The Lemonade War

What is The Lemonade War?
Jessie Treski and her brother Evan have a pretty good relationship... usually. But when Evan finds out that Jessie will be skipping third grade and will share his fourth-grade classroom, he gets pretty angry. Jessie responds and their argument swells until they make a wager with high odds, all riding on who can sell the most lemonade in the last five days before school starts.

Jessie is awesome at figuring out her potential profit from a pitcher of lemonade, but she isn’t really good at reading people’s body language or interpreting what they say. Evan is much better at understanding people, and he uses this to his advantage. But Evan has a hard time planning the business side of things, and so he loses money because of poor financial planning. In the midst of Evan’s anger and Jessie’s bewilderment, they both have forgotten what a good team they make together.

What is Arkansas Reads One Book?
This is a program designed to create a shared reading experience throughout a district at the elementary level.

Every student in the district receives a book with a family resource guide. The goal in Arkansas is to create a culture of family financial literacy.

This Financial Literacy Family Guide was created by

in partnership with generous supporters and partners across the state of Arkansas.

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Thank you.

The Case for Financial Literacy

• According to a report from The Federal Reserve, nearly half of Americans can’t cover a $400 emergency expense without borrowing the money or selling something.
• 46% of Americans have less than $10,000 saved for retirement according to Employment Benefits Research Institute.
• According to CardHub, the average household credit card debt is now at its highest level since 2008.

Family Activities
• Create an ad for a lemonade stand. Use the strategies that Evan and Jessie used: value added, underselling, goodwill.
• Look at ads in the newspaper. What is an incentive that might encourage you to buy from a store?
• Brainstorm a list of places you might keep your money. Consider the costs and benefits and determine the best place for you to keep it safe.
• Visit a bank or bank website to learn about services a bank provides.
• Make a list of entrepreneurs in your city, our state and nationally. What risks did they take? Have they been successful?
• Try your hand at one of the lemonade stand games on the Economics Arkansas website below. They are fun!
• This book includes personal conflicts. Think about a time when you had a conflict. Discuss as a family and consider different outcomes that could have resulted.
• Give each family member an index card. Set up a weekly comment card to write something positive.
• Evan and Jessie win their local Rotary Club’s annual Labor Day contest by creating a display that details their entrepreneurial endeavors with lemonade. Research Rotary International to learn more about them.

Check out fun lemonade stand simulations, activities and resources at: www.economicsarkansas.org.
Chapter 1: Slump
- Even though Jessie and Evan are brother and sister, they seem very different. Do you think they are more alike or different? Why?
- Jessie suggested several options of things they could do together, but they all involved money. Based on what you read, how would you describe Jessie and Evan when it comes to money? Is money important to you? Why or why not?

Chapter 2: Breakup
- What did the letter from school say? How were Jessie’s and Evan’s reactions different?
- What does Scott’s “bankrolling us” mean? (p. 22) What are some ways people get money to start their own businesses?
- Besides start up money, what resources are necessary to start a lemonade stand business?

Chapter 3: Joint Venture
- On pages 28 and 29, Evan commented it was hot. He also realized foot traffic was important. What factors impact a successful lemonade stand business?
- What does it mean that Scott is going to “drink up all the profits”? (p. 30)
- What are Evan’s and Scott’s savings goals?
- Compare and contrast Evan’s and Jessie’s signs. Which would attract you to his/her stands? Why?

Chapter 4: Partnership
- Who is a better partner: Scott or Megan? Why do you think so?
- Jessie was very good with math. Evan was very good with communicating with customers. What special skills do you have?
- Jessie and Megan created quite a market place for their lemonade. A market is any place there is an exchange between buyer and seller. Identify both in this chapter.
- Evan and Jessie have the same thoughts about fairness to the customer. Is that important to you when you buy a good or service? Why?

Chapter 5: Competition
- What special skills, such as making change, are important to operating a lemonade stand?
- Who benefits from competition: the producer, the consumer, or both? How do you know?
- Evan didn’t want to tell Jessie that, after paying back his mother for the resources he had borrowed, he only ended up with $2.11. In essence, he had received a loan from his mom. Why would someone loan you money or resources to start a business?
- Evan called Jessie the biggest miser on this planet. What are the benefits and costs of saving?
- Jessie said she was going to donate part of the profit she earned. What are things you do with your money?

Chapter 6: Underselling
- Jessie introduces a new business term to Megan: value added. How would you explain this to a friend? Why did the value added benefits not increase their sales?
- Scott and Evan used another strategy to attract consumers. What was it? Was it successful?
- Why do businesses advertise?

Chapter 7: Location, Location, Location
- Why do you think Evan checked out the prices of lemonade at the Big Dipper? (p. 94)
- On page 94, Evan said money was meant to be spent. Do you agree or disagree? Why?
- Officer Ken identified a cost of operating a business: having a permit. Do you think that’s a fair law? Why or why not?

Chapter 8: Going Global
- Entrepreneurs are people who take risks in starting a business. On page 106, Jessie had a new idea, but they would have to risk everything. What are some benefits, costs and risks of being a business owner?
- On page 115, Jessie said that a receipt told the whole story, right down to the very last penny. Why are receipts important when operating a business? How are receipts important to consumers?

Chapter 9: Negotiation
- Have you ever tried to negotiate something with family or friends? How did it turn out?
- Why did Evan want to end the lemonade war? Why did Jessie not?

Chapter 10: Malicious Mischief
- Evan plans to sell 256 cups of lemonade by using a wagon to go from place to place. Do you think this is a good idea? Can you think of mobile businesses in your city?
- Jessie said there weren’t enough thirsty people to buy all the lemonade Evan wanted to sell. How does this impact a business?
- Ethical behavior is defined as being fair and respecting the rights of others. Jessie exhibited unethical behavior in this chapter. How could this impact Evan’s business? How could this impact Evan’s customers?

Chapter 11: A Total Loss
- Quality is definitely important, and the customer is always right. What did Evan have to do with his lemonade? Was this fair?
- Evan exhibited unethical behavior in this chapter. How could this impact Jessie’s ability to make more money?

Chapter 12: Waiting Period
- How would things have been different if Jessie had put her money in the bank?
- Why did Jessie not have fun at the beach and Evan not have fun playing basketball?
- Describe how Jessie’s and Evan’s actions affected each other and others in the story.

Chapter 13: Crisis Management
- Who “won” the lemonade war?
- What did you learn about money from reading this book?
- What did you learn about business from reading this book?
- Do you think you might become an entrepreneur? What type of business would you like to start?

Chapter 14: Reconciliation
- The Rotary Club sponsored a contest at the end of the book. Use the Rotary 4 Way Test to answer the questions below based on Jessie’s and Evan’s behaviors and choices. Cite examples from the book.
  1. Is it the TRUTH?
  2. Is it FAIR to all concerned?
  3. Will it build GOODWILL and BETTER FRIENDSHIPS?
  4. Will it be BENEFICIAL to all concerned?