

CHOICES THAT AFFECT INCOME



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The choices you make now when you are in school may affect your income in later life. Your personal values and the goals you set for yourself will influence the education and training you pursue.

Your career and education choices can help pave the way for financial security. You should consider the economy and how it will affect your choices. You should also think about how to pay for the preparation you need to enter the job market in the career of your choice.

ONLINE RESOURCES

Personal Financial Literacy
Web site:

- Data Files
- Vocabulary Flashcards
- Sort It Out: The Job Market
- Chapter 1 Supplemental Activity

Search terms:

- job skills
- job goals
- demand and supply
- tuition
- financial aid

Personal Financial Decisions

OUTCOMES

- Discuss how the job market changes over time.
- Explain how career choices affect earning potential.
- Explain how goals, values, and education are related to career choices.
- Describe how a person's education may affect the amount of money that person earns.

THE CHANGING JOB MARKET

Change is a vital part of all aspects of life, and the job market is no exception. The **job market** refers to the wide variety of job and career choices that will be available to you when you are prepared to go to work. The local job market may be different from the statewide or national job market in the short run. Over time, however, they tend to be very similar.

The job market changes as needs for different types of workers evolve. Jobs and careers that once were popular and paid good wages have disappeared as technology and needs of employers have changed. For example, *telephone installer* and *typist* are jobs that were common 20 years ago but are not popular today. Different types of careers, with new and unique job skills, have emerged. For example, the job *Web site designer* requires knowledge of current Web design programs. The job *physician assistant* requires knowledge of current medical procedures. **Job skills** are specific things you can do, such as prepare a spreadsheet or operate a machine, that are needed to be successful on the job. Other less technical job skills, such as being able to work well with others, are also important. Job skills are dynamic. That means they are changing. As new goods and services are developed, job skills needed to create or provide them will change also.

As you think about the type of work you would like to do later in life, consider the jobs that may exist in the future. Will the type of work you want to do be in demand? Will this type of work pay well? Begin asking questions and reading about jobs that sound interesting to you. You can do online or library research about careers that you might like to pursue in the future.

The U.S. Department of Labor publishes and places online *The Occupational Outlook Handbook*. The *Handbook* has data about the major job areas in the United States. From this book, you can learn about jobs in a wide range of fields. The 2006–07 edition has projections to 2014. Figure 1-1.1 on page 4 shows several job areas that are expected to grow in number of jobs from 2004 to 2014.

Occupation	Employment		% Change 2004–2014
	2004	2014	
Network systems and data communications analysts	231,000	357,000	54.6
Medical assistants	387,000	589,000	52.1
Physician assistants	62,000	93,000	49.6
Computer software engineers	800,000	1,169,000	46.1
Dental hygienists	158,000	226,000	43.3
Database administrators	104,000	144,000	38.2
Physical therapists	155,000	211,000	36.7
Medical scientists	77,000	103,000	33.6
Postsecondary teachers	1,628,000	2,153,000	32.2
Employment, recruitment, and placement specialists	182,000	237,000	30.5
Preschool and kindergarten teachers	601,000	782,000	30.1
Paralegals and legal assistants	224,000	291,000	29.7
Social and human services assistants	352,000	456,000	29.7
Registered nurses	2,394,000	3,096,000	29.4
Medical records and health information technicians	159,000	205,000	28.9
Emergency medical technicians and paramedics	192,000	244,000	27.3
Mental health counselors	96,000	122,000	27.2
Fitness trainers and aerobics instructors	205,000	260,000	27.1
Computer and information systems managers	280,000	353,000	25.9
Personal financial advisors	158,000	199,000	25.9
Medical and public health social workers	110,000	139,000	25.9
Pharmacists	230,000	287,000	24.6
Highway maintenance workers	143,000	177,000	23.3
Public relations specialists	188,000	231,000	22.9
Customer service representatives	2,063,000	2,534,000	22.8
Receptionists and information clerks	1,133,000	1,379,000	21.7
Bill and account collectors	456,000	554,000	21.4
Sales managers	337,000	403,000	19.7
Heating, air conditioning, and refrigeration mechanics and installers	270,000	321,000	19.0
Automotive service technicians and mechanics	803,000	929,000	15.7

Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment by Occupation, 2004 and Projected 2014, <http://stats.bls.gov/emp/emptabapp.htm> (accessed February 9, 2006).

