

# Section 1: The Value of Education Lesson Plan

## Materials:

The More You Learn the More You Earn – overhead transparency  
The Value of Education Monthly Income – overhead transparency  
The Value of Education – overhead transparency

## Goals:

Students will understand the financial significance of completing high school and earning a college degree. Students will understand the relationship between education, earnings, and buying power. Students will also expand their ability to read graphs.

## Time:

40-45 minutes

## Instructions:

### Worksheet: The More you Learn the More you Earn

1. Have students look at the “The more you learn the more you earn” graph. Tell the students that this graph uses information from the 1999 U.S. Census to list average salary figures for people with different levels of education. Explain that the U.S. Bureau of the Census collects information from all U.S. households every 10 years.
2. Review graph reading skills to be sure that the students understand that the vertical axis of the graph refers to the millions of dollars of earned income in a person’s lifetime (lifetime = 40 working years) and that the horizontal axis refers to a person’s completed educational level. Write the following sentence frames on the board: If I (drop out of high school) I will earn an average of \_\_\_\_ per month. If I finish a bachelor’s degree I will earn \_\_\_\_ (per year). If I receive a Master’s degree I will earn \_\_\_\_ (in my lifetime) compared to – if I dropped out of high school. With a high school diploma I will earn \_\_\_\_ compared to the \_\_\_\_ I could earn with a bachelor’s degree. Have students practice filling in these frames as a whole class.
3. Assign each student two education levels by having them number off (1-7) for high school dropout through professional degree. Each one chooses a second education level two levels up from their original assignment and must create a sentence about what they would earn at one level compared to the other level, using the sentence frames on the board.

### Worksheet: The Value of Education

4. Instruct the students to turn to “The Value of Education” on page 3 in their workbooks. Remind the students that the more schooling they complete, the higher their earnings are likely to be.
5. Announce that it’s time to go shopping! Instruct the students to review the list of items to buy and to mark the ones they would like to purchase for the year. Items listed as “needs” are not optional. Read through the items, explaining which categories are required and which they can choose. Each item has a range. The students are to indicate how much they would spend on each item, based on the indicated range. (Point out the need to align decimal points in the vertical columns when adding the amounts.) For example, if they own a house, their monthly expenses would be larger than

