

Financial Literacy

Lesson #8 Grades 9 – 10 Dropping Out or Staying In

LESSON TARGET(S)

- ▶ Definition of delayed gratification
- ▶ Money needed for life-style choices

MEASURE(S) OF SUCCESS

Students will be able to:

- ▶ Describe how dropping out of high school or not taking the appropriate courses will impact their ability to access career interests and their life-long earning/buying power

MATERIALS NEEDED

- ▶ Jump Start, Financial Smarts for Students, <http://jumpstart.org/reality-check.html>
- ▶ The Self-Sufficiency Calculator for Washington State, <http://www.thecalculator.org/calculator.php>

FACILITATOR NOTES

The point of this workshop/lesson is to help students think about why college has greater worth than what they can earn now with their present education. Two different “life-style” calculators are given so that teachers have choices. The *Jump Start, Financial Smarts for Students* is much less complicated and gives great comparisons about educational levels. The *Self-Sufficiency Calculator* gives students a chance to look at more variables and a longer-term family picture.

CORE ACTIVITY

Introduction

Begin by reminding students that they researched or studied the average annual wages for different jobs. Be prepared to give some examples i.e. a secretary or administrative assistant has an annual average salary of \$28,085.00. Now ask students to think about how they are going to spend their money! Make a list of the things students think they would need to pay for if they were living independently. Be sure to include the aspect of how dropping out of high school and lacking a high school diploma is an entirely different discussion about education and earnings.

Activity

1. Complete the Reality Survey (see Worksheet to anticipate information needed) with the class giving answers to each question.

2. Go over the survey results with the class. The results will include the salary per hour and per week that a person will need to earn, sample jobs that will meet that salary rate, and the average education needed to provide that potential salary.
3. Ask students what they think. Are they satisfied with the answers? What would they want to change? Try at least one more reality check as a group. (If there is time, and computer access, you can allow students to also try this independently and in pairs. This is also a time to allow students to explore the Self-Sufficiency Calculator.
4. After additional reality checks, discuss with the students what “delayed gratification” may mean.

An example of a definition is from [About.Com Tweens](#):

Delay of gratification refers to the ability to put off the receipt of a reward in order to gain a better reward later. For instance, say that a tween is supposed to be working on a final project for social studies class. Her parents have told her that if she earns all Bs and As in her classes, they'll take her out to dinner at her favorite restaurant. But tonight her favorite TV show is on and she wants to watch it. She knows that if she watches the TV show, her project will suffer. Does she take the immediate reward (watching the show) or does she choose to instead work on the project tonight so that she can get the dinner she wants in the future?

Ask students to think about whether or not delayed gratification is at work when they consider what they can earn now or later. Make a list as a class of what challenges they will face:

- If they drop-out and have a lower over-all life-time income
- If they stay in school and get a high school diploma
- If they go beyond high school to get more education.

If there is time, you can divide the class into three groups and ask each of the groups to take one scenario to discuss and then share the challenges with the class.

Closing

Ask students to identify their own strategies for delaying financial gratification. One way to do this is to ask students to think about being an adult and thanking themselves five years later for being willing to stick with school and delaying the gratification of money that was available immediately.

Questions on the Reality Check Survey

Shelter (Check one)

- at home with parents
- own apartment (one bedroom)
- share with roommate (two bedroom)

Transportation (Check one - includes insurance, gas, maintenance, registration, car payment)

- new car
- used car
- public transportation

Food (check the one that best describes where you eat)

- at home
- Restaurants
- half out/ half in

Utilities (check all that apply)

- electricity/gas/oil
- water
- telephone
 - land line
 - cellular phone
- internet

Entertainment (check all that you like to do)

- cable
 - digital starter
 - digital preferred + two movie channels
- clubs/movies x per month
- movie/computer game rental
- CD/DVD purchases x per month

- sports events
- concerts
- books/magazines

Personal (check all that apply)

- clothing
- haircuts
 - haircuts (simple, woman)
 - haircuts (simple, man)
 - haircuts (with extra services)
- cosmetics/toiletries
- manicures
- laundry at laundromat

Enter an amount for what you estimate you will spend or set aside each month for the following:

- \$ Savings (Minimum 10% of income. Pay yourself first!)
- \$ Emergency fund (Dented fender; flat tire; utility deposits. Life is full of surprises.)
- \$ Education (Tuition, books, student loans, etc.)
- \$ Healthcare (Insurance premiums, copays, prescriptions)
- \$ Health club and other memberships
- \$ Gifts (Holiday, birthday, special occasions)
- \$ Vacations (Gas or plane fare, food, fun)
- \$ Contributions (Faith based, political, community)
- \$ Pets (Food, veterinarian, etc.)
- \$ Tobacco products (If you must)