Increasing Your Human Capital

A lesson on income and careers for grades 6–8
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Lesson description

In this lesson, students will learn that different careers require different human capital and that obtaining it has opportunity costs. The lesson begins with students playing a guessing game about careers. In small groups, students then consider what forms of human capital are needed to perform a selected career. By rolling a dice, students are given two choices from which to decide. They must decide and provide an explanation for their choice along with identifying the opportunity cost.

Objectives

Students will be able to:

• Give examples of the human capital required to succeed in specific careers
• Describe ways to build human capital
• Determine the opportunity cost of a choice

Lesson at-a-glance

<table>
<thead>
<tr>
<th>Section</th>
<th>Purpose</th>
<th>Approximate time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>Introduce the presenter and the topic of the lesson</td>
<td>5 minutes</td>
</tr>
<tr>
<td>Activity: Guess the career</td>
<td>Students play a game in which they guess a career based on a description of the person who does it</td>
<td>10–15 minutes</td>
</tr>
<tr>
<td>Activity: Ways to build human capital</td>
<td>Students work in groups to consider the human capital needed in a specific career and ways people can obtain it</td>
<td>10–20 minutes</td>
</tr>
<tr>
<td>Activity: Opportunity cost scenarios</td>
<td>Students consider choices and identify the opportunity cost</td>
<td>15–20 minutes</td>
</tr>
<tr>
<td>Closing</td>
<td>Students are encouraged to carefully consider their future career path</td>
<td>5-10 minutes</td>
</tr>
<tr>
<td></td>
<td><strong>Total time</strong></td>
<td><strong>45–70 minutes</strong></td>
</tr>
</tbody>
</table>
Materials: Arrive prepared.

- **Guess the career handout**—one copy cut into cards and shuffled
  - Note: If possible, print this on cardstock or a heavier paper so that students cannot read the career from the back side of the card.
- **Ways to build human capital handout**—one for each group of four to six students
- **Opportunity cost scenarios handout**—one for each student
- Timing device such as a stopwatch or the timer on a phone
- **Dice**—at least one for each group of four to six students
  - Note: If dice are not available and students have access to the internet, a tool such as Random.org’s dice roller ([https://www.random.org/dice/](https://www.random.org/dice/)) may be used instead.
- **Increasing Your Human Capital post assessment**—one for each student (OPTIONAL)

Background: Understand the topic.

By middle school, many young people have an idea of the activities they enjoy and what are their personal strengths. For example, they often prefer one school subject over another. At this age, students are also becoming more interested in earning their own money—either because they wish to save for a future purchase or to be able to have more control over their personal spending. Whether by engaging in activities that interest them or doing work to earn money, students are building their human capital—the skills, knowledge, and habits a person uses to be a good worker. Some of what students might learn is specific to a particular job or career while others can be applicable to many jobs. In education, some of the “soft skills” are often referred to at the 4 C’s. These include communication, collaboration, creativity, and critical thinking.

In this lesson, students will be challenged to consider their current human capital and ways they can improve it. This could include investing in further training and/or education. When making these decisions, individuals face a choice. When a person gives up something in order to choose something else, it is referred to as the opportunity cost. Students should be encouraged to consider the opportunity costs as well as the potential benefits of their decisions.

Vocabulary: Use grade-appropriate definitions.

- **Career**: A profession or field of employment for which one trains or obtains education, such as financial services, law, or medicine.
- **Human capital**: The skills, knowledge, and habits a person uses to be a good worker.
- **Income**: The amount of money a person receives from all sources.
- **Opportunity cost**: What you give up when you decide to do or buy something else.
Delivery: Decide on the format.

This lesson can be conducted with an entire class or in small groups. For each activity, there are several facilitation options provided. Be sure to review the options in advance and determine which one will work best given the setting, number of facilitators, etc. In some cases, the facilitation option you select will influence the number of handouts needed.

Differentiation: Be aware of your audience.

When conducting a lesson on income and careers, it is important to consider the students and their experiences. Be prepared to acknowledge the range of experiences and backgrounds. Touch base with your classroom teacher in advance to inquire about the student population you will encounter. Below are several examples of situations you may encounter.

