New Hampshire
STATEWIDE FAMILY ENGAGEMENT CENTER

MARCH MADNESS
MONEY

Workshop #1

Where did my money go?

Session Objectives

By the end of this session, participants will be able to…

- Discuss the value of having a bank account
- Distinguish between different types of bank accounts
- Explain how income is taxed federally

The 3 Powers

"Being financially aware is powerful"

Power of
bank accounts

Power of
paychecks

Power of
taxes

Why should you have a bank account?

Instructions

Take a few minutes to brainstorm the following question: why should you have a bank account?

You may work alone or with others at your table.

Write down each of your ideas on a post-it note.

Types of Bank Accounts

Bank accounts:

- Provide a safe place to store money
- Reduce the risk of theft

Checking	Savings	HYSA
Provides easy access to money that can be withdrawn at any time	Provides interest on money with limited access to withdrawing that money	High-yield Savings Account Provides higher interest than savings account with stricter limitations

HYSA Activity

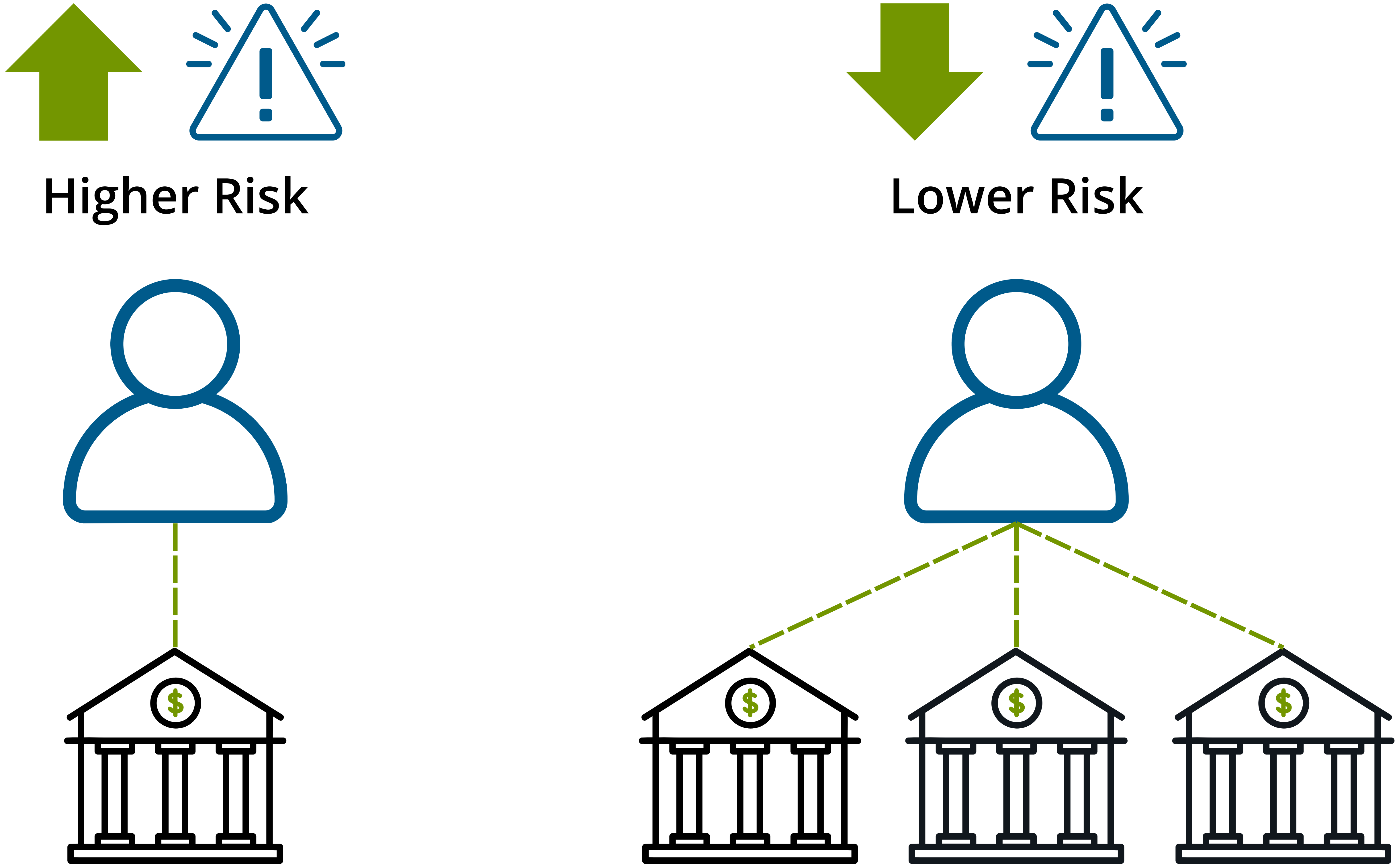
Instructions

Search online for different high-yield savings accounts (HYSA).

