



What Does it Take to be Self-Sufficient in Mississippi? Grade Level 9-12

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Time to complete: 60-180 minutes depending on career research and viewing of “30 Days on Minimum Wage”.

MISSISSIPPI CONTENT STANDARDS

- Personal Finance -
1. Develop basic consumer-awareness skills.
 3. Using technology (e.g., application software, Internet), apply budgeting techniques that involve planning for transportation, housing, insurance, and leisure expenses.
 8. Explore tax functions as related to personal finance and personal payroll.

OBJECTIVES

Upon completion of this lesson, students will be able to:

- Describe the different categories of expenses most adults include in their budget.
- Identify occupations of interest that would allow them to live in a self-sufficient manner
- Define self-sufficiency wages
- Compare and contrast needs vs. wants
- Understand public and private assistance

INTRODUCTION

Individuals make choices in their daily life in relation to education and needs vs. wants. These decisions are made based on their values and goals. Unfortunately, young people are too often uneducated in the difference between jobs and careers and what the salaries and/or wages will be related to their chosen field of work. These decisions ultimately affect the individual’s ability to live a lifestyle they desire. A **value** is a fundamental belief or practice about what is desirable, worthwhile, and important to an individual. A **need** is something thought to be a necessity. A **want** is something unnecessary but desired. Every person has different goals, values, and needs and wants in relation to finances. These items need to be evaluated before a budget plan can be developed and implemented.

Budgets are a future oriented tool individuals can use to assist in money management. A spending plan has two main components – income and expenses.

- a. The income and expenses are estimated guidelines for monetary transactions for the specified time period.



- b. After the time period is over, the spending plan is evaluated and revised for the next time period.
- c. It is different from the income and expense statement because it acts as estimates for the month, whereas the income and expense statement shows the actual transactions for a specified time period.
- d. A spending plan is important because it:
 - i. Can give a person a strong sense of where money is going;
 - ii. Allows for income and expenditure tracking;
 - iii. Helps a person to meet financial goals;
 - iv. Helps people to live within their income and to make ends meet;
 - v. Reduces the need for using credit and gaining debt.

Income - total income received.

Expenses - total expenditures made. The self-sufficiency calculator includes the following expenses: housing, child care, food, transportation, health care, miscellaneous, taxes, Earned Income Tax Credit, Child Care Tax Credit, Child Tax Credit, and Making Work Pay Credit. For the purposes of this exercise, **housing** may include rent and utilities. **Child care** is incurred when the parent(s) work or attend school, therefore needing someone else to care for their child for pay. **Food** may include groceries, eating out at restaurants, and school lunches. **Transportation** may include auto loan payments, auto repair and maintenance, bus or taxi fare, and gasoline. **Health care** expenses may include health insurance, visits to the doctor for illnesses and emergencies.

Miscellaneous consists of expenses not included in the other categories, but deemed necessary for living (needs not wants). **Taxes** may be paid as a portion of a person's wages/salary, a percentage of items purchased in the form of sales tax, and as property taxes. **Earned Income Tax Credit (EITC)** is a refundable federal income tax credit for low to moderate income working individuals and families. Congress originally approved the tax credit legislation in 1975 in part to offset the burden of social security taxes and to provide an incentive to work. When EITC exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit. To qualify, taxpayers must meet certain requirements and file a tax return, even if they do not have a filing requirement. Individuals who pay for day care expenses for their children or disabled adult dependents may be eligible for a federal tax credit of up to 35% percent of the cost of day care called the **Child Care Tax Credit**. The **Child Tax Credit** is a nonrefundable credit and may be as much as \$1,000 per qualifying child depending upon your income. **Making Work Pay Credit** is a new tax credit worth up to \$400. This tax credit is temporary and will be in effect for the years 2009 and 2010 only.

Other definitions important to the success of this lesson are the following: **Jobs** – an employment position obtained mainly to earn money. **Careers** - a commitment to a profession which requires continued training and offers a clear path for occupational growth.

