

THINKING AHEAD

P.R.E.P.A.R.E.

Independent Living Services

Southern Christian Services for Children and Youth, Inc.

In Partnership With The

Mississippi Department of Human Services

Division of Family and Children's Services

Thinking Ahead Presenter's Guide

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Thinking Ahead Presenter's Guide

Acknowledgements

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Legend

Formatting

For ease of use, a variety of formatting was utilized in order to allow the presenter to know, at a glance, how to deal with the information in this guide.

Bold text indicates an instruction to the presenter. These are usually directives such as 'Ask:' or 'Discuss:', indicating something the presenter needs to do.

Italic text indicates something the presenter needs to say to the audience. This may be pointing out information on the slide or delving into a deeper discussion about information that has been presented.

Underlined text indicates something that appears on the slide. This may be useful to the presenter to allow them to see ahead of time what information will appear next.

A header image is included for each slide. This includes information such as the main topic under which the current section falls, the name of the current section of the presentation, the title of the slide, the slide number, and the icon associated with that slide's activity. An example is shown here.

Current section		Main Topic	
Slide Title	Slide #	Icon	

Thinking Ahead Presenter's Guide

Icons

The icons used throughout this guide and the presentation itself are used to indicate to the audience and the presenter, at a glance, how to approach the slide on which it appears. A listing of the icons with their related meanings is given below.



Lecture

This icon represents a slide where the presenter will be lecturing to the audience without inviting comment or feedback.



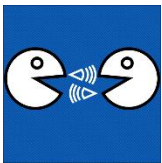
Group Response

This icon represents a slide where the presenter will be lecturing to the audience, but will be asking questions and inviting comments and feedback from the audience.



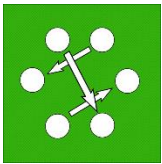
Handout

This icon represents a slide where youth will be asked to perform an activity on a handout they have been given. This may be answering questions, taking a pre- or post-test, or filling out a maze or puzzle.



Conversation

This icon represents a slide where youth will be asked to hold a brief conversation with a partner. Examples include asking/answering job interview questions or exploring your partner's cultural background.



Small Group Activity

This icon represents a slide where youth will be asked to perform some activity in a small group. Examples include brainstorming ideas to present to the larger group, completing a collaborative activity, or discussing the presented material.



Objectives

The purpose of this slide is to list objectives for the upcoming topic to be discussed.



Video

This slide contains a video clip to be shown to the audience. A brief discussion following the clip may be required to drive home the message from the video.

Thinking Ahead Presenter's Guide

Pre/Post-Test

**THE SLIDES
BEGIN ON THE
NEXT PAGE**

Thinking Ahead Presenter's Guide

Thinking Ahead (Title Slide)

Slide 1

Did you Change?

Slide 2



Activity: Did You Change

Purpose

1. To help get the youth to know their team members

Time

5 Minutes

Materials and equipment

None

Procedure

The facilitator will gather the youth into teams of two. They will then be asked to face each other without talking for 30 seconds. Then they will be asked to turn their backs to each other for 30 seconds during which they will change one thing about their appearance. They will repeat this one or two more times. After they have finished the facilitator will divide the group into color groups keeping pairs together.

Thinking Ahead Presenter's Guide

Employment Objectives

Slide 3



Employment

Employment is Important (Section)

Slide 4

Employment

Employment is Important

Why Work?

Slide 5



Introduce the video: *Let's start our discussion about the importance of work by listening to what Doug Barr, the CEO of Goodwill, has to say on the subject.*

Play the video.

Discuss with youth: *So, based on that video, or based on your own personal experience, what do you think are some good reasons for a person to work?*

Employment

Employment is Important

Why Work?

Slide 6



1. What did you get from the clip?
2. Have you ever thought of work being such a high priority?
3. Can you transform lives anywhere? McDonalds? Grocery store? Shipping/receiving jobs?
4. Respect from others? How? Why? Who?

