

Retirement Income

A DIGITAL DISCOVERY LESSON

Teach Students How People Earn Income After They Stop Working

A Real-World Personal Finance Lesson

Editable - Interactive Prompts Critical Thinking

NO PREP!
SAVES YOU TIME!



BUSINESS EDUCATION WITH *Denise Leigh*

NO PREP for you!


What's Inside?

- ✓ 9 Ready-to-Use Slides
- ✓ Informational Slides
- ✓ Critical Thinking Discussion Prompts
- ✓ Real-Life Application Questions
- ✓ Scenario-based Questions

Standards Aligned



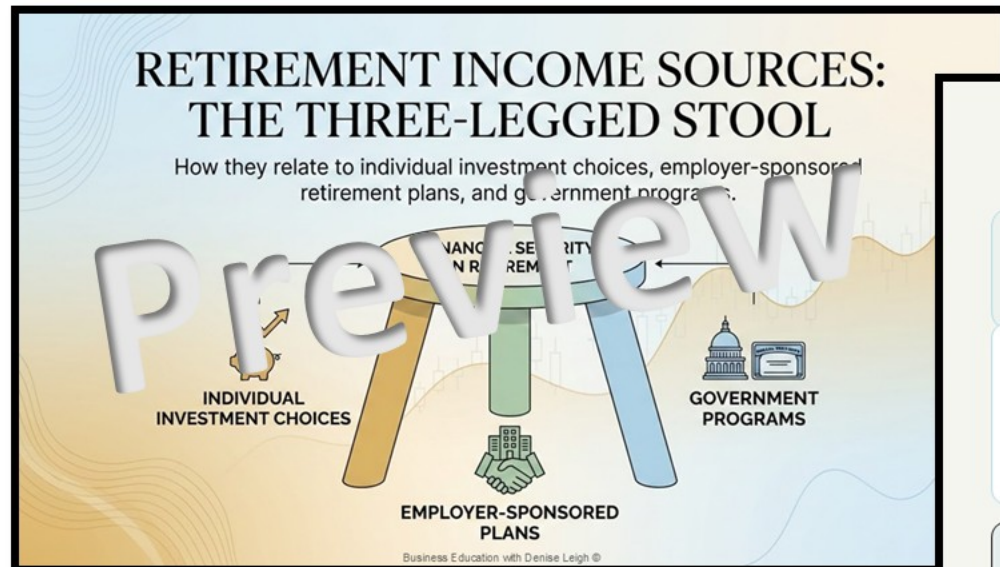
 Texas TEKS §113.76

 Pennsylvania 22 Code
Chapter 4, Appendix F
...and other states!



401(k) • Pensions • Social Security

Students learn about The **THREE-LEGGED STOOL** of Retirement income Sources



Government Programs (The Safety Net) 1st Leg

The Concept: This is the baseline. It's a mandatory "insurance" program managed by the government.

Social Security
Most workers pay a 6.2% tax from every paycheck into this system. It's a "pay-as-you-go" system. Workers pay for today's retirees.

The Reality Check
Social Security is only designed to replace about 40% of an average person's pre-retirement income. It is a safety net, not a full lifestyle fund.

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Employer-Sponsored Plans (The Work Benefit) 2nd Leg

The Concept: Retirement plans offered as part of a job's benefits package.

401(k) & 403(b) Defined Contribution Plans
The employee chooses to put a percentage of salary into the account. Employer Match: Often 5% for 5%.
The "Free Money"
This is the single most important choice an employee can make.

Pensions
Defined Benefit: Employer promises a monthly check for life. Becoming rare in private sector, common for teachers & government.

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3rd Leg Individual Choices (The Personal Growth)

The Concept: Accounts that individuals open and manage themselves, regardless of where they work.

IRA (Individual Retirement Account)
Anyone with earned income can open one.

Traditional IRA: You don't pay taxes on the money now, but you pay taxes when you take it out later.

Roth IRA: You pay taxes now, but the money grows tax-free, and you pay \$0 in taxes when you retire.

Personal Investment Account
This includes buying stocks, bonds, or real estate outside of a "retirement account".

Teaching Tip
Contrast the 401(k) (tied to a job) with the IRA (tied to the person).
If you leave your job, you keep your IRA, but you might have to "roll over" your 401(k).

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**NO PREP!
PLUG & PLAY!**

Teaching Duration: 40 minutes + Discussions

Students Answer Question about Each Leg

1st Leg-Government Programs

1. Why is Social Security described as a 'safety net' instead of a full retirement plan?

2. How does the 'pay-as-you-go' system work and who pays for it?

3. If 6.2% is taken from every paycheck, what might be the benefit of requiring everyone to participate in Social Security?

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2nd Leg-Employer Sponsored Plans

1. What is the main difference between a defined contribution plan (like a 401(k)) and a defined benefit plan (pension)?

2. Why is an employer match often called 'free money' and how does it benefit employees?

3. Why are pensions becoming less common in the private sector but still common for government jobs like teaching?

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THE THREE-LEGGED STOOL

#1 Government Programs

#2 Employee-Sponsored Plans

#3 Individual Choices

3rd Leg-Individual Choices

1. What is the difference between a Traditional IRA and a Roth IRA?

2. Why might someone choose to open an IRA instead of only relying on a 401(k) from their job?

3. What are some examples of personal investments outside of a retirement account, and why might people choose to invest this way?

