

# THEME

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## Education Pays Off: Learn Something

### O V E R V I E W

#### *Student Letter*

**H**ow much have you thought about what occupation you will seek after leaving school? Not much? That is not unusual. Even if you are among the few who have a plan, you will probably reexamine it several times over the next months and years.

Finding a job is important. Many high school students have part-time jobs and may be familiar with the process of finding a job. However, finding a job after technical school or college is different from finding a part-time job while you are still in high school. The usual routine in finding a full-time job is to write a letter of application, prepare a resume, complete a job application, and cross your fingers, hoping that you will be offered a job interview.

What sort of occupation is right for you? There are abundant sources of information about various occupations and how to find job openings. The *Occupational Outlook Handbook* in your school library or at [www.bls.gov](http://www.bls.gov) is a great source of information about what occupations pay and how much education is required. Similarly, there are many sources of job openings from your local newspaper to web sites on the Internet.

Not everyone, however, works for someone else. Some people prefer working for themselves. Do you enjoy being independent? Do you have a high level of energy? Do you like to work hard and see projects through to completion? If so, then perhaps you ought to consider starting your own business. After all, there are many opportunities out there for you to be your own boss.

Ever notice how people in some occupations earn more money than others? Michael Dell is worth billions while people who run gourmet coffee shops earn a whole lot less. Why is that? One of the main explanations has to do with an individual's level of education. Economists call education and training "human capital." On average, people who have higher levels of education earn more, sometimes significantly more, than those with lower levels of formal education. For example, people who graduate from high school earn more than those who do not. People who have some college usually earn more income than people who never go to college. Decisions about education should be looked upon as an investment in your human capital. Investing time and effort in your education will provide you good returns in the form of higher income over many years.

If you work a part-time job, perhaps you had a rude surprise when you received your first paycheck. You might have figured that your paycheck would simply be the total of the number of hours worked multiplied by your hourly rate of pay. Many young people are surprised to learn about deductions from their paychecks. Some of these deductions are optional, but many are mandatory. Optional deductions might be contributions to a company retirement plan. Mandatory deductions are payments for income taxes and Social Security. Uncle Sam takes a bite!



## Questions

**1. What are some steps involved in getting a job?**

**2. If you want to earn a living, do you have to work for someone else?**

**3. Is there a payoff for investing in your education?**

## Questions (continued)

### 4. Is your paycheck the total number of hours worked times your rate of pay?



### ABOUT EDUCATION PAYS OFF: LEARN SOMETHING

#### 1. What are sources of job information?

The Occupational Outlook Handbook *produced by the Bureau of Labor Statistics, available online at [www.bls.gov](http://www.bls.gov) or in book form in the reference section of the library, provides lots of information on many occupations. Information includes the nature of the work, potential employers, working conditions, advancement potential, employment outlook, required education and training, and salary ranges.*

#### 2. What are the advantages and disadvantages of owning your own business?

*The advantages to becoming an entrepreneur include control of your own business success and the potential for significant income. The disadvantages are that business owners usually work long hours and at every job in the business, from manager to janitor. Pay is often low in the beginning, and vacations tend to be rare.*

#### 3. Where can you learn more about education beyond high school?

*Visit with your school guidance counselor. Guidance counselors usually have lots of information on educational opportunities in your community, state, and nation. Numerous web sites offer information on careers and college. Try [www.parkland.ccc.il.us/ccp/planning.html](http://www.parkland.ccc.il.us/ccp/planning.html) to get started.*

#### 4. What is the difference between gross pay and net pay?

*Gross pay is the total amount of money earned. For an hourly employee, it is the hourly wage multiplied by the number of hours worked. Net pay is gross pay minus deductions. Deductions include federal, state, and local income taxes, Social Security contributions, and optional benefits like medical and life insurance, retirement savings, and profit sharing.*