

# One Hen: How One Small Loan Made a Big Difference

By Katie Smith Milway / ISBN: 978-1-55453-028-1

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## Lesson by

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## Lesson Description

In this lesson, students learn the definition of entrepreneurship and are introduced to the characteristics of entrepreneurs. Students are asked to apply these characteristics to themselves and people in their own communities by completing a story pyramid and then writing a short story that demonstrates how entrepreneurial activity can contribute to higher standards of living.

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## Age Level

8-11 year olds

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## Content Standards

### National Standards in Economics

- **Standard 14:** Students will understand that entrepreneurs are people who take on the calculated risk of starting new businesses, either by embarking on new ventures similar to existing ones or by introducing new innovations. Entrepreneurial innovation is an important source of economic growth.
  - Benchmark 1, Grade 4: Entrepreneurs are individuals who are willing to take risks, to develop new products, and start new businesses. They recognize opportunities, like working for themselves, and accept challenges.
  
- **Standard 15:** Students will understand that investment in factories, machinery, new technology, and the health, education, and training of people can raise future standards of living.
  - Benchmark 1, Grade 4: When workers learn and practice new skills they are improving their human capital.

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## Concepts

Entrepreneur  
Entrepreneurship  
Human capital  
Loan  
Saving

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## Objectives

Students will be able to:

1. Define entrepreneurship, entrepreneur, and human capital.
  2. Identify the characteristics of an entrepreneur.
  3. Explain how loans, entrepreneurship, and saving positively impact a community.
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## Time Required

60-90 minutes

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## Materials

- *One Hen* (ISBN: 978-1-55453-028-1) by Katie Smith Milway
  - Visuals 1 and 2
  - One copy of Handout 1, cut apart to provide 10 strips
  - One sheet of chart paper for each student group
  - One marker for each student group
  - A copy of Handouts 2 and 3 for each student
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## Procedures

1. Ask the students if they have ever borrowed something. (*Answers will vary, but some students may respond that they have borrowed money for lunch or a pencil to complete assignments in class.*)
2. Explain to the students that they are going to listen to a story about a young boy named Kojo who borrows money from his mother to start a business. Kojo's mother loans the money to him with the expectation that he will pay it back.

## One Hen: How One Small Loan Made a Big Difference

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Tell the students that the story is nonfiction. Ask the students what nonfiction means. (*Nonfiction means that the story is true.*)

3. Ask the students if they know of anyone who has borrowed money to start a business. (*Answers will vary, but some students may respond that their parents or relatives have borrowed money to start a business.*)
4. Explain that borrowed money is actually a **loan**. A loan is something borrowed, usually money, with the expectation that it will be repaid in the future, usually with interest.
5. Ask the students if they have ever loaned something. (*Answers will vary, but some students may respond that they have loaned money to someone else to purchase lunch at the cafeteria or purchase novelty erasers at the school store and then pay them back in the future.*)
6. Start reading *One Hen* to the students.
7. Stop reading at the end of page 7.
8. Discuss the following:
  - Where is Kojo's village located? (*the Ashanti region of Ghana, a country located in West Africa*)
  - Do Kojo and his mother have much food or money? (*No, they never have much money or much to eat.*)
  - How could Kojo and his mother get the necessary money to buy food? (*Answers will vary, but some students may respond that Kojo and his mother could save the money they earn from collecting wood and selling it at the market.*)
9. Explain that saving is setting aside money now in order to purchase goods or services later.
10. Discuss the following:
  - Do you or others in your family save money? (*Answers will vary.*)
  - Why have you or others in your family saved? (*for a vacation, for a video game, for college, for a car*)

