1. **Overview and Lesson Description:**

Students listen to a story about children who learn there is a market for something they made and become entrepreneurs to earn money to buy something they want. Students use examples from the story to identify what elements need to be in place for a market to exist. Students engage in a simulation to identify the things an entrepreneur needs address in order to make a profit.

2. **Appropriate Grade Level and Time Required:**

This lesson is appropriate for Grades 6-8 and will take one or two 50 minute class periods.

3. **Essential Question:**

What is an entrepreneur and how does he or she bring goods and services to market?

4. **Learning Objectives:**

- Students will compare the roles of producers and consumers
- Students will identify the elements of a market: an exchange between producer and consumer for a good or service.
- Students will describe the role and responsibilities of the entrepreneur in bringing products to market
- Students will recognize that an entrepreneur needs to find people who want or need their product in order to make a profit

5. **Economic Concepts:** producer, consumer, good, service, entrepreneur, market, profit

6. **Minnesota Economic Standards Grades 4-8:**

**Sub-Strand B: Producers and Consumers**

**Content Standard 1:** Students will understand the concept of interdependence in relation to producers and consumers.

**Benchmark 1:** Students will compare and contrast the roles of producers and consumers

**Benchmark 4:** Students will explain that a market exists when consumers buy and producers sell goods and services.
8. Teacher Preparation and Materials Needed:

This lesson is designed for a class of 27 students. Total amounts of each student material for a class of 27 are listed in parentheses after each item. The teacher will set up stations (one for every 3 students) around the room. Each student station will be equipped with the following supplies:

- One template of a flattened box (for the gear tower) and one gear template. These templates will be made from thicker card stock paper (like manila folders) and possibly laminated to provide more rigidity. (9 Tower Templates and 9 Gear Templates)
- Scissors, tape, markers/crayons, glue stick, and ruler (9 of each)
- Pencil (27)
- 3 or 4 empty flattened cereal boxes--thicker card stock is preferable. (27-36)
- One direction sheet for each station describing how to create the gear tower--Student Sheet #3 (9)
- Three 3x5 index cards that will serve as business cards for each student (27)
- Two 4x6 index card that will serve as a base for the gear tower (18)
- One blank sheet of 8½ x 11 in. sheet of paper that will serve as a business sign (9)
- One Business Plan Sheet that students will complete in their group--Student Sheet #4 (9)

Student supplies:

- One “Demand Note” “for each student. (3 copies of this page will be needed and individual slips will be cut.)--Student Sheet #1
- One statement card for each student---These cards will be cut from Student Sheets #2-1, 2-2, 2-3, 2-4, and 2-5.
- Gear Tower Assistance Sheets (9) --Student Sheet # 5
- Getting Yourself in Gear Sheets--Student Sheet #6--Each group will need one Getting Yourself in Gear Sheet. The teacher will keep these sheets until required in the simulation later in the lesson. (9)
- Brads--Each group of 3 students will need two brads. The teacher will keep the brads until required in the simulation later in the lesson. (18)
- Assessment Sheet--Student Sheet #7 (27)
**Teacher supplies:**

A drawing of the finished gear tower--Teacher Sheet #1
Transparencies #1 through #6
Book: *Chicken Sunday* by Patricia Polacco  ISBN: 0-698-11615-1

This lesson can be modified for smaller class sizes by eliminating one or more businesses (3 statement cards to 1 business) and their corresponding Demand Note. If a group of 2 is formed, one member will hold 2 statement cards and will need to locate 2 Demand Notes. See procedure below for more information.

**9. Learning Objectives:**

1. Students will define good, service, producer, consumer

2. Students will explain that a market is created when a consumer exchanges money for a good or service from a producer to satisfy a want or need.

3. Students will describe the role and responsibilities of the entrepreneur in bringing products to market

4. Students will recognize that an entrepreneur needs to reach out to the people who want or need their product in order to make a profit

**Procedure**

1. Write these terms on the whiteboard: *heritage, art, history, neighbor, ethnicity, community connection, diversity, family, faith/religion, friendship*

2. Discuss how we can read a story multiple times and learn something new/see different perspectives with each reading. Explain that we will look at a story today through a couple of different lenses. Discuss the terms on the whiteboard. **What do these terms describe?** (Answers may vary.) Discuss that these terms may describe "**Qualities of Place**"- aspects of what it is like to live in a certain time and place. Tell the students to pay attention to these qualities as we listen to the story. Read the section opposite the dedication page of the book *Chicken Sunday* by Patricia Polacco that states "(To)...the Washington family--Stuart, Winston, and of course Miss Eula--who lovingly shared their lives with me when I was young." Explain that the story may be telling us a little about the author's own personal history. Tell the students that we might classify this style of writing as a "personal narrative." Discuss the idea that this story may be an account of something that happened to the author.
3. Read the story stopping occasionally to draw attention to elements in the story which refer to the terms on the whiteboard.

- On pgs 1 and 2, we see Miss Eula and the children admiring the hats in Mr. Kodinski's shop. We read that although Miss Eula admires the hats, "she'd sigh and we'd walk on." **Why do you think they didn't stop to buy?** (Answers will vary. Some students may wonder if she didn't have money to buy the hat.)

- **What do we know about the ethnicity of the characters in the story?** (The boys and Miss Eula are black and the girl [Let's call her Patricia] is white.)

- The children live in a diverse community. In Patricia's life, this diversity is enriching: she calls Miss Eula "gramma" and, although they are neighbors, she calls the boys "brothers by solemn ceremony." She has found a way to feel "as family" even though she doesn't share her friends' heritage. She speaks of her "Babushka" [her grandmother] that has died revealing her own Russian heritage.

- **What do we know about religion in the story?** (Patricia and Miss Eula's family were not of the same religion. Miss Eula and the boys are Baptists [a Christian denomination.] On pgs 3 and 4, we see that Miss Eula's house shows references to the Bible and church.

