



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

Materials provided by: Selena Swartzfager, Personal Finance Educator, Clinton High School, Clinton, MS

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 – Refer to the MEPC Quick Guide to Expenses in Mississippi’s Basic Economic Security Tables for definitions.

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, reduced/free lunches. 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 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 Quick Guide to Expenses in Mississippi’s Basic Economic Security Tables. Share this information with the students. Their note taking guide allows a place for them to write 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 complete the MEPC Calculating Basic Economic Security worksheet. The web address for the calculator is on this sheet: <http://mepconline.org/calculator>
 - ii. Students will choose their county, input their family information, and savings options, then record their results on the MEPC Calculating Basic Economic Security worksheet.

- 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 hourly wage
 5. Experienced annual wage
 6. Does it meet the self sufficiency wage
 7. Education
 8. Job training
 9. 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. 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 and 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.mdes.ms.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.

QUICK GUIDE TO EXPENSES IN MISSISSIPPI'S BASIC ECONOMIC SECURITY TABLES

HOUSING: Rental rates are determined by using the Housing and Urban Development's (HUD) Fair Market Rents – equal to the 40th percentile of rental values in the community. Expenses assume no more than two children share a bedroom and adults do not share a bedroom with children.

UTILITIES: Like housing, utilities are also calculated based on a portion of the Housing and Urban Development (HUD) Fair Market Rent calculation for the community.

FOOD: Includes costs of a no-frills diet consisting entirely of food prepared and eaten at home. The food costs are taken from the USDA Low-Cost Food Plan, which is slightly more than the least costly food budget set by the USDA. Where possible, food costs are also adjusted for local cost differences.

TRANSPORTATION: workers in almost every town and community in Mississippi requires private vehicles. The index assumes that working adults are unable to share a car to get to work. Costs include fuel, maintenance, insurance, license and registration fees, and depreciation of a small, used sedan for each adult in the family. Insurance quotes are for the standard Geico insurance policy in the local zip code.

CHILD CARE: Calculated separately for infants, preschoolers, and schoolchildren and includes the cost of licensed care in a child care center. The 75th percentile of county rates is used for a monthly child care total.

PERSONAL AND HOUSEHOLD ITEMS: Includes clothing, personal care products, housekeeping supplies, a landline phone, minimal life insurance and bank fees. This expense is equal to 27% of a family's housing, utility and food expenses, based on renters' average expenditure data from the BLS Consumer Expenditure Survey.

HEALTH CARE: Includes the average premiums for an individual and family in Mississippi with employer-sponsored insurance (from the Dept of Health and Human Services Medical Expenditure Panel Survey). Out of pocket expenses are average expenses for health care by age group. The index calculates health insurance costs for those with and without employer-sponsored health insurance. For those without employer-sponsored insurance, the index uses premium for the least expensive plans which are similar to typical employer sponsored insurance plans.

TAXES AND TAX CREDITS: Includes payroll taxes and federal, state, and local incomes taxes. Sales taxes are also calculated based on household/personal items spending. Tax credits include the Federal Earned Income Tax Credit, Child Tax Credit and the Child and Dependent Care Credit.

EMERGENCY SAVINGS: Emergencies include sudden income loss from unemployment, medical expenses, auto repair or a family-break up. Savings assume workers accumulate savings over four years of employment for a total savings that would allow families to meet basic needs for a nine week period of unemployment with the assumption that worker also receives unemployment insurance.

RETIREMENT SAVINGS: Is calculated based on the amount of savings, less average Social Security benefits, that workers need at their time of retirement to remain economically secure throughout an average retirement period. Workers are assumed to save over a 40-year period. Workers with employer-sponsored benefits are assumed to save into a defined 401(k) plan, and workers without employer-sponsored benefits are assumed to save into an Individual Retirement Account and receive income tax benefits for their savings.

CHILD POSTSECONDARY EDUCATION SAVINGS: Assumes parents save for 17 years prior to their child's education. Costs include tuition and fees, books, transportation, and room and board. The child attains their degree by living at home while attending their local community college for 2 years and then transferring to any Mississippi public university for the final two years. Parents save into a 529 college savings plan.

HOMEOWNERSHIP SAVINGS: Families save over a 10-year period for a down payment equal to 20% of their home price. Families also save 1.7% of the home price for closing costs. Home prices are for a 'starter home' in the county (25th percentile) that meets the family's size needs. Families take out a standard 30-year mortgage.