- Some students may have parents/guardians who have specific expectations for their children with regard to occupation and/or education. Encourage these students to do their own research and make sure they understand the implications of their decisions.

- The ability for a student to earn money may depend on a number of factors including where they live, how much free time they have available, and family values. Try not to assume that every student can easily find paying work. Also, remember that some families pay children to perform chores while others do not.

- Keep in mind where your students live and adjust examples in the lesson, as needed. For example, it might be more feasible for students who live in a suburban area to offer to mow a neighbor’s grass or weed their garden than for those in a more urban setting.

Tips for PwC facilitators: Make the most of your time in the classroom.

Before facilitating this lesson for the first time, consider the following:

- Read through the entire lesson in advance.

- Touch base with the classroom teacher to make sure you know when to arrive, the process for entering the building, the room setup, photo release protocol, and any available technology. For example:
  - Where should you park? Where should you enter the building? Will find your own way to the classroom or will someone meet you?
  - What is the room set up (individual desks, tables and chairs, etc.)? Will you have access to a whiteboard?
  - Are you allowed to take photos during the lesson? Remember, you are required to get specific written consent from parents/guardians before taking photos of minors. How will you handle the students whose parents/guardians have not given consent?
  - If you opt to use the post-assessments, should students take it using paper and pencil or online with school-provided devices? Will the teacher want to collect the assessments and forward the results, or should you collect them?

- If you will be presenting with another facilitator or team, consider each person’s strengths when deciding who will lead various sections of the lessons, how students will be organized during the lessons, and who is responsible for preparing the materials.

- Remember that adults in most high schools are addressed formally using their title (Mr./Mrs./Ms.). Plan to address the teacher and any of your colleagues in this manner, even if you would normally call each other by first names.
Educator insights: Adapt this lesson for your classroom.

PwC is pleased to offer these lessons for use by classroom teachers to support or augment their financial education efforts. Please recognize that the materials were designed for employees to use as facilitators when visiting a class. Therefore, some sections (such as the introduction) may be unnecessary. Feel free to adapt the materials in whatever way makes the most sense for your classroom including the optional extension activities at the end of the lesson.

Teach

Opening (5 minutes)

• Thank the teacher and introduce yourself to the class. Explain to the students that PwC is a professional services firm that is committed to providing all students with financial literacy education through its program, Access Your Potential®. In simple terms, explain what you do at PwC and how it relates to what the students will be learning during the lesson.

• Let students know that you are there to help them learn more about income and careers. Inform them that you want to start off with a game.

Activity: Guess the career (10–15 minutes)

Set up

• Ask students if they have ever played a guessing game such as charades or Hedbanz. Tell students that the game they will be playing is similar to these but with slightly different rules.

• Explain the rules of the game.
  — Students should play the game in groups of four to six players.
  — Players will take turns being “clue givers” and “guessers.”
  — At the beginning of a round, each team’s clue givers will receive a career card. They should read it to themselves. They then have 30 seconds to give clues about the career to the guesser. Clue givers should take turns, meaning only one clue giver may give a clue at a time. They should decide what order they will go in before starting. If a clue giver does not have a clue to give, he or she should say, “pass.”
  — All clues should describe the characteristics a person should have to be in that career. This could include skills, knowledge, behaviors, education, or training. For example, if the career card said chef, clues might include enjoys spending time in the kitchen, likes to try different foods, or attended culinary school.
  — Each team whose guesser correctly identifies the career within the time limit gets a point.
  — The facilitator will distribute a new card at the beginning of each round, keep track of the time, and announce when time is up.

Implementation

• Allow time for students to divide into groups and decide who will be the first guesser in each group. Distribute a card to each group. Let students know that each group has a different card, so it will not benefit them to listen to other groups’ clues or guesses.
• Announce when the **time begins and ends**. If needed, you may extend or shorten the amount of time for each round depending on the speed with which groups guess the careers.

• At the end of a round, find out which teams’ guessers correctly identified their career. **Keep track of the score** on the board or a scrap piece of paper.

