

Grades 6-8, Lesson 2

Compelling Question: How does investment in human capital affect individuals in society?

IL Financial Literacy Standard	EC.FL.6-8.LC: Analyze the relationship between skills, education, jobs, and income.	
IL Econ Standard	SS.EC.1.6-8.MC: Evaluate alternative approaches or solutions to current economic issues in terms of benefits and costs for different groups or society as a whole.	
Inquiry Standard	SS.IS.2.6-8: Ask essential and focusing questions that will lead to independent research.	SS.IS.3.6-8: Determine sources representing multiple points of view that will assist in organizing a research plan.
	SS.IS.5.6-8.MdC: Identify evidence from multiple sources to support claims, noting its limitations.	SS.IS.6.6-8LC: Construct arguments using claims and evidence from multiple sources, while acknowledging their strengths and limitations.
	SS.IS.6.6-8MC: Present arguments and explanations that would appeal to audiences and venues outside the classroom using a variety of media.	SS.IS.7.6-8: Critique the structure of credibility of arguments and explanations (self and others)
	SS.IS.8.6-8.LC: Analyze how a problem can manifest itself and the challenges and opportunities faced by those trying to address it.	SS.IS.8.6-8.MC: Apply a range of deliberative and democratic procedures to make decisions and take action in schools and community contexts.

Introduction to Lesson

The compelling question for this lesson is: *How does investment in human capital affect individuals in society?* This inquiry initiates an investigation of human capital by presenting students with several opportunities to examine the skills, education, and experiences individuals need in order to be productive workers and citizens. Students should be able to develop a logical argument or project-based learning activity that answers the compelling question.

Students consider a series of supporting questions about human capital and its relationship to education, income, and incarceration. By engaging with images, videos, charts and graphs, students activate visual, auditory, and kinesthetic learning. They work independently and in groups to answer questions, but more importantly, to ask even more questions of their own.

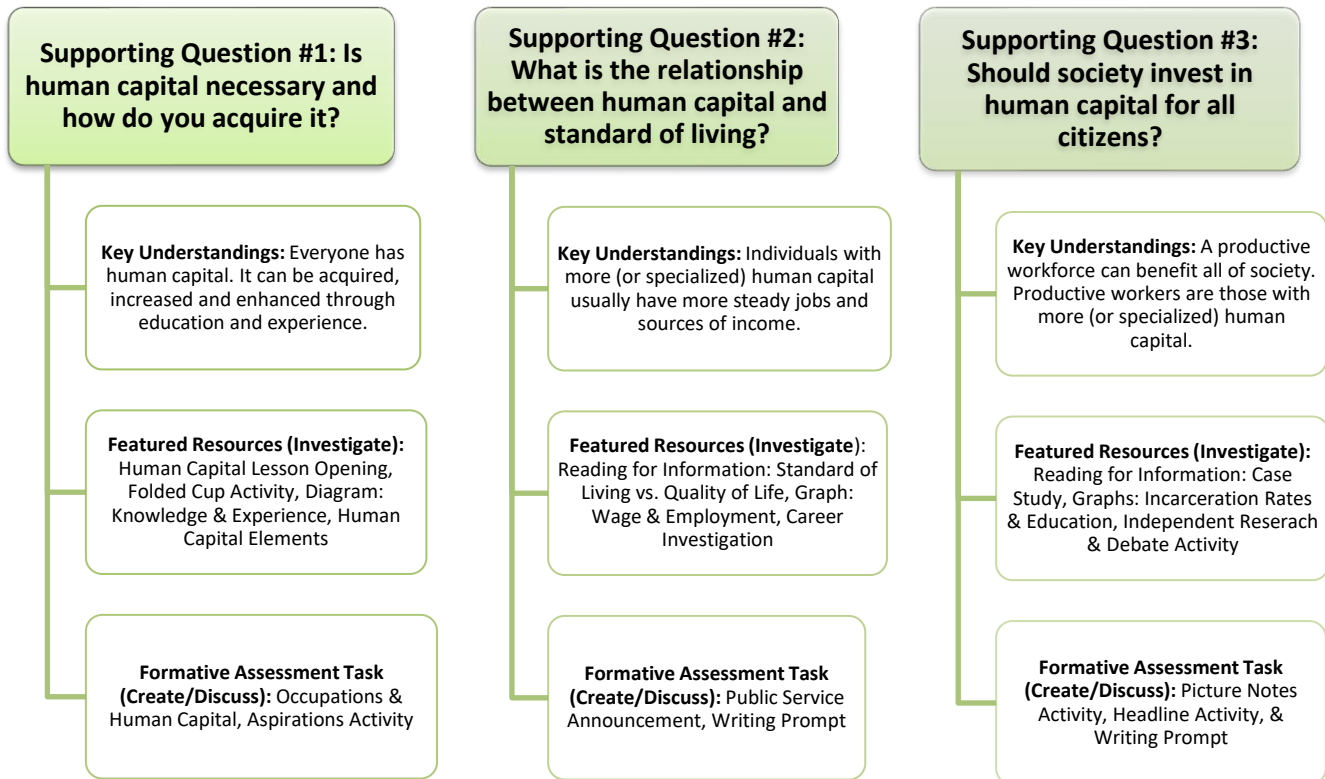
Timeframe: This lesson is designed to work on several levels; therefore, timing may differ depending upon how a class chooses to approach it. If the Supporting Questions are divided and offered to groups, the lesson can be completed in 2-3 days. If a whole class works it way through all of the supporting questions, it could expand to 5-6 days. On the other hand, if teachers feel pressed for time, they may pick and choose different parts of the lesson to work through.

