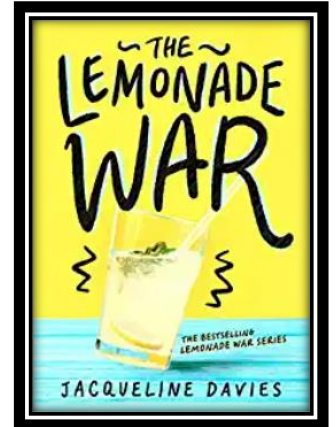




**Economics  
Arkansas**  
EDUCATION FOR REAL LIFE

Lemonade War  
Chapter-by-Chapter Teacher Guide  
3<sup>rd</sup>-5<sup>th</sup> grade



**Note:** 5<sup>th</sup> Grade standards are tied to history. These lessons will help introduce students to economic concepts in 5<sup>th</sup> grade. Teachers may use these as a springboard to connect present examples with the past to address the standards.

**Chapter 1: Slump**

In this chapter, we meet Jessie and Evan. Jessie is a saver, and Evan is a spender. The concepts of personal finance and choices are overarching themes throughout the book. It is important for students to understand that choices, whether involving money, how to spend a summer afternoon or other decisions, have benefits and costs. Sometimes the outcome of a decision is noticed immediately, and other times it isn't fully understood until sometime in the future.

**Concepts:**

decisions, alternatives, benefits, costs, opportunity cost, money, save, spend

**Standards:**

E.4.3.2 Identify problems, alternatives, and trade-offs involved in making a decision.

E.4.4.2 Apply economic decision-making models when making decisions.

E.4.5.2 Analyze historical developments using models of economic decision making.

**Resources for Saving and Spending:**

*The Grasshopper and the Ant* <https://www.econedlink.org/resources/the-grasshopper-and-the-ant/>

*Financial Fitness for Life Parent Guide* (This has many great resources for the classroom and or home connections. Available in English or Spanish.)

<https://www.econedlink.org/parent-resources/>

### **Resources for Decision Making and Opportunity Cost:**

Choices, Trade-Offs, and Opportunity Costs guide

[https://www.economicsarkansas.org/file\\_download/inline/6b73f811-d502-47ba-b355-7843e28448d1](https://www.economicsarkansas.org/file_download/inline/6b73f811-d502-47ba-b355-7843e28448d1)

*Need Help When You Decide? Use the PACED Decision Making Guide*

[https://economicsarkansasorg.presencehost.net/file\\_download/inline/c9e54b09-67ac-408e-955b-16982ec5948a](https://economicsarkansasorg.presencehost.net/file_download/inline/c9e54b09-67ac-408e-955b-16982ec5948a)

*Once Upon a Decision*

<https://www.econlowdown.org/decision-making-elem?p=yes>

*Opportunity Cost Video and 5 Question Quiz (1:59)*

<http://www.econedlink.org/tool/190/>

Choices, Trade-Offs, and Opportunity Costs guide

[https://www.economicsarkansas.org/file\\_download/inline/6b73f811-d502-47ba-b355-7843e28448d1](https://www.economicsarkansas.org/file_download/inline/6b73f811-d502-47ba-b355-7843e28448d1)

### **Children's Literature Connections:**

*Rock, Brock and the Savings Shock*

<http://vcee.org/elementary-school/reading-makes-cents/2016-17-featured-books/>

*Uncle Jed's Barbershop*

<https://www.stlouisfed.org/education/uncle-jeds-barbershop>

*Less than Zero*

<https://www.stlouisfed.org/education/less-than-zero>

### **Quick Assessment Activities:**

- Challenge students to identify whether they are an ant or grasshopper based on the lesson above. Distribute an index card and have them identify which character is most like them when it comes to money and explain why they think that about themselves.
- Use the PACED Decision Making Guide to address a problem. Examples: How will I spend my time on a free afternoon? What should I do with \$10 I earned?
- *Common Cents: An Opportunity Cost is an Opportunity Lost*  
<https://www.kansascityfed.org/~media/files/publicat/education/teachingresources/common-cents-free-but-what-cost.pdf> (Page 3 of this publication has scenarios that challenges students to make choices and identify opportunity cost.)