Self Sufficiency Note taking guide



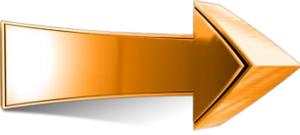
	Total Pts Earned
45	Total Pts Possible (1 point per blank)
	Percentage

Definition & example:

Want



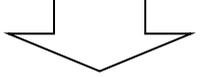
Need



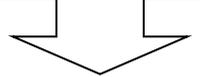
Values



Job - write the definition and an example

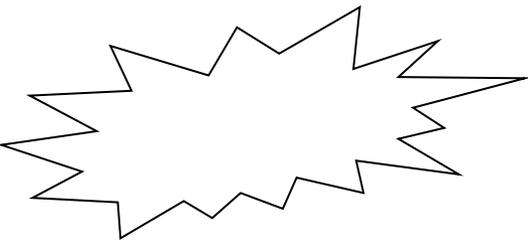


Career - write the definition and an example

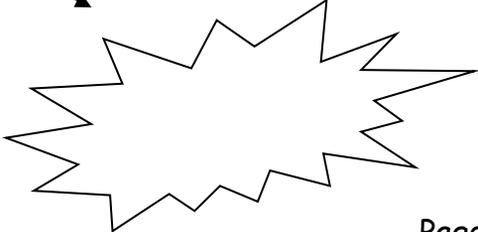


Budget →

Income



Expenses



Expenses included in the self sufficiency standard

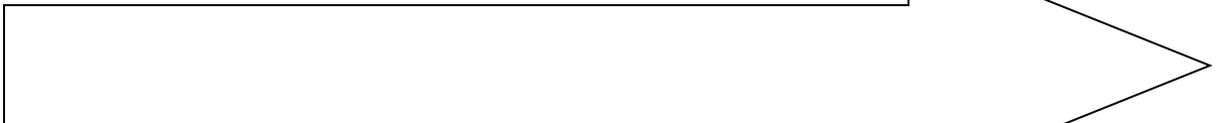
- 1.
- 2.
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- 13.

What are self sufficiency
wages, anyway?

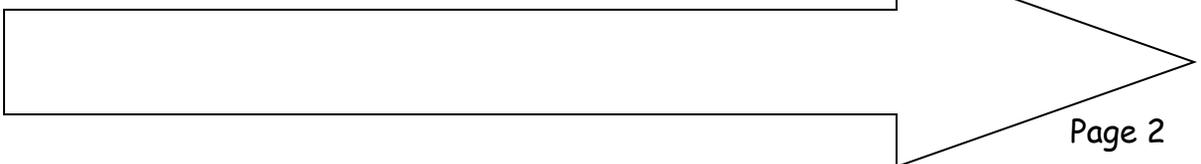
Definition:



Public Assistance



Private Assistance





2 jobs/careers from Top 100 occupations or from the online Calculator that would provide enough income to be self sufficient:

Job Title:

Entry Hourly Wage:

Entry Annual Wage:

Experienced Hourly Wage:

Experienced Annual Wage:

Can I be self sufficient on this wage?

Education:

Job Training:

Job Title:

Entry Hourly Wage:

Entry Annual Wage:

Experienced Hourly Wage:

Experienced Annual Wage:

Can I be self sufficient on this wage?

Education:

Job Training:

CALCULATING BASIC ECONOMIC SECURITY

GETTING STARTED:

How much does a family need to cover basic necessities and save for longer-term economic security?

The Basic Economic Security Calculator lets you select your county, family type and monthly savings priorities and calculates how much you need to earn to build towards basic economic security. Follow the steps below to calculate and record your economic security.

STEP 1: CHOOSE YOUR COUNTY AND FAMILY INFORMATION AND SAVINGS PRIORITIES

1. Go online to: <http://www.mepconline.org/calculator>
2. Choose your county, the number of adults, the number of children and the age of each child.
3. Choose your monthly savings goals to be included in the calculation. Remember that true economic security includes savings for emergencies and retirement.
4. Check off your choices in the blank boxes below, and then click the button underneath that reads 'Calculate my basic economic security'.

<input type="checkbox"/>	Emergency & Retirement Savings
<input type="checkbox"/>	Homeownership Savings
<input type="checkbox"/>	Savings for Child's Post-Secondary Education

5. The table on the screen tells you monthly amounts for basic expenses and for your savings priorities. Fill in each expense in the table to the right.

BASIC ECONOMIC SECURITY TABLE	
Expense Type	Monthly Cost
Housing	
Utilities	
Food	
Transportation	
Child Care	
Personal & Household Items	
Healthcare	
Emergency Savings	
Retirement Savings	
Taxes	
Tax Credits	
Economic Security Wage	
Monthly	
Annually	
Hourly	
Additional Savings Selections	
Savings Type	Monthly Amount
Homeownership	
Child's Post-Secondary	

STEP 2: TAKE CLOSER LOOK AT YOUR BASIC ECONOMIC SECURITY

1. The table gives monthly expenses for basic needs like housing, child care, and transportation. Looking at your monthly expenses, how much does your family need for food? How much for housing?

Monthly Food Amount: _____

Monthly Housing Amount: _____

2. Underneath monthly expenses, the table gives the amount of income families need to cover the basics and save each month to meet their savings goals. Looking under "Basic Economic Security Wage", how much does your family need each month? How much would an adult need to earn per hour to meet basic economic needs and save for the long-term?

Monthly Basic Economic Security Wage: _____

Hourly Basic Economic Security Wage: _____

LEARN MORE: Now that you have calculated your basic economic security you can try other counties or family types and continue on down the page to select a Job Category and Job. Selecting a job lets you compare wages of different occupations to the wages needed for basic economic security for your family type.



