***The Lemonade War***

Jacqueline Davies

Houghton Mifflin, 2007



**Book Synopsis**: When Evan learns that his precocious younger sister, Jessie, will be skipping third grade to join him in fourth grade he is distressed. Feeling that she will make him look dumb in comparison, he becomes picky and competitive trying to prove that he is the superior of the two. The siblings devised a plan to see who can earn the most money before school starts. Both start selling lemonade using various business strategies and marketing techniques. They soon learn that Evan’s entrepreneurial nature and Jessie’s analytical skills are both needed to create a winning partnership.

**Grade 2-3 Chapter-by-Chapter Teacher Guide**

This book is rich with literature, math and economics and personal finance connections.  This guide focuses on economic and financial connections and also includes lessons featuring other shorter books.

**Usage Notes:**

* It is assumed that the featured chapter has been read by or to the students. If not, it will be necessary to read the content to the students.
* The suggested classroom activity is meant to be quick and reinforce a specific concept. Additional Online Lessons are also provided for instruction to enrich economic concepts; many also include literature connections.
* The [**Financial Fitness for Life: Parent's Guide - Grades K-5**](https://www.econedlink.org/afterschool/parent-resources.php)published by the Council for Economic Education has helpful information and activities that can be used in the classroom as well. It is available in English and Spanish. The K-2 portion is found on pages 1 to 32 and Grades 3-5 is found on pages 35 to 62 with each covering Earning Income, Saving, Spending, Credit and Money Management. <https://www.econedlink.org/afterschool/parent-resources.php>

**Chapter 1: Slump**

In this chapter, we meet Evan and Jessie. Big brother Evan is a spender, while little sister Jessie is a saver. 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 impact of a decision is noticed immediately, and other times it isn’t fully understood until sometime in the future.

**Economic Concepts**

Money, save, spend, choice, benefits, costs, opportunity cost

**Virginia Standards of Learning** – History and Social Science

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| --- | --- |
| K.1-3.1 | The student will demonstrate skills for historical thinking, geographical analysis, economic decision making, and responsible citizenship by h) using a decision-making model to make informed decisions |
| 1.8 | The student will explain that people make choices because they cannot have everything they want |
| 1.9 | The student will recognize that people save money for the future to purchase goods and services. |
| 2.10 | The student will explain that scarcity (limited resources) requires people to make choices about producing and consuming goods and services. |
| 3.10 | The student will identify examples of making an economic choice and will explainthe idea of opportunity cost (what is given up when making a choice). |

**Quick Classroom Activities**

* Jesse and Evan can’t agree on what to do during the hot afternoon. Jesse provides alternatives or choices like riding bikes or building a fort but Evan just tells her the costs or negative things associated with each activity. Have students pick one of Jesse’s suggestions and list both the costs and the benefits (positive things) associated with the choice. Ask students: “Should you do that activity? Why or why not? How do you decide what to do when playing with your friends?”
* Distribute an index card or post-it note to each student. Challenge students to decide if they are more often savers (like Jessie or the ant in *The Grasshopper and the Ant*) or relate more to Evan (or the grasshopper in *The Grasshopper and the Ant*) and spending money and enjoying instant gratification. Graph results.

**Lessons**

The Grasshopper and the Ant:In reading and discussing an adaptation of Aesop’s fable “The Grasshopper and the Ant,” the students learn about the trade-off between satisfying wants today and planning for the future. <http://www.econedlink.org/teacher-lesson/1288/Grasshopper-Ant>

Costs and Benefits of “The Three Little Pigs” When we make decisions, it is good to compare costs and benefits. In the "Three Little Pigs," two little pigs could have used this decision making skill. <http://www.econedlink.org/teacher-lesson/282/CostsBenefits-Three-Little-Pigs>

**Chapter 2: Breakup**

After Evan learns that his younger sister Jessie is going to move up to fourth grade and be in his class, he doesn’t want to play with her. Evan reaches out to his friend Scott and they decide to set up a lemonade stand to sell lemonade and make some money. This chapter begins to talk about how to produce lemonade and set up a lemonade stand business. Productive resources include 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] (lemons, water) and capital resources [goods that are 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 referred to as intermediate goods. They are produced in a factory and are used up in producing a good or service. The sugar does not come “directly from nature” unless you are using sugar cane and can’t be reused once in the lemonade. The cup in this example is not a capital good because it is not reused by the producer; the cup is part of the purchase. A business owner would not be able to serve someone else with that same cup without properly washing it for health purposes.

