KCCU
KIMBERLY CLARK
CREDIT UNION

GRADES 9–12



Launch

Real-World Money Before You Go

A KIMBERLY CLARK CREDIT UNION WORKBOOK

MY NAME _____

The money skills nobody hands you

In a couple of years you will sign a lease, read a pay stub, pick an insurance plan, and decide how much to borrow. None of that is hard, but all of it is unfamiliar. This book walks you through the seven money topics that matter most, with the actual math.

WHAT IS INSIDE

Seven lessons

1. Reading Your First Paycheck — p. 3
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For teachers: Lessons 4 through 6 (credit cards, cost of living, insurance) are the most commonly requested by seniors and work well as a three-week unit. All figures are illustrative and rounded for classroom use.

Reading Your First Paycheck

Your **gross pay** is what you earned before anything is taken out. Your **net pay** (take-home) is what actually lands in your account after deductions. The difference is mostly taxes: **federal** income tax, **state** income tax, and **FICA**, the 7.65% that funds Social Security and Medicare.

SAMPLE PAY STUB

Study this two-week paycheck

LINE	AMOUNT
Gross pay	$1,000.00
− Federal income tax	$100.00
− Social Security & Medicare (FICA)	$76.50
− State income tax	$40.00
= Net / take-home pay	**$783.50**

DO THE MATH

Answer using the stub above

1. How many dollars total were withheld from the $1,000 gross pay?

2. What **percent** of gross pay did all the deductions take? (dollars withheld ÷ 1,000 × 100)

3. If you worked the same amount for a full year (26 paychecks), estimate your yearly take-home pay.

> **Reality check:** A $15 an hour job is not $15 in your pocket. Always budget from your **net** pay, never your gross. That gap is why your first check can feel smaller than expected.

The W-4 and Why It Matters

On day one of any job you fill out a **W-4**. It tells your employer how much tax to hold back from each check. If too little is withheld, you owe money in April. If too much is withheld, you gave the government an interest-free loan all year.

TERMS ON THE FORM

withholding · dependent · standard deduction · filing status · refund

DEFINITIONS

Write the term next to its meaning

1. Money taken out of your paycheck and sent toward your taxes: _____
2. A person you support financially who is not your spouse: _____
3. A set dollar amount subtracted from your taxable income: _____
4. Single, married filing jointly, or head of household: _____
5. What you get back when too much was withheld: _____

PRACTICE

Fill out the top of a W-4 for yourself

Full name	
Address	
City, state, ZIP	
Social Security number	000-00-0000
Filing status (circle)	Single Married filing jointly Head of household
Number of dependents	

For educational purposes only. Please do not write your full, actual Social Security number on this or any practice form.

Your Credit Score

A **credit score** is a number (roughly 300 to 850) that lenders use to guess how reliably you repay borrowed money. A higher score can mean easier approvals and lower interest rates on cars, apartments, and loans. Five things shape it:

THE FIVE FACTORS

What goes into a score

1. Payment history: paying on time *(biggest factor)*

2. Amounts owed, meaning how much of your limit you use

3. Length of credit history, meaning how long you have had accounts

4. New credit, meaning how many accounts you opened lately

5. Credit mix, meaning the variety of accounts you manage

All five together build one number.

HABITS

Which side is each habit on?

Circle **Helps** or **Hurts** for each habit.

HABIT	YOUR SCORE
Missing a payment or paying late	Helps / Hurts
Paying every bill on time, every time	Helps / Hurts
Maxing out a credit card	Helps / Hurts
Keeping old accounts open	Helps / Hurts
Using only a small part of your limit	Helps / Hurts
Opening lots of new cards at once	Helps / Hurts

Tip: A good rule is to keep your balance under **30%** of your credit limit. On a $500 card, try to stay below $150. You can check your credit reports free every week at annualcreditreport.com.

What a Score Actually Costs You

A credit score is not a grade for its own sake. It is a price tag. Here is the same $20,000 car loan at three different scores, over five years.

COMPARE

The same car, three different buyers

FICO SCORE	APR	MONTHLY PAYMENT	TOTAL PAID OVER 5 YEARS	INTEREST PAID
780 (very good)	6%	$387	$23,220	$
680 (good)	11%	$435	$26,100	$
580 (fair)	18%	$508	$30,480	$

Interest paid = total paid − $20,000. Fill in the last column. Then: how much more does the 580 buyer pay than the 780 buyer, for the exact same car? $ _____

BUILD IT SAFELY

Starting from zero

With no credit history, no score exists yet. Check the steps you could realistically take in the next two years.

