



Chapter Three: Income and Careers

Chapter Learning Objectives

1. Recognize how personal choices, education, training, and other factors affect future income.
2. Identify sources of income including entrepreneurial activity.
3. Become aware of programs and practices that enhance success in income and careers.

Episode 210 Synopsis

There's really no secret – it's all about staying in school and building the best tool box for your future that you can. We learn about the many ways to pay for that education or training, and how important embracing the idea is of learning everyday of your life.

Jump\$Start Standards Correlations

Financial Responsibility and Decision-Making

- Take responsibility for personal financial decisions.
- Make financial decisions by systematically considering alternatives and consequences.
- Explore career options.

Washington State Standards Correlations

SOCIAL STUDIES

2. ECONOMICS - The student applies understanding of economic concepts and systems to analyze decision-making and the interactions between individuals, households, businesses, governments, and societies.

2.1 Understands that people have to make choices between wants and needs and evaluate the outcomes of those choices. (9-12)

National Standards for Financial Literacy – Council for Economic Education Correlations

I. EARNING INCOME

Students will understand that income for most people is determined by the market value of their labor, paid as wages and salaries. People can increase their income and job opportunities by choosing to acquire more education, work experience, and job skills. The decision to undertake an activity that increases income or job opportunities is affected by the expected benefits and costs of such an activity. Income also is obtained from other sources such as interest, rents, capital gains, dividends, and profits.

Lesson Prep and Supplies

Getting Started

1. Familiarize yourself with this **BizKid\$** episode by watching it ahead of time. The episode will serve as a springboard to student learning, discussions, vocabulary exploration, and related hands-on activities.
2. Determine what equipment is required to show the episode in the classroom and request it if needed.
3. Choose an activity and gather the supplies needed to complete the lesson.

Equipment & Supplies for Preview and Screening

Time Needed: 45-60 minutes

Items Needed For Class:

TV/DVD Player
DVD of Episode 210
Projection System

Items Needed for Each Student:

Pencil or Pen
Paper for taking notes
Copy of BizTerms sheet for each student

Activity One: Preview and Screening

Introduction

Briefly explain that **BizKid\$** is a public television series that teaches kids about money and business. Mention that the bizkids.com website has lots of video clips, games, a blog, and other resources to help kids start businesses and learn about money.

Episode Preview Activity

Before you show **BizKid\$** episode 210, “Secrets to Success” lead your students in a brief activity.

- Distribute scratch paper and pen or pencil to each student. Let students know to list any questions they have for later discussion.
- Ask students if they can define “human capital.” After they have shared their ideas, tell them that human capital includes the skills, education, and abilities people have. When workers or students learn and practice new skills, they are improving their human capital value as well as their earning potential.
- Ask students “How do people earn money?” Share that these ways to earn money might be categorized as coming from natural resources (selling crops, land, or minerals), coming from human resources (making music, playing sports, operating machinery), coming from capital resources (investing), or coming from entrepreneurial ability (creating a business).
- Discuss with students that their income is related to choices they make about education, training, skill development, and careers. People with fewer skills or less education are likely to earn less than people with more skills and more education. However, while new skills may increase your productivity, there is also an opportunity cost and some economic risk involved. You must decide if the opportunity cost is worth the benefit of the training or education that you are seeking.

After the students discuss these questions as a group, tell them what they will see in episode 210 “Secrets to Success” as described below.

About the Episode

In this episode, you’ll learn the value of staying in school and building the best tool box for your future that you can. You will also learn about ways to pay for education and training, and the importance of becoming a life-long learner.

Next Steps

Show the BizKid\$ episode. After the episode, ask students if they found answers to any of the questions they wrote on their sheets. Allow them to share and ask any questions that remain. Did they learn anything from the episode that will influence their behavior?

Distribute the list of BizTerms vocabulary to each student. Have them look up definitions. Papers are due in about 30 minutes. After 30 minutes have passed, give the students a copy of the definition sheet and they can check their own answers against the sheet.