The **Mississippi Economic Policy Center** has created an online tool titled “The Self Sufficiency Standard for Mississippi.” Individuals are able to look up self-sufficiency

wages by county based on the number of people in the household, taking into account the ages of the children. **Self-sufficiency wages** represent a minimum adequate wage needed to live without any public or private assistance. Examples of **public assistance** include: Medicaid, CHIP, food stamps, rental subsidy vouchers, child care assistance. Additional information can be found at <http://www.mdhs.state.ms.us/>. Examples of **private assistance** include: Catholic Charities (misc services including drug/alcohol treatment), Stewpot (homeless assistance), University Hospital (providing reduced cost healthcare)

In this lesson, participants will have the opportunity to learn the difference between wants and needs. In addition, they will understand the definitions of income, expenses, disposable income, saving and investing. Participants will learn what the self-sufficiency wage is for the county in which they live and which jobs/careers will enable them to earn this wage. If desired, students may complete career research on the jobs that they find on the job calculator to determine what is needed to be successful in the job/career.

BODY

1. Give each participant the *Self Sufficiency* pre-test. Do not go over answers at this time. The results will be used to judge the effectiveness of the lesson plan with the students after the lesson. After the pre-test, begin the presentation on *Self Sufficiency*.
2. Pass out one *Self Sufficiency* note taking guide to each participant and instruct them to complete it during the PowerPoint presentation. You may choose to take this up upon completion, check for completion/accuracy and give a daily grade for such.
3. Present the *Self Sufficiency* PowerPoint presentation.
 - a. Slide 1: Overview
 - i. Explain to students what will be covered in this lesson and how they relate to each other. Needs and wants are affected by our values. We are able to purchase needs and then wants based on our income which is derived from a career or job. We need to budget for needs and wants and a budget includes income and expenses. The self sufficiency calculator allows a person to see the minimum amount of income they need to meet their needs. We can then research appropriate jobs or careers that will help us purchase our needs and wants.
 - b. Slide 2: Needs & Wants
 - i. Instruct participants to brainstorm in alone or in small groups what they consider to be needs and wants. In some cases they can be both, so they may pick up on this, i.e. clothing (name brand vs. Wal-mart). You may allow them to record their answers on a large piece of paper to use in their presentation of a need and want.
 - ii. After the small group discussion, come back together as a class. Allow each group time to present one need and one want to the class. Encourage each group to present one not previously presented by another group or person.
 - c. Slide 3: Needs

- i. Give definition and allow student time to write an example on their note-taking guide.
- d. Slide 4: Wants
 - i. Give definition and allow student time to write an example on their note-taking guide.
- e. Slide 5: Values
 - i. Explain how a person's values are affected by their needs and wants.
 - ii. Give definition of values
 - iii. Discuss examples of values and how they are affected by needs and wants. For example, a person that highly values family will make sure they spend quality time with their family as opposed to working excessively. A person that values education will make sure they study and make good grades, attend college, etc. The more education one has, the greater their earning potential.
- f. Slide 6: Career vs. Job
 - i. Give definition of each and ask students to give an example of each. There is a place on their note taking guide to record this.
 - ii. Discuss the importance of choosing a career. A career allows for advancement in position and salary, thus increasing their ability to pay for needs and wants.
- g. Slide 7: Career vs. Job
 - i. This slide shows examples of each.
- h. Slide 8: Budget
 - i. Discuss the definition of a budget – a future oriented tool individuals can use to assist in money management. The two main components of a budget are income and expenses.
 - ii. Benefits of a budget:
 - Can give a person a strong sense of where money is going;
 - Allows for income and expenditure tracking;
 - Helps a person to meet financial goals;
 - Helps people to live within their income and to make ends meet;
 - Reduces the need for using credit and gaining debt.
- i. Slide 9: Income
 - i. Where does income come from? For the purposes of this lesson the main categories are wages/salaries and Public/private assistance.
 - ii. Explain to students what each of these is (see examples in introduction of lesson plan). This is important to understand since the self sufficiency calculator incorporates these definitions.
 - iii. Discuss what factors affect a person's income
- j. Slide 10: Monthly costs (expenses)
 - i. This slide lists the expenditures and adjustments to expenses that are presented in the self sufficiency calculator. Definitions of each are in the introduction of the lesson plan. Share this information

