

# Beyond the Lemonade Stand: Economics and Business Lessons For A 10-Year-Old From A Computer Game

By Marc Prensky

[784 words]

**I** was surprised when I heard 10-year-old Tyler talking with his 13-year-old brother about “firing” someone. What’s up with that?” I asked. Plenty, it turned out.

Tyler had come upon the massive multiplayer online game *RuneScape*, ([www.runescape.com](http://www.runescape.com)) and had started playing it. Like many other games of its genre, *RuneScape* is a fictional online world in which players quest, battle, trade and earn treasure. They do so by mastering a variety of skills, such as mining, smelting, spell casting, and crafting objects, such as swords, helms and charms. Ore and objects can be sold and traded, and finished objects can be used in quests, which can bring in additional treasure. *A typical in-game mini-economy.*

Tyler wanted to get really rich in the *RuneScape* world. But after playing alone really hard for a while, he realized that to get there he would need partners. “It takes too much time to get good at everything – mining, smelting, crafting, enchanting and questing,” he told me. “So I got my friends to play too. I smelted and crafted, and each of my friends did one of the other things.” *Hmm...Sounds like an economics lesson on the Supply Chain and Division of Labor...* Does Tyler know those terms? No. But he certainly understands the concepts!

As a result of his game playing this lively fifth grader understands other key economic concepts as well. He patiently explained to me that ores sell for more once they’re smelted into bars, and even more after they’re crafted into objects. *Why that’s...Value Added!*

“I made a big business mistake once.” the 10-year-old candidly admitted during our interview. (Yes, I had to arrange and book with him my 15 minute interview, sandwiched between his school, game playing, soccer, chess, basketball and homework commitments.) “I decided to make steel helmets to sell,” he said, “but I didn’t research that the buyer already had lots of steel helmets. It turns out the more they have in stock, the less money a thing is worth.” *Supply and Demand!* Once again, Tyler has mastered a concept without understanding the term – just the opposite of what typically happens in school!

“Our team wanted to make lots of money and really improve,” Tyler continued. “Everyone had a job to do.” **Business structure!** “One person held the money and everyone got paid.” **Control!** “I had to find jobs for people, like mining, smelting, selling, and finding things to buy. **Full employment! Vertical integration!**

“So what about the firing?” I asked? “Well,” said Tyler, “this one team member was supposed to take all the weapons and armor we made him, go on quests, and bring us back treasure to put in the community pot – we were all pooling our earnings.” **Wealth creation! Capital building!** “But this guy just went off on the quests and kept the treasure for himself.” **Corruption!** “He really didn’t need our help and didn’t use it. He was doing everything alone. He wasn’t helping us and he wasn’t doing his job. So I had to fire him.” **Management!**

“How’d you do it?” I asked? “I said to him: ‘You seem to be fine on your own, so I think you should *be* on your own,’” explained Tyler. He also revealed to me that he had agonized for days over whether to do it, and what to say, before having the conversation. **Making difficult decisions. Ethical behavior. Communication. The Loneliness of command!**

“How’d he take it?” I inquired? “He was shocked, and he got upset. But I felt really sad, so I hired him back.” **Compassion!**

“Did you ever think about giving him a warning?” I asked. “Not that time – but I should have. I will next time!” **Management training!**

So, from his enjoyable computer game, young Tyler has learned (without knowing it) the concepts of Supply Chains, Division of Labor, Value Added, Supply and Demand, Business Structure, Control, Full Employment, Vertical Integration, Wealth Building, Capital Acquisition, Dealing with Corruption, Making Difficult Decisions, Ethical Behavior, Good Communication, The Loneliness of Command, and Compassion. He even picked up some useful Management Training along the way.

***This is economics and business learning for a 10-year-old that goes light-years beyond the “lemonade stand” example we taught our kids with in the past!***

And, despite their enormous value, these lessons are not even the most important thing Tyler has learned from *RuneScape*. He and his friends play the free version of the game, which lacks the additional levels, subtleties and bells-and-whistles of the ten-dollar-per-month version. When I asked him, since he liked the game so much, why he didn’t just subscribe, he replied: “It would be too addictive, and my mom would get mad. I wouldn’t get my money’s worth.” ***The deepest economic lesson of all!***

(P.S. – None of this is made up!)

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*Marc Prensky is an internationally acclaimed thought leader, speaker, writer, consultant, and game designer in the critical areas of education and learning. He is the author of Digital Game-Based Learning (McGraw Hill, 2001) and the founder and CEO of Games2train, a game-based learning company, whose clients include IBM, Bank of America, Nokia, and the Department of Defense. He is also the founder of The Digital Multiplier, an organization dedicated to eliminating the digital divide in learning worldwide, and creator of the sites [www.SocialImpactGames.com](http://www.SocialImpactGames.com), [www.DoDGameCommunity.com](http://www.DoDGameCommunity.com), and [www.GamesParentsTeachers.com](http://www.GamesParentsTeachers.com). Marc holds an MBA from Harvard and a Masters in Teaching from Yale. More of his writings can be found at [www.marcprensky.com/writing/default.asp](http://www.marcprensky.com/writing/default.asp). Marc can be contacted at [marc@games2train.com](mailto:marc@games2train.com).*