

Getting paid

Students act out different ways to get paid and then explore the benefits and risks of each option.

Learning goals

Big idea

People can be paid for their work in different ways.

Essential questions

- What are the most common options employers may use to pay the people who work for them?
- What are some benefits and risks of different ways of getting paid?

Objectives


- Understand the process for depositing a paper paycheck into a bank account
- Understand how direct deposits of paychecks can occur

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

 Financial knowledge and decision-making skills

Grade level: Middle school (6-8)

Age range: 11-14

Topic: Earn (Becoming an entrepreneur, Getting paid)

School subject: CTE (Career and technical education), Fine arts and performing arts, Social studies or history

Teaching strategy: Direct instruction, Simulation

Bloom's Taxonomy level: Understand, Apply

Activity duration: 45-60 minutes

National Standards for Personal Financial Education, 2021

Earning income: Standard 8-5

Saving: 8-6, 12-1, 12-3

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

What students will do

- Work in groups to review a Consumer Financial Protection Bureau (CFPB) publication to learn about at least one way they can receive the money they earn from a job.
- Act out one of two ways to get paid: paper check or direct deposit.
- Answer reflection questions about these two payment methods.

Preparing for this activity

- While it's not necessary, completing the "Applying for jobs" activity first may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.
- Print out a copy of the sample paycheck in this guide.

What you'll need

THIS TEACHER GUIDE

- Getting paid (guide)
[cfpb_building_block_activities_getting-paid_guide.pdf](#)

STUDENT MATERIALS

- Getting paid (worksheet)
[cfpb_building_block_activities_getting-paid_worksheet.pdf](#)

Exploring key financial concepts

There are several ways employers can pay people who work for them. When you have an informal job, like babysitting or mowing lawns, you might be paid in cash. One way to get paid for a formal job arrangement is with a paper check. People deposit checks into their bank or credit union accounts to access the money. Another method is a direct deposit. A direct deposit is when an employer electronically deposits money into a bank or credit union account. People might also get paid through a payroll card or a prepaid card. Each of these ways to receive money has some possible benefits and risks. Becoming familiar with these different ways to get paid can help you make the most of your money.

TIP

Because policies, products, and processes related to paychecks change, students should be encouraged to always look for the most up-to-date information.

Teaching this activity

Whole-class introduction

- Briefly introduce students to the idea that there are different ways people can get paid for a job.
- Distribute the “Getting paid” worksheets to the students.

Introduce each payment method listed.

- Be sure students understand key vocabulary:
 - **Cash:** Paper or coin money.
 - **Direct deposit:** Money electronically sent to your bank account, credit union account, or prepaid card.
 - **Paper check:** A paper order to a bank or credit union to pay someone from a checking account.
 - **Paycheck:** A check for your salary or wages made out to you.
 - **Payroll card:** A type of prepaid card you get from your employer that you receive your paycheck on.
 - **Prepaid card:** A card on which you load money in advance to spend. While a prepaid card might look like a debit or credit card, there are differences. A debit card is linked to your checking account. When you use a credit card, you’re borrowing money. A prepaid card is not linked to a checking account or credit union share draft account. In most cases, you can’t spend more money than you have already loaded onto your prepaid card.

TIP

Visit CFPB’s financial education glossary at consumerfinance.gov/financial-education-glossary/.

Individual and group work

- Ask students to work individually or with a partner to review the “Getting paid” worksheet.
 - They should write questions or thoughts they may have about each method on the worksheet.
- As a class, review students’ questions and thoughts about all payment methods.
 - Encourage them to compare and contrast methods for getting paid.
- Explain that student volunteers will demonstrate two ways to get paid: a paper paycheck and direct deposit.

- Ask for two volunteers to act out being paid with a paper check.
 - Student A will pretend to be an employee.
 - Student B will pretend to be a teller at a bank or credit union.
 - Give the sample paycheck to Student A and say, “You’re an employee at my doughnut shop. Today is payday. Here’s your paycheck for the week.”
 - You can pretend to hand a check to the student, or you can print and cut out the sample paycheck at the end of this guide.
 - Explain to Student A that he or she will need to sign the back of the check before depositing it.
 - Tell students that to keep someone else from cashing the check without permission, it’s helpful to sign the check only when they’re ready to deposit it and to write “for deposit only” in the signature section on the back of the check if they’re not at the bank or credit union when they sign it.
 - Student A then takes the sample paycheck to the teller, Student B.
 - Ask the teller to pretend to deposit the check into the student’s bank account.
 - Explain to the class this type of deposit is a manual deposit.
 - Thank these two volunteers and ask them to sit down.
 - As a class, discuss some benefits and risks of this method.
- Ask for two new volunteers to demonstrate direct deposit.
 - Student A will pretend to be an employee and Student B will pretend to be a teller.
 - Tell Student A: “You’re an employee at my doughnut shop. Today is payday. I paid you through direct deposit.”
 - Student A should then leave and approach Student B.
 - Student B will pretend to look in a computer and then say, “Student A, your money was directly deposited into your bank account and the money is available.”
 - Explain to the class that this type of deposit is called a direct deposit.

Wrap-up

- Bring students back together and ask them the following questions:
 - What are the advantages of getting paid with a paper check? What are the disadvantages?

- What are the advantages of getting paid with direct deposit? What are the disadvantages?
- Discuss any remaining questions that students may have about these two ways to get paid.
- If time permits, compare these two methods with the other methods mentioned on the “Getting paid” worksheet.

Suggested next steps

Consider searching for other CFPB activities that address the topic of earning, including getting paid. Suggested activities include “Examining elements of a paycheck” and “Distinguishing between earned and unearned income.”

Measuring student learning

Students’ responses during the discussion can give you a sense of their understanding.

Keep in mind that students’ answers may vary, as there may not be only one right answer. The important thing is for students to have reasonable justification for their answers.

Sample paycheck

You can print and cut out this sample paycheck and hand this to the student during the paper check scenario.



The Town Doughnut Shop
Your Town, Your State

Date: 8/22/19

Pay to the order of Your Name

\$200.00

Two hundred dollars and 0/00 cents

Employer signature



ENDORSE HERE

Your signature

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE*

