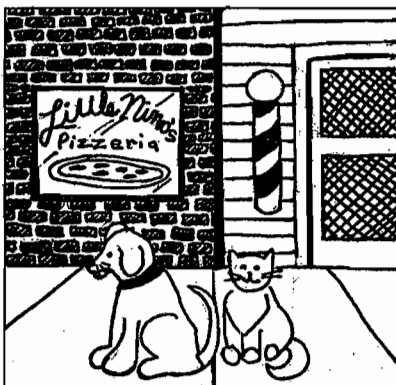




The activities in this packet were written by Paulette Howell, Auburn Career Center

The packet was illustrated by Annie King, Hi-Point Career Development Program



For additional activities, visit our website at www.ohiociad.com.

Issue 1 2007-2008 Elementary

Entrepreneurship

Featuring Ohio's Academic Content Standards:

Saving for a Barbershop: *Social Studies:* People in Societies, Grades K-2 A

Economics, Grades K-2 A, Grades 3-5 A, B

Social Studies Skills and Methods, Grades 3-5 D

Citizenship Rights and Responsibilities, Grades K-2 B

Language Arts: Concepts of Print, Comprehension Strategies and

Self-Monitoring Strategies, Grades K-2 C, E; Grades 4-7 B, C

Literary Text, Grades K-3 B

Writing Applications, Grades K-2 B; Grades 3-4 B

Uncle Jed's Budget: *Mathematics:* Numbers, Number Sense and Operations Grades 3-4 I, K-M

Social Studies: Economics, Grades K-2 A, Grades 3-5 A, B

Uncle Jed's Savings: *Mathematics:* Numbers, Number Sense and Operations, Grades 3-4 I, K-M; Grades 5-7 I

Patterns, Functions and Algebra, Grades 3-4 C-E; Grades 5-7 C, J, L

Little Nino's Pizzeria:

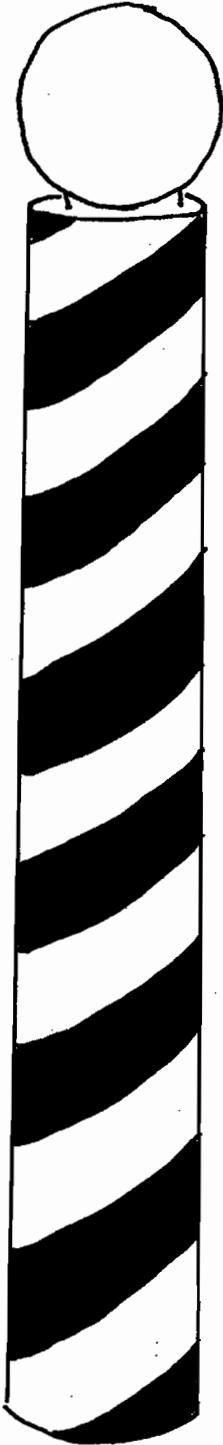
Social Studies: Economics, Grades K-2 B, C

Saving for a Barbershop

Based on the book Uncle Jed's Barbershop

By Margaree King Mitchell

Illustrated by James Ransome



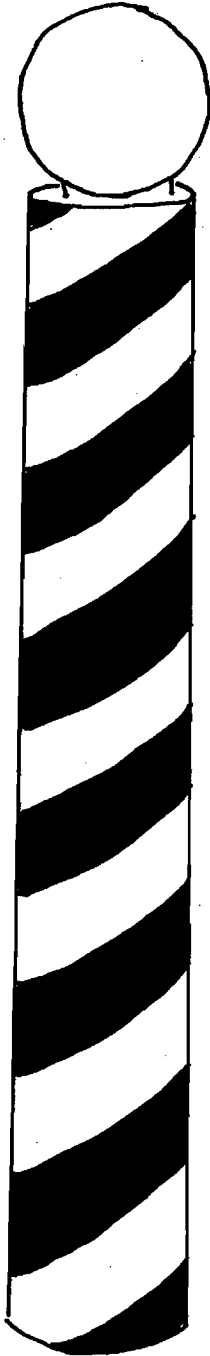
Great-uncle Jedediah Johnson was a very special uncle with a goal. Uncle Jed's goal was to one day open up his own barbershop. After many years of saving he is confronted with a major decision. He must decide whether to use his money to pay for an operation his niece needs or to hold onto the money so he can reach his goal.

All decisions have choices, *costs* (the loss one has to take when making a choice), *benefits* (the gain one receives when making a specific choice), and an *opportunity cost* (the highest valued alternative we give up when we choose something else). Complete Uncle Jed's decision-making grid to help him make his decision.

