



CALCULATING WAGES & INCOME

Personal Finance: Hourly Wage- Part 2



If you don't know how your wages are calculated, how do you know you are not being cheated?



Lesson Objective

Students will learn how to calculate wages based on minimum wage, straight time, overtime, and double-time.



Straight Time

Sam, a Courtesy Clerk at the local grocery store, has a wage of \$8 per hour for a 40 hour work week.

Calculate his wages if he worked 30 hours last week:



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$$\begin{array}{r} 30 \text{ Hours} \\ \times \text{ \$8 per Hour} \\ \hline \end{array}$$



Straight Time

Sam, a Courtesy Clerk at the local grocery store, has a wage of \$8 per hour for a 40 hour work week.

Calculate his wages if he worked 30 hours last week:

$$\begin{array}{r} 30 \text{ Hours} \\ \times \text{ \$8 per Hour} \\ \hline \text{\$240} \end{array}$$



Overtime

Sarah, a Cashier at the local movie theater, has a wage of \$10 per hour for a 40 hour work week.

Calculate her wages if she worked 50 hours last week:



Overtime

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Calculate her wages if she worked 50 hours last week:

40 Hours

Remember that the first 40 hours are still straight time.



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40 Hours
x \$10 per Hour



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$$\begin{array}{r} 40 \text{ Hours} \\ \times \$10 \text{ per Hour} \\ \hline \$400 \end{array} +$$



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Calculate her wages if she worked **50 hours last week:**

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+

10 Hours

50 Hours – 40 Hours of
Straight Time



Overtime

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Calculate her wages if she worked 50 hours last week:

$$\begin{array}{r} 40 \text{ Hours} \\ \times \$10 \text{ per Hour} \\ \hline \$400 \end{array}$$

+

$$\begin{array}{r} 10 \text{ Hours} \\ \times \$15 \text{ per Hour} \\ \hline \end{array}$$

$$\text{Overtime} = \text{Wage} \times 1.5$$



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$$\mathbf{\$400 + \$150 = \$550}$$



Double-time

Jamal, a chef at the local restaurant, has a wage of \$15 per hour for a 40 hour work week.

Calculate his wages if he agreed to work 8 hours on Thanksgiving Day at a double-time rate:



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Calculate his wages if he agreed to work 8 hours on Thanksgiving Day at a **double-time** rate:

$$\begin{array}{r} 8 \text{ Hours} \\ \times \text{ \$30 per Hour} \\ \hline \end{array}$$



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Calculate his wages if he agreed to work 8 hours on Thanksgiving Day at a double-time rate.

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Putting it Together

George, a security guard, has a wage of \$6.32 for a 40 hour work week. After 40 hours he earns overtime. Last week he worked 53 hours. Calculate his pay:



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Step 1

	\$	6.32	Hourly Rate
Straight Time		x 40	Hours
	\$	252.80	Total Pay



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Step 1

	\$ 6.32	Hourly Rate
Straight Time	x 40	Hours
	<hr/>	
	\$ 252.80	Total Pay

Step 2

	\$ 6.32	Hourly Rate
	x 1.5	Time and a Half
	<hr/>	
	3160	
	+ 6320	
	<hr/>	
	\$ 9.48	Overtime



Putting it Together

George, a security guard, has a wage of \$6.32 for a 40 hour work week. After 40 hours he earns overtime. Last week he worked 53 hours. Calculate his pay:

Step 1

$$\begin{array}{r} \text{Straight Time} \\ \$ 6.32 \text{ Hourly Rate} \\ \times 40 \text{ Hours} \\ \hline \$ 252.80 \text{ Total Pay} \end{array}$$

Step 2

$$\begin{array}{r} \$ 6.32 \text{ Hourly Rate} \\ \times 1.5 \text{ Time and a Half} \\ \hline 3160 \\ + 6320 \\ \hline \$ 9.48 \text{ Overtime} \end{array}$$

Step 3

$$\begin{array}{r} \$ 9.48 \text{ Hourly Rate} \\ \text{Overtime} \quad 13 \text{ Hours} \\ \hline \$ 123.24 \text{ Total Pay} \end{array}$$



Putting it Together

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Step 3

$$\begin{array}{r} \$ 9.48 \text{ Hourly Rate} \\ \text{Overtime} \quad \quad \quad 13 \text{ Hours} \\ \hline \$ 123.24 \text{ Total Pay} \end{array}$$

Step 2

$$\begin{array}{r} \$ 6.32 \text{ Hourly Rate} \\ \times 1.5 \text{ Time and a Half} \\ \hline 3160 \\ + 6320 \\ \hline \$ 9.48 \text{ Overtime} \end{array}$$

Step 4

$$\begin{array}{r} \$ 252.80 \text{ Straight Time} \\ + 123.24 \text{ Overtime} \\ \hline \$ 376.04 \text{ Total Pay} \end{array}$$



True Story

One young lady, after completing this lesson, decided to practice using her actual working hours and past paychecks. To her surprise, she discovered that the amounts did not add up. She confronted her boss and found that he had been shorting her hours worked on her paychecks. Because she had learned to calculate her wages, she was able to avoid being cheated in the future and to get paid for the hours he had cheated her in the past.



Review:

Pay Rate	Overtime	Double-time
\$8.00		
\$10.00		
\$7.50		
\$8.25		

Solve
These:

Mon	Tue	Wed	Thr	Fri	Holiday	Straight Time	Over-time	Double-time
8	8	10	5	7	4			
9	9	5	12	8	0			
8	10	9	8	7	7			



Review:

Pay Rate	Overtime	Double-time
\$8.00	\$12.00	\$16.00
\$10.00	\$15.00	\$20.00
\$7.50	\$11.25	\$15.00
\$8.25	\$12.38	\$16.50

Solve
These:

Mon	Tue	Wed	Thr	Fri	Holiday	Straight Time	Over-time	Double-time
8	8	10	5	7	4	38	0	4
9	9	5	12	8	0	40	3	0
8	10	9	8	7	7	40	2	7