Rationale: The supporting questions develop from simple to more complex, thus providing an opportunity for differentiating and accelerating/compacting the lesson. While the whole class considers the concept of income, individual students or groups can delve more deeply into concepts at levels that are appropriate for their abilities and interests. The opportunity for project-based learning provides a further level of complexity, as students not only reflect on their learning, but use their new knowledge to take action in the real world.

Structure of the Inquiry: The lesson is structured as follows: Each lesson consists of three supporting questions that directly ties in to the compelling question. Each supporting question gets a little tougher as you progress through the lesson. Each supporting question includes an Investigate and Create/Discuss section. The Closed-Reading Activity can be used for each of the supporting questions or one that you select. The Reflect section is located towards the end of the lesson which provides students a chance to demonstrate their knowledge of money and allows you to have a summative evaluation.

Ask

Compelling Question: How does investment in human capital affect individuals in society?



Staging the Compelling Question

The compelling question is, "How does investment in human capital affect individuals and society?" The teacher can introduce the question by printing the words "Investment," "Human," and "Capital" on sheets of construction paper and having three students hold the sheets for the whole class to see.

Ask the class to define each word and use it in a sentence. Students may struggle with the word "capital," probably defining it as "the seat of government in a state or country." Explain that "capital," in economic terms, means "goods used in the production of other goods" (e.g., tools, machinery, financial resources, etc.). Then have the students with "human" and "capital" come together to form the expression "human capital." Explain that human capital is what makes humans more productive.

Human capital is the combination of talent, skills, education, training, experience, health, attitude, and ethics that makes workers more productive.

Supporting Question #1: Is human capital necessary and how do you acquire it?

Supporting Question

The first part of the investigation is whether human capital is necessary. After a brief defining discussion, students will use a Mind Map to organize their thoughts about the components of human capital. A performance assessment will invite them to create their own Mind Maps with an occupation as the central focus. They should be able to suggest areas of human capital that are necessary for success in that occupation.

Students are provided with a graphic comparing knowledge and experience. As they interpret the graphic, they should conclude that both knowledge and experience are necessary components of a productive worker: knowledge alone is lacking connections; experience would be less meaningful without knowledge.

Students will participate in a simulation that illustrates the importance of human capital (specifically experience, knowledge and training) in producing a product --- in this case a paper cup. Students will form three equal groups; each group will be provided with differing levels of human capital support. Students should be able to conclude that enhancements of human capital result in more productive workers and a better product.

In addition, students will complete a performance assessment in which they identify the kinds of human capital (Mnemonic device: --- ASK THE TEE: attitude, skill, knowledge; talent, health, ethics; training, education, experience) required for different occupations. They can extend learning by suggesting another occupation, perhaps one that they themselves aspire to someday.

Investigate

Featured Resources

Human Capital Lesson Opening: To use at the beginning of the lesson, students write down what they think key words mean for discussion.

Folded Cup Activity: Students are divided into three groups and view the finished cup. This exercise illustrates the importance of education, training, and tools and how it enhances human capital, thereby resulting in a better product.

Diagram- Knowledge & Experience: Students view an illustration on knowledge and experience. They are asked to write 2-3 sentences describing the relationship between the two.