Thinking Ahead Presenter's Guide



Discuss with youth: Some great places to look for work are:

- Newspaper
- Job Services
- Word of Mouth
- Your current employer
- School
- Help-wanted signs
- Yellow pages
- Internet

Thinking Ahead Presenter's Guide

Employment

Employment is Important

Job vs. Career

Slide 8



Discuss with youth:

- Career: an occupation undertaken for a significant period of a person's life and with opportunities for progress
- Job: a paid position of regular employment
- A job can become a career, the average person changes careers 7 times within a lifetime

Thinking Ahead Presenter's Guide

Employment

Rights and Responsibilities of Employment (Section)

Slide 9

Employment

Rights and Responsibilities of Employment

Pay Stub

Slide 10



Ask youth: *What is the gross pay on this pay stub? What is the net pay? What's the difference?*

Advance slide to show "Gross Pay"

GROSS PAY: Includes the total amount of income that you earned during a particular pay period. A pay period is determined by your employer, but is typically bi-weekly or monthly.

Advance slide to show "Net Pay"

NET PAY: Includes the amount of income that you actually take home after all withholdings have been applied. It is the amount of money that you take straight to the bank!

Advance slide to show "Deductions"

FEDERAL TAX AMOUNT: When you were first hired by your employer, you were required to fill out a W-4 form. This form covers any tax that you may owe to the Federal government come tax time. It is deducted incrementally from each paycheck.

STATE TAX: Depending on your state of residence, you may or may not be required to pay a state tax. Most states however, do participate, so this amount is deducted from your paycheck.

LOCAL TAX: Although rare, a local tax is sometimes applied to employees of certain cities, counties or school districts.

SOCIAL SECURITY: The Federal government requires every employee to have a certain percentage of their paycheck withheld for social security purposes. This entitles you to receive a monthly social security payment upon retirement.

MEDICARE: Like Social Security withholdings, Medicare withholdings are also mandatory. Every employee pays 1.45% of their paycheck toward Medicare, and every employer contributes an additional 1.45% on behalf of the employee. Upon eligibility for Social Security, an employee is entitled to coverage for a majority of their medical expenses.

Thinking Ahead Presenter's Guide



Discuss with youth: Additional benefits of employment:

- *By law, employers are required to provide some benefits to full time employees.*
 - Required
 - Time off to vote, serve on a jury, perform military service
 - Provide worker's compensation
 - Contribute to FICA for retirement and disability benefits
 - Short-term disability (in certain states)
 - Not required
 - Retirement plans
 - Dental or Vision plans
 - Life Insurance
 - Paid vacations, holidays, sick leave

Thinking Ahead Presenter's Guide

Employment

Rights and Responsibilities of Employment

Employee Benefits

Slide 12



Instruct youth: *With your neighbor, discuss which extra benefit of employment would be most important to you and why.*

Thinking Ahead Presenter's Guide

Employment

Job Applications (Section)

Slide 13

Employment

Job Applications

Applying for a Job

Slide 14



Briefly describe the displayed job application to youth. Note that they often require:

- **Personal Information**
- **Education History**
- **Employment History**
- **Emergency Contacts**
- **References**

Discuss the following job application tips with youth:

- *Tips:*
 - *Complete your application on the spot*
 - *Use blue or black ink*
 - *Follow the directions*
 - *Fill out all the blanks*
 - *Ask questions if you don't understand something*
 - *Be neat, do not scratch out mistakes or use white-out*
 - *Be honest*
- *Where to get applications from*
 - *Get it from a manager*
 - *From the company's web site*

Thinking Ahead Presenter's Guide

Employment

Job Applications

Personal Fact Sheet

Slide 15



Instruct youth: *On your handout “Personal Fact Sheet”, go ahead and fill in the information you know. Later on, look up the information you don’t and write it down too, so you will have it for all your job applications.*

