
ENTREPRENEURSHIP ECONOMICS



COUNCIL FOR
**Economic
Education**

Teaching Opportunity®

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This publication was made possible through the generous support of The UPS Foundation.



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ISBN: 978-1-56183-735-9

*Views expressed in this volume are those of the authors and do not necessarily represent those of the Federal Reserve Bank of St. Louis or the Federal Reserve System.

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ABOUT THIS VOLUME

It is often said that today's education curriculum is rooted in yesterday's economy, and that a changing, entrepreneurial and technologically driven economy requires different educational approaches. The skill set needed to succeed in the 21st century workforce—one that values opportunity, creativity and agility—is quite different from the skill set needed during the last century. The key to success is an economic way of thinking, which should be a cornerstone of the nation's efforts to reform the educational system.

The nation's economy will increasingly rely on entrepreneurs to stimulate economic growth—and yet even though a growing majority of the nation's students would like to start and own a business, most are ill-prepared to do so. As educators, we can and should provide students with this critical knowledge. And even though not all students who receive entrepreneurship education intend to pursue a career path as an entrepreneur, everyone can benefit from the learning associated with understanding the concepts and processes of economics and entrepreneurship.

Effective entrepreneurship education assists students in achieving economic autonomy and empowerment. With this publication, *Entrepreneurship Economics*, CEE aims to provide high school educators with lessons that place entrepreneurship within this broader economic context.

Entrepreneurship Economics contains 11 lessons featuring student-centered instructional methods and providing teachers with the conceptual frameworks they need to cover entrepreneurship and economics topics in an engaging way. Each of these lessons is designed to stand alone, although they are, of course, closely related to each other.

Lesson 1 introduces students to entrepreneurship through a resource market simulation, which demonstrates how entrepreneurship promotes economic activity and benefits society. Lesson 2 explores economic systems and asks students to analyze the entrepreneur's role in the economy. Lesson 3 personalizes the supply chain by asking students to explore the role regional resources and assets play in local business development and to identify entrepreneurial opportunities within their community. Lesson 4 reviews forms of business ownership and asks students to use this knowledge to make decisions for several entrepreneurial scenarios. Lesson 5 outlines the explicit and implicit costs of entrepreneurship and encourages students to assess the value of their labor in an entrepreneurial venture. Lesson 6 introduces the concepts of risk and insurance and looks at how entrepreneurs can manage risk. Lesson 7 uses a family lending case study and several start-up scenarios to familiarize students with the financing options available to entrepreneurs throughout the various stages of their businesses. Lesson 8 emphasizes the importance of personal financial management to the entrepreneur and explores how the entrepreneur's credit rating affects his or her ability to secure start-up financing. Lesson 9 reviews the concept of human capital within the context of entrepreneurship and encourages students to reflect on their own human capital and entrepreneurial qualities. Lesson 10 illustrates the importance of marketing to entrepreneurship and engages students in the development of a marketing strategy for a given product. Lesson 11 serves as the publication's culminating activity; by conducting a gap analysis, creating a business plan, and delivering an elevator pitch, students synthesize and apply the concepts covered in this book.

Many people are responsible for bringing this publication to completion, starting with Richard MacDonald, who identified the need for this project, and Christopher Caltabiano, who recruited the team of entrepreneurship and economics experts needed to develop this project successfully. Lesson authors Barbara Flowers, Brent Hales, and Greg Valentine worked hard to deliver quality classroom lessons, ever willing to review and revise their work to make this publication as engaging and teacher-friendly as possible. Content advisor John Clow gave invaluable feedback on lesson drafts, and his many years of

experience in entrepreneurship education greatly benefited this publication. Project coordinator Nichola Tucker provided the direction needed to get this project to the finish line, and her significant contributions to lesson content ensured the quality of this publication.

Finally, CEE gratefully acknowledges The UPS Foundation, whose generous support made this publication possible.

