

JOHNNY'S FIRST DOLLAR

Glossary

Advertising: Telling people what you're selling through posters, fliers, pamphlets, or speaking.

Competition: More than one business wanting to sell the same product.

Demand: The total amount of a product/service that a customer wants to buy. The cheaper the product is, the more people will want to buy.

Free enterprise: Runs on supply and demand with few limits from the government.

Need: Something that you must have, such as food or water. (Something you can't live without)

Pricing: The amount of money for which a product is bought or sold.

Production: The act of creating what you are going to sell.

Profit: The total amount of money you get from selling your product, minus all the costs of making it.

Sales: The act of trading your product for cash.

Services: Doing something helpful for someone.

Supply: The total amount of a product or service that sellers wish to sell at each price. The more expensive something is, the more the seller wants to supply it.

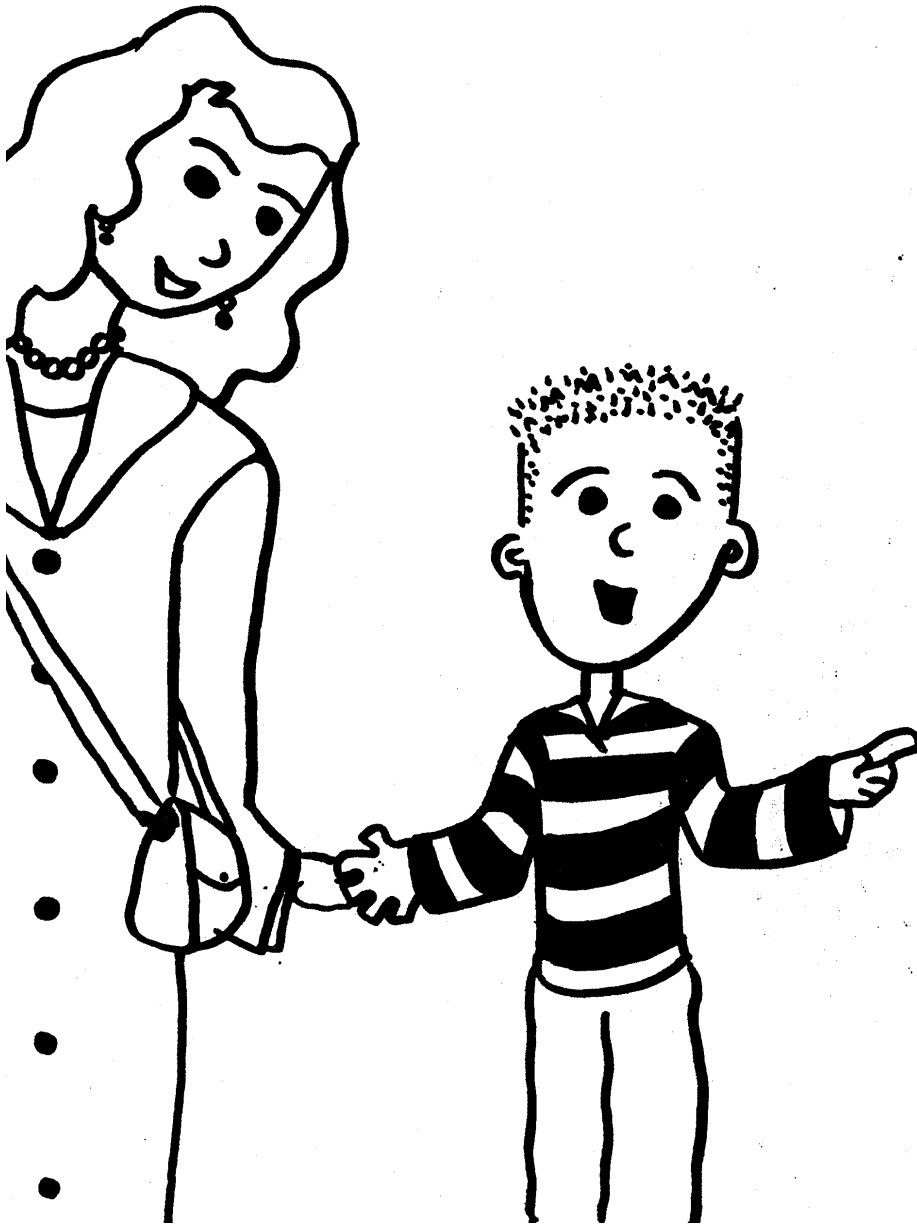
Wants: To wish for something that you do not need. (I want a new toy)

At a mall one day:

Johnny: "Mommy, let's go in the toy store!"

Mother: "Sure we can go in, but I don't have the money to buy you anything."