## One Hen: How One Small Loan Made a Big Difference

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- Why did the 20 families of the village decide to save money, even though they didn't earn very much money? *(Each family agreed to save a bit of money so that one family could borrow all the savings to buy something important.)*
  - The Achempong family was the first family to receive the village's saved money. What did they purchase with their loan? *(two cartloads of fruit)*
  - Would they have been able to purchase the two cartloads of fruit at that time without receiving the loan? *(No, even if they had been saving money that they had earned it would have taken them much more time to save the necessary amount of money to purchase two cartloads of fruit.)*
  - What did they do with the fruit? *(They sold the fruit at the market, then paid back the original loan with some profit left for them.)*
  - Was the family better off after taking the loan, starting a business, and paying off the loan? *(Answers will vary, but some students may identify that the loan helped the family members reach a goal, earn more money, and improve their lives.)*
11. Explain that, with the help of a loan from the other village members, the Achempong family was able purchase two cartloads of fruit much earlier than if they would have had to save enough money on their own to purchase the fruit. By selling the fruit, they were able to earn enough to repay the loan and have more money for their family than they would otherwise have had.
12. Discuss the following:
- The Duodu family was the second family to receive the village's saved money. What did they purchase with their loan? *(a second-hand sewing machine)*
  - What did they plan to do with the sewing machine? *(They planned to turn cloth into shirts and dresses to sell at the market. With some of the money they earn from selling the shirts and dresses, they planned to pay back the original loan.)*
  - One day it is Kojo's mother's turn to borrow money. What does she purchase with the borrowed money? *(She buys a cart.)*
  - How did the cart help her earn income? *(The cart helped her carry more firewood to sell at the market. She also rented out the cart to others. By selling more firewood and renting out her cart, she made more money.)*
13. Explain that the loan the family receives and the business that is created from that loan allows the family to earn more income. With that income they are able to repay the loan and have more money left for the family. This cycle allows each family to obtain its goal, increase its income, and improve its standard of living.

## One Hen: How One Small Loan Made a Big Difference

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14. Kojo asked for a few coins to buy something to start a business because he had a plan. Ask the students to make guesses as to what Kojo will buy and what his plan might be. (*Answers will vary, but students might guess one hen, the title of the book.*) List the students' guesses on the board.
15. Read page 8 to the students.
16. Discuss the following:
  - What was Kojo's business plan? (*He bought one hen. He and his mother ate some of the eggs it laid and sold the rest at the market.*)
  - Do you think Kojo's plan was a good plan? (*Answers will vary.*)
17. Explain that all plans contain some risks. **Risk** is the chance of loss. For the families, there were risks. The Achempong family borrowed money to buy two carts of fruit. There were risks associated with this. The fruit might have rotted before they could sell it, or they might not have been able to sell the fruit, in either case they would not have been able to repay the loan.
18. Read the following scenario to the students:

Suppose that Mike decides to start a snow shoveling business. Normally there are a number of snowfalls in his area; therefore, families need their sidewalks shoveled. Mike takes money from his savings account and uses the money to buy snow shovels.

Ask the students what Mike's risks are in starting the snow shoveling business. (*The weather doesn't cooperate. It doesn't snow and he doesn't earn enough to repay himself with the money that is left.*)
19. Explain to the students that risks do exist with Kojo's business plan. Ask them what they think some of the risks of Kojo's business idea are. (*Answers will vary but may include if the hen Kojo picked doesn't lay very many eggs or if it dies before he is able to get it home, Kojo would not be able to pay back the loan.*)
20. Explain that Kojo, his mother, and the other families mentioned in the story are **entrepreneurs**. They took risks in order to earn more income by providing goods and/or services that others wanted to buy.
21. Display *Visual 1: Definitions* and explain the definitions of entrepreneurship and entrepreneur.

## One Hen: How One Small Loan Made a Big Difference

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22. Continue to read the story until you finish page 13.
23. Discuss the following:
  - How long did it take for Kojo to repay his mother? (*two months*)
  - By paying his mother back first, Kojo showed that he is disciplined and responsible.
  - Have you ever borrowed money from someone and then paid back that money? (Some students may have done this.) It takes discipline and shows responsibility to repay a loan and that because of this it may be easier to borrow money or get a loan in the future.
  - After repaying his mother and saving the money he earned by selling eggs for four months, what was Kojo able to do? (*He bought another hen.*)
  - After six months, what did he do? (*He bought a third hen.*)
  - After one year, how big was his flock of hens? (*25 hens*)
  - What was Kojo saving for? (*Kojo wanted to save enough money to pay for school fees and a school uniform.*)
  - Was he able to go to school at this point in the story? (*Yes. His mother says, "Your eggs have made us stronger, Kojo, now go to school and learn...for both of us."*)
  - What do you think Kojo will do next? (*Answers will vary.*)
24. Continue to read the story to the students until you finish reading page 19.
25. Ask the students if they are surprised by the success Kojo has experienced so far. (*Answers will vary.*) Have the students explain why they are surprised or not surprised by the success Kojo has experienced.
26. Explain that Kojo is a successful entrepreneur and that he has many of the characteristics that other successful entrepreneurs possess.
27. Write the following words or phrases on the board at the front of the classroom:
  - Educated
  - Goal oriented
  - Hardworking
  - Responsible