- [ ] Become an authorized user on a parent's card in good standing
- [ ] Open a share secured loan, backed by your own savings, or a credit builder loan, which holds the money until you repay it
- [ ] Open a secured card, where your deposit becomes the limit
- [ ] Put one small recurring bill on a card and autopay it in full

Never carry a balance just to "build credit." It only costs interest.

> **Compare before you pick:** Credit builder loans, share secured loans and secured cards are built for exactly this situation. Ask any lender about fees, and whether it reports to all three credit bureaus.

Where You Bank Matters

Your first checking account, your first card and your first loan will all come from somewhere. Banks and credit unions offer the same basic accounts, and both are federally insured. The difference is who they work for.

COMPARE

Bank vs. credit union

	BANK	CREDIT UNION
Who owns it	Investors who buy its stock	Its members, the people who save and borrow there
Who it works for	Its shareholders, who expect a profit	Its members. It is not-for-profit
Where profit goes	Paid out to shareholders	Back to members, often as better rates and lower fees
Who runs the board	Directors chosen by shareholders	Volunteers elected by members, one member, one vote
Deposits insured by	The FDIC, up to $250,000	The NCUA, up to $250,000
Who can join	Anyone	People in its field of membership

Who can join KCCU: See kimberlyclarkcu.org to find out if you are eligible to join. Family of members can join too.

SHOP AROUND

Compare two places for your first account

Look up a credit union and a bank near you, on their websites or by asking. Write what you find.

QUESTION	CREDIT UNION	BANK
Monthly fee on checking?		
Minimum balance to avoid the fee?		
Overdraft fee? Can you say no to overdraft coverage?		
Secured card or credit-building loan?		
App with balance alerts?		

Which would you pick for your first account, and why?

Your First Car

The **sticker price** is never the whole cost. A $6,000 used car still costs you every month in insurance, gas, and maintenance. Before you buy, add up what it costs to keep it.

COST WORKSHEET

The real monthly cost of a first car

COST	YOUR ESTIMATE (PER MONTH)
Insurance	$
Gas / fuel	$
Maintenance & repairs	$
Loan payment (if any)	$
Total monthly cost	$

Not sure what to write? Ask a family member what they pay, or get a free insurance quote online for a car you like.

THINK ABOUT IT

Your total from above, over a year

Total monthly cost $ _____ × 12 = $ _____ a year

Say you take home about $12 an hour. Hours of work to pay for one year of the car: yearly cost ÷ $12 = _____ hours

Headed to college or trade school? *Next Chapter*, the KCCU workbook on paying for college, walks through financial aid offers, the FAFSA, scholarships and student loans step by step.

How Long Should a Car Loan Be?

A longer loan shrinks the monthly payment, which is why dealers offer it. It also means paying interest for longer. Here is the same $15,000 car loan at 7%, three ways. The rate is an example.

COMPARE

Same car, three loan lengths

LOAN LENGTH	MONTHLY PAYMENT	TOTAL PAID	INTEREST PAID
36 months (3 years)	$463	$16,674	$
60 months (5 years)	$297	$17,821	$
72 months (6 years)	$256	$18,413	$

1. Interest paid = total paid − $15,000. Fill in the last column. (Payments are rounded, so a total can differ by up to about $20 from payment × months.)
2. How much more interest does the 72-month loan cost than the 36-month loan? $ _____
3. A car loses value every year. Why could a long loan leave you owing more than the car is worth?

_____

BEFORE YOU BUY

Ways to borrow less

Check each one you will do.

- ☐ Save a down payment first
- ☐ Get preapproved at a credit union before you visit a dealer (KCCU offers auto loans)
- ☐ Shop for the total price, not the monthly payment
- ☐ Pick the shortest loan whose payment fits your budget

The Real Cost of Credit Cards

A credit card is a tool. Paid in full every month it is free, convenient, and builds your score. Carried month to month it is one of the most expensive ways to borrow money that exists.

WORD BANK

APR · annual fee · grace period · minimum payment · balance · credit limit

DEFINITIONS

Write the term next to its meaning

1. The yearly interest rate on money you borrow and do not pay back in time: _____
2. A yearly charge some cards apply just for having the card: _____
3. The time before the due date when paying the full balance means no interest on purchases: _____
4. The smallest amount you can pay to avoid a late fee: _____
5. The most the card will let you borrow at once: _____
6. What you currently owe on the card: _____

DECIDE

Which card would you pick?