CAREER CHOICES AND INCOME

Some jobs pay a lot more than others and are in greater demand than others. Generally, the more skill, training, or education that you are required to have for a job, the more you can expect to earn. For example, a doctor must complete several years of education and training to prepare for his or her job. Typically, doctors are well paid. A salesclerk in a store may need only a high school education and some on-the-job training to prepare for his or her job. A salesclerk typically earns a much lower salary

Chapter 1 Choices That Affect Income

FIGURE 1-1.2

JOBS AND MEAN HOURLY EARNINGS

HOURLY EARNINGS FOR SELECTED OCCUPATIONS (2004 National Compensation Survey)	
Occupation	Mean Hourly Earnings
Accountants and auditors	\$ 24.49
Architects	\$ 32.54
Automotive mechanics	\$ 18.58
Bakers	\$ 11.69
Bill and account collectors	\$ 14.23
Brickmasons and stonemasons	\$ 27.44
Carpenters	\$ 19.27
Cashiers	\$ 9.49
Computer programmers	\$ 29.05
Construction laborers	\$ 14.17
Dental hygienists	\$ 32.10
Dentists	\$ 38.48
Groundskeepers and gardeners	\$ 12.08
Heating, air conditioning, and refrigeration mechanics	\$ 17.37
Lawyers	\$ 48.63
Legal assistants	\$ 20.38
Librarians	\$ 28.47
Pharmacists	\$ 42.69
Photographers	\$ 16.60
Physician assistants	\$ 34.22
Physicians	\$ 57.38
Police and detectives, public service	\$ 24.15
Receptionists	\$ 11.52
Registered nurses	\$ 26.61
Sales counter clerks	\$ 10.46
Sales supervisors	\$ 19.67
Social workers	\$ 18.48
Teachers, secondary school	\$ 32.52
Teachers' aides	\$ 11.11
Textile sewing machine operators	\$ 9.03
Tool and die makers	\$ 23.21
Truck drivers	\$ 14.99
Waiters, waitresses, and bartenders	\$ 5.29
Welders and cutters	\$ 16.33

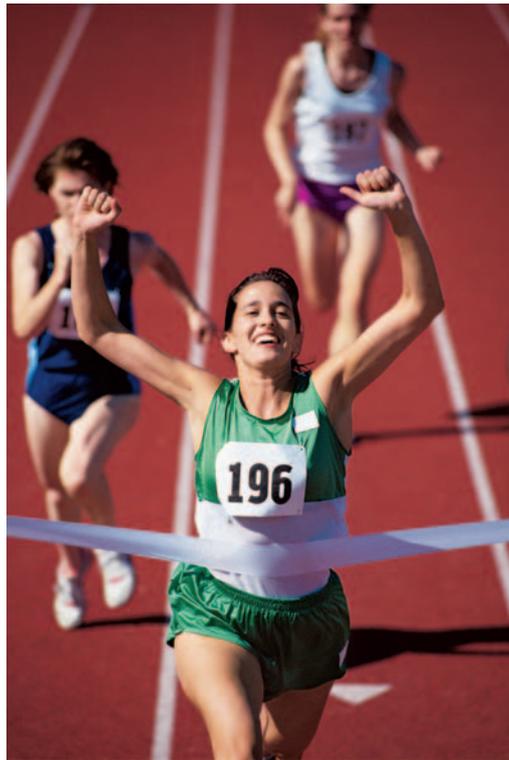
Source: U.S. Department of Labor, Bureau of Labor Statistics, "National Compensation Survey: Occupational Wages in the United States, July 2004" <http://www.bls.gov/ncs/ocs/sp/ncbl0727.pdf> (accessed February 13, 2006).

than a doctor. Some examples of jobs and mean (average) hourly earnings are shown in Figure 1-1.2. Note that these are average earnings. Earnings for some workers in these jobs may be lower or higher. Earnings for the same job may vary by the job location. For example, the starting salary for a teacher may vary by state by \$5,000 or more.

The number of jobs in a career area can also affect the income workers in that job are likely to make. When many workers compete for a few jobs, some of the workers will likely not find jobs in their chosen career area.

In some jobs, earnings may not be related to formal education. For example, some entertainers, supermodels, and professional athletes make a lot of money. However, these types of careers often last just a few years.





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Being an athlete takes talent, hard work, and dedication.

They may require natural talent, beauty, or athletic ability that few people have. They can also be very hard on the mind or body. For every person who succeeds in such a career, many others do not.

Job Titles and Descriptions

As you look for information about careers, you may see jobs listed by job titles. A **job title** is a name given to a particular job. It may be a word or phrase that describes the main duties or tasks of the job. For example, the job title *Long-haul Truck Driver* indicates clearly what the job involves. A person with this job drives a truck for long distances.

Sometimes a job title alone is not enough to tell you what a person in this job does for a

living. For example, reading the job title *Systems Analyst* might leave you wondering what a person would do for that job. A **job description** gives details about a job. It lists the job tasks and duties, the skills needed, and the education and experience required. It may contain other information such as the hours worked or details about the work site or location. A sample job description is shown in Figure 1-1.3 on page 7.



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The skills and education required for jobs vary greatly.

JOB DESCRIPTION

Job Title

Sales Associate

Job Summary

A sales associate sells merchandise and serves as a retail cashier. This worker assists in restocking, display, and price marking of merchandise. A positive, friendly attitude is a must for this position.