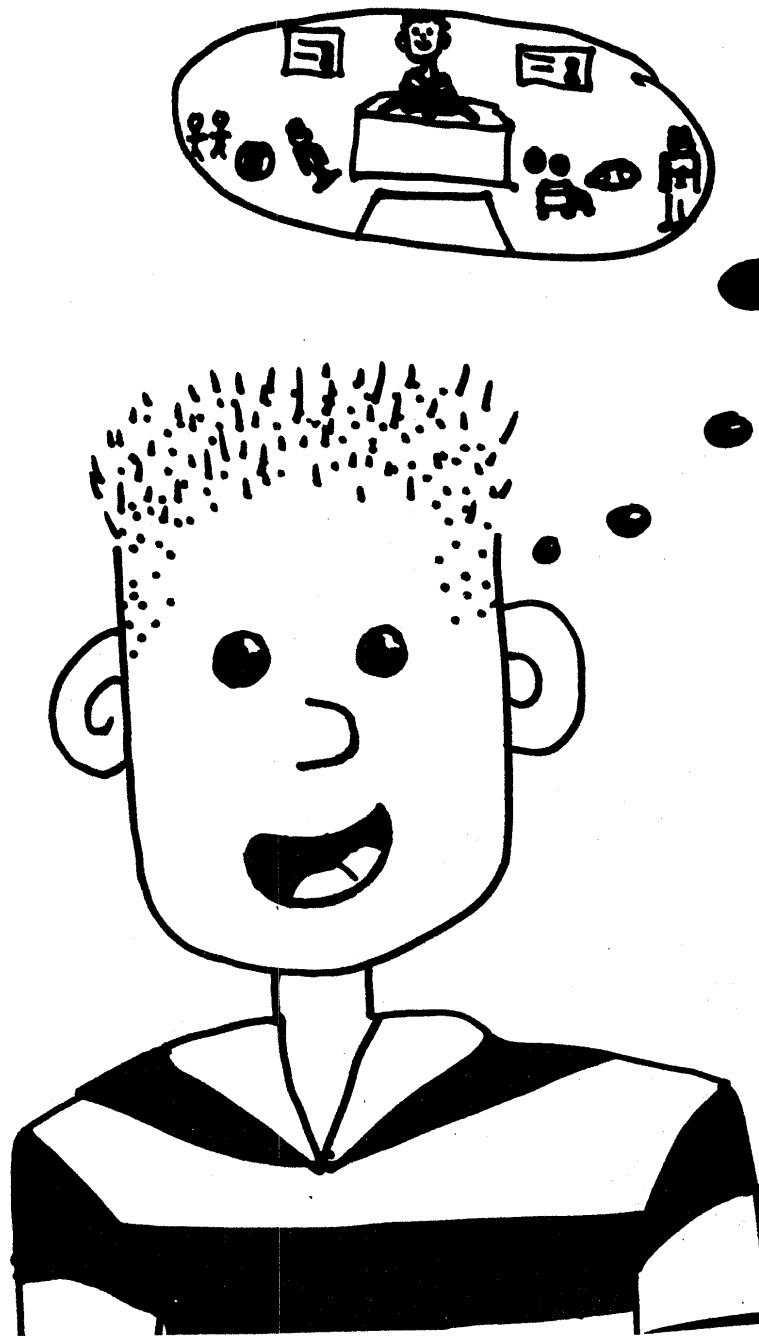
Johnny: "That's not fair! I really wanted an action figure!"





Mother: "Johnny! You have to earn your own money, I don't always have the money to buy you things that you want."

Johnny: "How do I do that? I can't get a job because I'm only in the third grade!"



Mother: "Well, how about you start your own business? I can teach you some business skills to get started. These skills will be important for the rest of your life."
Johnny: "I want to learn so that I can buy my action figure and other toys and games."

What else would you like to buy with the money you earn? _____



Mother: "Making money can be very fun! For example, you can make and sell arts and crafts, have a lemonade stand, a bake sale, pet-sit, and any other products or services.
Johnny: "That sounds cool! I want to learn how to have a bake sale!"

Do any of these ideas sound good to you? What else can you think of?

... Later on, back at home...

Mother: These are the things you need to know when starting your business Johnny:
-How to earn the money to start a business: You can start with simple things like doing chores for your father or me. For every chore you do, we will give you five dollars.

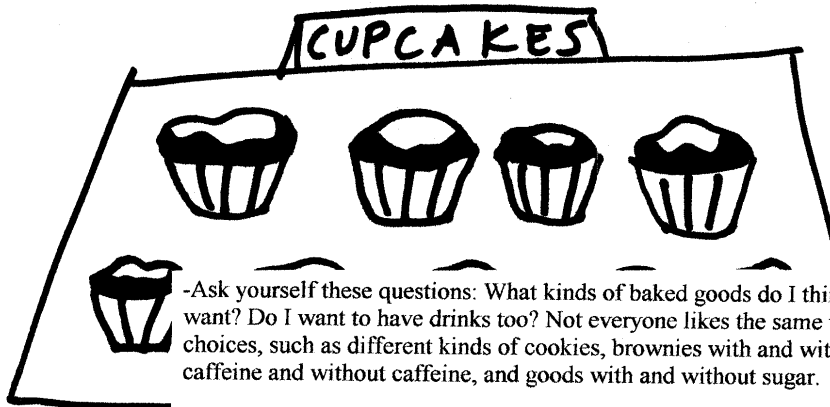
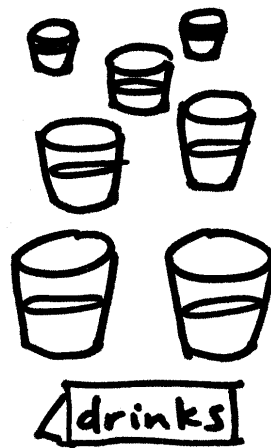
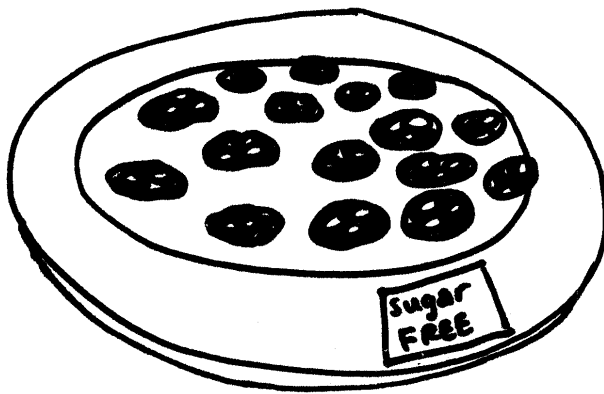
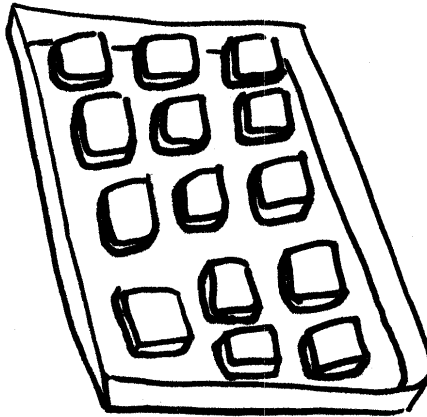
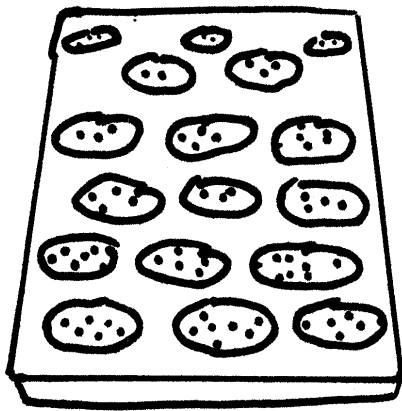
What chores will you do? _____ If you do three chores, how much money will you earn? _____ If you do 6 chores how much money will you earn? _____



