

Starting a Business - Lemonade Stand - Day 1

Time: 45 minutes

Materials:

- Chart paper
- Markers

Goals: The students will start to plan for their own lemonade stands. Students will learn key financial terms to running the lemonade stand successfully.

INSTRUCTION

A lemonade stand is a great way to teach kids about microfinance, entrepreneurship, and philanthropy. Announce that the class will be running its own lemonade stand. Let students know that money earned from the stand will be donated to a need in their community or abroad.

Note: This is a three-day project that can be spread over the course of the program.

Day 1: Introduction and Brainstorm

Day 2: Planning the Details

Day 3: Lemonade Stand Opens

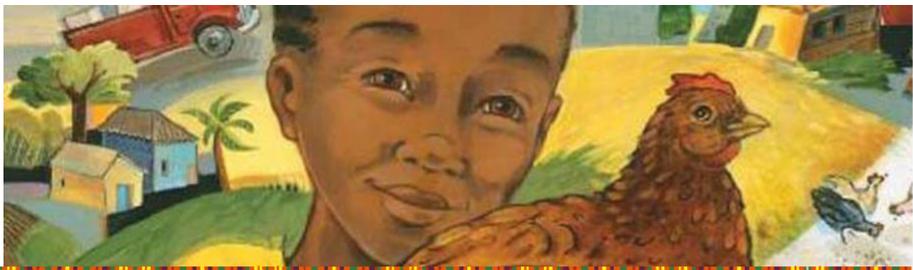
How to get started

Hold a brainstorm session about starting a lemonade stand. Introduce some key financial concepts in the process.

Below is a list of planning questions to include.

1. Chose a name for your lemonade stand. The name should be self-explanatory but should also be unique and appealing.
2. Find and/or create a recipe for your lemonade. Will it be sweet or sour? What color will it be?
3. Where will the lemonade stand be? Where will there be a lot of customers?
4. Decide what makes your lemonade different or unique. What makes your lemonade special? Do you have the sourest lemonade in the world? What about the freshest? Will it have all-natural ingredients?
5. Decide how you will promote, or tell people about, your lemonade stand. Will you make signs? Where will you hang them? Will you call the local newspaper?
6. Decide what your lemonade stand will look like? Where will it be located? Will it be large or small? What colors will it be?
7. Decide when your lemonade stand will be open? How many days? What hours?
8. Decide who will work at your lemonade stand. How many jobs are there? What types of jobs are needed?
9. Figure out how much money you will need to start your lemonade stand.
10. How much ingredients will you need? What will you use to build your stand?

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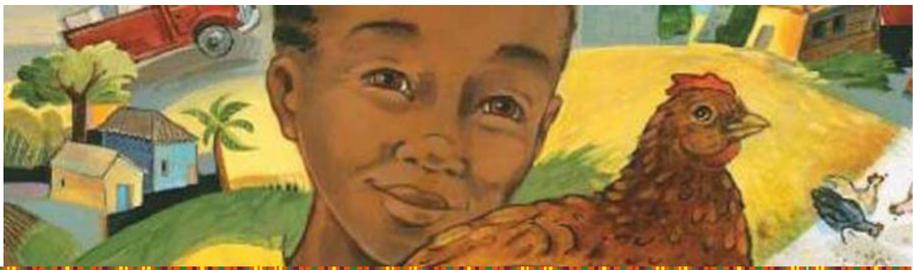
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Planning Questions (continued):

11. How much will you charge for your lemonade? You will need to make enough to re-pay the cost of creating your lemonade stand, plus make a profit.
12. Where will you get the money to start your lemonade stand? Will you get loans or donations? How will you keep track of the money?

Introduce some key financial vocabulary

- Ask students to brainstorm a list of things you'll need for your lemonade stand. For example, lemonade mix, water, pitchers, ice cubes, signs, tables, chairs, etc. Have them come to the board and draw a picture of each object or write the words.
- Next, ask students how much each of these items costs. Explain that the term **cost** is the amount you pay for an item.
- Then ask students how they will buy these items? Will they **borrow** the money and ask someone for a **loan**? Explain the concepts "borrow" and "loan." Draw pictures of whoever they'll ask to borrow from (you, the teacher, their parents, etc.) and underneath write the words "borrow" and "loan."
- Next, ask how much do you think we'll make with this lemonade stand? Explain that this is your **income**. Draw pictures of dollar signs, and write the word income underneath.
- Explain that you'll need to give back the amount you borrow. Explain that you'll need to subtract or take away the amount of money that you borrow, from the amount that you make. The money that is left is your **profit**. Income is not the same as the profit. *(This concept could be more difficult for younger students, but may become easier to understand after actually selling and measuring profits from your lemonade stand.)*
- Post these terms on chart paper for the students to refer back to throughout the summer. Use pictures or symbols to make these terms clearer for younger age groups.