### **Chapter 2: Breakup**

Chapter 2 begins to talk about how to produce lemonade and set up a lemonade stand business. In economics we discuss human resources [people who do the mental and physical work to produce goods and services] (Evan and Scott at this time), natural resources ["gifts of nature" used in the production of goods and services] (lemon, water) and capital resources [goods

produced and used to make other goods and services. (pitcher, spoon, measuring cups, table, ice chest, etc.) necessary to produce lemonade.

Note: Sugar and cups are not considered human, natural or capital. They are produced in a factory and are used up in producing a good or service. They are called intermediate goods. You can't take the sugar back out of the lemonade once stirred, and people will throw away the empty glass. For health purposes, a business owner couldn't serve someone else with that same glass unless properly cleaned.

This chapter also introduces students to the concept of expenses necessary to start a business. Scott's mom is bankrolling their business, but people often must secure a loan to be able to purchase resources necessary to start a business.

Another important concept to introduce to 4<sup>th</sup> and 5<sup>th</sup> grade students is that the natural resource necessary to produce lemonade (lemons) do not grow naturally in Arkansas which allows a great geography connection, also. We do grow many natural resources in Arkansas that we send to other parts of the United States and around the world to satisfy the wants of consumers. Our economy depends on trade to be able to enjoy the products we enjoy in the market place.

### **Concepts:**

human resources, natural resources, capital resources, production, trade, goods, services

### **Standards:**

E.5.3.2 Articulate ways entrepreneurs and businesses organize human, natural and capital resources to produce goods and services in Arkansas.

E.7.3.1 Illustrate the relationships among imports, exports, and global interdependence.

E.5.4.2 Articulate ways entrepreneurs and businesses in Arkansas and the United States organize human, natural and capital resources to produce goods and services.

E.7.4.1 Illustrate ways trade has led to economic interdependence between Arkansas, other states, and other countries.

E.7.4.2 Explain effects of increasing economic interdependence on different regions of the United States.

E.5.5.2 Examine ways human, natural and capital resources were organized to produce and deliver goods and services in periods of history.

E.7.5.1 Explain ways trade leads to economic interdependence among countries.

### **Resources for Productive Resources, Loans and Trade:**

*Resources & Producers guide*

[https://www.economicsarkansas.org/file\\_download/inline/72a84c99-1f60-419f-aa70-5a723f0c9fbd](https://www.economicsarkansas.org/file_download/inline/72a84c99-1f60-419f-aa70-5a723f0c9fbd)

*Lemon Squeeze-The Lemonade Stand* (includes geography of where lemons are grown and a wonderful play)

<https://www.econedlink.org/resources/lemon-squeeze-the-lemonade-stand/>

*The Color of Resources*

<http://www.econedlink.org/teacher-lesson/711/>

*Where Did You Come From?*

<http://www.econedlink.org/teacher-lesson/448/Where-Did-You-Come>

### **Children’s Literature Connections:**

*Lemonade for Sale*

[https://www.richmondfed.org/~media/richmondfedorg/education/for\\_teachers/lesson\\_plans\\_and\\_classroom\\_activities/pdf/lemonade\\_for\\_sale.pdf](https://www.richmondfed.org/~media/richmondfedorg/education/for_teachers/lesson_plans_and_classroom_activities/pdf/lemonade_for_sale.pdf)

*One Hen: How One Small Loan Made a Big Difference*

<https://www.stlouisfed.org/education/one-hen-how-one-small-loan-made-a-big-difference>

*How to Make an Apple Pie and See the World*

<https://www.stlouisfed.org/education/how-to-make-an-apple-pie-and-see-the-world>

### **Quick Assessment Activities:**

- Select a product and have students identify the human, natural, intermediate and capital resources necessary for production. One example is chocolate.  
[https://www.thehersheycompany.com/en\\_us/home/about-us/the-company/history.html](https://www.thehersheycompany.com/en_us/home/about-us/the-company/history.html)
- Order the Ag Readers from AR Farm Bureau. They are excellent and allow students to learn more about the natural resources in our state and how they are shipped across the globe to produce goods and services. Ordering information may be found at:  
<http://www.arfb.com/pages/education/classroom-materials/> .