**Economic Concepts**

human resources, natural resources, capital resources, producer, consumer, production

**Virginia Standards of Learning** – History and Social Science

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| 2.8 | The student will describe natural resources (water, soil, wood, and coal), human resources (people at work), and capital resources (machines, tools, and buildings). |
| 3.8 | The student will demonstrate an understanding of different cultures and the natural, human, and capital resources they used in the production of goods and services. |
| 3.10 | The student will identify examples of making an economic choice and will explainthe idea of opportunity cost (what is given up when making a choice). |

**Quick Classroom Activities**

Identifying Productive Resources - Give each student a piece of white paper. Have them fold the paper in half and then in half again to produce 4 sections. Challenge them to identify a human, natural, and capital resource used to produce lemonade. They should draw and label their pictures. The fourth section is where students would draw the lemonade, the good produced from the productive resources.

Making Economic Choices – Have students list the ingredients needed to make lemonade. (water, sugar, lemons). Once they are done have them brainstorm other things that could be made with the same ingredients. What else could be made with these same resources? (Frozen lemonade pops, or iced tea with the addition of more ingredients.) Have students choose two products to make from the brainstorm list. Then explain that they only have enough to make one of those products so they have to make a choice. What would their first choice be? Have the students identify their opportunity cost – their second choice.

**Lessons**

Lemonade for Sale *-* After students listen to a story about children who produce and sell lemonade to raise money for their clubhouse, they produce a product and classify the resources used in production as natural resources, capital resources (goods), or human resources. <https://www.richmondfed.org/-/media/richmondfedorg/education/for_teachers/lesson_plans_and_classroom_activities/pdf/lemonade_for_sale.pdf>

**Chapter 3: Joint Venture**

Evan and Scott get deeper into producing and selling lemonade. They begin to experience some of the challenges of doing so. The challenges became even greater when Jessie also starts to sell lemonade and hopes for thirsty customers. Jessie and Megan set up their stand where more people will pass them first on this hot day.

**Economic Concepts**

economic wants, markets, consumers, producers

**Virginia Standards of Learning** – History and Social Science

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**Quick Classroom Activities**

Guided Questions - Ask students how weather impacts their desire for certain goods and services. In the winter time, when it is cold outside, would they want to wear shorts and flip flops? (*No*.) They would probably want gloves, caps, coats, and boots to keep them warm. In the summer time, when it is warm outside, would they want hot chocolate to satisfy their thirst? (*Probably not*.) What would quench thirst on a hot, sunny day? (*Answers might include: tea, soft drink, water or lemonade.*) This is a great opportunity for students to see how our wants (economic wants) change.

Markets - 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, etc.)

Lemonade Stand - Challenge your students to operate their own lemonade stand using this computer simulation: <http://www.ae4rv.com/games/lemonade.htm> The activities in the lesson *NOT Your Grandma’s Lemonade Stand*  help you to reinforce economic concepts and provides a chart for your students to keep track of the information in the simulation

<http://www.econedlink.org/teacher-lesson/276/NOT-your-Grandma-s-Lemonade-Stand>

**Lessons**

Forecasting Economics *-* Can you learn economics from the weather? Students discuss economic wants and explain how wants are personal and may differ from person to person. It illustrates how weather can influence the choice of what to wear and how to play. Students can integrate science, math, and economics in this lesson. <http://www.econedlink.org/teacher-lesson/1062/Forecasting-Economics>

Lemonade in Winter – Students consider Pauline’s decision to sell lemonade using a decision-making model. Maybe if she had given her idea some thought, she would have decided to spend her time and money differently. Students then weigh the costs and benefits of another situation and make a decision.

