UNIT I/LESSON 6

Setting Personal Goals

Time Frame
1 day

Standards
NES: Personal Management: B.28, Set Personal Goals
Career Planning: H. 04, Select and use sources of career information;
H.05, Determine tentative occupational interests
Fundamentals of Communication: D.03, Use proper grammar and vocabulary

Teacher Background

Before even looking at the possibility of becoming an entrepreneur, it is critical that students examine their own goals, how they plan to achieve those goals, and the role they expect education to play in their future. This lesson begins with students stating how much future education they expect to need and why and ends with students returning to this question and determining if they have changed their education plans. This lesson relies heavily on Unit I, Lesson 3 from the *Personal Finance Program*, particularly Handout 3A, "Does Education Pay Off?" It is most important that students come to recognize that everyone who is a starting player on a high school sports team is not going into the pros at the end of their junior year in high school; similarly, everyone who thinks that they will be able to get a good paying job out of high school or go to work in the family business is not really planning for the future.

Guiding Question

What does it take to be successful as an individual?

Objectives

Students will be able to:

- Draw conclusions regarding the relationship between demand for labor, the available supply of labor, and the income paid to individuals (scarcity).
- Make the connection between education and income potential.
- Read, interpret, and answer questions based on information presented in a bar graph.
- Develop a well written paragraph in response to questions presented in class.

New Vocabulary

- human capital investment
- median income
- supply and demand

Materials/Resources

Personal Finance Program, Unit 1, Lesson 3; Student Handout 3A

Teaching Strategies/Supporting Activities

- Write two questions on the board and give students approximately five minutes to answer the questions in a paragraph.
  - As you plan for your future, how much education do you think you will need? Write down how far you plan to go in school and why.
  - How do your current education goals relate to your professional goals for the future?

  (You want students to be honest with themselves; therefore, explain that if they plan to leave high school after their junior year to play professional sports or they currently have a C average and plan to get a law degree, it's fine to write that down at this time.)

- Create a histogram using the information the class provides. List on the *x* axis the following categories: leaving high school before graduation; high school diploma; training program; associates degree (two-year college); bachelor's degree (four-year college); master's degree; professional degree (medical school, law school); doctorate; and postdoctorate work. List on the *y* axis the quantity (of students, each mark representing two students).
  - Have students write a one- or two-sentence summary describing what the histogram reveals as the educational expectations profile of this class.
  - Ask: "Does the histogram make it easier to summarize the students' educational expectations? Explain."

- Ask: "How many of you gave 'earning more money' as the reason why you believe you need to stay in school beyond high school? Why do you think that this is true? Why is it true today more than it was even twenty-five years ago?" (Elicit the idea that today more jobs and careers than ever require education beyond high school in order to get any job with a future because of the increasing reliance on technology. For example, 25 years ago a person had a chance of becoming a car mechanic with only a high school diploma. Now, with cars so dependent upon computerized components, the mechanic needs training beyond high school and particularly needs more advanced mathematics.)

- Ask: "Why do people in our society pay more for the services of an orthopedist than they do for the services of a high school teacher? Why is a high school teacher paid more than the person working the register at MacDonald's or Home Depot?" (Elicit the idea that our society is willing to pay more for the skills of someone with more education and that this is also a case of supply and demand. Almost anyone can learn to work the register at a place like Home Depot with just a couple of hours of training; minimum skills are required. But not anyone can teach or become a doctor; higher skills and knowledge are required.)

- Distribute Student Handout 3A from Lesson 3, Unit I of the *Personal Finance Program*. Have students use the chart to answer the six questions on the handout. (*The worksheet reads: "Be prepared to discuss." Have the students write the answers to each of the questions below the chart.)* Before students begin their work on this activity, make sure that they know the meaning of median. You might ask students: "From what you have studied in math, what is the meaning of the word 'median'?" Have them illustrate how the word is used in a math problem. (Elicit the idea that the median number means the midpoint; i.e., half the numbers in a set are below the median number and half are above that number. It does not mean the average (which is also called the "mean"). Based on this information, what is the meaning of "median income"? (Elicit the idea that half of the people in a career area are making more than the amount shown as the median income and half are making less.) Students should be given approximately 10-12 minutes to complete their work and then share their answers with the class.

  Tell the class that the median income numbers may have changed since 2007. Ask: "How can we determine if there have been changes?" (If there is access to the Internet in the classroom, students can check the data by using sources such as www.census.com. If not, this task should be completed as part of the follow-up/homework. This will be particularly important after the 2010 census is completed.)

Summary/Assessment

Have students answer the following questions:

- Is there any information that you discovered as result of completing this activity that surprised you? Explain.

- The time and money a person spends on education to develop additional skills and knowledge is known as "human capital investment." What opportunity costs are involved when the President of the United States says that for the nation to be competitive in the world market, it must make a greater human capital investment?

- Returning to the education goals that you stated at the start of this lesson, is there anyone in the class who is re-evaluating the amount of education he or she needs for the future, with the idea of pursuing either more or less? Explain. (Have volunteers share their answers with the class.)

Follow-up

Have students answer the following questions:

- It is often said that there are no guarantees in life. Do you agree that an investment in more education does NOT guarantee a high level of income? Explain and give at least one example to support your opinion.

- Previously, you selected a possible entrepreneurial venture. Using the Internet and other material, find at least two sources of information that provide data as to the range of income and the education you can expect to need for this venture. Cite the specific sources, web sites, or alternative sources, used along with your answer.

Expand Your Knowledge

- Use the Internet or other sources of information to update the information on the bar graph from Student Handout 3A.

- Name two jobs that existed 50 years ago that have either disappeared entirely or now require a person to have much more education than was needed 50 years ago (such as the example discussed in class of the car mechanic).