

The Entrepreneur Fair

Fifth Grade Student Businesses

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One Sassy Chick; Tikki Torch Snow Cones; Worm Paradise; Slime Brothers; Sports Central; Bandit's Bowls and Bandanas; Nails by Males; Cookies & Mice. Is this a kiosk brigade at the local mall? No, these are some of the businesses names created by 120 fifth grade entrepreneurs. (See **SIDEBAR** page 9) They set up shop every year at the Entrepreneur Fair at Stonewall Elementary School in Lexington, Kentucky. This one-day event is the culminating activity following a six-to-eight week preparation and study of economic and entrepreneurial concepts. This article describes the what, why, and how of implementing an Entrepreneur Fair with upper elementary or intermediate-level students.

What is an Entrepreneur Fair?

As a veteran elementary teacher, I have often involved my students in temporary classroom “businesses” (newspaper

publishing, craft productions; button and badge sales; cookie bakery; newspaper recycling project, etc.) that enable them to apply basic economic concepts while making a small profit.

Several years ago, however, I was determined to create a situation whereby students could have more choice in creating and operating their own businesses. I wanted students to have the opportunity to evaluate their individual interests, skills, and resources; choose a company structure; assess the market; then develop a plan to advertise and sell a good or service for profit. My students would have to consider the costs of purchasing capital goods and renting space for their business. At the end of the day, they would calculate their net profit. Finally they would reflect on their experience and offer advice to younger peers. In short, I wanted to challenge my students to become entrepreneurs.

The solution I came up with was a one-day market called the

Entrepreneur Fair. Over the past nine years, 1,034 ten- and eleven-year-old students have been involved in running 727 one-day businesses (298 partnerships and 429 sole proprietorships) at my school. Approximately 90 percent of the businesses have been profitable. Over the same nine-year period, net profits have totaled nearly \$20,000. Among the most profitable businesses have been Sports Central Bandits (\$100.50 one-day net profit), which challenged students to play air hockey, Velcro darts, and other sports activities for \$.50 per turn; Bouncing Bubbles (\$289.90 profit), which sold water-filled bouncing balloons for \$1.50-\$2.00 each; and E.B.'s Sweet Treats (\$158.95 profit), which sold homemade chocolate suckers for \$.50 each. Teachers buying in bulk (a "class set") received discounts. As a ten-year-old student recently remarked, "It's like last year we learned about economics, and this year, we get to do it!"

Benefits of the Activity

Small companies (fewer than 500 employees) account for 99.7 percent of employer-owned firms and create 60 to 80 percent of the new jobs in recent years in the United States,¹ and yet entrepreneurship is rarely taught as a viable career option in schools across the country.² Thus entrepreneurship programs, such as the Entrepreneur Fair, reflect an important aspect of the real world, as well as meeting many state social studies standards and national standards:

PRODUCTION, DISTRIBUTION, AND CONSUMPTION

Social studies programs should include experiences that provide for the study of how people organize for the production, distribution, and consumption of goods and service.³

The Entrepreneur Fair adds both rigor and relevance to the mandated curriculum in our school. Students are challenged to develop innovative ideas (identify market demands and compete with other businesses) and apply critical thinking and problem solving skills (setting a price that is high enough to bring a net profit, yet low enough to encourage customers; identify some costs and benefits of partnership vs. sole-proprietorship; choose a business name and location; utilize resources to minimize costs, etc.). Students begin to understand profit as a motivating factor for an entrepreneur (as students keep the profit they make) and to recognize the importance of entrepreneurship as a viable career choice.

Interdisciplinary, Team Teaching

Aside from real world connections, the Entrepreneur Fair promotes collaboration between teachers of all levels. In preparation for the fair, primary teachers work on money skills with younger students who will be the customers at the fair; teachers in grades 2-4 help their students evaluate advertising techniques with the use of ads on display in the hallways; the Junior Achievement teacher provides incentives for locating "durable goods" at the Fair; the technology teacher integrates online entrepreneurial lessons with the current curriculum; and Special Education and ESL teachers provide additional support as needed.