- ii. with the students. Their note taking guide allows a place for them to notate this information.
 - k. Slide 11: Self sufficiency calculator
 - i. Give definition of what it means to be self sufficient - represents a minimum adequate wage needed to live without any public or private assistance.
 - ii. Remind students this means to exist without public or private assistance.
 - iii. Discuss the information they will input into the calculator to determine self sufficiency wages for their county and what type of information they will receive (the minimum amount of hourly wage/salary needed to be self sufficient).
 - l. Slide 12: Let's see where you stand?
 - i. Students should sign on a computer with internet access and go to <http://www.mepconline.com/self-sufficiency-standard-test/your-standard.php>
 - ii. Students will input their family information then record their results on their note taking guide. It is important to note that the calculator includes needs and not wants. In addition, it does not allow for savings, which is a very important part of a person's budget.
 - m. Slide 13: Will my job/career allow me to self sufficient?
 - i. Once a student enters the information into the self sufficiency computer there is an area below the chart asking the student to choose a job category and then a job that falls within that category. The result provides an additional chart with information about that job. It also has a link for statewide demand for that job and training needed.
 - n. Slide 14: Assessment
 - i. Using the rubric, students are to write a one-two page summary of three jobs/careers they identify in this process including:
 - 1. Job title
 - 2. Entry hourly wage
 - 3. Entry annual wage
 - 4. Experienced annual wage
 - 5. Does it meet the self sufficiency wage
 - 6. Education
 - 7. Job training
 - 8. Demand for job (using link on calculator – “Finding jobs in demand by state”)
- 4. Give students post-test. Teacher will compare scores against pre-test to judge effectiveness of the lesson.

CONCLUSION

Stress the relationship between wants and needs. In addition, the self sufficiency calculator allows only for needs, not wants, including saving & investing. At this time, high school students will benefit from watching “30 Days on Minimum Wage” by Morgan Spurlock. It reinforces the need for education, thus higher earning potential. It is a little dated as it was produced in 2005, but the message is still important.

ASSESSMENT

Students complete the *Self Sufficiency* note taking guide.

Students complete the *Self Sufficiency* post-test. Compare scores from pre-test to judge information learned during this lesson.

Optional: Essay on *Self Sufficiency* calculator graded via rubric

Optional: Essay on their chosen career graded via rubric

MATERIALS

- *Self sufficiency standard* pre/post test
- *Self sufficiency standard* note taking guide
- *Self sufficiency standard* PowerPoint presentation
- “Top 100 Occupations – Annual Demand” handout (source:www.dol.gov)
- “30 days on minimum wage” by Morgan Spurlock (optional – can be purchased at Amazon. Com. This 45 documentary revolves around the working poor and is only appropriate for high school age students)
- Computer with internet access
- Essay rubric
- BLS Occupational Stats – www.bls.gov (for additional career research)
- Job Outlook by Education – www.bls.gov (for additional career research)

RESOURCES

Bureau of Labor Statistics (BLS)

www.bls.gov

The Bureau of Labor Statistics is an unbiased source from the U.S. Department of Labor. It provides valuable consumer price index and inflation information, the Occupational Outlook Handbook, and Tomorrow’s Jobs.

U.S. Census Bureau

www.census.gov

Includes charts on population figures and demographic information for the United States and each state.

U.S. Internal Revenue Service

www.irs.gov

The Internal Revenue Service site provides additional information related to the tax credits included in the self sufficiency calculator.