month? How does income variability change how you should plan your spending?



# Income Unlocked

*A Financial Literacy Puzzle*

## Your Role

You are an employment advisor. Your group has four clients — Jordan, Sam, Riley, and Alex. Your pair has been assigned one type of income. You will calculate what that income type delivers to each client after taxes and deductions, compare how it works differently for each person, and present your analysis to the group.

## How It Works

<b>1</b>	<p><b>Read the Character Cards and classify each budget item.</b> Before calculating, mark each item on each character's card as a Need (N) or a Want (W) in the spaces on your worksheet. Total each column.</p>
<b>2</b>	<p><b>Run the calculations for all four clients.</b> Using your Income Type Card and the worksheet, work through every step for each client. Choose the scenario or hours you think fits each person best, and apply their individual tax situation.</p>
<b>3</b>	<p><b>Complete the Summary Comparison table.</b> Transfer your net income for each client into the Summary table, and record whether their needs and wants are covered.</p>
<b>4</b>	<p><b>Present your analysis to the group. (2 minutes)</b> Walk the group through: <b>(a)</b> how your income type performed differently across the four clients; <b>(b)</b> which clients your income type fit best and which it didn't, and why; <b>(c)</b> who you recommend, and your reasoning.</p>
<b>5</b>	<p><b>Negotiate and decide as a group.</b> After all four pairs have presented, agree on a final matching. Each client gets exactly one income type — no income type can be used twice. Record on the Group Decision Grid.</p>

## A Few Rules to Know

- All workers receive the Basic Personal Amount (BPA): a \$500/month deduction from income before tax. It is already included in your worksheet.
- Some clients have additional deductions or credits described on their Character Card under Financial Context. Read carefully — they don't always apply in every situation.
- Employed workers (Hourly, Salary, Commission) pay CPP at 4.5% and EI at 1.6% of gross income.
- Self-Employed workers pay CPP at 9% (both sides) and \$0 EI — meaning no Employment Insurance if work dries up.

## CHARACTER CARDS

Read the personality description and budget items carefully before starting your calculations.

Jordan, Age 19	Sam, Age 18
<p><i>Organized and methodical. Jordan has been living independently for about a year and takes real pride in managing their budget carefully. Hates financial surprises — knowing exactly what comes in each month matters more to Jordan than the chance of earning more. Shows up on time, every time, and works consistently.</i></p>	<p><i>Competitive and energetic. Sam has never been satisfied with average — whether a challenge at school or a shift at work, Sam keeps score. Loves situations where working harder produces a bigger result. Lives at home, keeping costs low so more of what's earned can go toward saving for a first car.</i></p>
<p><b>MONTHLY BUDGET ITEMS</b> Classify each item as a Need or Want on your Calculation Worksheet.</p>	<p><b>MONTHLY BUDGET ITEMS</b> Classify each item as a Need or Want on your Calculation Worksheet.</p>
Rent (shared with one roommate) — <b>\$750/month</b>	Monthly contribution to family household — <b>\$350/month</b>
Groceries — <b>\$300/month</b>	Phone plan — <b>\$85/month</b>
Monthly transit pass — <b>\$110/month</b>	Bus pass — <b>\$75/month</b>
Phone plan — <b>\$85/month</b>	Savings toward buying a first car — <b>\$500/month</b>
Streaming subscriptions — <b>\$45/month</b>	Clothing and personal care — <b>\$60/month</b>
Clothing and personal care — <b>\$80/month</b>	Entertainment and going out — <b>\$40/month</b>
Monthly savings toward travel — <b>\$200/month</b>	<p><b>Financial Context</b> Sam would rely on a personal phone and transit pass as primary tools for getting to clients and managing work. If self-employed, \$100/month for phone and transit costs can be deducted from income before calculating tax. Sam is also enrolled in a part-time continuing education course, qualifying for a Tuition Tax Credit of \$40/month — subtracted directly from tax owed (not from income). The Basic Personal Amount (\$500) applies in all cases.</p>
Eating out and entertainment — <b>\$55/month</b>	
<p><b>Financial Context</b> Jordan could use a dedicated corner of their shared apartment as a workspace. If self-employed, a home workspace deduction of \$80/month can be applied before calculating tax. The Basic Personal Amount (\$500/month) applies in all cases.</p>	