### **Chapter 3: Joint Venture**

Ask students how weather impacts their desire to have certain goods and services. In the winter time when it is cold, would they want to wear shorts and flip flops? (*No*) They would want gloves, caps, coats, and boots. In the summer time, would there be a demand for hot chocolate to drink? (*Probably not.*) What would quench thirst on a hot, sunny day? (*Answers might include: tea, soft drink, or lemonade*) Another example is seasonal holiday spending. Consider the cost of the chocolate Easter bunny before and the day after Easter. Swimsuits are in high demand in the summer but are often found on clearance during the winter months. Challenge students to look for examples of this over the course of this project.

This chapter also introduces the concept of a market. Think of the letter “X”. A market exists anywhere there is an exchange between buyer and seller. (Raise your left hand to represent the buyer and your right hand to represent the seller. If you cross them, students can actually visualize how the exchange occurs.) Markets can be face-to-face where we see the buyer and

seller see each other like at the mall, grocery store, toy store, garage sale, or lemonade stand where you see the buyer and seller making the transaction of the good or service for money. Sometimes markets are not face-to-face when something is purchased online (eBay, Amazon, Etsy, etc.)

**Concepts:**

economic wants, markets, buyers, sellers, supply, demand

**Standards:**

E.5.3.3 Analyze economic factors in a market (e.g., supply, demand, competition, incentives).

E.5.4.3 Explain effects of supply and demand on prices.

E.5.5.3 Evaluate the development of a free market economy.

**Resources for Markets, Supply, Demand and Economic Wants:**

*Buyers, Sellers, Market, and Price guide:*

[https://www.economicsarkansas.org/file\\_download/inline/28ada282-b17f-4d2f-815f-6773281fc7ba](https://www.economicsarkansas.org/file_download/inline/28ada282-b17f-4d2f-815f-6773281fc7ba)

*All in Business*

<http://www.econedlink.org/teacher-lesson/376/>

*Lemon Squeeze-The Lemonade Stand*

<https://www.econedlink.org/resources/lemon-squeeze-the-lemonade-stand/>

*NOT Your Grandma's Lemonade Stand (A MUST!)*

<https://www.econedlink.org/resources/not-your-grandmas-lemonade-stand/>

**Quick Assessment Activity:**

Challenge your students to operate their own virtual lemonade stand for 14 days. The link is provided in *NOT Your Grandma's Lemonade Stand* lesson above. This is a great activity and helps students understand the costs associated with operating a stand and how weather impacts sales.

**Chapter 4: Partnership**

Jessie finds a partner to open a lemonade stand in this chapter. At first, Megan thought the idea of the lemonade stand sounded boring, and she could think of more exciting ways to spend her time. She thought getting Slurpees at the 7-Eleven sounded more fun. The concept of scarcity affects everyone. In this case, there was a scarce amount of time, and the girls had to determine how to spend their time. Scarcity is defined as the condition of not being able to have all the goods and services that one wants.

Teaching students to understand the benefits and costs of decisions is important. The truth is we cannot have all the things we want, so scarcity requires us make choices. The lessons below teach decision making skills.

This chapter also introduces the concept of human capital. Human capital is how you train your brain to become more skilled and equipped for jobs or tasks. Megan is very impressed by how good Jessie is with math. How could you improve your math skills to solve problems like Jessie? Some ways you could improve your human capital include watching a math video to help you solve problems, practicing problems to reinforce skills, or being tutored to get some special help.

**Concepts:**

decisions, alternatives, benefits, costs, opportunity cost

**Standards:**

E.4.3.2 Identify problems, alternatives, and trade-offs involved in making a decision.