## One Hen: How One Small Loan Made a Big Difference

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28. Ask the students what they think the words or phrases listed might have in common.
29. Explain that these words or phrases all describe characteristics of entrepreneurs and Kojo, the main character in the story.
30. Display *Visual 2: Characteristics of an Entrepreneur*.
31. Ask the students to provide answers to the statements shown on *Visual 2: Characteristics of an Entrepreneur* from the words or phrases provided on the board. Provide the students with support when filling in the blanks on the visual by giving them more explanations and examples of the words listed above. Give examples of the words that pertain to students' actions in the classroom. For example, describe an instance when one of the students was hardworking during an exercise or activity completed in class.

### Answers:

1. Kojo is hardworking. He tended to his flock of chickens.
  2. Kojo is responsible. He repaid the loan from his mother.
  3. Kojo is educated. He gained knowledge and skills in school and through his work.
  4. Kojo is goal-oriented. He met with the bank manager to discuss obtaining a loan.
32. Place students into 10 small groups.
  33. Have each group of students select an entrepreneur characteristic slip, cut out from *Handout 1: Characteristics of an Entrepreneurs Slips*.
  34. Have a member of each group share the characteristic his/her group selected and read the explanation provided on the slip.
  35. Explain that many successful entrepreneurs possess these characteristics, but that they don't necessarily possess all of the characteristics and that possessing the characteristics doesn't guarantee success in the businesses they start.
  36. Provide each student group with a sheet of chart paper and a marker.
  37. Direct the student groups to draw a picture or diagram, like the picture shown in *Visual 2: Characteristics of an Entrepreneur*, that depicts the characteristic their group selected and the actions that Kojo carried out in the story that correspond to that characteristic.

## One Hen: How One Small Loan Made a Big Difference

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38. Ask for groups to share and explain their illustrations. They should explain how their illustrations depict what Kojo did in the story and how those actions correspond to the characteristics they selected. *(Answers will vary depending on each group's interpretation. However, each group should be able explain why they illustrated what they did and provide an example from the story justifying their decisions.)*
39. Explain that Kojo continued to learn. He went on to college and continued to grow his dream and his human capital.
40. Display *Visual 1: Definitions* and explain the definition of human capital.
41. Discuss the following:
- Kojo was able to attend school and pay for his schooling from the money he made selling his eggs. He studied hard and did so well in school that he won a scholarship to an agricultural college to learn more about farming. Through education, Kojo improved his human capital.
  - Why was it important for Kojo to improve his human capital? *(Answers will vary, but some students might explain that it was important for Kojo to improve his human capital because it helped him obtain the necessary knowledge and skills to be a successful entrepreneur. It also demonstrated to others that he was dedicated and serious about obtaining his goals.)*
  - In what ways have you improved your human capital. *(Answers will vary, but some students might explain that by coming to school each day and learning they are contributing to their human capital. Some other examples of contributing to human capital may be playing and practicing sports, learning to play a musical instrument, or learning another language.)*
  - Why is it important to invest in your human capital? *(Answers will vary, but some students might explain that by coming to school each day and learning they are contributing to their human capital and obtaining the necessary knowledge and skills associated with being successful and obtaining their goals.)*
42. Continue to read the story to the end of page 27.
43. Discuss the following:
- What was the big risk that Kojo took after he graduated from college? *(He decided to start a real poultry farm. He took the risk that the farm might not be successful, which would cause him to lose his money.)*

