



# Theme 1: Earn

**Topic Connections:** Connects with *Money Smart* curriculum in the classroom: Lesson 1 (Career and Job Opportunities), and Lesson 2 (Introduction to Taxes).

## Topic Overview:

For children, play money and toys are usually enough to feel wealthy. As teens, small part-time jobs and internships are on the horizon. In the middle-grade years, though, it can be hard to talk to kids about earning money. However, the middle grades are just the time when kids start to understand the connection between their academic lives and their future careers.

In the middle-school grades, adolescents often are beginning to earn money doing small jobs, through gifts, and sometimes through an allowance. Middle-school students are consumers more than ever before; so earning money is more frequently on their minds. Help your child begin to understand the long-term investments needed to achieve his or her dream career: from fostering academic interests in school to valuing continued education. Continuing education beyond high school can increase career options significantly. Students who do well in school may earn scholarships and the U.S. Department of Education gives and states may provide aid to students who may not be able to afford to pay for college. This is also a good time to discuss with children, the deductions made from their earnings. Soon enough, they will be paying income tax, so help them to appreciate the community benefits of paying income tax.

## From the classroom:

**What is the difference between a career and a job?** A career is a profession or field of employment for which one studies or trains. A job is a position of employment with specific duties and regular compensation. Jobs fall in the category of a career field. See the chart below for some examples.

CAREER FIELD	JOB
Medical	Nurse, Doctor, Medical Clerk, Therapist
Education	Teacher, Principal, College Professor, Teacher's Aide, Tutor
Business	Store Manager, Entrepreneur, Accountant, Human Resources Manager
Law	Lawyer, Police Officer, Correctional Officer
Engineering	Engineer, Surveyor, HVAC Technician, Electrician, Automotive Mechanic

**How can academic or personal interests be relayed into a career field?** Academic and personal interests are often indicators of a child’s interest in a career field. For example, if your child has a passion for debate, argument, and evidence, he or she child might gravitate toward a career in law. If your child has a passion for computers and technology, he or she may find a fit in the information technology field.

**How do opportunities and education improve a career?** A government organization, The National Center for Education Statistics, collected information in 2012 showing that, the more education a person had, the more likely he or she were to have a full-time, year-round job. These same people also had higher yearly incomes. So, not only can getting a college degree or graduate degree help you find a more secure job, it can also help you make more money. Still, some skilled trades provide opportunities without a college degree. Plumbers, for example, often go to trade schools and/or work apprenticeships for four to five years.

For more statistics, visit <http://nces.ed.gov/fastfacts/display.asp?id=77>.

**What is the best path to take to succeed in my chosen field?** Education and experience are major factors in succeeding in any career field. Research shows that workers who hold degrees in higher education hold more full-time, year-round jobs and are paid more. Education may also come in the form of a degree from a trade school. Experience can come in many forms: previous jobs, internships, job shadowing, apprenticeships, and volunteering are some ways to improve skills in a given career field.

**Why do we pay income tax?** Income tax is a government fee on individual income. Our governments – local, state, and federal – spend money on a wide variety of programs and services, like Social Security and the military. Some of that money is raised through collecting income taxes from citizens.

**How does paying income tax affect my life and my community?** Many government programs and services are funded or partially funded through income tax from citizens. Some government programs that are paid for through tax money are: Social Security, the military, Medicare and Medicaid, schools, and government assistance for natural disasters. Visit [www.whitehouse.gov/2013-taxreceipt](http://www.whitehouse.gov/2013-taxreceipt) to find out more about the programs and services that your federal income tax funded.

## **Words To Know:**

**Career:** The type of work a person pursues for the majority of their life that may involve formal education, special training, or be within a specific industry.

**Income:** Money that you receive from jobs, allowances, gifts, interest, dividends, and other sources.

**Income Tax:** Taxes on income, both earned (salaries, wages, tips, commissions) and unearned (interest, dividends). Income taxes can be levied on both individuals (personal income taxes) and businesses (business and corporate income taxes).