Thinking Ahead Presenter's Guide

Employment

Job Interviews (Section)

Slide 16

Employment

Job Interviews

Presenting Yourself

Slide 17



Discuss with youth:

When you're interviewing for a job:

- Don't wear an "adventurous" hair style
- Don't put on too much perfume or cologne
- Wear formal clothes
 - Men wear dress shirts, ties, slacks, matching shoes
 - Women wear dress suits, skirts, limited jewelry, neutral pantyhose, conservative (closed-toe) shoes
- Cover any tattoos you reasonably can

Thinking Ahead Presenter's Guide

Employment

Job Interviews

Dress for Success

Slide 18



Activity: Dress for Success

Purpose

To help youth understand the importance of the correct dress for an interview

Time

15 Minutes

Materials and equipment

- Magazines (8+)
- Plain Paper (7)

Procedure

The teams will each have ten minutes to search through the magazines and choose the best outfit for an interview for both a male and female. When the ten minutes is up they will turn them in to the presenting team which will then find the best interview outfit.

.Processing questions

- Ask the teams to defend the looks they chose and make any corrections to their thoughts of outfit choice.

Thinking Ahead Presenter's Guide

Employment

Job Interviews

Dress for Success

Slide 19



Ask youth:

Which items were not appropriate to wear for a job interview?

Why?

What are some other things about your appearance you need to pay attention to when interviewing for a job?

Thinking Ahead Presenter's Guide

Employment

Job Interviews

Nailing the Interview

Slide 20



Introduce the video: *We're about to watch a short clip describing some additional job interview tips.*

Play the video:

Ask youth: *Was there anything in that video that you were surprised to learn, or that you didn't think was a big deal before?*

Employment

Job Interviews

Nailing the Interview

Slide 21



1. What surprised you about what she had to say?
2. What kind of research would you do for a job at the mall?
3. Why wouldn't you want to arrive early for an interview?
 1. Practice a firm interview handshake and introduction in your small group.

Thinking Ahead Presenter's Guide



Discuss with youth:

Procedure for ending employment

- Give notice
- Explain your reason for leaving
- Ask what is expected of you during your remaining tenure
- Leave with a good attitude

Thinking Ahead Presenter's Guide

Employment

Job Interviews

Interview World Series

Slide 23



Activity: Interview World Series

Purpose

1. To help youth understand the importance of preparing for an interview

Time

15 Minutes

Materials and equipment

Interview questions for leader

Baseball and bat

Score sheet (7)

Procedure

1. Select one student from each color group to be interviewed.
2. The leader will be the pitcher.
3. Select one student from each color group to keep score using the score sheet.
4. All students selected will be at the front of the room. Based on the response, the umpires (Youth in the audience) will say strike, homerun, or take your base.
5. Once each youth has struck out three times they will be out.
6. Finally once there are only two left you will ask the youth to sell something. (pen, notebook, marker, ect.)