## One Hen: How One Small Loan Made a Big Difference

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- Even though he saved enough money to buy a large plot of land and enough wood and wire to build chicken coops, what did he have to do in order to purchase the 900 hens necessary to start a large-scale poultry farm? *(He had to go to a bank to borrow the money required to purchase 900 hens.)*
  - How does the size of the loan Kojo is requesting from the bank compare with the loan he got previously from his mother? *(It is a much bigger loan than the original loan his mother was able to provide.)*
  - Did the banker in the nearby town of Kumasi provide him with the loan? *(No. He did not want to loan the money to a young man from a poor family.)*
  - Does Kojo give up? *(No.)* What does Kojo do? *(He travels to Accra, the capital city of Ghana, and visits the bank's headquarters. He meets with the bank president and explains his story and why he feels he should qualify for the loan.)*
  - Does Kojo get the loan? *(Yes.)* Why? *(He gets the loan because he tells the bank president how he used a small loan for one hen, repaid that loan, used the money from his egg sales to build his flock, sent himself to school, improved his human capital, and reached his initial goal of getting an education. He demonstrated to the bank president that he was a trustworthy individual and qualified to receive a loan for such a large amount.)*
44. Distribute a copy of *Handout 2: Loans in the Community* to each student. Have the students remain in their work groups and assist each other in completing the handout. When the students have finished working, discuss the following:
- Where did the money for each person's loan come from? *(The community's saved pool of money.)*
  - What did each person or family purchase with the money loaned to them? *(Achempong family – two cartloads of fruit; Duodu family – second-hand sewing machine; Kojo's mother – a cart; and Kojo – a hen)*
  - From whom did the Achempong family, the Duodu family, Kojo's mother, and Kojo purchase goods? *(other people, other merchants, people at the market)*
  - What did the merchants and people from whom the families bought things do with the money they received? *(They paid costs and bought goods and services for themselves and their families from other merchants.)*
  - When a loan is made, does it help more people than the people who initially received it? *(Yes.)* Explain. *(When the people who borrow start their businesses, they make purchases. Once they earn income, they make other purchases. The people who the borrowers purchase from also benefit.)*

## One Hen: How One Small Loan Made a Big Difference

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- When the Achempong family, the Duodu family, Kojo's mother, and Kojo buy things from other sellers, the other sellers receive money, which they can use to pay their costs and to take care of themselves and their families. Many people in the community were better off as a result of the loans to the Achempong family, the Duodu family, Kojo's mother, and Kojo.
45. Discuss the following:
- Loans, even small loans like the loan Kojo's mother received from the members of their community and the one Kojo received from his mother, help individuals, communities, and countries. Loans promote growth and help people achieve their goals.
  - Loans are important to entrepreneurs because entrepreneurs often have great business ideas and the necessary characteristics to succeed in business but often have to borrow money to start their businesses.
  - Successful entrepreneurs benefit themselves and their communities. They create products that others want to buy. Frequently they hire other people to work for them—so they create jobs. Entrepreneurs pay taxes to the governments in their community which are used to better the community. And, entrepreneurs spend their income to buy goods and services from others in the community.

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### Closure

46. Review important content from the lesson by discussing the following:
- What is an entrepreneur? (*one who draws upon his or her skills and initiative to launch a new business with the goal of making a profit*)
  - What is entrepreneurship? (*a characteristic of people who assume the risk of organizing productive resources to produce goods and services*)
  - What are some characteristics that entrepreneurs possess? (*accountable, confident, in control, disciplined, educated, energetic, goal oriented, hardworking, know their business, learn continuously, love what they do, persistent, responsible, take calculated risks*)
  - What are some obstacles that Kojo encountered in his plan to become a successful entrepreneur? (*Answers will vary, but some may say that Kojo initially didn't have enough money to purchase his first hen. He was also turned down for a larger loan to be used to purchase a larger poultry farm.*)

## One Hen: How One Small Loan Made a Big Difference

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- How did he overcome these obstacles? *(He overcame these obstacles by being persistent and sticking to his plan. He never gave up and continued to improve his human capital – making himself a better candidate to receive a loan to start his larger plan of a larger poultry farm.)*
- What is human capital? *(the knowledge and skills people obtain through education, experience, and training)* Give examples of human capital that you possess. *(Answers will vary but may include the ability to read, the ability to use a computer to create written documents, the ability to play a musical instrument, the ability to hit a baseball, etc.)*
- How can people invest in human capital? *(They can continue their formal and informal education, obtain training in specific skills, and practice their skills.)*
- Why is it important for individuals to invest in their human capital? *(Individuals who invest in their human capital usually have higher paying jobs and have fewer problems finding jobs than individuals who do not invest in their human capital.)*
- Why are loans so important to entrepreneurs and a community? *(Loans provide the necessary funds to help entrepreneurs start their companies, achieve their goals, provide goods and services to communities, and generate tax monies that provide common services to communities.)*