**Job:** A specific duty, task, or activity someone completes using his or her time, skills, and energy to earn money.

**Payroll Deduction:** Money that an employer withholds from earnings.

**Tax:** Money that has to be paid to a government to provide public goods and services.

## Conversation Starters ... Ask Your Teen:

- What career fields interest you?
- What subjects are most interesting to you? Do you think any of these interests could turn into a career?
- Have you ever heard of taxes? What do you know about them?
- What are some examples of the benefits or services that we have available to us in our community from taxes?

## Try This ...

### At Home:

**Peruse a Pay Stub:** Look at the sample pay stub together. Review the frequency of the pay, how taxes are taken out, and the variety of taxes taken. Talk about any additional deductions and why someone might choose to make those deductions. This is also a good time to discuss the role of financial institutions. Explain how a direct deposit works, for example. This resource is helpful for that conversation at [https://files.consumerfinance.gov/f/documents/cfpb\\_parents\\_pay-stub-activity.pdf](https://files.consumerfinance.gov/f/documents/cfpb_parents_pay-stub-activity.pdf).

**Talking Tax Returns:** Either allow your child to “shadow” you as you prepare your tax return, or review the sample tax return with you. What paperwork is necessary to file a tax return? How can you file a tax return?

**Income Opportunities:** Create an opportunity for your teen to earn – chores, allowance, starting a small business. Small business ideas could include having a bake sale, crafting, providing a neighborhood service like raking leaves or shoveling snow, pet-sitting, or babysitting.

**Cultivate Career Interests:** Assist your child in developing his or her interests. Research career fields in interest areas ([www.mynextmove.org/](http://www.mynextmove.org/)) and identify local volunteer or community service opportunities for developing career experiences (<https://www.usa.gov/volunteer>).

### Around Town:

**Where do tax dollars go?** Point out examples of ways in which paying taxes benefits the community, like transportation systems, infrastructure (like roads and bridges), public schools and universities, and military bases.

**Careers and Jobs in the Real World:** Discuss career fields and jobs as you encounter them in the real world. If you go to the doctor’s office, for example, discuss the medical profession, examples of jobs within the profession (like doctor, nurse, X-ray technician, medical clerk, insurance specialist, and so on).

## Resources:

### Articles:

- *Earning and Saving* by The Mint: A description of six ways to earn or save money.  
[www.themint.org/parents/7-to-13.html](http://www.themint.org/parents/7-to-13.html)
- *Allowances* by The Mint: Ideas for how to create an allowance with your child.  
[www.themint.org/parents/allowances-trial-and-error.html](http://www.themint.org/parents/allowances-trial-and-error.html)
- *Summer Jobs: 5 Questions for Parents to Consider* by Jennifer Griffin-Wiesner: Read this if your child is thinking about getting a summer job.  
[www.bankit.com/resources/summer-jobs](http://www.bankit.com/resources/summer-jobs)
- *Income of Young Adults* by the National Center for Education Statistics: Statistics about the correlation between jobs, income, and education.  
<http://nces.ed.gov/fastfacts/display.asp?id=77>
- *Parents Checklist* by the US Department of Education: includes items, such as how to support your child in his or her studies, where to set up a college savings account, and what to do when it's time to apply for financial aid.  
<https://studentaid.ed.gov/sa/prepare-for-college/checklists>

### Online Tools:

- *IRS Withholding Calculator* by the Internal Revenue Service: A tool to help determine how much money you should withhold from your paycheck.  
[www.irs.gov/Individuals/IRS-Withholding-Calculator](http://www.irs.gov/Individuals/IRS-Withholding-Calculator)
- *My Next Move* by the U.S. Department of Labor: A searchable, browsable resource to help figure out dream careers and match interests to career options.  
[www.mynextmove.org/](http://www.mynextmove.org/)
- *Infographics* by the Congressional Budget Office: Gain a better understanding of the federal budget. [www.cbo.gov/publication/56324](http://www.cbo.gov/publication/56324)
- *Connection to Education* by youth.gov: Learn about the data that links educational attainment with employment outcomes.  
<http://youth.gov/youth-topics/youth-employment/education-and-employment>

### Games/Apps:

- *Be Your Own Boss Challenge* by The Mint: Students take a quiz to determine whether entrepreneurship is the right career path for them.  
[www.themint.org/teens/be-you-own-boss-challenge.html](http://www.themint.org/teens/be-you-own-boss-challenge.html)