



**Chesterfield Day School**

Premier Preparation 18 months through 6th grade

# Encourage Entrepreneurship in Your Students

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# Student Business

In this unit, students will do the following:

- design a product
- conduct market research to determine the selling price
- produce the product in class
- keep track of costs and sales in order to determine profits
- advertise and sell the product to students, teachers and parents
- donate all profits to a charity

Throughout this unit, students will learn several key economic concepts such as:

- supply, demand, consumer, revenue, costs, production
- division of labor in production
- risks associated with a business-

Outline of activities:

1. Students submit product ideas to the class.
2. Once all ideas have been presented, a decision matrix will be used to determine which product the class will sell.
3. Cost of the product is determined by adding all costs of inputs required to produce one product.
4. The price of the product is determined using market research. Keep in mind that the price must be above the cost of production.
5. A presentation to the administration will be given to get permission to sell the product at school.
6. Posters, order forms and flyers are made by the students.
7. Students work together to make the product before selling can begin.
8. Students sell the product for 2 to 3 weeks.

Resource

- Center for Entrepreneurship and Economic Education at University of Missouri in St. Louis

<http://umsl.edu/~pcs/academic-units/econ-ed.html>



Name \_\_\_\_\_

The 3<sup>rd</sup> grade class will be creating a company to produce a product to sell at school. The class will decide on what product to make and how it should be made. Think about a product that you can make and that someone will want to buy. Write your idea for a product below.

What is the product? \_\_\_\_\_

How will you make this product? \_\_\_\_\_

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What supplies do you need to make this product? \_\_\_\_\_

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## Decision Matrix

To decide which product to make and sell, construct a decision matrix to help determine which product would be best to sell.

Make a list of important criteria to consider when deciding which product to sell.

For example: How likely are students are to purchase the product?

How likely teachers and parents are to purchase the product?

How much fun is it to make this product?

How easy is the product to make?

Is it likely that the Head of the school will approve of the product?

Can you make the product at a reasonable cost?

How easy is it to get supplies?

Do you think you can charge a high enough price to make a profit?

Can you make the product quickly and can find the time to make it during the school day?

Evaluate each product to how well it fits each criterion.

- 5 Very likely
- 4 Likely
- 3 Maybe
- 2 Not likely
- 1 Not at all

## Student Business Ideas

Evaluate each product to how well it fits each criterion. Assign a value to each product for each criterion in the matrix.

5 -----Very likely

4 -----Likely

3 -----Maybe

2 -----Not likely

1 -----Not at all

Product Name	How likely will students buy this product?	Can be made easily and at school.	Can sell this product and make a profit.	How likely will the Head of school approve this product?	Is fun to make?	Total

Add all the values for each criterion for each product. Chose the product that has the highest number of points to produce and sell.