

SWEET POTATO PIE: CHILDREN'S LITERATURE LESSON PLAN

FEDERAL RESERVE BANK OF KANSAS CITY—GIGI WOLF

LESSON DESCRIPTION:

This lesson highlights the resources needed for a business and key information entrepreneurs should consider before starting a business. Through the story and activities, students will learn about division of labor and identify risks and rewards entrepreneurs may face when starting a business.

GRADE LEVEL: 3-5

CONCEPTS:

Goods, services, business, profit, loan, division of labor, entrepreneur, incentive, interest, resources

OBJECTIVES: Students will be able to:

1. Define key terms associated with a business, such as profit, loan, division of labor, entrepreneur, incentive and resources.
 2. Identify important information that business owners should know, such as resources needed in order to provide a good/service, how to market their business, and the costs involved in starting a business.
 3. Explain why incentives can influence entrepreneurs to take the risk of starting a business.
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TIME REQUIRED: 50-60 minutes

MATERIALS:

- Sweet Potato Pie by Kathleen D. Lindsey (ISBN-10: 1600602770)
 - Visual 1
 - Handout 1, one for each student
 - Handout 1 Answer Key
 - Handout 2, cut apart into individual cards
 - Handout 3, one for each student
 - Handout 3 Answer Key
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PROCEDURES:

1. Introduce the lesson by asking the following questions:
 - When you have money to spend, what do you like to buy? (*Answers will vary. Possible answers may include food, games, toys, etc.*)
 - Where can you buy your favorite things? (*Answers will vary. Possible answers may include the mall, the Internet or online, Wal-Mart, Target, etc.*)
2. Explain that there are many types of businesses where we can buy goods and services that we want and need. **Goods** are things that can satisfy people's wants and **services** are activities that can satisfy people's wants. A **business** provides goods or services for a price with a goal of earning a profit. A **profit** is the amount of money a business earns after it pays the costs of producing a good or service.
3. Explain that business owners need to consider certain things before they can start selling goods or services. For instance, business owners have to understand which resources, or things used to make goods and services, are needed for their business. As an example, ask students what resources are used to make books. (Answers might include paper, wood or ink)
4. Ask students what business owners should know before starting a business. (Answers might include what they are going to sell, where they will sell it, at what cost they will sell their products). Share Visual 1 with students and allow them to suggest additional questions if desired.

Teacher Note: Students may not be able to contribute additional questions at this time but will learn more through the course of the lesson.
5. Explain that answers to the questions shared on Visual 1 can become part of a business plan that helps business owners and those who lend money to business owners better understand important facts about a business.
6. Tell the students they will listen to a story called Sweet Potato Pie about a family farm that is not earning a profit. The family borrowed money from a bank and isn't able to pay it back. The money they borrowed is called a **loan**, which is money that is provided on the condition that it will be repaid. Repaying a loan usually includes **interest**, which is payment made for the use of money. In the story, the mother thinks of a business idea to pay back the money loaned from the bank and to save their farm. They must all work together, each doing their part to make the plan work.



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PROCEDURES: (CONTINUED)