Thinking Ahead Presenter's Guide

1. Ask the "Umpires to say Base hit, Home Run, or Strike for their outfit of choice for going into an interview.
2. Ask the players individually any of the following interview questions, asking the umpires to make a call each time until there is one left. (If it becomes a close game you can ask them to sell anything such as a pen and let the audience vote)
 1. Tell me about yourself.
 2. What are your strengths?
 3. What are your weaknesses?
 4. Why do you want this job?
 5. Where would you like to be in your career five years from now?
 6. What's your ideal company?
 7. What attracted you to this company?
 8. Why should we hire you?
 9. What did you like least about your last job?
 10. When were you most satisfied in your job?
 11. What can you do for us that other candidates can't?
 12. What were the responsibilities of your last position?
 13. Why are you leaving your present job?
 14. What do you know about this industry?
 15. What do you know about our company?
 16. Are you willing to relocate?
 17. Do you have any questions for me?
 18. What was the last project you headed up, and what was its outcome?
 19. Give me an example of a time that you felt you went above and beyond the call of duty at work.
 20. Can you describe a time when your work was criticized?
 21. Have you ever been on a team where someone was not pulling their own weight? How did you handle it?
 22. Tell me about a time when you had to give someone difficult feedback. How did you handle it?
 23. What is your greatest failure, and what did you learn from it?
 24. What irritates you about other people, and how do you deal with it?
 25. If I were your supervisor and asked you to do something that you disagreed with, what would you do?
 26. What was the most difficult period in your life, and how did you deal with it?
 27. Give me an example of a time you did something wrong. How did you handle it?
 28. What irritates you about other people, and how do you deal with it?
 29. Tell me about a time where you had to deal with conflict on the job.
 30. If you were at a business lunch and you ordered a rare steak and they brought it to you well done, what would you do?
 31. If you found out your company was doing something against the law, like fraud, what would you do?
 32. What assignment was too difficult for you, and how did you resolve the issue?
 33. What's the most difficult decision you've made in the last two years and how did you come to that decision?
 34. Describe how you would handle a situation if you were required to finish multiple tasks by the end of the day, and there was no conceivable way that you could finish them
 35. How would you describe your work style?

Thinking Ahead Presenter's Guide

36. What would be your ideal working environment?
37. What do you look for in terms of culture -- structured or entrepreneurial?
38. Give examples of ideas you've had or implemented.
39. What techniques and tools do you use to keep yourself organized?
40. If you had to choose one, would you consider yourself a big-picture person or a detail-oriented person?
41. Tell me about your proudest achievement.
42. Who was your favorite manager and why?
43. What do you think of your previous boss?
44. Was there a person in your career who really made a difference?
45. What kind of personality do you work best with and why?
46. What are you most proud of?
47. What do you like to do?
48. What are your lifelong dreams?
49. What do you ultimately want to become?
50. What is your personal mission statement?
51. What are three positive things your last boss would say about you?
52. What negative thing would your last boss say about you?
53. What three character traits would your friends use to describe you?
54. What are three positive character traits you don't have?
55. If you were interviewing someone for this position, what traits would you look for?
56. List five words that describe your character.
57. Who has impacted you most in your career and how?
58. What is your greatest fear?
59. What is your biggest regret and why?
60. What's the most important thing you learned in school?
61. Why did you choose your major?
62. What will you miss about your present/last job?
63. What is your greatest achievement outside of work?
64. What are the qualities of a good leader? A bad leader?
65. Do you think a leader should be feared or liked?
66. How do you feel about taking no for an answer?
67. How would you feel about working for someone who knows less than you?
68. How do you think I rate as an interviewer?
69. Tell me one thing about yourself you wouldn't want me to know.
70. Tell me the difference between good and exceptional.
71. What kind of car do you drive?
72. There's no right or wrong answer, but if you could be anywhere in the world right now, where would you be?
73. What's the last book you read?
74. What magazines do you subscribe to?
75. What's the best movie you've seen in the last year?
76. What would you do if you won the lottery?
77. Who are your heroes?
78. What do you like to do for fun?
79. What do you do in your spare time?
80. What is your favorite memory from childhood?

Thinking Ahead Presenter's Guide

Money Management Objectives

Slide 24



Money Management

Budgeting (Section)

Slide 25

Money Management

Budgeting

Types of Expenses

Slide 26



Ask youth:

Can you name some things a person will NEED to spend money on every month?

Can you name some things a person might WANT to spend money on every month?

Can you name some expenses that will be the SAME every month?

Can you name some expenses that will CHANGE every month?

Why should you put money into SAVINGS every month?

