

Activity 2 Assessment

Creating Financial Plans for Long-Term Goals

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<p>Describes the difference between gross income and net income</p> <p>Gross income is the amount of money earned before any deductions. Net income is the amount after deductions.</p>	<p>Identifies and describes how taxes are related to both income and expenses</p> <p>A person pays income tax, which is deducted from their gross income. A person pays sales tax on many things they buy.</p>	<p>Understands the use of a financial plan to reach a long-term financial goal</p> <p>I wrote a financial plan to identify what I needed to do, to save money to buy a new pair of skates, which was my financial goal.</p>	<p>Explains some items in a financial plan</p> <p>I needed to save \$150 to buy skates. My allowance is \$10 a week, so if it didn't spend any of it, I could save for my skates in about 4 months. I got a job delivering newspapers that paid me \$15 a week, so I saved all that money for 10 weeks, and was able to spend my allowance on other things.</p>
Observations/Documentation			