If you do not have a computer or phone, pair up with someone nearby who does.

Write down what you find on post-it notes.

Flaws Behind Bank Loyalty



Knowledge Review

True or False

Having a bank account is important for financial stability because it provides a safe place to store money and reduces the risk of theft.

Hold up the colored card that matches your answer:

True

False

True

Having a bank account is important for financial stability because it provides a safe place to store money and reduces the risk of theft.

Knowledge Review

True or False

A high-yield savings account (HYSA) is not a type of bank account.

Hold up the colored card that matches your answer:

True

False

False

A high-yield savings account (HYSA) is a type of bank account.

Knowledge Review

True or False

The primary purpose of a checking account is to earn high interest on savings.

Hold up the colored card that matches your answer:

True

False

False

The primary purpose of a checking account is to manage day-to-day transactions and expenses.

Knowledge Review

True or False

A high-yield savings account (HYSA) typically offers the highest interest rate compared to other types of bank accounts.

Hold up the colored card that matches your answer:

True

False

True

A high-yield savings account (HYSA) typically offers the highest interest rate compared to other types of bank accounts.

Knowledge Review

True or False

The key advantage to a high-yield savings account is that it allows you to earn high interest on savings.

Hold up the colored card that matches your answer:

True

False

True

The key advantage to a high-yield savings account (HYSA) is that it allows you to earn high interests on savings.

Understanding Income

Gross Pay

The amount of earnings before any deductions are taken out.

Net Pay

The amount of money you take home after all deductions from gross pay.

Pay Periods

Regular intervals at which an employer pays wages or salaries to employees.

Deductions

Money taken out of gross pay. Deductions may be made for:

- Taxes
- Health insurance
- Social security
- Retirement
- Union fees
- Life insurance

Understanding Taxes

Federal

Money deducted from your gross pay and paid to the US government

State

Money deducted from you gross pay and paid to the state government

Federal Tax Brackets (Single)

Tax rate	on taxable income from...	up to...
10%	$0	$11,600
12%	$11,601	$47,150
22%	$47,151	$100,525
24%	$100,526	$191,950
32%	$191,951	$243,725
35%	$243,726	$609,350
37%	$609,350	And up

Federal Tax Brackets (Married)

Tax rate	on taxable income from...	up to...
10%	$0	$23,200
12%	$23,201	$94,300
22%	$94,301	$201,050
24%	$201,051	$383,900
32%	$383,901	$487,450
35%	$487,451	$731,200
37%	$731,201	And up

