

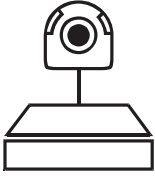
## Unit 3, Lesson 15

### Visual 1

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## WHY DO SOME PEOPLE EARN MORE THAN OTHERS?

- Many Americans are delighted to learn that their favorite celebrities earn large incomes.
  - ✓ In 2002, Katie Couric signed a contract with NBC for \$65 million for 4.5 years.
  - ✓ Tom Cruise made \$43.2 million in 2001.
  - ✓ Tiger Woods made \$53 million in 2001.
- People in other occupations make much less.
  - ✓ The median annual income of a hospital registered nurse was \$45,780 in 2001.
  - ✓ The median annual income of a hospital social worker was \$33,150 in 2001.
- *Why is it that people in diverse occupations, occupations that contribute in very different ways to the social good, earn such different incomes?*



## Unit 3, Lesson 15

### Visual 2

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#### TRUE/FALSE CLUES

A. People with more formal education earn less on average than people with less formal education.

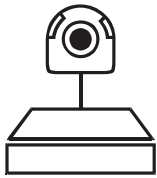
True or False?

B. The laws of demand and supply do not apply to wages and salaries.

True or False?

C. Natural ability and willingness to work hard contribute little to earning more income.

True or False?



## Unit 3, Lesson 15

### Visual 3

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## HUMAN CAPITAL

- **Human Capital:** The health, education, training, and skills potential workers bring to the marketplace.
- **Benefits in the future:** Like all forms of capital, human capital is attained by people who spend resources now in order to raise productivity in the future.
- **Education:** People who have more education are likely to have greater abilities than others to read, do math, and solve problems. As a result, they are likely to produce more than people with less education.
- **Training:** People with more training, often obtained on the job, are likely to produce more than those with less training.
- **Health:** People who have better health are less likely to miss work and usually are able to produce more than people in poor health.