

Earning Money

Notes:

Learner Outcomes

Outcome #1: Participants will be able to name ways that teenagers can earn money.

Outcome #2: Participants will be able to explain the difference between a wage and a salary.

Outcome #3: Participants will be able to name a source of income other than a wage or a salary.

Target Audience

Parents

Materials

1. Flip chart and markers or a dry-erase board and dry-erase markers
2. Name tags (downloaded for free from the Bank It Web site), one for each participant
3. A pen or pencil for each participant
4. Something to track time
5. Evaluation #1-EA-PT for each participant
6. Bank It Notes #1-EA-PT for each participant
7. Optional: PowerPoint Presentation PDF #1-EA-PT
8. Optional: Handout #1-EA-PT for each participant

Timing

1 hour

Want more background and training tips?

See the free, downloadable Bank It Leader's Guide at www.bankit.com.

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1. Welcome and Overview (5 minutes)

Arrive early. Highly consider using the optional PowerPoint Presentation PDF and the optional Handout. Both will greatly enhance your sessions. If you're using the PowerPoint Presentation PDF, show the "Welcome to Bank It" slide as participants enter the room. Greet each participant individually and learn their names as they arrive. Have them create a name tag with their first name only.

Give participants a copy of the Bank It Notes #1-EA-PT and either a pen or pencil. Have them sit in clusters of about four people. If possible, have them sit at tables. Then welcome the whole group to the session.

Say: Welcome to Bank It. Bank It delivers real-world financial topics and tools for parents and teens that make it easier to understand, talk about, and manage your money. Bank It was developed by Capital One and Search Institute. I'm glad each one of you is here.

Today we will focus on earning money, and we plan on meeting three goals. One: By the end of this session, you will be able to name ways that teenagers can earn money. Two: You will be able to explain the difference between a wage and a salary. Three: You will be able to name a source of income other than a wage or a salary.

Feel free to use your Bank It Notes to write what you learn as we go along. At the end of the session, we will take time to complete a short evaluation. (If this session is not the first session you're presenting to this group, consider briefly discussing the optional challenge that you may have given participants at the end of your previous session.)

2. Activity: Agree or Disagree? (15 minutes)

Say: An income is the money we receive. Earning is how we receive money by being paid for our labor or our products.

Let's play a quick game. If you agree with a statement I make, hold both arms straight out in front of you. If you disagree with a statement I make, cross one arm over the other in front of you. (Have participants practice both gestures.)

Then say this statement: I am earning money through some kind of work at this time. (Give participants time to show whether they agree or disagree.)

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Then say statements such as these, one at a time, giving participants time to gesture for each statement: *There have been times when I have not had a job. I wish I earned more money. I have to work too many hours for the money I receive. I often think about getting a different type of job. I have worked in a job for more than five years. I enjoy the work that I get paid for.*

Afterward, debrief the activity. Ask: *Why does it matter how we get our money? (Give participants time to respond.) Not only do we want to earn money, so do our teenagers.*

How many of you give your teenagers an allowance? (Have participants raise their hands if they do. Have them hold their hands up while they see how many parents in the room give their teenagers an allowance.)

Ask: *How many of you pay your teenagers money for doing odd jobs?* (Have participants raise their hands if they do. Have them hold their hands up while they see how many parents in the room pay their teenagers for doing odd jobs.)

Ask: *Why is it important for our teenagers to get money to use?* On a flip chart, write what participants say. Make sure these points are made: They learn how to use money well. As parents, we can teach them to use money well. Ask: *How can teenagers earn money?*

On a flip chart, write what participants say. Make sure these points are made: Getting an allowance. Earning money through simple jobs. Getting a part-time job.

3. Present: Wages and Salaries (15 minutes)

Ask: *What is the difference between a wage and a salary?* (Give participants time to respond.) On a flip chart, make two columns. Label one “Wage” and another “Salary.”

Under Wage, write: *1. An hourly rate. 2. Paid for overtime work. 3. Usually no benefits.* Ask: *What is a benefit?* Say: *A benefit is something extra you receive for working, such as health insurance, a retirement plan, or paid time off.*

On the flip chart under the salary column, write: *1. A yearly or monthly rate. 2. No extra pay for overtime. 3. May receive benefits.*

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Ask: *Which do you think is better, having a job that pays wages or one that pays a salary?* (Give participants time to respond. One is not better than the other. You can make the case that both have strengths and weaknesses.)