Federal Tax Bracket Example

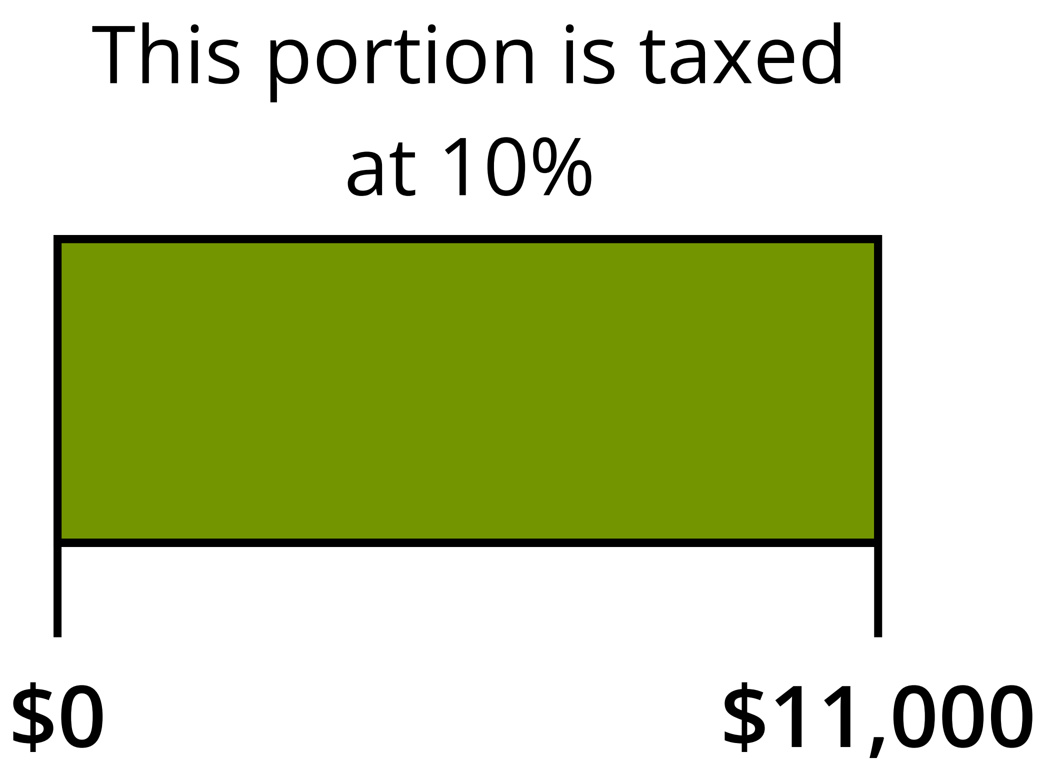
Here's how the math works for a single person earning $60,000:

Each portion of this person's salary is taxed differently.

Federal Tax Bracket Example

Here’s how the math works for a single person earning $60,000:

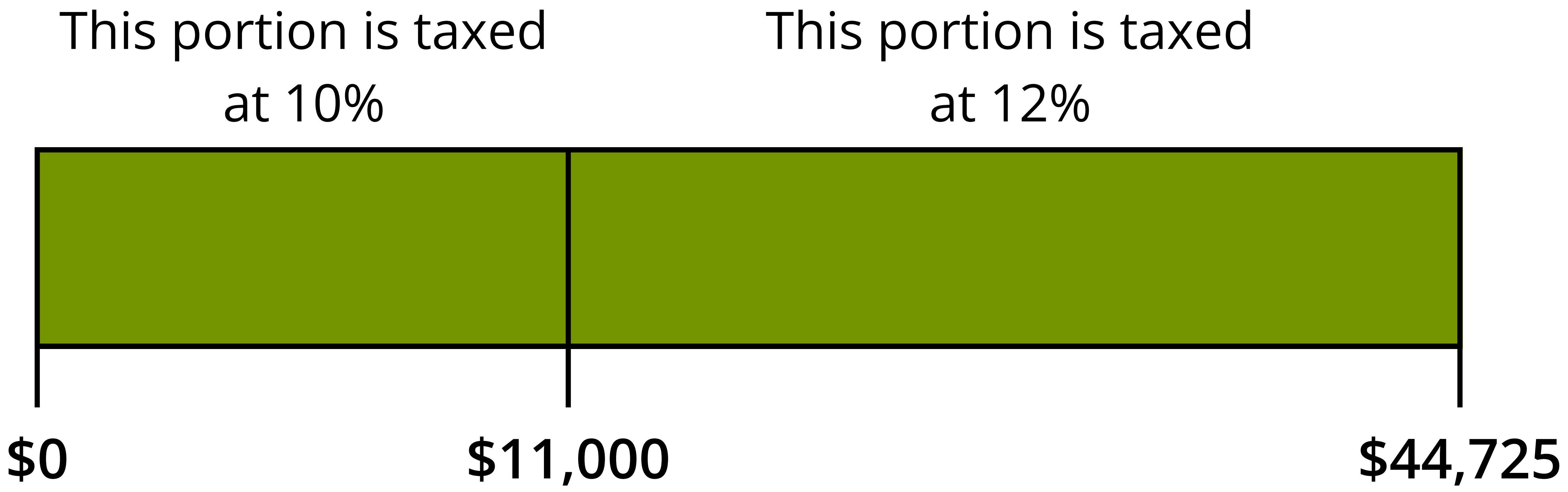
The first $11,000 will be taxed at 1%.