You plan to pay your balance in full every month.

Card A	Card B	Card C
15% APR · $50 annual fee	23% APR · no annual fee	27% APR · no annual fee · 1.5% cash back on every purchase

You put $400 a month on the card. How much cash back would Card C pay in a year? $ _____

a. Which card would you pick, and why?

b. Why does the APR matter less if you pay in full each month?

c. What changes if you ever carry a balance?

Minimum Payments Are a Trap

Paying the minimum is designed to keep you in debt as long as possible. Here is the same $5,000 balance on two cards, paid two ways: about the minimum ($100 a month), and $50 more.

DO THE MATH

Card A: 15% APR, $50 annual fee

Total paid does not include the $50 fee, charged at the end of each full year. Interest + fees = total paid − $5,000 + fees.

YOU PAY	MONTHS	TOTAL PAID	FEES	INTEREST + FEES
$100 (minimum)	79	$7,894	$300	$
$150 a month	44	$6,507	$150	$

DO THE MATH

Card B: 23% APR, no annual fee

Interest paid = total paid − $5,000.

YOU PAY	MONTHS	TOTAL PAID	INTEREST PAID
$100 (minimum)	168	$16,739	$
$150 a month	54	$8,046	$

THINK ABOUT IT

Answer using both tables

1. On Card B, adding $50 a month cut the payoff from 168 months to 54. How many years did that save? _____
2. How much interest did that extra $50 a month save on Card B? $ _____
3. What do these numbers tell you about paying only the minimum?

_____

Your First Place

Where you live drives almost everything else in your budget. The same salary can feel generous in one city and impossible in another. Before you sign anything, price out the whole picture.

WORKSHEET

Three places, one paycheck

Jada takes home $3,000 a month and can work remotely. Rent and utilities are given. Fill in what you think the rest would cost, and make every column add up to $3,000. Put whatever is left in Savings. If Savings goes below $0, go back and cut.

EXPENSE	SMALL TOWN	MID-SIZE CITY	BIG CITY
Rent	$850	$1,250	$1,700
Utilities	$140	$150	$150
Groceries	$	$	$
Car payment	$	$	$
Gas & parking	$	$	$
Healthcare	$	$	$
Phone & internet	$	$	$
Fun & restaurants	$	$	$
Savings	$	$	$
Total (must equal $3,000)	$	$	$

Reading the Lease

Answer these using your three budgets, then look at what a lease actually commits you to.

THINK ABOUT IT

Compare your columns

1. Where did Jada save the most, and how much?

2. A common guideline is to keep rent under about 30% of pay before taxes. What percent of her take-home goes to rent in the big city? Round to the nearest whole percent. _____ %

3. Which category was hardest to cut, and why?

4. Jada finds a roommate in the big city. Her rent drops to $950 and utilities to $75. How much less does she pay for rent and utilities each month? $ _____

5. Which place would you recommend to her? Give one reason that is not about money.

BEFORE YOU SIGN

Costs a lease adds that rent does not show

Check each one you would ask about before you sign.

- [ ] Security deposit, often one month's rent, paid up front
- [ ] Application and admin fees, usually not refundable
- [ ] Renters insurance, frequently required
- [ ] Pet deposit and monthly pet rent
- [ ] Which utilities are not included
- [ ] What breaking the lease early would cost you

Cash needed on day one: first month's rent, plus a security deposit of one month's rent, plus about $100 in fees.

Place I picked: _____ Total: $ _____

How Insurance Actually Works

Insurance uses intimidating vocabulary, but the structure underneath is simple: you pay a little every month so that a disaster does not cost you everything at once. Health insurance has the most moving parts, so it is worth learning on.

DEFINITIONS

The six terms that matter

Premium	What you pay every month, whether you use it or not.
Copay	A flat amount for certain visits, like $25 to see a doctor.
Deductible	What you pay yourself before insurance starts paying. Premiums and copays do not count.
Co-insurance	After the deductible, the percentage of the bill you still pay.
Out-of-pocket max	The most you pay for care in a year, not counting premiums. After this, insurance pays for all covered care.
In-network	A provider with a negotiated discount. This plan does not cover out-of-network care, so there you pay full price.