## Riley, Age 20

*Independent and entrepreneurial by nature. Riley gets more satisfaction from building something themselves than following someone else's directions. Resourceful — when there's a problem, Riley figures it out. Thrives on variety and freedom, and values direct control over their own schedule and seeing the results of their own effort. Comfortable taking risks — as long as they're the ones calling the shots.*

### MONTHLY BUDGET ITEMS

*Classify each item as a Need or Want on your Calculation Worksheet.*

Shared housing (Riley's portion) — **\$550/month**

Groceries — **\$250/month**

Phone — **\$85/month**

Transportation (fuel and transit combined) — **\$300/month**

Personal savings buffer — **\$250/month**

Entertainment and hobbies — **\$120/month**

Clothing — **\$80/month**

### Financial Context

Riley would work with personal equipment, materials, and a vehicle for hands-on client jobs. If self-employed, \$380/month in equipment, materials, and fuel costs can be deducted from income before calculating tax. The Basic Personal Amount (\$500) applies in all cases.

## Alex, Age 22

*Thoughtful and forward-thinking. Alex has a long-term plan and sticks to it. Values security above all — would rather earn a reliable amount than take on risk for a higher possible income. Reads contracts carefully, appreciates organized and fair workplaces, and is actively saving for further education. Plans everything.*

### MONTHLY BUDGET ITEMS

*Classify each item as a Need or Want on your Calculation Worksheet.*

Rent — **\$950/month**

Groceries — **\$350/month**

Monthly transit pass — **\$110/month**

Phone — **\$85/month**

Monthly savings toward further education — **\$400/month**

Social activities and going out — **\$200/month**

Gym membership — **\$55/month**

### Financial Context

Alex has the opportunity for a dedicated home workspace and would use a separate phone line for professional contacts. If self-employed, \$120/month for the home workspace setup and phone plan can be deducted from income before calculating tax. The Basic Personal Amount (\$500) applies in all cases.

## INCOME TYPE CARDS

Your pair has been assigned one of these. Keep it beside you throughout the activity.

INCOME TYPE: Hourly Wage	INCOME TYPE: Annual Salary
<p><i>Paid a set rate for every hour worked. Income changes based on how many hours are scheduled.</i></p>	<p><i>A fixed yearly amount, divided into equal monthly payments. The same amount arrives every month, regardless of hours worked.</i></p>
<p><b>YOUR SCENARIOS</b></p> <ul style="list-style-type: none"><li>▶ Rate: \$17.00 per hour</li><li>▶ Option A — Part-Time: 20 hrs/week → ~80 hrs/month → \$1,360 gross/month</li><li>▶ Option B — Full-Time: 35 hrs/week → ~140 hrs/month → \$2,380 gross/month</li><li>▶ Choose Part-Time or Full-Time for each client. You can use a different option for different characters.</li></ul> <p><b>IMPORTANT NOTES</b></p> <p>⚠ Hours are set by the employer and may vary — income is not guaranteed to stay the same week to week.</p> <p><b>CPP:</b> 4.5% of Gross   <b>EI:</b> 1.6% of Gross</p>	<p><b>YOUR SCENARIOS</b></p> <ul style="list-style-type: none"><li>▶ Annual amount: \$31,200/year</li><li>▶ Monthly gross: \$2,600/month (fixed — no choice to make for any character)</li><li>▶ Typical schedule: 37.5 hours/week, set hours, no overtime</li><li>▶ Professional Organization: employees in this role join a sector association. The \$100/month membership fee is tax-deductible — subtract it from gross income before tax (in addition to the BPA). This applies to all clients on the Salary income type.</li></ul> <p><b>IMPORTANT NOTES</b></p> <p>⚠ Income is capped — working extra hours doesn't increase earnings.</p> <p><b>CPP:</b> 4.5% of Gross   <b>EI:</b> 1.6% of Gross</p>