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

**Chapter 4: Partnership**

Jessie finds a partner to open her lemonade stand. At first, her friend Megan thought the idea of the lemonade stand sounded boring, and she could think of more exciting ways to spend her time, like going to the 7-Eleven to get a Slurpee. Jessie uses math to convince Megan to help her with the lemonade stand.

The concept of scarcity (that is, not being able to meet all wants at the same time because resources are limited) affects everyone and forces us to make choices. We cannot have all the things we want, so we have to make choices. Teaching students the need to make choices and using good decision-making tools to make a thoughtful decision is a valuable life skill. Three useful decision-making models can be found [here](http://vcee.org/economic-decision-making/). In this case, the cost/benefit model or the cost/benefit decision tree might be the most useful.

**Economic Concepts**

choice, decision, cost, benefit, opportunity cost,

**Virginia Standards of Learning** – History and Social Science

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**Quick Classroom Activity**

Using a Decision Grid: If you were Megan, would you choose to set up a lemonade stand or go to 7-11 and buy a Slurpee? Before making a decision, it is good to consider the costs and benefits of a particular choice (the advantages and disadvantages, the pros and cons.) Use a cost/benefit grid to help students consider the costs and benefits of setting up the lemonade stand first instead of going to get a Slurpee.

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| **Decision to be made:** Do I set up a lemonade stand first**?** |
| Costs | Benefits |
|  |  |

Costs/Disadvantages of setting up a lemonade stand first. Some answers might include:

* Won’t be able to get a Slurpee now
* They might lose money and not be able to buy Slurpees
* A lemonade stand will take work (time and effort)

Benefits/Advantages of setting up the lemonade stand first. Some answers might include:

* If they don’t spend their money first on Slurpees, they will have money to set up a lemonade stand
* They could make more money so they could buy Slurpees and more

Ask students to indicate what choice they would make. Answers will vary. There isn’t a “right” answer. What is valuable is that students learn to think about the costs and benefits *before* making a choice so that their decisions are more thoughtful and not just based on impulse.

Depending on the maturity of your students, you may prefer to use a cost/benefit decision tree by adding a second cost/benefit grid that considers the benefits and costs of getting a Slurpee and then have students decide between the two. More information for teachers on decision-making models can be found [here.](http://vcee.org/economic-decision-making/) <http://vcee.org/economic-decision-making/>

**Lessons**

Once Upon a Decision - How do you make tough decisions? Read and listen to this story about Ella, who has decisions to make, and learn about the tool that helps Ella solve her problems. <https://www.econlowdown.org/decision-making-elem?p=yes>

Country Mouse Makes a Decision – Students will be able to make a cost/benefit chart for the Country Mouse after hearing the classic story.

<https://www.econedlink.org/teacher-lesson/294/Country-Mouse-Makes-Decision>

**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 part of her profit to an animal shelter.

**Economic Concepts**

Price, choice, decision making, incentive, benefits, costs, competition

**Virginia Standards of Learning** – History and Social Science

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| 1.8 | The student will explain that people make choices because they cannot have everything they want |
| 2.10 | The student will explain that scarcity (limited resources) requires people to make choices about producing and consuming goods and services. |
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**Quick Classroom Activity**

Competition - Have students brainstorm examples of businesses that compete against each other. (Ex. fast food restaurants like Wendy’s, McDonalds, and Sonic or sneaker companies like Nike, Vans, and Adidas) Bring in old magazine, newspapers or use the internet to find ads from competing businesses and use them to create a matching game.

**Lesson**

What is Competition? Students will understand what businesses are, that a marketplace exists whenever buyers and sellers exchange goods and services, and that there is competition in the market place if you have more than one seller of the same item or similar items.