- On pgs 5 and 6, we see the children deciding how to get the hat for Miss Eula. **What did they decide to do?** (They would offer a cleaning/odd job service in exchange for money. **What are the children's opinions of Mr. Kodinski?** (He is unfriendly and they are afraid of him.) **How do we know this?** (Winnie says "He always looks so mean!")

- On pages 7 and 8, we see the eggs thrown. Discuss possible reasons why these "bigger boys" might do this. (Answers will vary.) Point out that it is evident that the "bigger boys" do not value the eggs because they were used for destruction. We see evidence of broken eggs on the door frame.

- On pg. 9, Miss Eula tells the children "He has suffered so much in his life already." **What do you think she meant by that?** (Answers will vary.) Tell the students that they may find the answer to this question later in the story. She also says "You'll have to change his mind somehow." **What might they do?** (Answers will vary.)

- Patricia's house on pgs 11 and 12 shows pictures of icons and references are made of materials to decorate the eggs. These images and the text further reveal Patricia's heritage as well as her religion. **Explain that an**
**icon** is a type of religious art, usually (though not always) a painting, depicting a person or event considered to be sacred (holy).

- On pages 13 and 14, we can see that Patricia's culture values beautiful eggs. She uses her knowledge to take what was used to vandalize Mr. Kodinski's shop and make something beautiful from it.

- On pgs 15 and 16 we see that Mr. Kodinski recognizes the eggs. We can infer that Patricia and Mr. Kodinski share a common heritage.

- On pgs 17 and 18, we see Mr. Kodinski's shop. We see evidence of his culture and history. We can imply that he is Jewish. We see his shawl, skull cap, and a tattoo indicating he was in a concentration camp. Ask students what they know about the holocaust. Ask the students if they think that Miss Eula was referring to the persecution Mr. Kodinski has suffered because he is Jewish when she said "That poor man has suffered so much in his life..." Discuss how the hardships Mr. Kodinski has experienced in his life may explain his gruff manner with the children mentioned earlier in the story.

- On pg 18, we read that Mr. Kodinski has no need for the service the children are offering. However, he tells the children they can make and sell the eggs "...right there in my shop!" to earn the money they need. Ask the students, "How did Mr. Kodinski know that the children would be able to sell the eggs?" (He has probably been a shop keeper for a long time and knows his customers. He also knows that Easter is coming up and that people will want pretty things to help celebrate the holiday.) Ask the students, "Will Mr. Kodinski celebrate this holiday too?" (Probably not because Easter is a Christian holiday and we had determined that Mr. Kodinski was Jewish.)

- On pgs 19 and 20, we see evidence that sharing Patricia's art, Ukrainian eggs, was a success. People liked the decorated eggs!

- On pgs 21 and 22, Mr. Kodinski reveals that he has seen Miss Eula admire the hat and has suspected that the children were earning the money to buy the hat. He tells the children to keep the money and offers the hat as a gift. He reveals that he knows that the children are "good children" and the children learn that Mr. Kodinski is a warm and generous man. Both Mr. Kodinski's and the children's minds were changed about the other!

4. Ask the students "Were the lives of our characters enriched by sharing their cultures with each other?" (Yes) What were some of the things that Miss Eula's family shared with Patricia? (Religion/church visits and the traditional "Chicken Sunday" dinners) What did Patricia share with Miss
Eula's family? (Her culture as reflected in her knowledge of decorating Ukrainian eggs.) Review the list on the whiteboard. Remind the students that these terms may describe "qualities of place" but that it is only a partial listing. Explain that Mr. Kodinski has helped us see at least one more aspect of what it was like to live in the time and place of the story. What did the children learn from him? (They learned that by selling their eggs they were able to buy something they wanted.) Explain that Mr. Kodinski's knowledge of the marketplace enabled him to see a good opportunity for the children to earn money.

5. Write the word "economics" on the whiteboard. Tell the students that the economics of a community is another quality of place that we will explore today. Ask the students "What is economics?" Write on the whiteboard "Economics is the study of the decisions people make about how to use scarce resources to satisfy their wants and needs." What does "scarce" mean? (To not have enough of something.) What did Miss Eula or the children not have enough of in our story? (Money to buy the hat.) What did the children decide to do to get the hat earlier in the story? (They decided to offer their labor cleaning his shop in exchange for money.) Was this labor of any value to Mr. Kodinski? Would this service give Mr. Kodinski satisfaction? (No.) What did the children have to offer that would provide greater satisfaction than their cleaning labor? (The beautifully decorated eggs.)

6. Write the terms Economic Activity on the white board. Explain that it is critical that we think of economics as connected to the people and the communities in which we live. Ask the students "What do we refer to when we say "economic activity"?" Write on the whiteboard "Economic activity is the buying and selling of goods and services in the marketplace." Ask the students "Why should we care about economics in our community?" (A healthy economic climate in our communities improves the quality of life for everyone who lives in it.) How? (It provides goods and services for people in the community to buy and jobs for people to earn money.)

