

Exploring Human Capital with Primary Children: What We Learn in School Does Matter

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At an early age, young children often wonder why they must go to school. They may see the connection between practice and their ability to kick a soccer ball or to play a musical instrument, but seldom know the answer to the question, “Why is school important?” Elementary teachers can give young children the opportunity to learn that reading, writing, math, and other skills contribute to their human capital, and improving their human capital will help them reach their goals, now and as adults.

“Human capital” is defined as the combination of knowledge, skills and abilities personal characteristics, and experience a person has.² In the short document “What Students Should Know about Economics and Why: Six Key Ideas,”³ the authors give a rationale for teaching about human capital:

Many economists contend that the major determinant of a nation’s growth is the quality and quantity of its human capital. That translates to a second grader as, “You are the most important resource this nation has and you are the most important resource you have.” This message can instill a sense of pride and achievement in children that can be helpful as they attempt to learn in school and to develop their human capital.

Teachers can build on this message by helping students to understand that they can improve their human capital through education, hard work, and perseverance.

Many lessons, built around works of fiction and nonfiction, exist that address the important concept of human capital.⁴ In this article, we detail one such lesson, that uses a picture book, *Morris Goes to School* by Bernard Wiseman,⁵ to show children that success doesn’t come without perseverance, practice, education, and hard work. The lesson⁶ addresses the four dimensions of the C3 Framework:

Dimensions of the C3 Framework’s Arc of Inquiry

1. Developing Questions and Planning Inquiries
2. Applying Disciplinary Concepts and Tools

3. Evaluating Sources and Using Evidence
4. Communicating Conclusions and Taking Informed Action.⁷

It also integrates skills from the Common Core Standards—reading, writing, language, and listening and speaking—to help students answer the lesson’s compelling question, “How do people improve their human capital?”⁸

LESSON: Exploring the Concept of “Human Capital”

Grade Level(s): Grades 1 and 2

Time Suggested: Five 30-minute classes

Materials: A copy of the book *Morris Goes to School* by Bernard Wiseman; newsprint; markers; small sticky note pads; Handouts 1 and 2; props for play

Introducing the Activity

Dimension 1 of the Arc of Inquiry focuses on developing questions, both compelling and supporting, to help students frame and advance an inquiry. In the primary grades, students need considerable help and guidance developing questions and discussing them. The lesson begins with a number of questions for students to think about:

- Why do you come to school every day?
- What do you learn at school?
- How do grown-ups in your family use math when they go to the grocery store?
- How do people use reading when they go to a restaurant?
- How do adults work together to solve a problem that comes up in your neighborhood?
- Why do you need to learn to read, write, and do math?

Students may not have ready answers to these questions. Write the words “human capital” on the board. Explain that the skills, knowledge, and abilities students have are part of their human capital. Ask students for examples of things they

know and skills they have, such as running, playing a sport, drawing, reading, adding and subtracting, and jumping rope. List students' examples on the board under the term, "human capital." Explain that these skills are part of their human capital and that the lesson will help them answer the question, "How do people improve their human capital?" or, for primary students, "Why do we need to go to school?"

Enacting a Short Skit

Dimension 2 focuses on applying disciplinary concepts and tools. To answer the compelling question, students need to understand and apply specific concepts and domain-specific vocabulary, in this case, the economic concepts of human capital and investment in human capital. To learn about human capital, have students act out a skit that involves a young boy, Alonzo, who has been saving for a soccer ball. (See dialog suggested on **HANDOUT 1**)

Alonzo's neighbor, Ms. Reed, asks him to run three errands for her at \$1 per errand. However, Alonzo cannot complete the tasks successfully, as he can't read the street signs. Students can help create the short skit by acting out the two roles, as well as being "sign posts" and holding various street signs. After a quick performance, which might be humorous, engage students in a discussion to help them understand a real-life application of the importance of acquiring human capital—**including a key ability, literacy.**

Reading a Picture Book

Next, read *Morris Goes to School* by B. Weisman. Using the text and the pictures, students learn that Morris has a problem similar to that of Alonzo. Morris the moose wants to buy candy. Because he can't read, he tries to buy candy at the fish store. Eventually, he locates the candy store, but he doesn't know whether he has enough pennies to buy gumdrops. Morris can't count, but he solves his problem by going to school where he learns how to read, count, paint, and sing a song. Review the definition of human capital and ask students:

- How did Morris invest or add to his human capital by going to school?
- How did improving his human capital help Morris? (He could find the candy store because he could read, and he could buy candy because he could count.)