Salary

\$8.00 per hour starting salary

Principal Duties

- Provide friendly, courteous, and efficient service to customers
- Answer customers' questions about merchandise and advise customers on merchandise selection
- Record all sales in cash register, receive payment for sales, and issue correct change
- Assist in coding and price marking of merchandise
- Stock shelves, racks, and tables and arrange merchandise displays to attract customers
- Take special orders and handle returns
- Help monitor inventory levels and receive and unpack products
- Keep the store and the stockroom neat and well organized
- Open or close the store and work alone at times
- Attend weekly staff meetings and other meetings as needed
- Perform other related duties as required

Qualifications

- High school diploma required
- Must have worked for at least 6 months in a sales position
- Must have a courteous and cooperative attitude
- Must have good reading, math, and communications skills
- Must be able to operate a cash register
- Must be able to understand and carry out directions
- Must be honest, dependable, and punctual
- Must be willing to work any day of the week and both day and evening hours
- Must present a clean, neat, and well-groomed appearance
- Must dress in business or business casual attire
- Must be able to lift 40 pounds

Lifelong Learning

Learning new skills and information to help you become or stay qualified for a job is important for your financial security. When you are hired for a job, you will probably have the education and skills you need to do that job. As time goes by, however, the skills or education needed for the job may change. You may need to update your job skills. Workers and consumers need to continue learning throughout life. This lifelong learning will help prepare you to be a skilled worker and an informed consumer. As an informed consumer, you can make better choices regarding your personal finances.

CHOICES DEPEND ON VALUES AND GOALS

As you think about a career that you might pursue, consider the values and goals that are important to you. A **value** is a principle that reflects the worth you place on an idea or action. For example, if you think being honest is important, *honesty* would be one of your values.

Values are important. They influence the choices and decisions people make. Think about what you want to accomplish now and in later life. For example, if you think making a difference in other people's lives is important, then that value could be a reason for choosing one job over another. You might choose to be a teacher or a counselor rather than a construction worker.

Many people set goals that they want to accomplish. A **goal** is a plan that is based on values or desired outcomes. A person's goals affect his or her behavior. If you value good health, your goals may include eating



This teacher has chosen a career that allows her to help others.

properly and exercising regularly. If you want to buy a digital camera, your goal may be to save enough money for the purchase. What goals do you want to accomplish?

EDUCATION CHOICES

Some jobs require little education. Other jobs require training that takes several years to complete. Education helps prepare you to do a job well. Education can be formal or informal. Formal education involves attending classes. Students must show that they have learned certain skills and concepts. The class in which you use this textbook is probably part of your formal education. Informal education may involve on-the-job training or learning as you go. You may learn new skills from reading and practicing on your own. For example, learning to use a digital camera by reading the instructions provided is a type of informal education.

The amount and type of education you complete can affect the amount of money you earn. Generally, people with more education earn more than people with less education. If the pay for a job is high compared to the education required, there is often a reason. The job might require high personal risks, a short career span, or completing tasks that others are not willing to do. For example, the employee might have to handle dangerous materials or work in a country where a war is going on.

Think about the type of education you want to complete and how well it will prepare you for the career or job you want later in life. Making choices about education is a serious responsibility. Your choices will affect the jobs you may be able to do. Your jobs will affect the amount of money you are able to earn.



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Formal education takes time and commitment to learning.

Building Communications Skills

LISTENING

Listening is one of the four basic communications skills (listening, reading, speaking, and writing). While hearing is easy, most people have to work at being good listeners. Listening is not the same thing as hearing. Hearing is the ability to process sounds. Anyone who is not hearing-impaired is able to hear. Listening means that information is heard and understood or thought about. According to the International Listening Association, 85 percent of what we know we have learned by listening.¹

You have learned that your education and job choice affect the amount of money you are likely to earn. Listening is an important skill that will help you succeed at school and at work. Practice these tips to help you improve your listening skills:

- Face and look directly at the person who is talking to you.
- Focus on what the speaker is saying. Do not let your mind wander to other topics.
- Ignore distractions such as noises made by other people in the room or someone passing by a window.
- Turn off (or unplug) the phone, and eliminate other noises such as music if possible.
- When you are part of a group that the speaker is addressing, take notes about what the speaker is saying, but do not doodle. Write only key phrases or main ideas. Do not try to write every word the speaker says.
- In conversations with one or two people, give small feedback cues, such as "I see" or "Then what?" to let the speaker know you are listening. Nod frequently and wait quietly during pauses.
- Mentally summarize the main points of what you have heard. Ask the speaker questions to clarify points you do not understand.
- If you are listening to someone give you instructions for a task, repeat key phrases to review the important points.

¹ International Listening Association (Shorpe), "Listening Factoids," <http://www.listen.org/pages/factoids.html> (accessed February 8, 2006).

1-1 REVIEW

1-1 Activity 1 Can You Recall?

Answer these questions to help you recall what you have read. If you cannot answer a question, read the related section again.

1. Why does the job market change over time? Give two examples of jobs that were popular 15 or 20 years ago but are not popular today.
2. What are job skills? List three job skills you have or plan to learn.
3. Explain how career choices may affect the amount of money a person will earn.
4. How is a job title different from a job description?
5. How are goals different from values? List one goal you have that is related to a job or career. What values are related to this goal?
6. Give one example of how a person's goals and values may affect his or her career choices.
7. What is formal education? What is informal education?

