

Choice of Occupation

Saturday, 21 November 2015

5:16 pm

Wage factors

1. **Time rate** which is the per hour rate an employee works for
2. **Piece rate** which is the per unit product produced by an employee
3. **Performance related pay** which depends on the quality of work produced as well as commission on sales and annual bonuses

Non-wage factors

1. **Working conditions** : people tend to choose jobs which are safer and have healthier and more positive working conditions.
2. **Medical insurance and sick leave** - Numerous people give medical insurance and sick leave important.
3. **Fringe benefits** - Free travel for family, holiday tickets, paying for childrens' school fees.
4. **Hours of work** - Unsociable working hours may cause people to shy away from the job.
5. **Holiday entitlement** - People want to go on holidays with friends and family, it is important for them to have holiday leave if they are working with full potential to the company.
6. **Job satisfaction** - People must draw satisfaction from their job. The job should make them feel as though they are using their talent to the maximum potential.
7. **Security of job** - People might not want to be willing to apply for high risk jobs, which may shut down.
8. **Promotion prospects** - An important aspect for ambitious people, who want to be promoted.
9. **Qualifications required** - The amount of prior study required before joining the job
10. **Free training facilities** - Gives employees an insight into what the work is actually about and to push them to do better
11. **Interesting Task** - Work should be innovative to keep the worker enthusiastic and interested in the task
12. **Pension Entitlement** - People like to think ahead of time and in these cases pensions are very important as people want to secure their future so that they are comfortable when they grow older.

Income: Types, Changes, Differences

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Types of income

1. Earned income: Taxable employee pay (eg. wages and tips)
2. Unearned income: The amount of income you earn through your property. Increase in the value of your assets.
3. Disposable income: The amount of income you have after taxes.
4. Real disposable income: The amount of income you have after taxes and also after considering inflation rates.
5. Discretionary income: The amount of income left after deductions (from taxes and necessities).
6. Gross income: The amount of income you have before considering taxes and deductions.

Changes in income

Short answer: When you start working, your earning will be low since you are new and haven't yet mastered the the skills needed. As you go further in your career and become more productive personally, your employer rewards you by increasing your wage. If your firm starts doing better, the firm might give higher wages to their workers. This is because of derived demand for the good/service provided. Your income is typically at it's highest before retirement and your retirement income is lower.

Long answer: As we are young we often have very little income or none. As we go through our lives it is seen that our incomes increase as throughout our life we gain more experience and we earn degrees and we become useful to firms. Towards the end of our career we see that we tend to retire and then be left with our savings and pension. So it would look somewhat like low-high-low. Usually from ages 0-16 we do not really need to have a job as we are being provided with all the things we need from our family or guardian but when we reach the age of 16 -21 while most of us are in university we see that we may need some extra money so we can do some part-time jobs so we can take care of our own food and living as our universities are already expensive. A less financially secure person may decide to work more, as universities will be harder for them to afford, while a higher financially secured person may have more than enough money coming through their family so they can focus completely on their studies. 21-65 is usually seen as the peak years for our income as here we get our jobs and we start to gain experience and become better at what we do.

Differences in income

1. Male/female

1. Gender discrimination is still existent in the world today. But it also depends on which occupation a person may be in. For example statistics show females working in labour intensive will have a smaller pay gap than females in finance work.

2. Skilled/unskilled

1. Skilled workers are more **productive** and create higher quality products when compared to an unskilled worker. Because of this skilled workers usually get higher wages
2. Relatively scarce

3. Private/public

1. Private sector workers usually earn more but fringe benefits are usually better in the public sector, such as pensions.

4. Agricultural/manufacturing/services

1. Agricultural workers may be paid more as farming is a less capital intensive work than manufacturing. Services can depend on if it is part of a private sector rather than a public sector as a private sector may pay more as stated above.