

GLOSSARY AND CREDITS

Unit 2 examines how career choice, education, and skills affect income. Different career paths such as starting a business or going to college are examined. Lessons and projects provide ways to help make decisions about appropriate career choices. This unit takes a look at, and defines, various sources of income. Parts on a paycheck stub are examined and explained. Lessons describe various taxes people pay, tips on how to complete tax forms, and the services that tax dollars help to provide.

VOCABULARY

capital gains	income earned by the sale of assets, such as stocks or property; the gain is the difference between the price paid and the selling price
career	an occupation or profession that usually requires special training
commission	a fee paid to an employee for their sale or services; usually based on a percentage of the sale price.
costs	the price paid to acquire, produce, or accomplish something
deduction	an amount that is subtracted
demand	the desire or need for a product or service
dependent	someone who depends on another individual for food, shelter, and other necessities; usually a child
dividends	money paid to people who own stock in a company from the company's earnings
employee benefits	are perks (extra benefits) that a company provides their employees; may include paying for health insurance or providing a retirement plan

entrepreneur	a person who takes a risk to create a new product or develop a better way to operate a business
exempt	free from deducting federal income tax from paychecks
FICA	Federal Insurance Contributions Act more commonly known as Social Security; a portion of your wages is withheld and sent to the government trust fund and set aside for retirement benefits
filing status	a category on tax forms that is closely tied to marital status; categories include single, married, head of household, and widower
gross pay	the money received for work or products sold and from other sources such as rent or investments
income	the money received for work or products sold and from other sources such as rent or investments
interest	money the bank gives you when you keep your money in one of their accounts
interests	what you enjoy doing, for example, playing golf, being outdoors, helping people, creating art, or using a computer
IRS	Internal Revenue Service; a government agency that is responsible for collecting taxes
mean	an average
Medicare	a federal program that pays for health care for people age 65 and older
net pay	take-home pay; the portion of the wages that the employee actually gets to take home
occupation	a person's usual work or business; a way of earning a living
personality traits	your individual traits or characteristics

profit	revenue, minus costs
revenue	the income a business makes
rewards	something that causes or increases personal satisfaction
risks	something that causes the possibility of a loss
salary	a fixed amount of money periodically paid to a person for work
skills	the activities you are good at, such as writing, computer programming, or teaching
stockholder	an individual that owns one or more shares of stock in a joint stock company
supply	the amount available
taxable income	the portion of income that is subject to being taxed
tax return form	a tax form that an individual completes to file taxes and to calculate how much is owed to the IRS or how much the IRS should refund
values	the things that are important to you, like achievement, status, and independence
W-2 form	a tax form that an employer sends to employees after the end of the year to list income and amount paid in taxes
W-4 form	form prepared by an employee for the employer to specify exemptions and determine the amount of taxes to be withheld from the employee's paycheck
wages	money that is received for work
withholding allowances	an amount an individual enters on W-4 form that helps an employer calculate the amount of income tax to subtract from an employee's paycheck