THEME 2



OVERVIEW

Student Letter

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** 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!



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?



1. What are sources of job information?

The Occupational Outlook Handbook produced by the Bureau of Labor Statistics, available online at **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/ccc/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.



The Job Application Process

mployers in recent years have been experimenting with new ways to attract employees. But most employers still tend to follow similar procedures for recruiting and hiring new employees. People who are familiar

with these procedures and are able to follow them have advantages in the job-seeking process over others who are less familiar with them.

STEP 1: Looking for Job Openings

There are several sources of job opportunities. One important source to consider is *America's Job Bank* (www.ajb.dni.us). It is the most extensive service available. *America's Job Bank* is offered by the U.S Department of Labor in partnership with state-operated employment services. *America's Job Bank* is a computerized network that links state employment services offices to provide job seekers with a pool of active job opportunities. Job seekers can search for job openings and submit resumes for employers to examine. Job seekers may research jobs within 25 miles of their homes, within counties, states, and throughout the United States. The job openings and resumes found in *America's Job Bank* are available on the Internet in many public libraries, colleges, universities, high schools, shopping malls, transition offices on military bases, and elsewhere.

Individuals increasingly are using *networking* as a less formal way of finding out about career opportunities. How might you uncover job opportunities using your personal network? Consider communicating by telephone or e-mail with friends and family members who, in turn, might be able to connect you to a potential employer. Make efforts to contact people who might know other people. Contact organizations that might help. For example, local employers often are members of a local Chamber of Commerce. These employers are often seeking new employees. Very likely, people at your local Chamber of Commerce will have information about how you can contact local employers through formal and informal ways. Other networking ideas include joining organizations and clubs, attending business luncheon meetings, and taking classes or seminars where you might come into contact with potential employers.

There are many other good sources of job information. Teachers and guidance counselors may know of local sources of employment. Many high schools offer cooperative or work-experience programs. Most post secondary education institutions, such as technical schools, colleges, and universities, have career placement offices. These offices often post job openings, may offer workshops on job-seeking skills, and may arrange for recruiters to interview students on campus.

Many communities have public and private employment agencies whose business is to help you find jobs for which you are prepared.

Don't forget to check out the classified "Help Wanted" notices in your local newspaper. Finally, businesses and government organizations often circulate job openings. They might be posted on bulletin boards or circulated among the offices.

STEP TWO: The Letter of Application

Job applicants often send a letter of application and a resume to a potential employer. The letter of application introduces you to the employer and allows you to tell the employer what you have to offer. A letter of application includes the normal characteristics of a business letter (typed, centered on page, and standard English). A typical letter expresses your interest in a particular job, links your experience, interest, or training to the job, and explains how you can be reached for an interview.

STEP THREE: The Resume

A resume is a summary of your work-related experiences. It presents your name, telephone number, street address, e-mail address, career objective, education, work experience, abilities, and other information, such as awards, extracurricular activities (club, sports, etc), offices held in organizations, and any special interests. A resume should tell the employer who you are in a neat, concise, and accurate way. If you wish, you can list references (names and addresses) on the resume. References are people who can tell a prospective employer about your work habits, character, and skills.

STEP FOUR: The Application

Employers ordinarily ask you to complete an employment application when you inquire about a job. When possible, you should type the application and return it to the employer. Many times, however, employers want you to complete the information on the spot. In this case, here are a few tips:

- ✓ Be sure to bring basic information such as your Social Security number, driver's license, and copies of necessary licenses or permits. Also, be sure to bring your resume and, if possible, a school transcript.
- ✓ Print clearly in the spaces provided. Use a good quality black or blue pen.
- ✓ Fill in all the blanks on the form. Write NA for not available or does not apply, when appropriate, so the employer knows that you did not skip parts of the form.
- ✓ Be truthful. Give complete answers.

STEP FIVE: The Interview

It is typical for an interested employer to contact you and arrange for a job interview. The job interview is a procedure in which you may be questioned about the statements you made in the application. The interview also allows the employer to gather other job-related information from you. Here are a few tips to consider as you prepare for a job interview.

- ✓ Find out about the company or agency. Often, companies have Internet sites or brochures that provide information on their mission and organization.
- ✓ Make a list of questions to ask about information that you want to obtain such as work schedules, benefits, and pay.
- ✓ Arrive on time or a little early. Never be late. Go alone.



Continued

- ✔ Be neat and clean. Dress modestly and conservatively.
- ✓ Do not overuse jewelry or fragrances.
- ✓ Do not smoke or chew gum.
- ✔ Be poised and confident. It is normal to be nervous, but try your best to appear relaxed.
- ✓ Do not appear overconfident or arrogant.
- ✓ Greet the interviewer with a firm handshake.
- ✓ Establish eye contact.
- ✓ Concentrate on clear communication. Speak clearly. Avoid slang or improper language. Listen carefully. Don't interrupt. Be responsive and truthful.
- ✓ Be ready for some open-ended questions. "Tell me about your qualifications for this job" or "Describe the ideal candidate for this position" are two possibilities.
- ✓ Emphasize your strong points. Be ready to be asked about your strengths as well as weaknesses.
- ✓ Be positive, upbeat, and enthusiastic.

