4.17 Calculating Cash

**Objectives**
Develop an awareness of the gap between wages at various levels in an organization.

Analyze the financial benefits accruing to employees at the various levels.

**Materials needed**
Copies of the handout
Reference materials
Community resources

**Time needed**
Several hours

**Instructor directions**
Have your students visit a place of employment related to their majors (or gather information on a typical place related to their majors).

Have them ask or research questions regarding the salaries of various types of employees.

Have them calculate certain account balances and figures.
4.17 Calculating Cash Handout

Directions
Visit a place of employment related to your major (or gather research on a typical place related to your major).

Ask or research the following questions:

What approximate monthly salary does the CEO, president, or director earn?

What salaries do management personnel earn?

What salaries do support personnel earn?

What is the range between the lowest and the highest salary?

Create monthly budgets for the CEO and the lowest-paid individual in the company or organization.

Compute the following hypothetical amounts:

An approximate annual retirement account total for the CEO (based on pre-tax contributions of 10% of that person's monthly salary and a current average rate of return on a middle-of-the-road mutual fund)
An approximate annual retirement account total for the lowest-paid individual in the company or organization (based on pre-tax contributions of 10% of that person’s monthly salary and a current average rate of return on a middle-of-the-road mutual fund)

The difference between the two totals in principle contributed only, after five years

After ten years