Council for Economic Education

STANDARDS

CORRELATION OF LESSONS WITH NATIONAL STANDARDS IN ECONOMICS*

	L 1	L 2	L 3	L 4	L 5	L 6	L 7	L 8	L 9	L 10	L 11
1. Scarcity				•	•		•				
2. Decision Making				•	•	•	•	•	•		
3. Allocation		•									
4. Incentives		•		•		•					
5. Trade											
6. Specialization											
7. Markets and Prices		•								•	
8. Role of Prices										•	
9. Competition and Market Structure	•	•		•						•	
10. Institutions				•							
11. Money and Inflation											
12. Interest Rates							•				
13. Income							•	•	•		
14. Entrepreneurship	•	•	•	•	•	•	•	•	•	•	•
15. Economic Growth											
16. Role of Government and Market Failure											
17. Government Failure											
18. Economic Fluctuations											
19. Unemployment and Inflation											
20. Fiscal and Monetary Policy											

*Standards taken from *Voluntary National Content Standards in Economics, 2nd ed.*, Council for Economic Education, 2010

CORRELATION OF LESSONS WITH NATIONAL STANDARDS IN PERSONAL FINANCE EDUCATION*

	L 1	L 2	L 3	L 4	L 5	L 6	L 7	L 8	L 9	L 10	L 11
Financial Responsibility and Decision Making											
<i>Apply reliable information and systematic decision making to personal financial decisions</i>											
1. Take responsibility for personal financial decisions							•	•			
2. Find and evaluate financial information from a variety of sources							•				•
3. Summarize major consumer protection laws											
4. Make financial decisions by systematically considering alternatives and consequences			•				•	•			•
5. Develop communication strategies for discussing financial issues			•				•				•
6. Control personal information											•
Income and Careers											
<i>Use a career plan to develop personal income potential</i>											
1. Explore career options				•	•	•			•		•
2. Identify sources of personal income			•						•		•
3. Describe factors affecting take-home pay											
Planning and Money Management											
<i>Organize personal finances and use a budget to manage cash flow</i>											
1. Develop a plan for spending and saving							•				
2. Develop a system for keeping and using financial records							•				•
3. Describe how to use different payment methods							•				
4. Apply consumer skills to purchase decisions											
5. Consider charitable giving											
6. Develop a personal financial plan							•				
7. Examine the purpose and importance of a will											

*Standards taken from *National Standards in K-12 Personal Finance Education*, Jump\$tart Coalition for Personal Financial Literacy, 2007

CORRELATION OF LESSONS WITH NATIONAL STANDARDS IN PERSONAL FINANCE EDUCATION CONT'D

	L 1	L 2	L 3	L 4	L 5	L 6	L 7	L 8	L 9	L 10	L 11
Credit and Debt											
<i>Maintain creditworthiness, borrow at favorable terms, and manage debt</i>											
1. Identify the costs and benefits of various types of credit							•				
2. Explain the purpose of a credit record and identify borrowers' credit report rights							•	•			
3. Describe ways to avoid or correct debt problems							•	•			
4. Summarize major consumer credit laws											
Risk Management and Insurance											
<i>Use appropriate and cost-effective risk management strategies</i>											
1. Identify common types of risks and basic risk management methods						•					•
2. Explain the purpose and importance of property and liability insurance protection						•					
3. Explain the purpose and importance of health, disability, and life insurance protection											
Saving and Investing											
<i>Implement a diversified investment strategy that is compatible with personal goals</i>											
1. Discuss how saving contributes to financial well-being			•								
2. Explain how investing builds wealth and helps meet financial goals			•								
3. Evaluate investment alternatives			•						•		
4. Describe how to buy and sell investments											
5. Explain how taxes affect the rate of return on investments											
6. Investigate how agencies that regulate financial markets protect investors											

CORRELATION OF LESSONS WITH NATIONAL STANDARDS FOR BUSINESS EDUCATION*

	L 1	L 2	L 3	L 4	L 5	L 6	L 7	L 8	L 9	L 10	L 11
Entrepreneurship											
I. Entrepreneurs and Entrepreneurial Opportunities											
A. Characteristics of an Entrepreneur	•	•	•						•		
B. Role of the Entrepreneur in Business	•	•	•		•				•		
C. Opportunity Recognition and Pursuit	•	•	•	•	•		•	•	•		•
D. Problem Identification and Solutions			•				•				
II. Marketing											
A. Identifying the Market										•	•
B. Reaching the Market			•		•					•	•
C. Keeping/Increasing the Market			•							•	•
III. Economics											
A. Economic Concepts			•		•		•		•		•
B. Market Economy Characteristics		•									
C. Function of Price											
D. Role of Profit and Risk					•						
E. Role of Government											
IV. Finance											
A. Determining Cash Needs											•
B. Identifying Sources and Types of Funding							•	•			•
C. Interpreting Financial Statements					•						
V. Accounting											
A. Keeping Business Records							•				
B. Identifying Types of Business Records							•				
C. Establishing and Using Business Records							•				
D. Interpreting Business Records											
VI. Management											
A. Establishing a Vision											•
B. Hiring Employees											
C. Building Teams											
D. Monitoring Achievement											