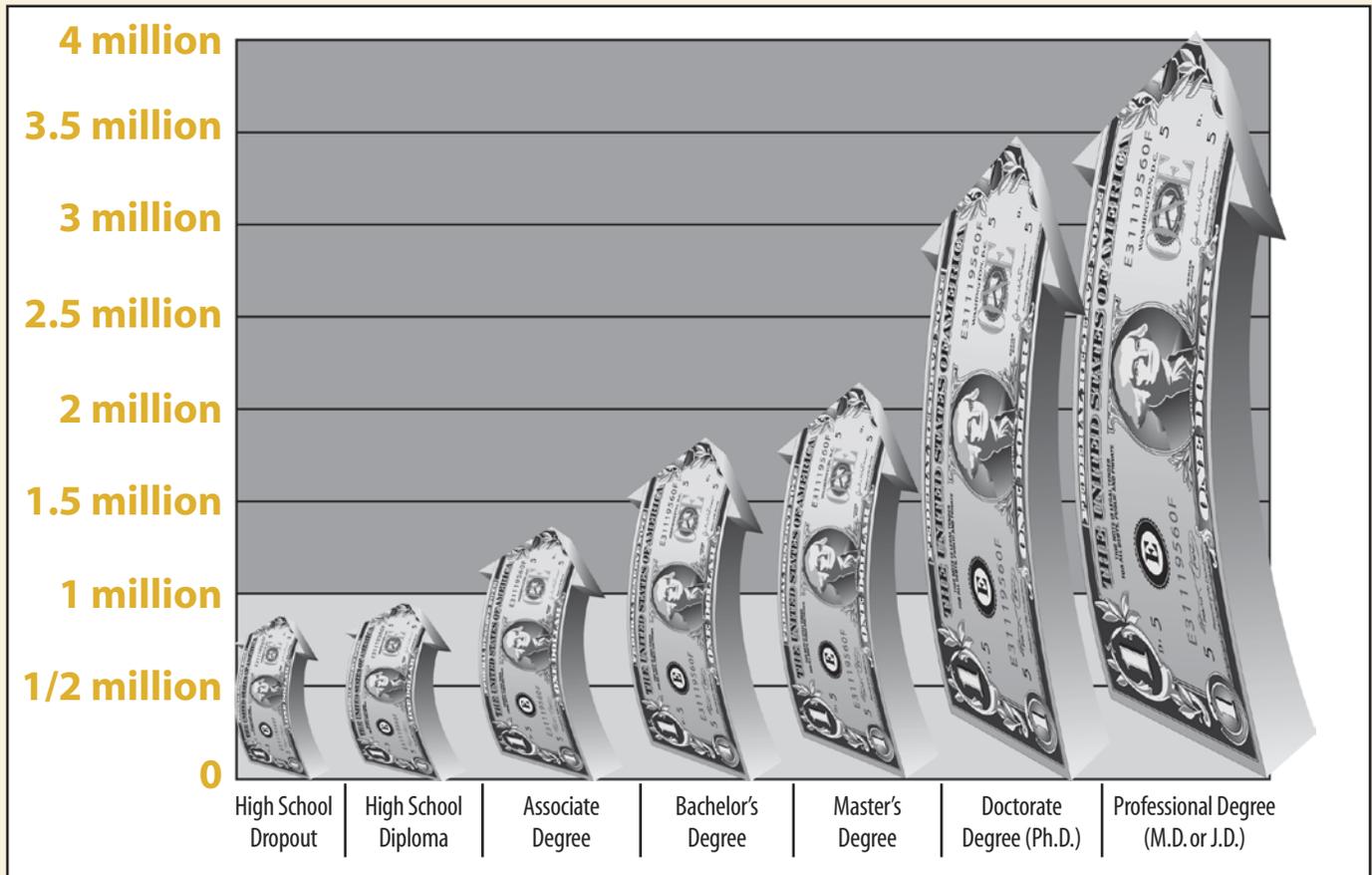
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if they rented or lived with their parents. Have the students indicate an amount that they would spend for each item. Then have them add up all of their purchases for each category. Then, they should add the subtotals from the needs and the optional sections. Instruct them to then place the total in the “My Total Monthly Expenses” space on the right-hand side of the worksheet.

6. Have students number off from 1-7. Each number is assigned to the degree level on The Value of Education Monthly Income overhead slide. For this activity, the students have the possibility of achieving a high school diploma, associate, bachelor’s, master’s, doctorate or a professional degree. Have the students write the monthly salary associated with the degree they have been assigned, based on their number. Students now subtract their purchases from their monthly salary. If their monthly income didn’t cover all of their expenses, have them decrease their monthly expenses until they are able to afford everything they need. This may mean that they cannot purchase all of the optional items and will have to choose the ones most important to them. The students with higher levels of education will be able to afford more purchases than the students with lower levels of education. Discuss the findings with the students and refer back to the graph if necessary.
7. Instruct the students to write a few sentences on their findings.

# THE MORE YOU LEARN THE MORE YOU EARN. GO TO COLLEGE. IT PAYS!



Over a lifetime of work (from ages 25-64), a college graduate, on average, makes almost a million dollars more than a high school graduate. An advanced college degree (5+ years of college) means that you are likely to earn even more. Check out the table below. (Salary information based on 1999 U.S. Census.)

	High School Dropout	High School Diploma	Associate Degree	Bachelor's Degree	Master's Degree	Doctorate Degree	Professional Degree
<b>Average Monthly Income</b>	\$1,575	\$2,158	\$2,750	\$3,783	\$4,541	\$6,783	\$8,275
<b>Average Annual Income</b>	\$18,900	\$25,900	\$33,000	\$45,400	\$54,500	\$81,400	\$99,300
<b>Working Life (ages 25-64)</b>	\$766,951	\$1,037,759	\$1,331,201	\$1,838,432	\$2,127,947	\$3,105,793	\$4,015,613

*Anna Escobedo Cabral*  
Treasurer of the United States.