State Uncle Jed's problem:

Uncle Jed's Decision Making Barbershop				
Choice		Uncle Jed's Opportunity Cost:	Choice	
Costs	Benefits		Costs	Benefits

Uncle Jed should choose to:



What can you save for?

Think of two things that you would like to purchase. You know if you save your money you might be able to purchase just one of the items in the next month. Working through Uncle Jed's Decision-Making Barbershop decide which item you would choose to purchase.

State Uncle Jed's problem:

Uncle Jed's Decision Making Barbershop

Choice	Uncle Jed's Opportunity Cost:	Choice								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center; padding: 5px;">Costs</td> <td style="width: 50%; text-align: center; padding: 5px;">Benefits</td> </tr> <tr> <td style="height: 40px;"></td> <td style="height: 40px;"></td> </tr> </table>	Costs	Benefits				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center; padding: 5px;">Costs</td> <td style="width: 50%; text-align: center; padding: 5px;">Benefits</td> </tr> <tr> <td style="height: 40px;"></td> <td style="height: 40px;"></td> </tr> </table>	Costs	Benefits		
Costs	Benefits									
Costs	Benefits									

Uncle Jed should choose to:

Ohio's Academic Content Standards

Social Studies: People in Societies, Grades K-2 A
 Economics, Grades K-2 A, Grades 3-5 A, B
 Social Studies Skills and Methods, Grades 3-5 D
 Citizenship Rights and Responsibilities, Grades K-2 B
Language Arts: Concepts of Print, Comprehension Strategies and
 Self-Monitoring Strategies, Grades K-2 C, E; Grades 4-7 B, C
 Literary Text, Grades K-3 B
 Writing Applications, Grades K-2 B; Grades 3-4 B

Economics
 Goal Setting and Decision Making
 Career Information



In small groups, determine which items are a one-time cost (mirrors), and which are on-going (utilities—lights, power, etc.). Place a check mark next to the ones that are one-time costs, and a star next to those that are on-going. Figure out how many customers Jed will need to have to break even on his investment—pay all bills without owing any money. Each haircut will cost \$12.

How many customers will he need if he wants to make a profit of \$1000 per month?

Talk about other possibilities to making more money quicker. What are the costs, benefits, and opportunity costs of those choices?



Ohio's Academic Content Standards

Mathematics: Numbers, Number Sense and Operations Grades 3-4 I, K-M

Social Studies: Economics, Grades K-2 A, Grades 3-5 A, B

Economics
Career Information
Vocational Awareness

Uncle Jed's Savings

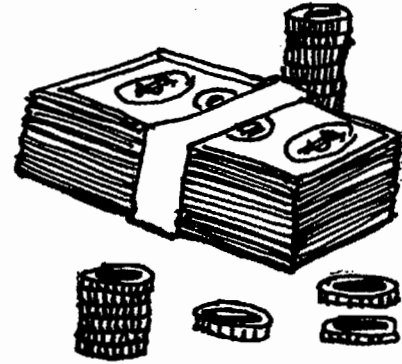
Based on the book *Uncle Jed's Barbershop*

By Margaree King Mitchell



Uncle Jed saved his money to buy land, build a barbershop and equip it with all the necessities to operate the shop. He placed his money in a bank and over the years he watched his money grow. Uncle Jed pulled his money to help pay for his niece's operation. He was able to save \$3000 when, unfortunately, during the Great Depression Uncle Jed lost all his money. He needed to start saving all over again.

When you deposit money into a savings account at a bank, the bank pays you interest on that money. The interest at Uncle Jed's bank is called simple interest. Simple interest is paid only on the principal (the amount of money on which the interest is paid). The rate of interest is a percentage paid on the principal and usually given on a monthly or annual rate.



The formula to figure out the amount of interest earned is:

$$\text{Interest} = \text{principal} \times \text{rate} \times \text{time}$$

Using the following information from each bank to calculate the amount of money Uncle Jed would have at the end of ten years. Please show your work on these pages or on a separate piece of paper.



Bank 1: Uncle Jed has deposited \$1200 in the bank. The bank offers simple interest at a rate of 3%. After ten years how much money will Uncle Jed have?

Bank 2: Uncle Jed has deposited \$955 in the bank. The bank offers simple interest at a rate of 4%. After ten years how much money will Uncle Jed have?



BANK TWO



BANK THREE

Bank 3: Uncle Jed has deposited \$1025 in the bank. The bank offers simple interest at a rate of 3.25%. After ten years how much money will Uncle Jed have?

