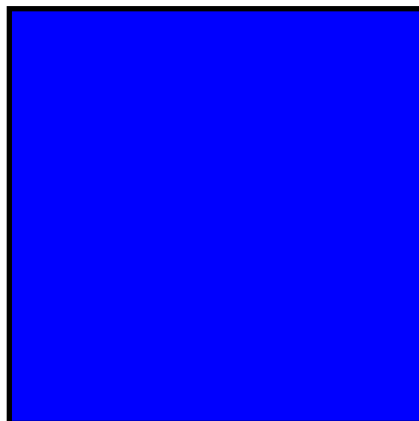


Earning Income

What types of earnings are there?

- Wages
- Salary
- Piecework
- Commission
- Contract



Types of Earnings

Wage

= what you earn being paid by the hour

Ex - waiter, cashier, trades, lawyers (sometimes)

Salary

= fixed pay amount for the year

Ex - teachers, managers, professional workers

Piecework

= payment for each piece of work produced

Ex - seamstress, delivering flyers, planting trees

Straight Commissions

= paid a percentage of the \$ value of all items sold

Ex - realtor, car salesman, financial advisors, mortgage brokers

Salary Plus Commission

Ex - furniture sales, insurance salesman

Contracts

= payment for the completion of a specific project or job

contract amount is based on an hourly wage and materials

Ex - Construction "house builders", trade workers, mechanics

Advantages and Disadvantages

Wages

Adv - guaranteed pay per hour
- work more hrs, more pay!

Disadv - need to work more hours to earn more
- may not get many hours

Salary

Adv - guaranteed pay regardless of hours worked

Disadv - even if you work more hours, pay stay same

Piecework

Adv - the more items completed, the more pay
(don't necessarily have to work more hours)

Disadv - no pay for no work

Commission

Adv - if you sell lots, you can make lots of money
in a short time

Disadv - no sale no pay

Contract

Adv - pay stays the same regardless of hours worked

Disadv - if you don't complete the contract, no pay
- if you work lots of hours, total pay stays the same