

To follow reading and discussion of "You can be a millionaire." on page 46.



LIFE & CAREER: ACTIVITY 3

You Can Be a Millionaire

TEACHER TRANSCRIPT:

- TEACHER: "Read the NEXT magazine article, "You can be a millionaire."
- TEACHER: "Saving for retirement is something that most teenagers do not think about, as a matter of fact, many people well into their 20's and 30's do not think about it either. Let's do an experiment today to determine how much can be saved throughout your working years for a stable retirement."
- TEACHER: Distribute a copy of the partially complete spreadsheet to students. Students can work individually or with a partner to complete the calculations.
- TEACHER: Read the scenario to the class.

"Sara graduated from college with a degree in marketing. She is 22 years old and has been offered a position as a digital marketing coordinator for a company near her hometown. Her parents have explained to her that starting a retirement account is important for her future. She has chosen to open a 401K. Sara sat down and prepared a spreadsheet of data, which she is hopeful will help her make some decisions about how much to save each pay period and an estimate of how much she will have in a retirement account when she decides to retire. Sara's calculations are based on a retirement age of 67 years old; she also understands that this calculation will not take into consideration the exact amount of her salary increases over the years."
- TEACHER: The students will calculate the last four columns, **Estimated retirement savings per pay period at 10% of monthly paycheck, Estimated Annual Savings**

and Estimated Savings at Retirement and Estimated Amount in 401K at Retirement Age

- TEACHER: Now have the students calculate, based on the data given in the spreadsheet, how much they 'might' have by age 67 if they invested their money starting at age 22 for 45 years. Students should follow this link, <https://www.bankrate.com/calculators/retirement/401-k-retirement-calculator.aspx>, which will take them to the Bankrate.com retirement calculator section. Students will have to enter some of the data from their spreadsheet; additionally please have them use the following data:
 - Annual salary increases: 2%
 - Current 401(K) balance: 0
 - Annual Rate of Return: 6%
 - Employer Match: 0
 - Employer match ends: 0
 - Click "Calculate"
- TEACHER: Students will be able to see an estimate of how much they will have when they retire IF they save the stated amount every year.
- TEACHER: "After working through these calculations, what are your thoughts about focusing on retirement savings from an early age?"

NOTE: Attached is a spreadsheet for student use. This one will be printed and distributed to students to complete. The second attachment is the Teacher Key with the answers after calculations.

- Teacher Needs
- Laptop/desktop with Excel
- Data projector
- Internet access
- NEXT magazine
- Class copies of partially completed spreadsheet

Student Needs

- Laptop/desktop
- Internet access
- NEXT magazine
- One copy of a partially completed spreadsheet

Florida State Standards

- CTE-BUS.68.GENRL.06.31
Insert and format various types of data (text, numeric, date/time) in a spreadsheet cell.
- LAFS.1112.W.2.6
Use technology, including the Internet, to produce, publish, and update individual or shared writing products in response to ongoing feedback, including new arguments or information.
- SS.912.FL.2.1
Compare consumer decisions as they are influenced by the price of a good or service, the price of alternatives, and the consumer's income as well as his or her preference.

STUDENT: Estimated Calculations of Retirement Income at Age 67 years old

POSITION	ESTIMATED AVERAGE SALARY	ESTIMATED TAX RATE PER IRS	TAX IN DOLLARS	ESTIMATED YEARLY NET INCOME	ESTIMATED MONTHLY PAY CHECK	ESTIMATED RETIREMENT SAVINGS PER PAY PERIOD AT 10% OF MONTHLY PAYCHECK	ESTIMATED ANNUAL SAVINGS	ESTIMATED SAVINGS AT AGE 67 RETIREMENT (45 YEARS)	ESTIMATED AMOUNT IN 401K AT RETIREMENT
DIGITAL MARKETING COORDINATOR	68,000.00	19.8%	13,462.00	54,539.00	4,545.00				

TEACHER KEY: Estimated Calculations of Retirement Income at Age 67 years old

POSITION	ESTIMATED AVERAGE SALARY	ESTIMATED TAX RATE PER IRS	TAX IN DOLLARS	ESTIMATED YEARLY NET INCOME	ESTIMATED MONTHLY PAY CHECK	ESTIMATED RETIREMENT SAVINGS PER PAY PERIOD AT 10% OF MONTHLY PAYCHECK	ESTIMATED ANNUAL SAVINGS	ESTIMATED SAVINGS AT AGE 67 RETIREMENT (45 YEARS)	ESTIMATED AMOUNT IN 401K AT RETIREMENT
DIGITAL MARKETING COORDINATOR	68,000.00	19.8%	13,462.00	54,539.00	4,545.00	454.50	5,454.00	245,430.00	1,987,574.00