1-1 Activity 2 Access the Web Site for This Textbook

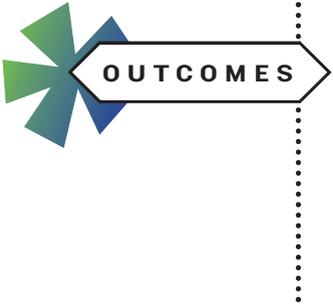


www.thomsonedu.com/school/pfl

The publisher of this textbook posts a Web site with information related to the textbook. The *Personal Financial Literacy* Web site contains data files, games, links to other sites, and other information that you will use as you complete the activities in this textbook. You will probably visit the site often. In this activity, you will explore the site. You will also create a link to make visiting the site quick and easy.

1. Access the Internet. Start your Web browser such as *Internet Explorer*. In the Address box, enter www.thomsonedu.com/school/pfl.
2. A Web site that contains Web pages related to your textbook should appear. Click a hyperlink, such as **Student Resources**. Quickly scan the new page to see the information that it provides. Click the **Back** button to return to the welcome page.
3. Find and click the **Links** page on the Web site. This page contains links to other sites that you can use as you complete activities.
4. Return to the welcome page for the site. Add the Web site to your Favorites or Bookmarks list. Use this Favorites or Bookmarks link whenever you need to visit the site for later activities.

Career Planning



OUTCOMES

- Describe how economic conditions can affect prices and income.
- Discuss training and skills that workers need for job success.
- Explore tuition costs for colleges and other educational programs.
- Explore the options available to pay for education and training.

ECONOMIC CONDITIONS AFFECT INCOME

Regardless of where you live, you are affected by the economy. The word **economy** means all the activities related to making and distributing goods and services in an area. An **economist** is a person who studies the economy. Economists try to predict what will happen, using current and projected data.

As an individual, you are faced with many decisions. For example, you must decide what to purchase for a friend's birthday or how much to save for the future. As you consider what to do and how to prepare for your future, you must also consider the economy. The economy will affect your income, and your income will affect the choices you make.

The Economy Affects Prices

The United States has a market economy. In a market economy, the price for an item is set at a point that consumers are willing to pay and sellers are willing to accept. In other words, sellers charge what the market will bear. Producers wish to increase their profits. Consumers wish to get high value for each dollar spent. The willingness and ability of consumers to buy products and services is called **demand**. The quantity of goods and services that producers are willing and able to provide is called **supply**.

Products and services that are very popular among consumers are said to have high demand. When demand exceeds supply, businesses may charge higher prices for the products. These prices affect your decisions on which items to buy as you spend your income. The study of economics is often said to be the study of scarcity. Although consumers' incomes are often limited, their needs and wants may be unlimited and growing. Consumers must make good decisions to save and spend wisely and get the most value from the dollars spent.

The Economy Affects Income

For many people, their main source of income is wages (hourly pay) or monthly salary. If you choose to work in a career field that is growing and in a job that is in demand, you will likely be able to earn a good income. Income is not the only reason people work. However, the money earned allows workers to meet basic needs and other goals.

When the economy is growing, people are buying goods and services. Jobs are being created, and businesses are hiring workers. Finding and keeping a job that will provide financial security is easier in a growing economy.

On the other hand, when the economy is slowing, people often buy fewer goods and services. The lower demand for goods and services may mean that businesses are not growing. Workers may be laid off or dismissed from their jobs. Fewer new workers are hired. Finding and keeping a job that will provide financial security can be harder in a slowing economy.

When the demand for products or services that are produced by your employer is very low, your job may be in danger. When faced with this situation, some people decide to prepare for a new career field. This process is called retraining. Others will spend weeks or months pursuing job openings for which their skills and education may not be good matches. They may or may not find a new job without getting new training. Understanding how the economy affects prices of products, the job market, and your income can help you make better financial decisions.



You will likely change jobs several times during your lifetime.

Technology Corner

JOB SCOUTS

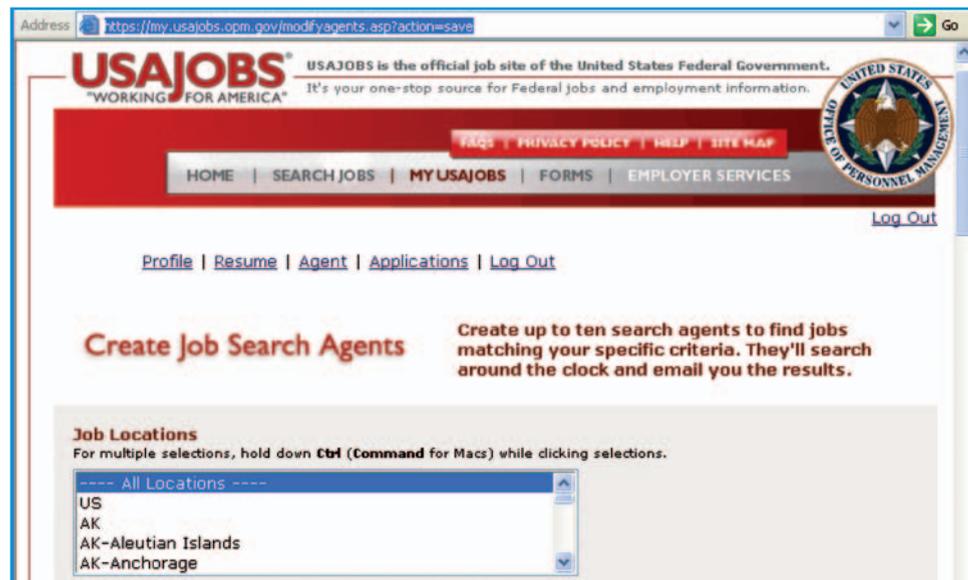
Technology is changing the way people find and use information. The **Internet** is a worldwide network of computers that can share information. The Internet allows users to find and share information about many topics, including jobs. When you are ready to begin working full-time, you may want to use a **job scout** to help you find job openings. A job scout is a type of computer program that is called an *intelligent agent*. Such a program does tasks using rules or options you set. In the case of a job scout, the task is searching the Internet to find job listings and returning those listings to

