
Literature Annotation
To earn money to buy a doll that she wants, Isabel starts a car wash business with money invested by friends, hoping to make a profit for everyone. Back matter includes information on selling shares in a business.

Grade Level: Grade 3-5

Duration: 45-60 minutes

Economic Concepts: Consumption, Production, Money Management

Maryland State Curriculum
Economics Standard: Students will identify the economic principles and processes that are helpful to producers and consumers when making good decisions. (PreK-3 Standard)
4. B.3 Describe how consumers acquire goods and services

Personal Financial Literacy Standards
Standard 2: Students will relate choices regarding their education and career paths to earning potential.
2.5.B Describe sources of income.
2.5.C Explain the relationship among income, spending decisions and lifestyle.

Standard 3: Students will develop skills to plan and manage money effectively by identifying financial goals and developing spending plans.
3.5.A Demonstrate the ability to use money management skills and strategies by saving for and acquiring goods and services.

College and Career Ready Standards for Reading Informational Texts
RL.4.1 Refer to details and examples in a text when explaining what the text says explicitly and when drawing inferences from the text.
RL.4.2 Summarize the text.
RL.4.3 Describe in depth an event in a story, drawing on specific details in the text
RL.4.4 Determine the meaning of words and phrases as they are used in a text

Objective
Students will generate a plan for earning money for a good or service.
Vocabulary

**goods**: things that people make or grow that satisfy economic wants; things desired by consumers and supplied by producers

**services**: community jobs; actions (jobs) that people do for each other

**risk**: the probability of making a profit or losing money on one’s investment: the chance an investment will decrease in value

**spending plan**: another name for budget

Additional vocabulary:

Investors, shares of stock, dividend

Materials

- Read-aloud copy of the book *Isabel’s Car Wash*
- Resource 1: *Planning for a Business* (one copy for a document camera; one copy for each group of 3-4 students)
- Resource 2: *Writing Prompt* (One for each student)

Teacher Background

There is an excellent explanation of “sharing” in a business in the back matter of the book.

Motivation

Discuss ways that students have acquired money for goods or services that they want. List these ways on the board, grouping the suggestions into these categories: collecting an allowance, getting a gift of money, and earning money.

Development

1. Display page one of the story *Isabel’s Car Wash*. (Do not share the cover or title page at this time.) Introduce the main character, Isabel Dinero. Say, “Isabel has an economic problem. Let’s read a few pages to identify her problem and think of some solutions.” Read pages 1-3 of the story. Have students identify Isabel’s economic problem: not enough money for a good that she wants to buy.

2. Discuss the ideas that Isabel had for getting money for the Nelly Longhair doll. Have students suggest some additional ways that Isabel might earn money.

3. Continue with the Read-Aloud for the next 3 pages (ending with “How could she get the five dollars?”). Ask students to explain how Isabel got the idea for opening a car wash. Ask: *How did Isabel use her ideas and her experiences to devise a plan for earning money?*

4. Discuss the problem Isabel faces when she tries to buy supplies for her car wash.
5. Continue with the Read-Aloud for the next 4 pages (ending with “Now she had five dollars?”). Draw and explain the following diagram on the board, including a discussion of the terms *investors* and *shares of stock*:

<table>
<thead>
<tr>
<th>Five Shares in Isabel’s Car Wash Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ $ $ $ $</td>
</tr>
<tr>
<td>Car Wash Supplies</td>
</tr>
</tbody>
</table>

6. Draw and explain the following diagram to explain what will happen with Isabel's earnings from the car wash business. Include a discussion of the terms *risk* and *dividend*. Ask students to evaluate whether they think the 5 friends were making a good investment.

7. Continue with the Read-Aloud to complete the story.

8. Discuss the story events using some of the following questions:

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

   b) *Why was the business successful?* (Isabel had a good business plan; there was a need for her services; she worked hard; she had the right skills; she had the right equipment; she advertised with a sign and by word-of-mouth.)

   c) *Why was this a good investment for the friend-investors?* How much extra money-dividend did they earn? (an extra dollar)
9. Divide the students into groups of 3 or 4 students. Display a transparency of Resource Sheet 1: *Planning for a Business*. Work through the questions as a whole class, using Isabel’s carwash as an example of a business.

10. As a class, brainstorm ideas for businesses that students of their age might operate to earn money. Some examples might be: mother’s helper service, selling lemonade or other food items, writing children’s books, selling toys on the Internet. Some students may generate entrepreneurial ideas by thinking of products that could be used to solve problems. (For example, a third grade student designed a product called eraser clappers made of two long pieces of wood with attachments for the chalkboard erasers. These clappers solved the problem of getting chalk dust in a person’s face as he clapped the erasers to clean them. Classroom teachers readily bought these items.)

11. Distribute a copy of Resource 1: *Planning for a Business* to each group of students. Have each group work through the questions together to generate a plan for a business, either from the list on the chalkboard or from an original idea. Emphasize the importance of planning a business that meets a community need, having skilled workers, having the right materials for the business, having enough money to buy materials, and getting shareholders, if needed.

12. Share some of the ideas generated in the small groups.

**Assessment**

Distribute Resource 2: *Writing Prompt*. 
NAME: ________________________________

Planning for a Business

1. What skills do you have that might help you earn money? (Example: Isabel was a hard worker. She had experience washing cars.)

2. Identify a need in your school or community for which people might be willing to pay for a good or a service. (Example: Isabel saw a need for a car wash because it had been rainy and the cars were muddy.

We see a need for _________________________________.

Our business will be _________________________________.

3. What materials will you need to run the business? How much will the materials cost? Will you need to sell “shares” to the business?

4. Write a plan for getting your business started:

a. 

b. 

c. 

d. 

e. 
NAME: _______________________

Writing Prompt

In the book *Isabel’s Car Wash*, Isabel presented an idea to her friends to show them why they should invest a dollar in her business.

You and your group have planned the following business:

__________________________________________________________________________________

Write a paragraph to persuade classmates to become investors in your business. Be sure to include reasons why your business will be successful.

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