

What is CREATE CITY?

An engaging, hands-on experience
for Middle School Marketing Students!

Origin:

CREATE CITY is a marketplace simulation activity through which students learn the basics of marketing and entrepreneurship. This curriculum was adapted from an economics curriculum called "Mutual Fun" by Michelle Gowan. Mrs. Gowan was Mrs. Jones's gifted education teacher and is one of her mentors. Mrs. Gowan continues to teach today in Macon, GA and absolutely loves what she does! She is an inspiration to all!

How does it work?

During the first 5 weeks of class, students in CREATE will learn the ins and outs of economics by exploring the following topics:

- Banking
- Free Enterprise
- Entrepreneurship
- Checking Accounts
- Savings Bonds
- Stocks
- Profit
- Market Analysis
- Supply & Demand
- Taxes
- Advertising
- Marketing
- Competition
- Etc.

In this time, students will also develop a business plan around an item that they will make and eventually sell in our marketplace simulation, create marketing materials that will be used to advertise their business and our marketplace, and learn how to write checks, deposit slips, withdrawal slips, etc. Most of this will be done using the technology that is available in our lab.

In weeks 6-8, our marketplace will open with students selling the products that they have created. In CREATE CITY, \$10 is equal to \$1 in American money. When deciding what they are going to sell, they have to remember that each customer in our city only has between \$10-\$20 to spend each time that we are open. So, when students are deciding what to sell, they want to choose a product that will not cost them much money in American dollars. We are not trying to break parents by any means!! This should be something that is STUDENT CREATED and easily transported to and from home.

If a student forgets to bring his/her product to sell, his/her grade will be affected. Each week, they will figure out how much profit was actually earned after paying expenses, and they will figure and post their net worth in our classroom.***

What are students responsible for during the weeks when they are participating in the marketplace simulation?

Students must have the following with them each week when they come to class on market day:

- Storefront sign (half sheet of poster board) & Wallet – Make in class & keep in class
- CREATE folder (one with 3 brads and pockets) – Provided by teacher – Keep in class
- Container to keep their money in (pencil box, plastic container, etc.) – I have some for rent.
 - ***Remember CREATE dollars are made out of cut pieces of card stock so those dollars must be able to fit in their containers without bending them.***
- Their products to sell and anything that they want to use to display these items.

What types of things can the students sell?

Here are some examples:

- Lemonade
- Cookies
- Brownies
- Food items
- Hand-made gift tags
- Book marks
- Stationary
- Magnets
- Door signs
- Duct Tape Creations
- Jewelry
- Hairbows
- Etc.

What do students have to do to get their business started?

Students will have to fill out a business license application that will cost them \$3.00 in CREATE dollars. This form will be sent home with students at the end of Week 3. Students and parents will sign this form which states the students' responsibilities each week. They must pay \$5.00 each week for rent on their store space as well as income tax in the amount of 10% rounded up to the nearest dollar. If the student makes over \$100 on any business day, income tax will increase to 20%. They must also pay overhead expenses depending on how much it costs to make their product (between \$2.00-\$5.00) per week. This will be determined by Mrs. Jones depending on how much it costs for the product to be made. Then students will take out a loan (between \$15.00 - \$30.00) at the CREATE CITY Bank & Trust Co. in order to get their business started. The interest rate for this loan is \$1.00 per week for each week that the loan is not paid in full. You may not pay back this loan in installments. This loan must be paid with interest in one payment. Customers may not purchase stocks or bonds until this loan has been satisfied.

What do students have to do at the end of each business day?

- Count income (Type amount in box A on the business balance sheet)
- Complete the remainder of the business balance sheet (Online)
- Pay taxes to teacher in cash & fill out a deposit slip for the remaining amount. Take this to the bank and deposit all of it (record in online check register).
- Write a check to CREATE CITY Realty for rent and overhead. (record)
- Purchase stocks and bonds if you want. Write a check for stocks and bonds (record in register)
- Check to make sure that your check register matches with what the bank has
- Complete the net worth sheet (Online)

Things to remember:

- It is not necessary for a student to be rich, only solvent which means they can pay their bills.
- You must make a withdrawal at the beginning of the day if you want spending money.
 - Do NOT try to make a withdrawal during the time the market is open.
- You may only shop before the market opens.
 - Do not leave your store once the shoppers arrive.
- You MAY NOT trade (barter) with another business.
 - Each person must purchase whatever they want.
 - You may eat your own profits with no tax penalty.
- You MAY NOT spend out of your cash box. That money has not been taxed.
 - If you spend out of the day's earnings, you will be fined for TAX EVASION.
- You MUST keep up with your check register, business balance sheet, and net worth sheets online from week to week.
 - It needs to be up to date at all times!

Fees & Taxes Overview (All prices listed are in CREATE dollars):

- Rent: \$5.00
- Overhead Expenses: \$2.00-\$5.00
- Income Tax: <\$100.00 = 10%, >\$100.00 = 20%
- Advertisement in the hallway on tack strips (8.5"X11"): \$1.00
- Advertisement in the hallway on tack strips (Full sized poster): \$5.00
- Commercial on the announcements: \$10.00
- No cash box (plastic container, pencil case etc.): \$1.00
- Losing your CREATE folder: \$3.00
- Losing your check register: \$2.00
- Losing your wallet: \$5.00
- Accidental spill clean-up: \$2.00
- Forgetting to post a transaction in your checkbook: \$1.00
- Spoons & Cups: \$2.00-\$5.00
- Tax evasion: HALF of your net worth