7. Explain that the family uses **division of labor** to put their business idea into action. In division of labor, workers perform part of a production task to work together in completing a large task. Each family member has a role in the story's division of labor.
8. Distribute Handout 1 to each student. Ask students to listen for the things the family needs to make their business successful. They should also listen for the role of each family member in the business. Students should use the handout to match each task completed (on the right) to the family member(s) who completed it (on the left) as you read.
9. Read Sweet Potato Pie by Kathleen D. Lindsey.
10. After reading the story, ask students the following questions:
 - What type of business did the family start in the story? (*They started selling sweet potato pies*)
 - Where did they sell their pies? (*First at the Harvest Celebration and then to other businesses*)
 - What resources were used to make the sweet potato pies? (*Mama, Papa, Martha, Jake, Me (Sadie), older brothers, sweet potatoes, milk, eggs, spices, oven, churner, mixing bowl, mixing spoon, wagon*)
 - How did they market or let others know they were selling sweet potato pies? (*They unwrapped them and carried them around the Harvest Celebration; they handed out samples; they danced and shouted that pies were for sale.*)
 - Did they have a unique or special item to sell? (*Yes, no one else was selling sweet potato pies at the Harvest Celebration.*)
 - Was the family's new business successful? (*Yes, they sold all of the pies they took to the Harvest Celebration and received orders for more pies in the future; Mama also received a blue ribbon award for her pies.*)
11. Review student answers to Handout 1 using the Handout 1 Answer Key.
12. Explain that the family members in the story are **entrepreneurs**, people who take the risk of producing a product or starting a new business.
13. Ask students why someone might take the **risk**, or chance of loss, to become an entrepreneur. (*Answers may vary. Possible answers might include profit they could earn; being their own boss; providing a good or service that is needed in their community.*)
14. Ask students what were some of the risks for the business the family started in the story? (*Answers might include they could run out of supplies to make pies, they could not have sold as many pies as they needed to pay back their loan, someone else could have been selling the same type of pie at the Harvest Celebration.*)



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15. Tell students that the profit entrepreneurs may earn by starting a business can be a good **incentive**. Define incentives as actions and rewards that influence the behavior of people.
 16. Ask students what incentives the family in the story had to start their new business and if these incentives are positive (good) or negative (bad). (*Not being able to pay the loan back for the farm—negative incentive; earning money to pay back the bank loan—positive incentive; winning the blue ribbon at the Harvest Celebration—positive incentive*)
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CLOSURE:

17. Review important concepts from the lesson by asking the following questions:
 - What is a business? (*Provides goods or services for a price with a goal of earning a profit.*)
 - What is the money provided for a business on the condition that it will be repaid, usually with interest? (*A loan.*)
 - What is division of labor? (*Workers perform part of a production task to work together in completing a larger task.*)
 - What is a profit? (*The amount of money a business earns after it pays the cost of producing a good/service.*)
 - What is an entrepreneur? (*Someone who takes the risk of producing a new product or starting a business.*)
 - Why is there risk in becoming an entrepreneur? (*Answers may vary. Possible answers might include they may lose money; people may not buy or like their product.*)
 - What is important for business owners to know about their business? (*Answers may vary. Possible answers might include the good or service that they plan to sell; the resources needed in order to provide their good or service; how to market their good or service; the cost for providing their good or service; where they will get the money to start their business.*)
 - What are some incentives that can influence entrepreneurs to take the risk of starting a business? (*Answers may vary. Possible answers might include they may earn a high profit, their product or service might help people or make peoples' lives better.*)
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ASSESSMENT:

18. Share with students that they will be divided into small groups and each group will be given a type of business. Each group will work together to answer questions about their business.
19. Distribute the Build a Business Activity Cards from Handout 2, cut apart, one to each small group.
20. Distribute Handout 3 to all students. Ask students to work with their group to circle the resources used for their type of business on the first page and to answer the questions on the second page.
21. Give groups time to complete the activity and use Handout 3 Answer Key to review responses as a class.

EXTENSION ACTIVITY:

22. Invite students to illustrate a poster or flier to advertise the business in their small group. Ask them to include three or more resources needed for that business in the illustration.



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ALIGNMENT TO STANDARDS:

National Voluntary Economic Content Standards:

- Standard 2: Decision Making – Effective decision making requires comparing the additional costs of alternatives with the additional benefits. Many choices involve doing a little more or a little less of something; few choices are “all or nothing” decisions.
- Standard 4: Incentives – People usually respond predictably to positive and negative incentives.
- Standard 14: Entrepreneurship – Entrepreneurs take on the calculated risk of starting new businesses, either by embarking on new ventures similar to existing ones or by introducing new innovations. Entrepreneurial innovation is an important source of economic growth.

