

## Lesson Plan

### What is the importance of developing job skills?

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#### Overview:

This lesson introduces students to the connection between education attainment and earning potential. Students will participate in a classroom activity where they develop a budget according to a given scenario. Additionally, students will actively read and discuss a *Dr. Econ* Question: *What is the importance of developing job skills?*

#### Economic Concepts Covered in the Lesson Plan:

- Choice
- Personal finance
- Labor markets

#### Learning Objectives:

- Identify the relationship between education and income level.
- Develop a budget.
- Explore changes in labor market trends.

#### Estimated Time Required:

One 50 minute class period

#### Materials needed:

- Handout #1: Student Budget, one per student
- Handout #2: Budget Card, one budget card per student
- Handout #3: Discussion questions, one per student
- Visual #1: Team Budget
- Calculator, one per student
- 3x5 cards or a blank sheet of paper, one per student

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#### Directions:

1. State the following: Today's class will focus on the relationship between education and income level. To start today's lesson, you will participate in a budget activity.
2. Distribute Handout #1 "Budget Sheet," Handout #2 "Budget Card," (make sure that each student only receives one budget card scenario; there are four per handout sheet) and 3x5 cards.
3. Ask students the following questions (write budget, expense, and income on the board):
  - What is a budget? (a plan for spending money)
  - What is an expense? (An expense is anything you spend your money on)
  - What is income? (Income is the money you earn)
4. Instruct students to read Handout #2 "budget playing card", front and back.
5. Announce that the students will be separated into four groups. The group will be the color of the budget card. Direct the students to four different "color" groups within the classroom.
6. Ask students to bring all the materials to their designated group.
7. Once everyone is in their group, ask students to individually calculate the monthly budget by using the data on the budget card. Ask students to record the answers on the budget sheet.
8. Allow five to ten minutes for this activity.
9. As students work on the budget sheet, display visual aid # 1: "team budget" on an overhead in front of the class.
10. Once the majority of students have finished writing, ask for a volunteer from each group to come to the front of the room to record their answers onto visual aid #1 and have the rest of the students adjust their chairs to have a clear view of the overhead.
11. As the student volunteers finish, ask the following questions:
  - a. What do you notice about the data? (there are differences between the colors)
  - b. Why do you suppose there is a difference? (people earn and spend differently)
  - c. What factors do you think cause people to earn and spend differently? (education, skills, occupation, preferences)
12. Ask a volunteer from each group to state their level of education and record on the budget display. State that the level of education has a significant impact on earning ability.
13. Ask the students to take their 3x5 card out and write a summary statement answering the following question: Why do people create budgets?
14. Ask a few students to share their answers. Lead the students to conclude that a budget gives you control over your money.
15. State the following: We will now read a *Dr. Econ* question that further discusses the link between education level and salary.
16. Distribute to each student one copy of "*Dr. Econ: What is the importance of developing job skills?*" and handout #3: "Discussion Questions."
17. Allow students 10-15 minutes to complete the assignment.

**Lesson Plan**

**What is the importance of developing job skills?**

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**Handout #1**

# **Budget Worksheet**

Name \_\_\_\_\_ Team Color \_\_\_\_\_

Directions:

Determine your MONTHLY expenses by inputting data in the chart below from your budget game cards.

|                             | <b>Totals</b> |
|-----------------------------|---------------|
| <b>Income</b>               |               |
| <b>Rent</b>                 |               |
| <b>Transportation Costs</b> |               |
| <b>Food</b>                 |               |
| <b>Entertainment</b>        |               |
|                             |               |
| <b>Total Left Over</b>      |               |



**There's a lot to learn about money!**

## Budget Game

**Directions:**

- Read entire summary section of your game card.
- Fill in budget sheet with information contained in the summary section of your card.
- Assume the following information:
  - A month is 4 weeks
  - You work 8 hours a day, 5 days a week



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**Summary:**

You are a high school graduate and have attended some college. You work as a bus driver for the school district. You make \$13.00 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located in a different city than your job. Your rent is \$1,050 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$60 a week on food and your favorite hobby is mountain bike racing so you spend \$70 a week on entertainment.

**Summary:**

You are a high school graduate and have attended some college. You work as a paralegal for a small law firm. You make \$13.55 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located across town. Your rent is \$1,050 a month and it costs you \$5.00 a day to ride the bus to and from work. You spend \$55 a week on food and your favorite hobby is traveling so you spend \$70 a week on entertainment.

**Summary:**

You are a high school graduate and have attended some college. You work as an executive assistant for a large company. You make \$13.30 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located across town. Your rent is \$1,050 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$55 a week on food and your favorite hobby is working on classic cars so you spend \$70 a week on entertainment.

**Summary:**

You are a high school graduate and have attended some college. You work as a physician's assistant at the local hospital. You make \$13.45 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located across town. Your rent is \$1,050 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$65 a week on food and your favorite hobby is watching movies so you spend \$75 a week on entertainment.



