

## MAKING YOUR MONEY

### HOW MUCH MONEY COMES IN EACH MONTH?

There are two ways to look at your monthly income.

Gross income is the total you actually earned.

Net income is what is left over after your employer takes out deductions for taxes, Social Security, Medicare, etc. This is also called your take-home pay.

Determining your monthly take-home pay should not be difficult. In fact, it is usually a short list consisting of wages and salaries. There may, however, be other sources of income including child support, tips, Social Security, disability, pensions, unemployment, rental income, and others.

#### Activity # 1 - Net Monthly Income Worksheet

Record the amount you bring home every month for each category.

First Salary .....	\$ _____
Spouse's Salary .....	\$ _____
Part-time job 1 .....	\$ _____
Part-time job 2 .....	\$ _____
Child Support .....	\$ _____
Other (tips, bonuses, etc.) .....	\$ _____
Total Net Monthly Income .....	\$ _____



If your monthly income is not always the same, determine your **average** take-home pay. To do this add all your income for the last 6 months and then divide this amount by 6, or add all your income for the last 12 months and divide by 12. Use this amount as a base for your spending plan.

Remember, it is very important to save the extra money in months when your income is more than the average. You will need that money in the months when your income is less than the average.