

Unit Two

Career: Labor You Love



There's an old saying that goes, "Since you're going to be working for the rest of your life, you might as well do something you really enjoy." Ideally, you'd like to find work you love to do and that pays you enough to live comfortably. Sadly, many working adults find themselves doing work that is not challenging and doesn't pay well.

The good news is, with the right career choices, you don't have to follow

that unhappy pattern.

You can consciously begin now to choose the career you want. You have the advantage of time and the opportunity to choose. After high school you might go directly into a job, enter a training program, or go to college. Your future is just beginning to unfold, and the choices about work are yours to make.

"You can consciously begin now to choose the career you want."

Some of the questions you will be able to answer by the end of this unit are:

- 👉 How does the career you choose affect your income?
- 👉 What employee characteristics are important to an employer?
- 👉 How do education and training affect your salary?
- 👉 What is an entrepreneur?
- 👉 What are employee benefits?

🌟 Overview: *Work and Money*

One of your single greatest assets is the earning power from your chosen career and/or your talents and skills. Many people think a house is the most valuable thing they'll ever own, but a lifetime of earnings is usually worth much more than a house.

How much you earn in a lifetime can be affected by your choices about education, training, where you live, and for whom you work. We'll look at all of these factors in this unit, and then give you some ideas about how to make the most of your working life.

Your Career

What is the difference between a job and a career? It usually comes down to attitude. A **job** is relatively short-term work that "pays the bills." A **career** is usually a long-term chosen profession or occupation that provides an income. Often there is a planned sequence of jobs as you build a career.

Think of it this way: in high school your "career" is being a student. In just four years of school, you take a lot of different classes (jobs). Some of these classes you love, some you endure. But ultimately you achieve your career goal as a student and graduate.



Can You Believe?

With a partner, fill in the following:

% of teenagers worked full time last summer (35 hours or more per week), while % worked part-time (20–35 hours).

Teenagers most typically have jobs that involve manual labor (%) or food service (%).

On average, teenagers with jobs work about hours per week and earn \$5.70 per hour (more than the minimum wage of \$5.15).

The average American changes jobs times and careers times during a working lifetime.



Answer Key: 41, 22, 32, 30, 15, 10, 3

Now think about the work you do as a teenager. You might be working at a fast-food restaurant to earn some spending money. But your long-term career goal might be to become a doctor. Your fast-food job is helping you on the way to achieving your career goal of becoming a doctor.

Does that mean you should just “endure” the fast-food job and do as little as possible to get by? Not at all. Any job can help you gain skills, even though it’s not going to be your career. In fact, you’ll discover that the lessons and habits you form now working at seemingly “unimportant” jobs will translate directly into success (or failure) in your future career.

The secret to being happy and successful in most jobs is very often your attitude. A good attitude leads to job satisfaction, which means you enjoy the work you

do. Employers pick up on good attitudes and often reward their employees accordingly with better pay, better benefits, more challenging work, etc. So, what do employers look for in an employee?



What Employers Want

The United States Government conducted a study to identify the basic skills and abilities that teenagers and young adults would need to obtain “high-skill, high-wage employment” in a high-performance economy. Take a look at Figure 2.1 to see what these skills and abilities are.



Figure 2.1: Key Employee Skills

Skill/Ability	Description
Basic skills	Reads, writes, performs basic math computations, listens well, and speaks clearly
Thinking skills	Creates new ideas, makes decisions, solves problems, organizes information, learns efficiently, and can reason things out
Personal skills	Goal driven, positive self-image, sociable, realistic self-assessment, and demonstrates honesty
Resource management	Makes good use of time, money, materials and employee resources
Interpersonal	Team player, able to teach and lead other employees with diverse backgrounds, meets customer expectations, and negotiates well
Information management	Acquires and organizes information, and has solid computer skills
Systems	Works well in a system (organizational and technological), can monitor and correct performance, and suggests improvements to the system
Technology	Selects, sets up and operates tools and equipment (including computers), and maintains and troubleshoots equipment

Did you notice that one of the personal skills in Figure 2.1 is the ability to assess yourself accurately? Take some time now to review how well you stack up in each category. Think in terms of a scale from 1 to 5, with 5 being the highest. In which areas are you strong? Weak? How can you improve your weak areas?