Activity Two: BizTerms Vocabulary and Definitions

BizTerms Vocabulary

1. Apprentice
2. 529 Plans
3. FAFSA forms
4. Financial advisor
5. Grants
6. Scholarships
7. Student loans
8. Technical training
9. Tuition
10. Vocation

BizTerms Definitions

1. An Apprentice is someone who learns a trade or skill by working for a person who has already become successful at that trade or skill.
2. 529 Plans are pre-tax financial savings accounts that are designated for educational expenses.
3. FAFSA forms are used to apply for federal financial aid to attend a college or university. Federal financial aid may include student loans and grants.
4. A Financial advisor is a person who can give you advice about how to manage your money in order to reach your financial goals.
5. Grants are awards of money that do not have to be paid back. This money can only be spent for the purpose of the grant. For example, an educational grant can only be used for approved educational expenses. Most grants require that you submit proof of how you have spent the grant money after you have spent it.
6. Scholarships are awards of money that do not have to be paid back. Unlike grants, you usually do not have to submit a report of how you spent the money.
7. Student loans are amounts of money that you can borrow in order to pay for approved educational expenses, usually for attending a college or university. This money has to be paid back plus interest.
8. Technical training is a type of education that gives you a specific set of skills. Technical training is usually a shorter amount of time than a formal degree program at a college or university.
9. Tuition is the amount of money that a college or university charges for attending that school.
10. Vocation is your chosen career field. Vocational training is a type of technical training that is related to your job, or to the job that you would like to have.

Activity Three: Choose Your Path

Activity Learning Objectives

- Analyze how personal choices in education, training, and other factors affect future incomes.
- Identify sources of income, including entrepreneurial activity.

Supplies Needed

- Pen or pencil
- Student copies of activity worksheet

Directions

- Distribute an activity worksheet and a pen or pencil to each student.
- Allow 15 to 30 minutes for students to read the directions and write their answers.
- Then have a class discussion about what you want to do after you finish high school. Will you go to college, enter a trade school, join the military, start a business, become an employee, or do something else? Your choice will affect your future earnings.
- Challenge students to create a more detailed plan to achieve their goal after they have evaluated their options through the use of this worksheet.

Choose Your Path Worksheet

Do you already have a career or professional goal in mind? How much will you earn if you achieve your goal? Do you know how much it will cost to achieve your goals? Do you know how you will pay for these expenses? Using the internet or your local library, find the information to fill in the table below.

Goal	Potential Income	Cost	How I Would Pay For It
<i>Example:</i> 2 year degree at local college	\$10,000 per year more in income than no degree at all	(may vary by state) California \$5,200	Scholarships - \$100 Grants - \$100 Summer jobs - \$1,000 529 Plan - \$1,500 Student loans - \$2,000 Other - \$500
High School Diploma			
Start a Business			
Military			
Technical Training			
4 year College Degree (Bachelor's degree)			
Graduate Degree (Master's degree)			
Other			

Activity Four: Entrepreneurship

Activity Learning Objectives

- Identify different types of businesses that an entrepreneur can choose from.
- Determine which type of business best fits your personality.

Supplies Needed

- Pencil with eraser
- Student copies of activity worksheet

Directions

- Distribute an activity worksheet and a pencil with eraser to each student.
- Allow 15 to 30 minutes for students to read the directions and write their answers.
- Then have a class discussion about the different types of businesses that an entrepreneur can choose from.
- Have students share their preferences with the class and support their choices by explaining their thinking.

Entrepreneurship Worksheet

Entrepreneurs are individuals who see a need for a service or product and start or acquire a business to fill that need. There are many different ways to start a business, and your business should suit your personality as well. Using the internet or your local library, fill in the information in the chart below.

Type of Business	Personality traits	Would I do it?	Why or why not?
Example: Retail	Organized and keeps in touch with people, has good communication skills.	Yes	I am very organized and I am good at keeping in touch with people.
Manufacturing	Good with math, has ideas for new products, detail oriented.		
Wholesale	Wants to deal with a few distributors instead of lots of customers. Works well under pressure.		
Service	Feels good helping others. Has a giving nature.		
Franchise	Prefers less risk by using a proven brand, willing to do what they're told to do by corporate headquarters.		
Artist, Musician	Some natural talent and is willing to practice, good at self-promotion.		

Resources

- National Financial Educators Council (NFEC) NFEC and the NFEC EduNation Campaign provides complementary personal finance materials for parents, educators and concerned citizens interested in teaching children about money.
<http://www.financialeducatorsCouncil.org>
- Banking and Financial Systems This is a textbook published by Goodheart-Willcox. The ISBN number is 978-1-60525-778-5.
<http://www.g-w.com>
- Voluntary National Content Standards in Economic Education This book is the 2nd edition from the Council for Economic Education. The ISBN number is 978-1-56183-733-5.
<http://www.councilforeconed.org>
- Improving Financial Literacy: What Schools and Parents Can and Cannot Do This book is published by Jump\$tart Coalition for Personal Financial Literacy. The ISBN number is 0-9666010-1-7.
<http://www.jumpstart.org>