After High School: Then What?



Making Money

One key reason you need to know what an employer expects from you as an employee is money. You'll see in the next unit that money—cash—is often what drives personal financial planning. Why? Because money is usually what it takes to reach your financial goals. As a general rule, employers reward employees with more money for several basic reasons. They look for employees who:

- **are dependable**
- **work well with others**
- **are good problem solvers**
- **deliver high-quality work**
- **have high productivity**
- **conduct increasingly complex and unique activities**
- **have great attitudes**

Not many employees are rewarded just for filling a chair in the office or for taking up a spot on the factory floor day after day, year after year. Today employers expect a lot more, as you saw in the list in Figure 2.1.

That's not to say that employers don't consider experience—they clearly do. It's just that they want the right kind of experience, the kind that adds value to a company's products and services, which helps the company grow.

If you enjoy creativity, working at a job that requires highly routine behavior—like turning bolts on an assembly line—may not be a good fit for you. On the other hand, if you like consistency in your work, you may find real satisfaction in making the exact, same type of hamburger over and over again.

The key is knowing what makes you happy and gives you a desire to succeed. That means knowing yourself. Consider the many ways different jobs add value to our society and economy.

Ultimately, all workers trade their time for money in the form of wages. Since time is a limited resource, it makes sense to make the most of it. One way to do that is by earning a large enough wage that you feel compensated fairly for your time.

"You can always make more money, but you can't make more time."

And speaking of time, when you finish high school you'll face another choice: what to do with the rest of your life.

What will you do after you finish high school? Go to college? Enter a trade school? Enter directly into the workforce? Your choice will affect your career and your future earnings. More specifically, additional education and training normally have a positive impact on the money you earn in the future.

The Costs and Benefits of College Education

Education is the level of formal knowledge and training you have attained. As a general rule, the more education you have, the higher your income. That's the good news. Unfortunately, gaining more education past high school takes precious time and usually costs a lot of money.

For instance, assume you want to go to college. Do you have any idea what it will really cost? Take a look at Figure 2.2 for some average college costs.

Figure 2.2: Average College Costs

Average College Costs 2000

College Type	College Cost—1 year
Private	$24,946
State (non-res.)	$16,848
State (resident)	$11,338



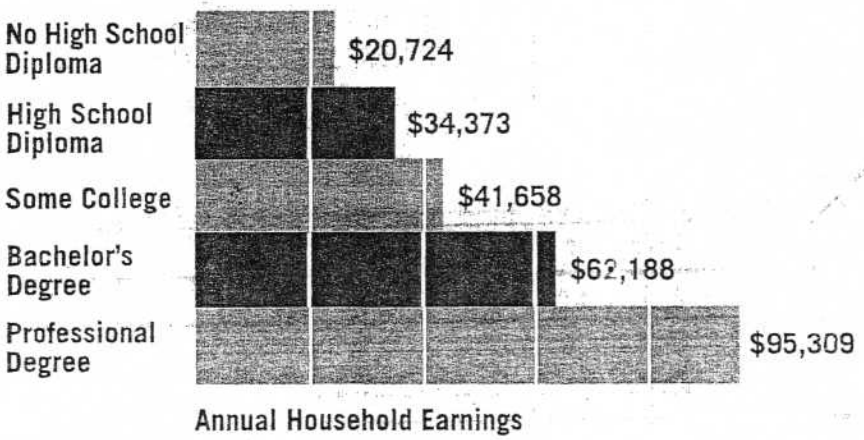
These costs include tuition, a dorm room and cafeteria meal plan, fees, books, and spending money for things like gas and pizza. Needless to say, going to college is not cheap. Fortunately, there are

many financial resources available in the form of scholarships and student loans.

You do have to give up an average of four years of earnings to go to college—remember opportunity cost—as well as pay for four years of college expenses. So what are the benefits? Other than the education itself, is there an impact on your future earnings? Most definitely. Take a look at Figure 2.3.

This figure shows that for an average family, completing a high school education is worth about an extra $14,000 per year (compared to a high school dropout). But a college degree nearly doubles your earnings over a high school diploma—that's almost $30,000 a year extra!

Figure 2.3: Education and Earnings



College Is Worth The Expense!

"The average employee stays with a company about three to four years."

Other Education Options

There are other ways besides college to further your education and increase your potential earning power. For instance, you may want to consider technical and trade schools. These are typically one- to two-year programs that will provide you with a working skill, such as PC repair, computer technical support, diesel mechanic, or paralegal assistant.

Like any line of work, how much a job pays depends on its value to society as a whole. Fast-food work takes little training in terms of skills and specialized knowledge, and almost anyone can do the job. So these positions often pay minimum wage. At the other end of the spectrum, becoming a heart surgeon requires advanced skills and years of education and training; the pay reflects the unique value that only a few individuals can provide.

No matter what the job, an almost sure way of increasing your worth in the workplace is to get relevant training. You will need to learn new skills throughout your lifetime, and many employers will pay for additional training. Of course, in return, the employer expects you to be more efficient and better skilled on the job after training. You never know about training opportunities unless you ask, and asking is free!

Up to now, we've been assuming that you're going to work for someone else. But don't forget about another potential employer who is very concerned with your future financial success—yourself.

Entrepreneurship

An **entrepreneur** is a person who creates a business from scratch, based on a need or personal expertise, and puts creativity and ingenuity into action to provide either a service or product. Entrepreneurs believe they can do a better job delivering a product or service than any existing company. That takes a keen eye to see what customers want, and the drive to meet their needs. Hint: the product or service may not even exist yet!

Many entrepreneurs are self-employed. Being in business for yourself sometimes means a lot of no's: no guarantees, no boss, and no regular paycheck. So being an entrepreneur normally means you're willing to take risks.

Some people work for themselves because they enjoy being their own boss, and they have a strong sense of discipline. Other people become self-employed in order to keep a higher percentage of profits from their labor.

Do you think you have what it takes to be an entrepreneur? How many of the characteristics that describe the typical self-employed person do you have?







- **Independence**
- **Positive attitude**
- **Creativity and talent**
- **Risk-taker**
- **Good work ethic and honesty**
- **Hard worker**
- **Organization and planning skills**
- **Self-confidence**
- **Good listener**
- **Team worker**
- **Decision maker**
- **Motivated**
- **Salesmanship**
- **Follow through**

National Endowment for Financial Education – 2001
(High School Financial Planning Program)

Becoming an Entrepreneur

If you decide to go into business for yourself, you'll most likely take the following, or similar, steps:

- **See an opportunity** to provide a service or goods that is currently missing or that you can provide better than any existing business.
- **Take the initiative** to learn all you can about existing competitors, and discover what it is customers really want from your product/service.
- **Develop plans** to market your business, analyze your potential profit or losses, and then produce the product/service.

To get you thinking about starting your own business, use Assignment 2.2 as a model. Divide a piece of paper into two columns. On the left-hand side, write down five talents or activities you enjoy. In the right column, brainstorm the types of businesses you could create from that activity or talent. These could be summer jobs or jobs you'd like to hold in the future.

Like a SMART goal, a good business plan is written clearly and contains lots of specifics. Most successful entrepreneurs have business contacts they rely on for advice and direction. If you're thinking of becoming an entrepreneur, it's a good idea to talk to people already in your line of work. They can provide valuable advice and insight about the business you are considering.



Assignment 2.2

Talent or Activity	Potential Type of Business
Music—talent	Start a band Teach private music lessons to young children