

What You Will Learn

- Analyze the value of a job based on monetary value.
- Describe the value of receiving a raise in pay.

Monetary value

- The amount of money something can produce.
 - If a house is worth \$500,000 but no one wants to buy it, its monetary value is less than its worth.

Annual value of job = annual gross pay + total annual employee benefits - job expenses

Samir currently has a job as an emergency management director in Beeville. He earns an annual base salary of \$62,180 along with a monthly cell phone allowance of \$22 and a monthly travel allowance of \$65. He has been offered a job as the emergency management director in Alicetown. It has an annual base salary of \$63,700, a monthly cell phone allowance of \$20, a monthly travel allowance of \$60, and monthly

monthly cell phone allowance of \$20, a monthly travel allowance of \$60, and monthly parking charges of \$35. Which job has the higher annual value?

$$\begin{array}{r}
 + 62,180 \\
 + (22 \times 12) \\
 + (65 \times 12) \\
 \hline
 \end{array}
 \qquad
 \begin{array}{r}
 62,180 \\
 264 \\
 + 780 \\
 \hline
 63,224
 \end{array}$$

Beaville →

$$\begin{array}{r}
 63,700 \\
 + (20 \times 12) \\
 + (60 \times 12) \\
 - (35 \times 12) \\
 \hline
 64,660 \\
 - 420 \\
 \hline
 64,240
 \end{array}$$

Allierville → \$

Raise

- An increase in pay.
 - Can be attached to hourly or salary
 - Not normally attached to commission.
 - Why?
 - Most frequent reasons for a raise:
 - Serving a company for a certain length of time
 - Taking on additional responsibilities
 - Doing a particularly good job
 - Company morale

Amount of raise = weekly gross pay · rate of raise

Jackson works as a ticket clerk for a passenger rail company. He earns \$16.67 per hour. After his annual performance review, Jackson will receive a 4.25% raise. If Jackson works 35 hours per week, how much more will he earn per week after the raise?

$$\begin{array}{r}
 16.67 \\
 \times 35 \\
 \hline
 583.45
 \end{array}$$

$$\begin{array}{r}
 16.67 \\
 \cdot 0425 \\
 \hline
 708475
 \end{array}$$

$$\begin{array}{r}
 16.67 \\
 + .71 \\
 \hline
 17.38
 \end{array}$$

$$\begin{array}{r} \times 35 \\ \hline 583.45 \\ .0425 \\ \hline 24.796625 \\ 24.80 \end{array}$$

$$\begin{array}{r} .0425 \\ \hline .708475 \\ .71 \end{array}$$

$$\begin{array}{r} 16.61 \\ .71 \\ \hline 17.38 \\ \times 35 \\ \hline 608.30 \\ - 583.45 \\ \hline 24.85 \end{array}$$

Net pay = gross pay - (fed. Tax w/holdings + Soc. Sec. tax + Medicare tax + state income tax w/holdings)

Lorraine is a historian for the history museum. She earns \$26.55 per hour, is paid weekly, and works 40 hours per week. She pays 3.5% in state income taxes. After her annual job performance review, she learned that she will receive a 4.5% raise. Determine the change in Lorraine's net pay per paycheck.

$$\begin{array}{r} 26.55 \\ 40 \\ \hline \$1062 \\ .035 \\ \hline 37.17 \\ \hline \boxed{\$1027.83} \end{array}$$

$$\begin{array}{r} 26.55 \\ .045 \\ \hline 1.19 \\ + 26.55 \\ \hline \$27.74 \end{array}$$

$$\begin{array}{r} 27.74 \\ 40 \\ \hline 1109.79 \\ .035 \\ \hline 38.84 \end{array}$$

$$\begin{array}{r} 1109.79 \\ - 38.84 \\ \hline 1070.95 \end{array}$$

$$\begin{array}{r} 1070.95 \\ - 1027.83 \\ \hline 43.12 \end{array}$$

$$\$62,500/\text{year}$$

$$\begin{array}{r} \$62,500 \\ \times 1.038 \\ \hline \end{array}$$

Practice *sec 6.5 pg.*
340: 2, 11-23A