National Standards for Financial Literacy

- Earning Income. Benchmark Grade 4.1 - People have many different types of jobs from which to choose. Different jobs require people to have different skills.
- Earning Income. Benchmark Grade 4.6 - People who own a business can earn a profit, which is a source of income.
- Earning Income. Benchmark Grade 4.7 - Entrepreneurs are people who start new businesses. Starting a business is risky for entrepreneurs because they do not know if their new businesses will be successful and earn a profit.
- Buying Goods and Services. Benchmark Grade 4.6 - People's spending choices are influenced by prices as well as many other factors, including advertising, the spending choices of others and peer pressure.
- Using Credit. Benchmark Grade 4.1 - Interest is the price the borrower pays for using someone else's money.
- Protecting and Insuring. Benchmark Grade 4.1 – Risk is the chance of loss or harm.



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ALIGNMENT TO STANDARDS CONTINUED:

Common Core Standards:

Reading Literature:

- Key Ideas and Details:
 - o CCSS.ELA-Literacy.RL3.1 Ask and answer questions to demonstrate understanding of a text, referring explicitly to the text as the basis for the answers.
 - o CCSS.ELA-Literacy.RL3.2 Recount stories, including fables, folktales, and myths from diverse cultures; determine the central message, lesson, or moral and explain how it is conveyed through key details in the text.
 - o CCSS.ELA-Literacy.RL3.3 Describe characters in a story (e.g., their traits, motivations, or feelings) and explain how their actions contribute to the sequence of events.
 - o CCSS.ELA-Literacy.RL4.1 Refer to details and examples in a text when explaining what the text says explicitly and when drawing inferences from the text.
 - o CCSS.ELA-Literacy.RL4.2 Determine a theme of a story, drama, or poem from details in the text; summarize the text.
 - o CCSS.ELA-Literacy.RL4.3 Describe in depth a character, setting, or event in a story or drama, drawing on specific details in the text (e.g., a character's thoughts, words, or actions).
 - o CCSS.ELA-Literacy.RL5.1 Quote accurately from a text when explaining what the text says explicitly and when drawing inferences from the text.
 - o CCSS.ELA-Literacy.RL5.2 Determine a theme of a story, drama, or poem from details in the text, including how characters in a story or drama respond to challenges or how the speaker in a poem reflects upon a topic; summarize the text.

Writing

- Text Types and Purposes:
 - o CCSS.ELA-Literacy.W.3.2 Write informative/explanatory texts to examine a topic and convey ideas and information clearly.
 - o CCSS.ELA-Literacy.W.4.2 Write informative/explanatory texts to examine a topic and convey ideas and information clearly.
 - o CCSS.ELA-Literacy.W.5.2 Write informative/explanatory texts to examine a topic and convey ideas and information clearly.



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VISUAL 1 - WHAT DO BUSINESSES NEED?

Before starting a business, entrepreneurs should ask themselves the following questions:

1. What good or service will be sold?
2. Where will the good or service be sold?
3. What resources are needed to provide the good or service?
4. How much will it cost to produce the good or service?
5. How will people know about the good or service being sold? How will it be marketed to possible buyers?
6. What price will be charged for the good or service?
7. What makes the good or service unique, or special, so others will want to buy it?



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HANDOUT 1 - DIVISION OF LABOR ACTIVITY

Listen to the story and match each family member on the left to the tasks he/she completed on the right. Write the letter of the correct family member next to the task completed. (Some tasks will have more than one family member.)

FAMILY MEMBERS

A. Papa

B. Mama

C. Martha

D. Jake

E. Me (Sadie)

TASKS

_____ Fetch flour from the mill house

_____ Peel, cook and mash sweet potatoes

_____ Fix the old wagon

_____ Bring more pies from the wagon

_____ Dance through the crowd to sell pies

_____ Fetch milk from the cow

_____ Pour mixed ingredients into pie crust

_____ Give out pie samples

_____ Gather eggs from henhouse

_____ Collect the money



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HANDOUT 1 ANSWER KEY - DIVISION OF LABOR ACTIVITY

Listen to the story and match each family member on the left to the tasks he/she completed on the right to help the family's new business. (Some tasks will have more than one family member.)