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Discuss with youth:

- Budget: a form used to list all sources of income and all ways that a person spends money over a period of time
- Benefits of a budget:
 - Allows people to realistically see what they are spending money on
 - Allows people to see ways they can cut back on expenses

Thinking Ahead Presenter's Guide

Money Management

Budgeting

Life Game

Slide 28



Activity: Budgeting

Purpose

- To help youth understand the importance of monthly budgeting
- To help youth understand the importance of learning the value of luxury items

Time

15 Minutes

Materials and equipment

- Career Choice Sheet for Leader (1 Copy for Facilitator)
- Career Choice Sheet for Teams (1 Copy divided by 8)
- Budgeting Addition Sheet (8)
- Budgeting Option Sheet (8)
- Pens

Procedure

The youth will be divided into teams. Each team will have a career that has already been chosen for them. They will know what kind of schooling is required, but they will not know the Annual or monthly salary for the career. Based off the team's knowledge they will choose one living, travel, phone, and food options. They will also be allowed to choose any luxury options that can be added. They will add the monthly total plus an amount set aside for insurance. Once all groups have a total they will be given the salary to subtract there bills from. This will give them a positive or negative total based off the options they chose.

Processing questions

- Why is it important to have a Salary or amount to start a budget?
- What are some of the things you would change knowing what the budget is?

Thinking Ahead Presenter's Guide

Money Management

Checking and Saving (Section)

Slide 29

Money Management

Checking and Saving

Opening an Account

Slide 30



Discuss with youth:

- Find a bank that has a local branch!
- You must be 17 to open a checking account.
 - You can open a savings account when you are younger, the age varies by bank.
- In order to open an account, you will need:
 - Your full legal name
 - Your date of birth
 - Your social security number
 - A state or government issued ID
 - Some banks may require more than one
 - An initial deposit

Thinking Ahead Presenter's Guide



Discuss with youth:

Common Terms

- Deposit
- Withdrawal
- Balance
- Fees
- Overdraft Programs

Other Services

- Direct Deposit
- Money orders
- Telephone and on-line banking
- ATMs
- Money transfers
- Debit Cards
- Loans

Thinking Ahead Presenter's Guide

Money Management

Checking and Saving

Deposit Slip

Slide 32



Describe the deposit slip shown to youth. Point out the following features:

- *Date*
- *Your Name*
- *Your Account Number*
- *Amounts of each item being deposited*
- *Sum of all items being deposited*
- *The amount of cash you want back*
- *Total amount of the deposit*

Thinking Ahead Presenter's Guide



Describe the check shown to the youth. Be sure to point out the following features:

- *Your name and address*
- *Date*
- *Check number*
- *The person or company you are writing the check to*
- *Amount of check (numbers)*
- *Written amount of check*
- *Memo line*
- *Routing and account numbers*
- *Signature line*

Thinking Ahead Presenter's Guide



Ask youth:

How can you know how much money is in your bank account?

Discuss with youth:

1. Keep a regular checkbook register
2. Contact your banker
3. Telephone banking
4. Online banking

Thinking Ahead Presenter's Guide

Money Management

Shopping (Section)

Slide 35

Money Management

Shopping

Coupons

Slide 36



Introduce the video: *In this video, we'll see some college students who have learned to get the most bang for their buck using coupons.*

Play video.

Discuss with youth: *By using coupons and shopping sales, you can end up saving a lot of money on your monthly expenditures. You don't have to be an extreme couponer; a little extra thought and care can go a long way.*

Money Management

Shopping

Coupons

Slide 37



1. Why do you think these guys would want to coupon?
2. Does it seem worth the effort to coupon?
3. Where would you look locally for coupons?
4. Do you personally know anyone that coupons?

Thinking Ahead Presenter's Guide

Money Management

Shopping

Buying a Car

Slide 38



Ask youth: What specific information would you need when trying to purchase a car?