• Ask the guesser from one or two successful groups to share what career they had and a clue that helped them figure out what it was.

• **Repeat** for several rounds as time allows.

**Conclusion**

• **Thank** students for playing the game. Ask students if there were any **careers they could not guess**. Invite other members of the class to provide clues that may have helped that team’s guesser. If needed, provide some of your own.

• Inform students that many of the clues they provided described the **human capital** required for a person in that career. Explain that human capital is the skills, knowledge, and behaviors necessary to be proficient in that field of employment.

• Challenge students to **consider some of the clues they gave**. Ask students:
  — Which clues were examples of **skills** needed in that career? **Knowledge**? **Behaviors**?
  — Did any clues provide information about the **education or training needed** to do the job?
  — Were there any clues that did **not** fall into one of these categories? If so, what were they?
  — Where there any careers that were hard to describe?

• Direct students to keep the cards they used for another activity later in the lesson.

**Activity: Ways to build human capital** (10–20 minutes)

**Set up**

• Inform students that they will continue working in the **same small groups** on a new activity.

• Distribute a copy of the **Ways to build human capital** handout to each group

**Implementation**

• Invite students to **select one of the careers** from the guessing game for this activity.

• Direct students to appoint a note taker for the group who will read the questions and record the group’s answers. They should also select a group spokesperson to share the group’s findings later with the class. Allow **time for discussion** amongst the groups.

**Conclusion**

• Once the groups have discussed the questions and completed the handout, **invite the spokesperson from each group to share**. Comment on their responses and offer additional insight, as appropriate.

• Challenge students to identify **similarities and/or difference between the findings of various groups**.
Activity: Opportunity cost scenarios (15–20 minutes)

Set up

- Explain to students that when people pursue education or training there is always an opportunity cost.
- Tell students that the opportunity cost of a decision is what is given up. Provide one or more of the following examples to help students understand.
  - A student is given a choice between going to the movies with friends or going out to eat at his favorite restaurant with his family. He chooses the movie. Since he loses the opportunity to go out to eat, that is the opportunity cost.
  - You earn money babysitting and are faced with a choice: add it to your savings or use it to get something you want now. If you get something you want now, you give up the chance to grow your savings (the opportunity cost). If you add it to savings, your opportunity cost is the ability to spend it immediately.

Implementation

- Let students know that decisions to build human capital through education or training usually have opportunity costs.
- Distribute a copy of the Opportunity cost scenarios handout to each student and a single dice to each group.
- Tell students that the activity gives a variety of choices people can make once they graduate from high school. Direct students to take turns in their group with the dice. The first number they roll will be their selection for column A. The second will be their selection for column B. Students should circle the selection that matches their roll in each column.
- Challenge each student to decide which one they would pick, which would be the opportunity cost, and why they made the choice they did. Allow time for student discussion.

Conclusion

- Invite students to share the decisions they were faced with, what they considered, and their ultimate choice. Ask if any students had a hard time choosing. What made the choice difficult?
- Challenge students to think about how identifying the opportunity cost of a decision might make them think about a choice differently.
- (OPTIONAL) Share a personal story about your own education and career choices. Did you ever change your plans at any point about what you wanted to pursue as a career? Did you consider the potential opportunity costs? Looking back, are there factors you wish you had considered?

Closing (5–10 minutes)

- Reinforce that it is important for young people to carefully consider their future career choices. Students should fully explore what education and training is required and identify the opportunity cost.
- Remind students that they can seek assistance from trusted adults in further considering and understanding their career options and that many resources are available online to assist them in conducting additional research.
- (OPTIONAL) Distribute a copy of Increasing Your Human Capital post assessment to each student. Direct students to answer the questions. Inform them that they do not need to put their name on the assessment unless the teacher wishes to keep a copy for grading purposes.
Thank students and the teacher for letting you come and talk to the class about income and careers. Encourage students to begin thinking about their futures if they have not already done so and wish them the best of luck in whatever path they choose.