Using Assignment 2.1 as a model, on a separate piece of paper list the skills you feel are your strongest. Next, list the weakest. Then write down some specific things you can do to make more use of your strongest skill. How about a plan to improve your weakest skill?

employers reward employees with more money for several basic reasons. They look for employees who:

- ★ are dependable
- ★ work well with others
- ★ are good problem solvers
- ★ deliver high-quality work
- ★ have high productivity
- ★ conduct increasingly complex and unique activities
- ★ have great attitudes

Assignment 2.1:

My Skill Assessment

My strongest skill is:	I can put this skill to even better use today by:
My weakest skill is:	I can improve this skill today by:

Making Money

One key reason you need to know what an employer expects from you as an employee is money. You'll see in the next unit that money—cash—is often what drives personal financial planning. Why? Because money is usually what it takes to reach your financial goals. As a general rule,

Not many employees are rewarded just for filling a chair in the office or for taking up a spot on the factory floor day after day, year after year. Today employers expect a lot more, as you saw in the list in Figure 2.1.

That's not to say that employers don't consider experience—they clearly do. It's just that they want the right kind of experience, the kind that adds value to a company's products and services, which helps the company grow.

If you enjoy creativity, working at a job that requires highly routine behavior—like turning bolts on an assembly line—may not be a good fit for you. On the other hand, if you like consistency in your work, you may find real satisfaction in making the exact, same type of hamburger over and over again.

The key is knowing what makes you happy and gives you a desire to succeed. That means knowing yourself. Consider the many ways different jobs add value to our society and economy.

Ultimately, all workers trade their time for money in the form of wages. Since time is a limited resource, it makes sense to make the most of it. One way to do that is by earning a large enough wage that you feel compensated fairly for your time.

And speaking of time, when you finish high school you'll face another choice: what to do with the rest of your life.



After High School: Then What?



What will you do after you finish

high school? Go to college? Enter a trade school? Enter directly into the workforce? Your choice will affect your career and your future earnings. More specifically, additional education and training normally have a positive impact on the money you earn in the future.

The Costs and Benefits of College Education

Education is the level of formal knowledge and training you have attained. As a general rule, the more education you have, the higher your income. That's the good news. Unfortunately, gaining more education past high school takes precious time and usually costs a lot of money.

For instance, assume you want to go to college. Do you have any idea what it will really cost? Take a look at Figure 2.2 for some average college costs.



**“You
can always make
more money, but you
can't make more
time.”**

Figure 2.2: Average College Costs

Average College Costs 2000

College Type	College Cost—1 year
Private	\$24,946
State (non-res.)	\$16,848
State (resident)	\$11,338

These costs include tuition, a dorm room and cafeteria meal plan, fees, books, and spending money for things like gas and pizza. Needless to say, going to college is not cheap. Fortunately, there are

many financial resources available in the form of scholarships and student loans.

You do have to give up an average of four years of earnings to go to college—remember opportunity cost—as well as pay for four years of college expenses. So what are the benefits? Other than the education itself, is there an impact on your future earnings? Most definitely. Take a look at Figure 2.3.

This figure shows that for an average family, completing a high school education is worth about an extra \$14,000 per year (compared to a high school dropout). But a college degree nearly doubles your earnings over a high school diploma—that's almost \$30,000 a year extra!

Other Education Options

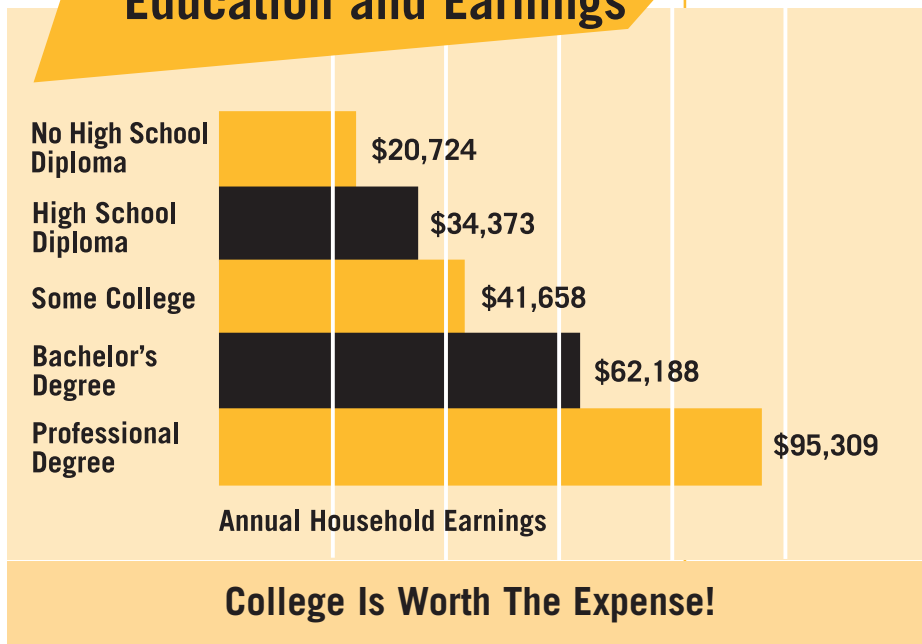
There are other ways besides college to further your education and increase your potential earning power. For instance, you may want to consider technical and trade schools. These are typically one- to two-year programs that will provide you with a working skill, such as PC repair, computer technical support, diesel mechanic, or paralegal assistant.

