

Needs and Wants

Overview

This lesson plan is an introduction to "Needs" and "Wants", and how we use that distinction to make decisions throughout the day.

The class activities also start to bridge the gap between the basic concepts, up through integrating concepts of money, and the foundations of budgeting.

Objectives

By the end of the lesson, students will:

- Understand the difference between "Needs" and "Wants"
- Apply the concepts of money to their personal Needs and Wants
- Understand how Needs and Wants relate to opportunity cost in their everyday decisions
- Begin to explore the concepts of budgets and spending plans

Standards

Spending and Saving

Standard 1: Develop a plan for spending and saving.

Standard 4: Apply consumer skills to spending and saving decisions.

Financial Decision Making

Standard 1: Recognize the responsibilities associated with personal financial decisions.

Standard 4: Make criterion-based financial decisions by systematically considering alternatives and consequences.

Standard 8: Use a personal financial plan.

This listing is based on the Jump\$tart National Standards for Personal Finance. To see how this lesson aligns with other standards (including for your state), visit content.PersonalFinanceLab.com/Standards

Vocabulary

- A **need** is something that you cannot live without i.e. water, food for fuel, warmth.
- A **want** is something that is a luxury. Without it, you will still manage to survive. I.e. tennis racket, new purse, wrist watch, etc.
- An **opportunity cost** is the cost of choosing one thing over another.

Lesson Plan Includes

	Direct Instruction		Technology-Based Activities
	Accompanying Presentations		Worksheets
	Class Discussion		Assessments
	Full Class Activities		External Resources
	Small Group Activities		In Class or Homework
	Individual Activities		

Activity Summary

- Introduction **Time:** 5 Minutes
- PFL Budgeting Game **Time:** 20 Minutes
Requires: PFinLab Budgeting Site License, Computer Access
- PFL Budgeting Lesson **Time:** 15 Minutes
Requires: PFinLab Curriculum Site License, Computer Access
- PFL Spending Plan Lesson **Time:** 15 Minutes
Requires: PFinLab Curriculum Site License, Computer Access
- Post-It Discussion **Time:** 15 Minutes
Requires: 10 Post-It notes (2 colors, 5 of each color) for every student
- List Guess **Time:** 5 Minutes
- Plane Wreck Survivors **Time:** 20 Minutes
- Lost At Sea **Time:** 30 Minutes
- Everyday Life **Time:** 10 Minutes
- Needs and Wants Worksheet **Time:** 10 Minutes

Instructor's Guide

Introduction

Explain to students that today they will be learning about Needs and Wants – the foundation of understanding budgeting and spending plans

- Ask the students to raise their hand and give you the definition of a want or a need.
- Explain to them that:
 - A **need** is something that you cannot live without i.e. water, food for fuel, warmth.
 - A **want** is something that is a luxury. Without it, you will still manage to survive

After students are introduced to the concepts of needs and wants, lessons start to build the foundations of budgeting and spending plans

Time:
5 Minutes

Type:



Required Resources:

Independent Activities

Activities designed for students to learn independently—either in class or as homework. Some activities include presentations if you prefer to use them for direct instruction instead of independent study.

PFinLab Budget Game

Have students complete 1 simulated month of the PersonalFinanceLab.com budgeting game. For each decision they make through the month, have them record their action, with a sentence explaining why.

Collect their note sheets as an assessment.

Discussion Questions:

- How did you prioritize which scenarios you would spend money on?
- Do you think you spend more money on needs or wants?
- What are some scenarios you didn't face in the game but you face in real life?

Time:
20 Minutes

Type:



Required Resources:

- PFinLab Budget Game
- Computer Access

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PFinLab Budgeting Lesson

Assign your students the "All About Budgeting" lesson on PersonalFinanceLab.com. This lesson begins to bridge the gap between "Needs and Wants" and how it fits into building a personal budget.

Students will be required to complete the quiz at the end as an assessment. If used as homework, follow up the next day with discussion questions.

Lesson alternatively includes an accompanying presentation for use in direct instruction.

Discussion Questions:

- Why is it important to break needs and wants into fixed and variable?
- What are the benefits of creating a budget?
- What is an example of a time you would need a project budget?

Resource Links:

Lesson Content (Included in the Assignment on PersonalFinanceLab.com)

[All About Budgeting \(personalfinancelab.com\)](https://www.personalfinancelab.com/all-about-budgeting)

Accompanying Presentation:

[All About Budgeting - Personal Finance Lab](https://www.personalfinancelab.com/all-about-budgeting)

Open-Ended Challenge Questions

- What do you understand by the term budget?
- How might a budget help you with your financial goals?
- How can you relate opportunity cost to budgets?
- How would comparison shopping help with your budget?
- If you pay yourself first, are you more likely to make smarter money decisions with the money that is left and why?

Time:
15 Minutes

Type:



Required Resources:

- PFinLab Curriculum
- Computer Access

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PFinLab Spending Plan Lesson

Assign your students the "Spending Plans" lesson on PersonalFinanceLab.com. This lesson continues to show how to plan out their personal spending by identifying the specifics of what they NEED to spend, what they SHOULD spend, and what they WANT to spend each month, and how to include each in their personal plan.

Lesson alternatively includes an accompanying presentation for use in direct instruction.

Students will be required to complete the quiz at the end as an assessment

Discussion Questions:

- What is the difference between a budget and spending plan?
- How does marketing affect your spending? Does it influence your wants or needs more? How?
- What is one thing that you could do to increase your savings other than stop spending money

Resource Links:

Lesson Content (Included in the Assignment on PersonalFinanceLab.com)

[Spending and Savings Plans \(personalfinancelab.com\)](https://personalfinancelab.com)

Accompanying Presentation:

[Spending Plans Presentation - Personal Finance Lab](#)

Open-Ended Challenge Questions

- Suppose your friend got her first job and she wants to save for a new car. Explain how having a spending plan would help her reach that goal.
- Why is it important that you review your spending plan regularly?
- What are three life events that could impact your spending plan? For each event, explain how YOU would adjust your plan.
- Explain the relationship between a spending plan and building wealth.

Time:
15 Minutes

Type:



Required Resources:

- PFinLab Curriculum
- Computer Access

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Needs and Wants Worksheet

Have the students complete the attached worksheet asking them to classify items in their bedroom at home as "Wants" or "Needs", along with the approximate cost. Next, have them consider next-best alternatives to each item, and compare the cost of those alternatives.

Finally, students are asked if, given the choice, they would buy the same items again—and which items they think were a waste of money. This activity begins to pair the concepts of "Needs vs Wants" with "Opportunity Cost".

Collect the worksheets, and evaluate as an assessment.

Resource Links:

Worksheet can be printed at the end of this lesson plan, or used as a Google Doc
[Worksheet 01-01 Needs and Wants.docx - Google Docs](#)

Time:
15 Minutes

Type:



Required Resources:

- Worksheet 01-01

Full Class Activities

Activities designed for whole-class participation. These are best used along with the direct instruction portion of the lesson.

Post-It Discussion

- Give students 10 post it notes (5 of each color). Have the students write 5 wants one color and 5 needs on the other that they have in their own life within the week.
- Have the students bring the post it notes to the board and put wants on one side and needs on the other side.
- Once all the students have finished reading and putting post it notes on the board, read a few of the needs and wants out loud. Try to group any commonalities (eg Food, water, technology)
 - Ask them why specific things are either wants or needs? (eg. water, make up, candy, cell phone)
 - Is there an alternative for the want/ need?
 - Why are there so many items in the "Leisure category" but only one option on the "water category"?
 - Did anyone see an item that was either a want or a need that was different from what they wrote?
 - What would be the effects if you did not have " Item X" (a want item) or "Item Y" (a need item)?
 - Which is more important your wants or your needs?
 - How different do you think the board would look if I did this activity with your parents?
 - Would the wants be the same or different?
 - What about the needs?
 - Ask them to put the definition of "Needs" and "Wants" into their own words

Time:
15 Minutes

Type:



Required Resources:

- 10 Post-It notes (2 colors, 5 of each color) for every student

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List Guess

Have a list of different wants and needs.