<http://www.econedlink.org/teacher-lesson/509/What-is-Competition>

**Chapter 6: Underselling**

The Lemonade Stand war heats up as the two stands use incentives to add value to their products. This chapter allows students to examine how value-added items and price impact sales for the lemonade stands. Those value-added items often serve as an incentive to shape buying behavior. An economic principle is that people respond to incentives in predictable ways.

**Economic Concepts**

Price, choice, decision making, incentive, benefits, costs, competition

**Virginia Standards of Learning** – History and Social Science

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**Quick Classroom Activities**

Guided Questions - Remind the students that Jessie was looking for ways to make her lemonade stand more appealing to customers. What were some of the ideas Jessie and Megan had for adding value to encourage people to buy their lemonade? (*They included free snacks like chips and pretzels, make it a fun party with the stand decorated with steamers and balloons and playing music*) When a business adds value and provides incentives for consumers to buy their goods or services, what is one thing they need to think about? (*Can they pay for the extra cost of what they are providing with the money they make from selling their goods/services?)* Jessie and Megan weren’t selling much lemonade despite all the free snacks and party atmosphere. What was the main reason for this? (*Evan was selling lemonade for a much lower price close by! 10 cents instead of 50 cents!)*

Advertisements - Look for examples of ads in the newspaper or magazines (or printed from the internet) that offer consumers incentives. (Buy One Get One Free, Percentage Off, Coupons, etc.) Share these with the students.

**Lessons**

Financial Fitness for Life: Parent's Guide - Grades K-5: Theme 3: Spending, pages 16-21, 49-55. Theme 5: Money Management, pages 29-32, 57-62. Teaching tips to reinforce the concept of spending, including advertising. Pencil activities that make great homework assignments. <https://www.econedlink.org/afterschool/parent-resources.php>

What are Incentives? After identifying incentives at home and at school, students will distinguish between positive and negative incentives.

<https://www.econedlink.org/teacher-lesson/379/What-Are-Incentives>

**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 town.

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. The government provides public highways, traffic lights, bridges, public schools, fire stations, public libraries and more for all to use.

**Economic Concepts**

public goods and services, decision, choice, opportunity cost

**Virginia Standards of Learning** – History and Social Science

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| --- | --- |
| 1.7 | The student will explain the difference between goods and services and describe how people are consumers and producers of goods and services. |
| 2.10 | The student will explain that scarcity (limited resources) requires people to make choices about producing and consuming goods and services. |
| 3.9 | The student will recognize that because people and regions cannot produce everything they want, they specialize in what they do best and trade for the rest. |

**Quick Classroom Activities**

Location, Location, Location! Have students explain what this phrase means to them in relation to business. Challenge students to make a list of features about a location that would make it a good spot to open a lemonade stand.

The Secret Millionaires Club Tackles Location **-** *Lemons to Lemonade -* Video (4:16) <http://www.smckids.com/episodes/?vidlink=01> Just like a store needs a good location to attract customers, students need to think about location too. Where is the best place to sit in the classroom? The better you are located and able to pay attention, the better you will do in school and learn the most you can.

Providing a Service - In this chapter Officer Ken is the police officer who informs Evan that a permit is needed to sell lemonade. 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. Create a class list of other service-related jobs in the community.

