

Summer jobs: A window into taxes and wages

Issues: Economy and Jobs, Federal Government, Taxes

General Goals/ Objectives:

After completion of this lesson, students will:

- Be able to describe what how taxes and deductions affect workers' take-home pay.
- Explain how taxes relate to the operation and services of local, state and federal government
- Identify and explain the significance of minimum wage laws and the Fair Labor Standards Act of 1938
- Articulate their own points of view on the system of taxation in the United States and how it relates to workers' pay and the services provided to residents, using examples from Virginia and Pennsylvania students in a *the.News* video report.

Materials:

Handout: [Speak Out | Summer jobs: A window into taxes and wages](#)

Video: [the.News video report](#) (runtime=5:44)

Related Links:

- [the.News video report](#)
- [Look for jobs in your state, city or town](#) - USA.gov
- [Fact Sheets: Taxes](#) - United States Department of the Treasury
- [IRS Withholding Calculator](#) - Internal Revenue Service
- [Student Jobs.gov](#)
- [The Fair Labor Standards Act of 1938](#) - U.S. Department of Labor
- [History of the Federal Minimum Wage Rates](#) - U.S. Department of Labor

Procedures:

Introduction:

Every year, millions of high school students like you hit the streets looking for summer employment. When their first check or pay stub comes in, many of them are shocked to discover the large amount of money that is missing. This money was not misplaced by your employer; it was taken out by the government as an income tax. Taxes are, in essence, your contribution of money to keep the government running and its public services – such as roads, parks and schools – available. Working for the first time can provide you with a window into how the system works. The tax system provides funding for your government and the services it provides. At the same time, the government keeps a watch over the labor force, raising the minimum wage in 2007 for the first time in almost a decade to make sure you still have a fair amount of money in your paycheck.

Have the class form small groups. Ask students to read the handout and discuss the questions below in the smaller groups. You may also want to allow students to discuss the topic in a larger classroom discussion by having a representative from each group. Finally, ask students to join the online discussion of this topic at [Student Voices](#).

Group Discussion:

Are you going to get a summer job? What kind of work would be your optimal summer job? Did you expect the amount of money the government took out in taxes? How will the minimum wage increase affect you? How will it affect businesses where you live? Have you worked a summer job in the past and, if so, how has it helped you?