At which bank should Uncle Jed place his money?

Challenge: Figure out the amount of money Uncle Jed would earn if the bank offered compound interest. Compound interest is paid on both the principal and on the interest already earned on that principal. For example: A deposit of \$100 is made into Uncle Jed's savings account. The bank pays 2% interest compounded annually. To figure out how much Uncle Jed would have after two years follow the steps below.

Interest for 1st year = principal X rate X time
 = \$1000 X 2% per year X 1 year
 = \$20

Amount at the end of 1st year = principal + interest earned
 = \$1000 + \$20

New principal = \$1020

Interest for 2nd year = new principal X rate X time
 = \$1020 X 2% per year X 1 year
 = \$20.40

Amount at the end of 2nd year = new principal + interest earned
 = \$1020 + \$20.40

New Principal = \$1040.40



Bank 4: Uncle Jed has deposited \$10 in the bank. The bank offers compound interest at a rate of 2%. After ten years how much money will Uncle Jed have?

Bank 5: Uncle Jed has deposited \$750 in the bank. The bank offers compound interest at a rate of 1.75%. After ten years how much money will Uncle Jed have?



From all bank possibilities (1-5) where would Uncle Jed earn the most money?

Extension Activity: Invite a local banker or investment representative to talk with your class about savings programs and options available to them right now. How does this worker make decisions about money?

Ohio's Academic Content Standards

Mathematics: Numbers, Number Sense and Operations, Grades 3-4 I, K-M;
Grades 5-7 I
Patterns, Functions and Algebra, Grades 3-4 C-E; Grades 5-7 C, J, L

Economics
Career Information

Little Nino's Pizzeria

By Karen Barbour



Read the book "Little Nino's Pizzeria" by Karen Barbour.

In order for Nino to run his pizzeria and provide the pizza for customers he must purchase many goods. What are the goods that Nino needs to purchase?

What services does Tony provide Little Nino's Pizzeria?

Which service does Tony provide that you feel you are most qualified to do and why?

Which service does Tony provide that you feel would be the most difficult for you to do and why?

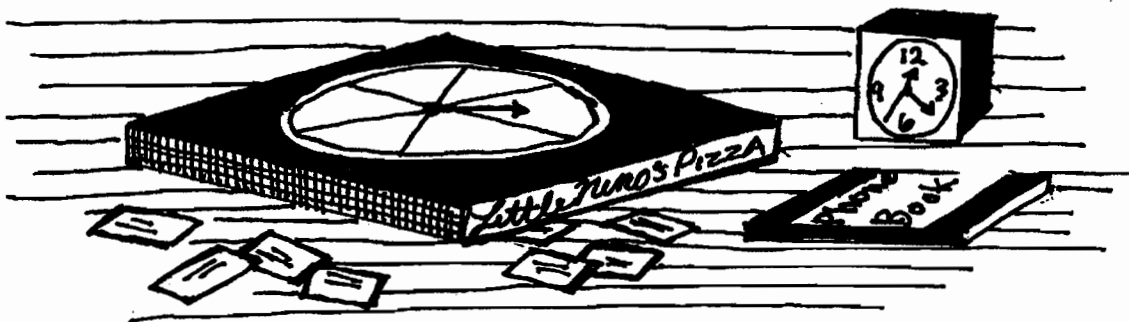
Explain why Nino decided to start Little Tony's. What were the costs and benefits of that decision?



Locate your community's resources that would help Nino run his pizzeria in your town by playing **Little Nino's Pizza Game**.

How to play:

- ⇒ Get into small groups. Players can play in teams of two or individually.
- ⇒ Each group is to have a Little Nino's Pizza Game, a phone book, and a clock with a second hand.
- ⇒ Each player chooses a pizza topping to represent himself/herself.
- ⇒ Choose who will play first and then proceed in a clockwise rotation.
- ⇒ The player spins. Where the spinner stops will indicate if the player will choose a goods or services card.
- ⇒ The player will read the card and have two minutes to answer. The player can use the phone book to locate an answer. Once an answer is given it may not be repeated.
- ⇒ If the player successfully answers he/she can place his/her pizza topping on the wedge of pizza. Note: place your topping on the crust portion of the pizza so the spinner does not hit it when spun.
- ⇒ If the spinner lands on a pizza wedge that is already "topped" he/she loses his/her turn.
- ⇒ The winner is the player with the most toppings on the pizza.