7. Display the "market transparency" (Transparency #1) as seen on the next page. The terms can be enclosed within the outline of a "house". Definitions can be printed below or beside the term and covered until it is addressed in the lesson.
Market
Exchange of good or service for money

Producer <<<<<<<<<arrows indicating exchange >>>>>>>>
Someone who provides a good or service
Consumer
Someone who buys a good or service

Good
Something for sale that can be touched or handled
someone else

Service
An activity someone does for

Why? To Satisfy a Want or Need
A good or service is provided to me in a way that makes me happy

Ask the students: “So what does this story have to do with economics? Let’s look at the story in a different way.” Write these terms on the whiteboard: market, producer, consumer, good, service. Ask the students “What economic activities occur in the story?” (Mr. Kodinski has a shop where he makes and sells hats. Mr. Kodinski is a producer of hats. Define producer as someone who provides a good or service. Define good as something offered for sale that can be touched/handled like Mr. Kodinski’s hats. Define service as an activity someone does for someone else.) Mr. Kodinski’s customers, the townspeople who buy the hats, are consumers. They pay money to Mr. Kodinsky in exchange for the hats Mr. Kodinski makes. Because there is an exchange of goods for money, we say Mr. Kodinski is in the market of selling hats. Define market as the exchange of a good or service for money. The children want to buy an Easter hat for Miss Eula. They need more money. They offer a cleaning/odd job service to Mr. Kodinski for the amount of money they need. Refer back to the market transparency (Transparency #1) and the definition of service. Explain that the children, wanting to act as producers of a cleaning service, offer their business to Mr. Kodinski in exchange for payment. Mr. Kodinski, acting as the consumer, tells the children he has no need for their cleaning service. For Mr. Kodinski, a cleaning service does not satisfy a want or a need. Refer to the market transparency (Transparency #1) pointing out the “floor” of the market. Ask the students “What happens when a product does not satisfy a want or need?” (No one buys it.) Explain that there was no exchange between producer (the children) and consumer (Mr. Kodinski) in this situation and therefore, no market. However, Mr. Kodinski offers an idea to the children. He sees another market where the children could earn the money they needed. He knew that there were people willing and able to pay for the beautifully decorated eggs. Ask the children “How do you think Mr. Kodinski was able to see that there was a market for the eggs?” (Mr. Kodinski knows that the Christian holiday Easter is coming up and that many people in his town like to buy pretty things to wear and to decorate their houses with. He thought his customers would like the eggs as much as he did.) What did the children decide to do? They accepted the
8. Tell the students “As we have learned, in every market there is a producer, a consumer, and a product in the form of a good or a service. Let’s review what we have learned in the story.” Display the Market Mystery transparency (Transparency #2) as seen below and fill in the blanks together.

**Market Mystery**

**Product- Hats-- good or service (circle one)**

**Producer- Mr. Kodinski**

**Consumer- the townspeople**

**Is there a market here? Yes. There was an exchange of money for hats between consumer and producer.**

**Product-Decorated eggs-- good or service (circle one)**

**Producer-the children**

**Consumer-townspeople wanting pretty things for Easter**

**Is there a market here? Yes. There was an exchange of money for eggs between consumer and producer.**

**Product- Labor cleaning the shop-- good or service (circle one)**

**Producer- the children**

**Consumer- No one because Mr. Kodinski said there was no work**

**Is there a market here? No because this service did not satisfy Mr. Kodinski’s wants or needs and no exchange occurred.**

9. Tell the students that markets do not create themselves. Ask the students “What was necessary in order for each of these markets to be created?” Tell the students that they each needed someone to gather and pay for the resources necessary to create the product, organize how the product was made, find a way to connect their product with the people who will buy it, and to take the risk that their product may not sell. Both of these markets had an entrepreneur that did all of these things. Write these terms on the whiteboard: entrepreneur, economic value, resources, production, profit,
loss, risk vs. reward and display the Entrepreneur Transparency (Transparency #3) below:

**What does it mean to be an Entrepreneur?**

A. He or she finds and buys resources: things necessary to make the product. These include human (the people who provide their labor), natural (things used that come directly from nature), and capital (tools and machines used over and over to make the product.)

B. She or he organizes production of the product or service: oversees how the product is made or the service is performed.

C. He or she discovers a Market Opportunity and takes a Market Action. She or he identifies that their product has economic value: that other people would choose to pay a price to get it. They use this opportunity to bring their product to the people who are willing and able to pay to get it.

D. She or he analyzes risk vs. reward. She or he brings their product to the marketplace for sale and expects a reward in the form of profit: money left over after the entrepreneur has paid all expenses of producing the product. She or he takes the risk that they will incur a loss: that there will not be enough in sales of their product to pay for the expenses (time, effort, and money) invested in the business.

10. Draw a diamond on the whiteboard and label the points: A. Resources Decisions, B. Production Decisions, C. Market Opportunity Decisions, and D. Profit of Loss. Point D should be placed on the top of the diagram. Refer back to Points A, B, C, and D on the Entrepreneur transparency (Transparency #3). Tell the students to think about baseball. Ask them "What is one goal of an entrepreneur?" (To earn money/profit.) Read Point D on the transparency. Tell the students "Let's call Point D "Home Base", Profit a "run", and Loss as an "out." Tell the students "To get to home base with a run, we need to get through 1st, 2nd, and 3rd bases". Tell the students that an entrepreneur needs to make sure that he or she has addressed each point in the diamond (covered all the bases) to ensure the success of the business. Read through Points A, B, and C on the transparency. If the entrepreneur has failed to adequately address any of these points, he or she is not ensured continued success.

11. Ask the students "In our story, who was an entrepreneur in the hat market? (Mr. Kodinski). Who were the entrepreneurs in the Ukrainian egg market? (Both Mr. Kodinski and the children). Why both? (The children [mainly Patricia] had the original idea to make the eggs, knew how to gather the resources necessary to decorate the eggs, and knew how to use the
resources to create the beautiful patterns on the eggs.) **What aspects of entrepreneurship did Patricia exhibit here?** (Points A and B.) On pages 11 and 12 we see the children gathered trying to think of a way to change Mr. Kodinski’s opinion about them. Patricia realizes that they can take what was used to vandalize Mr. Kodinski’s shop and change it into something beautiful to offer to Mr. Kodinski. Patricia saw a new way of using the eggs. She saw an opportunity for herself, Stewart, and Winston. At this point in the story Patricia and the boys did not consider that their decorated eggs had economic value— that people would be willing to buy them. Their purpose was to show Mr. Kodinski that they were “good children.” It was Mr. Kodinski who recognized the opportunity for the children to sell the eggs to earn the money they needed. He pointed out to the children that their eggs had an economic value. Refer back to the Entrepreneur transparency (Transparency #3). **What aspects of entrepreneurship do we see here?** (Point C.) Refer to **Point C. Market Opportunity and Market Action Decisions** on the diamond diagram. Ask the students “**Did the children hit a home run? Did they earn enough money to be able to buy the hat?**” (Yes, with the help of Mr. Kodinski’s insight about the market.)

