

Jobs and Money Lesson 2: Choosing Jobs, Choosing Salaries

SUBMITTED BY: K@WHS Summer 2011 Instructor

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

In this lesson, students think about the different kinds of wages and income they can earn. Students explore how work or service is valued in terms of wages and how more education can be an asset to earning more income.

≡ NBEA STANDARD(S):

- Personal Finance, II. Earning and Reporting Income
- Entrepreneurship, IV. Finance

≡ RELATED ARTICLES:

- [“You’re Fired! Now What?”](#)
- [“The Value of a Summer Job”](#)
- [“Student Essay: Saving for Retirement: ‘Time Is on Our Side’”](#)
- [“Educator Toolkit: The Future of Work”](#)
- [“CEO Katlyn Grasso Connects Young Women with Executive Role Models”](#)
- [“Career Spotlight: Studying to Be a Veterinary Technician”](#)

NBEA Standard(s):

Finance 2: Earning and Reporting Income

Common Core Standard(s):

- Reading Informational Text–RI.9-10.1.; RI.9-10.2.
- Speaking and Listening–SL.9-10.1.

Purposes:

- After this lesson, students will be able to define the lesson’s key terms.
- They will also have thought about how certain professions are connected to income.

Wharton Global Youth Program Definitions:

- Labor Market: <https://globalyouth.wharton.upenn.edu/glossary/labor-market/>
- Service: <https://globalyouth.wharton.upenn.edu/glossary/service/>
- Flex Time: <https://globalyouth.wharton.upenn.edu/glossary/flex-time/>
- Unearned Income: <https://globalyouth.wharton.upenn.edu/glossary/unearned-income/>

Knowledge@Wharton Resources:

K@W article: “[What Impact, If Any, Will Higher Minimum Wages Have on Retailers and Low-income Workers?](#)”

Materials:

Butcher paper, markers, Internet.

Activity:

This lesson has six parts.

Quick Group Brainstorm (5 min)

Ask one student to write on the board as many jobs that the rest of the students can come up with that they have seen people working in. It could be their friends, parents, neighbors, other adults they don’t know like in the movies or on TV. Or it could be what they hope to do someday.

Introduction to Lesson (10 min)

The teacher should define the following terms:

1. Earned income [income earned from work done somewhere; mention the difference between hourly wages versus salaried income; for hourly wages, discuss the concept of overtime]
2. Unearned income [examples: inheritance, lottery winnings]
3. Passive income [usually generated without physical involvement; example of this would be renting out one's own apartment or home]
4. Portfolio income [income generated from assets such as bonds, stocks, trusts, saving accounts; in other words, making your money work for you.]

Then he or she should leave a column next to each job and ask students to brainstorm which income type 1 through 4 would someone working in that position get, stereotypically. So a department store cashier should not get unearned income or passive income. Also have them think about the following questions:

- How are wages calculated for the different jobs they wrote down?
- What does that indicate about the way work is valued?
- What are the factors that employers think about when calculating wages/salaries? [Level of education; need of the service in today's economy (how specialized is the work?); cultural values (how much teachers get paid versus reality TV stars?), etc.]

Large group work (10 min)

Ask students to think about each kind of income and what kinds of backgrounds/education/other requirements they need before a person can get these income types. Ask them to come up with certain characteristics that people have who receive such incomes — focus on education and how it can help increase the amount of money they earn/make.

Group Work (10 min)

In groups, have students read an excerpt (the first page) from the following K@W article: [“What Impact, If Any, Will Higher Minimum Wages Have on Retailers and Low-income Workers?”](#)

Questions for students:

- Ask them to think about what kinds of jobs are usually hourly wage incomes and what kinds of jobs are more salary-based. Why is this so?
- Also think about consulting or legal fees, which are also calculated by the hour. What is different between these jobs in the labor market? What is similar? Again think about education in context to these fees.
- Think about salary packages and ways that companies give more income but not through earned salaries, like signing bonuses, subsidies on childcare and parking, 401K plans (matching your contributions as long as it's under a certain amount), company stocks).

Closing Discussion (10 min)

Ask students to think about some of the jobs they discussed in the previous lesson that may exist in the future. What kinds of income would go with these jobs? Go over the connections the students made and discuss which ones are correct and which ones are not. Think about how they may not have accounted for some kinds of income at first and why it's important to think about money in diverse ways, i.e. beyond the salaried income most people earn. Before wrapping up, ask students what kind of income would be most appealing to them and which one least. Ask them to think about quality of life and how many hours a week they are interested in working? Are any of them thinking of changing their profession based on what they've learned about income?

(40 min)

Tying It All Together:

The point of this lesson is for students to have more decision-making power when it comes to salaries and to understand how wages can work.

What Worked and What I Would Do Differently: