

## Turning lemons into hands-on business lessons for children

By Jennifer Heldt Powell / Small Business Matters | Sunday, April 24, 2011 | <http://www.bostonherald.com> | **Business & Markets**



Photo by Chitose Suzuki

When life gives you lemons, make lemonade. Or better yet, teach a child how to make it and how to sell it. After all, who can resist a child selling cool lemonade on a hot summer day? And what better way for a kid to learn about entrepreneurship?

On May 1, children across the country will be setting up shop as part of Lemonade Day, a national movement to give kids hands-on lessons in running a small business.

These aren't quaint corner stands stocked with lemonade that mom bought. These are bona fide businesses that require planning and investment by the young people who are going to profit.

The movement was launched in Houston five years ago by a group called Prepared 4 Life as a way to teach children about their options in life. Organizers hope to have more than 100,000 stands in 30 cities this year.

Babson College helped bring the event to Boston, where it is supported by Mayor **Thomas M. Menino**, the **Boys and Girls Club of Boston**, Big Sister Association of Greater Boston, Friends of the Children — Boston, Boston Centers for Youth & Families and the Girls Scouts, among others.

Locally, the event is open to children in Boston and the surrounding area. Participants receive a backpack and a guidebook with lessons on how to set up a stand. Many have already started.

"The kids are grabbing on to this way of thinking that entrepreneurship is about solving problems," said Suzanne Picher, Lemonade Day Boston city director. "It teaches children about how they can influence their future."

As with starting any new business, a successful lemonade stand starts with a plan. It doesn't have to be elaborate, but sketching out the basics can spark creativity and help set realistic expectations.

Location, of course, is critical.

"You need to make sure there is a lot of foot traffic," Picher said. "And you need to do it in a place where you can easily get your lemonade."

Some towns require a permit while others exempt lemonade stands. It's better to find out before getting a ticket.

Next, children have to figure out how they're going to fund their business. The typical start-up cost is around \$20 for the lemonade and cups.

It's good to have children put up their own money or to take out a loan from a supportive family member, said Linda Samuels, head of Billionaire Babies, which teaches children entrepreneurial skills.

"This is a teachable moment," she said. It's a chance to give them a realistic picture of how things work in business.

With funding in place, it's time for the big question: how much to charge?

Students should first consider how much they want to make and then look at the per-unit cost of the lemonade and consider what people are willing to pay. Some Lemonade Day participants have talked about charging as much as \$5 a cup. They will quickly discover if that is more than the market can bear.