12. Tell the students **“Let’s explore what being an entrepreneur meant for Mr. Kodinski.”** Display pgs 17 and 18. If desired, this picture can be seen on Transparencies #4 and #5. Ask the students “**What did we learn earlier about Mr. Kodinski when we were looking at this page through the cultural lens?**” (They learned about his Jewish heritage and the possibility that he has suffered because of his belief.) Discuss the fact that although Mr. Kodinski was Jewish and likely did not celebrate Easter himself, he saw opportunities for himself in the hat market as people of the Christian heritage enjoyed buying pretty things like Easter bonnets to help celebrate the Easter holiday. Discuss that it was this way of thinking that helped him see the opportunity for the children to sell the beautiful eggs. Refer back to the Entrepreneur transparency (Transparency #3). Ask the students **“What aspect of being an entrepreneur does this show?”** (Point C.) Refer to **Point C. Market Opportunity and Market Action Decisions** on the diamond diagram. Explain that in addition to the decisions the entrepreneur makes regarding Points A, B, and C on our diamond, the entrepreneur is an innovator: he or she is able to see a new way of doing things or new opportunities not considered before. Ask the students **“Were there other innovators in our story?”** (Yes, Patricia was an innovator when she thought of the way to change the eggs from being a tool of destruction into something beautiful.)

13. Tell the students to look at the picture on pgs 17 and 18 (or transparencies #4 and #5). Explain that before Mr. Kodinski can sell his hats, he needs to find and pay for the things necessary to make them and to bring the hats to
the marketplace. These include the materials he makes his hats with as well as the tools/machines used in hat production. Ask the students “From the picture, what resources does Mr. Kodinski use when making the hats?” (felt, ribbon, fabric, wire, pins, hat form iron, flat iron, sewing machine, scissors, thread, furniture to work on, etc.) Remind the students (if these were not identified in the discussion) that it also includes the shop itself and the land the shop sits upon as well as his labor to put the hats together. Refer back to the Entrepreneur transparency (Transparency #3). Ask the students “What aspect of being an entrepreneur does this show?” (Point A.) Refer to Point A. Resource Decisions on the diamond diagram. Explain to the students that we call these things “productive resources” and Mr. Kodinski must pay for all of these costs.

14. Display the blank version of the Production transparency (Transparency #6) below and fill in the categories as they are discussed in the lesson:

**HAT PRODUCTION**

<table>
<thead>
<tr>
<th>Entrepreneurial:</th>
<th>Human:</th>
<th>Natural:</th>
<th>Capital:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. K</td>
<td>Mr. K</td>
<td>Land the shop sits on</td>
<td>Form and flat iron</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dried flowers</td>
<td>Sewing Machine</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Scissors, pins</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Furniture to work on</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shop building</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Intermediate Good:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Felt, fabric</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ribbon, wire</td>
<td></td>
</tr>
</tbody>
</table>

**Output = Hats**

Explain that there are **4 main categories** of productive resources: **Human**: the labor that is needed to assemble the hats (Mr. Kodinski), **Natural**: things that come directly from nature (the land his shop sits on, the dried flowers he decorates his hats with), **Capital**: goods made by other people that are used over and over when making the hats (hat form iron, flat iron, sewing machine, scissors, pins, furniture to work on, the building that serves as his shop) Tell the students “We have identified a few more resources used in making the hats that we haven’t categorized yet. What are they?” (felt, ribbon, thread, fabric, and wire). Explain that we categorize these as a special kind of capital resource.
called an "Intermediate Good". Explain that rather than being used over and over, these materials become a part of the finished product. In this case, they become part of the hat. Point out that the output in the form of hats could not occur without the use of the productive inputs listed above.

15. Explain to the students that Mr. Kodinski has organized the production of the hats. He has gathered all of the productive resources outlined above and assembled the hats. In this case, he does all the work himself in making the hats. Remind students that long ago, people relied on local craftspeople to make items that they were not able to make themselves. These items were created by a single person and usually one at a time. This is called unit production. This is likely the way in which Mr. Kodinski made the hats. Refer back to the Entrepreneur transparency (Transparency #3). Ask the students "What aspect of entrepreneurship does this show?" (Point B.) Refer to Point B. Production Decisions on the diamond diagram.

16. Remind the students again that all of these resources have a cost which Mr. Kodinski must pay. Point out that Mr. Kodinski has made the beautiful hats and needs to sell these hats for a price that will pay for these resources as well as extra money that he counts as his income. Refer back to the Entrepreneur transparency (Transparency #3). Ask the students "What do we call the money an entrepreneur has left over after all of the expenses have been paid?" (Profit). Mr. Kodinski has taken on the risk of producing the hats in the hope that he will have the reward of profit from their sale. Ask the students "What risks is he taking if he is not able to sell his hats?" (He either risks that the money he invested in resources like fabric and machines would be wasted or he risks that he wouldn't be able to pay for the resources he had already used if he had planned to use the money from the sale of the hats.) Explain that if this happens, we call this a loss.) Refer back to the Entrepreneur transparency (Transparency #3). Ask the students "What aspect of entrepreneurship does this show?" (Point D.) Refer to Point D. Profit or Loss on the diamond diagram.