Ask: *What are other sources of income other than a wage or a salary?* (Give participants time to respond.) On a flip chart, write four major ways: 1. *Interest income (from a savings account).* 2. *Dividend income (from a stock you own).* 3. *Rental income (if you own a property and rent it out).* 4. *Unemployment or disability benefits.*

Ask: *Of these four additional ways to earn money, how many of them do you have to pay taxes on?* (Give participants time to respond. The answer is: All of them.)

If you plan to distribute the optional handout, use it at this time.

Say: *Some people earn money illegally. We want to teach our teenagers that it's important to work hard and to earn money in legal, good ways.*

What are some examples of illegal ways to earn money? (Give participants time to respond. Make sure they include at least these five examples: 1. Shoplifting or stealing. 2. Gambling that's illegal. 3. Selling drugs or other illegal products. 4. Being a bookie and taking bets. 5. Being paid cash for a job and then not reporting it on your income taxes.)

Ask: *If you earn money illegally, do you need to pay taxes on those earnings?* (Give participants time to respond. The answer is yes.) Ask: *What is a get-rich-quick scheme?* (Give participants time to respond.)

A get-rich-quick scheme is a way to earn money where you have to do little work and you're supposed to get a lot of money quickly. Some get-rich-quick schemes are illegal activities. That's why they can be popular when you don't have a source of income or you need money fast.

Another example of a get-rich-quick scheme is a scam. A scam is a way to get you to pay some money with the hopes that you'll get even more money. With a scam, however, all your money disappears and you lose everything.

What do you want to teach your teenagers about earning money? (Give participants time to respond. Write what they say on a flip chart. Make sure they mention that it's important to work hard. That it's important to find work that you enjoy doing. That it's important to see that no job is beneath you.)

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4. Discuss (10 minutes)

Say: *Take some time to talk to the people near you. Talk to about two or three people. I want you to do two things: 1. Say your first name. 2. Talk about the first job you ever had and what it was like. Start with the person who has the most pets. Then have each person take a turn.*

5. Review and Evaluate (10 minutes)

Review what was accomplished during this session. Ask: *What is an income?* (Answer: An income is a way you get money.)

Ask: *What are some ways that teenagers can earn money?* (Answers: 1. Getting an allowance. 2. Earning money through simple jobs. 3. Getting a part-time job.)

Ask: *What is the difference between a wage and a salary?* (Answers: 1. A wage pays you an hourly rate. A salary pays you a monthly or annual rate. 2. You can earn more money with overtime with a job that pays wages. You cannot earn more money by working overtime with a job that pays a salary. 3. You rarely get benefits with a job that earns wages. You may get benefits with a job that earns a salary.)

Ask: *What is a source of income other than a wage or a salary?* (Answers: 1. Interest income. 2. Dividend income. 3. Rental income. 4. Unemployment or disability benefits.)

Ask: *What are examples of illegal ways to earn money?* (Answers: 1. Shoplifting or stealing. 2. Gambling that's illegal. 3. Selling drugs or other illegal products. 4. Being a bookie and taking bets.)

Ask: *Is illegal activity a good way to earn money?* (Answer: No.)

Ask: *What is a get-rich-quick scheme?* (Answer: A get-rich-quick scheme is a way to earn money where you have to do little work and you're supposed to get a lot of money quickly.)

Ask: *Is a get-rich-quick scheme a good way to earn money?* (Answer: No.)

At the end of the review, distribute Evaluation #1-EA-PT to each participant. Give participants time to fill out the evaluation. Collect all the evaluations after participants finish so you can find out the measurable outcomes for the session.

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6. Close (5 minutes)

Say: *It's easy to spend more of our time thinking about how to use our money instead of how we get it. Yet, the way we earn our money matters. If you think about it, we spend a lot of our time earning money. That time is important. How can you earn money in ways that matter to you most?*

Challenge participants to talk to family members about this topic, which is listed under the Talk About It section of their Bank It Notes. Thank participants for coming and for being involved.

Optional Activities

- 1. Distribute Handout #1-EA-PT: Three People, Three Paychecks.** Give participants the handout to complete. Afterward, discuss their answers.
- 2. Show the PowerPoint Presentation PDF #1-EA-PT.** Use the presentation to accompany the one-hour session.
- 3. Give Participants a Challenge.** Encourage participants to use the next week to talk to their teenagers about how their teenagers earn money. (If you wish, follow up during your next session to find out how the challenge went.)

Questions? Looking for more ideas? Visit www.bankit.com for answers and more resources.

For More Information

- *National Standards in K–12 Personal Finance Education* (Washington, D.C., Jump\$tart Coalition for Personal Financial Literacy, 2007), standard 2 in the area of Income and Careers.
- *An Asset Builder's Guide to Youth and Money* by Jolene Roehlkepartain (Minneapolis: Search Institute, 1999).