



# LESSON PLAN - 3rd & 4th Grades

## “Isabel’s Car Wash ” by Sheila Bair

### Lesson Plan: Investing in a Business

**Grade Level:** 3rd – 4th grades

**Content Area:** Personal Finance

**Recommended Length/Duration:** 1 hour

**Essential Understanding:** Spending money, with the goal of making a profit, by buying stock in a business is called making an investment. To raise or collect money, a business may divide itself up into small pieces. Those pieces are called shares of stock. Investors make money when the company grows and makes a profit. Investors lose money when the company is not doing well and is earning less.

**Learning Goals:** Students will learn: what is an investment; what is a stock; how investors and a business owner make a profit. Students will learn the importance of setting a clear goal to achieve a specific outcome.

**VTDOE Standards:** Mathematics M3:4,M4:1 and History & Social Studies, H&SS3-4:20

Portions of this lesson plan were created by and used with the permission of the Maryland Council on Economic Education through partnership and funding from Consumer Credit Counseling Service of MD & DE. Thank you!

### Description/Sequence:

#### Investing in a Business

**(1)** *Begin your lesson by discussing ways that students have acquired money for things they wanted. List those ways on the board. Group the answers into these categories: collecting an allowance, getting a gift of money, and earning money.*

There is one way of making money that none of you listed. We’ll learn this way of making money from Isabel. *Do not share the cover or title page as this time.* Isabel has an economic or money problem. *Read page 5.* What is Isabel’s problem? *Have students identify her problem: not enough money to buy a doll that she wants. Reference the list of ways to acquire money you wrote at the start. Ask:* Do you think any of these ways of getting money would work for Isabel? Let’s see what happens next.

*Read pages 6-10.* How did Isabel come up with the idea to open a car wash? *Answer: Isabel saw that people needed to wash their cars and used her experience helping her brother Miguel to come up with the car wash idea.*



Let's see how she gets the \$5 she needs to start her car wash. *Read pages 11-15.* Let's work together to understand how Isabel raised the money she needed to start her business. *Distribute copies of the student worksheet. Draw the illustration below on the board, leaving the answer lines blank.*

**Isabel's Car Wash Business**

---

**\$1**  
—

**\$1**  
—

**\$1**  
—

**\$1**  
—

**\$1**  
—

What do you think this large box stands for? *Explain to the students that the big box represents Isabel's business. Have student write in Isabel's Car Wash Business on the answer line at the top of the box.*

Just like Isabel, businesses approach people to ask them to invest in their company. What do you think these five boxes represent? *Answer: the part of the business each friend owns in Isabel's Car Wash.* Each part of the business that the friends invested in is called a **share of stock**. Has anyone ever heard of the stock market? Today, if you want to buy a share of a business--like the Walt Disney Company or a business called VIACOM (which owns Nickelodeon) you would buy a share of stock through the stock market. A stock market works like a store, only you buy shares of companies. It isn't located in just one place, but is a worldwide group of organizations linked by computers and phones.

*Have students write the definition of a stock in line 2.*

Stock: A share or specific portion of a company that is bought and sold.

How much is each share of Isabel's car wash worth? Answer: \$1. *Have the student write in \$1 in each square.*

Let's see how her business goes! *Read pages 16-27.*

Looks like her business went really well! Let's help Isabel figure out whether she earned enough money to buy the Nelly Longhair doll.



Write the answers to the following questions on the board. Have the students supply you with the answers.

**\$20**

How much money did Isabel make from her car wash?

$$20 \div 2 = 10$$

She told them she would split the money she made with them. She would keep half and pay them the other half.

$$10 \div 5 = 2$$

How much would each investor/friend receive from the \$10?

Finish reading the story, pages 28-31.

**(2)** Discuss the story events using some of the following questions.

How do we know that Isabel's Car Wash business was successful? (*Isabel earned \$20 washing cars. She earned enough money to buy the doll and to repay her investor/friends more than they invested.*)

Isabel had a specific goal in mind when she started her business. She needed to raise \$10 to buy the doll. How important was Isabel's goal in helping her achieve success in her business? (*Very important. Her goal motivated her to think of ways to earn money. Her goal kept her working hard when she was tired. Her goal allowed her to measure her success--she either earned enough money for the doll or she did not.*)

Why was this a good investment for the investor/friends? How much extra money did they earn? (*an extra dollar*)

What would have happened if no one came to have their car washed at Isabel's business? Would Isabel still have to pay her investor-friends back? (*No one would have made money. Isabel would not have had the money to buy the doll. The investor/friends would have lost their money. This also happens in the actual stock market. There is no guarantee that an investor will make money. However, like Isabel's friends, people also make a profit from their stock investments.*)

**(3)** We're going to pretend that our class is going to start a business. We'll work together to answer questions 1-3 on your worksheet, then each of you will work on your own to write down reasons why someone should invest in our business.

*Make an overhead of the worksheet and write down the student answers and suggestions as you discuss them. Question one attempts to direct students to think about a specific outcome they want to achieve. Don't settle for "to make money." Guide the conversation to a specific goal. Collect the worksheets from the students. Share some of the reasons students gave to invest in the class business.*



**Materials Needed:**

1. *Isabel's Car Wash* by Sheila Bair
2. Overhead transparency of lesson worksheet
3. Copies of lesson worksheet for each student

**Supplemental Information:**

The Maryland Council on Economic Education is dedicated to advocating for economic and financial education for Maryland's students. They have a page of free lesson plans on their web site that you may find useful. The web page is located at [www.econed.org/teacherresources.php](http://www.econed.org/teacherresources.php).

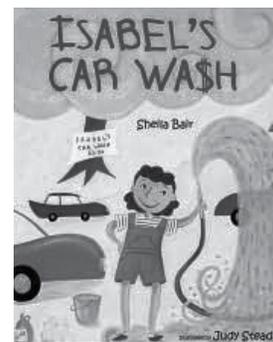
The Vermont Council on Economic Education offers teacher workshops and other programs for educators. You can find their resources by going to <http://lenny.uvm.edu/Research/Partnerships/VCEE/default.htm>.

**Just an IDEA!**

Invite a local business owner to come and explain to students how he or she started their business. Look for business owners who needed to convince someone to invest in their ideas before they could start the businesses. They may describe how they convinced their local financial institution to give them a small business loan to start their businesses. You might also invite someone from a local financial institution to share how he or she decides which businesses to loan money to. What are some of the businesses they've funded that have been successful?

# Will You Invest in Our Class Business?

**Section 1.** Big businesses do something like Isabel did when they need money. They will ask people--called investors--to give them money to help them with their businesses for the chance of making more money later if their businesses succeed. Sometimes they do this by dividing up their businesses into little pieces and selling some of those pieces to raise money. Those pieces are called shares of stock. As your teachers reads to you the story of *Isabel's Car Wash*, fill in the information below.



_____				
_____	_____	_____	_____	_____

**A stock is:** \_\_\_\_\_  
\_\_\_\_\_

**Section 2.** Fill in the blanks as your teacher directs.

**(1) Setting a goal -- Why do we want to earn money? What will we spend it on?**

**(2) What skills do you have that might help you earn money?**

**(3) Identify a need in your school or community that people might be willing to pay for--either a service or an item you can sell.**

**We see a need for** \_\_\_\_\_

**Our business will be** \_\_\_\_\_



# CAR WASH