Mother: "I want to warn you that starting a business takes a lot of time. You have to go out and buy your materials, spend time making advertisements, sitting at the table, and getting set up. Johnny, do not be upset if you don't make a lot of money right away. If this still sounds good, let's go home and get started!"

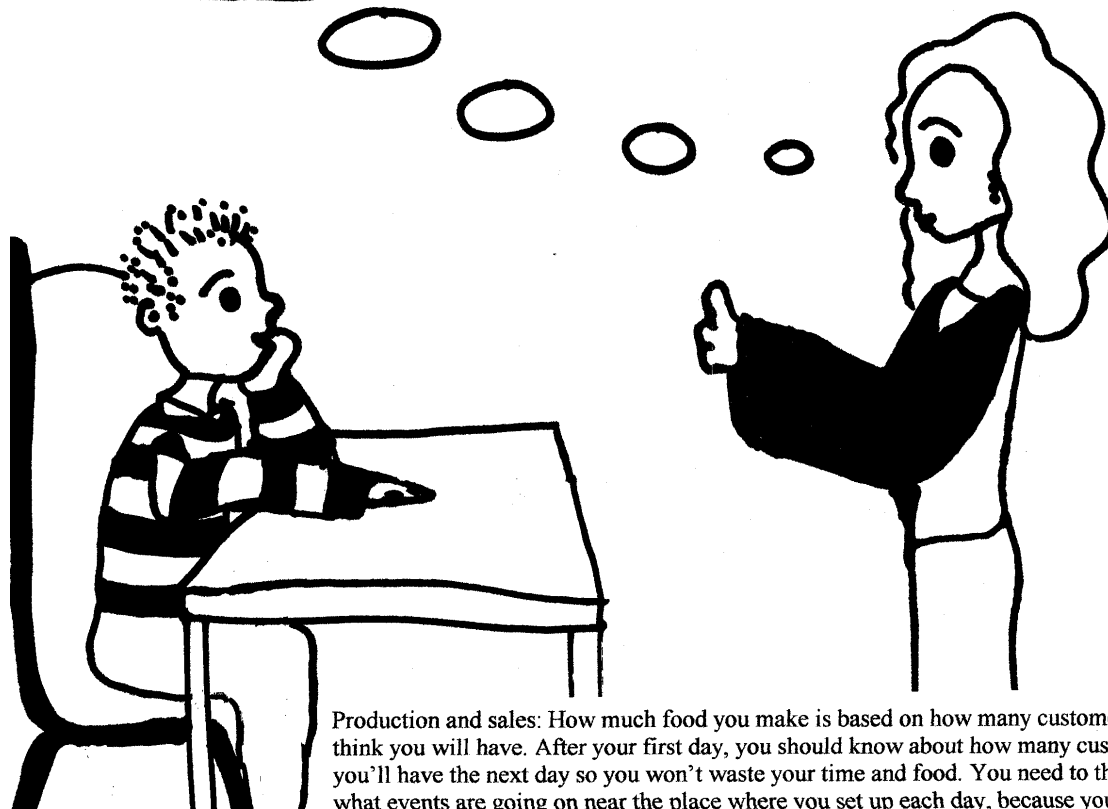
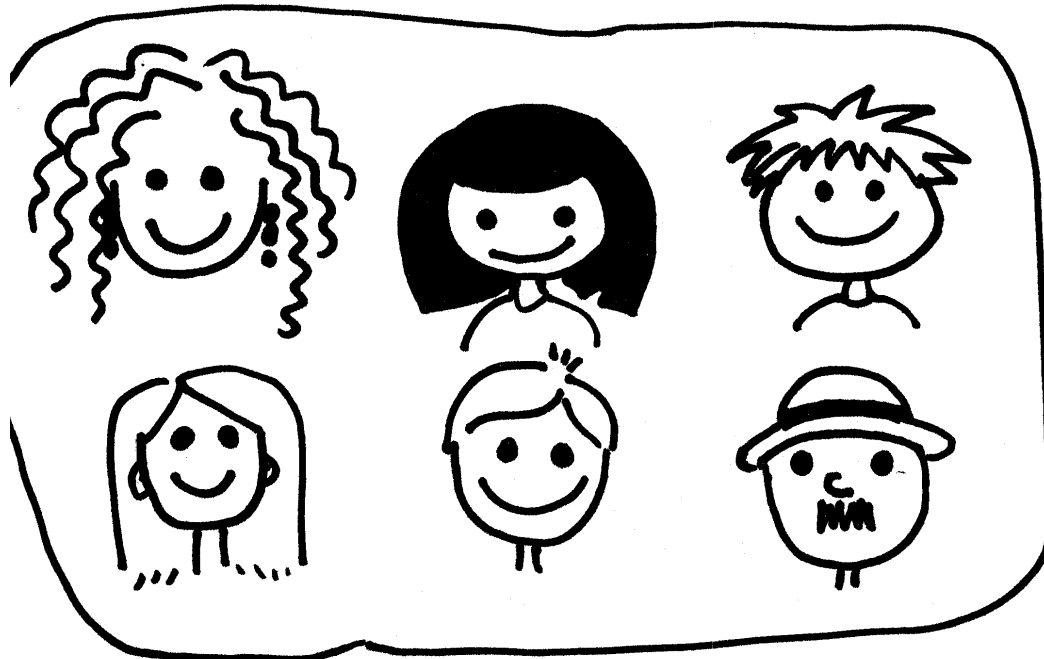