**Lesson**

Who Pays for City Hall*?* Students take a virtual field trip to City Hall This beginning civics/economic lesson will introduce your students to how city government and economics interact. <http://www.econedlink.org/teacher-lesson/281/Who-Pays-City-Hall>

**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. Many girls agreed and business boomed.

Students will quickly understand the idea that there are a number of businesses that have locations all across our state, nationally and internationally. 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/en-us/about-wendys/the-wendys-story>

**Economic Concepts**

franchise, competition, market, producer, specialization

**Virginia Standards of Learning** – History and Social Science

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| 1.7 | The student will explain the difference between goods and services and describe how people are consumers and producers of goods and services. |
| 2.10 | The student will explain that scarcity (limited resources) requires people to make choices about producing and consuming goods and services. |
| 3.9 | The student will recognize that because people and regions cannot produce everything they want, they specialize in what they do best and trade for the rest. |
| 3.10 | The student will identify examples of making an economic choice and will explainthe idea of opportunity cost (what is given up when making a choice). |

**Quick Classroom Activities**

Guided Questions – Jessie and Megan help set up 13 lemonade stands. What goods did they provide each stand? (lemonade, sign, cups) What did Megan and Jessie get in exchange? (money or a share of the profits). If Megan had called you and asked you to be part of their franchise would you have agreed? Why or why not?

Specialization - Jessie, Megan and her friends specialize in selling lemonade. Explain that when we specialize we focus on one thing and get really good at that, rather than trying to be good at lots of things. Doctors specialize—eye doctors, ear doctors, foot doctors, etc. Restaurants specialize—hamburgers, Italian, Chinese, Mexican etc. Discuss the benefits of specialization. One of the costs of specialization is that when we focus all our learning on one thing we have to count on others to do the things we don’t know how to do—such as grow our food, make our clothes, build our homes, build our cars, fix our cars etc. This is called interdependence. We are counting on others to specialize in those other things and they are counting on us to do the thing we’ve specialized in.

 Give each student an index card at the beginning of the school day. Tell them they are to observe and write down the special jobs that the workers in the school do throughout the day. At the end of the day, create a class list of the various school specialists. For example: principal, custodian, librarian, cook, 2nd grade teacher, 4th grade teacher. Briefly list the responsibilities of each job. Note that each job carriers its own responsibilities; each worker in the school specializes.

 A good place to observe specialization is in the school’s cafeteria. After lunch, discuss with the students the various specialists who made their meal possible. Students may note that the division of labor leads to a more efficient use of time, labor, and other resources.

**Lessons**

The Right Job for 'The Tortoise and the Hare' Students relate the story of "The tortoise and the Hare" to specialized benefits. <https://www.econedlink.org/teacher-lesson/284/>

Production: Specialization and Division of Labor This hands-on activity divides the class into teams to produce a product and introduces the concept of specialization.

<http://dnet01.ode.state.oh.us/ims.itemdetails/lessondetail.aspx?id=0907f84c80531356>

**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.

**Economic Concepts**

choice, benefits, costs, opportunity cost, decision

**Virginia Standards of Learning** – History and Social Science

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**Quick Classroom Activities**

Choices have consequences - Challenge students to write a paragraph about a choice they made and the consequences of that choice they recognized in the future (either positive or negative.) (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.)

Cost-Benefit Analysis and Opportunity Cost of a Decision - Share the following scenario:

*Sam has been saving his money for a new video game. He has worked hard raking leaves and doing jobs around the house to earn income and his saved the money he has received as gifts. Sam almost has enough money when his friend calls wanting to go to the movies. Sam really wants to see the movie and likes hanging out with his friend, but he also wants that video game.*

Use a decision-making model to make a list of the benefits and costs of each option for Sam and help him to understand what his opportunity cost would be for each choice. See more about using a Cost-benefit Grid or Decision Tree and opportunity cost on page 6-7 above or <http://vcee.org/economic-decision-making/>

**Lesson**

Mousetroplis *-* Students are asked to recall the story, "The Tortoise and the Hare." They learn about characteristics of fables, how the choices the characters make teach the moral, and that choices have costs and benefits. They then listen to the story Mousetropolis, a retelling of Aesop's fable, "The Town Mouse and the Country Mouse." The students are asked to listen for the choices the mice make in the story. They then take part in a card sorting activity and categorize the choices as either costs or benefits and conclude by summing the costs and benefits to see which choice offered the most benefits.