## INCOME TYPE: Base + Commission

*A guaranteed base amount each month, plus a percentage earned on sales. Income rises and falls with performance.*

### YOUR SCENARIOS

- ▶ Base pay: \$650/month (always guaranteed)
- ▶ Commission: 8% of monthly sales
- ▶ Scenario A — Quiet (\$2,000 sales):  
\$650 + \$160 = \$810 gross
- ▶ Scenario B — Typical (\$4,000 sales):  
\$650 + \$320 = \$970 gross
- ▶ Scenario C — Strong (\$6,000 sales):  
\$650 + \$480 = \$1,130 gross
- ▶ Scenario D — Exceptional (\$8,500 sales):  
\$650 + \$680 = \$1,330 gross
- ▶ Choose the scenario you think is realistic for each client's personality and situation.

### IMPORTANT NOTES

- ⚠ A quiet month can mean significantly less take-home pay — factor this risk into your pitch.
- ⚠ When presenting, make sure your chosen scenario is a fair and honest representation of what that client could realistically achieve.

**CPP:** 4.5% of Gross   **EI:** 1.6% of Gross

## INCOME TYPE: Self-Employed

*Works independently as a contractor or gig worker. Sets own hours, finds own clients, and manages own taxes and costs.*

### YOUR SCENARIOS

- ▶ Charge rate: \$35.00 per hour
- ▶ Typical availability: 20 hrs/week → ~80 hrs/month → \$2,800 gross/month
- ▶ CPP: 9% of gross income (pays both employee AND employer share)
- ▶ EI: \$0 — no Employment Insurance contributions, no EI to collect
- ▶ Business expenses: each client has expenses they can deduct from income before tax when self-employed. Check the Financial Context on each Character Card for the amount. Deduct it in Step 2 (in addition to the BPA).

### IMPORTANT NOTES

- ⚠ No EI means no income replacement if work slows down or the person gets sick.
- ⚠ Income depends on having clients — it is not guaranteed like a salary or hourly position.

**CPP:** 4.5% of Gross   **EI:** 1.6% of Gross

# Calculation Worksheet

<b>Our Income Type:</b> _____	<b>Pair Names:</b> _____
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JORDAN — CALCULATION		
<b>Step 0 — Classify Each Budget Item as a Need (N) or a Want (W)</b>		
Budget Item	Amount	N or W?
Rent (shared with one roommate)	<b>\$750</b>	
Groceries	<b>\$300</b>	
Monthly transit pass	<b>\$110</b>	
Phone plan	<b>\$85</b>	
Streaming subscriptions	<b>\$45</b>	
Clothing and personal care	<b>\$80</b>	
Monthly savings toward travel	<b>\$200</b>	
Eating out and entertainment	<b>\$55</b>	
<b>Total NEEDS (all N items):</b>	<b>\$ _____</b>	
<b>Total WANTS (all W items):</b>	<b>\$ _____</b>	
<b>Total to cover everything (N + W):</b>	<b>\$ _____</b>	
<b>Steps 1–7 — Calculate Net Monthly Take-Home Pay</b>		
	<b>Step</b>	<b>Your Answer</b>
1	<b>Choose your scenario or hours</b> <i>(From your Income Type Card — write which option you chose for Jordan)</i>	<b>Gross: \$ _____</b>
2	<b>Before-Tax Deductions</b> Basic Personal Amount (everyone): -\$500 Additional deduction (check your cards): -\$ _____ <i>→ If Self-Employed: -\$80 home workspace (see Character Card). If Salary: -\$100 professional org (see Income Type Card). Otherwise: \$0</i> <b>Total before-tax deductions: -\$ _____</b>	<b>= -\$ _____</b>
3	<b>Taxable Income</b> <i>Step 1 – Step 2 = ?</i>	<b>= \$ _____</b>
4	<b>Income Tax</b> <i>Look up your Step 3 result in the Tax Table on the Tax Reference card.</i> Tax from table: \$ _____ Tax owed = amount from table	<b>Tax owed:</b> <b>\$ _____</b>
5	<b>CPP</b> <i>Step 1 × 4.5% (or 9% if Self-Employed)</i>	<b>= -\$ _____</b>
6	<b>EI</b> <i>Step 1 × 1.6% (or \$0 if Self-Employed — no EI for self-employed workers)</i>	<b>= -\$ _____</b>
✓	<b>Net Monthly Take-Home Pay</b> <i>Step 1 – Step 4 (tax owed) – Step 5 (CPP) – Step 6 (EI)</i>	<b>= \$ _____</b>
?	<b>Does it cover Jordan’s NEEDS?</b> <i>(compare net to your Total Needs above)</i> <b>Does it cover Jordan’s NEEDS + WANTS?</b> <i>(compare to your Total N+W above)</i>	<b>NEEDS: YES / NO</b> <b>N+W: YES / NO</b> <b>Surplus/Short:</b> <b>\$ _____</b>