THE PLAN

Use these numbers on the next page

Monthly premium: **$120**

Deductible: **$3,000**

Co-insurance: **20%**

In-network doctor copay: **$25**

Urgent care copay: **$50**

Out-of-pocket max: **$6,500**

What Did Each Person Pay?

Six people, same plan, one month. Work out what each actually paid. Include the $120 premium in every answer, since everyone pays it no matter what.

WORKSHEET

Tally the costs

1. **Omar** did not use his insurance at all this month.
   He paid: $ _____
2. **Zeke** cut his leg and went to in-network urgent care. Already paid toward deductible: $25. He pays the $50 urgent care copay, and is also billed for a tetanus shot ($40) and stitches ($150).
   He paid: $ _____
3. **Cami** had wrist surgery. Already paid toward deductible: $360. No copay required. Billed: consultation $200, surgery $4,000.
   Hint: she pays until she reaches the $3,000 deductible, then 20% co-insurance on the rest.
   She paid: $ _____
4. **Flora** saw an in-network doctor for a sore throat. Already paid toward deductible: $100. She pays the $25 doctor copay, and is also billed for a strep test ($40) and an antibiotic prescription ($15).
   She paid: $ _____
5. **Chad** hurt his arm and saw an out-of-network doctor who charged $250. Already paid toward deductible: $450. *Hint: look back at what out-of-network means.*
   He paid: $ _____
6. **Anna** had a baby. Already paid toward out-of-pocket max: $6,000. Billed: hospital $4,500, obstetric care $1,500, anesthesia $1,000, lab tests $500.
   She paid: $ _____

SYNTHESIS

Why does Anna's enormous bill cost her so little?

_____

_____

Saving and Investing

Saving is money you keep safe for the next few years: an emergency fund, a car, a deposit on an apartment. **Investing** is money you will not touch for a long time, put to work so it can grow. You want both.

THE ENGINE

Compound interest

Compound interest means you earn a return on the money you put in *and* on the _____ it already earned (fill in the missing word). Your growth starts earning its own growth, so the longer it runs, the faster it grows.

> **TWO FRIENDS, 10% A YEAR**
>
> Priya puts in $100 a month from age 18 to 28, then stops. Marcus waits until 28, then puts in $100 a month all the way to 65.

	YEARS PUTTING MONEY IN	TOTAL PUT IN	WORTH AT 65
Priya	10	$12,000	about $816,000
Marcus	37	$	about $466,000

Fill in Marcus's total: $100 a month × 12 months × 37 years.

Priya put in less money. Why did she end up with more?

A SHORTCUT

The Rule of 72

To find roughly how many years it takes money to **double**, divide 72 by the yearly rate. It works on savings and investments, and it works just as well on debt you are not paying down.

MONEY	RATE	72 ÷ RATE = YEARS TO DOUBLE
Savings certificate	4%	
Stock index fund (long-run average)	10%	
Credit card balance you do not pay	24%	

The same math that grows an investment grows a debt. Rates are examples only, not current offers.

Where the Money Goes

Knowing you should invest is the easy part. Here is what people actually do with the money, in the order most people do it.

THE ORDER

Four places for your money

1. Savings account	For your emergency fund and short-term goals. Safe, federally insured, and you can reach it any time.
2. Certificate (CD)	Savings you will not need for a set time, like 6 or 12 months. A higher, guaranteed rate, and still insured. KCCU offers share certificates.
3. Roth IRA	A retirement account you can open once you have a paycheck, even as a teen with a parent's help. Withdrawals in retirement are tax free if you follow the rules.
4. Index funds	What you buy inside the IRA. An **index fund** owns every company in a list, so one purchase spreads your money across hundreds of businesses.

Two common kinds of index fund:

S&P 500 fund	The 500 largest U.S. companies. Example: VOO
Total market fund	Nearly every U.S. public company. Example: VTI

Funds are named as examples, not recommendations. Investments are not federally insured and can lose value, sometimes for years. That is why the emergency fund comes first.

YOUR TURN

You earn $1,000 at a summer job

At 10% a year, $1,000 doubles about every _____ years (Rule of 72). Left alone from 16 to 65, that is almost 7 doubles, or roughly $100,000.

Split it up. Make it add to $1,000.