E.4.4.2 Apply economic decision-making models when making decisions.

E.4.5.2 Analyze historical developments using models of economic decision making.

**Resources for Business Partnership, Entrepreneurship and Human Capital:**

*Income and Human Capital:*

[https://www.economicsarkansas.org/file\\_download/inline/a37e19bb-a834-4a01-98b4-6a8b18723dc6](https://www.economicsarkansas.org/file_download/inline/a37e19bb-a834-4a01-98b4-6a8b18723dc6)

*I Can Be an Entrepreneur*

<https://www.econedlink.org/resources/i-can-be-an-entrepreneur/>

**Children’s Literature Connections:**

*Morris Goes to School*

<https://www.stlouisfed.org/education/morris-goes-to-school>

*Miss Birdie Chose a Shovel*

[https://economicsarkansasorg.presencehost.net/file\\_download/inline/d2a87be5-6253-439c-83bf-c967336694be](https://economicsarkansasorg.presencehost.net/file_download/inline/d2a87be5-6253-439c-83bf-c967336694be)

**Quick Assessment Activities:**

- Pretend Jessie asked you to be her partner. What special skills could you take into the partnership? How could you increase your human capital to be a better partner? Write a quick note to Jessie explaining about your special skills that would make you a great partner.

- Give students a PACED Decision-Making Grid and a problem. Examples include what to do with free time, how to spend money received as a gift, or where to go eat dinner if they have the chance to pick. Have them complete the guide and share their opportunity cost.

(Note: It is important that students understand that not all other options are their opportunity cost. Their next best choice is their opportunity cost, the opportunity they lost when they chose.)

## **Chapter 5: Competition**

Jessie and Evan make a bet to see who can earn \$100 selling lemonade. They cannot count money that has been given to them or money earned from other jobs. In the marketplace, competition is good for consumers because there are more options and generally better prices.

The chapter also introduces the concept of sharing money as Jessie speaks of donating money to an animal shelter.

### **Concepts:**

competition, supply, demand, free market system, incentives

### **Standards:**

E.5.3.3 Analyze economic factors in a market. (e.g., supply, demand, competition, incentives)

E.5.4.3 Explain effects of supply and demand on prices.

E.5.5.3 Evaluate the development of a free market system.

E.7.5.2 Explain effects of increasing economic interdependence on different groups within participation nations (e.g., conflict, competition, cooperation, increased wealth, quality of life)

### **Resources for Competition in the Marketplace, Supply and Demand:**

*Competition: Pizza!*

<https://www.econedlink.org/resources/competition-pizza/>

*Competition Works in Our Flavor*

<https://www.econedlink.org/resources/competition-works-in-our-flavor/>

*Hey Pop!*

<https://www.econedlink.org/resources/hey-pop/>

*Competition in my Community*

<https://www.econedlink.org/resources/competition-in-my-community/>

*Buyers, Sellers, Market, and Price guide:*

[https://www.economicsarkansas.org/file\\_download/inline/28ada282-b17f-4d2f-815f-6773281fc7ba](https://www.economicsarkansas.org/file_download/inline/28ada282-b17f-4d2f-815f-6773281fc7ba)

### **Quick Assessment Activity:**

Find examples of businesses that compete against each other and make a bulletin board grouping the competitors. (Ex. Wendy's, McDonalds, Sonic: Fast Food, Delta, Southwest, American: Airlines)

### **Chapter 6: Underselling**

This chapter allows students to examine how value added and price impact sales for the lemonade stands. Those value-added items often serve as an incentive to shape buying behavior. Incentives matter. An economic principle states that people respond to incentives in predictable ways.

### **Concepts:**

decisions, alternatives, benefits, costs, opportunity cost, incentives

### **Standards:**

E.5.3.3 Analyze economic factors in a market. (e.g., supply, demand, competition, incentives)

E.4.4.2 Apply economic decision-making models when making decisions.

E.4.5.2 Analyze historical developments using models of economic decision making.

E.5.5.3 Evaluate the development of a free market system.