FAMILY MEMBERS

A. Papa

B. Mama

C. Martha

D. Jake

E. Me (Sadie)

TASKS

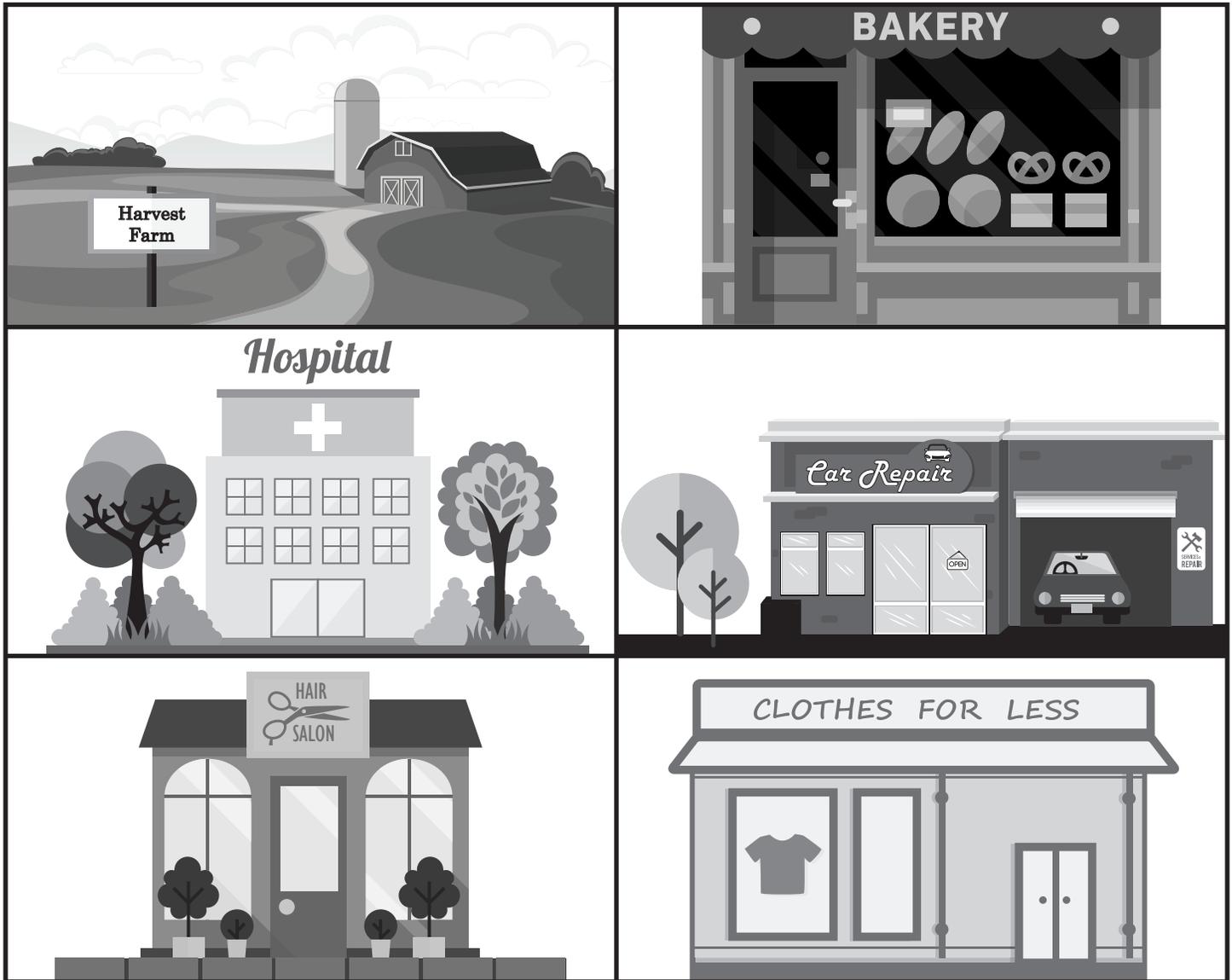
- | | |
|------|---------------------------------------|
| D, E | Fetch flour from the mill house |
| B, C | Peel, cook and mash sweet potatoes |
| A | Fix the old wagon |
| E | Bring more pies from the wagon |
| D, E | Dance through the crowd to sell pies |
| D, E | Fetch milk from the cow |
| B | Pour mixed ingredients into pie crust |
| B | Give out pie samples |
| D, E | Gather eggs from henhouse |
| D | Collect the money |



