



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

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Arthur's Funny Money: An Excellent Example of Entrepreneurship

Time Required

15 Minutes

Grade Level and Subject Matter

K-3; Children's Literature

Keystone Principles

Principle #1 – We All Make Choices

Principle #2 - TANSTAAFL (There Ain't No Such Thing As A Free Lunch).

Principle #3 – All Choices Have Consequences.

Principle #5 – Incentives Produce “Predictable” Responses.

Economic Concepts

Benefits – *The gain received because of an action taken or a decision made.*

Choice – *The decision that is made when faced with a set of alternatives.*

Costs – *The money, effort, loss, or sacrifice necessary to achieve or obtain something.*

Entrepreneur – *One who draws upon his or her own skills and initiative to begin a new venture with the aim of making a profit.*

Goods – *Tangible objects that satisfy economic wants.*

Income – *Payments earned by households for selling or renting their productive resources.*

Services - *Activities performed by people, firms or government agencies to satisfy economic wants.*

Overview

Arthur's Funny Money is a story about a young monkey who starts his own bike washing business in order to earn enough money for his Frisbee club uniform. He invests in business materials, advertises, and bargains with his customers in order to earn enough

money. It is a delightful introduction to the decisions and opportunities facing a budding entrepreneur.

Objectives

- Students will demonstrate an understanding of the difference between goods and services.
- Students will understand how labor is exchanged for income.
- Students will identify choices and use a simple cost/benefit analysis to make decisions.

Materials and Handouts



- *Arthur's Funny Money* by Lillian Hoban. Harper Collins Publishers, c 1981.
- *Arthur's Funny Money* Decision List (teacher guide).
- Poster boards for each group of students.

Teaching Activity

1. Review/teach the concepts and definitions. Talk about the differences and similarities of goods and services.
2. As you read the story, tell the students to mentally note the goods and services mentioned in the story. You may want to list them as a class on chart paper after the story is finished.
3. Define entrepreneur and discuss how Arthur is one. List as a class the process that Arthur went through to become a bike washer.
 - He came up with the idea.
 - He found the tools that he needed – pail, brush, cloth and sponge.
 - He made a sign to advertise.
 - He invested in needed supplies – soap and Brillo
 - He bargained with customers.
 - He took care of business problems that came up (Bubbles).
 - He hired/bargained with two workers to help advertise his business
4. Divide your students into pairs or small groups to represent the choices Arthur or his friends had to make. As each group explores one of these decisions, ask them to consider the following:
 - What choice did Arthur have to make? (*For example, what did Arthur do to clean the bikes? He needed to buy some soap and Brillo*)
 - What were the benefits (good points) of making that choice? (*He could make the bikes shiny and clean with these products; he had enough money to purchase the products.*)
 - What were the costs (bad points) of making that choice? (*He had to part with \$.80 of his money; he ran the risk of not having any customers and wasting the money he spent.*)

A teacher's guide is provided with eleven decisions made. Have each team present a poster to the class and explain the choices made.

5. Bring up the following questions for discussion:

- What other businesses were suggested in the story? Why didn't Arthur want to start one of those?
- Why did Arthur start his own business?
- Did his business offer a good or a service?
- Would you ever like to be an entrepreneur? What type of business would you be interested in starting?

Additional Ideas

This story deals with adding coin combinations. You could use it as a springboard for practicing coin combinations. Give each pair of students a bag of coins. Have them add up the total value. Prepare a table of items for sale with price tags on each. Have your students count out the amount needed for the items and make an exchange. You could even reduce prices for a good value, just as Arthur does in the story.

Arthur's Funny Money Decision List

A Teacher's List

The Choice to be made	The Decision Reached	Benefits	Costs
1. How should Arthur clean the bikes?	He decided to buy some soap and Brillo.	(1) He could make the bikes shiny and clean. (2) He had enough money to purchase them.	(1) He had to part with \$.80 of his money. (2) He might not have any customers and thus waste his money.
2. How much should Arthur charge to clean bikes and trikes?	He decided to charge \$.25 for a bike and \$.38 for a bike and trike combination.	He would get more jobs to do, and therefore more money.	He would have to do more cleaning for the same amount of money.
3. Norman needed to pay Arthur for the damage done by his dog, Bubbles.	Norman agreed to pay Arthur \$.42 instead of \$.38.	It was cheaper than buying Arthur a new box of soap.	It cost him four cents more.
4. Norman needed to pay Arthur for the Brillo eaten by his dog, Bubbles.	Norman offered to put signs on his bike advertising Arthur's business.	It was cheaper than buying Arthur a new box of Brillo.	Normal would have to spend time riding all over town to show off the signs.
5. How could Arthur get more business?	He agreed to put advertisements on Norman's bike.	People would see the clean, shiny bikes and ask Arthur to clean their bikes, too.	Arthur would need to work very hard to make Norman's bike as clean and shiny as possible.
6. Should Arthur only wash bikes?	At first he agreed to wash everything his friends brought.	He would make a lot more money.	He would be very busy and probably very tired.
7. The sign said Arthur charged to wash bikes, so his friends thought he should wash everything else for free	Arthur compromised with his friends. If they would pay him to wash their bikes for \$.25, he would wash the rest for only a little more.	(1) Arthur would make a lot more money. (2) He would keep his friends happy.	This would be a lot more work for Arthur.

The Choice to be made (cont'd.)	The Decision Reached (cont'd.)	Benefits (cont'd.)	Costs (cont'd.)
8. Arthur wanted to buy more soap to clean more bikes to make more money, but the price of the soap had gone up.	Arthur decided to look elsewhere and try to find less expensive soap.	Arthur would not have to spend as much money.	It would take time and energy to walk around to other stores and find more soap.
9. The General Store had the t-shirt and cap on sale.	Arthur decided to buy the t-shirt and cap.	He will have the things he was working to get.	He will spend most of the money he earned.
10. Arthur has \$.18 left. Should he spend it all on licorice sticks?	He decides to buy the licorice.	He loves licorice candy and will enjoy eating it.	He will not have any money left
11. Violet has helped him in his business. Should he now share his licorice with her?	He decides to share his licorice equally, although he needs Violet's help to divide them.	(1) He feels good about sharing with Violet. (2) Arthur and Violet remain friends.	He only gets 2 ½ pieces of licorice instead of 5.