you. The rules you set might state the type of job and the location of the job (city or state). You may choose to have the job listings sent to you daily or weekly. Job scouts are also called *job agents*.

Using a job scout can help you find a job that will allow you to build financial security. To see an example of a site that offers a job agent, visit the USAJobs Web site as shown in Figure 1-2.1. A link to this site is provided on the Web site for this textbook (<http://www.thomsonedu.com/school/pfl>).

FIGURE 1-2.1

Job scouts or agents can be helpful in locating job openings.



Source: United States Office of Personnel Management, USAJOBS, <https://my.usajobs.opm.gov/modifyagents.asp?action=save> (accessed February 14, 2006).

TRAINING AND SKILLS FOR JOB SUCCESS

Many jobs require very specific skills. To get those skills, you will need education and training. The skills needed may include both hard skills and soft skills. **Hard skills** are the ability to perform tasks or complete procedures. Examples of hard skills include the ability to safely run medical

equipment or to give first aid to an accident victim. The ability to install plumbing in a house is another example of a hard skill. Several months or years of training may be needed to learn hard skills. As you consider which career field to pursue, consider the hard skills required for jobs in that career area.

In addition to hard skills, employers want workers who have certain soft skills. **Soft skills** are nontechnical skills needed by most workers. Examples of soft skills are listed below.

- Leadership skills
- Teamwork skills
- Effective communication skills
- The ability to deal with difficult people and situations
- Problem-solving skills
- Time management skills
- The ability to prioritize tasks

Some soft skills come naturally to some people, but not to others. For example, some people have natural leadership skills, while others do not. Soft skills can be learned through education and practice. As you get education and training to learn hard skills, you also need to develop soft skills that will help you be successful on the job and in other areas of your life. Having both good hard skills and good soft skills will improve your earnings potential.

Success Skills

TEAMWORK

During your lifetime, you will be on many teams. Whether you are taking part in a family event, a competitive sport, a work group, or a fun activity, teamwork skills will come in handy. Combining the efforts of many people makes the work go faster, and the result is often more creative. When you work with others, you can often achieve better results than when you work alone.

At least one activity in each chapter of this textbook offers the option of working in a team. Follow these guidelines to improve your teamwork skills:

- Set clear goals for the team. Create an action plan for achieving the goals.
- Define the duties of each team member.
- Identify how success will be measured. How will the team know its goals have been achieved?
- Identify problems or issues the team may face in meeting its goals. Discuss ways to overcome the obstacles.
- Talk with all team members, and be open to ideas from everyone. Have regular meetings to track the team's progress.
- Build on the strengths of team members. Encourage all members to take part in making decisions and sharing ideas. Each team member has different skills and ideas that can be valuable to the team.
- Recognize accomplishments of team members and the team as a whole.
- As an individual team member, develop trust by completing your duties. Show a positive attitude when discussing team activities.



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Being successful requires a combination of hard and soft skills.

COSTS OF EDUCATION AND TRAINING

You will need to invest both time and money in your education.

Tuition is the charge for instruction at a school. Students must pay for textbooks, pay fees, and meet other expenses that are not covered in tuition. Money is also needed for living expenses such as rent, food, clothing, and travel. Some schools have housing for students. At other schools, students must find housing on their own. Typically, students want to live close by the school. Rent and other costs may be higher in those areas.

When choosing a career, think about the cost and the rewards of each career you are considering. Will it pay well and offer job security? The cost of a college education may be high. However, you will likely be rewarded for the money you spend on education. According to U.S. Census Bureau estimates, people who have a bachelor's degree (or higher) can earn nearly twice as much as workers with only a high school diploma. This difference can amount to more than \$1 million over a lifetime.²

² U.S. Census Bureau, "The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings," <http://www.census.gov/prod/2002pubs/p23-210.pdf> (accessed February 15, 2006).

College Education: Public or Private?

The cost of attending a public college or university is often less than the cost of private schools. A bachelor's degree is earned in a four-year college or university program. At a public school, earning this degree could cost \$25,000 or more in tuition. At a private college or university, the tuition may be \$100,000 or more for a bachelor's degree.



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A formal education will give you many advantages over your lifetime.