Activity/Assessment

1. Tell the students that the story gives us a good example about how markets are identified and profits are made. Refer back to the Market Transparency (Transparency #1). Remind the students of the three components of a market: a producer, a product in the form of a good or a service, and a satisfied consumer. Give each student a slip of paper called a "Demand Note" (cut from Student Sheet #1) and tell the students that it indicates one aspect of their pretend personal consumer preference. Remind the students that a consumer is someone who buys goods and services. Tell the students that they all will be consumers in this activity. Quietly take note of the number on each demand note as they are distributed. Students are told
to keep track of these demand notes as they will be needed later in the lesson. Draw students' attention to the small print at the bottom of the note and discuss its meaning: “I Demand Satisfaction!” Write the word “Satisfy” on the whiteboard. Ask the students, **“What does it mean to be a satisfied consumer?”** Refer back to the Market Transparency (Transparency #1). (That the good or service I purchase provides what I want or need in a way that makes me happy.)

2. Explain that they will each play the part of an **entrepreneur** in this next activity. Distribute a statement card to each student (These will be cut from Student Sheets 2-1 through 2-5). It is important that you make sure that the number on the statement card does not match the number on the Demand Note given in the previous step. Students will be both consumer and producer in this activity and it is important that these categories do not overlap. Students should not be aware you are looking at the numbers. Tell the students that the statement cards indicate a skill or expertise they each will bring to the business they want to open. Refer back to the Entrepreneur Transparency (Transparency #3). Remind students of the three “bases” the entrepreneur must cover to be able to earn a profit: **(A.)** Resource Decisions, **(B.)** Production Decisions, and the ability to seek a Market Opportunity. **(C.)** Direct students’ attention to the bottom of their statement cards where the letters A, B, and C are shown. Ask students to circle the letter that correctly identifies the aspect of entrepreneurship their statement card indicates.

3. Direct students’ attention to the stations set up around the room. Tell the students that these stations together represent our Main Street and that each station represents a place of business still under construction. Explain that the students will each play the part of the entrepreneur starting a new business and working to get it to “turn a profit.” Display the drawing of the gear tower (Teacher Sheet #1) and post it in a central location. Tell the students that they will work with partners to construct a gear tower like the one displayed in the drawing. Explain that their task is to follow the directions at the stations to construct a gear tower using only the materials at the station or given by the teacher. Tell the students that they will need to show that their business has “turned a profit” by demonstrating that the two gears can turn in unison. Go to one of the stations and identify the materials the students will use: the tower template to make the building, the gear template to make the gears, and the “construction supplies” (cereal boxes, pencil, markers/crayons, scissors, ruler, glue stick, etc.) Explain that the gear tower represents their place of business and the gears represent what they, as entrepreneurs, have done to create a profitable business. Remind the students that when both gears turn together/in unison, they will have demonstrated that their business has “turned a profit.”
4. Tell the students that they need to find 2 partners to open their business with. They will see that at the top of their statement card is a partial word. Tell the students that this is part of the name of their future company. They are told to find their business partners by comparing their own card with the ones held by their classmates to find the missing letters of their company name. When students join their statement card with both of their partners, the name of their company will be revealed. Tell the students that when they have found their partners and combined their strengths and expertise, they will have formed their company.

5. After all students have been matched with their partners, they will go to one of the stations. There they will identify what their product is and give it a name. They will record this information on the Business Plan Sheet (Student Sheet #4). Tell the students they will design and construct their business sign and business cards. Tell the students that their business card represents the product or service they will sell and that they should include a picture of their product on the card. Ask the students, “What do customers give you when you offer your product for sale in the marketplace?” (money) Direct the students to incorporate these words on the sign and cards: “Your satisfaction is Our Guarantee!” Ask the students, “What do your customers expect when they pay money for your product?” (They expect satisfaction) Remind the students that it is important to have satisfied customers because without these, their business would close.

6. Tell the students to follow the instructions on the Gear Tower Assembly Sheet (Student Sheet #3) to construct the gear tower using only materials at the station or distributed by the teacher. Remind the students that the gear tower represents their place of business and the gears represent what the entrepreneur has done to ensure that their business is profitable. Remind the students that they will attach the gears to the tower and that they must show that their business is “turning a profit” when they demonstrate the gears turning together in unison. Tell students that they are to circle “Profit” or “Loss” on their Business Plan Sheet (Student Sheet #4) to indicate whether or not they were able to move their gears. Students may decorate their tower if time permits.

7. At some point in the construction process, students will see that there is a critical piece missing in their model (the brads.) The gear tower assembly instructions (Student Sheet #3) direct students to come to the “Help Desk” if they have any questions about how to assemble their towers. The “Help Desk” is simply a desk set up with Gear Tower Assistance sheets (Student Sheet #5) that explain how to obtain the missing piece. Through the puzzles on the Student Sheet #5, students are guided to realize that their statement cards refer only to resources and the production of their product. They now need to find the people who want or need the product they are selling.
When students complete the puzzles, they learn that they will need to obtain the missing pieces, the brads, by returning to the teacher with 3 “We Demand Satisfaction!” Demand Notes. Recall that these were given to students at the beginning of the simulation. The students will need to then go among their classmates again to gather the “demand notes” that indicate who wants or needs their product. Through the puzzles, students are directed to show their business card to the other students who will then look at their demand note to determine whether this business satisfies their wants and needs. If there is a match, the student gives them the demand note in exchange for the business card. Students had been told that their business cards represent the good or service they are producing. In the following Closure/Debriefing part of this lesson, students are helped to see that their demand note could represent the money they are exchanging for the satisfaction they demand from the good or service indicated on their note.

8. When students bring the 3 demand notes to the teacher, the teacher will give the students the 2 brads they need and the “Getting Yourself in Gear” instruction sheet. (Student Sheet #6). The teacher will ask the students if they want to add anything to their Business Plan Sheet to record what happened. (Each student will write their name under Point C. Market Opportunity.)