Self Sufficiency Calculator Pre/Post test

1. Value is best defined as:
 - a. The end result of something a person intends to acquire, achieve, do, reach, or accomplish in the near or distant future
 - b. Something thought to be a necessity or essential item required for life
 - c. A fundamental belief or practice about what is desirable, worthwhile, and important to an individual
 - d. Something unnecessary but desired or items which increase the quality of living

2. The method each individual uses to allocate his or her money is different based upon:
 - a. Values
 - b. Needs
 - c. Wants
 - d. All of the above

3. A want is best defined as:
 - a. The end result of something a person intends to acquire, achieve, do, reach, or accomplish in the near or distant future
 - b. Something thought to be a necessity or essential items required for life
 - c. A fundamental belief or practice about what is desirable, worthwhile, and important to an individual
 - d. Something unnecessary but desired or items which increase the quality of living

4. A need is best defined as:
 - a. The end result of something a person intends to acquire, achieve, do, reach, or accomplish in the near or distant future
 - b. Something thought to be a necessity or essential items required for life
 - c. A fundamental belief or practice about what is desirable, worthwhile, and important to an individual
 - d. Something unnecessary but desired or items which increase the quality of living

5. An example of a need is:
- Adequate shelter
 - An unused vehicle
 - Brand name shoes
 - All of the above
6. An example of a want is:
- Safe drinking water
 - Basic clothing
 - Laptop computer
 - All of the above
7. Which of the following does NOT influence an individual's values?
- Media
 - Family
 - Religious affiliations
 - Grade average
8. Having a career implies that a person:
- Is interested in the most money that can be achieved
 - Must have completed an advanced college degree
 - Has a commitment to a profession which requires continued education
 - Will not be required to change jobs within a professional area
9. What is a budget?
- A statement oriented towards the future to assist in money management
 - A statement which shows an individual's assets, liabilities, and net worth on a particular date
 - A statement listing and summarizing all monetary transactions during a specific period of time
 - A statement listing all of one's liabilities to others
10. What is it called when an individual has more income than expenses?
- Net loss
 - Profit
 - Net gain
 - Revenue

11. If expenses were to exceed income on a spending plan, what would be a financially smart solution?

- a. Decrease expenses
- b. Use a credit card more often
- c. Earn less income
- d. Increase purchases

12. On average the largest major expenditure is which of the following?

- a. Transportation
- b. Insurance
- c. Housing
- d. Entertainment

13. Which of the following would be considered income?

- a. Salary
- b. Public assistance
- c. Private assistance
- d. All of the above are income

14. (Post-test question only) Name one of your personal values. Describe in a paragraph how this values will influence your:

- a. Needs and wants
- b. Education plans
- c. Spending habits
- d. Financial decisions

Self Sufficiency Calculator Pre/Post test

1. Value is best defined as:
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 - d. Something unnecessary but desired or items which increase the quality of living

2. The method each individual uses to allocate his or her money is different based upon:
 - a. Values
 - b. Needs
 - c. Wants
 - d. All of the above

3. A want is best defined as:
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- a. Salary
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- c. Private assistance
- d. All of the above are income

14. (Post-test question only) Name one of your personal values. Describe in a paragraph how this values will influence your:

- a. Needs and wants (answers vary)
- b. Education plans (answers vary)
- c. Spending habits (answers vary)
- d. Financial decisions (answers vary)



Career Research and Self Sufficiency Essay

Name:

Date:

Directions: Using the self sufficiency calculator <http://mepconline.org/calculator> write a one-two page essay based upon the information you gather. Refer to the topics listed below for the required elements to be included in the essay.

For each of the three jobs/careers include:

1. Job title
2. Entry hourly wage
3. Entry annual wage
4. Experienced hourly wage
5. Experienced annual wage
6. Does it meet the self sufficiency wage
7. Education
8. Job training
9. Demand for job (using link on calculator – “Finding jobs in demand by state”)

	Exemplary – 3	Satisfactory – 2	Unsatisfactory - 1	Rating	Weight	Score
Content	All 9 topics are included for each of the 2 jobs/careers	6-8 topics are included for each of the 2 jobs/careers or all 9 topics are included for 1 of the jobs/careers	Less than 6 topics are included for each of the 2 jobs/careers		3	
Writing Skills	Sentences are fluent and effective. Very few errors in mechanics, punctuation, and word usage.	Sentences are usually controlled. There are minor errors in mechanics, punctuation, and word usage.	Sentences are generally adequate. There are lapses in mechanics, punctuation, and grammar.		2	
Presentation and Completion	Assignment is easily read and neatly assembled. All answers have been attempted. Presentation quality is excellent.	Assignment is adequate. Answers may be missing, incomplete, or too brief. Presentation quality is adequate.	Assignment is incomplete. Answers show lack of attention. Presentation is sloppy.		2	
Content Accuracy	90-100% of the facts in the essay are accurate.	80-89% if the facts are accurate.	Fewer than 80% of the facts in the essay are accurate.		3	
				Total Pts Earned		
				Total Pts Possible		30
				Percentage		