Like any line of work, how much a job pays depends on its value to society as a whole. Fast-food work takes little training in terms of skills and specialized knowledge, and almost anyone can do the job. So these positions often pay minimum wage. At the other end of the spectrum, becoming a heart surgeon requires advanced skills and years of education and training; the pay reflects the unique value that only a few individuals can provide.

No matter what the job, an almost sure way of increasing your worth in the workplace is to get relevant training. You will need to learn new skills throughout your lifetime, and many employers will pay for additional training. Of course, in return, the employer expects you to be more efficient and better skilled on the job after training. You never know about training opportunities unless you ask, and asking is free!

Up to now, we've been assuming that you're going to work for someone else. But don't forget about another potential employer who is very concerned with your future financial success—yourself.

**Figure 2.3:
Education and Earnings**



“The average employee stays with a company about three to four years.”



Entrepreneurship















An **entrepreneur** is a person who creates a business from scratch, based on a need or personal expertise, and puts creativity and ingenuity into action to provide either a service or product. Entrepreneurs believe they can do a better job delivering a product or service than any existing company. That takes a keen eye to see what customers want, and the drive to meet their needs. Hint: the product or service may not even exist yet!

Many entrepreneurs are self-employed. Being in business for yourself sometimes means a lot of no's: no guarantees, no boss, and no regular paycheck. So being an entrepreneur normally means you're willing to take risks.

Some people work for themselves because they enjoy being their own boss, and they have a strong sense of discipline. Other people become self-employed in order to keep a higher percentage of profits from their labor.

Do you think you have what it takes to be an entrepreneur? How many of the characteristics that describe the typical self-employed person do you have?



-  **Independence**
-  **Positive attitude**
-  **Creativity and talent**
-  **Risk-taker**
-  **Good work ethic and honesty**
-  **Hard worker**
-  **Organization and planning skills**
-  **Self-confidence**
-  **Good listener**
-  **Team worker**
-  **Decision maker**
-  **Motivated**
-  **Salesmanship**
-  **Follow through**

Becoming an Entrepreneur

If you decide to go into business for yourself, you'll most likely take the following, or similar, steps:

- \$ **See an opportunity** to provide a service or goods that is currently missing or that you can provide better than any existing business.
- \$ **Take the initiative** to learn all you can about existing competitors, and discover what it is customers really want from your product/service.
- \$ **Develop plans** to market your business, analyze your potential profit or losses, and then produce the product/service.

To get you thinking about starting your own business, use Assignment 2.2 as a model. Divide a piece of paper into two columns. On the left-hand side, write down five talents or activities you enjoy. In the right column, brainstorm the types of businesses you could create from that activity or talent. These could be summer jobs or jobs you'd like to hold in the future.

Like a SMART goal, a good business plan is written clearly and contains lots of specifics. Most successful entrepreneurs have business contacts they rely on for advice and direction. If you're thinking of becoming an entrepreneur, it's a good idea to talk to people already in your line of work. They can provide valuable advice and insight about the business you are considering.



Assignment 2.2

Talent or Activity	Potential Type of Business
<p style="text-align: center;">Music—talent</p>	<p style="text-align: center;">Start a band Teach private music lessons to young children</p>

Your Career and Your Financial Future

There is more to work than just money.

