

## ***POWER AND WEALTH***

### Step 1:

You will prepare a budget for a family of four. In the creation of your budget, you can decide if you would like to envision yourself as a high-income earner, a middle-income earner, or a low-income earner.

Open the Excel document from the Out\_Basket and complete the budget using the following figures:

High-Income Earner: \$25,000.00/mo.

Middle-Income Earner: \$8,500.00/mo.

Low-Income Earner: \$4,000.00/mo.

When your budget is complete, answer the following questions on a piece of looseleaf (Put the title of this assignment and the date at the top of your page):

1. Looking at your budget, it's likely that the majority of your income goes to taxes, are you okay with the amount you pay in tax? Explain.
2. Did any of the costs surprise you? Explain.
3. Is it fair that certain people make more money than others? Explain.

The instructor will let you know when to move onto Step 2.

### Step 2:

Wages have declined \_\_\_\_\_%. Figure out what your new income is and fix your budget if you now don't have enough to cover your expenses.

Inflation has risen \_\_\_\_\_%. Figure out what your new expenses are and fix your budget if you now don't have enough to cover your expenses.

4. Why do periods of economic distress cause tensions between different groups? What were some of the tensions found in France at the beginning of the Revolution?
5. Should the size of a group determine the degree to which society responds to its demands? Use a present-day example to illustrate your point.

Teacher notes:

Wages will decline 20%. Have the students calculate 20% of their income and then tell them to subtract that amount. Student will not need to find a new house and/or vehicles, but may need to change the amount of money they are putting toward each of these expenses.

Inflation will rise 20%. Have the students calculate 20% of everything in italics and then add that amount to each.