

# Tracking income for an artist family

Using a case study about a family of artists, students calculate monthly net income and explore the impact of having irregular income.

## Learning goals

### Big idea

Knowing your monthly net income is helpful when creating and managing a budget.

### Essential questions

- How does having a clear picture of monthly net income help you plan ahead and make and follow a budget?
- How does irregular income affect monthly net income?

### Objectives

- Recognize different sources of income
- Use a financial tracker to organize income
- Begin to understand how monthly net income can vary due to irregular income



### NOTE

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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:

-  Executive function
-  Financial knowledge and decision-making skills

**Grade level:** High school (9-12)

**Age range:** 13-19

**Topic:** Earn (Becoming an entrepreneur, Getting paid, Making money), Spend (Budgeting)

**School subject:** CTE (Career and technical education), Fine arts and performing arts, Math

**Teaching strategy:** Cooperative learning, Simulation

**Bloom's Taxonomy level:** Apply, Analyze

**Activity duration:** 45-60 minutes

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### National Standards for Personal Financial Education, 2021

Earning income: 12-2, 12-4, 12-5

Spending: 12-1

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

- Learn key terms related to income.
- Use the “Tracking income for an artist family” worksheet to calculate weekly and monthly net income and explore how net income changes as a result of irregular income.

## Preparing for this activity

- While it’s not necessary, completing the “Analyzing budgets” 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.

### What you’ll need

#### THIS TEACHER GUIDE

- Tracking income for an artist family (guide)  
[cfpb\\_building\\_block\\_activities\\_tracking-income-artist-family\\_guide.pdf](#)

#### STUDENT MATERIALS

- Tracking income for an artist family (worksheet)  
[cfpb\\_building\\_block\\_activities\\_tracking-income-artist-family\\_worksheet.pdf](#)

## Exploring key financial concepts

Having a clear picture of your total monthly income can help you create and manage a budget.

Income is the money you earn through hourly wages, salaries, tips, or commissions. It can also include money from qualified government programs, dividends on investments, tax refunds, gifts, and inheritances. Income can be regular (a set schedule and amount) or irregular (inconsistent because the schedule or amount varies). Sometimes income is seasonal, meaning you may receive it for only some months out of the year. If your income is irregular, it may be harder to cover your monthly expenses

### TIP

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Because financial products, terms, and laws change, students should be encouraged to always look for the most up-to-date information.

because you can't rely on a consistent amount. So, it can be helpful to save during months that you earn more money so you have enough to pay for living expenses when you earn less money.

## Teaching this activity

### Whole-class introduction

- Ask students to share examples of different sources of income.
  - Examples may include a weekly paycheck, a monthly Social Security check, or money earned from seasonal work such as lawn care or from creative work such as creating and selling artwork.
- Read the “Exploring key financial concepts” section to students to explain why it's helpful to understand the difference between regular and irregular income.
- Be sure students understand key vocabulary:
  - **Budget:** A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time; also called a spending plan.
  - **Income:** Money earned or received such as wages or salaries, tips, commissions, contracted pay, government transfer payments, dividends on investments, tax refunds, gifts, and inheritances.
  - **Irregular income:** Inconsistent amounts of money you receive through work or investments; both the schedule and the amount may vary.
  - **Net income:** Amount of money you receive in your paycheck after taxes and other deductions are taken out; also called take-home pay.
  - **Regular income:** A set amount of money you receive at the same time each week or month.

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**TIP**

Visit CFPB's financial education glossary at [consumerfinance.gov/financial-education-glossary/](https://consumerfinance.gov/financial-education-glossary/).

### Group work

- Distribute the “Tracking income for an artist family” worksheet, or have students access the worksheet electronically.
- Have students work in pairs or small groups to review the case study.

- Students will figure out average weekly net income for the months of February and July in the “Weekly earnings snapshot” section of the worksheet.
- Depending on the rules of your classroom, allow students to use calculators to help with the computations.
- Students will use the “Income tracker” section of the worksheet to convert the weekly net income into a monthly income statement.
- Explain that while tips can be considered irregular income, the tip amounts in the case study are averages and are counted as regular income for the purposes of this activity.
- Encourage students to share ideas with their partner or group to answer the reflection questions to see how this couple’s weekly earnings change between theater season and off-season.
  - Depending on the amount of time you have for this activity and your class focus and goals, you may ask students to describe their ideas in writing or provide evidence for the response with actual mathematical calculations.

## Wrap-up

Ask students to share their answers to the reflection questions.

## Suggested next steps

Consider searching for other [CFPB activities](#) that address the topics of earning (including becoming an entrepreneur, getting paid, or making money) and spending (including budgeting). Suggested activities include [“Tracking income”](#) and [“Tracking income for a farming family”](#).

## Measuring student learning

Students’ answers on their worksheets and during discussion can give you a sense of their understanding.

The answer guide on the next page provides possible answers for the “Tracking income for an artist family” worksheet. **Keep in mind that students’ answers may vary.** The important thing is for students to have reasonable justification for their answers.

## Answer guide

### WEEKLY EARNINGS SNAPSHOT

- Calculate the average weekly earnings from each income source for February and July.
- Put a check mark next to regular income to help show what this couple can depend on throughout the year.

Note: While tips can be considered irregular income, the tip amounts in the case study are averages and are counted as regular income for the purposes of this activity.

Family member	Source	Is this regular income?	Income calculation	Weekly income: February	Weekly income: July
Adilka	Server for local restaurant	<input type="checkbox"/>	<b>Wages:</b> \$3/hour x 20 hours <b>Average tips:</b> \$40 + \$90 + \$130 <b>Deductions:</b> \$34.43 per week	\$60 wages + \$260 tips = \$320 minus deductions of \$34.43 = \$285.57	\$0
Adilka	Theater actor	<input type="checkbox"/>	<b>Wages</b> (after deductions): \$1,145.70 per week (June–November)	\$0	\$1,145.70
Maurice	Graphic designer	<input type="checkbox"/>	<b>Income:</b> \$12,000/26 weeks (June–November)	\$0	\$461.54
Maurice	Museum tour guide	<input checked="" type="checkbox"/>	<b>Income</b> (after deductions): \$50 per day x 2 (Saturday/Sunday)	\$100.00	\$100.00
<b>Total weekly income</b>				<b>\$385.57</b>	<b>\$1,707.24</b>

### MONTHLY EARNINGS

In July, when Maurice is getting paid weekly for the graphic design contract with the theater and doing his museum tours (\$100/week), and Adilka is acting in the theater, the couple makes \$1,707.24 per week. This is \$6,828.96 in monthly net income (\$1,707.24 x 4 weeks).

In February, when Maurice's independent contractor job has finished and he searches for new clients, his only income is his part-time museum work, which earns him \$100 each week. Adilka's server job earns her a weekly net income of \$285.57. This is \$1,542.28 in monthly net income ( $\$385.57 \times 4$  weeks).

For this couple, their jobs as artists result in irregular income, with their monthly income in February being \$5,286.68 less than it is in July.

## Reflection questions

Answers will vary.