



Junior Achievement *Save, USA*

Earned Income

Elementary Lesson

Wages are considered **earned income**, because you get them in exchange for work.

We all know that people who work in some jobs earn much more than people in other jobs.

Professional athletes earn more than teachers, and movie stars earn more than firefighters.

Doctors earn more than flight attendants, and lawyers earn more than gardeners.

What gives? Why does Tiger Woods earn a bigger income than a second-grade teacher? Is hitting a golf ball more valuable than getting a kid to read?

In some instances, differing incomes are the result of supply and demand. There's only one Tiger Woods (supply), but millions of people want to watch him play in golf tournaments and on TV (demand).

For other jobs, bigger incomes are the result of greater risk or danger—miners earn more than secretaries.

But in most cases, higher incomes are awarded to people with more advanced knowledge and skills. And most people acquire greater knowledge and skills by getting more education.



Elementary Grades Activity

You can get **earned income** by doing chores at home or watching your neighbor's pet while she's on vacation. You can get **unearned income** for your birthday or by winning a raffle at school. Draw a line from each picture to either the "earned income" or "unearned income" box below.



Earned Income

Unearned Income



About JA Worldwide® (Junior Achievement)

Junior Achievement is the world's largest organization dedicated to inspiring and preparing young people to succeed in a global economy. Through a dedicated volunteer network, Junior Achievement provides in-school and after-school programs for students which focus on three key content areas: work readiness, entrepreneurship, and financial literacy. Today, 137 individual area operations reach more than four million students in the United States, with an additional five million students served by operations in 123 other countries worldwide. For more information, visit www.ja.org.