Questions

1. What are the five primary steps of getting a job?



Questions (continued)

3. What are two tips for writing a letter of application?

4. What information is ordinarily included on a resume?

5. There are many suggestions for how best to conduct yourself at a job interview. Which suggestions do you think are most important?



Sample Job Application

elow is a typical job application. Examine it to see how easy it would be for you to complete the application today. Answer the questions found after the form.

Today S date			_				
PERSONAL 1	NFORMAT	ION (plea	se print c	learly)			
Name:						Tel. # ()
Last		First		Middle		Area Co	
E-mail addre	ss:						
Address:							
				City		State	Zip
Date of birth			Social Se	curity N	No		
Are you emp	loyed now?	□ Ye	s 🗆 No	If yes	, where	e?	
In case of en	ergency no	otify:					
	•					Tol # (,
Last		First	Mic			Area Co) ode
Address:							
				City		State	Zip
	Y						
AVAILABILIT					□ Ye	s 🗆 No	
	lly able to b	e employ	red in the	U.S. ?			
AVAILABILITATE Are you lega What type of							
		re you see	eking? [□ Part-	time [☐ Full-time	
Are you lega What type of	position a	re you see	eking? [F W	□ Part-	time [
Are you lega	position ar	re you see	eking? [□ Part- T	time [F	☐ Full-time	

School hame and location	
Total # years attended:	Did you graduate? GPA
Degree, major or total ho	rs:
High school:	
Trade or business school	□ Yes □ No
College/university:	□ Yes □ No
EMPLOYMENT HISTORY	
1. Company	
Address:	Tel. # ()
	City State Zip Area Code
	Supervisor:
Dates worked: From:	To:
Wage:	Reason for leaving:
2. Company	
Address:	Tel. # ()
D	City State Zip Area Code
	Supervisor:
	To:
wage:	Reason for leaving:
SKILLS (Complete if apply	ng for clerical, secretarial, or data processing position.)
Keyboarding: ☐ Yes _	WPM □ No Word processing: □ Yes WPM □ No
Spreadsheets Yes	No Data entry
Desk top publishing	Yes □ No Web site experience □ Yes □ No
Word processing software	(specify)
Spreadsheet software (sp	cify)
	al certifications, or training which you feel qualify you for the
position for which you ar	applying.

Name	Occupation		Tel. # ()
Address:				
		City	State	Zip
Name	Occupation		Tel. # ()
Address:				
		City	State	Zip
SIGNATURE				
plete to the best of m statement, or omission	tion provided by me in the state of the stat	tand that if e to my appli	employed, any fa cation, whether	lsification, mis-
previous or current e	nces listed above to giver employment and any perease all parties from all ame to you.	rtinent infor	mation they may	have, personal
	mployment may be conceening test as part of the	-		
	awful to require or adminued employment. An ondoor civil liabilities.			
Applican	nt Signature		Date	
Applican	ıt Signature		Date	
Applican	ıt Signature	_	Date	
Applican	ıt Signature		Date	
Applican	ıt Signature		Date	
Applican	it Signature		Date	
Applican	nt Signature		Date	
Applican	nt Signature		Date	

AMERICANS WITH DISABILITIES

Most of the information provided by potential employees to potential employers is routine and job related. However, Title I of the Americans with Disabilities Act requires that individuals with disabilities make known to employers that they need special accommodations such as a Braille cash register or a desk that has wheelchair access, in order to do the tasks that are required for the job. To the best of



their ability, employers are to make these accommodations for applicants who meet all other job requirements.

INFORMATION RIGHTS

The vast majority of employers only want to establish how your background matches their job requirements. However, some employers may stray into asking about non-job-related information. Some areas of information are off-limits for the job application and the job interview. With rare exceptions, federal law prohibits hiring decisions being made on the basis of race, color, national origin, religion, gender, pregnancy, marital status, parent-hood, age, height, weight, criminal record, or perceived disability. Interviewers and job applications are not allowed to pose personal questions that do not pertain to the requirements of the job.



1. What information is requested on the job application?

2. What are the obligations of individuals with disabilities?

3. What sort of questions are employers not supposed to ask?



Job Postings and Interview Form

WE ARE SEEKING DEPENDABLE INDIVIDUALS WHO CAN GROW WITH OUR COMPANY.
WE OFFER FULL-TIME AND PART-TIME POSITIONS WITH A VARIETY OF SHIFTS AND
SCHEDULES. PREVIOUS EXPERIENCE WITH THESE JOBS WILL BE HELPFUL.

ADMINISTRATIVE ASSISTANT

Supports managers by answering phones, typing correspondence, and coordinating travel schedules and meetings. Must be able to handle a variety of tasks under deadline. Skills required include word processing and an attention to detail.

CASHIER

Conducts customer transactions with speed, accuracy, and efficiency while meeting or exceeding service quality standards. Accepts express transactions from clients, such as deposits, with-

drawals, transfers, and checks to be cashed. Sets up, closes, and balances cash at station. Bilingual skills a plus.

DATA ENTRY OPERATOR

Posts transactions to online computer system. Creates specific reports as requested. Skills required include 10-key adding machine, accurate data entry, typing.