# The Value of Education

# Monthly Income

1. High School Dropout - \$1,575
2. High School Diploma - \$2,158
3. Associate degree (A.A.) - \$2,750
4. Bachelor's degree (B.A.) - \$3,783
5. Master's degree (M.A.) - \$4,541
6. Doctorate degree (Ph.D.) - \$6,783
7. Professional degree - \$8,275+  
(lawyer, doctor, architect, accountant)

*(Salary information based on 1999 U.S. Census)*

**Directions:** Some of the things listed are “needs,” meaning that you cannot live without them. Other items are “optional,” meaning that you would like them, but do not need them to live. Please put a check mark next to any of the items that are listed under the “optional” section that you would want. Then indicate next to each section how much you would spend in each category per month. Be sure to line up the decimals.

## NEEDS

All cost ranges reflect costs for one person per month.

- A place to live (0-\$6,000.00)** ..... \$ \_\_\_\_\_  
Rent/ Mortgage/ Living with parents
  - Gas/Electricity/Water Bills (\$0-\$250.00)** ..... \$ \_\_\_\_\_
  - Transportation (0-\$1,000.00)** ..... \$ \_\_\_\_\_  
Own new/used car/truck, walk, car pool, etc.
  - Laundry (\$0-\$50.00)** ..... \$ \_\_\_\_\_  
Cost of doing laundry and laundry supplies
  - Groceries (\$100.00-\$500.00)** ..... \$ \_\_\_\_\_  
Milk, bread, eggs, etc.
  - Hygiene Supplies (\$0-\$500.00)** ..... \$ \_\_\_\_\_  
Toilet paper, toothpaste, shampoo, etc.
- Needs Subtotal** ..... \$ \_\_\_\_\_

## OPTIONAL

All cost ranges reflect costs for one person per month.

- Health Insurance (\$0-\$400.00)** ..... \$ \_\_\_\_\_  
\$0 if provided by your job
  - Cell phone or land line phone (\$50.00-\$100.00)**..... \$ \_\_\_\_\_
  - Car Insurance (\$0-\$300.00)** ..... \$ \_\_\_\_\_  
If you lease or own a vehicle
  - Hair Cut (\$0-\$350.00)** ..... \$ \_\_\_\_\_  
Includes cutting, dying and styling hair
  - New Clothes (\$300.00-\$600.00 PER YEAR)** ..... \$ \_\_\_\_\_  
Shoes, accessories, etc.  
Annual Expense ÷ 12 (months in a year)= monthly expenses:
  - Pet Expenses (\$150.00-\$500.00)** ..... \$ \_\_\_\_\_  
Veterinarian, food, supplies, etc.
  - Cosmetics (\$0-100.00)** ..... \$ \_\_\_\_\_  
Cologne, perfume, hand lotion, makeup, etc.
  - Entertainment (\$100.00-\$800.00)**..... \$ \_\_\_\_\_  
Movies, music, cable, Internet, going out to eat, etc.
  - Vacation trip to \_\_\_\_\_ (\$300.00-\$10,000.00)** ..... \$ \_\_\_\_\_
  - Furniture (\$300.00-\$10,000.00)** ..... \$ \_\_\_\_\_  
Annual Expense ÷ 12 (months in a year)= monthly expenses:
  - Other \_\_\_\_\_** ..... \$ \_\_\_\_\_
- Optional Subtotal**..... \$ \_\_\_\_\_

## RESULTS

**Monthly Earnings =**  
\$ \_\_\_\_\_

(Write monthly earnings based on your level of education)

**Total Monthly Expenses =**  
\$ \_\_\_\_\_

(Add subtotals from the Needs and Optional sections.)

**Total Money Left Over =**  
\$ \_\_\_\_\_

(Subtract your total monthly expenses from your monthly earnings.)

## MONTHLY INCOME RESULTS:

- **Money Left Over:**  
You have extra money left over after your monthly expenses are paid. You can either save the money or spend it on other things.
- **Your Monthly Income Didn't Cover your Monthly Expenses:**  
You don't earn enough money to cover all of your monthly expenses. You must decrease your optional items until you get to a point where you can pay for everything you need.