



You Earn When You Learn

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Standards and Benchmarks (see page 7)

Lesson Description

Students are put into four groups to produce name tents. Each group produces name tents in a different way to highlight different levels of human capital. Students identify ways in which people invest in their human capital.

Concepts

Constraint

Human capital

Investment in human capital

Objectives

Students will be able to

- define constraint, human capital, and investment in human capital;
- give examples of investment in human capital; and
- describe the relationship between a person's level of education and income-earning potential.

Compelling Question

How do people benefit from investing in themselves?

Time Required

60 minutes

Materials

- *PowerPoint slide deck for "You Earn When You Learn"*
- *Three sheets of light-colored 9" X 12" construction paper for each student, plus one sheet for the teacher*
- *One dark-colored marker for each student*
- *Handout 1: Assessment, one copy for each student*
- *Handout 1 Answer Key for the teacher*



Procedure

1. Tell students that they will participate in an activity that involves creating name tents for display on their desks for the class and for guest speakers.
2. Distribute a sheet of light-colored construction paper and a dark marker to each student. Tell students to follow along and produce a name tent as you do. Display Slides 2-4 and demonstrate how to produce a name tent as listed below.
 - Fold the sheet of construction paper in half, shorter edges (9") together. Crease the center fold. The folded paper should measure 9" x 6".
 - Open the paper to 9" x 12".
 - Fold the bottom 9" edge to the middle crease. Crease the fold.
 - Open the paper to 9" x 12".
 - Fold the top 9" edge to the middle crease. Crease the fold.
 - The paper should now have four sections, each measuring approximately 3" X 9".
 - Starting from one end of the paper, count down three rectangles. Print your first name in large letters in the rectangle.
 - Turn the paper upside down. Again, count down three rectangles and print your first name in large letters in the rectangle.
 - Fold the paper to create a tent with your name displayed on both sides.
 - Collect students' practice name tents.
3. Select one student who will help you time the activity. Divide the remainder of the class into four groups. Explain that the students will now make their own name tents and that each group will have different rules they must follow. Display Slides 5-9 and explain the rules as follows:
 - **Group 1:** Each of you will remain seated to produce your own name tent, using only one hand, your nondominant hand—that is, the hand with which you do not write—to produce the name tent. You must keep your dominant hand behind your back. You may not assist one another.
 - **Group 2:** Each of you will remain seated to produce your own name tent, using only one hand, your dominant hand—that is, the hand with which you write—to produce the name tent. You must keep your nondominant hand behind your back. You may not assist one another.
 - **Group 3:** Each of you will remain seated to produce your own name tent, using both hands. You may not assist one another.
 - **Group 4:** Each of you will produce your own name tent while standing and using only one hand—your nondominant hand—to produce the name tent. You must keep your dominant hand behind your back. You may not use the desk, table, floor, walls, or chair. You may not assist one another.
 - None of the groups may begin producing name tents until the class is told to begin.
 - When you finish producing your name tent, raise your hand.
 - You will be timed and will have a maximum of two minutes to make your name tent.
 - None of you may help one another produce name tents in any way.



4. Display Slide 10 or draw the following table on the board and use this to tally students as they raise their hands upon completing the name tent.

	Group 1	Group 2	Group 3	Group 4
30 seconds				
60 seconds				
90 seconds				
120 seconds				

5. Distribute a sheet of construction paper to each student. Remind the students that members of each group must make their name tents according to the rules described.
6. Explain that the student who is keeping time will indicate when the groups should start. The student will also announce when 30 seconds, 60 seconds, 90 seconds, and 120 seconds have been reached and will call “stop” at 120 seconds. Tell students that they are to raise their hands when they have finished their own name tent.
7. Have timer start the exercise. As students raise their hands, record tallies on the board or slide in the table cell for the appropriate group number and time segment.
8. After two minutes, timer should say “stop.” Ask everyone to stop producing name tents and if standing to sit down. Discuss the following:
- Who found it very difficult to produce name tents? (*Students in Group 4*) Why? (*Standing and folding with one hand—the nondominant hand—made it nearly impossible.*)
 - What difficulties did those in other groups encounter making the name tents? (*Likely responses include the following: Group 1—hard to fold with one hand, very hard to fold using only nondominant hand, difficult to write with nondominant hand; Group 2—hard to fold with one hand; Group 3—likely few or no difficulties.*)
 - In general, which group of students finished most quickly? (*Group 3*) Why? (*Students in this group were able to use both hands and were able to remain seated.*)
 - In general, which group of students took the longest time to finish? (*Group 4*) Why? (*Students in this group had to use only their nondominant hands and had to stand.*)
9. Display Slide 11 and explain that a **constraint** is a limit or restriction that prevents you from doing something. Ask students what types of constraints students in different groups had. (*keeping one hand behind their back, not being able to sit down, having to write with one hand*) Point out that those who had fewer constraints or limits could produce name tents more easily.
10. Distribute a new piece of construction paper to each student. Allow every group to make a change to their process (*e.g., use dominant hand, sit at a desk, use both hands*) and repeat the name tent exercise. Point out that without constraints the number of completed nametags increased and the quality improved. Explain that those who had fewer constraints when producing name tents in the activity represent people with more human capital.