Job satisfaction is equally, if not more, important. Typically, you'll spend at least eight hours a day at work, so why not do something you enjoy? Beyond money and job satisfaction, there are other reasons to work.

What Employees Want

Earlier we examined what employers want in an employee. But what do employees want from an employer? That's the subject of **employee benefits**, which are the additional benefits offered by employers. Here are a few of those benefits:

☞ Paid vacation. Employers typically offer paid time off of up to two weeks (at least when you're starting a new job).

☞ Paid sick leave. Just like vacation time, many employers allow five to 10 days per year of paid time off for illness, either for yourself or to take care of a family member.

☞ Health-plan benefits. Larger employers often provide health insurance for their employees.

☞ Retirement plan contributions. Many employers will put a small percentage of an employee's salary into a retirement plan.

☞ Tuition reimbursement. Some employers will pay for you to go to college or to take additional training courses.

Many times these benefits are given to employees in addition to their salaries. By some estimates, it costs an employer an additional 20% to 50% of an employee's income to provide these benefits.

As you work for different companies during your lifetime, you can decide which benefits are important at that stage in your life. Just remember to consider benefits as well as salary when you're thinking about taking a new job with a different company.

"Many times these benefits are given to employees in addition to their salaries."



Cost of Living

If you decide to change jobs, you may be asked to move to a new area of the country. If so, an important factor to consider is the cost of living in the new city. **Cost of**

living includes items like rent or home costs, transportation costs, insurance, utilities like natural gas and electricity, and food. To compare apples to apples, cost of living data lets you match up what it costs to live in your current location with the costs in a new location.

For example, think about New York City compared with a small town in rural Oregon. You know that expenses like rent and auto insurance will cost much more in NYC. Food and utilities might be about the same in both areas, but most likely they will cost more in NYC.

Assume you currently live in a small town in Tennessee and you get a job offer to work in NYC. If the job pays the same as you're making now, you'll really be losing money if you move, because it costs much more to live in NYC. When most people move to a new job in a new location, they expect to make more money—after adjusting for the cost of living—than before.

So from a financial planning standpoint, it's a good practice to compare both the salary and benefits of your present job in your current city to a new job in a new city—just remember to factor in any changes for the cost of living. There are many books and websites that track the cost of living for cities across the U.S.

“Cost of living includes items like rent or home costs, transportation costs, insurance, utilities like natural gas and electricity, and food.”

Starting a Family

If you decide to get married and have children, you know there will be additional costs involved. Your own life will give you an idea how much it costs to raise a child through high school. According to the United States Department of Agriculture, average American families spend between \$100,000 and \$200,000 per child on expenses from birth to age 18. Throw in the cost of a college education on top of that, and you can see just how valuable you really are to those who love you!

It takes a lot of money to support a family, and that's another reason to seriously consider your career choices. If you start a family, those employee benefits mentioned earlier will become much more valuable. Health benefits are very helpful when you have children, and retirement benefits will come in handy when you reach your golden years.

By now you can probably see how your career choice ties in closely with your financial plan over a lifetime. The individual jobs you hold over the years generate cash and other benefits that drive your financial plan. Your plan provides guidance and direction to which jobs you take and which you reject, based on your values and career goals. It will all happen successfully if you just remember to “plan your work, and work your plan.”





What You've Learned in Unit Two

- ★ how career choices affect your income;
- ★ what an employer expects from you as an employee;
- ★ the benefits of education and training;
- ★ some of the characteristics of an entrepreneur; and,
- ★ some of the benefits employees want from an employer.





Action Steps

"It's Your Life"

Relax and daydream. Journey down the road of life. Think about what your life will be like in five years. Visualize all the details: your family, your home, your career, your neighborhood. Think of everything you can—is the town

large or small? Are you a quiet person or a public figure? Is your job steady and secure, or exciting and risky? Are you working from 9 to 5, or whatever it takes to get the job done?

To help you better visualize, cut out pictures from magazines of your dream home, automobile, family, and so forth. Mount them on a poster board or put them in a notebook.

Begin to identify your career choice by completing the following questions:

I, _____ plan to work toward a career as a _____ with a beginning salary of \$ _____.

The education or training that is required for my chosen career is _____

This career does/does not typically provide benefits.

Write down two steps you can take today that will move you closer to your chosen career or occupation.

1. _____

2. _____