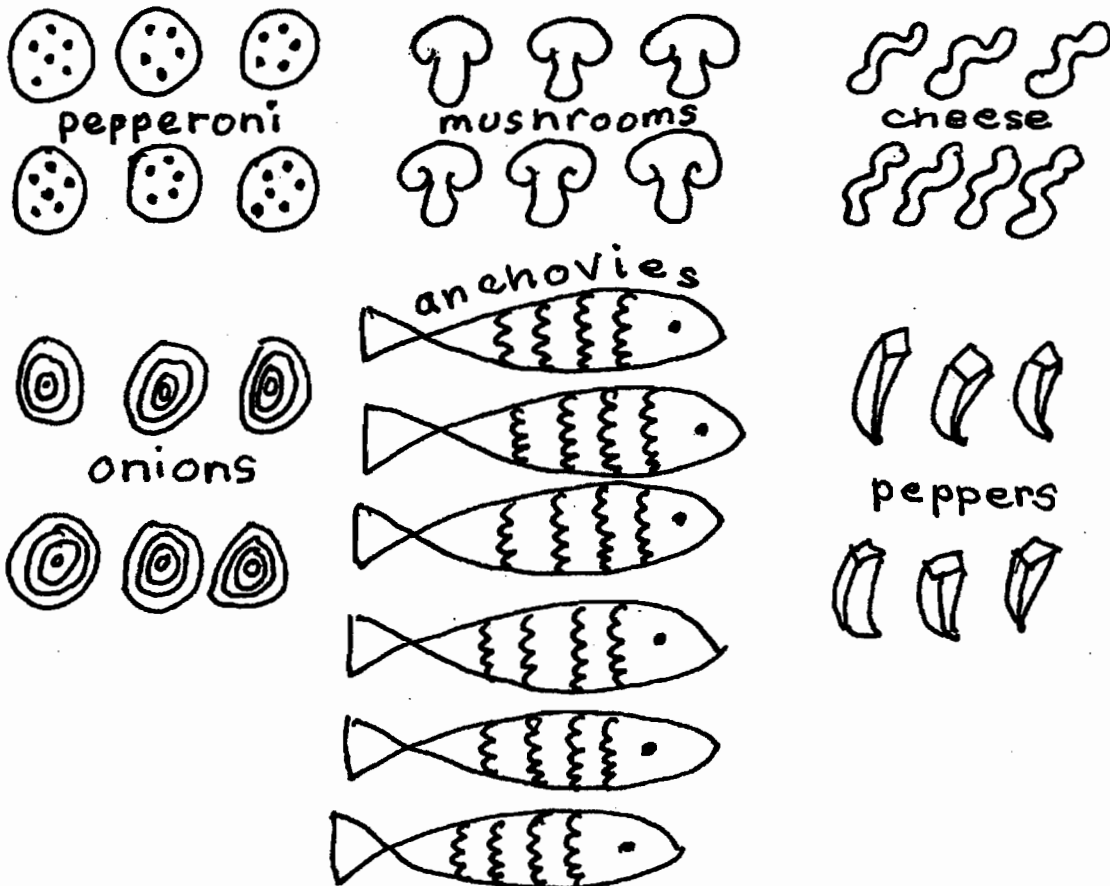
Little Nino's Pizza Game

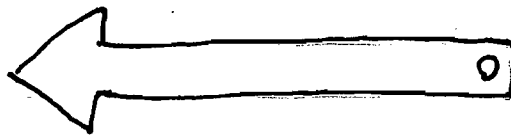
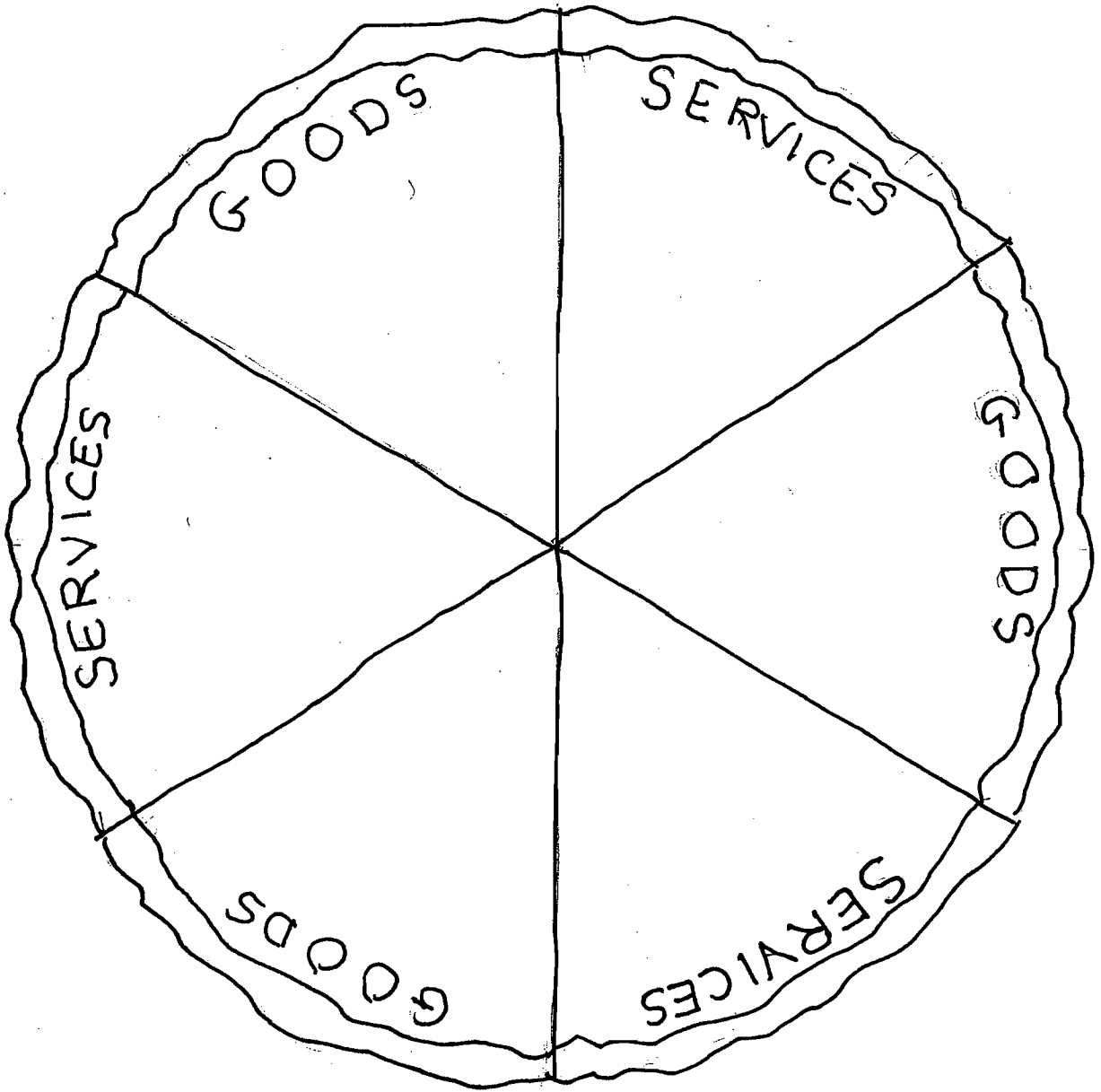
Teacher Page

To make each game you will need:

- ❖ An empty pizza box
- ❖ A paper brad
- ❖ A laminated pizza game board
- ❖ A laminated spinner
- ❖ A set of GOODS and SERVICES cards (lamination is optional). Note: Cards can be made from the list of goods and services the students suggested.
- ❖ A set of pizza toppings (lamination is optional)

Cut out the pizza game board and glue it to the top of the pizza box. Attach the paper brad through the spinner, the center of the pizza game board and the pizza box. Print out the GOODS and SERVICES cards on two different colors of paper. Cut out the GOODS and SERVICES cards and pizza toppings (lamination is optional). They can be stored inside the pizza box.





SERVICES CARDS

<p>Name a business that can provide Nino with the following service:</p> <p>Keeping Financial Records</p>	<p>Name a business that can provide Nino with the following service:</p> <p>A Newspaper Help Wanted Ad</p>
<p>Name a business that can provide Nino with the following service:</p> <p>Developing an Advertisement</p>	<p>Name a business that can provide Nino with the following service:</p> <p>A Cleaning Service</p>
<p>Name a business that can provide Nino with the following service:</p> <p>Providing an Employee</p>	<p>Name a business that can provide Nino with the following service:</p> <p>Repair An Appliance</p>

GOODS CARDS

<p>Name a business that can provide Nino with the following good:</p> <p>Cheese</p>	<p>Name a business that can provide Nino with the following good:</p> <p>Tomatoes</p>
<p>Name a business that can provide Nino with the following good:</p> <p>Dishes</p>	<p>Name a business that can provide Nino with the following good:</p> <p>Napkins</p>
<p>Name a business that can provide Nino with the following good:</p> <p>Tables</p>	<p>Name a business that can provide Nino with the following good:</p> <p>Flour</p>