LINE AND PREP COOK

Responsible for preparing quality food in fast-paced kitchen. Skills: Ability to follow

exacting preparation standards; teamwork with other kitchen and wait staff to provide high-quality food and service to customers.

MACHINE OPERATOR

Operates statementrendering machine. Does minor repair work on machine. Skills: Must have good mechanical aptitude and be able to lift 10-20 pounds.

RESEARCH CLERK

Carries out interdepartmental research. Reconciles a general ledger accounting system to a variety of sources. Determines charges

to customers for research inquiries. Verifies errors and makes adjustments. Good verbal and written skills are a must, along with the ability to learn quickly and follow directions. Skills required include accounting, calculator, and personal computer.

WAREHOUSE DRIVER

Responsible for delivering orders.
Must have attractive personality for customer interaction, good driving record, and knowledge of city and suburbs.

WE OFFER COMPETITIVE SALARIES AND COMPREHENSIVE BENEFITS PACKAGE, INCLUDING MEDICAL/DENTAL, LIFE INSURANCE, RETIREMENT PLAN, CHILD CARE ASSISTANCE, AND PAID VACATIONS AND HOLIDAYS.

WE ARE AN EQUAL OPPORTUNITY EMPLOYER.

Interviewer Evaluation Form

Name of applicant: _	
Interviewed by:	
Position applied for: _	

SAMPLE INTERVIEW QUESTIONS

- Why are you applying for this job?
- What about the job most appeals to you?
- What about the job, if anything, does not appeal to you?
- What are your qualifications for this position?
- What experiences do you have that will be helpful to you in this job?
- What are your strengths?
- What are your weaknesses?
- What would you like to be doing five years from now, and how do you think this job can help you get there?
- Is there anything else I should know about you in considering you for this position?

INTERVIEWER'S EVALUATION

The jo	b applicant: (check all that apply)
	Seemed prepared for the interview
	Appeared confident
	Communicated clearly
	Was able to relate strengths and/or experiences to job needs
The jo	b application: (check all that apply)
	Was neatly prepared and presented
	Was thorough
	Did a good job of highlighting the candidate's strengths and skill

The things that most impress me about this job applicant are:

The areas in which this candidate might improve are:



Sample Letter of Application

234 Elm Tree Road Berlin, WI 54232-4232 (920) 123-4444

June 15,2001

Ms. R. B. Posnanski, Manager Wildlife Unlimited 2400 Hartford Avenue Milwaukee, WI 53123 - 0123

Dear Ms. Posnanski:

Please consider me an applicant for the clerical assistant position advertised in last Sunday's Journal Sentinel.

My high school course work in business, which included word processing, accounting, and computer studies, has prepared me for an entry-level position. Enclosed is my resume that lists my education, experience, and skills.

My long-range goal is to work in an office where I can accept increasing responsibilities and advance toward a position as an administrative assistant. I gained valuable knowledge and experience in my high school and while working at Wal-Mart in Berlin, Wisconsin.

Please call me to set up a time for an interview. I can be reached at (920) 123-4444.

I look forward to hearing from you.

Sincerely,

Kelly A. Thomas

Kelly A. Thomas Enclosure: resume



Sample Resume

KELLY A. THOMAS

234 Elm Tree Road Berlin, WI 54232-4232 (920) 123-4444

CAREER OBJECTIVE

Office or accounting clerk position with the opportunity for advancement to administrative assistant.

EDUCATION

1997-2001 Berlin High School, Berlin, Wisconsin (GPA 3.33)

Major Course of Study: Business and Accounting

Relevant Course Work

Word Processing Accounting I and II **Database Applications Business Communications** Business Law Personal Finance

Relevant Skills Typing (70 wpm) Word processing and Spreadsheet applications

Extracurricular Activities

Member: Future Business Leaders of America, 2000 Competitor at regional skills event in area of accounting

Recognition

Received highest attendance award in high school (missed 1.5 days out of 4 years)

WORK HISTORY

Cashier, Wal-Mart, Berlin, Wisconsin (six months, part-time)

• Greet customers, operate cash register, and balance cash register.

Material Handler, Jesse Jackets, Oshkosh, Wisconsin (summer help)

• Check garments for mistakes or flaws and fix them, take garments to appropriate

Office Assistant, Berlin High School, Berlin, Wisconsin (one year, part-time)

• Work in the front office included helping new students get to classes, answering the telephone, running errands, typing forms, and calling parents.

REFERENCES Provided on request.



Take the Test

omplete the questionnaire below. Read each statement on the left and place an X in the column that reflects whether you agree or disagree with the statement and how strongly you agree or disagree. There are no right or wrong answers.

Statement	1 Strongly Disagree	2 Disagree	3 Agree	4 Strongly Agree
1. I sometimes enjoy taking risks.				
2. I like to work hard at projects that interest me.				
3. I have a high level of energy.				
4. I want to achieve results based largely on my own efforts.				
5. I like being creative.				
6. I like to start projects on my own.				
7. I tend to see tasks through to completion.				
8. I am confident in my abilities.				
9. I am good at a lot of different tasks.				
10. I am interested in making lots of money.				
TOTALS				

Total	Pointe -	

When you have completed the questionnaire, notice that each response has a numeric rating. Add the total number of points of the ratings you have given each statement and write the total in the space below the questionnaire.