## SAM — CALCULATION

### Step 0 — Classify Each Budget Item as a Need (N) or a Want (W)

Budget Item	Amount	N or W?
Monthly contribution to family household	<b>\$350</b>	
Phone plan	<b>\$85</b>	
Bus pass	<b>\$75</b>	
Savings toward buying a first car	<b>\$500</b>	
Clothing and personal care	<b>\$60</b>	
Entertainment and going out	<b>\$40</b>	
<b>Total NEEDS (all N items):</b>	<b>\$ _____</b>	
<b>Total WANTS (all W items):</b>	<b>\$ _____</b>	
<b>Total to cover everything (N + W):</b>	<b>\$ _____</b>	

### Steps 1–7 — Calculate Net Monthly Take-Home Pay

	Step	Your Answer
1	<b>Choose your scenario or hours</b> <i>(From your Income Type Card — write which option you chose for Sam)</i>	<b>Gross: \$ _____</b>
2	<b>Before-Tax Deductions</b> Basic Personal Amount (everyone): -\$500 Additional deduction (check your cards): -\$ _____ <i>→ If Self-Employed: -\$100 phone + transit (see Character Card). If Salary: -\$100 professional org (see Income Type Card). Otherwise: \$0</i> <b>Total before-tax deductions: -\$ _____</b>	<b>= -\$ _____</b>
3	<b>Taxable Income</b> <i>Step 1 – Step 2 = ?</i>	<b>= \$ _____</b>
4	<b>Income Tax</b> <i>Look up your Step 3 result in the Tax Table on the Tax Reference card.</i> Tax from table: \$ _____ Then subtract: Sam's Tuition Credit: subtract \$40 from tax owed in Step 4 (applies to all income types) -\$ _____ Tax owed: \$ _____	<b>Tax owed:</b> <b>\$ _____</b>
5	<b>CPP</b> <i>Step 1 × 4.5% (or 9% if Self-Employed)</i>	<b>= -\$ _____</b>
6	<b>EI</b> <i>Step 1 × 1.6% (or \$0 if Self-Employed — no EI for self-employed workers)</i>	<b>= -\$ _____</b>
✓	<b>Net Monthly Take-Home Pay</b> <i>Step 1 – Step 4 (tax owed) – Step 5 (CPP) – Step 6 (EI)</i>	<b>= \$ _____</b>
?	<b>Does it cover Sam's NEEDS?</b> <i>(compare net to your Total Needs above)</i> <b>Does it cover Sam's NEEDS + WANTS?</b> <i>(compare to your Total N+W above)</i>	<b>NEEDS: YES / NO</b> <b>N+W: YES / NO</b> <b>Surplus/Short:</b> <b>\$ _____</b>