Closure

Explain that an entrepreneur needs to have a plan to address each aspect of bringing a product (good or service) to market. Discuss the following:


2. What are services? (An activity someone does for someone else) Which businesses sold services? (Read Write, Engine Experts, Relief Naturally)

3. What are the 3 elements in a market? (A producer, a product in the form of a good or a service, and a consumer with a want or need.)

4. In the story, why did we say there was no market for the cleaning service the children offered to Mr. Kodinski? (Because Mr. Kodinski didn’t want or need a cleaning service. This service did not satisfy Mr. Kodinski’s want or need.)

5. What bases were covered by each of you when you first formed your company? (Resource Decisions and Production Decisions.)
6. What did the gears represent in our lesson? (What the entrepreneur has done to help his or her company make a profit.)

7. What is “profit”? (It is the money left over after the entrepreneur has paid for all the resources that went into producing their product.)

8. What needed to happen to demonstrate that your business had turned a profit? (Both mounted gears needed to turn together/in unison.)

9. Could your gears turn in this way only with the resource and production expertise you each first brought to your business? (No. The gears could not move because they were not complete.)

10. What object was missing inside your gears? (The brads) What did you need to do to get the brads? (We needed to find our customers by seeking a market opportunity and taking market action. We went out on the Main Street to find the people who wanted or needed our good or service.) What did you do there? (We exchanged our business card for our customer’s Demand Note.)

11. What was the promise that you wrote on your business card? That your [the customer’s] satisfaction is our guarantee.

12. What happened when you showed your business card to someone who wanted something different than your business could provide? (We couldn’t exchange our business card for the Demand Note.) Why not? (Because our business didn’t satisfy their want or need.)

13. We had said earlier that the business card represented the good or service the business was offering. What might the Demand Note represent if it allowed you to get the brads and “turn a profit”? (It might represent money that the customer paid for the good or service.)

14. What was printed on the bottom of every Demand Note? (I Demand Satisfaction!) If the Demand Note represented the money the consumer paid for the product, what did the consumer expect in return for the price they paid for the product? (They expected that the product would give them satisfaction.)

15. Did your product have a specific price? (No) If you had set a price, what would it have to include for you to have made a profit? (It would have to include the cost of the resources that went into producing the product.)
16. What is a producer? (Someone who provides a good or service) Who were the producers on our Main Street? (We all were)

17. What is a consumer? (Someone who buys a good or service) Who were the consumers on our Main Street? (We all were)

18. Did the brads allow your gears to turn together and demonstrate that your business had turned a profit? (Yes) What did the brads represent in our lesson? (The Market Decisions and Actions an entrepreneur needs to make. These were missing when we first started constructing our tower.)
Assessment

Name:

Answer the questions below

1. What are three main decisions an entrepreneur needs to make? (Hint: What bases need to be covered?)

   (Resource Decisions, Production Decisions, and Market Opportunity Decisions.)

2. What do we mean when we refer to a market?

   (It is when a consumer exchanges money for a good or service from a producer to satisfy a want or need.)

3. Explain what happens when an entrepreneur does not find Market Opportunities for his or her product.

   (The product will not sell and a profit will not and a profit will not be made. The business will close.)

Match the definition with the word

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<thead>
<tr>
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<th>Service</th>
<th>Consumer</th>
<th>Good</th>
<th>Producer</th>
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<tbody>
<tr>
<td>1.</td>
<td><strong>Good</strong> Something offered for sale that can be touched or handle</td>
<td></td>
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<tr>
<td>2.</td>
<td><strong>Service</strong> An activity someone does for someone else</td>
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<tr>
<td>3.</td>
<td><strong>Producer</strong> Person who provides a good or service.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4.</td>
<td><strong>Consumer</strong> A person who buys a good or service.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td><strong>Market</strong> Refers to the exchange of money for a good or service.</td>
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My Reflection

Lori Urke

I taught this lesson in different ways to a 6th / 7th Grade class and an 8th Grade class. While the bulk of the lesson was the same in both groups (Markets and Entrepreneurs) I added a few different pieces to each lesson that maybe I should have left out. The above lesson plan is actually a stripped down version of what I had hoped to do. I think it is an improvement to what I had done previously.
1. Preventing reusable materials from going to the landfill is important to me. I want to buy products made from recycled materials.  
*I DEMAND SATISFACTION*

4. I can’t tell when my dog is sick. I would like to buy something to help me know when to bring him to the vet.  
*I DEMAND SATISFACTION*

6. I work in Search and Rescue. I want to buy something to help me access difficult to reach spots without restriction.  
*I DEMAND SATISFACTION*

2. I have chronic headaches but I don’t like taking pills. I want to pay someone who can provide a drug-free remedy.  
*I DEMAND SATISFACTION*

9. My town’s only grocery store has closed. I want to buy groceries close to home.  
*I DEMAND SATISFACTION*

7. I like to eat healthy foods. I want to buy a restaurant meal that is prepared with organic foods.  
*I DEMAND SATISFACTION*

3. I am spending too much money on gas for my car. I can’t afford to buy a new car. I want to pay someone who can help my engine use less gas.  
*I DEMAND SATISFACTION*

5. I am from Africa and miss the special foods I ate back home. I want to buy prepared African foods here.  
*I DEMAND SATISFACTION*

8. I am the parent of an elementary aged child that is having difficulty learning how to read. I want to pay someone to teach my child new reading strategies.  
*I DEMAND SATISFACTION*
Air Pack Inc.

- 5. I have invented a backpack that uses a new technology to carry a person 30 miles in 30 minutes using the sun and wind as fuel.

Read Write

- 8. I am a teacher. I have developed a new technique that uses a multi-sensory approach to teach beginning reading and writing to struggling students.

- 6. I own a factory and know how to assemble renewable fuel engines.

- 7. I know how to find materials used in the production of renewable fuel engines at a good price.

- 8. I am good at recruiting teachers interested in working with students who are struggling academically.

