

People Earning Income



Mrs. Iesha styles people's hair
to make income.

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People can earn income by exchanging their human resources (physical or mental work) for wages or salaries.

PEOPLE EARNING INCOME

Definition/Background

People work to earn income in order to acquire the things they want such as housing, food, clothing and movie tickets. People can earn income by exchanging their human resources (physical or mental work) for wages or salaries.

The income workers earn depends, primarily, on the market value of what they produce and how productive they are. Employers are willing to pay wages and salaries to workers because they expect to be able to sell the goods and services that those workers produce at prices high enough to cover the wages and salaries and all other costs of production. More productive workers are likely to be of greater value to employers and earn higher wages than less productive workers.

People's incomes, in part, reflect choices they have made about education, training, skill development and careers. People with few skills are more likely to be poor. Students who understand this will appreciate the value of the skills they can acquire by completing high school and college or a career and technical training program.

Understanding the forces affecting wages and other sources of income will be increasingly important in the future. Regardless of the occupations or industries in which today's students eventually work, they are likely to find that they will have to continue their education and training to maintain or increase their earnings.

Teaching Ideas

1. "Hire" students to do classroom jobs such as gardener – to water the plants in the classroom; zoo-keeper – to take care of the classroom pet; custodian – to clean up any discarded papers found in the classroom; communications manager – to clean the board and post notices. Pay each worker with classroom currency. Allow student workers to "spend" their currency at an auction or classroom store.
2. Ask students to find out who in their family is a "person earning income." Have students report on which family members have a job and what they do for work. Ask students why each of these family members chooses to work.
3. Explain that work is anything we do for which we could be paid or for which we might pay another. Ask students to keep a Work Log for one week in which they record all of the work that they do. This Log might include emptying the dishwasher, washing the car, walking the dog, or mowing the grass. Once the Work Logs are complete, students can share their experiences. Many of these student jobs can translate into careers and professions—helping cook dinner may be preparation for a career as a chef. Mowing the grass may become a career as a landscape architect. Young people can learn that while they are not yet working for an income, they are valuable human resources.

Lessons and Resources

Print Lessons

Spotting Economics: From Africa to Ice Cream, Lesson 5 - Workers, Workers Everywhere (elementary)

Master Curriculum Guides in Economics: Grades 3-4, Lesson 13: The Working World (elementary)

Financial Fitness for Life: Shaping Up Your Financial Future - Grades 6-8, Lesson 3 - Career Choice Making (middle)

Online Lessons

To Be or Not To Be (elementary)

<http://www.econedlink.org/lessons/index.php?lesson=EM393&page=teacher>

A Chair for My Mother (elementary)

<http://www.powellcenter.org/uploads/ChairForMyMother.pdf>

Do I Look Like I'm Made of Money? (middle)

<http://www.econedlink.org/lessons/index.php?lesson=556&page=teacher>

Hey, Get a Job! (middle)

<http://www.econedlink.org/lessons/index.php?lesson=469&page=teacher>

Fed Resources

Kids and Money

http://www.stlouisfed.org/education_resources/publications.cfm

Great Minds Think - A Kid's Guide to Money

http://www.clevelandfed.org/learning_center/online_activities/great_minds_think/index.cfm?DCS.nav=Local

Building Wealth

<http://www.dallasfed.org/ca/wealth/index.cfm>

My Money (elementary)

http://www.richmondfed.org/publications/education/my_money/index.cfm

Literature

- **Henry Works** by D.B. Johnson. Houghton Mifflin Company, 2004. Henry, a bear based on Henry David Thoreau, helps his neighbors while redefining work and income. [Grades K-3]
- **Cloud Tea Monkeys** by Mal Peet and Elspeth Graham. Candlewick Press, 2010. When Tashi's mother falls ill, Tashi works to earn money for the doctor. [Grades K-3]
- **Meet Rebecca** by Jacqueline Greene. American Girl, 2009. It's 1914 and a young Jewish girl finds clever ways to help earn money to bring her Russian cousins to New York. [Grades 3-5]

VIRGINIA COUNCIL ON ECONOMIC EDUCATION

VCEE is a nonprofit organization providing Virginia's K-12 teachers with professional development, quality curriculum and other resources to promote economic and financial education. Visit www.vcee.org or contact VCEE or one of its affiliated centers for economic education to learn about specific opportunities.

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The **Virginia Council on Economic Education**, in cooperation with The **Federal Reserve Bank of Richmond**, is pleased to provide this poster featuring a winning entry from the **2009-2010 Color the Economic Concepts Contest**.

Teachers in Grades K-8: Give your students the opportunity to illustrate their knowledge of economic concepts in a creative and fun way. They may be selected for a poster next year! Winning students also receive a \$50 U.S. Savings Bond.

Entries must be received by April 29, 2011. See www.vcee.org for more details.

For more resources on teaching economics and the Federal Reserve System go to www.richmondfed.org/educational_info. You'll find free and easy to use resources such as lesson plans, workshop information and publications.

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