Spend now	$
Savings account (emergency fund)	$
Invest for the long run	$

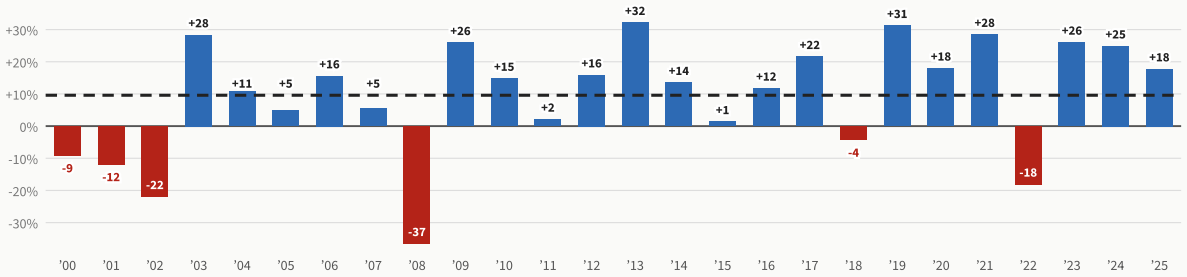
What "Average" Really Means

"About 10% a year on average" does not mean 10% every year. Here is what the S&P 500 actually did: some years soared, and some fell hard.

YEAR BY YEAR

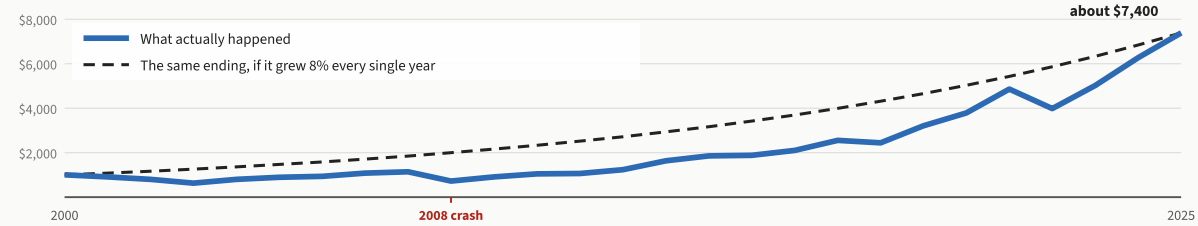
S&P 500 return each year, 2000 to 2025 (percent)

Dashed line: the simple average of all 26 years, about 9.6% a year.



THE PATH

$1,000 invested at the start of 2000



Why does steady growth of 8% end where an average of 9.6% does? Losses hurt more than gains help: after a 50% loss, you need a 100% gain to get back to even.

READ THE CHARTS

1. Which was the worst year, and how much did it lose? Year _____ lost _____ %
2. How many of the 26 years went down? _____
3. Someone sold in a panic at the end of 2008. What return did they miss in 2009? _____ %
4. Why should money you need in the next few years stay in savings, not stocks?

Source: S&P 500 total returns, Aswath Damodaran, NYU Stern. Since 1928 it has grown about 10% a year. Past returns do not guarantee future results.

Before You Go

Seven questions. If you can answer these, you are ahead of most adults.

REVIEW

Show what you know

1. At $16 an hour with about 20% taken out, what is your take-home for a 40-hour week? $ _____
2. Name the biggest single factor in your credit score.

   _____
3. Two cards: 15% APR with a $50 annual fee, or 23% APR with no fee. You always pay in full each month. Which is better, and why?

   _____
4. What is the difference between a deductible and a copay?

   _____
5. Your rent is $1,100 and your take-home is $2,600. What percent of your take-home goes to rent? Round to the nearest whole percent. _____ %
6. Name one thing you will do in the next year to build credit safely.

   _____
7. To stay under 30% of an $800 credit limit, what is the most your balance should be? $ _____

You’re ready to launch.

You can read a pay stub, compare cards, price out a city, see what insurance really costs, and put compound interest to work. That is a real head start.

KIMBERLY CLARK CREDIT UNION

Founded in 1947. Serving KCCU members nationwide.

kimberlyclarkcu.org

Teachers: request class sets and the free answer key.

Request class sets →

Scan or visit **kccu-financial-wellness.getostrich.com/classroom**

This workbook is provided for educational purposes only and is not financial advice.
See kimberlyclarkcu.org to find out if you are eligible to join. Family of members can join too.
Federally insured by NCUA. Equal Housing Opportunity.