- 8. I own a school-age care center. I want to offer educational programming.
### Food Just Like Home

- 5. I have brought family recipes for delicious breads and soups with me from my native Africa and can prepare delicious meals.

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<th>C</th>
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- 5. I know how to locate the special spices and other ingredients used in African foods.

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- 5. I own a restaurant and want to serve new dishes to my customers.

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### Engine Experts

- 3. I assemble engines. I have discovered a way to increase the gas mileage in my car at least twice as much by making a series of adjustments to my engine.

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- 3. I know many auto mechanics that are interested in learning a way to help their customers save money on gas.

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- 3. I own an auto repair shop in a busy area of town.

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Relief Naturally

• 2. I have developed a method of massage that takes away chronic headaches. I am a massage therapist.

   A B C

• 2. I know health care professionals that are interested in helping people become pain-free without drugs.

   A B C

• 2. I know where to find equipment used in health and wellness businesses at a good price.

   A B C

Next Life Goods

• 1. I have developed a new technique to make new products from recycled plastic, glass, metal, and wood.

   A B C

• 1. I know how to gather large quantities of broken consumer products that would have ended up in a landfill.

   A B C

• 1. I have developed a new technique for quickly taking apart broken things.

   A B C
Whole Foods Café

- 7. I know how to make tasty food using unprocessed whole ingredients.
  A B C

- 7. I know where to find organic fruits and vegetables and organic meats at a good price.
  A B C

- 7. I operate a natural foods store and I want to open a restaurant.
  A B C

Healthy Pet Products

4. I can make a device that attaches to an animal and alerts caregivers if the animal is sick.
  A B C

4. I own a factory that makes medical products and want to expand my business to include products for use in animals.
  A B C

4. I am a veterinarian with experience in testing new treatments for animals.
  A B C
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<th></th>
<th>9. I am a high school senior interested in opening a grocery store.</th>
<th>9. I own an empty store on the Main Street of my town.</th>
<th>9. I know how to get fresh meat, produce, and other grocery items from suppliers to the store.</th>
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<td>A B C</td>
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Gear Tower Assembly Instructions

1. Take the flattened cereal box and lay it colored-side down. Take the **tower template** and lay it atop the flattened cereal box. This will be your tower.

2. Trace around the template with a pencil. Be careful to trace around the small divots accurately. Label the tabs as indicated on the template: A, B, C, D, E, F, G, H, and I. Set the tower template aside.

3. Take another flattened cereal box and lay it colored-side down. Take the **gear template**, lay it atop the box, and carefully trace around it. Place the gear template on another part of the box and trace a second gear.

4. Cut your trace lines carefully on both the tower and the two gears. Pay close attention to the spaces created by the small divots.

5. Take one of the gears and use your ruler to draw a straight line from the middle of one of the blades through the gear to the blade on the opposite side. Repeat this action two more times so that each blade is divided. Do the same thing with the second gear. All lines should intersect in the center of the gear. See the gear template for the location of each of the lines.

6. Take one of the gear pieces and carefully bend up the outside edge of each gear blade. Do the same thing with the second gear. Look at the dash lines on the gear template to see where you should make your folds.

7. Position your flattened tower so that Tab I is on the bottom. You will draw dash lines on your flattened tower to indicate where you will make your folds. See the template for the location of the fold lines. Using your ruler, draw dash lines down through Tabs A, B, C, and D. Then draw dash lines through Tabs E, F, G, and H.

8. Rotate your flattened tower ¼ turn so that Tabs E, F, G, and H are at the bottom. Draw dash lines through the length of Tab I from between the left edges of Tabs A and H. Similarly, draw dash lines down from the left of Tab B to the left of Tab G. Repeat this action two more times between Tabs C and F and between Tabs D and E. See the template for the location of the dash lines.

9. Place the end of your ruler on the left edge of Tab A and **measure** 2 inches along the dash line. Use your pencil to hold your place as you rotate your ruler and measure 3 inches down. **Mark this spot with a dot.** Next, measure just slightly less than 2 inches to the right from the first dot and **mark this spot with a dot.** See the location of the dots on the tower template.

10. Place your ruler along the dash lines drawn through Tabs A, B, C, and D and fold the box over the ruler making a crease. In the same way, make a crease along the dash lines drawn through Tab I as well as through Tabs E, F, G, and H. Finally, use your ruler to fold the box making a crease along the dash lines between Tabs B and G, C and F, & D and E.
11. Fold along all creases creating a 4 sided box tower. Secure Tab I to the opposite side of the box with tape.
12. Take the two 4x6 index cards and tape them together. This will serve as the base for your tower. Position your tower on top of the index cards with Tabs E, F, G, and H bent open. Secure the tower to the base by taping Tabs E, F, G, and H to the cards.
13. Secure your gears to the tower at each of the dots you made in Step 10 above.

*Do you have construction questions? Visit the Help Desk for answers that may help!*
Business Plan Sheet

Company Name:

Product Name:

Partner Names:

We are selling a: good service (circle one)

Congratulations! You are well on your way to getting your business up and running! Look at your statement card and identify the expertise each of you brings to your business. Write your name below the category where your expertise belongs. If your expertise fits in more than one category, write your name in both. Be prepared to explain these decisions to your partners.

Are you able to turn your gears together?
If yes, you have made a Profit. Congratulations! Circle “Profit.”
If no, you have made a Loss. Circle “Loss.” Is there a way that you can change your Loss into a Profit? Visit the Help Desk for some answers.

Profit or Loss

C. Market Opportunity/Action


A. Resource Decisions


B. Production Decisions


Gear Tower Assistance

Are you having difficulty moving your gears? Look at your Business Plan. Have you covered all the bases? Is there a critical piece missing? If so, what might it be? The answer is as close as your finger tips! Match the scrambled term with the definition below for a clue.

