**Lifetime Earnings: 6th Grade**

**Summary**

Students will learn key vocabulary related to lifetime earnings.  Students will then engage in a discussion around desired salary and then discuss the role of education in determining lifetime earnings potential.  Finally, students will research and project their own earnings potential based on their top three career choices.

**Grades**

* 6

**Content Modules**

* College & Life Vision

**Objectives**

Students will:

* Define important financial aid terms.
* Compare the lifetime earnings potential of a college graduate to that of a non-college graduate.
* Compare and contrast the financial benefits of three different careers.

**Length**

3 Sessions

**Additional Resources**

* [Lifetime Earnings\_6thGrade\_Categories.pdf](https://www.6to16.org/files/attachments/7dd69778360bffe7b8226be4920392e1.pdf)
* [Probability-of-going-pro-methodology (1).pdf](https://www.6to16.org/files/attachments/583c9313b4dae024c2e46a375f7b8f32.pdf)
* [Lifetime Earnings - Career Research.pdf](https://www.6to16.org/files/attachments/4a31038d9bc7549dd7ae698cc1f20d1e.pdf)
* [Lifetime Earnings - Education & Training Pay.pdf](https://www.6to16.org/files/attachments/cbfc6a3c730782405a27a332ca598540.pdf)

**Related E-Learning**

Futures: Exploring My Options

**Materials and Resources**

**Offline:**

* Education & Training Pay
* 6to16 Notebook
* Categories: Lifetime Earnings
* Lifetime Earnings – Career Research.pdf
* Estimated Probability of Competing in Athletics Beyond the High School Interscholastic Level

**Online:**

* Online Salary Calculator
* The U.S. Department of Labor’s Occupational Outlook Handbook  
  (Provides a summary of career details including salary level and educational requirements)   http://www.bls.gov/oco/home.htm

**Prep-work**

 Ensure that students have internet access for Session 3.

**Higher-Level Thinking Skills**

Evaluation, Analysis, Categorize, Compare and Contrast

**Vocabulary**

Annual, Salary, Income, Earnings, Potential

**Assessment(s)**

Students will create a categorization chart which groups together similar words related to finance. Students will additionally produce research, calculate, compare, and contrast the lifetime earnings potential for their top three career choices.

**Session 1 (10 minutes)**

1)  Ask students to respond to the following questions in their **6to16 Notebooks**:

* Where do you see yourself possibly working when you are 30?
* Where do you see yourself living in the future?  What does your future life look like?

2)  Ask students to share their responses to the questions with a partner.

3)  Ask several students to share these responses with the class.

4)  Explain that over the course of the next three lessons, students will learn vocabulary that is important in thinking about their future careers, have a chance to think about the kind of lifestyle they want to lead and the amount that they need in order to achieve it, and research possible career choices.

**Class Activity (35 minutes)**

**Vocabulary Activity: Categories**

1)  Write the following words on the board or pass out a sheet with the words printed on them:

* *Annual*
* *Salary*
* *Income*
* *Earnings*
* *Potential*

**Teacher’s Note***: These words are integral to understanding the lesson at hand, and were chosen because of their often unfamiliar nature to early high school students.  However, given that you know your class the best, it is important to skim through the lesson and add any other words to this vocabulary activity that you believe your students may not know.*

2)  Ask student to do a 60 second pair share to determine whether these words look familiar, or if they recognize any parts of the word.  Ask one or two pairs to share with the class.

3)  Give students the definition of each word and an example of a sentence that uses the word in context.

4)  Ask students to write these down in their **6to16 Notebooks** as you explain each word and write it on the board; or, create a handout with these words and sentences to pass out.

5)  Ask students if they can think of any other example sentences, while engaging in this activity, to share aloud with the whole group.

**Annual:** Of, for, or pertaining to a year.

The high school holds a bake sale annually to raise enough money for the senior prom.

**Salary:** A fixed regular payment, often expressed as an annual sum.

Scientists usually make very high salaries, often starting at over $50,000 a year.

**Income:** Money received on a regular basis for work or through investments.

After he received his master’s degree, Mr. Graham’s annual income went up by five thousand dollars.

**Earnings:** Money obtained in return for labor or services.

After spending four summers putting his earnings from the restaurant where he worked into a savings account, Darnell was excited to use the money to help pay for his college tuition.

**Teacher’s Note*:*** *Because Salary, Income, and Earnings are similar, it may be useful to do a Venn diagram of the three words on the board. “Receiving $” could be at the center of the diagram with key differences written in the outside areas (i.e., Salary is decided by the employer and usually per-year; Income can come from investments or gifts; Earnings are more specific to getting paid for work). Also, note that these terms, although different, are often used interchangeably.*

**Potential:** Having the capacity to become something in the future.

Sophie knew that if she worked hard and took many mathematics courses in high school, she would have the potential to major in engineering in college.

