



Jobs vs Careers

Standard 1

The student will describe the importance of earning an income and explain how to manage personal income using a budget.

Lesson Objectives

- Differentiate between jobs and careers.
- Explain the impact of education on income.
- Explain human capital.

Personal Financial Literacy Vocabulary

Career: A purposeful course of action or purpose in life that generally provides income.

Earned income: Money received for work performed; may include salary, wages, tips, professional fees, commissions, etc.

Human capital: The health, education, experience, training, skills and values of people. Also known as human resources.

Human capital investment: Investment of time, effort and resources in education and training — to increase one's own knowledge, skills, health, etc., or to develop those assets in others.

Income: Payments earned by households for selling or renting their productive resources. May include salaries, wages, interest and dividends.

Job: A piece of work usually done on order at an agreed-upon rate. Also a paid position of regular employment.

Labor: The quantity and quality of human effort available to produce goods and services.

REMINDER

Having a college degree does not guarantee financial success but pursuing an education does tend to increase a person's income.

Introduction

Felicia and Phillip live next door to each other and have been best friends ever since his family moved into the neighborhood. A few years ago, they started working together to earn spending money by raking leaves and pet- sitting. Their business, now called WeWork4U, has expanded to mowing yards, running errands, and other services.

Felicia wants to be a teacher and is saving her money to go to college. Phillip sees no reason to go to college. They are making good money in their business, and he wants Felicia to continue the business with him. Phillip says going to college is a waste of time and money. Felicia is disappointed that Phillip does not see the value of education.

If they come to you for advice, what would you tell them?

Lesson

Different individuals have different skills and abilities, but everyone can improve the quality of those skills and abilities through education. For some, that educational experience may be formal (e.g., college or vocational training) or more informal (e.g., on-the- job experiences). In either case, the primary purpose is to earn an income to meet one's basic needs and pursue their financial goals.

Having a college degree does not guarantee financial success but pursuing an education does tend to increase a person's income. For women, the gains from a college degree are greater than for men. But having a degree or a set of skills is only part of what is required to find employment. Entering the job market today can be challenging and requires effort.

What are your plans after high school? What jobs or careers have you considered? Are you aware of

what that job or profession pays and what requirements are needed to be employed? These are just some of the questions to consider when planning the rest of your life. While it may not seem important today, having a sense of direction is one of the key factors in building financial independence. Having an income is what allows you to buy the things you want and need. Making a choice about a job or a career can also determine how much you can buy and how comfortably you can live.

A job is anything that has to be done and provides income to meet an individual's basic needs. In general, it allows a person to go to work and draw a paycheck. Few people, however, feel passionate or committed to a job. It does not necessarily make you want to get up in the morning, take an interest in what you do, or provide you with fulfillment. A job provides the basics — cash and an activity.

A career, on the other hand, is a profession or vocation that is pursued as your life's work. While it meets the basic definition of a job by providing income from employment, it is much more. A career allows you various opportunities for advancement, for personal growth, for personal challenges and for personal satisfaction.

What do you think would be some of the costs and benefits of a job or a career? For example, a cost of being a doctor is the number of years you have to stay in school to complete all of the requirements; another cost is the actual expense paid to attend medical school. Being a doctor, however, also has benefits. Some of the benefits include making a good salary when you finish medical school and having a career that helps a lot of people.

Human Capital

Whether you choose a job or career, it is important to review your skills, abilities, experiences, and interests because they will help determine how successful you are with your choice.

Those skills, abilities, experiences, and interests are called human capital. They are the resources you take to work with you and will be important in determining the amount of income you have. Building your human capital is a continual process. One of the best ways to improve your human capital is with education because it allows you to increase your knowledge, your skills, and your access to better paying occupations.

Average Annual Income of Workers Age 25 and Older (in dollars) 2014		
	Male	Female
High School		
Less than 9 th grade	\$24,924	\$15,725
9 -12, but no HS diploma	\$29,586	\$16,336
High school graduate	\$40,379	\$24,162
College		

Some college, no degree	\$49,058	\$29,553
Associate's degree	\$53,845	\$33,568
Bachelor's degree	\$78,485	\$46,901
Master's degree	\$97,222	\$56,060
Professional degree	\$154,323	\$93,353
Doctorate degree	\$118,018	\$78,743

Source: US Census Bureau

(Note: These are national averages and the levels of income will vary greatly for different jobs and professions and for different locations. You may want to research more information on jobs, careers and income in your community. Also, females still earn about 80% of what males earn — regardless of education and profession. You may want to research some of the reasons for this difference.)

As you can see, the more education you have, the greater your potential income. Going to college or getting a degree beyond a bachelor's takes a lot of time, energy, and commitment. It also can be expensive.

While formal education, like going to college, may have the greatest impact on your human capital, there are other ways to invest in yourself. For example, you may want to run for a student office at school, participate in volunteer activities, get a part-time job, or start your own business (e.g., lawn care services, baby-sitting services).

Conclusion

Life is about making choices. Few choices will be more important than your ability to earn an income. That income will influence almost every option you have to meet your personal goals. It will help determine where you live, what kind of car you drive, and your lifestyle. Whether you choose a job or a career, some kind of continuing education will be required to build your human capital.

FINAL NOTE: While many successful entrepreneurs have never gone to college, most of them do have a college education. As you can see from the information in this lesson, earnings are greatly increased for people who continue their education beyond high school.

Felicia sees education as an investment in herself, and it will help her achieve her dream of being a teacher. It will also provide the basis for building a successful career.

Phillip should consider taking business courses or getting a degree in business to help him learn more about owning and operating a business.

This lesson was written and created by Oklahoma educators in partnership with



Name: _____ Class Period: _____

Jobs vs Careers Review I.I

Answer the following questions and return the completed assignment to your teacher.

1. Identify three jobs and three careers. What do they have in common? How do they differ?

2. Discuss the cost and benefits of choosing a career instead of a job.

3. Explain different ways for people to build their human capital.

4. What is the value of staying in school?

Name: _____ Class Period: _____

Calculating Annual Income Activity I.IA

Using the data in this table, calculate the difference in income for a high school graduate compared to a college graduate with a bachelor's degree for the next ten years. Then calculate the difference in income for a college graduate with a bachelor's to those with a master's degree.

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Source: US Census Bureau		

Males

HS Diploma	\$		Bachelor's Degree	\$
Bachelor's Degree	\$		Master's Degree	\$
Difference	\$		Difference	\$
Calculate the difference x10			Calculate the difference x 10	

Females

HS Diploma	\$		Bachelor's Degree	\$
Bachelor's Degree	\$		Master's Degree	\$
Difference	\$		Difference	\$
Calculate the difference x10			Calculate the difference x 10	

What could be the potential earnings difference over a lifetime? How does it change your perspective on a getting additional education?

Name: _____ Class Period: _____

Jobs vs Careers Activity I.IB

Make a list of current jobs and careers in the first column. Identify the potential costs and benefits for each job or career listed.

	Examples	Costs	Benefits
Jobs			
Careers			