Remind students of Alonzo's experience and review his problem. Ask the class:

- What could Alonzo learn from Morris? (The importance of improving his human capital.)
- How can improving his human capital help Alonzo do his work better? (If Alonzo can read, he can complete errands for his neighbor.)
- How can improving his human capital help Alonzo reach his goal of buying a soccer ball? (He will be able to earn income that he can use to buy a soccer ball.)

Constructing Posters

To reinforce the vocabulary, display a large sheet of newsprint with "Human Capital" written in the center of the large outline of a child. Give each student two or three small sticky note sheets. Ask them to write or draw examples of human capital (likely student answers include reading, dancing, playing a sport, playing an instrument, adding and subtracting) and stick them on the newsprint.

Review student examples by reading each aloud and asking if it is an example or non-example of human capital. (Non-examples of human capital include money, a tool, machine, instrument, ball, or book.)

On a second sheet of newsprint, write "Investing in Human Capital." Ask students for examples of how they can improve their human capital. Use the following case: Tell students that you speak a few words of German and want to learn more. Ask students what you could do to improve your human capital. Select sticky notes from the Human Capital newsprint. Distribute a sticky note to pairs of students; instruct each pair to think of ways to improve the example of human capital on their sticky note. As pairs share, write their examples on the Improving Human Capital newsprint. Wrap up this section of the lesson by asking questions about the economic concept of human capital. These questions arise from "Dimension 2: Applying Disciplinary Tools and Concepts," with the discipline being economics.

- What is human capital?
- What things are you good at doing?
- How did you become good at doing these things? (went to school, practiced, parents taught them, took lessons)
- What are some skills and abilities you learn at school that become part of your human capital? (Reading, math, science, social studies, spelling, group work, writing, working nicely with others, self-regulating)
- What are some things you can do at school to improve your human capital? (Listen, do assignments, complete homework, pay attention, "stay in your lanes," follow the rules)
- Why is it important to improve your human capital? (With increased human capital, you are able to do more things and be better workers or a better student.)
- How can you further improve your human capital?

Conducting a Survey

Dimension 3 in the C3 Framework's Arc of Inquiry is "Evaluating Sources and Using Evidence." At the K-2 level, this involves gathering information from one or two sources. In Dimension 2, students learned about human capital through a skit, a fiction book, and their life experiences. To explore the importance of improving human capital beyond their personal examples, students can conduct a survey of an adult. (**HANDOUT 2**) The survey asks adults if they have the skills of reading, writing, multiplying and dividing, making a foul shot, painting a picture,

making an origami bird, reading a map and using it to find your polling place, and using a computer. It also asks them what new skill they have acquired or what skill they already had that they have improved upon in the last year and why.

Model with a student how to conduct the survey, and allow time for students to practice in pairs. Provide students with a copy of the survey and a letter for their parent or another adult that explains the purpose of the survey and how it fits into what the class has been learning.

Tallying Results on a Chart

The next day, when surveys are complete, students tally their findings by filling in a large chart with two columns. Each student places a sticky dot next to the skill his or her adult possessed making a bar graph entitled, “Skills Adults Have.” Discuss with students why adults continue to learn new skills or improve their skills after they leave school. (They do so to improve their human capital in order to earn more income, do better at their work, and help their community). You may also have students create and perform skits on the acquisition and uses of human capital, which include both a skill and the use to which adults put that skill. Finally, add a third column and label it: “Skills Students Have.” Direct students to place a sticky dot next to each skill they possess.

To help students draw generalizations from the data they have collected, pose the following questions based on Dimension 3: “Evaluating Sources and Using Evidence:”

- Which skills did most adults have?
- Why do so many adults have these skills?
- What skills did the fewest adults have?
- Why do you think every adult did not have these skills?

Students can then answer the survey themselves, and share their answers:

- What new skill have you learned in the past year or how have you improved a skill you already have in the last year?
- Why did you learn or improve this skill?

To analyze their findings, pose the following questions:

- How similar are the skills you have to those the adults had?
- Are there skills on the list you would like to have as part of your human capital?
- How could you gain that human capital?

Creating a Graphic

Dimension 4 asks students to communicate conclusions and take informed action. Provide students with a sheet of paper divided into two parts. On the left side, students draw a picture of a job that they would like to have when they are adults; on the right side, students list the human capital needed to do this

job and how they will acquire this human capital—from teachers at school, parents at home, or other people and resources in their community.

Display student work on a bulletin board entitled, “How We Improve Our Human Capital.” The individual graphics can serve as assessments, revealing to what degree students have understood the lessons.

Concluding Thoughts

Through this lesson, developed around the Inquiry Arc of the C3 Framework, students are able to recognize that they have human capital and discuss ways that they can invest in and improve their human capital. This lesson also demonstrates how the Common Core Standards for English Language Arts⁸ can be woven into an economics lesson. For example students acquire and use basic, domain-specific words and phrases such as human capital and investment in human capital. They use key details from listening to a skit and text and pictures from a book to answer a number of questions about human capital. They participate in collaborative conversations with their peers and teacher. Through the use of drawings and words, students clarify their understanding of human capital and ways to improve it. With guidance, they conduct a parent survey and draw generalizations about human capital.