<https://www.stlouisfed.org/education/mousetropolis>

**Chapter 10: Malicious Mischief**

Both Jessie and Evan have had their feelings hurt by one another. They didn’t use the decision-making grid to weigh the benefits and costs before making decisions they now regret. In this chapter Jessie puts dead fruit flies in Evan’s lemonade. This is a bad decision that she now regrets. Yet another chapter to reinforce the importance of considering the costs and benefits of your choice *before* you make a decision and good decision-making models to assist.

**Economic Concepts**

decision, choices, cost, benefits, opportunity cost

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**Quick Classroom Activity**

Cost-Benefit Chart - Explain to the students that all decisions have costs and benefits and that Jessie experienced some positive and negative things when she put dead bugs in the lemonade that Evan was going to sell. Create a simple cost/benefit chart by writing these statements “Benefits of adding dead bugs to Evan’s lemonade” and “Costs of adding dead bugs to Evan’s lemonade” on the board or a piece of chart paper. Record student suggestions for each column from. Using the information on the chart, ask the students if they think Jessie would have put the bugs in the lemonade if she had completed a similar chart before she did this deed.

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| **Decision to be made: Should Jessie add dead bugs to Evan’s lemonade?** |
| **Benefits of adding dead bugs**  | **Costs of adding dead bugs** |
|  |   |

**Lessons**

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 ask students to make choices and identify the opportunity cost.)

So Few of Me *-* Students learn about scarcity, alternatives, choices and opportunity costs by reading So Few of Me. The class participates in an activity to help Perdita figure out her morning schedule at summer camp. They identify Perdita's alternatives, choose activities for her and identify the opportunity costs of those choices. Then, students work in groups to make choices and identify opportunity costs for Juan's after-school schedule. <https://www.stlouisfed.org/education/so-few-of-me>

**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.

**Economic Concepts:**

cost, benefits, decision, choice, opportunity cost

**Virginia Standards of Learning** – History and Social Science

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| 3.10 | The student will identify examples of making an economic choice and will explainthe idea of opportunity cost (what is given up when making a choice). |

**Quick Classroom Activities**

Guided Questions - What was likely to happen if Evan didn’t dump out the lemonade? Was it fair to sell lemonade with flies in it even if people didn’t notice? Would he lose all his customers if they saw the flies? Would they ever trust the quality of his lemonade again? Do our decisions sometimes affect other people? Do they affect other people in good or bad ways?

Drawing Choices - Distribute paper, pencils and markers and instruct the students to write, draw or share about a time when someone else made a choice that affected them in a positive (good) or negative (bad) way.

Common Cents: Money Ethics- Teaching Kids to Follow Their Moral Compass<https://www.kansascityfed.org/~/media/files/publicat/education/teachingresources/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.)

**Lessons**

Secret Millionaires Club: Cancel My Reputation *–* the importance of being honest in all that you do, business or otherwise

* Video: (4:12) <http://www.smckids.com/episodes/?vidlink=26>
* Companion Activity Guide: <http://smckids.com/learnandearn/images/stories/pdfs/SMC_Afterschool_Wb26_CancelMyReputation.pdf>

Secret Millionaires Club: Sorry, I Can’t Hair You *–* the importance of listening to your customers if you want them to come back

* Video (3:58): <http://www.smckids.com/episodes/?vidlink=14>
* Companion Activity Guide: <http://smckids.com/learnandearn/images/stories/pdfs/SMC_Afterschool_Wb14_SorryICantHairYou.pdf>

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

Jessie had a miserable time at the beach with Megan because it was so hot and crowed and she felt miserable about what she had done to Evan. Evan didn’t have fun either playing basketball with his friends because it was so hot. But he looked forward to getting into his friend’s pool. He put the money from his lemonade stand under his clothes after he put on a bathing suit. When he went back to change his clothes, his money was gone! Both learned a valuable life lesson.

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.

