



CALCULATING WAGES & INCOME



Personal Finance: Annual Salary

Show me the Green!



Lesson Objective

Students will learn how to calculate weekly and annual salaries.



Calculating Salaries

The equation for calculating a weekly salary:

$$\text{Wage Rate} \times \text{Hours Worked} = \text{Weekly Salary}$$

The equation for calculating an annual salary:

$$\text{Weekly Salary} \times 52 = \text{Annual Salary}$$



Calculating Salaries

For Example:

José earns \$9.00 per hour.

How much will he earn with a 40 hour work week?

How much could he earn in a year?



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Part 1

$$\begin{array}{r} \$ 9.00 \\ \times \quad 40 \\ \hline \$ 360 \text{ Per Week} \end{array}$$



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How much could he earn in a year?

Part 1

$$\begin{array}{r} \$ 9.00 \\ \times 40 \\ \hline \$ 360 \end{array} \text{ Per Week}$$

Part 2

$$\begin{array}{r} \$ 360 \\ \times 52 \\ \hline \$ 18,720 \end{array} \text{ Per Year}$$

52 weeks per year



Practice

Calculate how much money I earn in 1 week, one year, and in my lifetime for the following wages. Assume 40 hours per week, 50 weeks per year (I am taking 2 weeks off for vacation), and 40 years of employment during my lifetime.

Wage	1 week	1 year	1 life
\$ 8.00			
\$ 10.00			
\$ 12.00			
\$ 15.00			
\$ 20.00			



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\$ 8.00	\$320	\$16,000	\$640,000
\$ 10.00	\$400	\$20,000	\$800,000
\$ 12.00	\$480	\$24,000	\$960,000
\$ 15.00	\$600	\$30,000	\$1,200,000
\$ 20.00	\$800	\$40,000	\$1,600,000



Practice

Calculate the annual salary based on the wage per hour and the number of hours worked per week. Then calculate the total salary over a lifetime.

Do you see a pattern?
Can you come up with a quick rule for calculating your annual salary based on that pattern?

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Practice

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HINT

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Practice

Annual Salary = Wages x 2
and then put “,000” on the end.

HINT

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Review:

1. What is the equation for calculating annual salary?
2. Is \$8.00 an hour enough of a salary to become a millionaire if you work 40 hours a week and never take a vacation for the next 60 years?



Review:

1. What is the equation for calculating annual salary?

$$\text{Weekly Salary} \times 52 = \text{Annual Salary}$$

2. Is \$8.00 an hour enough of a salary to become a millionaire if you work 40 hours a week and never take a vacation for the next 60 years?

No. You would only earn \$998,400.