### Extend

**Teacher-led follow up ideas**

Bulleted list of ways the educator can extend the lesson once the facilitator leaves. Each list will include a mention of a corresponding module from the Digital Classroom, such as:

- Use the #Link2YourFuture module in the intermediate level of the Earn Your Future® Digital Classroom (https://app.pwcfdnearyourfuture.org/) to help students learn even more about income and careers. This resource made possible by the PwC Charitable Foundation, Inc., is designed for students in grades 3–12 and can be delivered in multiple formats (classroom, small group, or individually) and has accompanying educator resource guides to assist in delivery. Students can engage with financial literacy concepts through innovative self-paced modules featuring custom videos, animations, and interactive activities. A free teacher login is required to access the modules.

- Direct students to further consider their career options by encouraging them to take a career interest profile. The school’s guidance or counseling center may be able to provide additional assistance.

- Challenge students to explore ways they can begin building their human capital as teens. They can research the skills and knowledge needed and look for ways to start building them. Online research, volunteer opportunities, and paying jobs should all be explored.

- Invite a panel of adults in different occupations to talk to your students about how they obtained the knowledge and skills needed to do their jobs. Ask each to share what lessons they learned about careers and education and if they would make changes to their path if they could repeat it.
### Standards correlation

This lesson is correlated to the National Standards for Financial Literacy from the Council for Economic Education available at [http://www.councilforeconed.org/resource/national-standards-for-financial-literacy/](http://www.councilforeconed.org/resource/national-standards-for-financial-literacy/). Standards are classified as primary or secondary. Primary standards are addressed directly and thoroughly. Secondary standards are addressed indirectly or partially.

<table>
<thead>
<tr>
<th>Primary</th>
<th>Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earning Income:</td>
<td>Earning Income:</td>
</tr>
<tr>
<td>• Education, training, and development of job skills have opportunity costs in the form of time, effort, and money.</td>
<td>• Getting more education and learning new job skills can increase a person’s human capital and productivity.</td>
</tr>
<tr>
<td>• People make many decisions over a lifetime about their education, jobs, and careers that affect their incomes and job opportunities.</td>
<td>• People with less education and fewer job skills tend to earn lower incomes than people with more education and greater job skills.</td>
</tr>
<tr>
<td></td>
<td>• Investment in education and training generally has a positive rate of return in terms of the income that people earn over a lifetime.</td>
</tr>
<tr>
<td></td>
<td>• People often use a portion of their savings to help themselves or their family members build human capital through education or job training.</td>
</tr>
</tbody>
</table>
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Guess the career handout

**Directions:** Cut the following into individual “cards.” If possible, print on a thicker card stock and/or colored paper to make it hard to read through it from the other side.

<table>
<thead>
<tr>
<th>Teacher</th>
<th>Dentist</th>
<th>Plumber</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrician</td>
<td>Welder</td>
<td>Architect</td>
</tr>
<tr>
<td>Landscaper</td>
<td>Bus Driver</td>
<td>Administrative professional</td>
</tr>
</tbody>
</table>
Access Your Potential® Financial Literacy