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### Assessment

47. Instruct the students to complete *Handout 3 – Assessment: Story Pyramid for One Hen*. Explain to the students that they will use the completed pyramid to help write a short essay proposing an entrepreneurial idea that they would like to bring to market. In the essay they should:
- Identify human capital that they currently possess and human capital they will need in order to succeed.
  - Explain how they will acquire this human capital.
  - Explain why they might have to save some money before starting their venture.
  - Identify characteristics they have that are like the characteristics many successful entrepreneurs have.
  - Explain why these characteristics will help them to be successful.
  - Explain how receiving a loan for their entrepreneurial idea and reaching their goal will impact the community.

## Visual 1: Definitions

- **Entrepreneurship —**

a characteristic of people who assume the risk of organizing productive resources to produce goods and services

- **Entrepreneurs —**

Individuals who are willing to take risks in order to develop new products and start new businesses. They recognize opportunities, enjoy working for themselves, and accept challenges.

- **Human Capital —**

the knowledge and skills that people obtain through education, experience and training

# One Hen: How One Small Loan Made a Big Difference

## Visual 2: Characteristics of an Entrepreneur

Directions: Using the words provided below, fill in the graphic as instructed by your teacher.

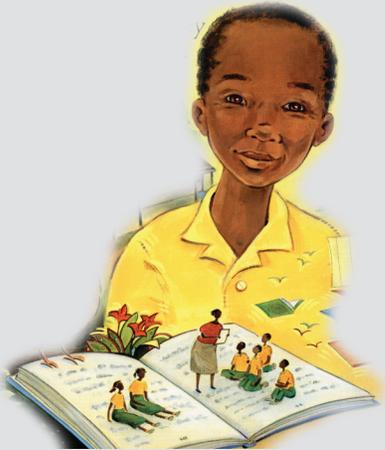
- educated
- goal oriented
- hardworking
- responsible



1. Kojo is \_\_\_\_\_



1. Kojo is \_\_\_\_\_



1. Kojo is \_\_\_\_\_

**Characteristics  
of an  
Entrepreneur**



1. Kojo is \_\_\_\_\_

# One Hen: How One Small Loan Made a Big Difference

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## Visual 2: Characteristics of an Entrepreneur

Directions: Cut along the dotted lines below and allow student groups to randomly select one slip

**Accountable** – someone who explains his/her decisions

**Confident** – showing belief in one's skills and knowledge

**In Control** – the power to influence or direct people's behavior

**Disciplined** – showing controlled behavior in all situations

**Energetic** – showing great energy or activity

**Know their business** – understand all aspects of the business

**Learn continuously** – someone who is a life-long learner

**Love what they do** – really enjoy the work they perform daily

**Persistent** – completes the job no matter what the obstacle

**Take calculated risks** – Makes risky decisions, but always considers the possible gains and losses from those decisions



# One Hen: How One Small Loan Made a Big Difference

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## Handout 3: Assessment: Story Pyramid for One Hen

Directions: Fill in the pyramid shown below with the information requested. Then use the information you provided to write two to three paragraphs about your own possible "entrepreneurial story" and share that story with a fellow student or your parents..

1. \_\_\_\_\_

Entrepreneurial idea.

2. \_\_\_\_\_

Two words describing the idea.

3. \_\_\_\_\_

Three words describing the human capital you must obtain in order to succeed.

4. \_\_\_\_\_

Four words describing how you will obtain the necessary human capital to succeed.

5. \_\_\_\_\_

Five words describing the obstacles or problems you may encounter.

6. \_\_\_\_\_

Six words describing how you plan to overcome those obstacles.

(Note: remember how Kojo overcame his obstacles in the story.)

7. \_\_\_\_\_

Seven words describing how receiving a loan to help you reach your goal will improve your well-being and your community.