-Location: Have your bake sale in a safe area that is busy. Tell me where you want to set it up and I'll tell you if it's safe.



-Ask yourself these questions: What kinds of baked goods do I think my customers will want? Do I want to have drinks too? Not everyone likes the same thing. It's good to have choices, such as different kinds of cookies, brownies with and without nuts, drinks with caffeine and without caffeine, and goods with and without sugar.

What are you going to have at your table?



Production and sales: How much food you make is based on how many customers you think you will have. After your first day, you should know about how many customers you'll have the next day so you won't waste your time and food. You need to think of what events are going on near the place where you set up each day, because you will have extra people. Remember, it is always good to have a little extra food.

Price: You need to decide on prices for your food; don't make it too cheap because you won't make what you spend on food ingredients and your labor (work). Don't make prices too expensive because nobody will want to buy from you. (You probably shouldn't charge more than \$.50 for a cookie). Also, decide how small or large the portions should be, that way people will get their money's worth. Be sure to make every item the same size.



CHOCOLATE
CUP CAKES \$.75



CHOCOLATE
CHIP COOKIES . . . \$.50



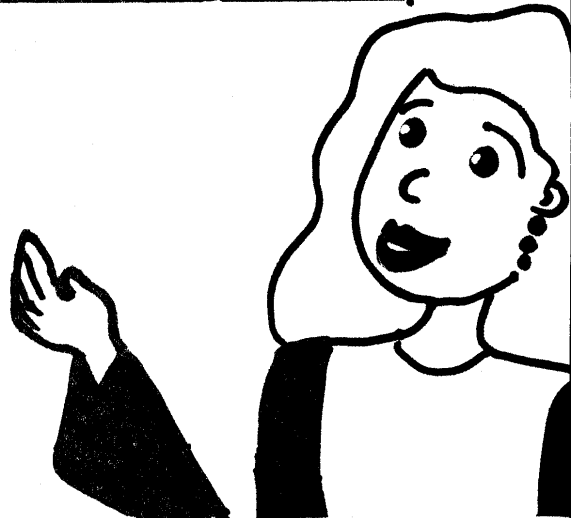
BROWNIES . . . \$.50



SUGAR FREE
White choc. chip . . . \$.50



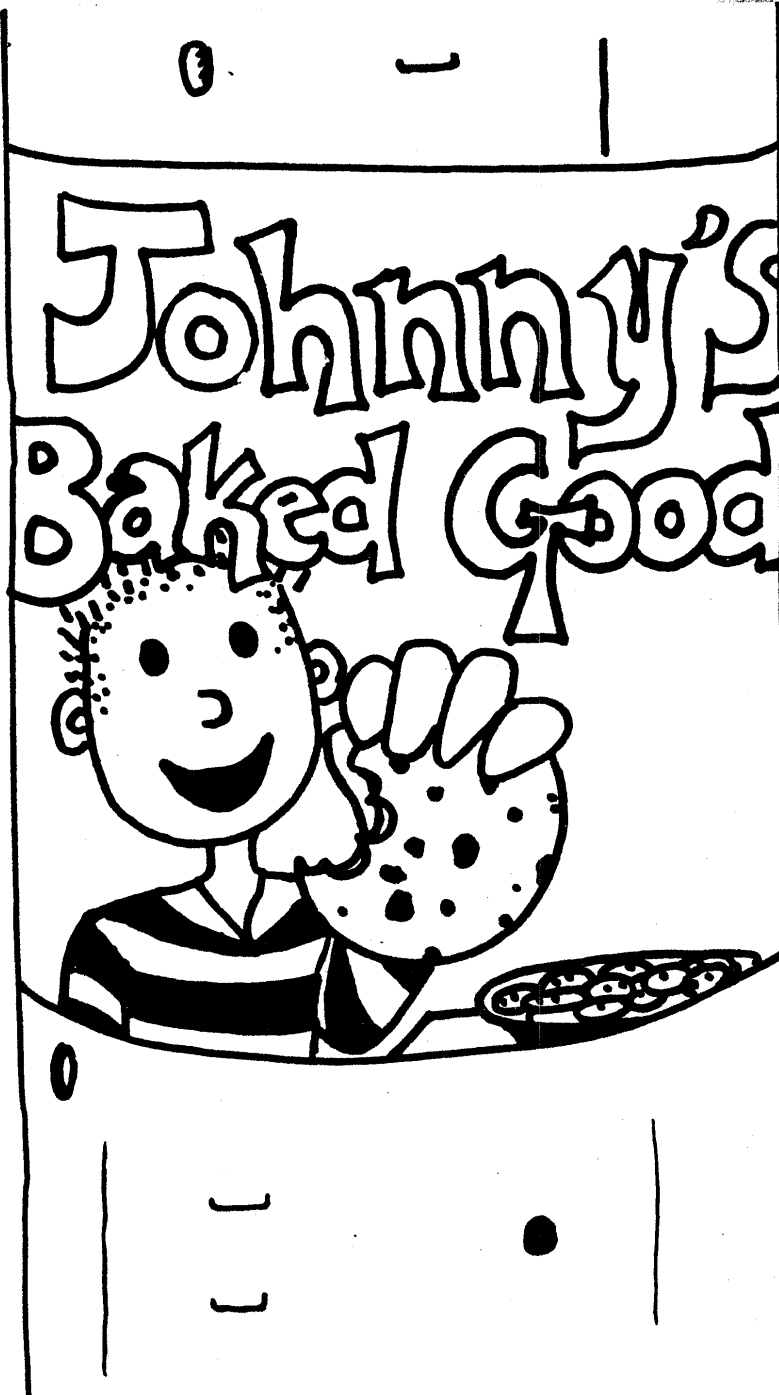
LEMONADE . . . Sm. \$.50
Lg. \$ 1.00
MILK . . . Sm. \$.50
Lg. \$ 1.00



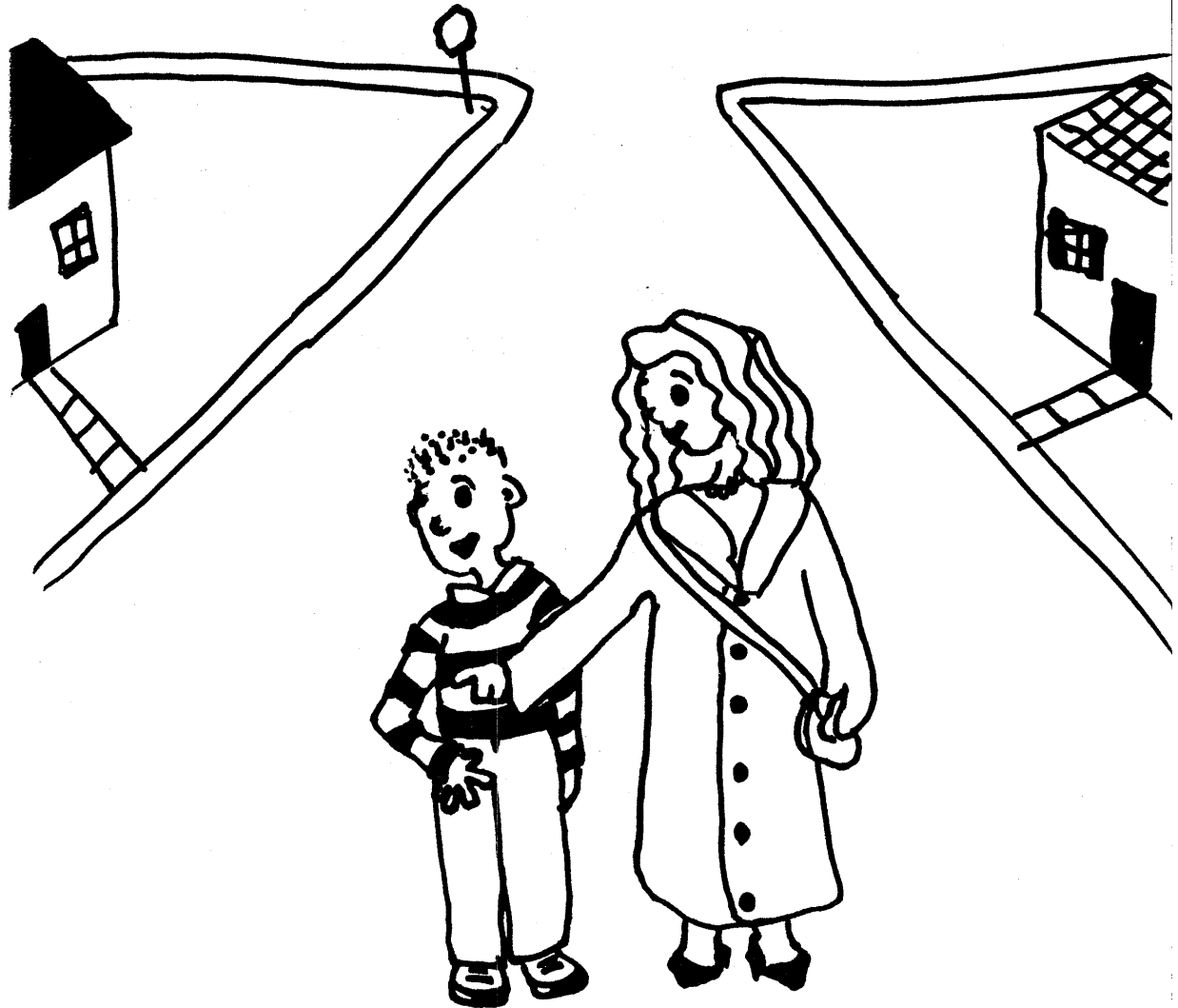
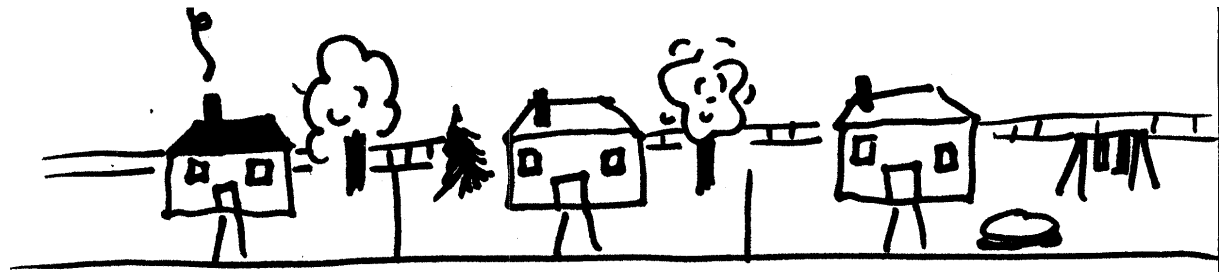
Materials: Here are a few things you might need: Poster-board for a sign, labels telling what each item of food is, a jar for money, change, a table, napkins, food, plates, paper or plastic bags, and a table cloth.