### **Resources for Consumer Behavior Decisions Based on Advertising and Incentives:**

*Be an Ad Detective*

<https://www.econedlink.org/resources/be-an-ad-detective/>

*Believe it or Not?*

<https://www.econedlink.org/resources/believe-it-or-not/>

*Did You Get the Message?*

<https://www.econedlink.org/resources/did-you-get-the-message/>

*How E-Commerce Influences Consumer Choice*

<https://www.econedlink.org/resources/how-e-commerce-influences-consumer-choice/>

*Incentive, Incentive*

<https://www.econedlink.org/resources/inventive-incentive/>

*Incentives Influence Us!*

<https://www.econedlink.org/resources/incentives-influence-us/>

*Incentives Video and 5 Question Quiz (1:34)*

<https://www.econedlink.org/resources/incentives-video-and-quiz/>

*Economic Incentives in Our Community*

<http://www.econedlink.org/teacher-lesson/390/>

*The Entrepreneur in You (video)*

<https://www.youtube.com/watch?v=q7K9RXqAK6s>



*What's Your Angle?*

<https://www.econedlink.org/resources/whats-your-angle/>

**Children's Literature Connection:**

*The Have a Good Day Café*

<https://www.stlouisfed.org/education/have-a-good-day-cafe>

**Quick Assessment Activity:**

- Look for examples of ads in the newspapers, online or magazines that offer consumers incentives.
- Have students select one as evidence and write how their example serves as an incentive.
- Conduct a survey of friends and family to find out what incentives encourage them to make purchases. Share findings with the class.

**Chapter 7: Location, Location, Location**

Evan thinks he has found the perfect location to host his lemonade stand...the middle of town. Location is an important factor for a business owner to consider when trying to attract consumers. There is usually a financial cost for prime location in a shopping area. Evan has one small problem. He doesn't have a permit to sell lemonade in the city.

Officer Ken is the police officer who shares the law with Evan. Officer Ken provides a valuable service in protecting the city, enforcing the laws and keeping everyone safe. He provides a public service in that he works for everyone. He earns his income from the government through taxes collected. The government provides public highways, traffic lights, bridges, public schools, fire stations, public libraries and more for all to use.

**Concepts:**

goods, public goods, public services, role of government, taxes

**Standards:**

E.6.3.3 Explain the difference between public and private goods and services.

E.6.4.3 Examine ways state and local governments pay for the goods and services they provide.

E.6.5.3 Explain ways state and federal governments pay for the goods and services they provide.

**Resources for Public Goods and Services:**

*Government Provided Goods and Services guide*

[https://www.economicsarkansas.org/file\\_download/inline/d20fd732-1ee4-4b57-8e32-e8c62b62b65a](https://www.economicsarkansas.org/file_download/inline/d20fd732-1ee4-4b57-8e32-e8c62b62b65a)

*Lemons to Lemonade Video (4:16)*

<https://youtu.be/y3gBNBtJMjw>

*Goods and Services: Some are Private, Some are Not*

<https://www.econedlink.org/resources/goods-and-services-some-are-private-some-are-not/>

*The Mystery of is it Mine or Ours?*

<https://www.econedlink.org/resources/the-mystery-of-is-it-mine-or-ours/>

*Tic Tac Taxes!*

<https://www.econedlink.org/webinar/tic-tac-taxes-2/>

### **Quick Assessment Activities:**

- Have students write about their favorite store in town. Have them identify the store, where it is located, and explain the impact of the location on their shopping convenience.
- Create a collage of public goods and services using print copies and drawings.
- Challenge students to make a list of features about a location that would make it a good spot to open a lemonade stand.

### **Chapter 8: Going Global**

Jessie has done her math calculations and realizes that she and Megan need help. She wants to get other girls to sell lemonade for Megan and her in exchange for keeping part of the profit.

Students will quickly understand the idea that there are a number of businesses that have locations all across our state, nationally and internationally. The concept of franchise is introduced in this chapter. Many follow the franchise concept that Jessie and Megan started in this chapter. This is a great time to research about a company that offers franchises like Wendy's, McDonalds, Subway, or Sonic. Share the story of how the company started and grew. It's easy to find the stories online.