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HANDOUT 2 - BUILD A BUSINESS ACTIVITY CARDS



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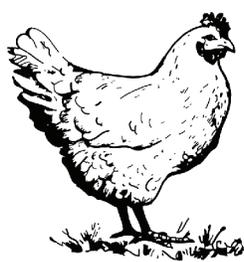
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HANDOUT 3 - BUILDING A BUSINESS ACTIVITY (PAGE 1 OF 2)

Circle the pictures below that are useful resources for your type of business.



Packets of Seeds



Chicken



Tire



Hair Dryer



Hairbrush



Hanger



Hat



Muffin



Scissors



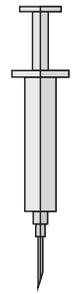
Shirt



Oil



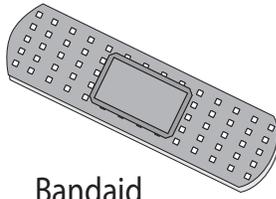
Mixer



Needle



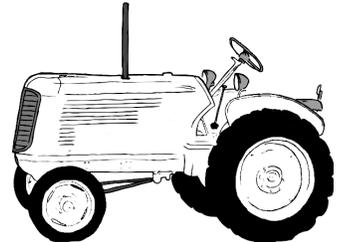
Wrench



Bandaid



Stethoscope



Tractor



Oven



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HANDOUT 3 - BUILDING A BUSINESS ACTIVITY (PAGE 2 OF 2)

Work with your group to answer the following questions about your type of business.

1. My group's type of business is _____.
2. Circle the correct response. Our business provides a good OR service.
3. Name two resources needed for your business other than the ones pictured on the first page.
4. How can you market or let people know about your business?
5. What is one risk for your type of business?
6. Name one positive incentive to start your business.



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HANDOUT 3 ANSWER KEY- BUILDING A BUSINESS ACTIVITY (PAGE 1 OF 4)

FARM



Packets of Seeds

FARM



Chicken

CAR REPAIR



Tire

HAIR SALON



Hair Dryer

HAIR SALON



Hairbrush

CLOTHES FOR LESS



Hanger

CLOTHES FOR LESS



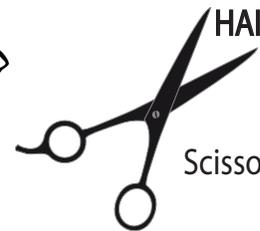
Hat

BAKERY



Muffin

HAIR SALON



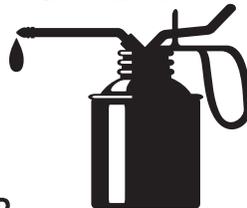
Scissors

CLOTHES FOR LESS



Shirt

CAR REPAIR



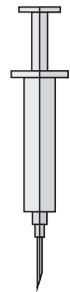
Oil

BAKERY



Mixer

HOSPITAL



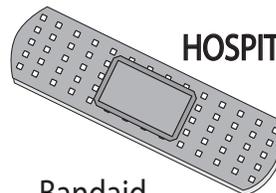
Needle

CAR REPAIR



Wrench

HOSPITAL



Bandaid

BAKERY



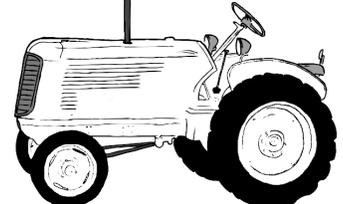
Oven

HOSPITAL



Stethoscope

FARM



Tractor



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HANDOUT 3 ANSWER KEY- BUILDING A BUSINESS ACTIVITY (PAGE 2 OF 4)

My group's type of business is Clothing Store.