Focus on . . .

STUDENT ORGANIZATIONS

Students in high school and college may join career-related organizations. One such organization for business students in junior high and high school is FBLA (Future Business Leaders of America). The college level of this organization is Phi Beta Lambda. Another group, the Future Educators Association, provides opportunities for high school students to explore careers in education. The National FFA Organization is for students interested in careers in agriculture. These are just a few of many student organizations that may be available to you.

Being a member of a student organization provides opportunities for students to:

- Explore careers of interest.
- Ask questions of people who are working in the career area.
- Take part in conferences to learn more about careers in those areas.

- Compete with other students to demonstrate skills learned.
- Apply for scholarships, grants, and other forms of financial aid.
- Learn about continuing education in the field.
- Take part in community service activities.
- Network and form friendships with others who have similar interests.

Student organizations usually have bylaws (rules). These bylaws outline the club's purpose and structure. The costs and requirements for belonging to the group are also given. Generally, the cost of joining is small. Many student organizations provide information about their goals and activities on a Web site. Search the Internet using the term *student organization* and a career area (such as *nursing*) to find groups that interest you.

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Career and Technical Schools

Career and technical schools teach specific skills. These schools may be public or private schools. The tuition for public schools is often less than for private schools. Public school programs often cost \$5,000 or less in tuition. Private programs usually cost two or three times as much as public programs do. The completion time for career and technical school programs is often less than for college programs. Typical career and technical school programs last a few months to a year or more. Books must be paid for, along with living expenses. Students are also responsible for fees and other charges.

Graduate and Advanced Programs

Some jobs require advanced training before the worker can start work. For example, a medical doctor needs advanced training beyond a four-year college degree. Others jobs require that you update skills as you continue working. If advanced degrees are needed in the job you choose, you should consider their cost.

A master's degree is a graduate degree (beyond a bachelor's degree). It usually requires one to three years of study. The time needed depends on your background and the type of degree. A doctorate degree requires three to seven years of study beyond a master's degree in the same field. The course of study often requires doing research. Some programs require internships or have residency requirements. Residency means that classes must be taken in person on campus. Tuition is higher at the graduate level. A graduate degree may cost \$15,000 or more at a public school and \$45,000 or more at a private school.

PAYING FOR EDUCATION AND TRAINING

When you choose to pursue formal education and training, you must consider ways to pay for them. Do you or your parents have the money needed? Will you be able to get grants or scholarships? Do you qualify for financial aid? Will you work part-time to earn money as you attend classes? These options and others may be available to you.

Loans and Grants

Financial aid is money you receive from some outside source to help pay for education. Loans and grants are available from a variety of sources, including the federal government, local banks, and other lenders. A loan is money that you borrow and must repay. A grant is money that you are given to pay for educational expenses and do not repay.

FEDERAL FINANCIAL AID

The federal government offers financial aid to students who qualify. For those under 23 years of age, parents (or a custodial parent) must fill out papers showing their income and assets. Assets are money or things of value that are owned, such as a house or car. The student's income must also be reported. If you are able to show that you need financial aid, then you may receive loans or grants.

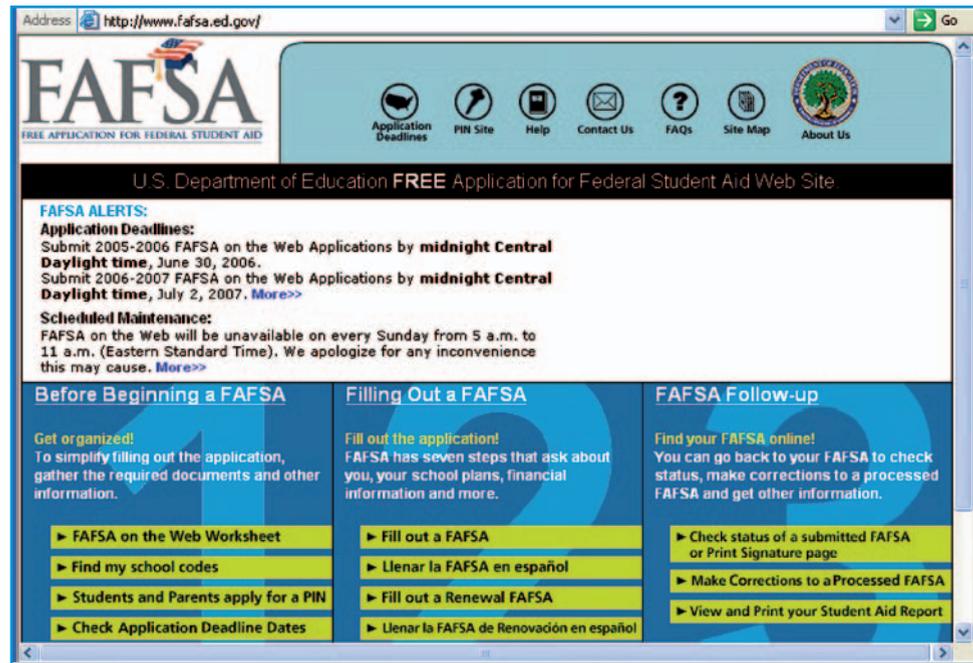
Interest is money paid for the use of money. In the case of a student loan, interest is the money the student pays the lender in addition to the amount borrowed. Interest may be considered the cost of borrowing money. Interest charged on student loans is much lower than for other types of loans. A **subsidized student loan** is a loan on which interest is not charged until after you graduate. With an unsubsidized loan, interest is charged from the time the loan is made. With both types of loans, you do not have to begin repaying the loan until after you graduate from college. Federal financial aid can be applied for online at the FAFSA Web site. A screen from this site is shown in Figure 1-2.2 on page 20. A link to the site is provided on the Web site for this textbook.

