

## COOKIE MONSTER

To make this exercise more meaningful, it is suggested that you provide each student with a card with a description of who they represent written on each card, such as “Employee,” FICA Taxes,” State Taxes,” Federal Taxes”. This will eliminate a lot of class time in selecting students as the activity progresses.

1. Purchase a bag of cookies. Inform a volunteer (“Employee”) student that these cookies represent his/her take home pay. Try to generate a feeling of how nice and big this package of cookies is and that they have earned it all alone and it belongs to them.
2. As the student starts to return to his/her seat, stop him/her and tell them that you forgot to take out the portion that does to the federal for income taxes. Have another student assumes the role of a federal tax collector (“Federal Taxes”) giving \*19% of the cookies.
3. As the student starts to return to his/her seat, stop him/her and tell them that you forgot to take out the portion that does to the state for income taxes. Have another student assumes the role of a state tax collector (“State Taxes”) giving \*10.7% of the cookies.
4. As the student is returning to their seat, again tell them that you forgot about FICA taxes. Have another student assumes the role of a FICA (“FICA Taxes”) giving \*\* 6.2% Social Security, 1.45% Medicare.
5. When you have completed all of the deductions have the student return to his/her seat with what is left of their package of cookies.
6. You may then want to have the student share the remaining cookies with those students who haven’t participated in the exercise.

Resource- \*[www.taxfoundation.org](http://www.taxfoundation.org)

\*\*[www.fefe.arizona.edu](http://www.fefe.arizona.edu) (1.13.0 Paychecks and Taxes)