Thinking Ahead Presenter's Guide

Money Management

Shopping

Resources for Buying a Car

Slide 39



Instruct youth: *On your Handout, “Resources for Buying a Car”, you will find several internet sources of information that can be very useful.*

Thinking Ahead Presenter's Guide

Money Management

Shopping

Clothing and Furniture

Slide 40



Ask youth: Where can you find good deals? (on clothing and furniture)

- Goodwill
- Salvation Army
- Consignment Shops
- Discount Furniture
- Outlet Malls
- Classifieds
- Ebay/Internet

Thinking Ahead Presenter's Guide

Money Management

Credit (Section)

Slide 41

Money Management

Credit

Managing your Credit Score

Slide 42



Ask youth: How do you build up your credit score?

Discuss with youth:

- Your credit score is a three-digit number generated by a mathematical algorithm using information in your credit report. It's designed to predict risk, specifically, the likelihood that you will become seriously delinquent on your credit obligations in the 24 months after scoring.
- Payment history: (35 percent) -- Your account payment information, including any delinquencies and public records.
- Amounts owed: (30 percent) -- How much you owe on your accounts. The amount of available credit you're using on revolving accounts is heavily weighted.
- Length of credit history: (15 percent) -- How long ago you opened accounts and time since account activity.
- Types of credit used: (10 percent) -- The mix of accounts you have, such as revolving and installment.
- New credit: (10 percent) -- Your pursuit of new credit, including credit inquiries and number of recently opened accounts.

Thinking Ahead Presenter's Guide



Describe the chart shown to the youth. Be sure to point out the following features:

- Higher Credit Score
 - Most favorable interest rate
 - Lower monthly lease or loan payment
 - Higher likelihood of qualifying for the lease or loan
 - Access to incentives offered by the manufacturer or seller
- Lower Credit Score
 - Higher down payment may be needed
 - Co-signer may be necessary
 - You may not be able to qualify for the loan at that amount which means a less expensive purchase may need to be considered
- Very Low Credit Score
 - Credit may be denied altogether

Also point out the score ranges at the bottom of the chart.

Thinking Ahead Presenter's Guide



Discuss with youth:

Simple interest is calculated by multiplying your interest rate by your initial balance. So if you borrowed one dollar at a 100% daily interest rate, how much would you owe in three days?

Advance slide to demonstrate via animation.

Compound interest is calculated by multiplying your interest rate by the current balance. So for compound interest, you end up owing a lot more.

Advance slide to demonstrate via animation.

Thinking Ahead Presenter's Guide

Money Management

Credit

Interest

Slide 45



Instruct youth:

With your neighbor, can you come up with a time when it's better to have simple interest? How about compound interest?

Consider loans, bank accounts, credit cards, etc.

Thinking Ahead Presenter's Guide

Money Management

Filing Income Taxes (Section)

Slide 46

Money Management

Filing Income Taxes

Filing on Time

Slide 47



Ask youth:

What happens if you file your income taxes after April 15th?

Discuss with youth:

1. A failure-to-file penalty may apply if you did not file by the tax filing deadline. A failure-to-pay penalty may apply if you did not pay all of the taxes you owe by the tax filing deadline.
2. The failure-to-file penalty is generally more than the failure-to-pay penalty. You should file your tax return on time each year, even if you're not able to pay all the taxes you owe by the due date. You can reduce additional interest and penalties by paying as much as you can with your tax return. You should explore other payment options such as getting a loan or making an installment agreement to make payments. The IRS will work with you.
3. The penalty for filing late is normally 5 percent of the unpaid taxes for each month or part of a month that a tax return is late. That penalty starts accruing the day after the tax filing due date and will not exceed 25 percent of your unpaid taxes.
4. If you do not pay your taxes by the tax deadline, you normally will face a failure-to-pay penalty of $\frac{1}{2}$ of 1 percent of your unpaid taxes. That penalty applies for each month or part of a month after the due date and starts accruing the day after the tax-filing due date.
5. If you timely requested an extension of time to file your individual income tax return and paid at least 90 percent of the taxes you owe with your request, you may not face a failure-to-pay penalty. However, you must pay any remaining balance by the extended due date.
6. If both the 5 percent failure-to-file penalty and the $\frac{1}{2}$ percent failure-to-pay penalties apply in any month, the maximum penalty that you'll pay for both is 5 percent.
7. If you file your return more than 60 days after the due date or extended due date, the minimum penalty is the smaller of \$135 or 100 percent of the unpaid tax.
8. You will not have to pay a late-filing or late-payment penalty if you can show reasonable cause for not filing or paying on time.