*Standards taken from *National Standards for Business Education*, National Business Education Association, 2007

CORRELATION OF LESSONS WITH NATIONAL STANDARDS FOR BUSINESS EDUCATION CONT'D

	L 1	L 2	L 3	L 4	L 5	L 6	L 7	L 8	L 9	L 10	L 11
VI. Management - Cont'd											
D. Managing Risks							•				
VII. Global Markets											
A. Cultural Differences											
B. Import/Export Opportunities											
C. Global Trends											
VIII. Legal											
A. Forms of Business Ownership			•	•							•
B. Government Regulations											
C. Business Ethics											
IX. Business Plans											
A. Develop a business plan											•

CORRELATION OF LESSONS WITH NATIONAL STANDARDS FOR ENTREPRENEURSHIP EDUCATION*

	L 1	L 2	L 3	L 4	L 5	L 6	L 7	L 8	L 9	L 10	L 11
Entrepreneurial Skills											
A. Entrepreneurial Processes											
Discovery			•					•	•		•
Concept Development				•		•					•
Resourcing					•		•	•			•
Actualization			•			•					•
Harvesting											•
B. Entrepreneurial Traits/Behaviors											
Leadership	•	•		•		•		•	•		•
Personal Assessment					•				•		
Personal Management							•		•		•
Ready Skills											
C. Business Foundations											
Business Concepts	•	•	•	•		•	•			•	•
Business Activities			•			•		•		•	•
D. Communications and Interpersonal Skills											
Fundamentals of Communication									•		
Staff Communications											
Ethics in Communication											
Group Working Relationships									•		
Dealing with Conflict									•		
E. Digital Skills											
Computer Basics											
Computer Applications											
F. Economics											
Basic Concepts	•	•	•		•		•		•	•	
Cost-Profit Relationships	•						•				
Economic Indicators/Trends											
Economic Systems	•	•	•			•					
International Concepts											

*Standards taken from *National Content Standards for Entrepreneurship Education*, Consortium for Entrepreneurship Education, 2004

CORRELATION OF LESSONS WITH NATIONAL STANDARDS FOR ENTREPRENEURSHIP EDUCATION CONT'D

	L 1	L 2	L 3	L 4	L 5	L 6	L 7	L 8	L 9	L 10	L 11
G. Financial Literacy											
Accounting								•			
Finance											
Money Management								•			
H. Professional Development											
Career Planning									•		
Job-Seeking Skills									•		
Business Functions											
I. Financial Management											
Accounting											
Finance							•	•			
Money Management			•					•			
J. Human Resource Management											
Organizing											
Staffing											•
Training/Development											
Morale/Motivation											
Assessment											
K. Information Management											
Record Keeping							•				•
Technology											
Information Acquisition											
L. Marketing Management											
Product/Service Creation			•				•			•	•
Marketing-information Management										•	•
Promotion										•	•
Pricing											•
Selling											•

CORRELATION OF LESSONS WITH NATIONAL STANDARDS FOR ENTREPRENEURSHIP EDUCATION CONT'D

	L 1	L 2	L 3	L 4	L 5	L 6	L 7	L 8	L 9	L 10	L 11
M. Operations Management											
Business Systems			•								
Channel Management			•								
Purchasing/Procurement											
Daily Operations											
N. Risk Management											
Business Risks						•					
Legal Considerations				•		•					
O. Strategic Management											
Planning			•								•
Controlling											•

DOWNLOADING VISUALS, ACTIVITIES, AND RELATED MATERIALS

On the Web

To download the visuals and activities for each lesson, find online lessons to extend the student activities, and find related materials to each lesson, visit:

www.councilforeconed.org/entrep-econ