Who Are Entrepreneurs?

ost people work for others. Working for others, however, is not for everyone. Some individuals welcome the challenge of starting their own business and working for themselves. Research on entrepreneurs suggests that they share certain characteristics. Entrepreneurs tend to be willing to take risks. They are people who seem to enjoy being independent, leading, and being recognized. Among other things, entrepreneurs tend to be confident, hard working, well organized, and self-starters.

Conditions of Employment	Work for Someone Else in Corporation	Work for Yourself
Job Stability	Job stability depends largely on the success of the division, department, or immediate superiors.	Job stability depends nearly completely on the success of the business.
Work Hours	Often long but somewhat predictable.	Very long but self-determined.
Personal Success	Your success depends largely on the success of the company, department, or superiors.	Your personal success depends nearly completely on the success of the business.
Salary	Usually set in a pre-determined range for the department of position reflecting market conditions for the job. Raises are given after predictable periods of time.	Low in the beginning. Entrepreneurs often take little in the beginning so that most income can be put back into the business. The level depends on the success of the business.
Benefits	A standard package of benefits or menu of benefits within the standard package is often provided. Jobs often include major medical insurance and perhaps other coverage. Paid vacations, personal and sick days are often included. Some type of retirement program such as a 401k program is available.	Benefits are provided by the business. Benefits are often not as generous as might be available in a corporation. Vacations tend to be rare and tend to mean lost income.
Job Responsibilities	Responsibilities are usually explained in the employee handbook but may change as conditions in the company change.	Entrepreneurs must be prepared to do everything. Bookkeeping, selling, cleaning, painting, and producing items are likely to be included.



Questions

1. What are some of the characteristics of entrepreneurs?

2. Is corporate life for you or is running a small business more appealing? Identify three ways in which working in a corporation differs from working for yourself.



Hear a Business Opportunity Knocking on Your Door?

mall businesses operate in every sector of the economy. There are many opportunities for entrepreneurs, especially in the service area. Examine the chart below. Complete it with your thoughts about what sort of business opportunities might exist for new entrepreneurs in services to individual households, retail services, franchise businesses, and providing services via the Internet.

Services to Individual Households	Retail Services	Franchise	Internet Sales and Services
In-home child care	Shoe store	Gas station	Creating web sites
Lawn and tree care	Drug store	Fast food	Book sales



I Wonder Why Nobody Ever Made a...?

- Describe a good or service you think consumers want. It might be an existing good or service provided in a new way. Or your idea might be an original idea for a good or service.
- What consumers do you think might be interested in this good or service?
 Name your customers.
- How would you produce the good or service you have in mind?
- How many people would you need to hire to get started? What might their jobs be?
- Where might you find money to start up your new business? Personal savings? Loans from friends or family? Bank loans?
- Develop a one-minute commercial for your good or service. You might wish to design a sign, write a jingle, or create a slogan that would catch the attention of customers and encourage them to buy your good or service.



Why Some Jobs Pay More Than Others

ead the following material, and study Table 1. Then answer the questions at the end of the exercise.

Not everyone makes the same amount of income. Forbes Magazine reported in 1999 that among the top 50 wealthiest people in the nation are such individuals as Michael Dell and Robert (Ted) Turner. They were worth billions of dollars. The Forbes Magazine Celebrity 100 for 2000 set the earnings of Oprah Winfrey at \$150 million, Shaquille O'Neal at \$31 million, and Venus Williams at \$5 million. The Bureau of Labor Statistics reports that the 1998 median net annual earnings of medical doctors was \$164,000. The 1998 median annual earnings of registered nurses was \$40,690. The 1998 average teacher earned \$39,300. The 1998 median annual earnings of full-time cosmetologists was \$15,150, excluding tips.

The money that a person receives in exchange for work or use of property is called income. Income can come from many sources. People hold a combination of resources that can be used to produce income. These resources may include savings, stocks, land, rental property. However, most of the income that people earn in the United States comes from labor. Wages and other labor income make up about 75 percent of every dollar of total income.

What causes earnings to vary so much from one occupation to another?

One factor is the market for different occupations. For example, demand for dental hygienists is expected to grow much faster than average for all occupations due in part to increasing demand for dental care. This change in demand will probably cause wages for dental hygienists to increase. In contrast, demand for announcers for radio and television stations is expected to decline. This change in demand will probably cause wages for announcers to decrease.

As you might expect, other factors also contribute to differences in earnings. People with more natural ability in their occupation tend to make more money than those with less natural ability. People who work hard earn more income than people who don't work hard. People who get along with others and are self-disciplined tend to earn more income than people who are hard to get along with or are less disciplined.

An important factor related to income is investing in human capital. Human capital is investing in people primarily through education and training. The most important type of human capital is education. Workers with more human capital—in this case more education—tend to earn more income than people with less education. Gary Becker, recipient of the 1992 Nobel Memorial Prize in Economic Science, has explained that gaining a high school and college education raises a person's income even after taking out the direct costs (e.g., tuition and books) and the indirect costs (e.g., income that could have made while in school) of getting an education. High school and college education raises a person's income regardless of intelligence or family wealth.