Ex. Wendy's: <https://www.wendys.com/wendys-story>

### **Concepts:**

entrepreneur, business, franchise, productive resources, risk and reward

### **Standards:**

E.5.3.2 Articulate ways entrepreneurs and businesses organize human natural and capital resources to produce goods and services in Arkansas.

E.5.3.3 Analyze economic factors in a market (e.g., supply, demand, competition, incentives).

E.5.4.2 Articulate ways entrepreneurs and businesses in Arkansas and the United states organize human, natural and capital resources to produce goods and services.

E.7.4.1 Illustrate ways trade has led to economic interdependence between Arkansas, other states and other countries.

E.5.5.3 Evaluate the development of a free market system.

## **Resources for Entrepreneurship and Business:**

Entrepreneur, Cost of Production, Revenue, Profit guide:

[https://www.economicsarkansas.org/file\\_download/inline/f5f6f94c-bfac-44df-a996-7f5688ec6880](https://www.economicsarkansas.org/file_download/inline/f5f6f94c-bfac-44df-a996-7f5688ec6880)

*Meet an 11 Year Old Entrepreneur: Video: (1:29)*

<http://abcnews.go.com/WNT/video/11-year-entrepreneur-turns-lemons-lemonade-38069771>

*Entrepreneur Video and 5 Question Quiz (1:53)*

<http://www.econedlink.org/interactives/EconEdLink-interactive-tool-player.php?iid=212>

*Spotlighting Entrepreneurs: a Technology "iCon"*

<https://www.econedlink.org/resources/spotlighting-entrepreneurs-a-technology-icon/>

*Spotlighting Entrepreneurs: The Sweet Success of Milton Hershey*

<https://www.econedlink.org/resources/spotlighting-entrepreneurs-the-sweet-success-of-milton-hershey/>

*Entrepreneur Guide*

<https://www.dallasfed.org/en/educate/everyday.aspx>

*E-N-T-R-E-P-R-E-N-E-U-R*

[https://economicsarkansasorg.presencehost.net/file\\_download/inline/75a49a69-9c81-4ff4-9e60-2d6de17bd9da](https://economicsarkansasorg.presencehost.net/file_download/inline/75a49a69-9c81-4ff4-9e60-2d6de17bd9da)

*Lemonade for Sale!*

<https://www.econedlink.org/resources/lemonade-for-sale/>

*What Makes an Entrepreneur?*

<https://www.econedlink.org/resources/what-makes-an-entrepreneur/>

*I can Be an Entrepreneur!*

<https://www.econedlink.org/resources/i-can-be-an-entrepreneur/>

*Beyond the Lemonade Stand:*

<https://www.kansascityfed.org/Education/documents/290/Common-Cents-Beyond-the-Lemonade-Stand.pdf>

## **Children's Literature Connections:**

*Isabel's Car Wash*

<https://www.stlouisfed.org/education/isabels-car-wash>

*Sweet Potato Pie*

<https://www.stlouisfed.org/education/sweet-potato-pie>

## **Quick Assessment Activity:**

- Make a list of franchise businesses in the community.
- This link shares a list of the top 100 global franchises:  
<http://www.franchisedirect.com/top100globalfranchises/rankings/> Assign students to research one of the franchises to report to class. Challenge them to find the year the

company began, the number of franchises, the investment of being a franchise owner, and the global presence.

## **Chapter 9: Negotiation**

Evan has thought about his decision to start the lemonade war, and he now regrets his decision. Share with students that one economic principle is that choices have consequences that lie in the future. He misses having Jessie as his friend to do activities with, so he offers an opportunity to call the entire thing off. When Jessie mentions Megan's name, it's all O-N again.

### **Concepts:**

choice, alternatives, benefits, costs, opportunity cost

### **Standards:**

E.4.3.2 Identify problems, alternatives, and trade-offs involved in making a decision.

