

# Cookie Monster Taxes

Lesson adapted from [www.fefe.arizona.edu](http://www.fefe.arizona.edu) (1.13.0 Paychecks and Taxes)

**Learning outcome:** *Students will recognize the purpose of income taxes and how they affect paychecks and spending plans.*

## Materials:

- 1 bag of chocolate sandwich or other purchased cookies
- 4 clear bowls
- Plastic food service gloves
- Dry erase board and markers

## Lesson:

1. As students enter the room, hand the bag of cookies to one of the students. Announce to the class that this student has earned his/her first paycheck. Inform the student that unfortunately, he/she will not get the entire bag of cookies.
2. Discuss vocab: income tax, net pay, gross pay, federal income taxes, state income taxes, FICA (social security and medicare/medicaid).
3. Determine how many cookies are in the bag and have the class complete the math calculations together to determine the percentage of cookies that will come out of the bag for income taxes.

Federal income tax	19%	Total number of cookies X .19 = _____ cookies
State income tax	10.7%	Total number of cookies X .107 = _____ cookies
FICA - social security	6.2%	Total number of cookies X .062 = _____ cookies
FICA -medicare/medicaid	1.45%	Total number of cookies X .0145 = _____ cookies

[www.taxfoundation.org](http://www.taxfoundation.org)

4. As you discuss each, remove that amount of cookies from the package and place in the appropriate bowls. Discuss with students why knowing these amounts will help them prepare a budget based on net pay, not gross pay.
5. Optional, share the cookies with the class.
6. Possible evaluation: Have students select a career area and salary, then prepare a budget that includes breakdown of income taxes and living expenses.