Can you add anything else to the list?



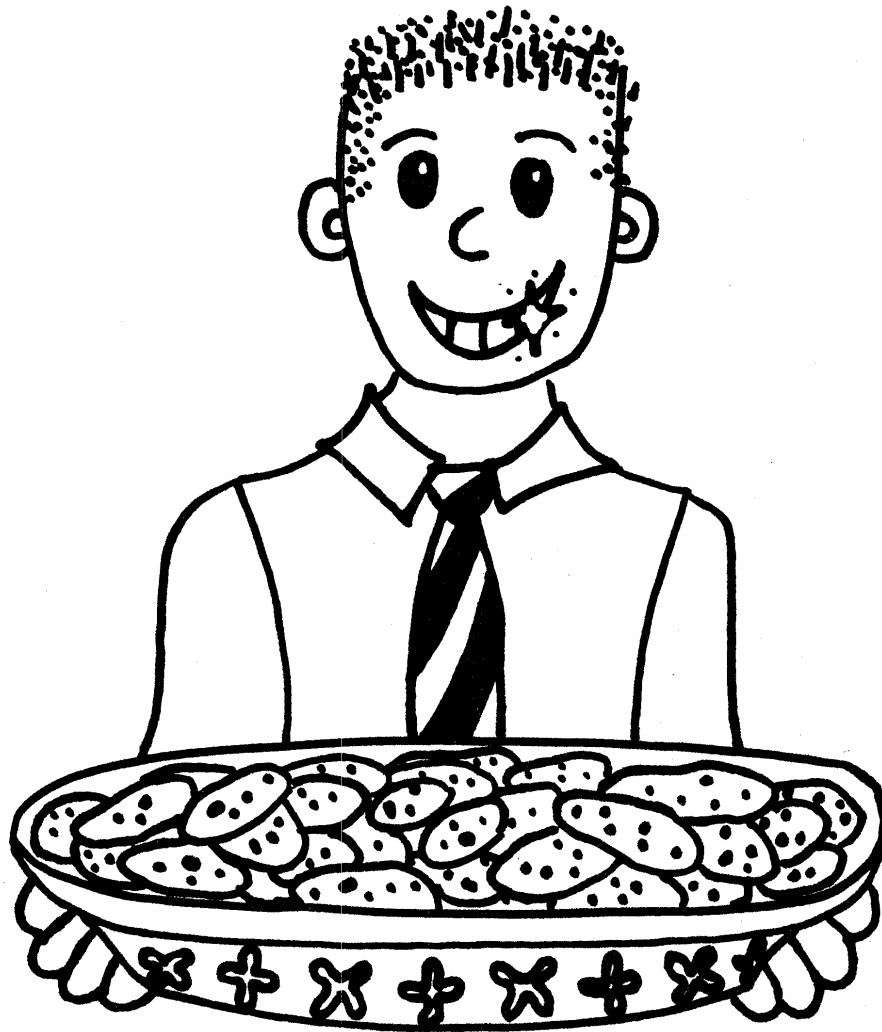


Advertising: You need to let people know about your sale by telling them the day, place, and time you'll be selling. A good way to start this is to make signs. Don't make the signs too small and be sure to use bright colored markers. Let me help you with the wording