PRIVATE STUDENT LOANS

Some private lenders, such as banks and credit unions, make loans to students. These loans typically have higher interest rates than loans from the government. The loans are usually unsubsidized. This means that interest is charged from the time that you take out the loan. These sources of loans require that you have income and a good credit history. If your income is too high to qualify for federal financial aid, a private student loan may be a good option for you. You will need to fill out an application for the loan. You may need to show tax returns and proof of income.

FIGURE 1-2.2

Students can apply for financial aid online at the FAFSA Web site.



Source: U.S. Department of Education, Free Application for Federal Student Aid, <http://www.fafsa.ed.gov/> (accessed February 14, 2006).

Scholarships

A **scholarship** is a gift of money or other aid (free tuition or books) made to a student to help pay for education. Scholarships may be available to students with high grades, strong athletic skills, or high test scores. Some scholarships are given based on need. Scholarships are available from local, state, and national organizations, including the federal government. Money from scholarships generally is not taxable.

Scholarships vary in amounts. A partial scholarship may be given to pay for some educational costs. A full, four-year scholarship may cover the entire tuition for a bachelor's degree. To learn about scholarships for which you can apply, talk to a teacher or counselor. The college you wish to attend can also provide information on scholarships that may be available. Search the Internet using the term *scholarships* to find other sources.

Work and Save

Some students decide to work and save money, starting college or a training program a few years after high school. As they complete their education, some students continue to work part-time. Others work full-time and complete their education part-time. This often means taking night classes or online classes. Such students may attend community or junior colleges where the tuition is low. Although these plans take a longer period of time, students can complete the educational program they choose. A benefit to this path may be the job experience students will gain as they work to pay for their education.



© Getty Images/PhotoDisc

Many students work part-time to earn money for college.

Ethics

Whether filling out a job application or a financial aid form, many people are less than truthful on applications. Do not exaggerate or give information that will create false impressions when completing forms. Doing so is not ethical. **Ethics** are a system of moral values that people consider acceptable. Being fair and honest in your dealings with others is considered ethical behavior.

FILLING OUT FORMS

Always be truthful when completing forms. Fill in all the blanks and boxes on the form. Use *N/A* if the information is *not available* or *not applicable*. Print data clearly. When possible, download the document to your computer, and key the information into the form. Check the data you have entered. Make sure the information is clear, complete, and correct.

1-2 Activity 1 Can You Recall?

Answer these questions to help you recall what you have read. If you cannot answer a question, read the related section again.

1. Define *economy*. What does an economist do?
2. What is the definition of *demand*? Of *supply*?
3. Explain why economics is often called the study of scarcity.
4. How may a growing economy affect your job and income?
5. What is a job scout?
6. What are hard skills? What are soft skills? Give an example of each type of skill.
7. List several ways that students can pay for their formal education after high school.
8. What does *residency* mean when referring to completing a college degree?

1-2 Activity 2
Explore a Federal Financial Aid Form

You may want to apply for financial aid to continue your education when you finish high school. To learn about the information you will need to apply, you will explore the federal financial aid form in this activity.

1. Open the file *CH01 Aid Form* from the data files. This data file is provided as a PDF (portable document format) file. You will need a program such as *Adobe® Reader®* to view or print the file. Your teacher may provide this program for your use at school. A link is provided on the Web site for this textbook that will take you to a site where you can download *Adobe Reader* if you want to have the program on your computer at home. The program is free. This file contains the FAFSA worksheet for 2006–2007. Your teacher may provide you with a form for the current year to use instead of this form.
2. Review the FAFSA worksheet. This is a form you can complete to prepare information you will need to apply for aid online. How many pages long is the worksheet?
3. What types of questions are asked on the worksheet?
4. Who should complete this worksheet?
5. What is the earliest date the FAFSA form may be completed online according to this worksheet?

EXPLORING CAREERS

*Artist, musician, engineer, police,
Doctor, lawyer, firehouse chief.*

This variation of a children's rhyme mentions just a few of the many career areas a young person like you may choose to pursue. Your teen years can be an exciting time as you think about careers and other plans for the future. This time can also be challenging. With so many career paths available, how do you know which career is the right one for you?

Career exploration can help you learn how your interests and talents could be used in various careers. The remaining chapters in this textbook each contain an Exploring Careers page. These pages present information about jobs in one of the broad career areas identified by the U.S. Department of Education. As you explore various careers, think about the questions below. The answers can help you decide whether the career is one you should seriously consider.

