

## 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. Use a decision making grid to see which place might be the safest for you.
- Visit a bank or bank website to learn about services a bank provides.
- What's the best lemonade? Create a decision making grid with mystery lemonade (frozen, package and bottled). Identify criteria that is important, test and determine. Then unveil.
- On a visit to the market, compare price per unit of different types of lemonade. Determine what incentives influence your buying behavior.
- This book includes personal conflicts. Think about a time when you had a conflict. Discuss as a family and consider different outcomes.
- 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 endeavor with lemonade. Research Rotary International to learn more about their organization.

Check out fun lemonade stand simulations, activities and resources at: [www.economicsarkansas.org](http://www.economicsarkansas.org).



## 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 advocates across the state of Arkansas.

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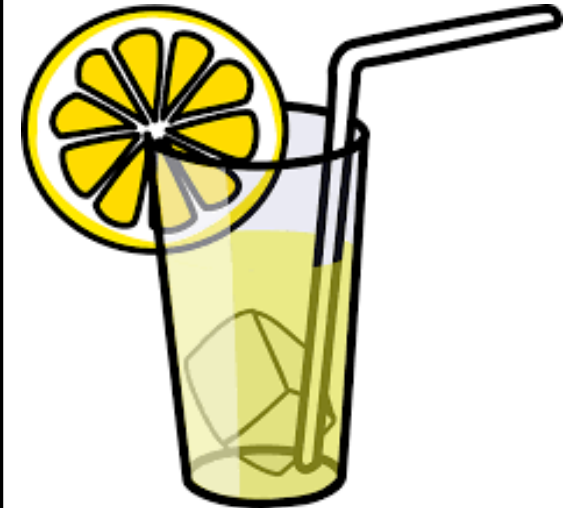
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Thank you.

## 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.

# The Lemonade War



## 4-5 Family Guide

## Chapter by Chapter

### Chapter 1: Slump

- Describe Jessie's and Evan's relationship. What makes you think that?
- When Jessie shared all the things she and Evan could do together, Evan replied, "*No money.*" What do you notice in chapter 1 about Jessie's and Evan's habits related to money?

### Chapter 2: Breakup

- What was Evan upset about? How does Jessie feel about it?
- Evan told Jessie that Scott's mom was "bankrolling" them. What does that mean? Where do adults get money to start a business?
- What do you consider the big dos and don'ts when trying to attract customers, who are also referred to as consumers?
- What resources are needed to produce a lemonade stand business?

### Chapter 3: Joint Venture

- What are Evan and Scott saving money for? Evan's goal seems hard to attain. Why?
- If you had to choose between being a consumer at Jessie's or Evan's stand, which would you choose? Why?
- Evan tells Scott he is going to drink up all the profits on page 30. What does that mean?
- What are some strategies that might help them sell more lemonade?

### Chapter 4: Partnership

- What are some of the math skills you might use if you had a lemonade stand?

- Jessie knew she needed a partner for her business? Why? If you were to open a lemonade stand, would you want a partner? Why or why not?
- 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 buyers and sellers 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 are the terms of the lemonade war?
- 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 a profit of \$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 her profit. 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?
- When operating a business, sales does not equal profit. The left over money, after expenses are paid, is considered profit. What are some expenses in operating a business?

### Chapter 7: Location, Location, Location

- How does location impact spending and sales for consumers and businesses?
- When Evan went into the Big Dipper, he made a discovery. How did that impact his business?
- Officer Ken identified a cost of operating a business: having a permit. Do you think that's a fair law? Why or why not?
- How has Evan's view about money changed? Do you think of more ways to "spend" or more ways to "save" money?

### Chapter 8: Going Global

- Entrepreneurs are people who take risks in starting a business. What are some benefits, costs and risks of being a business owner?
- Jessie places two new business terms in her box: franchise and profit margin. What do those mean?
- 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

### Chapter 13: Crisis Management

- How would things have been different if Jessie had put her money in the bank?
- Unintended consequences occur when things do not turn out the way you intended or predicted. What are the unintended consequences of Jessie's trip to the beach and Evan's time spent with his friends?

### Chapter 14: Reconciliation

- Who "won" the lemonade war?
- What did you learn about money and business from this book?
- Do you think you might become an entrepreneur? What type of business would you start?

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?