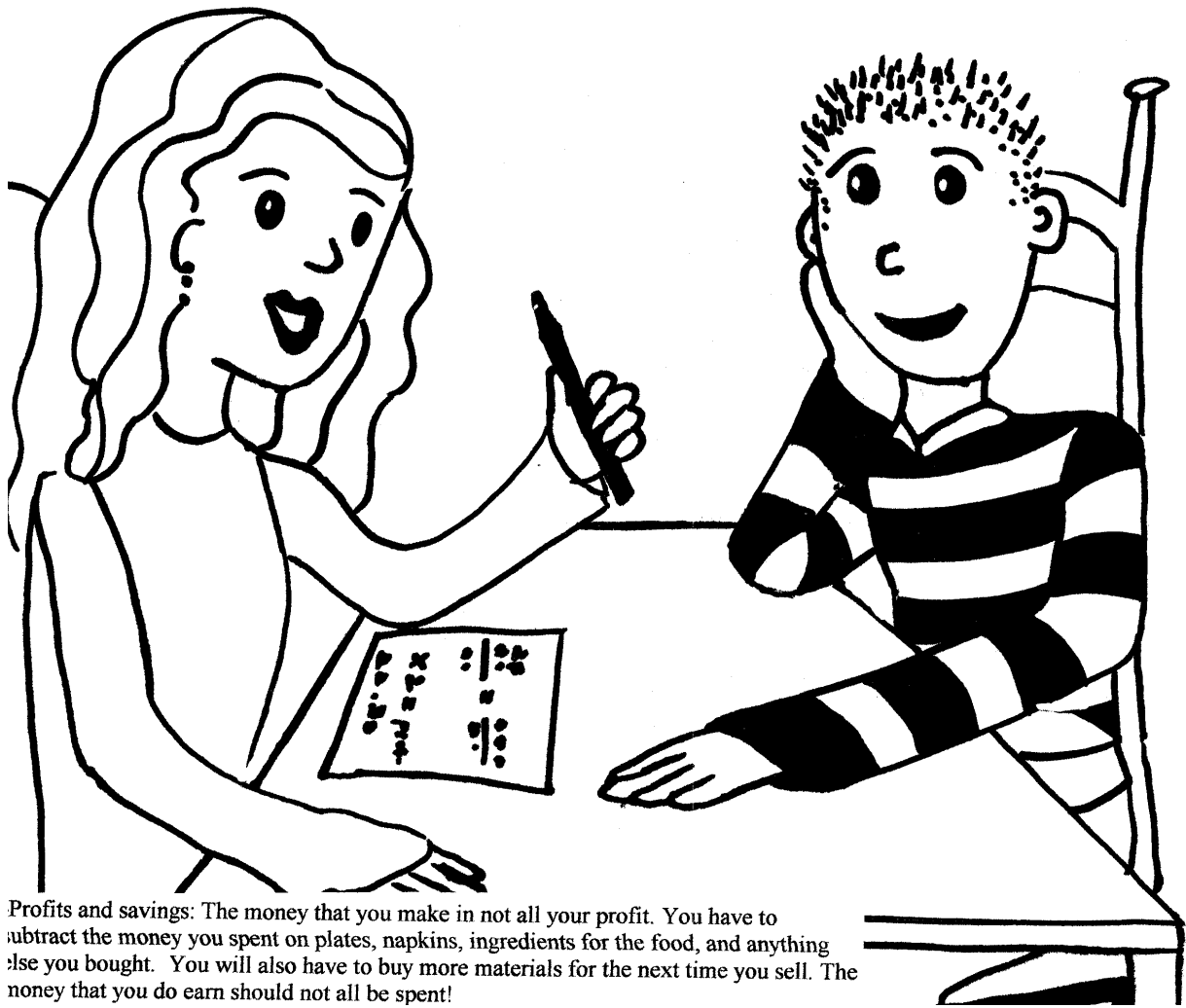
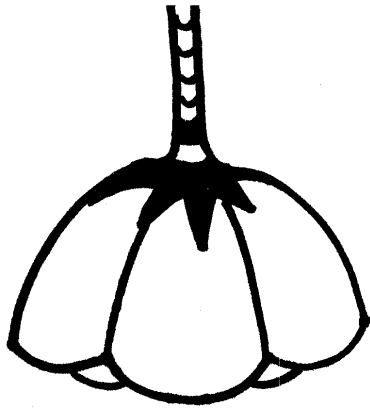
It might also help to come up with a slogan (a catchy saying), and possibly a picture that will capture people's attention (logo). Also, you can post fliers advertising your sale on telephone poles and put notes in your neighbor's mailboxes. Be sure to tell people that you know, such as relatives!

You need to dress nicely and make the product you are selling look nice too. If the food looks delicious people will desire it more. Also, be polite to customers. Remember that the customer is always right! Even if your product is turned down, say thanks anyway.



