

Different Ways to Make Money: Wage, Salary and Commission

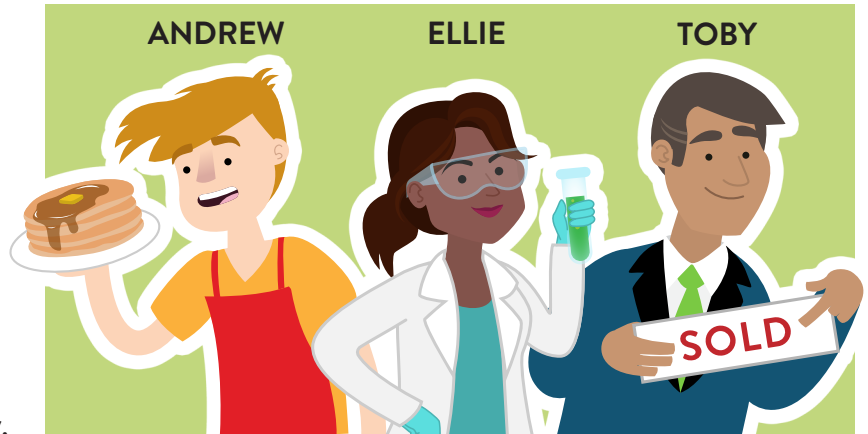
People earn an income when they are hired by an employer to work at a job. Income is earned as a **wage**, a **salary** or a **sales commission**.

Let's look at an example of each:

Andrew works as a waiter at the Pancake Hut. He earns a wage. A wage is a set amount of money per hour of work. Andrew's wage is \$10 per hour.

Ellie works as a scientist. She earns a salary. A salary is a set amount of money per year. Ellie's salary is \$50,000 per year. If she adds up all her paychecks this year, the total will equal \$50,000.

Toby works as a real estate agent. He earns a sales commission. A sales commission is an amount of money based on part of a sale amount. Tony is helping a family sell their house. The family agrees to pay Tony 5% of the house's sale price. Tony sells the house for \$200,000. The family pays him \$10,000, which is 5% of the \$200,000 sale.



Andrew, Ellie and Toby earn income in different ways.

Questions:

1. List three different ways an employer can pay you for working at a job.
2. What is the difference between a **wage** and a **salary**?
3. A _____ is income based on part of a sale amount.
4. What would Andrew have to do to earn more money at his job? What would Toby have to do?
5. **Bonus Question:** A wage, a salary and a sales commission are all ways to earn income at a job. What is another way to earn income?

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