

# Tools for Teaching the Arkansas High School Economics with Personal Finance Course

Session 16:

## Factors for Financial Success and Earning Income

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### Session Description

Students participate in activities that demonstrate how improving their human capital will put them on a path to financial success.

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### Standards and Benchmarks (see page 16.5)

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### Talking Points

#### Factors for Financial Success

1. Financial success depends on learning to manage your personal financial life and on learning to make informed decisions.
2. Financial success also depends on factors such as being willing to work hard, acquiring useful skills, having a good attitude, being motivated, and luck.

#### Earning Income

1. Human capital refers to the set of skills, education, and attitudes a person possesses.
  2. Human capital can be increased by getting more education and training, practicing a skill or task, developing a strong work attitude/ethic, and by staying healthy.
  3. Higher levels of human capital are associated with higher levels of productivity, which in turn are associated with a greater demand for a person's services.
  4. As a person acquires more human capital, there are fewer other people who possess a similar set of skills, which means there is a lower supply of people able to do what that person does.
  5. Greater demand coupled with lower supply leads to higher wages for people with higher levels of human capital.
  6. In particular, higher levels of education are associated with both higher incomes and lower rates of unemployment.
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7. Net income (or disposable income) is gross income minus taxes and other deductions.
8. Instead of working for someone else (for wages or salaries), one can also work for him or herself (for profit) as a business owner or entrepreneur.
9. Entrepreneurs are people who tend to have certain personal characteristics, including self-reliance, self-motivation, a desire to achieve, and a willingness to take risks, work hard, and lead others.

## Resources

NOTE: See p. v for instructions on how to set up an [Econ Lowdown](#) account and assign resources found in the Resource Gallery to your students.

### Online Modules

Allow time for students to complete the modules:

- *It's Your Paycheck!* (These lessons are also available in PDF and PPT formats.)
  - Lesson 1: Invest in Yourself (20:00)  
[https://www.econlowdown.org/resource-gallery/its\\_your\\_paycheck\\_1](https://www.econlowdown.org/resource-gallery/its_your_paycheck_1)
  - Lesson 2: "W" Is for Wages, W4 and W2 (20:00)  
[https://www.econlowdown.org/resource-gallery/its\\_your\\_paycheck\\_2](https://www.econlowdown.org/resource-gallery/its_your_paycheck_2)
- Education vs. Unemployment (15:00)  
[https://www.econlowdown.org/resource-gallery/education\\_vs\\_unemployment](https://www.econlowdown.org/resource-gallery/education_vs_unemployment)

### Video Q&A

Allow time for students to view the video and answer the questions:

- No-Frills Money Skills Video Series—Soft Skills (15:00)  
<https://www.econlowdown.org/resource-gallery/no-frills-money-skills-episode-8-soft-skills>

### Reading Q&A

Allow time for students to read the essays and answer the questions:

- Ben Franklin: Highlighting the Printer  
<https://www.econlowdown.org/resource-gallery/ben-franklin-highlighting-the-printer>
- *Page One Economics*®—Education, Income, and Wealth  
<https://www.econlowdown.org/resource-gallery/education-income-and-wealth>
- *Page One Economics*®—Soft Skills: Success May Depend on Them  
<https://www.econlowdown.org/resource-gallery/soft-skills-success-may-depend-on-them>
- *Page One Economics*®—College: Learning the Skills to Pay the Bills?  
<https://www.econlowdown.org/resource-gallery/college-learning-the-skills-to-pay-the-bills>

### Lessons

Allow time for students to complete the lessons:

- *It's Your Paycheck!* (These lessons are also available as online modules.)
  - Lesson 1: Invest in Yourself  
<https://www.stlouisfed.org/education/its-your-paycheck-curriculum-unit>

- Lesson 2: “W” Is for Wages, W4 and W2  
<https://www.stlouisfed.org/education/its-your-paycheck-curriculum-unit>
- *Making Personal Finance Decisions*
  - Unit 1: Thinking Economically—Lesson 1B: Making Choices and Identifying Costs  
<https://www.stlouisfed.org/education/making-personal-finance-decisions-curriculum-unit/making-choices>
  - Unit 3: Earning Income—Lesson 3A: Investing in Yourself  
<https://www.stlouisfed.org/education/making-personal-finance-decisions-curriculum-unit/investing-in-yourself>
  - Unit 3: Earning Income—Lesson 3B: Entrepreneurship—Working for Yourself  
<https://www.stlouisfed.org/education/making-personal-finance-decisions-curriculum-unit/entrepreneurship>

## Standards and Benchmarks

### Arkansas Economic Standards

**Content Standard E.2:** Students will understand the impact of economic decision-making. This includes considering the marginal costs and marginal benefits of alternatives.

- **E.2.ECON.2:** Evaluate the roles of scarcity, incentives, trade-offs, and opportunity cost in decision-making (e.g., PACED decision-making model, cost/benefit analysis, employment choices, the four factors of production).

### Personal Finance Alignment

- **PF.7.SI.4:** Analyze the relationship between risk and return.

**Content Standard E.6:** Students will understand the factors affecting income, wealth, and financial risk. This includes the role of credit in personal finance.

- **E.6.ECON.PF.1:** Analyze the impact of education, training, job seeking skills, and workforce readiness skills (i.e., soft skills) on productivity, earning potential, and employment:
  - Job-seeking skills: network, interview skills, resumé writing
  - Workforce readiness skills: positive attitude, problem-solving, communication, time management, leadership, active listening, teamwork, meeting basic employer expectations and requirements

### Personal Finance Alignment

- **PF.1.EI.5:** Summarize skills needed to be successful in the workplace:
  - Communication
  - Time management
  - Basic employer expectations