## RILEY — CALCULATION

### Step 0 — Classify Each Budget Item as a Need (N) or a Want (W)

Budget Item	Amount	N or W?
Shared housing (Riley's portion)	\$550	
Groceries	\$250	
Phone	\$85	
Transportation (fuel and transit combined)	\$300	
Personal savings buffer	\$250	
Entertainment and hobbies	\$120	
Clothing	\$80	
<b>Total NEEDS (all N items):</b>	<b>\$ _____</b>	
<b>Total WANTS (all W items):</b>	<b>\$ _____</b>	
<b>Total to cover everything (N + W):</b>	<b>\$ _____</b>	

### Steps 1–7 — Calculate Net Monthly Take-Home Pay

	Step	Your Answer
1	<b>Choose your scenario or hours</b> <i>(From your Income Type Card — write which option you chose for Riley)</i>	<b>Gross: \$ _____</b>
2	<b>Before-Tax Deductions</b> Basic Personal Amount (everyone): -\$500 Additional deduction (check your cards): -\$ _____ → If Self-Employed: -\$380 equipment, materials, fuel (see Character Card). If Salary: -\$100 professional org (see Income Type Card). Otherwise: \$0 <b>Total before-tax deductions: -\$ _____</b>	<b>= -\$ _____</b>
3	<b>Taxable Income</b> <i>Step 1 – Step 2 = ?</i>	<b>= \$ _____</b>
4	<b>Income Tax</b> <i>Look up your Step 3 result in the Tax Table on the Tax Reference card.</i> Tax from table: \$ _____ Tax owed = amount from table	<b>Tax owed: \$ _____</b>
5	<b>CPP</b> <i>Step 1 × 4.5% (or 9% if Self-Employed)</i>	<b>= -\$ _____</b>
6	<b>EI</b> <i>Step 1 × 1.6% (or \$0 if Self-Employed — no EI for self-employed workers)</i>	<b>= -\$ _____</b>
✓	<b>Net Monthly Take-Home Pay</b> <i>Step 1 – Step 4 (tax owed) – Step 5 (CPP) – Step 6 (EI)</i>	<b>= \$ _____</b>
?	<b>Does it cover Riley's NEEDS?</b> <i>(compare net to your Total Needs above)</i> <b>Does it cover Riley's NEEDS + WANTS?</b> <i>(compare to your Total N+W above)</i>	<b>NEEDS: YES / NO</b> <b>N+W: YES / NO</b> <b>Surplus/Short:</b> <b>\$ _____</b>

## ALEX — CALCULATION

### Step 0 — Classify Each Budget Item as a Need (N) or a Want (W)

Budget Item	Amount	N or W?
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Rent	\$950	
Groceries	\$350	
Monthly transit pass	\$110	
Phone	\$85	
Monthly savings toward further education	\$400	
Social activities and going out	\$200	
Gym membership	\$55	
<b>Total NEEDS (all N items):</b>	\$ _____	
<b>Total WANTS (all W items):</b>	\$ _____	
<b>Total to cover everything (N + W):</b>	\$ _____	
<b>Steps 1–7 — Calculate Net Monthly Take-Home Pay</b>		
	<b>Step</b>	<b>Your Answer</b>
1	<b>Choose your scenario or hours</b> <i>(From your Income Type Card — write which option you chose for Alex)</i>	<b>Gross: \$ _____</b>
2	<b>Before-Tax Deductions</b> Basic Personal Amount (everyone): -\$500 Additional deduction (check your cards): -\$ _____ → If Self-Employed: -\$120 home workspace + phone (see Character Card). If Salary: -\$100 professional org (see Income Type Card). Otherwise: \$0 <b>Total before-tax deductions: -\$ _____</b>	<b>= -\$ _____</b>
3	<b>Taxable Income</b> <i>Step 1 – Step 2 = ?</i>	<b>= \$ _____</b>
4	<b>Income Tax</b> <i>Look up your Step 3 result in the Tax Table on the Tax Reference card.</i> Tax from table: \$ _____ Tax owed = amount from table	<b>Tax owed: \$ _____</b>
5	<b>CPP</b> <i>Step 1 × 4.5% (or 9% if Self-Employed)</i>	<b>= -\$ _____</b>
6	<b>EI</b> <i>Step 1 × 1.6% (or \$0 if Self-Employed — no EI for self-employed workers)</i>	<b>= -\$ _____</b>
✓	<b>Net Monthly Take-Home Pay</b> <i>Step 1 – Step 4 (tax owed) – Step 5 (CPP) – Step 6 (EI)</i>	<b>= \$ _____</b>
?	<b>Does it cover Alex’s NEEDS?</b> <i>(compare net to your Total Needs above)</i> <b>Does it cover Alex’s NEEDS + WANTS?</b> <i>(compare to your Total N+W above)</i>	<b>NEEDS: YES / NO</b> <b>N+W: YES / NO</b> <b>Surplus/Short:</b> \$ _____