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Critical Thinking Activity

Identify the Category - Scenarios Activity

Read each scenario carefully and decide which category it belongs to:

Individual Choice
Employer-Sponsored Plan
Government Program.

Write the correct category next to each scenario..

1. Maria opens a Roth IRA and contributes money from her paycheck each month.

2. James has money taken out of his paycheck and his company matches 5% into his 401(k).

3. After retiring, Mr. Lee receives a monthly Social Security check.

4. Tanya uses an app on her phone to manage her retirement investments.

5. Carlos works for a company that will provide a pension when he retires.

6. Emily invests in rental property to earn income in the future.

7. Derrick contributes part of his salary into a 403(b) plan through his job.

8. After years of working, Ms. Johnson receives Medicare benefits.

9. Ava opens a Traditional IRA at her bank and deposits money regularly.

10. Ben works for a company that automatically enrolls him in a retirement

9 Slides included – NO PREP FOR YOU



Government Programs (The Safety Net) 1st Leg

The Concept: This is the baseline. It's a mandatory "insurance" program managed by the government.

Social Security
Most workers pay a **6.2% tax** from every paycheck into this system.

How it works
It is a "pay-as-you-go" system. Today's workers pay for today's retirees.

The Reality Check
Social Security is only designed to replace about **40%** of an average person's pre-retirement income. It is a safety net, not a full lifestyle fund.

1st Leg-Government Programs

1. Why is Social Security a retirement plan?
2. How does the "pay-as-you-go" system work, and who is paying for whom?
3. If 6.2% is taken from every paycheck, what might be the benefit of requiring everyone to contribute?

Employer-Sponsored Plans (The Work Benefit) 2nd Leg

The Concept: Retirement plans offered as part of a job's benefits package.

401(k) & 403(b) Defined Contribution plans.
The employee chooses to put a percentage of their salary into the account.

The "Free Money" Employer Match: Often 5% for the first 6% of salary. The most important feature.

Pensions Defined Benefit: Employer promises a monthly payment for life. Becoming rare in private sector, common for teachers and government employees.

2nd Leg-Employer Sponsored Plans

1. What is the main difference between a defined contribution plan (401(k)) and a defined benefit plan (pension)?
2. Why is an employer match on a 401(k) plan considered "free money" and a benefit?
3. Why are pensions becoming less common in the private sector but still common in government jobs like teaching?

3rd Leg-Individual Choices (The Personal Growth)

The Concept: Individuals choose to invest and manage themselves, regardless of where they work.

Individual Retirement Accounts (IRAs)
This includes buying stocks, bonds, or real estate outside of a "retirement account".

Personal Investments
This includes buying stocks, bonds, or real estate outside of a "retirement account".

Teaching Tip
Contrast the 401(k) (tied to a job) with the IRA (tied to the person). If you leave your job, you keep your IRA, but you might have to "roll over" your 401(k).

3rd Leg-Individual Choices

1. What is the difference between a Traditional IRA and a Roth IRA?
2. Why might someone choose to open an IRA instead of only relying on a 401(k) from their job?
3. What are some examples of personal investments outside of a retirement account, and why might people choose to invest this way?

Summary Comparison

Source	Who Controls It?	Investment Choice?	Main Benefit
Social Security	Government	No	Guaranteed (as of now)
401(k) / 403(b)	Employer/You	Limited List	Employer Match (Free Money)
Pensions	Employer	No	Steady check for life
IRA	You	Almost Unlimited	Total control and tax perks

Read each scenario carefully and decide which category it belongs to: Individual Choice, Employer-Sponsored Plan, Government Program. Write the correct category next to each scenario.

1. Maria opens a Roth IRA and contributes money from her paycheck each month.
2. James has money taken out of his paycheck and his company matches 5% into his 401(k).
3. After retiring, Mr. Lee receives a monthly Social Security check.
4. Tanya buys stocks using an app on her phone outside of any retirement account.
5. Carlos works for a school district and will receive a pension when he retires.
6. Emily invests in rental property to earn income in the future.
7. Derrick contributes part of his salary into a 403(b) plan through his job.
8. After years of working, Ms. Johnson receives Medicare benefits.
9. Ava opens a Traditional IRA at her bank and deposits money regularly.
10. Ben works for a company that automatically enrolls him in a retirement plan.

Google Slides that easily converts to PowerPoint

Hi! My name is Denise Leigh. I have been teaching Business Education for over 25 years! I love collaborating with business educators all over the world. I am a 2022 Pennsylvania Teacher of the Year Finalist and relentless lifetime learner and lover of everything education. Engaging students and connecting them to their world is my jam! Thank you for exploring my resources and sharing my passion for BUSINESS EDUCATION!

Denise Leigh is an expert on student-led instruction. She was featured on CBS Pittsburgh for her City Collaborative™ Project-Based Business Education (PBL) Classroom.