After meeting with my fifth grade team teachers and the technology teacher, I meet with the principal to review the plans for the whole project, from the fifth grade unit of study to the handling of cash during the fair. Regular updates are announced to the faculty and students. We also send a letter to parents explaining the upcoming project, provide a timeline about preparation, and hold a parent meeting to answer key questions.

Sidebar. Fifth-Grade Businesses for the Entrepreneur Fair

Name of Business	Product or Service	Price	Net Profit (One Day)
One Sassy Chick	One girl made and sold a variety of embellished picture frames	\$1.00 - \$3.00 per frame	\$124.38
Tikki Torch Snow Cones*	Partners made flavored snow cones using an on-loan machine	\$0.50 per snow cone	\$201.60
Worm Paradise	Paper cup full of Gummi Worms in a mix of chocolate pudding and broken Oreo Cookies	\$0.50 per cup	\$22.25
Slime Brothers**	Partners sold homemade "gak" (putty) sealed inside plastic egg containers	\$0.50 per gak egg	\$121.65
Sports Central	Two boys set up an assortment of sports activities (air hockey, Velcro dart board)	\$0.50 per turn to play	\$100.50
Bandit's Bowls and Bandanas	These partners created and sold personalized pet bowls and bandanas	\$1.00 - \$2.00 per item	\$15.78
Nails by Males	Using a variety of colors, two boys adorned the nails of girls and boys	\$1.00 per visit	\$46.50
Cookies & Mice	Purchase of a chocolate chip cookie included a raffle ticket to win the book <i>If You Give a Mouse a Cookie</i> by L. J. Numeroff	\$0.50 per cookie	\$22.50
Zane's Scarf Zone	A boy knitted and sold furry yarn scarves. He also sold \$0.50 raffle tickets to win one of two scarves	\$10 per scarf	\$89.47

Notes * These girls wrote to a local business requesting to 'rent' their snow cone machine. The company loaned the machine at no cost, also donating cups and syrup. In return, the girls made a presentation to the company's board of directors, describing their experience at the fair.

** These boys sold out the first hour and went home after school to make additional batches before the evening shift.

The Entrepreneur Fair also provides ample opportunities to integrate subject areas. Students research ideas, read about and interview adult entrepreneurs, utilize math computation skills, and incorporate writing and technology skills through advertisement campaigns they create and letters of advice they write to upcoming entrepreneurs (the fourth graders).

Building Background Knowledge

Prior to the Entrepreneur Fair, I involve my fifth grade students in a variety of activities from several programs such as: *Playdough Economics*; *Econ and Me*; *Entrepreneurs in Kentucky* to increase their basic knowledge of economics. These programs, as well as online links, catalogs, and publications are available through the Council for Economic Education (www.councilforeconed.org) or the Kentucky Council on Economic Education (www.econ.org).

Additionally, fifth graders utilize online activities (such as, “An Entreduction” at www.econedlink.org) to research innovators and entrepreneurs. They also visited websites and resources that suggest entrepreneurial ideas specifically for students. (www.makingfriends.com ; www.crafts4kids.com; www.craftykids.com; www.mommysavers.com/kids-activities/kids-activities.htm)

Local coffee shop and bakery entrepreneurs visited our classroom and shared their experiences with the fifth graders. Student interview questions included, “Do you think it’s better to have a partner or not?” “How do you know how much food to buy every day?” “What do you do if you don’t make a profit?” “What’s the best way to advertise?”

A Business Plan

Eight weeks before the fair, students submit a proposal describing their business structure (partnership or sole-proprietorship); their concept for a good or service; the estimated costs to set up shop; a business name; and projected profit. (See **HANDOUT A**, page 12) Some of the businesses sell *goods* such as food (chocolate suckers, edible play dough, cookies, etc.); crafts (homemade soaps, lip balm, jewelry, balloon animals, flower pens, hair bowls, etc.); or clothing items (tie-dye t-shirts, knitted scarves, flip-flops, etc.). Other businesses offer *services* such as sports (bowling, putt-putt, football or basketball throw, etc.); photography booths; video game challenges; hair coloring booths and nail salons; face painting or rub-on tattoos; or games and raffles (arcade games; basketball or football raffles).