The U.S. Census Bureau reports on the relationship between level of formal education and income. Please examine Table 1 on the next page and respond to the questions that follow.



Table 1 LEVEL OF FORMAL EDUCATION AND INCOME				
Level of Education	Average Median Income Males and Females Aged 25 and Older, 1998			
Less than 9th grade	\$16,343			
9th to 12th grade, no diploma	19,643			
High school graduate (includes GED)	26,325			
Some college, no degree	30,986			
Associate's degree	33,430			
Bachelor's degree	42,695			
Master's degree	51,085			
Professional degree	73,065			
Doctorate degree	60,678			

Source: Money Income in the United States: Current Population Reports U.S. Census Bureau, issued September, 2000



1. What is income?

2. What factors other than education contribute to an increased income from work?

3. What is human capital?

Questions (continued)

4. Examine Table 1. Describe the relations	hip between education and income from work.
Does education pay?	

- **5.** In 1998, how much more would a high school graduate expect to earn per year than an 11th-grade dropout?
- **6.** Assuming a 40-year work life and no pay increases, how much more might a high school graduate expect to earn over a lifetime than an 11th-grade dropout?
- 7. Does it pay to stay in school one more year and graduate? Why?
- **8.** In 1998, how much more would a college graduate expect to earn per year than a high school graduate?
- **9.** Assuming a 40-year work life and no pay increases, how much more might a college graduate expect to earn than a high school graduate over a lifetime?
- 10. Is education a good investment?



Education and **Training**

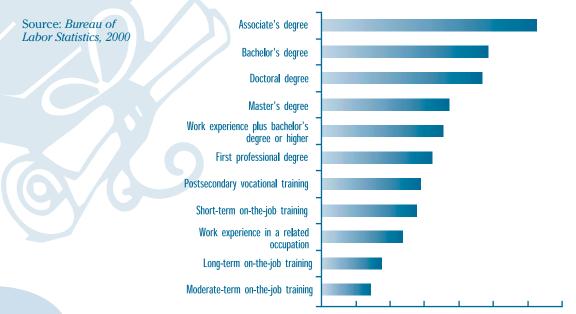
nswer the questions at the end of the exercise after you have read and analyzed the material.

What jobs are growing the fastest? It is hard to predict. The U.S. Bureau of Labor Statistics (BLS), however, studies how job markets are changing. The BLS reports that many of the fastest-growing jobs will require education and training beyond a high school diploma. The BLS reports that employment in occupations that do not require post secondary education

are projected to grow by about 12 percent from 1998 to 2008. Occupations that require at least a bachelor's degree are projected to grow at almost 22 percent.

Education is essential in getting and keeping a high-paying job. However, the BLS reports further that a number of occupations (such as blue-collar work supervisors, electricians, and police patrol officers) do not require a college degree, yet offer higher than average earnings.

Level of Education Required for Fastest-Growing Occupations



Questions

- 1. What three levels of formal education and training are associated with the fastest-growing jobs?
- 2. What three levels of training are associated with slower-growing jobs?

Percent change



What Are All These Deductions from My Paycheck?

t's exciting to receive your first paycheck. But for many young people, that first rush of excitement soon yields to disappointment. They quickly realize the money they earned is not the same as the money they received. Uncle Sam and a lot of others have taken a bite out of that paycheck.

GROSS PAY

Gross pay is the total amount of money earned before any deductions are made. For example, many employees are paid at an hourly rate. In the case of an hourly employee, the record of hours worked is multiplied by the employee's hourly rate of pay. This results in the employee's gross pay.

40 hours x \$7.00 an hour = \$280.00 Gross pay = \$280.00

Similar calculations are made to determine the gross pay of employees who receive a monthly or annual salary.

NET PAY

The amount left after all deductions are taken out of the gross pay is the *net pay*. This is the actual amount of an employee's paycheck. Net pay is often called take-home pay because it is the amount of money an employee actually receives on payday.

Gross pay

- Deductions
- = Net pay

REQUIRED DEDUCTIONS

Federal income tax, state income tax, local taxes, and FICA are among the required deductions taken from an employee's paycheck. FICA is the abbreviation for Federal Insurance Contributions Act. FICA provides for a federal system of old-age, survivors, disability, and health-care insurance. The old-age, survivors, and disability portion is paid by the Social Security tax. The health-care insurance portion is paid by the Medicare tax.

The actual amount deducted from a paycheck for federal, state, and income taxes is determined by reference to tax tables provided by the various levels of government. Employers use the information provided by the tax tables and combine it with information from employees to determine how much to take out of an employee's paycheck. Employees complete the W-4 Form—Employee's Withholding Allowance Certificate—when they are hired. This form tells the employer the number of allowances the employee wishes to claim. For example, an employee is able to claim allowances for himself or herself, a spouse, and children under 21 years of age whom the employee supports. The more allowances an employee claims, the less money withheld from the employee's paycheck.