### Summary Comparison Table — Complete This Before Your Pitch

Transfer your final net income for each client here. You'll use this during your analysis presentation.

Client	Scenario Chosen	Net Pay/Month	Covers Needs?	Covers N+W?
Jordan		\$		
Sam		\$		

Riley		\$		
Alex		\$		

**Your Recommendation:**

We recommend: \_\_\_\_\_ because:

## Tax Reference Card

**Step 4 — Income Tax Table** (find your taxable income from Step 3 and read off the rate)

Taxable Income (Step 3)	Tax Rate	How to calculate
\$0 – \$900	15%	Taxable income × 0.15
\$901 – \$1,600	20%	Taxable income × 0.20
\$1,601 – \$2,400	26%	Taxable income × 0.26
\$2,401+	30%	Taxable income × 0.30

### Note on Tax Rates

These rates are simplified for this activity. In real life, Canada uses a marginal tax system — each portion of income is taxed at its own rate. Only income above a threshold is taxed at the higher rate. We'll discuss this as a class.

## CPP & EI Quick Reference

	CPP	EI
Employed (Hourly, Salary, Commission)	4.5% × Gross	1.6% × Gross
Self-Employed	9.0% × Gross (double rate!)	\$0 — no EI coverage

## Deductions & Credits Quick Reference

Client	Additional deductions and credits (beyond the \$500 BPA that everyone receives)
Jordan	If Self-Employed: -\$80 home workspace deduction from income in Step 2. If Salary: -\$100 professional org deduction from income in Step 2 (see Salary card). Otherwise: \$0 additional.
Sam	If Self-Employed: -\$100 phone + transit deduction from income in Step 2. If Salary: -\$100 professional org deduction from income in Step 2 (see Salary card). Otherwise: \$0 additional. ALL income types: Tuition Tax Credit -\$40 from tax owed in Step 4.
Riley	If Self-Employed: -\$380 equipment, materials, and fuel deduction from income in Step 2. If Salary: -\$100 professional org deduction from income in Step 2 (see Salary card). Otherwise: \$0 additional.
Alex	If Self-Employed: -\$120 home workspace + phone deduction from income in Step 2. If Salary: -\$100 professional org deduction from income in Step 2 (see Salary card). Otherwise: \$0 additional.

## Group Decision Grid

After all pairs have presented, agree on a final matching. Each client gets exactly one income type. No income type can be used twice.

Client	Income Type Assigned	Does it cover their Needs?	Needs + Wants?
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Jordan		
Sam		
Riley		
Alex		

### Group Reflection

- Were any clients' needs AND wants completely out of reach on every income type? What should they do?
- Did your group disagree on which items were needs vs. wants? What does that tell you?
- Was there an income type that looked great on paper but came with risks you wouldn't want to take?