

Income/Cost of Living

Summary

Students will identify various sources of income, learn about employee benefits, compare income to the cost-of-living, and learn how economic conditions affect income.

Main Core Tie

Adult Roles and Financial Literacy

[Strand 2 Standard 1](#)

Materials

- [Job Benefits Teacher Information](#)
- [Vocabulary Worksheet and Key](#)
- [Introduction Spider Organizer](#)

Instructional Procedures

Vocabulary

Use the [Vocabulary Worksheet and Key](#) (pdf).

Primary Vocabulary

Income
Wages/Salary
Investments
Self-employment
Entrepreneur
Cost of living
Insurance

Supplementary Vocabulary

Policy
Policyholder
Benefits
Deductible
Premium
Grace period
Health insurance
Preferred Provider Organization
Health Maintenance Organization
Disability insurance
Life insurance
Beneficiary
Term Life
Whole Life

Introduction/Pre-Assessment

Have the class brainstorm all the different ways that people are able to obtain (legally) money/income. (Ideas may include: job=wages/salaries, gifts, investments, bonuses, allowances, government programs (financial aid, etc.), self-employment, etc.) When you have exhausted ideas about ways we obtain money, have the class come up with ways that those sources of incomes are influenced for the good or bad (ways that you can increase or decrease the money flow of those ways of obtaining money; i.e. doing an exceptional job might gain you a raise, bonus or promotion. Doing

less than expected you may end up being let go from the company, or being passed over for a promotion. (ARFL 2.1, 2.1.1)

Content Outline, Activities and Teaching Strategies

(All options do not necessarily need to be taught. Select ones to cover standards and objectives and according to your district policies.)

Option 1: Spider Graph

If you don't want to brainstorm as suggested in the introduction, you could have the students do a [Spider Graph](#) (pdf) with the term SOURCES OF INCOME listed in the middle of a circle and possible sources would radiate from the center. After the students have had time to complete the organizer then the class could discuss what they came up with.

Option 2: Take Charge Today Income and Benefits of Jobs Lesson Plan

There is a powerpoint and lecture. Students evaluate the factors involved when comparing job offers including compensation packages, health benefits, and additional perks. In addition, they learn how to calculate the cost of living between two cities. Knowledge is applied when evaluating two job offers to determine which provides the most disposable income.

Step #1: Go to: <https://takechargetoday.arizona.edu/search-free-lessons>. (You will need to register and log in to this website prior to use)

Step #2: Click on the Earning Curriculum Topic and select Lifelong Employment.

Step #3: Download the lesson plan and resources.

Option 3: Cost of Living

Lesson plans are available about cost of living from such sources as: www.bestplaces.net/col/. This lesson has a cost of living calculator and uses cost comparison in different places. Also, there is http://lessonplans.fundingfactory.com/plan_details.aspx?id=28.

Option 4: Economic Conditions Affect Income

What kind of economic conditions affect income? Discuss such items as recession, scarcity of supplies, decline of demand (don't Want a gas guzzling car with the price of gas - those cars aren't selling and factories lay off employees, etc.), supply costs increase (gas is more expensive and so food prices go up due to trucking costs, etc.), weather conditions (loss of crops due to lack of water, or hurricanes, etc.), world conditions- war, political strife . . . After the class discussion have the students make a word search of the terms discussed that day. Set a certain amount of terms that must be used in their word search. They will then trade the word search with someone in the class and the first person to find all of their terms will be the prize winner.

Option 5: Textbook

Text: *Strengthening Family & Self*. Chapter 23 pages 515-521. Questions on page 521.

Option 6: Textbook

Text: *Managing Your Personal Finances*: Chapter 6 pages 119-140.

Option 7: Take Charge Today Insurance Benefits Lesson Plan

Students examine the basic features of five types of insurance: automobile, health, life, disability, and homeowner's/renter's. Learning is reinforced when playing an activity to identify which insurance is necessary to cover different types of risks.

Step #1: Go to: <https://takechargetoday.arizona.edu/search-free-lessons>. (You will need to register and log in to this website prior to use)

Step #2: Click on the Spending and Borrowing Curriculum Topic and select Types of Insurance.

Step #3: Download the lesson plan and resources.

Option 9: Textbook

Text: *Managing Your Personal Finances*, Chapter 13 pages 412-472.

Option 10: Video

Video: *Second Edition NEXT Generation: Insuring Your Future*. Free.

Video Placement Worldwide 25 Second St. North. Suite 120 St. Petersburg, FL 33701-9862. 1-800-

358-5218.

This video also has worksheets that go with it at www.vpw.com.

Option 11: Vocabulary

Use the [Vocabulary Worksheet and Key](#) (pdf).

Summary/Evaluation

Income comes from a variety of sources. There are many factors that influence how much income we make. Cost of living varies according to where you live. Cost of living must be taken into consideration when choosing where you want to live and how much money you expect to make. Benefits offered through your employment increase the value of your income. Insurances are considered benefits to your financial well being. Without adequate protection from insurances a unforeseen tragedy such as a serious medical condition, or a fire in your home could set you back financially, and in some circumstances wipe you out financially forever. Having insurance safeguards your income now and in the future.

Authors

[CTE LESSON PLANS](#)