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Introduce some key financial vocabulary (Continued)

- Post these terms on chart paper for the students to refer back to throughout the summer. Use pictures or symbols to make these terms clearer for younger age groups.

Cost: What you pay for the things you use to make the product

Income: The money that you make by selling the product

Profit: The money you make after you have subtracted the cost of the things that you bought

Borrow: When you ask for and get money (or an item) that you will pay or give back

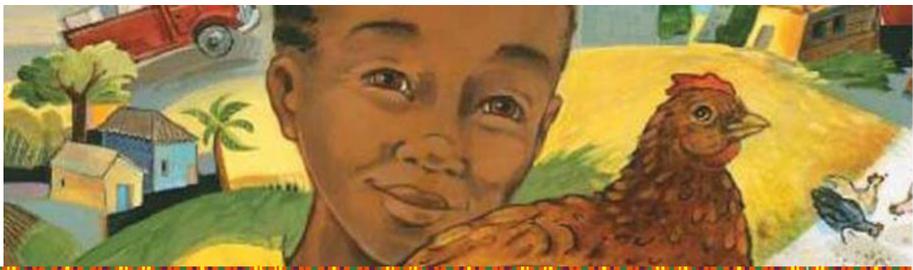
Loan: The amount of money (or the item) that is borrowed and must be paid back

Pick a donation site

Allow students to pick a non-profit organization they would like to donate their profits towards. You might offer them a selection of local causes or point them towards international organizations. See the One Hen website for suggestions:
<http://www.oneheninc.org/Partnerships.php>

Make plans for running the lemonade stand

Make specific plans for the lemonade stand. Make a list of all the materials and ingredients you will need. Review with the class what will happen on the day of the opening, assign roles/responsibilities and expectations.



Starting a Business - Lemonade Stand - Day 2

Time: 45 minutes

Materials:

- Construction paper
- Poster board
- Markers/crayons
- Any other materials, such as cardboard, tables, chairs to construct the lemonade stand.

Goals: The students will construct their lemonade stand and all its signage. Students will review key financial terms for running the lemonade stand successfully.

INSTRUCTION

Review financial terms:

Remind students that you will open a lemonade stand soon. Review the financial concepts learned during the first day of lemonade stand preparations. Use the financial term chart you created earlier to help review the vocabulary.

Build the lemonade stand:

- Draw a picture of how the lemonade stand will look.
- Create a logo for the business.
- Create posters, signs and banners.
- Design and build the stand.

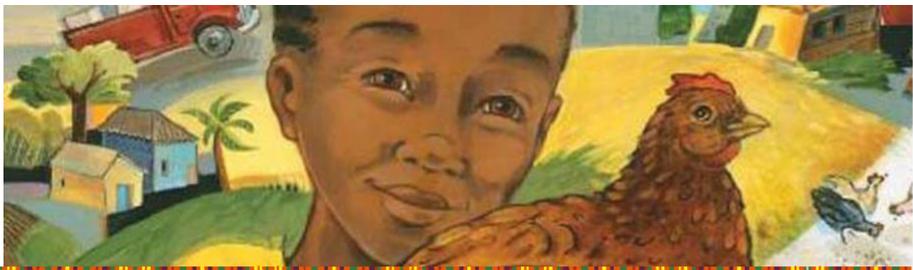
Optional musical activity:

Develop a musical jingle with the kids, advertising their lemonade stand. Have kids stand up and practice singing the jingle. Kids can sing this jingle to help attract customers to their lemonade stand on sales day.

Optional writing activities:

If there is time remaining, have students select from one of the writing/drawing activities below.

- Write a letter/draw a picture for the (hypothetical) people receiving the money that was earned from the lemonade stand.
- Write a description/draw a picture of your lemonade stand, what it looks like, why it is special and what is unique.
- Write a story about your experience running the lemonade stand.



Running a Business - Lemonade Stand - Day 3

Time: Varies

Materials:

- Lemonade mix (or fresh lemons and sugar)
- Ice cubes (optional)
- Water
- Pitchers
- Cups
- Paper towels/napkins
- Lemonade stand signs, posters/flyers, etc.
- Envelope to collect money

Goal: Open your own class lemonade stand.

INSTRUCTION

1. Open your lemonade stand for business! Assign various roles to students – lemonade makers, sign holders, jingle singers, “bankers” to handle the cash, etc. And get to work!
2. After your lemonade stand project is completed, show the students how to calculate profit. Add up the income from the stand, subtract the costs, and then count the total profit. (Income – Costs = Profit). Discuss the costs of the lemonade stand and how much profit you made. Repay your loans, and celebrate!
3. Remember to give back and donate to the organization you’ve chosen as a class from the start. Write a check or go online and send in your donation.

*** If you prefer, steps 2 and 3 (calculating profits and donating profits to a non-profit) may be completed on a separate day following the lemonade stand day.*