Thinking Ahead Presenter's Guide



Discuss with youth:

- *About 55 percent of federal government spending in fiscal 2010 was mandatory, covering all expenditures that are controlled by laws other than appropriations acts (see figure 1). Almost all such spending is for entitlements, expenditures for which depend on individual eligibility and participation, and which are funded at whatever level is needed to cover the resulting costs. Just under 40 percent of spending in fiscal 2010 was discretionary, covering activities that Congress must reauthorize each year. The remainder went to pay interest on the national debt.*
- *Mandatory spending has claimed a much larger share of the federal budget over the past four decades, more than doubling from about one-fourth of federal spending in 1962 to just over half today (see figure 2). In contrast, the share of the budget going for discretionary spending has fallen from two-thirds in 1962 to about two-fifths now. Interest on the national debt has fluctuated over the period: it climbed from 6 percent in 1962 to more than 15 percent in the mid-1990s, fell to about 7 percent in the early 2000s, and has fluctuated more recently as interest rates have fallen to historically low levels. Debt service accounted for just 5 percent of federal spending in 2010, the lowest level in nearly 50 years.*
- *About half of fiscal 2010 discretionary spending paid for defense, and most of the rest went for domestic programs such as agricultural subsidies, highway construction, and the federal courts (see figure 3). Only 3 percent of discretionary spending funded international activities, such as foreign aid.*
- *Social Security claimed one-third of mandatory spending in fiscal 2010 (see figure 4). Medicare and Medicaid took up 25 percent and 13 percent, respectively. The remaining 29 percent covered income security programs (such as food stamps), retirement and disability programs (including pensions for federal retirees), and other programs.*

Thinking Ahead Presenter's Guide



Discuss with youth:

Before you dive in, master some of the terms you need to read IRS documents:

- Earned income – Salaries, wages, tips and professional fees, including taxable scholarships and fellowship grants.
- Unearned income – Investment-type income like interest on your savings account, dividends and capital gains, as well as unemployment compensation.
- Gross income – All income you received in the form of money, goods, property and services that is not exempt from taxes.
- Exemptions – A predetermined amount of money you can deduct from your taxable income for basic living expenses. You, as an individual, may be an exemption, and dependent children (which you probably are to your parents) qualify as exemptions.
- Standard deduction – A set amount of money that the federal government gives you if you meet certain stipulations. It differs according to marital status.
- Itemized deductions – There are six main categories of expenses that can be deducted: medical and dental, taxes, interest, charitable contributions, and casualty and theft losses. Itemized deductions reduce the amount of tax you owe.
- W-2 Forms – Wage-income forms that you receive from employers in order to prepare your taxes.
- Filing status – Whether you are single, married or head of household. There are several sub-categories within each of these as well.

Choosing a form

- 1040EZ: The simplest tax form; consists of a single page. Requires a taxable income of less than \$50,000 and interest income of less than \$400. Restricted to singles and couples with no dependents. Cannot itemize deductions or deduct IRA contributions.
- 1040A: A more complicated form, allows more flexibility in income sources (including pensions, IRA dividends and retirement benefits). Also requires a taxable income of less than \$50,000. Cannot itemize deductions but can deduct IRA contributions.
- 1040: The most complicated form, sometimes called the “long” form; required if income is more than \$50,000. Can itemize deductions to adjust income.
- For most students, the Form 1040EZ will suffice. If you’re not sure and want to include more sources of income and deductions, you can always file one of the more complicated forms. If you itemize your deductions, you’ll also have to complete Schedule A of your 1040