

## Exercise 7.1

### Human Capital

Write an occupation in each of the blanks below. The first occupation should be the job of someone you know. The second occupation should be a job that you're interested in.

\_\_\_\_\_

\_\_\_\_\_

**job 1 –(someone you know has this job)  
someday)**

**job 2 (a job you'd like to have  
someday)**

**Fill out the answers to the following questions with your teacher. Then compare the answers and see how the human capital needed to do a job relates to the income you make and also the investment you must make to develop the human capital.**

1. How much schooling do you need to have to do this job?

Job #1 \_\_\_\_\_: Yrs of schooling \_\_\_\_\_. Cost of schooling \_\_\_\_\_

Job #2 \_\_\_\_\_: Yrs of schooling \_\_\_\_\_. Cost of schooling \_\_\_\_\_

2. What special capital (tools, factory, computers, office space) is needed for this job?

Job #1 \_\_\_\_\_: capital needed \_\_\_\_\_. Cost of capital \_\_\_\_\_

Job #2 \_\_\_\_\_: capital needed \_\_\_\_\_. Cost of capital \_\_\_\_\_

3. Why is this job important to society? Does it produce a good or service? What human want does it satisfy?

Job #1 \_\_\_\_\_: why important? \_\_\_\_\_. good or service? \_\_\_\_\_

what human want does this job address? \_\_\_\_\_

Job #1 \_\_\_\_\_: why important? \_\_\_\_\_. good or service? \_\_\_\_\_

what human does this job address? \_\_\_\_\_

4. What are some things you would like about having this job?

Job #1: \_\_\_\_\_.

Job #2: \_\_\_\_\_.

5. What are some things you might not like about doing this job?

Job #1: \_\_\_\_\_.

Job #2: \_\_\_\_\_.

6. Which occupation requires a greater investment in human capital?

\_\_\_\_\_

7. A cost/benefit analysis of choosing an occupation should include comparing the investment in human capital and the resulting income. If you made a cost/benefit analysis of these two occupations, which would you choose and why?