MANDATORY DEDUCTIONS FROM YOUR PAYCHECK					
Deduction	What do you get?	Who pays?			
Federal income tax	Funds services provided by the federal government, such as defense, human services, and the monitoring and regulation of trade.	Employee			
State income tax	Funds services provided by state government, such as roads, safety, and health. (Not all states levy an income tax.)	Employee			
Local income tax	Funds services provided by the city or other local government, such as schools, police, and fire protection. (Not all areas levy an income tax.)	Employee			
FICA: Social Security tax	Provides for old-age, survivors, and disability insurance.	Employee and employer			
FICA: Medicare tax	Provides for certain health care insurance.	Employee and employer			

OTHER DEDUCTIONS

In addition to required deductions, employers may take money directly out of employee paychecks to pay for various employee benefits. Benefits vary by industry, by business, and by the status of the employee in the firm. Benefits may include such things as life insurance, disability insurance, medical insurance, dental insurance, retirement savings plan, and profit-sharing.

OTHER DEDUCTION\$ *								
Deduction	What do you get?	Who pays?						
Life insurance	Pays a beneficiary in the event that an employee dies.	Employer or employee, or shared						
Long-term disability insurance	Provides benefits in the event that an employee is completely disabled.	Employer or employee, or shared						
Medical insurance	Employee and family insurance coverage for medical care expenses, including hospitalization, physician services, surgery, and major medical expenses.	Employer or employee, or shared						
Dental insurance	Employee and family insurance coverage for dental care expenses, including preventive, diagnostic, basic, major, and orthodontic services.	Employer or employee, or shared						
Retirement savings plan	A tax-deferred savings plan for retirement.	Employer or employee (Employer may match percentage.)						
Charity	A donation to a specific charity	Employee (Employer may match a percentage of employee contribution.)						

^{*}Whether or not these benefits are offered, and who will fund them, varies by the employer.



uestions

1. What is gross pay?



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

4. Name three mandatory deductions.

5. Name three other deductions.



Calculating a Paycheck #1

Imagine that you are a new employee at Foo Foo Gourmet Coffee Shop.

Foo Foo pays its employees each week. You have claimed one allowance on your W-4 form. You are single. You work 40 hours per week at \$7.00 per hour. Even as a beginning employee,

you can contribute up to \$20 each week to a 401k retirement plan. Use the background information and the tax tables 7.1 and 7.2 and information on the form below to calculate your net pay.

Pay period Weekly Bimonthly	Monthly
Number of allowances $\underline{\hspace{1cm}}$ (0 or more) \Box Single	e
GROSS PAY	
1. Regular wages: Hours at per hour	=
2. Regular salary =	
Gros	ss Pay =
REQUIRED DEDUCTIONS	
3. Federal Income Tax (see U.S. tax table)	
4. State Income Tax (see state tax table)	
5. FICA: Social Security Tax (use 6.20% x gross pay)	
6. FICA: Medicare Tax (use 1.45% x gross pay)	
OTHER DEDUCTIONS	
7. Medical insurance	
8. Disability insurance	
9. Retirement (401k)	
10. Credit union	
11. Union dues	
Total Deductions (total lines 3 through 11)	



Calculating a Paycheck #2

Imagine that you are a new assistant manager at Foo Foo Gourmet Coffee Shop.

Foo Foo pays its employees each week. You have claimed zero allowances on your W-4 form. You are single. You work 40 hours per week at \$9.00 per hour. As an assistant

manager, you can contribute up to \$30 each week to a 401k retirement plan and pay \$15 a week for health insurance. Use this background information, information on the form below, and the tax tables in Table 7.1 and 7.2 to calculate your net pay.

Employee's name:		_
Pay period 🗆 '	Weekly □ Bimontl	hly Monthly
Number of allowance	es (0 or more)	□ Single □ Marrie
GROSS PAY		
1. Regular wages: _	Hours at	per hour =
2. Regular salary	=	
		Gross Pay =
REQUIRED DEDUCT	IONS	
3. Federal Income T	ax (see U.S. tax table)	
4. State Income Tax	(see state tax table)	
5. FICA: Social Secu	rity Tax (use 6.20% x gro	oss pay)
6. FICA: Medicare T	ax (use 1.45% x gross pa	ay)
OTHER DEDUCTION	IS	
7. Medical insurance	e	
8. Disability insurar	ice	
9. Retirement (401k)	
10. Credit union		
11. Union dues		
Total Deductions (to	tal lines 3 through 11)	