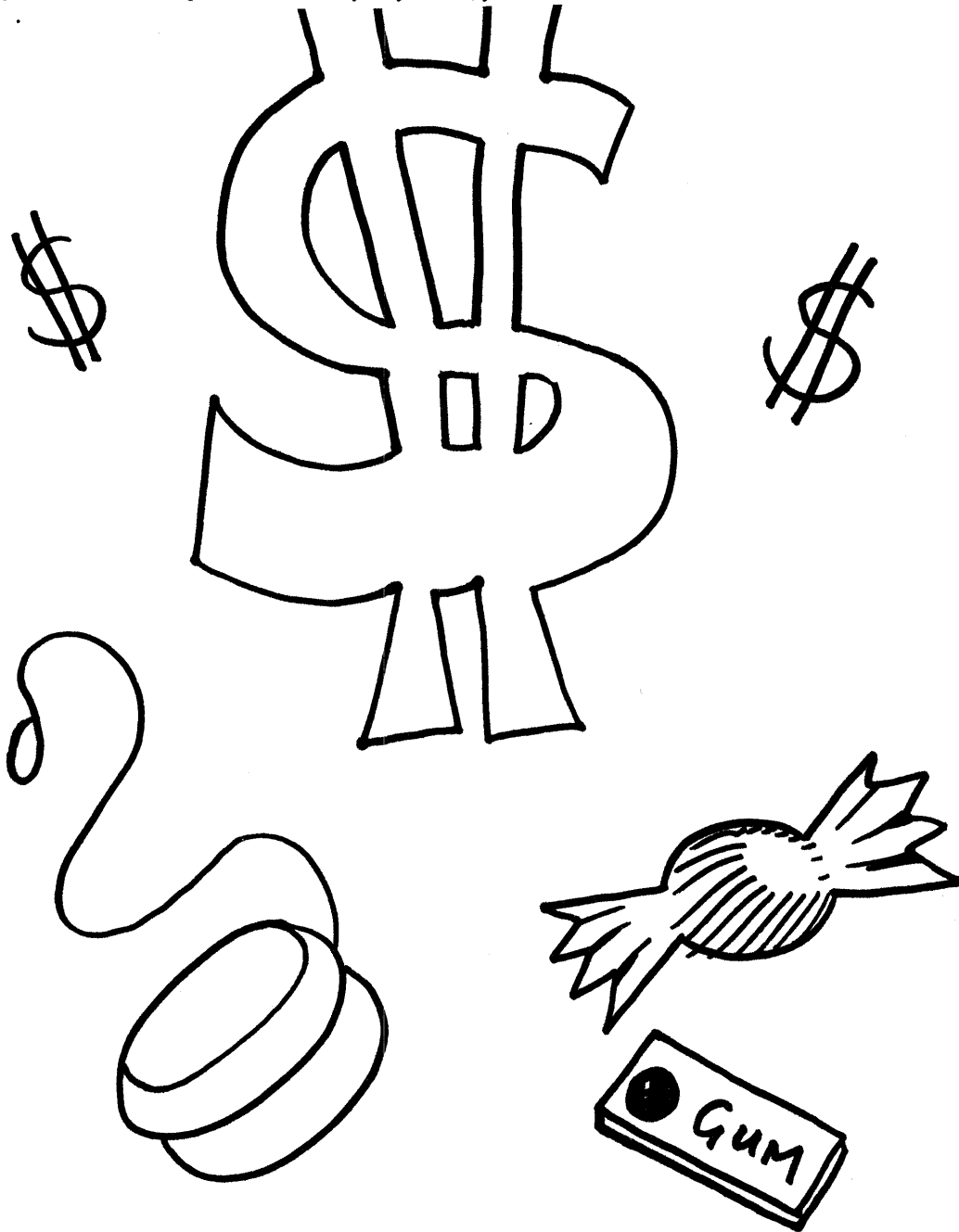
How to sell your product: Yell something like "Delicious oven hot brownies," or "Mouthwatering cookies!" Tell people reasons why they should buy what you're selling, such as: "It's only \$.25 for a delicious cookie" and "It's a low fat dessert!"

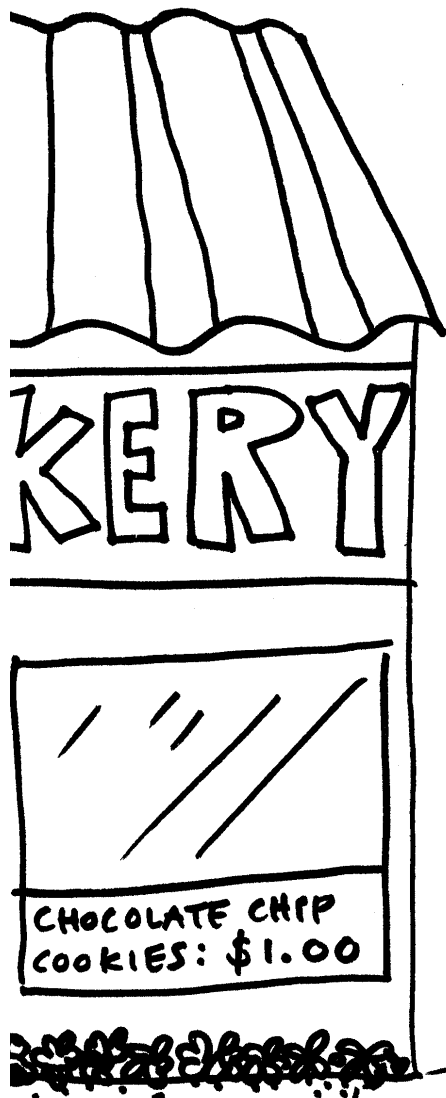




Profits and savings: The money that you make is not all your profit. You have to subtract the money you spent on plates, napkins, ingredients for the food, and anything else you bought. You will also have to buy more materials for the next time you sell. The money that you do earn should not all be spent!

Put a little money into a savings account, which is money for the future that you do not spend right now. With your money in a bank savings account, it will earn interest, which is a small amount of money that the bank pays you for letting them hold onto your money. You should also spend a little money on yourself; you earned it!





Competition: There may be other bake sales in town, and there is almost always a bakery nearby, so you should keep your prices lower than theirs and quality higher so that your customers will come back to you and not another place.

Johnny, if you keep these ideas in mind, you are almost guaranteed success and that new action figure