11. Refer to Slide 11 and define **human capital** as the knowledge and skills that people obtain through education, experience, and training.
12. Explain that people with more skills, education, and training tend to have more options available to them; that is, they have fewer constraints or limits. They are less constrained in the labor market. They tend to be more productive and, as a result, earn higher incomes. In the name-tent activity, Group 4 represents those with the smallest investment in human capital —high school dropouts; Group 1 represents high school graduates; Group 2 represents high school graduates with additional training — associate degrees, bachelor’s degrees, or trade school; and Group 3 represents those who pursue advanced degrees.
13. Explain that the process of managing income includes saving and investing for the future. An important investment that students make in their future is their **investment in human capital**. Refer to Slide 11 and define **investment in human capital** as the efforts people put forth to acquire and improve human capital. These efforts include education, experience, and training.
14. Explain that people develop human capital throughout life. Learning to read and compute are examples. Display Slides 12-16 and discuss the following, recording student examples on the board:
 - What are examples of human capital you possess—that is, the knowledge and skills that you have now from your education, experience, and training? (*Answers will vary but may include the ability to read, write, compute, play the piano, play chess, draw, use various wood-working tools, use a computer, or work well with others.*)
 - What investments have you made, or will you make to develop and maintain your human capital? (*Answers will vary but may include reading, completing homework, practicing the piano, joining the chess club, attending a special art class, attending a computer class, or making furniture and other wood items.*)
 - If you want to run your own business in the future, what human capital might you need? (*Answers will vary but may include management skills, accounting skills, computer skills, or communication skills.*)
 - What investments might you make to develop this human capital? (*Answers will vary but may include pursuing a college degree in business or accounting, reading professional journals, or shadowing someone who owns a business.*)
 - How do investments in human capital benefit people? (*It reduces constraints, makes it easier for them to get jobs and earn income, and allows them to have more success.*)
15. Point out that they have been investing in their human capital every day since they were born. They learned to walk, talk, read, write, draw and much more. They also have invested in their human capital when they practice or gain experience. For example, they practice reading, they practice playing an instrument or a sport. Perhaps they have had some training. For example, they may play on a basketball team, or they may take piano lessons. Explain that people continue to invest in their human capital throughout their lives because it benefits them.

Closure

16. Display Slides 17-24 to review the key points of the lesson. Have students confer with an elbow partner and give a “thumbs up” if they agree with a statement or a “thumbs down” Explain that if they disagree with a statement they must explain why. Call on various pairs of elbow partners to share why they disagree.
 - A constraint is something that limits or restricts a person. (*Thumbs up, constraints do limit us—make it harder for us to do things.*)



- Being able to sit at the desk/table to produce name tents was a constraint. *(Thumbs down, being able to sit at a table/desk removed a constraint—it made producing name tents easier)*
- Human capital is knowledge and skills that people obtain through education, experience, and training. *(Thumbs up)*
- Only adults have human capital. *(Thumbs down, kids have human capital, too.)*
- Reading, playing an instrument, drawing, and being able to add and subtract are examples of human capital. *(Thumbs up)*
- Investment in human capital is the efforts people put forth to acquire and improve human capital. *(Thumbs up)*
- People can only invest in human capital by going to school. *(Thumbs down, people invest in human capital by going to school—getting an education. They also invest in human capital by practicing or gaining experience, and through training.)*
- Investment in human capital benefits people because it reduces constraints, makes it easier for them to get jobs and earn income, and allows them to have more success. *(Thumbs up)*

Assessment

17. Distribute a copy of *Handout 1: Assessment* to each student. Review the directions with students. Allow time for them to complete the work or have them complete it for homework. Review their answers using *Handout 1: Assessment Answer Key*.



Standards and Benchmarks

Voluntary National Content Standards in Financial Literacy

Standard 1: Earning Income

Income for most people is determined by the market value of their labor, paid as wages and salaries. People can increase their income and job opportunities by choosing to acquire more education, work experience, and job skills. The decision to undertake an activity that increases income or job opportunities is affected by the expected benefits and costs of such an activity. Income also is obtained from other sources such as interest, rents, capital gains, dividends, and profits.

- **Benchmarks: Grade 8**

1. People make many decisions over a lifetime about their education, jobs, and careers that affect their incomes and job opportunities.
2. Getting more education and learning new job skills can increase a person's human capital and productivity.
3. People with less education and fewer job skills tend to earn lower incomes than people with more education and greater job skills.
4. Investment in education and training generally has a positive rate of return in terms of the income that people earn over a lifetime.

Voluntary National Content Standards in Economics

Standard 13: Income

Income for most people is determined by the market value of the productive resources they sell. What workers earn primarily depends on the market value of what they produce.

- **Benchmarks: Grade 8**

4. More productive workers are likely to be of greater value to employers and earn higher wages than less productive workers.
5. People's incomes, in part, reflect choices they have made about education, training, skill development, and careers. People with few skills are more likely to be poor.

Standard 15: Economic Growth

Investment in factories, machinery, new technology, and the health, education, and training of people stimulates economic growth and can raise future standards of living.

- **Benchmarks: Grade 4**

1. When workers learn and practice new skills, they improve their productivity by improving their human capital.

- **Benchmarks: Grade 8**

4. Increases in productivity can result from advances in technology or increases in physical or human capital