

# Chapter 3:

## How to Earn Money

**Income**—money received from someone else

**Salary**—the payment to the worker for the service done

**Business**—an activity that brings income through selling goods or services

**Employee**—a person working for another person or organization for pay

**Employer**—the person or organization providing the jobs

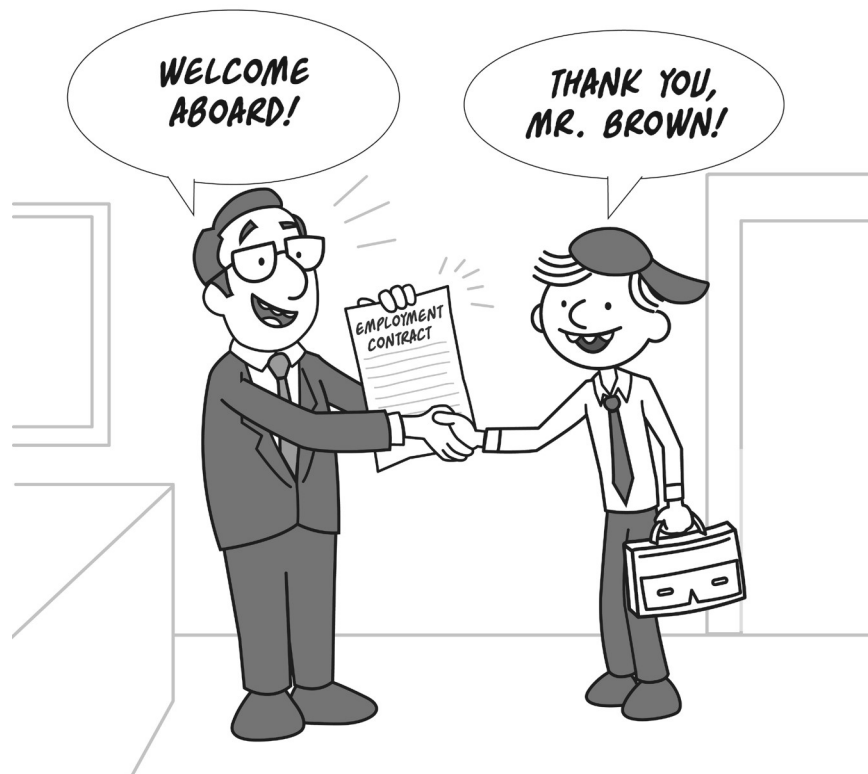
**Corporation**—an organization formed by a group of people acting together; a corporation can be a company or a business, too

People need **income** to obtain money. There are many forms of income. It can be received in the form of a **salary**. It can be earned as a profit from having a **business**. It can be from an investment. Or it can be a gift from friends and family. Let's look at some different sources of income.

### A. Working for Someone

To earn money, you need to work for it. Most grownups earn money by having jobs. A person who works for someone is called an **employee**, while the one who provides the job is called the

**employer.** The employer may be an individual person, a **corporation**, or the government. The employee receives a salary as payment for the work that was done for the employer.



What does your parent do for a living? Have you thought of the type of work you want to do when you grow up? Some jobs pay more, but may require more schooling and training. The chart below shows some jobs you may want to consider in the future. The chart also displays the average yearly salary in the United States, and the amount of schooling and training needed to get into these occupations.

## How to Earn Money

### Salary Estimates in the United States (2015)

Job	Average Yearly Salary	Years in School/Training
Airline Pilot	\$101,852	4 years in college, training in a flight academy, plus a lot of flight experience
Carpenter	\$41,354	3–4 years of training
Computer Programmer	\$58,436	2–4 years in college
Dentist	\$123,922	4 years in college plus 4 years in dental school
Doctor/Physician	\$138,248	4 years in college plus 4 years in medical school then at least 3 years of residency/training
Elementary School Teacher	\$41,561	4 years in college
Electrical Engineer	\$70,675	4-5 years in college
Financial Analyst	\$56,469	4 years in college
Firefighter	\$43,915	2–4 years in college plus training in a fire academy
Lawyer	\$77,251	4 years in college plus 3 years in law school
Police Officer	\$48,336	2–4 years in college plus training in a police academy
Registered Nurse	\$57,672	2–4 years in college

When choosing a career, you need to remember this: You should look not only at the salary or the prestige associated with the work. It is also very important that you enjoy the kind of work you do.

## B. Working for Yourself Providing Goods or Services

**Self-employed**—a person who earns a living by working for himself or herself

**Profit**—the money made from running a business as a result of having more revenues than expenses

Have you met someone who owns a store, a shop, a business, or a restaurant? These people earn money by working for themselves instead of working for an employer. They are referred to as **self-employed** or business owners. They make money by having a **profit** from the business they own.

