

Financial Literacy

Lesson #7 Grades 9 – 10 Analyzing Your Earning Power

LESSON TARGET(S)

- ▶ Cost benefit comparison of education versus earning power

MEASURE(S) OF SUCCESS

Students will be able to:

- ▶ Explain the cost benefits of going beyond high school to achieve a certificate, diploma, or degree

MATERIALS NEEDED

- ▶ Washington Career Bridge Booklet, ***Where Are You Going*** for each student or student group
- ▶ Website access: College Costs in Washington, <http://www.collegecalc.org/colleges/washington/>
- ▶ Student worksheet

FACILITATOR NOTES

Frequent stories in the news suggest that getting an education is too expensive and frequently places young adults in a life-time of debt. This lesson helps students make their own decision about whether or not this might be true of their college plans. The focus is on helping students determine the cost/benefit ratio between higher education (several different levels) and immediate and/or life-time earnings. The website, *College Costs in Washington*, gives you a variety of ways to calculate college costs including tuition comparisons and total cost comparison. Washington colleges and universities are rated from most to least expensive and least to most expensive in hand-outs that might be copied and distributed to students.

CORE ACTIVITY

Introduction

Ask students what they have heard from family members, friends or in the news about the necessity of getting a college degree. Probe a little bit further if needed to elicit the myth high school graduates can still earn as much as college graduates. Make sure the concept that college graduates are under or unemployed is part of the discussion.

Share with students that this lesson will give them an opportunity to test the hypothesis that college “is too expensive.”

Activity

1. Write the average cost of completing a degree (direct costs only) on the board as a discussion starter or if you have time, allow students to research this information.

Certificate	Two-year	Two-year	Four-year	Graduate
On-the-job	Technical	AA or AS	BA	MA
Earned wage	\$9,000.00	\$9,000.00	\$44,000.00	\$28,000.00

2. Organize students into 16 teams (this may be partners) with each team representing one of the Career Clusters. If the class has fewer students, you can complete the exercise by assigning clusters to individual students or using fewer clusters.
3. Go over the Student Worksheet with students, modeling how they will need to do the math to test the hypothesis that higher education is too expensive. . The example of a minimum wage job is given as a starting point.
4. Give students time to complete the cost/benefit analysis for their career cluster. If you have time, have the teams share with at least one other team.
5. Bring the entire class back together and ask students to share what they learned. Questions you may want to ask them to address are:
 - Where was the smallest cost/benefit?
 - Where was the largest cost/benefit?
 - What questions does this raise for students for students as they consider jobs, occupations, careers and their education?

Be sure to include a discussion of alternative routes to jobs and careers such as the military.

Closing

Go back to the theories addressed in the opening. Ask students to consider what they now know about the truth of these theories? How would they describe the cost/benefit of a higher education?

Student Worksheet: Cost Benefit Comparison

This worksheet helps you compare what an advanced education beyond high school will cost with the potential wages you will earn over a one-year, five-year and ten-year period. Your team needs to choose at least one job that represents each educational level from your Career Cluster and do the math to allow you to compare:

Cost of education beyond High School versus Wage Earnings

Job	Level of Education	Cost of degree completion	Average Annual Wage for one year	Average Annual Wage for one year minus cost of education	Average Annual Wage for five years minus cost of education	Average Annual Wage for ten years minus cost of education
<i>Fast Food Clerk</i>	<i>Less than high diploma</i>	<i>0</i>	<i>\$20,210.00</i>	<i>\$20,210.00</i>	<i>\$101,050.00</i>	<i>\$201,200.00</i>
Class Example						
	High School Diploma					
	On-the-Job Training					
	Technical degree					
	Associate's Degree					
	Bachelor's Degree					
	Advanced Degree					