E.4.4.2 Apply economic decision-making models when making decisions.

E.4.5.2 Analyze historical developments using models of economic decision making.

### **Resources for Choice, Costs, Benefits, and Opportunity Cost:**

*Common Cents: The Art of Negotiation*

<https://www.kansascityfed.org/Education/documents/274/Common-Cents-Art-of-Negotiation.pdf>

*You Decide*

<http://www.econedlink.org/teacher-lesson/396/You-Decide>

*Choices, Trade-Offs, and Opportunity Costs guide*

[https://www.economicsarkansas.org/file\\_download/inline/6b73f811-d502-47ba-b355-7843e28448d1](https://www.economicsarkansas.org/file_download/inline/6b73f811-d502-47ba-b355-7843e28448d1)

### **Quick Assessment Activity:**

Challenge students to write a paragraph about a choice they made and the consequences of that choice they recognized in the future.

(If students need help, one example would be not studying for an upcoming test. Maybe it was a low score on a test, or it kept them from the A/B honor roll. Maybe it was being late for practice, and their choice resulted them in running extra laps or not playing in the upcoming game.)

## **Chapter 10: Malicious Mischief**

Both Jessie and Evan have had their feelings hurt by one another. They didn't use a decision-making model like PACED to weigh the benefits and costs before making decisions they would later regret. In chapter 10, Jessie puts flies in Evan's lemonade. Yet another chapter to reinforce choice and opportunity cost.

**Concepts:**

choice, alternatives, benefits, costs, opportunity cost

**Standards:**

E.4.3.2 Identify problems, alternatives, and trade-offs involved in making a decision.

E.4.4.2 Apply economic decision-making models when making decision.

**Resources for Choice and Opportunity Cost:**

*Costs and Benefits of Buying a T-Shirt*

<https://www.econedlink.org/resources/costs-and-benefits-of-buying-a-t-shirt/>

*Choices Matter*

<https://www.econedlink.org/resources/choices-matter/>

**Quick Assessment Activity:**

*Common Cents: An Opportunity Cost is an Opportunity Lost*

<https://www.kansascityfed.org/~media/files/publicat/education/teachingresources/common-cents-free-but-what-cost.pdf>

(Page 3 of this publication has scenarios that challenges students to make choices and identify opportunity cost.)

**Chapter 11: A Total Loss**

As expected, there was no demand for the buggy lemonade. In business, the customer is always right and a business owner wants consumers to be satisfied. When the boy said he wanted his money back and the mother suggested he needed to dump out the lemonade to get rid of the 50 flies inside, there was a problem. Evan had spent \$40 of his hard-earned money on that lemonade and another dollar to buy cups.

Just like Jessie, Evan failed to use the decision-making guides when he reacted by taking Jessie's money. Did they weigh the benefits and costs? Do our decisions sometimes affect other people? Does it affect them in good or bad ways? This is a reality often overlooked by decision makers.

**Concepts:**

consumer, costs, benefits, choice, opportunity cost

**Standards:**

E.4.3.2 Identify problems, alternatives, and trade-offs involved in making a decision.

E.4.4.2 Apply economic decision-making models when making decision.

### **Resources for Decision Making and Opportunity Cost:**

Choices, Trade-Offs, and Opportunity Costs guide

[https://www.economicsarkansas.org/file\\_download/inline/6b73f811-d502-47ba-b355-7843e28448d1](https://www.economicsarkansas.org/file_download/inline/6b73f811-d502-47ba-b355-7843e28448d1)

*Sorry, I Can't Hair You* Video

<https://www.youtube.com/watch?v=zBUI-9zzxMM&t=6s>

Cancel My Reputation Video: (4:12)

<https://www.youtube.com/watch?v=pV9Hf01EETE>

*Satisfaction Please!*

<http://www.econedlink.org/teacher-lesson/630/>

### **Quick Assessment Activities:**

- Explain the statement: *The customer is always right.*
- List things a store or business can do to reduce the number of consumer complaints it receives.
- Common Cents: Money Ethics- Teaching Kids to Follow Their Moral Compass  
[https://www.kansascityfed.org/Education/documents/2864/common\\_cents\\_money\\_ethics.pdf](https://www.kansascityfed.org/Education/documents/2864/common_cents_money_ethics.pdf) (The third page has some scenarios that challenge students to identify the problem, consider the costs and benefits and make an ethical decision. Either assign all students the same scenario, or make enough copies for each student to draw and respond to an ethical issue.)

