

Lessons from a Lemonade Stand

Richard got bored during the summer and wanted to make a lemonade stand. His mother said, "Not today. It's too much trouble right now. You can do that someday later in the summer." She took him to get an ice cream cone instead.

Wendy also got bored during the summer and she, too, wanted to make a lemonade stand. Her mother said, "Tell me more. I want to hear the what, why, where, when, and who that you have been thinking about." After a long discussion, she took her daughter shopping for lemonade supplies.

Both children learned important lessons from the results of their lemonade idea.

Richard learned...

1. An eight-year-old doesn't have much power.
2. It's hard to get your ideas taken seriously or even listened to.
3. You can earn an ice cream if you'll forget your latest idea and not bring it up again.
4. Someday means never.

Wendy learned...

1. **Parents will listen to you** and invest the time necessary to hear your thoughts and ideas even though they may not always agree with them.
2. **It takes investment capital to begin a business.** "Where are you going to get the money to begin this business?" her mother asked. "From you," the eight-year-old responded. "Not likely," her mother told her, "unless you want to pay me interest."
3. **If you don't have money, other people will be happy to loan it to you if you are willing to pay them for that service.** After hearing that she would be charged ten cents for every dollar she needed to get started, Wendy told her mother, "Maybe I have enough in my savings."
4. **It helps to do some planning before you begin a business.** "How much will I need?" Wendy asked. "Not sure," said her mom. "How many days are you going to do this and for how long? How much are you going to charge and where will you do it? Do you have a goal?"
5. **Location is important.** The first day of the weekend lemonade sale, Wendy set up her operation in front of her own house. She had five customers in an entire afternoon. The next day she placed her table in the front lawn at her grandmother's garage sale. She sold out in two hours and had to restock.
6. **In business you can help people and make money.** Visitors to the garage sale were hot and thirsty. They appreciated the service that Wendy provided, and some tipped generously. She



Wendy's enterprising nature was nurtured

helped her customers stay cool and quench their thirst. They helped her earn forty-five dollars. It was clearly a win/win situation.

7. **Always give people more than their money's worth.** In addition to a cold lemonade drink, Wendy provided napkins, a smile, and free refills. Most customers paid again when they got the free refill.
8. **Credit isn't necessary.** Wendy paid for the start-up supplies out of her savings. She paid in cash, sold for cash, and banked cash when she was done. Plastic was not needed for any transaction.
9. **It's important to give some back.** Wendy placed ten percent of her profits in the family charity jar after the completion of her lemonade adventure. She simply modeled what she had seen her parents do many times on Sunday evenings.
10. **Cleanup is necessary.** Just as Wendy was about to leave, her grandmother gave her a garbage bag to collect the paper cups and napkins that had been left in her yard. Wendy was tired and wanted to go home, but she realized cleanup was her responsibility.

Wendy and Richard had interesting summers. One child learned several economic lessons about starting a business. The other did not. One learned about responsibility, effort, persistence, and planning. The other did not. One learned that you can set a goal and achieve it. The other did not. One had a parent who realized that a lemonade stand offers incredible opportunities to learn life's success principles. The other did not.

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Teaching children to use money responsibly

Suggestions inspired by Professor David Isaacs, author of *Character Building*

- £ Show children that happiness in life doesn't depend on possessing things and on material satisfactions. Try to be cheerful when you have what you need *and* when you don't. Don't complain. Children need to see that the values you talk about (honesty, consideration for others, responsibility, industriousness, self-control, etc) actually do make a person happy.
- £ Don't talk too much about money. Parents who try to focus their words more on people and less on things raise their children to see people as more important than things.
- £ From their parents' example, children learn that love is essentially self sacrifice...but that doesn't mean parents doing the kids' jobs or working hard simply to give them a high material standard of living.
- £ Teach that money is only a means to an end. That it is good and brings happiness only if it is used to pursue worthwhile goals... to support our own needs and to do good for others. Should we make it an end in itself it would never satisfy...we would always want more. And were it to be used to pursue self-centred goals and whims it could only bring ephemeral contentment.
- £ See that kids don't have a lot of money in their pockets. With younger teenagers this is independent of whether or not they have earned the dollars themselves. Some parents like to use the term "allowance" rather than "pocket money" to avoid the implication that children ought to always have money in their pockets. If you give pocket money monitor how it is spent and saved. Discuss sensible spending guidelines. Correct your son or daughter if money is wasted. Expect them to ask your advice if they are considering a larger expenditure.
- £ Encourage older children to get part-time work, but talk about guidelines for how the money will be saved and spent. Expect them to contribute to their board, and still to ask advice on extraordinary expenditure. There is no reason why children should have more money in their pockets than their parents. It is not doing children a favour to allow them many privileges without corresponding responsibilities.
- £ Have children wait for things that they are pestering you to purchase. "You'll have to wait six months before we talk about buying that" helps parents overcome peer pressure and fad pressure.
- £ Don't use money or expensive presents to bribe your children to get them to do what you want.