

# Exploring the minimum wage

Students research U.S. Department of Labor web resources to learn about the minimum wage and some laws affecting workers.

## Learning goals

### Big idea

Minimum wage laws set the lowest hourly rate a person can earn doing a specific eligible job.

### Essential questions

- What is the minimum wage?
- What protections does the government provide for workers' earnings?

### Objectives

- Become familiar with federal minimum wage laws
- Explore specific wage laws that apply to young people

### What students will do


- Read a poster about the federal minimum wage and other pay issues.
- Answer reading comprehension questions.
- Do research to determine how their state's minimum wage compares to the federal minimum wage.

### NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

#### KEY INFORMATION

**Building block:**

 Financial knowledge and decision-making skills

**Grade level:** High school (9-12)

**Age range:** 13-19

**Topic:** Earn (Getting paid, Making money)

**School subject:** CTE (Career and technical education), English or language arts, Social studies or history

**Teaching strategy:** Cooperative learning, Direct instruction

**Bloom's Taxonomy level:** Understand, Evaluate

**Activity duration:** 45-60 minutes

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#### National Standards for Personal Financial Education, 2021

Earning income: 8-2, 8-3, 12-4, 12-8

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

## Preparing for this activity

- While it's not necessary, completing the "Researching the gig economy" activity first may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.
- Become familiar with the "Employee Rights Under the Fair Labor Standards Act" poster at <https://www.dol.gov/agencies/whd/posters/flsa>.
- Explore two U.S. Department of Labor web resources:
  - <https://www.dol.gov/agencies/whd/minimum-wage/state>, which students will use to compare their state's minimum wage to the federal minimum wage.
  - <https://www.dol.gov/agencies/whd/youthrules/young-workers>, which students will use to learn about rules that affect how much young people are paid.
- Make copies of the "Employee Rights Under the Fair Labor Standards Act" poster for the class, or let students access it electronically.
- Obtain computers or tablets with Internet access for students to conduct research.

### What you'll need

#### THIS TEACHER GUIDE

- Exploring the minimum wage (guide)  
[cfpb\\_building\\_block\\_activities\\_exploring-minimum-wage\\_guide.pdf](#)

#### STUDENT MATERIALS

- Exploring the minimum wage (worksheet)  
[cfpb\\_building\\_block\\_activities\\_exploring-minimum-wage\\_worksheet.pdf](#)
- "Employee Rights Under the Fair Labor Standards Act" poster (hard copy or accessed electronically at <https://www.dol.gov/agencies/whd/posters/flsa>)
- Two U.S. Department of Labor web resources: <https://www.dol.gov/agencies/whd/minimum-wage/state> and <https://www.dol.gov/agencies/whd/youthrules/young-workers>
- Computers or tablets with Internet access

## Exploring key financial concepts

The federal government and some state and local governments have different laws that set a minimum wage for many workers. The federal minimum wage laws are part of the Fair Labor Standards Act (FLSA). While some types of employees and employers are exempt, the federal minimum wage law applies to employees who work for certain businesses or organizations that have an annual gross income of at least \$500,000 and to smaller firms if the employees are engaged in interstate business or meet other conditions. Many states and some cities also have minimum wage laws. When both state and federal minimum wage laws apply to an employee, they are entitled to the higher minimum wage rate.

### TIP

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Because local, state, or federal minimum wage laws can change, students should be encouraged to always look for the most up-to-date information.

## Teaching this activity

### Whole-class introduction

- Ask students to share what they know about the minimum wage.
- Read the “Exploring key financial concepts” section to students.
- Distribute the “Exploring the minimum wage” worksheet.
- Distribute the “Employee Rights Under the Fair Labor Standards Act” poster, or have students access it electronically at <https://www.dol.gov/agencies/whd/posters/flsa>.
  - Note: This poster is available in Spanish and other languages. To access these versions, visit <https://www.dol.gov/whd/minimumwage.htm>.
- Be sure students understand key vocabulary:
  - **Federal minimum wage:** The lowest national wage as established by law in the Fair Labor Standards Act (FLSA).
  - **Income:** Money earned or received such as wages or salaries, tips, commissions, contracted pay, government transfer payments, dividends on investments, tax refunds, gifts, and inheritances.
  - **Minimum wage:** A wage set by contract or by law as the lowest that may be paid to employees.
  - **Tip income:** Money and goods received for services performed by food servers, baggage handlers, hairdressers, and others. Tips go beyond the stated amount of the bill and are given voluntarily.