6)  Ask students to think of other example sentences and share aloud with the whole group. Write exemplary sentences on the board, and be sure to explain why each sentence uses the vocabulary word(s) correctly.

7)  Split students into small groups of 2-3 and pass out the **Categories: Lifetime Earnings** handout. Explain that in this activity, students will be given a group of words (i.e., a word bank) with words they already know, as well as the words they have just learned.

8)  Ask groups to discuss the words to categorize them into logical groups, giving each category a label based on its similarities.

**Teacher’s Note**:  *It might be helpful to do this as a whole group to begin with in order to model the activity. For instance, create one category with students on the board and then split students up to finish.  An example with this group of words might be “time” and then put the words “annual”, “hour”, and “yearly” in this category.  Encourage students to create as many categories as they wish.  They should not be limited by the four boxes on the handout.*

9)  After students have finished, ask groups to share and justify their word groups and labels with the class. As they do so, be sure to record the different categories students come up with on the board.

10)  Ask students to pair-share what they think the next lesson might focus on based on the words and categories discussed. This provides an additional opportunity for students to anticipate the lesson while utilizing their newfound knowledge of the word definitions. Ask several pairs to share with the class.

**Teacher’s Note:**  *Post these words and others on the wall or bulletin board. Be sure to refer back to them within the context of other lessons, as the more connections students can make amongst words, the more likely they are to continue to remember them. After teaching more vocabulary terms, create a bingo game that utilizes the vocabulary words.*

**Assessment**

1)  Ask students to create a short sentence of their own with each one of the new words learned that day.  Collect these as exit slips.

**Session 2**

**Do now (10 minutes)**

1)  Ask students to respond to the following questions in their **6to16 Notebooks**:

* How much money do you plan to make per year when you grow up?
* How will your salary support the kind of lifestyle you wish to lead?

2)  Ask students to think about the kind of life they want to live when they grow up. (e.g., house, family, spouse, car, kids)

3)  Ask students to guess how much it might cost to cover their annual and monthly expenses.

4)  Ask students to share their responses and explain their reasoning behind the numbers they chose.  Note that today, students will be learning about the amount of money a person might be able to make in a lifetime and how that amount is often affected by level of education she or he attained.

**Class Activity (35 minutes)**

**Projecting Lifetime Earnings:**

1)  Explain to students that, in addition to considering what a person makes per year, we can also consider *lifetime earnings potential.* Define *lifetime earnings potential* as the amount of money an individual could earn from the time he or she begins working until the time he or she retires.  Lifetime earnings potential is an educated prediction about a person’s lifetime earnings.

2)  Underscore the point that an individual’s income will likely change over time.  People typically start out earning a salary at the low end of a range for a career and their salary increases over time as they gain experience.

3)  Define what it means to “progress” in a career by giving examples such as: merit-based raises, promotions, career ladder, change of employer, or seniority. Ask students if they can think of any more.

4)  Pose the following question to the class:

* How would you predict the lifetime earnings potential of a 25-year old person you’ve never met before?

Common responses may include the following:

* Intelligence, Education, Work Ethic, Physical Health, Current Career, Previous Work Experience, Professional Connections or Network, Family Background, Personality, Talent.

5)  Emphasize that education is perhaps the biggest factor that determines lifetime earnings.  Statistics show that people who earn a college degree earn much more over their lifetime than people who do not earn a college degree.

**Education & Training Handout:**

1)  Pass out the **Education & Training Pay** handout or project it in front of the class.

2)  Explain the chart to the class and ask students to share their observations on the data with a partner.

3)  Ask a few pairs to share their observations with the class.

4)  Note that the median means that half of the people who have that level of education earn more than that amount and half earn less. Note that “Professional Degree” refers to people who have earned a graduate degree that prepares them for a specific career like a law degree (JD) or medical doctorate (MD) as opposed to a master’s degree or doctorate that is related to a specific academic subject like biology or English.

5)  Ask students to come up with possible reasons to explain the earnings differences between people with different levels of education.

6)  Break students into 3-4 person groups.

7)  Ask groups to brainstorm possible reasons that level of education heavily impacts one’s earnings potential.

8)  Ask a few groups to share their thoughts with the class.  Write groups’ ideas on the board.

9)  Explain each of the following points in-depth as students write them down in their **6to16 Notebooks**:

* College graduates gain specialized skills and knowledge that lead to careers that require a more skilled workforce (e.g., doctors, lawyers, teachers, architects, accountants)
* These jobs typically pay higher annual salaries that increase over time.
* College graduates have access to careers and other opportunities that non-college graduates do not.
* College graduates often have a network of contacts that can help them advance throughout their career.