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**Summary:**

You are a high school graduate and have attended some college. You work as a security guard for a large department store. You make \$13.50 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located in a different city than your job. Your rent is \$1,050 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$65 a week on food and your favorite hobby is traveling so you spend \$80 a week on entertainment.

**Summary:**

You are a high school graduate and have attended some college. You work as a beautician for a national chain. You make \$13.65 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located across town. Your rent is \$1,050 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$65 a week on food and your favorite hobby is surfing so you spend \$80 a week on entertainment.

**Summary:**

You are a high school graduate and have attended some college. You work as a home health care nurse's aid. You make \$13.30 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located across town. Your rent is \$1,100 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$55 a week on food and your favorite hobby is traveling so you spend \$80 a week on entertainment.

**Summary:**

You are a high school graduate and have attended some college. You work as a janitor in a government building. You make \$14.00 day. You rent an apartment which is located across town. Your rent is \$1,100 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$65 a week on food and your favorite hobby is rock climbing so you spend \$80 a week on entertainment.



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**Summary:**

You are a non-high school graduate. You work for a local farmer and make \$6.75 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located several miles from your work. Your rent is \$700 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$60 a week on food and your favorite hobby is going to the movies so you spend \$35 a week on entertainment.

**Summary:**

You are a non-high school graduate. You work as a local grounds keeper for a small company and make \$6.85 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located in a different city from your work. Your rent is \$700 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$55 a week on food and your favorite hobby is surfing so you spend \$30 a week on entertainment.

**Summary:**

You are a non-high school graduate. You work as a cashier for a national fast food restaurant and make \$6.00 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located across town from work. Your rent is \$700 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$55 a week on food and your favorite hobby is cycling so you spend \$30 a week on entertainment.

**Summary:**

You are a non-high school graduate. You work as a day-care assistant and make \$6.10 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located in a different city from your work. Your rent is \$700 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$50 a week on food and your favorite hobby is going to the movies so you spend \$30 a week on entertainment.



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**Summary:**

You are a non-high school graduate. You work as a server for an upscale restaurant in the city and make \$6.15 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located in a different city from your work. Your rent is \$750 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$55 a week on food and your favorite hobby is bowling so you spend \$40 a week on entertainment.

**Summary:**

You are a non-high school graduate. You work on an assembly line for a local factory and make \$6.20 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located across town. Your rent is \$700 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$55 a week on food and your favorite hobby is surfing so you spend \$50 a week on entertainment.

**Summary:**

You are a non-high school graduate. You work as a server at a local diner and make \$6.00 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located across town. Your rent is \$750 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$55 a week on food and your favorite hobby is fishing so you spend \$45 a week on entertainment.

**Summary:**

You are a non-high school graduate. You work as a baker for a local bakery and make \$6.30 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located across town. Your rent is \$700 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$55 a week on food and your favorite hobby is rock climbing so you spend \$40 a week on entertainment.



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**Summary:**

You are a high school graduate. You work at a local clothing store as a sales person. You make \$10.00 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located across town. Your rent is \$800 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$60 a week on food and your favorite hobby is golfing so you spend \$40 a week on entertainment.

**Summary:**

You are a high school graduate. You work as a shoe sales person for a national department store. You make \$10.15 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located in a different city than you job. Your rent is \$850 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$60 a week on food and your favorite hobby is hang gliding so you spend \$40 a week on entertainment.

**Summary:**

You are a high school graduate. You are an apprentice for a local carpenter. You make \$10.25 an hour. You work 6 days a week, 8 hours a day. You rent an apartment which is located across town. Your rent is \$850 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$65 a week on food and your favorite hobby is surfing so you spend \$45 a week on entertainment.

**Summary:**

You are a high school graduate. You work as an assistant manager for a national fast food chain. You make \$10.35 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located across town. Your rent is \$800 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$55 a week on food and your favorite hobby is going to the movies so you spend \$45 a week on entertainment.



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**Summary:**

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**Summary:**

You are a high school graduate. You work as an assistant manager for a retail department store. You make \$10.25 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located across town. Your rent is \$850 a month and it costs you \$5.00 a day to ride the bus to and from work. You spend \$60 a week on food and your favorite hobby is working on classic cars so you spend \$55 a week on entertainment.

**Summary:**

You are a high school graduate. You work as a bicycle mechanic for a small bike shop. You make \$10.35 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located in a different city than your job. Your rent is \$850 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$65 a week on food and your favorite hobby is traveling so you spend \$55 a week on entertainment.

**Summary:**

You are a high school graduate. You work as a dock supervisor for a local ferry boat company. You make \$10.45 an hour. You work 5 days a week, 8 hours a day. You rent an apartment which is located in a different city than your job. Your rent is \$850 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$65 a week on food and your favorite hobby is surfing so you spend \$60 a week on entertainment.



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**Summary:**

You are a college graduate. You work as a teacher for a private elementary school. You make \$16.00 an hour. You work 5 days a week, 8 hours a day. Your rent is \$1,300 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$75 a week on food and your favorite hobby is traveling so you spend \$80 a week on entertainment.