Because the majority of customers are children, I encourage students to keep their prices reasonable (\$0.25 to \$2.00), but still allowing a profit. However, students selling higher priced items (up to \$10) often target adult consumers (staff, parents, and other adults), so an additional raffle may be included to attract the younger population. Zane’s Scarf Zone is one example. Furry hand-knitted scarves were sold for \$10 per scarf and two additional scarves were raffled for \$.50 per ticket. All scarves in stock were sold, and Zane’s Scarf Zone profited \$89.47

Market Survey

After the teacher approves their plans, the entrepreneurs survey fellow students and parents, sampling four students from every grade level to determine the demand (the interest for a good or service and the price consumers might be willing to pay for it). They record various responses on a form. Entrepreneurs may have to revise their idea and begin again or, if the demand seems to be promising, they can proceed to reserve a spot in the gym, sign a rental agreement and, if needed, secure financing (through parents and/or the school) to purchase needed capital goods.

Rental & Loan Agreements

Students sign an agreement to rent the gym space for 10 percent of whatever their profit might be at the end of the day. (Unlike the real world, if their business does not make a profit, they owe no fees.) I use funds from these fees to supplement a year-end activity for all the fifth graders.

Some, but not all, students needed financial assistance to implement their plan (even though I encouraged them to utilize existing or free resources). Students needing to borrow money

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SIDEBAR B

Experience and Entrepreneurial Wisdom

Student comments made during informal evaluations after the fair:

If your product isn’t selling, drop the price.

Just because you think your idea is good doesn’t mean everyone else will, too.

Keep your costs low so you can make a profit

You shouldn’t go into business with someone who’s lazy.

Be sure to have a sign that says, No Refunds!

It’s fun to have a partner, but not fun to share the profits.

Never put your business next to someone selling the same thing.

People like free things, so give away samples.

Parents ask a lot of questions.

Things don’t always go like you planned!

from family members are required to sign a loan contract agreeing to repay with 1 percent interest. Other students might “rent” supplies from the school (bowling set, game boards, etc.), with the rental fee to be deducted from profit.

With regard to financing projects, I have been frequently asked, “How do I make the project fair for all students?” My response, “I don’t.” This is not about being “equitable.” It’s about students evaluating personal resources, skills, and interests; determining consumer wants; and deciding how they might make a profit.

When describing the activity to students and communicating with parents I stress this point: Whether a profit is made is not part of the assessment. I want to see what students can learn from the process of developing a plan, utilizing resources, and marketing a product.

Advertising

Once financing is secured, entrepreneurs have to “get the word out” about their good or service. Computers are available which students may use to design advertisements or business cards. Specific areas are reserved in the hallways to hang posters. Two weeks prior to the event, students begin to advertise via commercials (over the school TV channel or intercom); sandwich-board signs; word of mouth; coupons; t-shirts decorated with fabric paint, and flyers, etc.

Selling

After weeks of planning and advertising, the day of the Entrepreneur Fair begins with students setting up desks, signs, and supplies in the gym. The fair is open for two hours during the regular school day and two hours in the evening. Some business partners don matching t-shirts or hats; some play catchy tunes or chant jingles; others electrify their signs with holiday lights; others slash prices—all in an effort to attract customers. Fifth graders sell to younger students, teachers, and parents, and community members. It’s a fun day that everybody remembers.

Participation in the Entrepreneur Fair is mandatory, as assessments are averaged into students’ social studies grades. Some of the planning, as well as the first two hours of the fair, occurs during the school day. Students are also expected to return to the two-hour event in the evening. Because excitement is high and students are motivated to make a profit (which they keep), evening attendance has not been a problem.

Assessment

At the conclusion of the Fair, the young business owners tally sales revenue and calculate net profit on a business report. I assess student performance using several instruments: the completed business plan (proposal, market survey, costs of resources, and advertising plan) as well as the final sales report. In the sales report, students calculate their net profit, which equals total revenues for the day minus costs such as rent, materials, and any loan repayment. I also use two writing assignments (a “letter of advice to an upcoming fifth grader” and the “Lemonade Stand”

open response question/essay). (See **HANDOUT B**, page 13)

In addition, I informally evaluate students. The day after the fair, we discuss what they have learned from the entrepreneurial experience, and we revisit the topic at useful moments throughout the rest of the school year.

