

# The Lemonade Stand Empire: An Introduction to Economics

## Lesson Overview

**Subject:** Social Studies / Economics

**Grade Level:** 4th Grade (Ages 9-11)

**Duration:** 30 Minutes per day / 5 Days

**Context:** Designed for homeschool, classroom, or small group settings.

## Learning Objectives

- Identify the difference between **Needs** and **Wants**.
- Distinguish between **Goods** and **Services**.
- Explain how **Supply and Demand** affect prices.
- Apply entrepreneurial skills by creating a basic business plan and marketing materials.
- Define **Profit** and **Expenses** in a simple business model.

## Materials Needed

- Paper (construction paper and plain white)
- Markers, crayons, or colored pencils
- Scissors and glue
- Small household items (to act as "inventory")
- Play money or printed "lemon tokens"
- Optional: Real lemonade ingredients (lemons, sugar, water) for Day 5

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## Day 1: The Foundation - Needs vs. Wants

**The Hook:** Imagine you are moving to a brand new planet! You can only take 5 things with you. What do you pick? (Wait for student response). Now, what if I told you there is no air, water, or food there yet? Does that change your list?

### Instruction (I Do / We Do)

**Talking Point:** Economics is the study of how people make choices. Every choice starts with a *Need* (something you must have to survive, like water) or a *Want* (something that makes life fun, like a video game).

**Activity:** Draw a T-Chart on a piece of paper labeled "Needs" and "Wants." Together, look around the room and name 10 items. Decide which category they fall into and why.

## Practice (You Do)

**Activity: The Desert Island Collage.** Draw an island. Around it, draw or write 3 things you *need* to survive and 3 things you *want* to be happy. Label them clearly.

## Day 2: Goods, Services, and Producers

**The Hook:** Think about your favorite store. Do they sell things you can touch (like a toy) or things people do for you (like a haircut)?

### Instruction (I Do / We Do)

**Talking Point:** A **Good** is a physical object you can buy (a lemon). A **Service** is work someone does for you (squeezing the lemons). The person making or doing it is the **Producer**, and the person buying it is the **Consumer**.

**Activity:** "The Job Sort." I will say a job, and you tell me if they provide a Good or a Service: Baker (Good), Teacher (Service), Toy Maker (Good), Doctor (Service).

## Practice (You Do)

**Activity: The Service Coupon Book.** Since you are a Producer, create three "Service Coupons" you can give to a family member (e.g., "Good for one room cleaning" or "Good for one dog walk"). Design them to look professional!

## Day 3: The Magic of Supply and Demand

**The Hook:** If there was only one chocolate bar left in the whole world, and 100 people wanted it, would the price go up or down? What if there were a million chocolate bars and only 1 person wanted one?

### Instruction (I Do / We Do)

**Talking Point: Supply** is how much of something you have. **Demand** is how many people want it. When Supply is low and Demand is high, prices go up! When Supply is high and Demand is low, prices go down.

**Activity:** The Price Guessing Game. Imagine you are selling lemonade. What price would you charge on a snowy day? (Low demand). What about a 100-degree day at a soccer tournament? (High demand).

## Practice (You Do)

**Activity: Supply Chain Map.** Pick one "Good" in your house (like a pencil). On a piece of paper, draw the steps it took to get to you. (Tree -> Factory -> Truck -> Store -> You). This shows the **Resources** used!

## Day 4: Marketing and Your Business Plan

**The Hook:** Why do people buy Nike shoes instead of plain ones? It's the logo and the message! Today, you become the CEO of your own Lemonade Stand.

## Instruction (I Do / We Do)

**Talking Point:** To have a successful business, you need a **Plan**. You need to know your **Expenses** (what you spend on lemons/sugar) and your **Profit** (the money left over after you pay for your supplies).

**Activity:** Brainstorm a business name. It should be catchy! "Ann's Amazing Ade" or "The Lemon Squeeze." Let's think of a "Slogan"—a short sentence that tells people why your drink is the best.

## Practice (You Do)

**Activity: Poster Designer.** Create a large advertisement for your lemonade stand. It must include: The Name, The Price, The Slogan, and a colorful picture of the "Good" you are selling.

## Day 5: The Grand Opening (Simulation)

**The Hook:** It's Market Day! Time to see if your hard work pays off.

## Instruction (I Do)

**Talking Point:** Review the week. We've learned that businesses provide Goods or Services based on Needs and Wants. We know that Supply and Demand help us set prices.

## Practice (You Do / Application)

**Activity: The 30-Minute Market.** Set up a small "stand" (a table or desk).

- **Step 1:** List your "Inventory" (how many cups you have).
- **Step 2:** Set your price based on the "weather" (choose a scenario: "Heat Wave" or "Rainy Day").
- **Step 3:** Role-play with a family member or use stuffed animals as customers. Use play money to make sales.
- **Step 4:** Calculate: Total Money Collected - "Cost" of lemons (imaginary \$5) = Your Profit!

## Conclusion & Recap

Summarize the week: "Ann, you acted as a Producer today. You managed resources, dealt with supply and demand, and marketed your product. What was the hardest part of being a business owner?"

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## Assessment & Success Criteria

**Success Criteria:** The student can successfully categorize 5 items as goods/services and 5 items as needs/wants, and completes the Day 5 simulation with a calculated profit.

- **Formative:** Daily checks during the "We Do" sections of the lesson.
- **Summative:** The final Business Poster and the Day 5 Simulation worksheet/calculation.

## Differentiation

- **For Scaffolding:** Provide a pre-printed T-Chart for Day 1 and a "Fill-in-the-blank" business plan for Day 4.
- **For Extension:** On Day 5, introduce "Competition." What if another stand opens across the street with lower prices? How does the student react to keep their customers?