- What does work in this career involve?
- Will I enjoy working in this career area?
- Will my interests, skills, or talents help me be successful in this career?
- What education, skills, or experience are needed for this career?
- Am I willing and able to acquire this education and experience?
- Will there be a continuing need for jobs in this career area?
- Will this job pay enough money to allow me to become financially secure?

A typical worker in the United States is employed for 30 to 40 years or more. Because you may spend many years working, you will want to choose a career that you find interesting and meaningful. You may have several different jobs during your working years. The jobs may be in the same field or in very different career areas. You may decide to pursue education that will prepare you for several jobs. Continuing your education, both formally and informally, will also be important in preparing for career changes.

REVIEW

Summary

- The job market is continually changing. Job skills needed are evolving as well.
- The career you choose will affect your income over your lifetime.
- Decisions and choices you make, both personal and career, are based on values and goals.
- The more and higher formal education you gain, the more you will probably earn over your lifetime.
- The economy, or business activity as a whole, will affect your job and your career in terms of earnings and job security.
- The state of the economy (growing or slowing down) will affect the prices you pay for goods and services.
- Both hard skills and soft skills are necessary for career success.
- Formal education and training programs require time and cost money. Many options for paying for educational programs are available.
- Financial aid is money received from some outside source to help pay for education. A loan is money that is borrowed and must be repaid. A grant is money that is given to a student to pay for educational expenses and is not repaid.
- Some students work to earn money to pay for education while attending college or a training program.

Key Terms

demand
economist
economy
ethics
financial aid
goal
hard skills

interest
Internet
job description
job market
job scout or agent
job skills
job title

scholarship
soft skills
subsidized student
loan
supply
tuition
value

ACTIVITY 1

Review Key Terms

Use the key terms from Chapter 1 to complete the following sentences:

1. The _____ is the sum total of business activity in an area.
2. Consumer willingness and ability to buy a product or service is called _____.
3. The charge for instruction at a school is called _____.
4. A principle that reflects the worth you place on an idea or action is called a(n) _____.
5. A(n) _____ lists the name or primary characteristic of a job.
6. The quantity of goods and services that producers are willing and able to provide is called _____.
7. The _____ refers to the wide variety of jobs and careers that exist at one point in time.
8. A(n) _____ may be short-term or long-term and is based on values or desired outcomes.
9. Skills other than technical skills, called _____, are important for job and career success.
10. Money obtained from an outside source to help pay for education is called _____.
11. Activities and duties you will be required to do on a job are called _____.
12. A(n) _____ is a loan on which interest is not charged until after graduation.
13. A(n) _____ is a detailed explanation of job duties.
14. Skills needed to perform technical tasks on a job are called _____.
15. A(n) _____ studies the economy and tries to predict what will happen, using current and projected data.
16. Money paid for the use of money, as in the cost of a loan, is called _____.
17. A(n) _____ is a computer program that searches the Internet to find job listings that meet certain criteria and returns those listings to the user.
18. _____ are a system of moral values that people consider acceptable.
19. A(n) _____ is a gift of money or other aid made to a student to help pay for education.
20. The _____ is a worldwide network of computers that can share information.

ACTIVITY 2

Math Minute

Complete these problems to build your math skills. You may use spreadsheet software or complete the problems manually.

1. The average tuition for four-year private colleges increased by 5.9 percent from last year. The cost last year was \$20,051. What is the cost this year?
2. Use this year's tuition cost answer from step 1. If the tuition increases by 6 percent for each of the next three years, what will be the total tuition cost for the four years?

ACTIVITY 3

Values and Goals



Have you thought about what you want to do, to be, and to have as you become an adult? Complete the following steps to help you think about your values and goals.



1. List three goals that you would like to achieve by the time you graduate from high school.
2. After each goal, explain why that goal is important to you. Discuss the values on which you are basing that goal.
3. Consider how your goals have changed over time. A year ago, how were your goals different? How are they the same?
4. Which goals do you think are lifetime goals—based on values that you will firmly hold onto for a lifetime?
5. Do these values reflect your daily choices and decisions? List things you do (or don't do) that show you are consistent in applying your values to your choices.
6. Based on your values and goals, write a statement about your future life plans—career, family, travel, lifestyle—that you think will reflect your future choices and will shape your plans and goals.
7. Open the *Word* file *CH01 Goals* from the data files. Follow the directions in the file to complete a chart about your values and goals.

ACTIVITY 4

Research Colleges or Other Schools



www.thomsonedu.com/school/pfl

Work with a classmate to explore programs offered and tuition costs of college or other postsecondary schools.

1. Working with your teammate, select a career area that interests you both.
2. Identify two or more colleges or other schools (such as career or technical schools offering a chef program or a cosmetology program) that provide training in this career area.
3. Visit the Web sites for at least two of the schools you listed in step 2. To find the address for a school Web site, enter the school name in a search engine such as Yahoo!® or Google™.
4. Compare the programs offered in this career area in terms of length. How many terms or years are required to complete the program at each school?
5. Compare tuition costs for the schools. Which school has the highest tuition?