### TIP

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Visit CFPB’s financial education glossary at [consumerfinance.gov/financial-education-glossary/](https://consumerfinance.gov/financial-education-glossary/).

- Discuss as a class some of their initial takeaways from the poster. Be sure the conversation highlights:
  - A focus on employee rights
  - The current federal hourly minimum wage and when it took effect
  - Employee rights that deal with overtime pay, child labor, and tips

Note: The poster has a section called “Tip credit.” Explain to students that under federal law, a tip credit basically allows employers to directly pay less than the federal minimum wage to workers who receive tips and use the tips to bring their pay up to the federal minimum wage.

## Individual or group work

- Students can work individually or with a partner.
- Give computers or tablets with Internet access to each student or student pair.
- Tell students to complete the “Reading comprehension questions” section as they read the poster.
  - Note: The worksheet focuses on the poster’s “Overtime pay,” “Child labor,” “Tip credit,” and “Additional information” sections because they’re likely to be the most relevant to the students’ lives now.
- After they finish reading the poster, students should answer the reflection question.
- Students will then visit the two Department of Labor web resources to answer the “Digging deeper” questions. They’ll visit the <https://www.dol.gov/agencies/whd/minimum-wage/state> webpage to find their state’s minimum wage laws and the <https://www.dol.gov/agencies/whd/youthrules/young-workers> webpage to learn about rules that affect how much young people are paid.

## Wrap-up

Bring students back together to discuss what they’ve learned about the minimum wage and employee rights.

### TIP

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Consider asking students to see what they can learn from this poster by skimming the page and looking over the text features (headers, bold text, colored text, capitalization, etc.). This allows students to practice determining what’s important in what they’re about to read based on how it is visually organized.

## Suggested next steps

Consider searching for other [CFPB activities](#) that address the topic of earning, including getting paid and making money. Suggested activities include [“Asking for a raise”](#) and [“Understanding jobs, teens, and taxes”](#).

The U.S. Department of Labor’s Young Workers Toolkit offers helpful videos, posters, presentations, and other resources on the minimum wage and other issues. You might consider using these resources with students during class. The toolkit is available at <https://www.dol.gov/agencies/whd/youthrules/young-worker-toolkit>.

## Measuring student learning

Students’ answers on their worksheets and during discussion can give you a sense of their understanding.

This answer guide provides possible answers for the “Exploring the minimum wage” worksheet. **Keep in mind that students’ answers may vary.** The important thing is for students to have reasonable justification for their answers.

## Answer guide

1. Who is the author of this poster? (It doesn’t have to be a person; it can be an agency.)  
**The Wage and Hour Division of the U.S. Department of Labor.**
2. Write a one-sentence summary for each poster section.

Poster section	Summary sentence
Overtime pay	<b>Overtime pay (anything over 40 hours in a workweek) must be paid at a rate of at least 1½ times the regular rate.</b>
Child labor	<b>Youth from 14 and older have different restrictions on employment depending on how old they are.</b>
Tip credit	<b>In some cases, employers can pay tipped workers a lower wage and use tips to meet the federal minimum wage.</b>
Additional information	<b>Some jobs and businesses don’t have to follow these laws, and some people (such as student apprentices and workers with disabilities) may legally get paid less than the minimum wage.</b>

## Reflection question

3. What did you learn from this poster about your ability to work and earn money?  
**Answers will vary, but young people will likely focus on the child labor section's limits on what jobs some young people can have and on how long they can work.**

## Digging deeper

4. Visit <https://www.dol.gov/agencies/whd/minimum-wage/state> and explore your state's minimum wage laws. What is your state's current minimum wage? Is it higher or lower than the federal minimum wage?  
**Answers will vary.**
5. Visit <https://www.dol.gov/agencies/whd/youthrules/young-workers> and explore the rules for young people in different age groups.
- If you're younger than 20, your employer can pay you less than the federal minimum wage. **How much can they pay you? \$4.25 an hour**
  - How long can your employer pay you that amount? **Only for the first 90 consecutive calendar days of employment**