Federal Tax Table

Single Persons/Weekly Payroll Period

	ges are –	-		-	And the	number of w	thholding all	owances cia	imed is —	-		
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
				The	amount of i	ncome tax to	be withheld	is —				
\$0	\$55	0	0	0	0	0	0	0	0	0	0	(
55 60	60 65	1 2	0	0	0	0	0	0	0	0	0	
65	70	2	0	0	0	0	0	0	0	0	0	
70	75	3	0	0	0	0	0	0	0	0	0	
75	80	4	0	0	0	0	0	0	0	0	0	
80	85 90	5 5	0	0	0	0	0	0	0	0	0	
85 90	95	6	0	0	0	0	0	0	0	0	0	
95	100	7	0	0	0	0	0	0	0	0	0	
100	105	8	0	0	0	0	0	0	0	0	0	
105	110	8	0	0	0	0	0	0	0	0	0	
110 115	115 120	9 10	1 2	0	0	0	0	0	0	0	0	
120	125	11	2	0	0	0	0	0	0	0	0	
125	130	11	3	0	0	0	0	0	0	0	0	
130	135	12	4	0	0	0	0	0	0	0	0	
135	140	13	5	0	0	0	0	0	0	0	0	
140 145	145 150	14 14	5 6	0	0	0	0	0	0	0	0	
150	155	15	7	0	0	0	0	0	0	0	0	
155	160	16	8	0	0	0	0	0	0	0	0	
160	165	17	8	0	0	0	0	0	0	0	0	
165 170	170 175	17 18	9	1 2	0	0	0	0	0	0	0	
175	180	19	11	2	0	0	0	0	0	0	0	
180	185	20	11	3	0	0	0	0	0	0	0	
185	190	20	12	4	0	0	0	0	0	0	0	
190	195	21	13	5	0	0	0	0	0	0	0	
195	200	22	14	5	0	0	0	0	0	0	0	
200 210	210 220	23 25	15 16	6 8	0	0	0	0	0	0	0	
220	230	26	18	9	1	0	0	0	0	0	0	
230	240	28	19	11	3	0	0	0	0	0	0	
240	250	29	21	12	4	0	0	0	0	0	0	
250	260	31	22	14	6 7	0	0	0	0	0	0	
260 270	270 280	32 34	24 25	15 17	9	0	0	0	0	0	0	
280	290	35	27	18	10	2	0	0	0	0	0	
290	300	37	28	20	12	3	0	0	0	0	0	
300	310	38	30	21	13	5	0	0	0	0	0	
310 320	320 330	40 41	31 33	23 24	15 16	6 8	0	0	0	0	0	
330	340	43	34	26	18	9	1	0	0	0	0	
340	350	44	36	27	19	11	2	0	0	0	0	
350	360	46	37	29	21	12	4	0	0	0	0	
360 370	370	47	39	30 32	22	14	5 7	0	0	0	0	
380	380 390	49 50	40 42	33	24 25	15 17	8	0	0	0	0	
390	400	52	43	35	27	18	10	1	0	0	0	
400	410	53	45	36	28	20	11	3	0	0	0	
410	420	55	46	38	30	21	13	4	0	0	0	
420 430	430 440	56 58	48 49	39 41	31 33	23 24	14 16	6 7	0	0	0	
440	450	59	51	42	34	26	17	9	1	0	0	
450	460	61	52	44	36	27	19	10	2	0	0	
460	470	62	54	45	37	29	20	12	4	0	0	
470 480	480 490	64 65	55 57	47 48	39 40	30 32	22 23	13 15	5 7	0	0	
490	500	67	58	50	42	33	25	16	8	0	0	
500	510	68	60	51	43	35	26	18	10	1	0	
510	520	70	61	53	45	36	28	19	11	3	0	
520	530	71	63	54	46	38	29	21	13	4	0	
530 540	540 550	73 74	64 66	56 57	48 49	39 41	31 32	22 24	14 16	6 7	0	
550	560	76	67	59	51	42	34	25	17	9	0	
560	570	76 79	69	60	52	42 44	34 35	25 27	17	10	2	
570	580	82	70 72	62 63	54 55	45	37	28	20	12 13	3 5	
580	590	84				47	38	30	22			