**Online (Video) Activity:  How much does it cost to live?**

**Cosby Show Clip:**

1)  Show students a conversation between a father and son about the importance of college from the television series, The Cosby Show. To access the video clip, use the following link: http://www1.teachertube.com/viewVideo.php?video\_id=190592. The following questions can be used to guide a class discussion:

* What do you think of Theo?
* Does he have any sense of what it costs to live?
* What is important to Theo? To Cliff? Why?
* Who’s perspective do you agree with - Cliff or Theo?  Why?
* What conclusions can you draw about the importance of a college education after viewing this video?
* What kind of expenses did Theo have? Are there additional expenses he might have today?  Did Theo have enough to cover his expenses? That clip took place in 1984, How much more expensive do you think those things would be today?

2)  Ensure that students have time to process the video clip and how it relates with what they have learned thus far by asking pairs to respond to the following question:

* What point is Cliff making about the relationship between a college education, career, and the cost of living?
* How does this relate to what you now know about  education and lifetime earnings.

3)  Give students 2-3 minutes to discuss these questions in pairs.

4)  Ask several pairs to share their responses with the class. Take notes on their responses on the board.

**Assessment:**

1)  Ask students to write down responses to the following questions in their **6to16 Notebooks**:

* What is one way in which a person’s salary might change over time?
* What is one piece of information you learned about education and lifetime earnings by studying the **Education & Training Pay** handout? How do you see yourself using this information in your future?
* What is one possible reason that people with more education tend to make more money?
* What is a person’s cost of living, and why might two people have different costs of living?

2)  Ask several students to share reposes to these questions.

**Session 3**

**Do Now (10 minutes)**

1)  Pass out the **Estimated Probability of Competing in Athletics Beyond the High School Interscholastic Level** handout to students.

2)  Explain that this sheet breaks down the number and percentage of students who make it from playing a sport at a high school level to playing the sport at a professional level.

3)  Ask students to review the information on the handout and respond to the following questions in their **6to16 Notebooks**:

* Do these percentages surprise you?  Why or why not?
* Why do you think so few high school sports players make it to a professional team?
* Based on these percentages, what advice would you give to a high school sports player who tells you that she or he plans on being a professional sports player?

4)  Ask students to turn to a partner and share their responses.

5)  Ask several students to share with the class.

6)  Let students know that today, they will be researching the potential earnings of various career paths.

**Class Activity (35 minutes)**

**Tying it Together**:

1)  Pass out **Lifetime Earnings – Career Research**

2)  Explain that now students have learned about lifetime earnings potential, as well as the increase in potential earnings that a college education generates, they will research their own earnings in three different careers.

3)  Ask students to take a moment and write down three careers they are interested in pursuing and researching.  Emphasize the importance of students generating multiple options (e.g., a Plan A, B, and C*)* instead of putting all of their energy into just one career plan.  Encourage them to choose careers in fields they find interesting and that use subjects in which they do well.

**Teacher’s Note***: You may find that some students have difficulty coming up with three careers they are interested in researching or pursuing.  If so, ask several students to share careers they are interested in pursuing.*

4)  Explain that students will determine the lifetime earnings potential for each respective career they choose to research.  Remind students that different careers require different levels of education and that student loan debt may impact their annual monthly expenses.

5)  Direct students to use the **US Department of Labor’s Occupational Outlook Handbook**, accessible at http://www.bls.gov/oco/home.htm.  Instruct students to use this website to identify the range of salaries for their sector or job of interest.  Once students have identified the salary, they can use an **Online Salary** **Calculator** (http://www.inflationdata.com/inflation/Retirement\_Calculators/Lifetime\_Earnings\_Calculator.asp) to project their lifetime earnings potential for each career.

**Teacher’s Note:** *Students may need help selecting the appropriate sector for their careers. If they are struggling to find the right career, instruct them to use the “A-Z Index” directory in the middle of the home page.*

**Teacher’s Note:** *Note that students need to factor in the years of education required for the occupation when they choose the “current age” for the* ***Online Salary******Calculator****. For instance, if they are planning to be a lawyer they will need four years of undergraduate education and three years of law school, so the earliest they could start a career would be at age 25.*

**Teacher’s Note:** *Direct students to the other information on the Department of Labor website about each career. For instance, the “What they Do”, “Work Environment”, and “Similar Occupations” tabs may help students gain a greater understanding of each career and the lifestyle associated with it.*

6)  Model how to use this type of website in the context of looking up careers before sending students to do this work independently. Pick a career that you will show students how to research. Show students where to find information regarding salaries and how to use the **Online Salary** **Calculator**.  Show students how to record these numbers in writing.

7)  After students have completed the salary research, reconvene and ask students to share their findings.  Throughout the discussion, keep a running list of the careers and corresponding annual salaries on the board.

**Homework**

1)  Have students respond to the following questions in their **6to16 Notebooks:**

* What surprised you about the earnings calculations (good and bad)?
* How did the lifetime earnings compare for the three careers you researched?
* How do you think your lifestyle would differ based on each career you researched?
* How does this compare to the amount of education required for each? Were the highest paid careers always those that required the most education?
* What factors beyond salary and lifetime earnings are important to consider when choosing a potential career or a major in college?
* Has this exercise changed what you think about a potential career?  Why or why not?

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