1. Something offered for sale that can be touched or handled. ____________________________
2. The study of the decisions people make about how to use scarce resources.

3. A person who buys a good or service. _____________________________________________
4. Refers tthe exchange of money for a good or service. ________________________________
5. What is happening when resources are used to make goods and services.

6. An activity someone does for someone else. _________________________________________
7. Term describing the things we use to produce a good or service. _______________________ 
8. Person who provides a good or service. _____________________________________________
9. When a good or service provides what I want in a way that makes me happy.

10. Money left over after the entrepreneur has paid all the expenses of producing a product._____________________________________________________________

11. Write the circled letters from the puzzle above and unscramble to reveal a clue that may help you get your gears moving! Two letters have already been done for you!

   M ___________ ___________ ___________ Y

Solve the puzzle below to learn what you need to do to get your gears moving!

T___ find you____ _______ _______ oppor_uni_y, g__ a__ ong you__ cl__ ss_______ s __o find you__ cus__ o____ s. __s__ __h__ ___ o loo__ __ _h__i_ D______nd
No____ __o s___ wh__h___ you__ busin__ ss c__n h__lp s___ isfy h______ w__n__ s o__ n____ds. Wh___ you f___d __ __ch, __xch__ng__ you__ busin__ ss c____ d f___ _h__i_ D____ and
No___. B___ g 3 no___s to you__ __ ch__ __o __xch__ng_ fo_ ___h_ pi__ c__ s you n____d.
Gear Tower Assistance—Answer Key

Are you having difficulty moving your gears? Look at your Business Plan. Have you covered all the bases? Is there a critical piece missing? If so, what might it be? The answer is as close as your finger tips! Match the scrambled term with the definition below for a clue.

R T A M E K  O G D O  M O C N O C S I E  C U R O R S E E
U C R O P D E R  M U C R O N S E  F I Y A T S S  C I R P U N D O O T
T R O F P I  C R I V S E E

1. Something offered for sale that can be touched or handled. __________ Good
2. The study of the decisions people make about how to use scarce resources. __________ Economics
3. A person who buys a good or service. __________ Consumer
4. Refers to the exchange of money for a good or service. __________ Market
5. What is happening when resources are used to make goods and services. __________ Production
6. An activity someone does for someone else. __________ Service
7. Term describing the things we use to produce a good or service. __________ Resource
8. Person who provides a good or service. __________ Producer
9. When a good or service provides what I want in a way that makes me happy. __________ Satisfy
10. Money left over after the entrepreneur has paid all the expenses of producing a product. __________ Profit
11. Write the circled letters from the puzzle above and unscramble to reveal a clue that may help you get your gears moving! Two letters have already been done for you!

M A R K E T  O P P O R T U N I T Y

Solve the puzzle below to learn what you need to do to get your gears moving!

To find your market opportunity, go among your classmates to find your customers. Ask them to look at their Demand Note to see whether your business can help satisfy their wants or needs. When you find a match, exchange your business card for their Demand Note. Bring 3 notes to your teacher to exchange for the pieces you need.

The missing letters are M, A, R, K, E, and T.
Getting Yourself in Gear!

Attach these brads to your tower by following these directions:

1. Poke a small hole in the center of each gear.
2. Poke a small hole at each of the two dots you made on the tower.
3. Slide one of the brads through the hole in the gear and then through the tower. Secure the brad on the inside of the tower. Repeat this action for the second gear.
4. Use your finger to push one of the gears and watch the other gear turn at the same time.

Congratulations! You have turned a profit! Circle “Profit” on your Business Plan Sheet.
Assessment

Name:

Answer the questions below

1. What are three main decisions an entrepreneur needs to make? (Hint: What bases need to be covered?)

2. What do we mean when we refer to a market?

3. Explain what happens when an entrepreneur does not find Market Opportunities for his or her product.

Match the definition with the term

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Something offered for sale that can be touched or handle

An activity someone does for someone else

Person who provides a good or service.

A person who buys a good or service.

Refers to the exchange of money for a good or service.
Market

Producer <<<<arrows indicating exchange >>>> Consumer

Good Service

Why? To Satisfy a Want or Need
Market Mystery

Product- Hats-- good or service (circle one)
Producer- ______________________
Consumer- ______________________
Is there a market here?

Product- Decorated eggs-- good or service (circle one)
Producer- ______________________
Consumer- ______________________
Is there a market here?

Product- Labor cleaning the shop--good or service (circle one)
Producer- ______________________
Consumer- ______________________
Is there a market here?
What does it mean to be an Entrepreneur?

A. He or she finds and buys resources: things necessary to make the product. These include human (the people who provide their labor), natural (things used that come directly from nature), and capital (tools and machines used over and over to make the product).

B. She or he organizes production of the product or service: oversees how the product is made or the service is performed.

C. He or she discovers a Market Opportunity and takes a Market Action. She or he identifies that their product has economic value: that other people would choose to pay a price to get it. They use this opportunity to bring their product to the people who are willing and able to pay to get it.

D. She or he analyzes risk vs. reward. She or he brings their product to the marketplace for sale and expects a reward in the form of profit: money left over after the entrepreneur has paid all expenses of producing the product. She or he takes the risk that they will incur a loss: that there will not be enough in sales of their product to pay for the expenses (time, effort, and money) invested in the business.
told him about ours.

When we finally got the courage to ask about doing odd jobs to earn some extra money, he apologized and told us that there was no work. We didn't tell him what we wanted the money for. It didn't seem the right thing to do. Our hearts sank.

"I tell you this," he said thoughtfully. "These eggs are as beautiful as my hats."

Stewart, Winnie, and I looked at each other.

"It is almost Easter," he went on to say. "I'm sure that people would love these eggs. Set up a table and sell them right there in my shop!"
HAT PRODUCTION

Inputs = Resources

Entrepreneurial: Human: Natural: Capital:

Intermediate Good:

Output = Hats