State Tax Table

(Example)*

And the wag	ges are –				And the	number of w	ithholding all	owances clai	med is —			
	But less	0	1	2	3	4	5	6	7	8	9	10
At least	than			The amount	of Wisconsir	income tax	to be withhel					
\$ 0	\$ 75	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
75	80	.10	,	, -	, ,	* -	* -	,	* -	, ,		
80 85	85 90	.30 .50	.20									
90	95	.80	.40	.10								
95	100	1.00	.60	.30								
100	105	1.20	.90	.50	.20							
105 110	110 115	1.50 1.70	110 1.30	.70 1.00	.40 .60	.30						
115	120	1.90	1.60	1.20	.90	.50	.10					
120	125	2.10	1.80	1.40	1.10	.70	.40					
125 130	130 135	2.40 2.60	2.00 2.30	1.70 1.90	1.30 1.50	1.00 1.20	.60 .80	.30 .50	.10			
135	140	2.80	2.50	2.10	1.80	1.40	1.10	.70	.40			
140	145	3.10	2.70	2.40	2.00	1.70	1.30	.90	.60	.20		
145	150	3.30	2.90	2.60	2.20	1.90	1.50	1.20	.80	.50	.10	
150 155	155 160	3.50 3.80	3.20 3.40	2.80 3.00	2.50 2.70	2.10 2.30	1.80 2.00	1.40 1.60	1.00 1.30	.70 .90	.30 .60	.20
160	165	4.00	3.60	3.30	2.90	2.60	2.20	1.90	1.50	1.20	.80	.40
165	170	4.20	3.90	3.50	3.20	2.80	2.40	2.10	1.70	1.40	1.00	.70
170 175	175 180	4.40 4.70	4.10 4.30	3.70 4.00	3.40 3.60	3.00 3.30	2.70 2.90	2.30 2.60	2.00 2.20	1.60 1.80	1.30 1.50	.90 1.00
180	185	4.90	4.60	4.20	3.80	3.50	3.10	2.80	2.40	2.10	1.70	1.40
185	190	5.10	4.80	4.40	4.10	3.70	3.40	3.00	2.70	2.30	2.00	1.60
190 195	195 200	5.40 5.60	5.00	4.70 4.90	4.30 4.50	4.00	3.60 3.80	3.20 3.50	2.90	2.50 2.80	2.20 2.40	1.80 2.10
200	200	5.80	5.20 5.50	5.10	4.50	4.20 4.40	3.80 4.10	3.50	3.10 3.30	3.00	2.40	2.10
205	210	6.10	5.70	5.40	5.00	4.70	4.30	4.00	3.60	3.20	2.90	2.50
210	215	6.30	6.00	5.60	5.30	4.90	4.60	4.20	3.90	3.50	3.10	2.80
215 220	220 225	6.60 6.80	6.20 6.50	5.90 6.10	5.50 5.80	5.20 5.40	4.80 5.10	4.50 4.70	4.10 4.40	3.80 4.00	3.40 3.70	3.10
225	230	7.10	6.80	6.40	6.00	5.70	5.30	5.00	4.60	4.30	3.90	3.60
230	235	7.50	7.00	6.70	6.30	5.90	5.60	5.20	4.90	4.50	4.20	3.80
235 240	240 245	7.80 8.10	7.30 7.70	6.90 7.20	6.60 6.80	6.20 6.50	5.90 6.10	5.50 5.80	5.10 4.50	4.80 5.00	4.40 4.70	4.10 4.30
245	250	8.50	8.00	7.50	7.10	6.70	6.40	6.00	5.70	5.30	5.00	4.60
250	255	8.80	8.40	7.90	7.40	7.00	6.60	6.30	5.90	5.60	5.20	4.90
255	260	9.20	8.70	8.20	7.80	7.30	6.90	6.50	6.20	5.80	5.50	5.10
260 265	265 270	9.50 9.90	9.00 9.40	8.60 8.90	8.10 8.40	7.60 8.00	7.20 7.50	6.80 7.00	6.40 6.70	6.10 6.30	5.70 6.00	5.40 5.60
270	275	10.20	9.70	9.30	8.80	8.30	7.80	7.40	6.90	6.60	6.20	5.90
275	280	10.60	10.10	9.60	9.10	8.70	8.20	7.70	7.20	6.90	6.50	6.10
280 285	285 290	10.90 11.20	10.40 10.80	9.90 10.30	9.50 9.80	9.00 9.30	8.50 8.90	8.10 8.40	7.60 7.90	7.10 7.50	6.80 7.00	6.40 6.70
290	295	11.60	11.10	10.60	10.20	9.70	9.20	8.70	8.30	7.80	7.30	6.90
295	300	11.90	11.50	11.00	10.50	10.00	9.60	9.10	8.60	8.10	7.70	7.20
300 305	305 310	12.30 12.60	11.80 12.10	11.30 11.70	10.90 11.20	10.40 10.70	9.90 10.30	9.40 9.80	9.00 9.30	8.50 8.80	8.00 8.40	7.50 7.90
310	315	13.00	12.10	12.00	11.50	11.10	10.30	10.10	9.50	9.20	8.70	8.20
315	320	13.30	12.80	12.40	11.90	11.40	10.90	10.50	10.00	9.50	9.00	8.60
320	325	13.70	13.20	12.70	12.20	11.80	11.30	10.80	10.30	9.90	9.40	8.90
325 330	330 335	14.00 14.30	13.50 13.90	13.00 13.40	12.60 12.90	12.10 12.40	11.60 12.00	11.20 11.50	10.70 11.00	10.20 10.60	9.70 10.10	9.30 9.60
335	340	14.70	14.20	13.70	13.30	12.80	12.30	11.80	11.40	10.90	10.40	10.00
340	345	15.00	14.60	14.10	13.60	13.10	12.70	12.20	11.70	11.20	10.80	10.30
345 350	350 355	15.40 15.70	14.90 15.20	14.40 14.80	14.00 14.30	13.50 13.80	13.00 13.40	12.50 12.90	12.10 12.40	11.60 11.90	11.10 11.50	10.60 11.00
355	360	16.10	15.20	15.10	14.60	14.20	13.40	13.20	12.40	12.30	11.80	11.30
360	365	16.40	15.90	15.50	15.00	14.50	14.00	13.60	13.10	12.60	12.10	11.70
365	370	16.80	16.30	15.80	15.30	14.90	14.40	13.90	13.40	13.00	12.50	12.00
370 375	375 380	17.10 17.50	16.60 17.00	16.10 16.50	15.70 16.00	15.20 15.50	14.70 15.10	14.30 14.60	13.80 14.10	13.30 13.70	12.80 13.20	12.40 12.70
380	385	17.90	17.40	16.90	16.40	15.90	15.40	14.90	14.50	14.00	13.50	13.10
385	390	18.20	17.70	17.20	16.70	16.20	15.80	15.30	14.80	14.30	13.90	13.40
390	395	18.60	18.10	17.60	17.10	16.60	1610	15.60	15.20	14.70	14.20	13.70

^{*} Taken from Wisconsin Tax Tables.