**Economic Concepts**

saving, bank, interest, spend

**Virginia Standards of Learning** – History and Social Science

|  |  |
| --- | --- |
| K.1 – 3.1 | The student will demonstrate skills for historical thinking, geographical analysis, economic decision making, and responsible citizenship by h) using a decision-making model to make informed decisions |
| 1.9 | The student will recognize that people save money for the future to purchase goods and services. |
| 2.10 | The student will explain that scarcity (limited resources) requires people to make choices about producing and consuming goods and services. |
| 3.10 | The student will identify examples of making an economic choice and will explainthe idea of opportunity cost (what is given up when making a choice). |

**Quick Classroom Activity**

Keeping Your Money in a Bank or Credit Union – Using the chart found on page 13, discuss that people often keep money that they plan to spend in their pockets. Discuss why they do not carry the money they plan to save in their pockets. (Possibly because it's too heavy, too easy to drop or lose, too easy to spend, too much of a problem when clothes are changed, and they won't be using the money soon.) Discussing the chart on page 13 is a great way for students to evaluate the best place to keep their money safe. Individually or as a class, have students put an "x" in each box under each question if it applies to the savings place listed in the first column. <http://www.econedlink.org/afterschool/ebook/978-1-56183-698-7.pdf> (p.13)

**Lessons**

Ella Saves Today

This is a great online course you can show in your classroom on topics of saving, banks, interest, and more. You may also assign the course for students to work on independently.)\

<https://www.stlouisfed.org/education/ella-saves-today-online-course-for-consumers>

There’s No Business Like Bank Business *-* Learning how a bank operates helps students see the relevance of banking in their lives to develop habits of saving and responsible spending. This role play introduces students to basic banking concepts in a fun and easy-to-read format. Through this role-play, students are introduced to the benefits of saving money in a bank. It explains earning interest, as well as paying interest for a loan. Grade Level: 3-5

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

Financial Fitness for Life: Parent's Guide - Grades K-5: Theme 2: Saving, pages 9-15, 42-47. Teaching tips to reinforce the concept of spending, including advertising. Pencil activities that make great homework assignments. <https://www.econedlink.org/afterschool/parent-resources.php>

**Chapter 14: Reconciliation**

Evan and Jessie both feel terrible about how they’ve been acting toward each other and decide to team up and create an entry for the Rotary Club Labor Day Contest. If Evan and Jessie had asked the Rotary Club’s “Four-Way Test” questions (see below) as they were making decisions, they might not have ended up in the trouble they found themselves throughout the book.

**Economic Concepts**

choice, decision, benefits, costs, opportunity cost

**Virginia Standards of Learning** – History and Social Science

|  |  |
| --- | --- |
| K.1 – 3.1 | The student will demonstrate skills for historical thinking, geographical analysis, economic decision making, and responsible citizenship by h) using a decision-making model to make informed decisions |
| 1.8 | The student will explain that people make choices because they cannot have everything they want |
| 2.10 | The student will explain that scarcity (limited resources) requires people to make choices about producing and consuming goods and services. |
| 3.10 | The student will identify examples of making an economic choice and will explainthe idea of opportunity cost (what is given up when making a choice). |

**Quick Classroom Activity**

2nd grade: The 4 Way Test Rotary Test Video (start at 0:17, end at 1:55)

3rd grade: The Four Way Test (stop at 2:00) <https://www.youtube.com/watch?v=O1rQQIhVm3c>

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 realized how important it was to be fair to the customer.)
* 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 considered the price for his lemonade, and the concept is defined in chapter 6.)
* 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.)

**Post-Reading Summary Activity**

Ask the students to complete the following statements:

1. One thing I learned about making money is \_\_\_\_\_\_\_\_.
2. A lesson that Jessie learned was \_\_\_\_\_\_\_\_\_\_\_\_.
3. A lesson that Evan learned was \_\_\_\_\_\_\_\_\_\_\_.
4. My favorite part of the book was \_\_\_\_\_\_\_\_\_\_\_\_\_.