### **Chapter 12-13: Waiting Period and Crisis Management**

These chapters reinforce the idea that it is important to keep money in a safe place. It also is a great way for students to understand the concept of saving for future purposes.

### **Concepts:**

choice, save, spend, financial institutions, interest

### **Standards:**

E.6.3.2 Explain functions of banks.

E.6.4.2 Describe the role of financial institutions in an economy.

E.6.5.2 Examine roles of early financial institutions on the economy of the United States.

### **Resources for Saving and Spending and the Role of Financial Institutions:**

*Banks, Bankers, Banking*

<http://www.econedlink.org/teacher-lesson/358/>

*There's No Business, Like Bank Business*

[www.kansascityfed.org/publicat/education/teachingresources/No\\_Business\\_lesson.pdf](http://www.kansascityfed.org/publicat/education/teachingresources/No_Business_lesson.pdf)

*What's My Interest?*

<http://www.econedlink.org/teacher-lesson/377/>

*Banking is INTEREST-ing!*

<https://www.econedlink.org/resources/banking-is-interest-ing/>

*You Can BANK on This! (4 lesson series)*

<http://www.econedlink.org/teacher-lesson/578/>

### **Children's Literature Connections:**

Saving Strawberry Farm

<https://www.stlouisfed.org/education/saving-strawberry-farm>

### **Quick Assessment Activities:**

- Identify a savings goal and outline steps to achieve that goal.
- Explain the benefits of placing your money in a bank account as opposed to placing in a jar at home.

### **Chapter 14: Reconciliation**

Evan and Jessie team up to enter an entry in the Rotary Club Labor Day Contest.

If Evan and Jessie had asked the Rotary Club's 4 Way Test questions as they were making decisions, they might not have ended up in the trouble they found themselves throughout the book.

### **Concepts:**

choice, decision making, benefits, costs, alternatives, opportunity cost

### **Standards:**

E.4.3.2 Identify problems, alternatives, and trade-offs involved in making a decision.

E.4.4.2 Apply economic decision-making models when making decision.

### **Lesson on Decision Making:**

*The Four Way Test (stop at 2:00)* <https://www.youtube.com/watch?v=01rQQlhVm3c>

Challenge students to find examples of these four questions in the story.

- Is it the TRUTH? (There are many examples of this in the story.)
- Is it FAIR to all concerned? (Putting bugs in the lemonade wasn't fair. Taking Jessie's money wasn't fair. Both Jessie and Evan thought it was important to be fair to the customer. One example from the story addressed serving them a full glass for the price not a half glass. )

- Will it build GOODWILL and BETTER FRIENDSHIPS? (In the end, Megan and Jessie became friends and Evan and Jessie became friends again. Goodwill was actually seen in the book as Evan employed goodwill when determining the price for lemonade.)
- Will it be BENEFICIAL to all concerned? (In the end, the decisions Evan and Jessie make are beneficial. Along the way many decisions were not beneficial to all.)

*Choices, Trade-Offs, and Opportunity Costs guide*

[https://www.economicsarkansas.org/file\\_download/inline/6b73f811-d502-47ba-b355-7843e28448d1](https://www.economicsarkansas.org/file_download/inline/6b73f811-d502-47ba-b355-7843e28448d1)

**Quick Assessment Activity:**

Give students one of the following sentence stems:

One thing I learned from the book is \_\_\_\_\_.

My favorite part of the book was \_\_\_\_\_.

One thing I learned about money is\_\_\_\_\_.

If I started a business, I would start \_\_\_\_\_ because \_\_\_\_\_.