Conclusion

In twenty years of teaching, I’ve never been involved in a project that sparked as much enthusiasm from students, parents, the administration, and other teachers as the Entrepreneur Fair. I’ve been approached by second grade students anxious to share their business ideas (three years ahead of schedule). In addition, I’ve received positive feedback from parents, including comments such as, “Why didn’t they have this project when I was in school!” Subsequently, teachers from other school districts, as well as professors, have contacted me seeking information, hoping to implement the idea or describe it to other educators. Some of them decide to attend the Entrepreneur Fair itself.

Behavior problems have been almost non-existent during preparations and the fair itself, even with the most challenging of students. I attribute this to the personal stake each student has in his or her business, as well as a powerful incentive: profit. One fifth-grader’s letter of advice to younger students stated, “The Entrepreneur Fair was an experience of a lifetime. It was hard because you had to plan ahead, but being an entrepreneur was exciting. You will love it!”

Last, the Entrepreneur Fair is an opportunity for students of all abilities to be successful. The most profitable businesses are not necessarily those run by honor roll students. As a teacher, I try to create situations in which students can apply skills in a relevant and memorable way. I strive to challenge students with activities linked to a rigorous curriculum that provide enough flexibility to meet the needs of all learners. The Entrepreneur Fair is such an activity.

“Entrepreneurs are not ‘born’... they ‘become’ through the experiences of their lives”⁴

Notes

1. Kathryn Kobe, “The Small Business Share of GDP 1998-2004” (Washington, DC: U.S. Small Business Administration, 2007), www.sba.gov/advo/research/rs299tot.pdf
2. Liz Webber, “Few States Promote Entrepreneurship Education in Schools,” *Inc. come* (June 22, 2007)
3. National Council for the Social Studies, *Expectations of Excellence: Curriculum Standards for Social Studies* (Washington, DC: NCSS, 1994).
4. Albert Shapiro, “Nurturing the Entrepreneurial Spirit” (The Ohio State University: The Consortium of Entrepreneurship Education, 2004).

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The Entrepreneur Fair

Business Proposal

1. PROPRIETORSHIP: Are you the **sole owner**, or is this a **partnership**? (circle one) **owner** **partnership**
2. Your Name _____ Partner's Name _____
(First and Last) (If you have one)
3. Date _____ Your Teacher _____ Partner's Teacher _____
4. PRODUCT: Are you selling a good or a service? (circle one) **goods** **services**
5. Explain your idea: _____

6. INPUTS. Also called CAPITAL RESOURCES: (Visit or call stores to get prices. Attach another sheet if needed)

Needed Resources	Approximate Unit Cost	Quantity Needed	Total Cost
Example: lemons for lemonade	\$1.00 each	12	\$12.00

7. TOTAL ESTIMATED COST: \$ _____
8. SUPPLY: Approximately how many goods can be produced with these resources (or how many services can be performed)? _____
9. PRICE: What do you plan to charge for one good or service? \$ _____
10. BREAK EVEN POINT: At that price, approximately how many goods or services will you need to sell to cover your costs? (Total cost divided by price) _____
11. DELIVERY: Will you take orders? ____ If yes, when would you deliver? _____.
12. COMPANY NAME: Finally, invent a catchy title for your business:

The Entrepreneur Fair

Reflection and Assessments

Useful Formulas

Rent Owed for Space in the Gym = Gross Profit \times 0.10

Loan Repayment = Amount borrowed + (0.10 \times Amount borrowed)

Break even point = Total cost divided by price

Net Profit = Gross Profit - Costs

Letter: The Beginning Entrepreneur

You have just experienced being an entrepreneur. Next year's fifth graders need your advice so they can be successful entrepreneurs, too. Write a letter to an upcoming fifth grader. Offer some helpful advice. Describe your experience preparing for Entrepreneur Fair. You can also tell about what happened at the fair. Use complete sentences in your letter.

Short Essay: The Lemonade Stand

You want to buy a new bike and must pay for it yourself. To earn money, you have decided to become an entrepreneur by opening a lemonade stand. List three factors you will need to consider for your lemonade stand to be a success.

(Hint: Natural Resources. Capital Resources. Human Resources.)

Then explain how these factors may affect your profit. Use complete sentences in your explanation.

1.

2.

3.