Circle the correct response. Our business provides a good.

Name two resources needed for your business other than the ones pictured on the first page.

- Answers may vary. Possible answers might include building; belts; shoes; clothing racks.

How can you market or let people know about your business?

- Answers may vary. Possible answers might include the Internet; newspaper; signs in or outside of the business.

What is one risk for your type of business?

- Answers may vary. Possible answers might include not selling enough to make a profit; people might not buy new clothes often.

Name one good incentive for your business.

- Answers may vary. Possible answers might include making a profit; providing something that people need.

My group's type of business is Farm.

Circle the correct response. Our business provides a good.

Name two resources needed for your business other than the ones pictured on the first page.

- Answers may vary. Possible answers might include building; sun; water; hay or feed for animals; fences.

How can you market or let people know about your business?

- Answers may vary. Possible answers might include the Internet; word of mouth.

What is one risk for your type of business?

- Answers may vary. Possible answers might include not selling enough to make a profit; if the weather is bad, you may not be able to grow your products; keeping equipment in working order; your animals could get sick; bugs could hurt your crops; wolves or other predators could attack your animals.

Name one good incentive for your business.

- Answers may vary. Possible answers might include making a profit; providing something that people enjoy eating.



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HANDOUT 3 ANSWER KEY- BUILDING A BUSINESS ACTIVITY (PAGE 3 OF 4)

My group's type of business is Hair Salon.

Circle the correct response. Our business provides a service.

Name two resources needed for your business other than the ones pictured on the first page.

- Answers may vary. Possible answers might include building; hair products; water; electricity; razor.

How can you market or let people know about your business?

- Answers may vary. Possible answers might include the Internet; newspaper; signs in or outside of the business.

What is one risk for your type of business?

- Answers may vary. Possible answers might include not selling enough to make a profit; keeping equipment in working order; staying up to date with popular hair styles and styling techniques.

Name one good incentive for your business.

- Answers may vary. Possible answers might include making a profit; providing something that people enjoy.

My group's type of business is Bakery.

Circle the correct response. Our business provides a good.

Name two resources needed for your business other than the ones pictured on the first page.

- Answers may vary. Possible answers might include building; ingredients to make pastries; electricity; refrigerator; tables and chairs; display case.

How can you market or let people know about your business?

- Answers may vary. Possible answers might include the Internet; newspaper; signs in or outside of the business.

What is one risk for your type of business?

- Answers may vary. Possible answers might include not selling enough to make a profit; keeping equipment in working order.

Name one good incentive for your business?

- Answers may vary. Possible answers might include making a profit; providing something that people enjoy eating.



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HANDOUT 3 ANSWER KEY- BUILDING A BUSINESS ACTIVITY (PAGE 4 OF 4)

My group's type of business is Hospital.

Circle the correct response. Our business provides a service.

Name two resources needed for your business other than the ones pictured on the first page.

- Answers may vary. Possible answers might include building; medicine; patient tables; prescription pads; blood pressure equipment.

How can you market or let people know about your business?

- Answers may vary. Possible answers might include the Internet; newspaper; signs in or outside of the business or doctor's offices.

What is one risk for your type of business?

- Answers may vary. Possible answers might include not having enough patients to make a profit; keeping equipment in working order; people not getting sick.

Name one good incentive for your business?

- Answers may vary. Possible answers might include making a profit; providing something that people need; helping people to feel better.

My group's type of business is Auto Repair.

Circle the correct response. Our business provides a service.

Name two resources needed for your business other than the ones pictured on the first page.

- Answers may vary. Possible answers might include building; car parts; maintenance equipment.

How can you market or let people know about your business?

- Answers may vary. Possible answers might include the Internet; newspaper; signs in or outside of the business.

What is one risk for your type of business?

- Answers may vary. Possible answers might include not having enough customers to make a profit; keeping equipment in working order; people's cars not breaking down.

Name one good incentive for your business?

- Answers may vary. Possible answers might include making a profit; providing something that people need.

