

# How Children Can Earn Money

## (What Do You Know Now? — Key)

Read each question below. Each question may have more than one correct answer, so circle every correct answer. Add your name and today's date at the bottom. **Correct answers are in bold.**

- What is the difference between a wage and a salary?
  - A salary is payment you receive to complete the work required by a company or small business.**
  - A wage is payment you receive by the hour for working.**
  - A salary is payment you receive by the hour for working.
  - A wage is payment you receive to complete the work required of you.
  - A wage and a salary are the same.
- What are sources of taxable income other than a wage and a salary?
  - Dividend**
  - Interest**
  - Rental income**
  - Unemployment**
  - Disability benefits**
- What are jobs children can do to earn money?
  - Running a lemonade stand**
  - Doing yard work (raking leaves, shoveling snow, planting seeds)**
  - Walking dogs**
  - Babysitting (starting at age 11)**
  - Delivering newspapers (usually starting at age 10 to 12, depending on the state)**
- What is a tax?
  - A user's fee
  - A federal, state, or local fee to pay for public services**
  - A license fee
  - An administrative fee
  - A service fee
- What is the difference between a sales tax and an income tax?
  - Only adults pay for sales and income tax.
  - A sales tax is a consumption tax paid when you buy a good or service.**
  - An income tax is a tax based on earning money.**
  - There is no difference between a sales and an income tax.
  - The federal government creates a sales tax.
- What does the federal government use tax revenues to pay for?
  - Public schools**
  - Medicare**
  - Roads and highways**
  - National parks**
  - Military**

Your Name: \_\_\_\_\_

Today's Date: \_\_\_\_\_