Directions:
Review your “Making Money” notes from the PowerPoint presentation. The scenarios in this activity describe the income a person might earn and receive at a variety of life stages. Read the scenarios carefully and in the space provided list the possible types of income described. Be ready to explain your answers.

KEY Notes: Students may require clarification about dividends and interest being potential income, and the fact that an asset is sold to realize capital gains.

Scenario One—Frankie
Frankie attends high school classes in the morning and then in the afternoon participates in a school-to-work program. She works for an hourly wage, 15 hours each week, as an intern at the local bank. When she successfully completes her internship the bank will award her $2,500 in addition to her weekly pay to help her attend college next year. Frankie’s grandfather opened a savings account in her name when she was born and at every birthday and holiday he has deposited money to help with college expenses. Frankie also earns spending money by working for the family who lives next door; they pay her a fixed amount each week to clean their house on Saturday morning.

Frankie’s income includes: hourly wages/ scholarship (transfer payment)/interest/fees

Scenario Two—Frankie’s Family
Frankie’s mother, Celia, was injured at work and receives disability payments. She has a savings account at the bank where Frankie interns and has invested in the stock market. Their family owns the duplex they live in and rents the adjacent apartment to their friend Maria. Frankie’s father is a city bus driver and is paid an amount for each of the hours he works. He has always enjoyed photography. He recently began a wedding photography business and on weekends is busy with wedding shoots. He charges his customers an agreed upon amount for the pictures he takes.

The family’s income includes: transfer payments/interest/dividends/capital gains/rent/hourly wages/fees

Scenario Three—John
John, a high school senior, works at a local grocery store for 10 hours each week as a courtesy clerk. John also does mowing and weeding at Serenity Spa and is paid a set amount for the job. Occasionally, he trades his weeding services for haircuts. John hopes to become a certified automobile technician and he has a savings account for trade school expenses. He has already received two scholarships to use toward tuition next fall.

John’s income includes: hourly wages/ fees/interest/scholarships (transfer payment)/ barter
Scenario Four—Maria

Maria is a recent graduate from cosmetology school and is working at her first full-time job as a hair stylist at Serenity Spa. Her employer pays her for each hour she is on the job, and she works a typical 40-hour work-week. Maria sometimes works more than 40 hours because she is putting money aside in her savings account for the purchase of a newer used car. She receives a percentage of sales when her clients purchase hair products from the salon and they often give her extra money for her excellent service.

Maria’s income includes: hourly wages/overtime/commission/interest/tips

Scenario Five—Mitchell

Mitchell is the co-owner of Serenity, the salon and spa where Maria works. He and the other owner pay themselves a fixed monthly income from the salon profits. The partners purchased the spa building several years ago and rent half of the space to Greg’s Sporting Goods. Mitchell has purchased stock in several of the companies whose products he promotes in the spa. Once the business expenses are paid each month, Mitchell puts the extra money into savings. He and his business partner are saving to open a second spa sometime in the next two years. Mitchell is also saving to help his wife, Olivia, start her own part-time business.

Mitchell’s income includes: salary/rent/dividends/capital gains/interest

Scenario Six—Olivia

Olivia is an economics professor and has been teaching full-time at the local community college for 10 years. She is paid a yearly amount, but receives this pay in the form of monthly checks. She invests a portion of her income in the stock market and has a state retirement account through the college. Olivia is a talented artist who has an agreement with a greeting card company and receives money for the use of her drawings on a line of cards. She also has a savings/checking account she uses exclusively for her art supplies.

Olivia’s income includes: salary/dividends/capital gains/royalties/interest
Scenario Seven—Martin

Martin is a retired engineer and is Mitchell’s uncle. He receives retirement income from his former employer and from social security. In addition, he earns a fixed amount each month for being the part-time manager of Serenity Spa. Once he retired, Martin went back to school and trained to become a massage therapist. He takes appointments at the spa and keeps the money his clients pay him. That extra income goes into a savings account, and he plans to purchase a massage table for the new spa when it opens. One of Martin’s clients is a golf pro, and Martin does not charge him for massages because his friend gives Martin’s wife free golf lessons.

Martin’s income includes: pension/ transfer payment/ salary/ fees/ interest/ barter

Write Your Own Making Money Scenarios
In the space below write three of your own income scenarios using the criteria listed.
• The scenario should include a minimum of three forms of income.
• The scenario should illustrate your understanding of Making Money concepts.
• The income should be clearly described, but the scenario should not include the term you are describing.
• The scenario should be realistic.