Federal Tax Bracket Example

Here's how the math works for a single person earning $60,000:

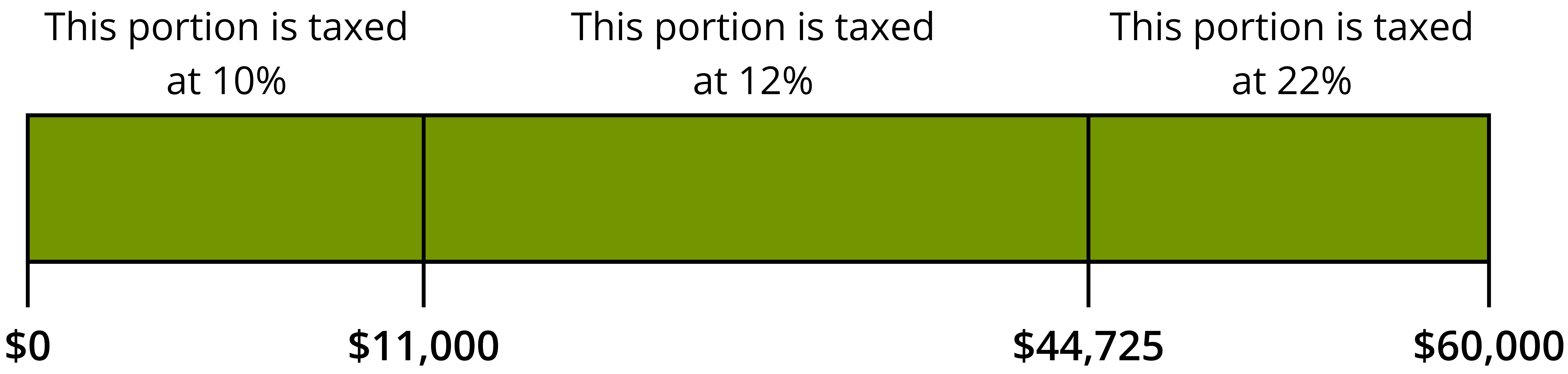
Income from $11,000 to $44,725 will be taxed at 12%.



Federal Tax Bracket Example

Here's how the math works for a single person earning $60,000:

Income from $44,726 to $60,000 will be taxed at 22%.



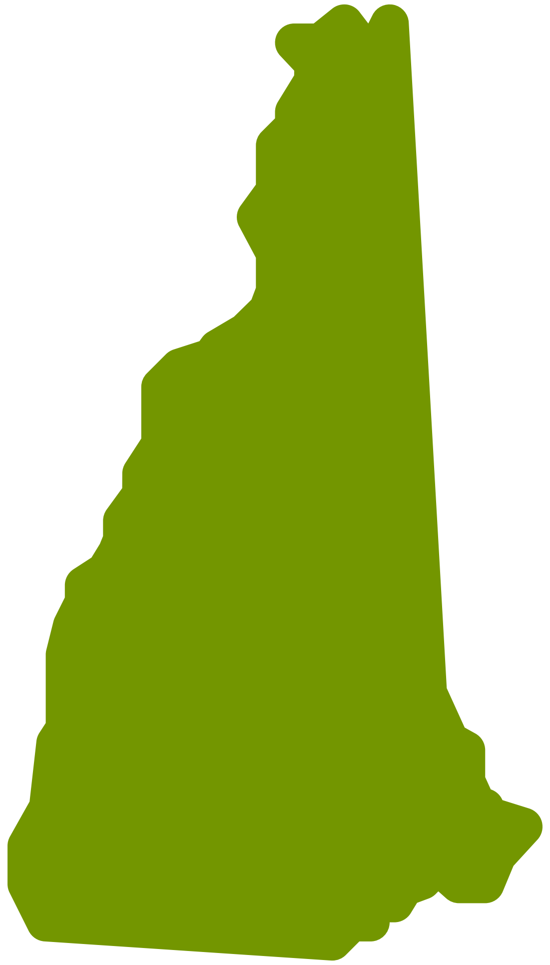
New Hampshire State Taxes

New Hampshire does not have:

- Income tax on wages
- State sales tax

New Hampshire does have:

- A flat 4% individual income tax rate on interest and dividend income, including from saving accounts, CD’s, bonds, loans, stocks, and mutual funds



Question & Answer Session