Human Capital Elements: Students will learn the nine different parts of human capital.

Create/Discuss

Formative Assessment Performance Activities

Occupations and Human Capital: Students will brainstorm for discussion aspects of human capital that are needed for four different occupations.

Aspirations Activity: Students create an original mind map with an occupation as the central focus. Students will also explain how each area of human capital is related to the occupation.

Supporting Question #2: What is the relationship between human capital and standard of living?

Supporting Question

The second supporting question, "What is the relationship between human capital and standard of living?" challenges students to read and interpret data. They are provided with two graphics; one demonstrates how increased levels of education generally are associated with lower levels of unemployment and one that shows increased levels of education result in higher wages. Education is looked at through a variety of measures, from high

school to college to specialized certificates. Students should conclude that investment in human capital can propel workers toward better paying jobs, jobs that are more specialized and require greater skill or training.

In a performance assessment related to the first graph, students are asked to create a public service announcement that encourages classmates to continue their education. Students will then reflect on human capital, standard of living, and quality of life through a writing prompt.

Investigate

Featured Resources

Reading for Information-Standard of Living vs. Quality of Life: Students will read about the definitions of these two terms and apply it to their writing prompt.

Career Investigation: Students will use the Bureau of Labor Statistics website to look up information about a career that interests them.

Create/Discuss

Formative Assessment Performance Activities

Wage & Employment Graphs: Students analyze graphs from the U.S. Bureau of Labor Statistics on the unemployment rates, educational level, and median earnings. Students are asked to write a conclusion about the graph.

Public Service Announcement: After observing and analyzing the graph on education, earnings, and unemployment, students create a 30 second public service announcement explaining information on the graph and urging others to complete as much education as possible.

Writing Prompt: Students will reflect on what they have learned and write about the connections between human capital, standard of living, and quality of life.

Supporting Question #3: Should society invest in human capital for all citizens?

Supporting Question

As they consider this question, students are provided with a case study that describes how people use cost-benefit analysis when they decide whether to commit a crime. Economic analysis tells us that rational people will choose the option with the lower opportunity cost (*opportunity cost* is the alternative that is given up when a choice is made). Thus, if the cost of committing a crime is greater than the benefits of committing the crime, the perpetrator will choose NOT to commit it.

The case study suggests that society has a choice to make too: Do we train workers for good jobs or deal with the consequences of unemployed people who must resort to crime in order to survive? Students will summarize the case study with Pictures Notes. They will discuss and argue the value of cost-benefit analysis in crime deterrence and prevention.

Investigate

Featured Resources

Case Study: Investment in Human Capital - Students read a brief case study regarding crime prevention and human capital investments. Students are encouraged to investigate other resources to provide further evidence either to support or contradict this view. Have a brief discussion about students' findings.

Graph- Incarceration Rates & Education Graph: Students will analyze if there are any connections between education and going to prison and discuss in class.

Independent Research & Debate Activity: After students have completed their independent research, have them meet within their respective groups to discuss their findings. Students will then prepare to debate the opposing group.

Create/Discuss

Formative Assessment Performance Activities

Headline Activity: After analyzing the graph, students will create a newspaper headline for what they have learned.

Picture Notes Activity: After reading the case study and further investigating the topic, students work in pairs or small groups to create “picture notes” to summarize the information.

Writing Prompt-Investing in Yourself: Students will reflect on what it means to invest in yourself and how it relates to human capital.

Ask

How does investment in human capital affect individuals in society?

Reflect

Summative Assessment Performance Activities

Task	Develop an argument, using credible sources as evidence, to answer the question “How does investment in human capital affect individuals in society?”
Extension Activity	Use one of the project based learning activities below: <ul style="list-style-type: none">• Attend a school board meeting and present findings about the importance of investing in human capital.• Survey local businesses to find out how much they spend training new hires. Why do they think it’s worth it?• Compare the cost of educating a teen with the cost of incarcerating one. Write a letter or email to a member of Congress arguing for education funding.• With classmates, discuss areas in which your school can improve its human capital investment (e.g., music, arts, athletics, library, etc.). Prepare a petition to improve those areas, and submit it to the school board.• Gather information about a number of successful/wealthy individuals who dropped out of school. Identify the human capital that they have developed in order to substitute for their lack of education. Create posters that highlight the importance of human capital investment in addition to education.