**Summary:**

You are a college graduate. You work as a sales executive for a large firm. You make \$16.15 an hour. You work 5 days a week, 8 hours a day. Your rent is \$1,300 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$75 a week on food and your favorite hobby is mountain biking so you spend \$80 a week on entertainment.

**Summary:**

You are a college graduate. You work as an accountant. You make \$16.30 an hour. You work 5 days a week, 8 hours a day. Your rent is \$1,350 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$80 a week on food and your favorite hobby is rock climbing so you spend \$80 a week on entertainment.

**Summary:**

You are a college graduate. You work as a public relations specialist for a large PR firm. You make \$16.45 an hour. You work 5 days a week, 8 hours a day. Your rent is \$1,300 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$80 a week on food and your favorite hobby is surfing so you spend \$80 a week on entertainment.



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**Summary:**

You are a college graduate. You work as a banker. You make \$17.00 an hour. You work 5 days a week, 8 hours a day. Your rent is \$1,400 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$70 a week on food and your favorite hobby is traveling so you spend \$80 a week on entertainment.

**Summary:**

You are a college graduate. You work as a graphic designer. You make \$17.15 an hour. You work 5 days a week, 8 hours a day. Your rent is \$1,400 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$70 a week on food and your favorite hobby is mountain bike racing so you spend \$80 a week on entertainment.

**Summary:**

You are a college graduate. You work as a nurse. You make \$18.00 an hour. You work 5 days a week, 8 hours a day. Your rent is \$1,400 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$75 a week on food and your favorite hobby is horseback riding so you spend \$85 a week on entertainment.

**Summary:**

You are a college graduate. You work as an interior decorator. You make \$18.50 an hour. You work 5 days a week, 8 hours a day. Your rent is \$1,450 a month and it costs you \$6.00 a day to ride the bus to and from work. You spend \$75 a week on food and your favorite hobby is traveling so you spend \$85 a week on entertainment.

## Lesson Plan

### What is the importance of developing job skills?

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#### Handout #3: Discussion Questions

1. According to Chart 1, in 2001, what is the percentage difference between a non-high school graduate's salary and that of a college graduate (bachelors degree)? How about between a high school graduate and that of a graduate school graduate?
2. What are possible opportunity costs for attending college?
3. Cite some "innovations in the workplace" that have made the job market more competitive in the past twenty years (examples don't necessarily need to come from the article).
4. According to the article, name one way a worker can remain skilled even if their industry is "phased out" of existence.
5. According to former Chairman Greenspan's testimony cited within the article, what do the differences in wage trends suggest?
6. What does the article suggest as "proof" that the returns from investment in higher education have risen?

## Lesson Plan

### What is the importance of developing job skills?

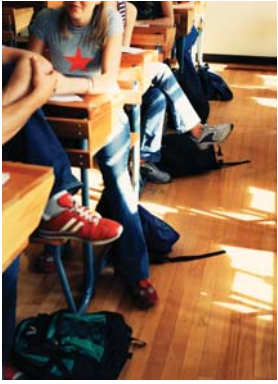
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#### Handout #3: Discussion Questions Answer key

1. According to Chart 1, in 2001, what is the percentage difference between a non-high school graduate's salary and that of a college graduate (bachelors degree)? How about between a high school graduate and that of a graduate school graduate?  
*Approximately 250% for both.*
2. What are possible opportunity costs<sup>1</sup> for attending college?  
*Answers will vary, but students could cite lost wages from entering the workplace after high school and lost time doing extra - curricular activities, etc.*
3. Cite some "innovations in the workplace" that have made the job market more competitive in the past twenty years (examples don't necessarily need to come from the article).  
*Answers will vary. Possible answers are increased reliance on computers and other technological advancements.*
4. According to the article, name one way a worker can remain skilled even if their industry is "phased out" of existence.  
*Increase their education: "The only way to stay ahead of this trend is for workers to continue to educate themselves."*
5. According to former Chairman Greenspan's testimony cited by the article, what do the differences in wage trends suggest?  
*"We have developed a shortage of highly skilled workers and a surplus of lesser-skilled workers."*
6. What does the article suggest is evidence that the returns from investment in higher education have risen?  
*The article cites a study done by Valletta and MacDonald which states: "...that workers who use computers earn more than otherwise similar workers who do not. We also find that this effect has been especially large for highly educated workers in recent years."*

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<sup>1</sup> An opportunity cost is what you give up to get something.



# There's a lot to learn about money

| INCOME/<br>EXPENSES | RED<br>TEAM | BLUE<br>TEAM | GREEN<br>TEAM | PURPLE<br>TEAM |
|---------------------|-------------|--------------|---------------|----------------|
| Income              |             |              |               |                |
| Rent                |             |              |               |                |
| Transportation      |             |              |               |                |
| Food                |             |              |               |                |
| Entertainment       |             |              |               |                |
| NET<br>TOTAL        |             |              |               |                |