Read one of the words out loud

- If the student thinks that it is a "Need", they walk to the front of the classroom
- If the student thinks it is a "Want", they walk to the back of the classroom.

Repeat this process with 7-10 words. After students decide if it's a want or need have one student raise their hand and explain why they chose their side.

Time:
5 Minutes

Type:



Required Resources:

Small Group Activities

Activities designed for small groups of students. These resources are best used after full-class direct instruction and activities.

Plane Wreck Survivors

This activity puts students in the shoes of plane wreck survivors who must decide what items they need to survive. The students must work as a group to decide 10 items are the best for survival, which makes them focus on the needs or necessities rather than wants or luxury items.

Resource Link:

[Microsoft Word - Team Building Exercise Stranded on a Mountain.doc \(wrha.mb.ca\)](https://wrha.mb.ca/_layouts/15/documents/Team%20Building%20Exercise%20Stranded%20on%20a%20Mountain.doc)

Discussion Questions:

- How did you work as a team to make the list?
- Did any one have to sacrifice an item for the betterment of the team?
- What was the one thing that everyone has on their list? (water) Would that be a need or a want?

Time:
20 Minutes

Type:



Required Resources:

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Lost At Sea

This activity puts students in the shoes of shipwreck survivors who must decide a ranking system of what items they need to survive. Since the students are ranking the items they must prioritize the needs or necessities over the wants or luxury items.

Resource Link: https://insight.typepad.co.uk/lost_at_sea.pdf

Discussion Questions:

- Go over overall ranking and see if students agree or disagree and why?
- Did any one have to sacrifice an item for the betterment of the team?
- What was the one thing that everyone has on their list? (water) Would that be a need or a want?

Time:
30 Minutes

Type:



Required Resources:

Everyday Life

This activity provides students with 4 different short scenarios which the students must read and decide what the needs and what are for each scenario and then the group must choose what decision should be made and why.

Resource Link: https://www.practicalmoneyskills.com/assets/pdfs/lessons/lev9-12/SA_Lesson11.pdf

Discussion Questions:

- Which scenario was the easiest/ hardest? Why?
- What things did you take into consideration when making a decision?
- Can anyone create another scenario?

Time:
10 Minutes

Type:



Required Resources:

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NEEDS AND WANTS

Name: _____

Write a list of 10 items that you have in your bedroom and complete the table below.

For each of the items:

- Give the name / basic description of the item.
- Are there any alternatives on the market to what you bought?
- The approximate cost of the item.
- Is there a difference in price?
- Would you classify each item as a “Need” or “Want”
- Do you feel you got value for the money with this purchase?
- How often did you use the item when you first purchased it?

Number	Description	Cost \$	Need or Want	Usage (Low, Medium, High)	Alternative	Alternative Cost	Value for money (Yes or No)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total					Total		

Which of these items would you definitely buy again? Explain why.

Which items do you think were a waste of money? Explain why you originally acquired them.

Instructor's Guide

Conclusion

Conclude the lesson with a last class discussion on connecting their “Needs” and “Wants” with the concepts of budgeting and spending plans - ideally the day after assigning one or more of the individual activities as homework.

Remind students that:

- A need is something that you cannot live without i.e. water, food for fuel, warmth.
- A want is something that is a luxury. Without it, you will still manage to survive. (i.e. tennis racket, new purse, wrist watch, etc.)

This lesson is best followed by our lessons on Opportunity Cost and Budgeting

Needs and Wants