PENNY HOLLOW / NEXTGEN

AGES 11-13 | FINANCIAL LITERACY WORKBOOK

Young Entrepreneur Launch Lab

A complete idea-to-pitch course for thoughtful young business builders.

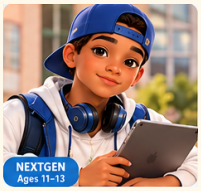
LEARN / PRACTICE / INVESTIGATE / GROW



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Sammy



Benny



Ernie



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Cleo

Where Little Money Habits Grow Into Big Futures.

Family & classroom edition | Educational examples | 2026

Printable activities, worked examples, reflections, and answer keys

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2. UNDERSTAND CUSTOMERS

Case study: labels or surprises?

Fictional case: Amina wants to make surprise-color labels for club supply boxes. She assumes adults enjoy receiving unexpected colors. Before creating a batch, she shows paper samples to four fictional organizers. She records roles only, not personal details.

Research clue	What it might mean
Three organizers sort boxes by color	Matching colors may matter more than surprises
Two want labels that wipe clean	Durability deserves a prototype test
One needs large, readable text	Readability may be part of the benefit
All four say "that is cute"	Friendly comments alone do not establish demand

Amina revises her offer to let an organizer choose colors and text size. She tests one reusable sample before buying supplies. This is learning, not failure. She does not claim "75% of all organizers prefer color matching" because four practice interviews do not represent everyone.

Think like a researcher

1. Identify the original assumption and one piece of evidence that challenged it.

2. Write the next test Amina should run. Include what a successful result would look like.

3. What conclusion would be too strong for this small sample?

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4. COUNT THE COSTS

Find the cost of one unit

Unit cost means the cost for one item or one unit of service. Start by defining a unit. For PaperTrail, a unit is one finished bookmark in a sleeve. Direct materials are the supplies used in that unit. Keeping the definition clear prevents mixing a pack price with a single-item price.

Direct material per bookmark	Cost
Cardstock portion	$0.20
Sleeve	$0.15
Printed decoration	$0.25
Total direct cost per unit	$0.60

For 20 bookmarks: 20 x $0.60 = $12 in direct material cost. A pack of supplies may make more than one batch. Divide the pack price by the number of usable pieces, and allow for realistic waste. If a $5 pack yields only 20 usable decorations, the decoration cost is $5 / 20 = $0.25 each.

Time still matters

Harper records her unpaid work time separately. Unpaid time is not a cash payment in this model, but it is not "free" in a decision. A plan that earns a small cash profit after many hours may be less useful than another safe option.

Unit-cost check

1. A $6 pack produces 24 usable sleeves. What is the sleeve cost per unit?

2. What happens to unit cost if several usable pieces are wasted?

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5. PRICE & PROFIT

Revenue is not money you keep

Revenue is money earned from sales before subtracting expenses. Profit is what remains after the relevant expenses are subtracted. Seeing a full cash box can feel exciting, but some of that money replaces supplies and startup spending. Decide what you mean by profit before comparing two projects.

PaperTrail: 20 bookmarks sold	Working	Result
Revenue	20 x $2.40	$48.00
Direct cost of items sold	20 x $0.60	$12.00
Gross profit in this product example	$48 - $12	$36.00
Other project costs	Trimmer + display + sign	$24.00
Modeled project profit	$36 - $24	$12.00

Gross profit here subtracts the direct cost of the products sold. Our modeled project profit subtracts all listed project expenses. "Net profit" generally refers to a bottom-line result after all relevant expenses; real records may include additional costs and different accounting treatment. Every workbook result is before taxes and any payment for the owner's work time.

Explain to a friend

1. Why is "I sold $48, so I earned $48 profit" incorrect?

2. Name two additional real-world costs or responsibilities that would need adult review.

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7. RUN IT RESPONSIBLY

Keep business money understandable

Records tell the story behind the cash. Track the date, purpose, money in, money out, and balance. Keep receipts when a grown-up handles real purchases. Separate the project record from personal spending so you do not mistake added savings for sales.

PaperTrail cash record	In	Out	Cash balance
Owner adds startup money	$36.00	$0.00	$36.00
Tools, stand, and sign purchased	$0.00	$24.00	$12.00
First-batch materials purchased	$0.00	$12.00	$0.00
20 bookmarks sold	$48.00	$0.00	$48.00
Owner startup money returned	$0.00	$36.00	$12.00

The $36 the owner added is funding, not sales revenue. Returning it is not another cost of making the bookmarks; the project expenses were already counted. The remaining $12 matches the modeled profit because all 20 items sold and this example has no unpaid bills or leftover materials.

Record detective

1. What mistake would happen if Harper counted the original $36 as revenue?

2. Name a helpful receipt label and a fictional order code that reveal no customer personal information.

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10. COMPLETE THE LAUNCH LAB

Project finance file

PocketPlan's fixed project costs are $20. Direct materials cost $1.25 per finished card with envelope. The proposed price is $3.50 per unit. The first batch is 20 cards, and the middle forecast assumes all 20 sell. The cautious case assumes only 12 sell. The practice model excludes tax, payment fees, and owner pay.

Required calculation	Your working	Result
Direct materials for first batch	20 x $1.25	_____
Startup cash	Fixed costs + first batch materials	_____
Contribution per unit	Price - variable cost	_____
Whole-unit break-even	Fixed costs / contribution; round up	_____
20-sale revenue and project profit	Revenue - direct cost of sales - fixed cost	_____
12-sale revenue and project profit	Use only direct cost of items sold	_____

Show the whole story

1. At 20 sales, divide modeled profit by five unpaid work hours. Explain what this comparison does and does not mean.

2. In the 12-sale case, how many cards remain, what direct material value do they contain, and why is that not cash?

3. List one omitted real-world cost that would reduce the result.

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