Increasing Your Human Capital

School Principal  Actor  Professional Pianist

Computer Programmer  Video Game Tester  Graphic Artist

Banker  Accountant  Veterinarian

Marine Biologist  Dog Trainer  Zoo Keeper
<table>
<thead>
<tr>
<th>Engineer</th>
<th>Fashion Designer</th>
<th>Photographer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Writer</td>
<td>Mathematician</td>
<td>Software Developer</td>
</tr>
<tr>
<td>Sports Announcer</td>
<td>Professional Athlete</td>
<td>Coach</td>
</tr>
<tr>
<td>Musician</td>
<td>Dancer</td>
<td>Park Ranger</td>
</tr>
<tr>
<td>Farmer</td>
<td>Fisher</td>
<td>Rancher</td>
</tr>
<tr>
<td>----------------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Senator</td>
<td>Pilot</td>
<td>Police Officer</td>
</tr>
<tr>
<td>Firefighter</td>
<td>Carpenter</td>
<td>Roofer</td>
</tr>
<tr>
<td>Editor</td>
<td>Librarian</td>
<td>Makeup Artist</td>
</tr>
<tr>
<td>Lawyer</td>
<td>Fitness Trainer</td>
<td>Physical Therapist</td>
</tr>
<tr>
<td>------------------------</td>
<td>-----------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>School Counselor</td>
<td>Economist</td>
<td>Financial Advisor</td>
</tr>
<tr>
<td>Insurance Agent</td>
<td>Orthodontist</td>
<td>Pharmacist</td>
</tr>
<tr>
<td>Travel Guide</td>
<td>Umpire</td>
<td>Daycare Provider</td>
</tr>
<tr>
<td>Detective</td>
<td>Judge</td>
<td>Nurse</td>
</tr>
<tr>
<td>-----------------</td>
<td>-------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Commercial Driver</td>
<td>Locksmith</td>
<td>Barber or Hairdresser</td>
</tr>
<tr>
<td>Cosmetologist</td>
<td>Interior Designer</td>
<td>Real Estate Agent</td>
</tr>
<tr>
<td>Sales Representative</td>
<td>Archeologist</td>
<td>Astronomer</td>
</tr>
</tbody>
</table>

Increasing Your Human Capital
Increasing Your Human Capital

Building human capital handout

Career: ______________________________________________

List three skills a person in this career should have:
1. 
2. 
3. 

Describe three things someone in this career should know:
1. 
2. 
3. 

Rate how important you believe each of the following is for people in this career.

<table>
<thead>
<tr>
<th></th>
<th>1 Not important</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5 Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creativity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Critical thinking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collaboration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

How can someone who wants to pursue this career build their human capital through education or training?

What could a student who wants to enter this career start doing to prepare?
## Increasing Your Human Capital

### Opportunity cost scenarios handout

<table>
<thead>
<tr>
<th>1st roll = Choice A</th>
<th>2nd roll = Choice B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spend four years going to school for a bachelor’s degree</td>
<td>Begin working straight out of school and start making money right away</td>
</tr>
<tr>
<td>Take out a loan to help pay for college</td>
<td>Enter a trade school that provides job placement upon graduation</td>
</tr>
<tr>
<td>Start your own company and be your own boss</td>
<td>Get several part-time jobs to see which one you like the most</td>
</tr>
<tr>
<td>Choose a career that requires a 4-year college degree, plus a 2-year master’s degree, plus a doctorate</td>
<td>Enlist in the armed forces where you can earn an education for free in exchange for military service</td>
</tr>
<tr>
<td>Take classes at night at a community college and work during the day</td>
<td>Travel for a year or two exploring different areas</td>
</tr>
<tr>
<td>Live at home for another year while working part-time and volunteering in the community</td>
<td>Take a certification test that proves to employers you have the skills they need</td>
</tr>
</tbody>
</table>
Increasing Your Human Capital

Post-assessment

Section 1: Please select the correct answer for each of the following questions.

1. Which of the following is the best definition of human capital?
   a. The money a person spends to receive an education
   b. What a person gives up when making a choice
   c. Skills, knowledge, and habits a person uses to be a good worker.
   d. The list of education requirements for a job

2. Which of the following are ways people can build their human capital?
   a. Education
   b. Training
   c. Reading
   d. Volunteering
   e. All of the above.

3. The next best thing you give up when making a choice is called your _______.
   a. Expected value
   b. Human capital
   c. Benefit analysis
   d. Opportunity cost

4. You have three choices for lunch at school. You love pizza, so you pick that. You really like chicken tenders and almost select them. You heard the hamburgers were not very good, so you never even considered it. Which is your opportunity cost?
   a. The amount you paid for the pizza
   b. The chicken tenders you didn't choose
   c. The hamburgers you didn't choose
   d. All of the above

Section 2: Please choose the number on the scale that best indicates how strongly you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I understand how people can build human capital.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I feel confident making decisions about my future career plans.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I am interested in learning more about planning for my future career.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Section 3: Circle your grade level.

K   1   2   3   4   5   6   7   8   9   10   11   12

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Post-assessment | Answer key

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