This lesson is just one example of how teachers can use economics to help prepare students at an early age for college, career and civic life while integrating Common Core Standards. Appropriately enough, a lesson on human capital will allow children to learn about investigating their own human capital, an investment that will continue to reap benefits throughout and beyond their schooling. 🌍

Notes

1. The views expressed in this article are those of the author and not those of the Federal Reserve Bank of St. Louis or the Federal Reserve System.
2. The Federal Reserve Bank of St. Louis “Econlowdown” website is www.stlouisfed.org/education_resources/glossary.
3. James Charkins, Joanne Dempsey, Sarah Finley, and Mary Lynn Reiser. “What Students Should Know about Economics and Why: Six Key Ideas,” ecedweb.unomaha.edu/ec-cneps.cfm.
4. Books that are often used in such lessons include: Jean Craighead George, *My Side of the Mountain* (New York: E.P. Dutton, 1959); Matt Christopher, *On the Court with LeBron James* (New York: Little Brown, 2008); Reeve Lindbergh, *Nobody Owns the Sky* (New York: HarperCollins, 2000).
5. Bernard Wiseman, *Morris Goes to School* (New York: Candlewick, 1998).
6. Bonnie T. Meszaros (and others), www.stlouisfed.org/education_resources/elementary-school/lessons/ (forthcoming).
7. National Council for the Social Studies. *College, Career, and Civic Life (C3) Framework for Social Studies State Standards* (Silver Spring, MD: NCSS, 2013), www.socialstudies.org/c3.
8. Common Core State Standards Initiative. English Language Arts Standards, www.corestandards.org/ELA-Literacy.

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Script for a Play—“Alonzo Has a Problem”

HANDOUT 1

Read the skit below and answer the questions that follow. Props can include three signs (Front Street, Main Street, and Church Street), a book, gift bag, and envelope.

Narrator: Ms. Reed needs help doing her errands. She sees Alonzo outside and calls to him.

Ms. Reed: Alonzo, could I talk with you for a minute?

Alonzo: Sure Ms. Reed.

Ms. Reed: Alonzo, I need someone to run errands for me.

Alonzo: What would you like me to do?

Ms. Reed: I would like you to go to the post office on Main St. and mail this letter.

Narrator: Ms. Reed gives Alonzo a letter to mail.

Ms. Reed: I would like you to deliver a gift bag to Ms. Evans. She lives at 102 Church Street.

Narrator: Ms. Reed gives Alonzo a gift bag for Ms. Evans.

Ms. Reed: Please return this book to the Library on Front Street.

Narrator: Ms. Reed gives Alonzo a library book.

Ms. Reed: I'll pay you \$1.00 for each errand.

Narrator: Alonzo is very excited about this opportunity to earn some income. He has been saving for a new soccer ball to use to practice with his friends on the soccer team. He only needs three more dollars to reach his goal. If he completes Ms. Reed's three errands, he can earn \$3.00.

Ms. Reed: What errand are you going to do first?

Alonzo: I'll return the book to the library. I go to the library all the time with my older sister and know where it is.

Narrator: Alonzo goes to the library and returns Ms. Reed's book. Alonzo walks around town trying to find Main Street and Church Street. (Alonzo walks back and forth in front of the streets labeled Main Street and Church Street.) Finally, Alonzo gives up. He returns to Ms. Reed's house.

Alonzo: I returned your book to the Library, Ms. Reed.

Ms. Reed: Thank you.

Narrator: Alonzo gives the gift bag and letter to Ms. Reed.

Ms. Reed: Why didn't you mail the letter and deliver the gift bag?

Alonzo: I couldn't find Main Street or Church Street.

Ms. Reed: Why didn't you read the street signs?

Alonzo: I haven't learned to read.

Ms. Reed: How did you find the library?

Alonzo: I go there with my parents.

Ms. Reed: Alonzo, I'll pay you \$1.00 for returning the library book.

Alonzo: Thank you

Human Capital: A Skills Survey

HANDOUT 2

Student's Name _____ Name of Adult Surveyed _____

Questions to ask an adult in your family or in your neighborhood

Can you do each of the following? (A personal skill)	Do you have this skill? (Yes or No)	(If the adult answers, "Yes") How do you use the skill in your daily life?
Read		
Write		
Multiply and divide		
Make a foul shot in basketball		
Paint a picture		
Find your polling place where you vote		
Use a computer		
Read a map		