

-Median income is the person in the middle after putting incomes in order. For example, if there is a list of 7 incomes, the median is the one who has 3 higher and 3 lower. The cumulative income of the median-income earner is the income for the first four income earners.

-Calculate taxes: The tax paid by someone who earns \$60,000 is calculated by using the tax table. They are multi-step problems. Remember to multiply the percent (convert to a decimal first) by the amount. A person pays \$750 on the first \$15,000, \$1,200 on the next \$15,000, and \$3,600 on the remaining \$30,000 for a total tax of \$5,550.

-Marginal tax rates: The marginal tax rate (rounded to the nearest tenth of a percentage point) for someone whose income increases from \$80,000 to \$100,000 is 20%. It is calculated by finding the difference between the taxes paid at each income level and divide by the increase in income.