

TeeJay Publishers

Financial Maths - Life Skills

Needs & Wants

LEVEL 2 UNIT

MNU 2.09a

CfE Level 2 - Lesson Plan

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Guidance Notes for Teachers

Needs and Wants Lesson

Lesson Objective: By the end of the lesson, pupils will understand the difference between a need and a want and the importance of making the right choices between the two in order to effectively manage their money.

Curriculum for Excellence Money Outcomes: MNU 2.09a - I can manage money, compare costs from different retailers, and determine what I can afford to buy.

Lesson Introduction

We all like to spend money and I imagine if I was to ask you right now what you would buy if I gave you a £100 you would all be able to come up with a long list of items. But would those items be things that you needed or things that you wanted? There is a big difference between the two. It's probably a safe guess that you would spend the money on things that you wanted, maybe some new Lego or a trip to see the latest movie. How would you feel if you were told that you had to spend the money on your school lunches/packed lunches?

Adults have to make choices about how to spend their money, whether to buy things that the family needs or spend their money on things that they want. NEEDS are items that as humans we need to stay alive, such as oxygen and the items that we have to pay for such as food, drink, shelter (your home), warmth (e.g. clothes) and first aid. WANTS are luxury items, things that we would like to own but we can live without. They are quite often upgraded versions of things - think of all the new game consoles that come out each year, HD, 3D, etc.,. You don't have to have a new one, but they persuade you through advertising that it is better than the last version and that you really NEED to buy one. But you don't really; after all you won't die without it!

As you get older you will have to make decisions between spending money on needs and wants, and some of the decisions might be quite difficult. But unfortunately as you get older you'll find that most of your money will end up being spent on NEEDS.

Discussion

Once the introduction has been completed with the class, the attached discussion notes sheet will assist you in building the pupils' awareness of the differences between NEEDS & WANTS.

Worksheet - Pupil Activity

Through the discussion it should be ascertained that the pupils understand the differences between need and want items and the process that surrounds making the correct choices between the two. Pupils then can progress to a working example. The questions are set around a scenario using real life monetary amounts.

Plenary

This sheet summarises the learning and highlights the key points of the **Needs & Wants** lesson.

Pamela Fraser

Discussion Notes

Needs and Wants

Q1: The 5 basic needs are food, drink, shelter, warmth and first aid. Give one real life example of each of the needs that adults must buy.

A: Food, weekly groceries, vegetables, fruit etc; Drink - milk, coffee, water; Shelter - rent or mortgage; Warmth - electricity, winter coat, school uniform etc; First aid - plasters, medicine, wheelchair. (These examples are not exhaustive).

Q2: When would you expect to spend your money on a WANT rather than a NEED ?

A: You would only buy a WANT item once all your NEED items have been bought and paid for. A WANT might also be bought for special occasions such as birthday gifts as a treat or as a reward for doing something well. Alternatively you might just be really rich!

Q3: Is a car a need or a want ? Why do you say that ?

A: It depends on your circumstances, for example :- if you live in the city where there is a good bus and train network it's possible to live without a car, so a car would be a WANT. However if you live in the country with no public transport and your job was in the town then a car would be a NEED. However a soft top sports car is not a NEED under any circumstance.

Q4: What might happen if you spent all your money on wants rather than needs ?

A: You would get into financial difficulties as there would be no money left to pay for the important bills such as rent and electricity. You could lose your home if you didn't pay the rent. WANTS usually become outdated quickly and would drop in value. As they would be worth very little money you would be unable to sell them to raise money.

Q5: If you won a £1,000 000 in the lottery what would be the first 3 wants you would spend the winnings on ?

A: Answers are individual but should be WANTS rather than NEEDS.

Supplementary Questions

Q6: Do you think your WANTS would be different if you lived in poverty in a third world country ?

Yes, in poverty people don't even have the basic NEEDS that we have, such as a clean water supply to drink from or clothes to wear. These items are their WANTS because they have so little.

Q7: Does having everything that you ever wanted make you happy ?

Answers will vary. Possible answers could be yes because you could do whatever you wanted. If you had a lot of money you could buy things for other people and make them happy too. Pupils may say no because it wouldn't matter if you had everything if you were ill and couldn't enjoy it. It's important to have friends and you can't buy them. You wouldn't have anything to hope for or look forward to.

Needs & Wants Worksheet 1

Eve is a single mother with two sons Alfie & Finn. She is trying hard to budget her money efficiently, but still finds it difficult at times especially when she confuses things that she **WANTS** with things that she **NEEDS**. She is thinking of ordering her supermarket shop online. She plans to keep to a weekly budget of £75 for her food and for other household items.



1. Eve starts by buying her regular basic foodstuffs first. She buys cheese, milk, bread, cereal, potatoes, chocolate spread, salad vegetables and crisps. The total amount spent on these items is £18.00.
 - a Are these all **NEED** foodstuffs ?
 - b Why do you think she believes that she needs these items ?
2. Once she has these items in her virtual shopping bag, she now plans the meals that she will make for the week. She buys chicken £6.20, minced beef £4.55, pasta £1.07, tomato sauce £0.65, onions £0.63 and mushrooms £0.70.
 - a How much has she spent on the food for meals ?
 - b Assuming that she has enough for 5 days meals how much has she spent on each day's meal ?
3. The supermarket has recommended some extra items for Eve, based on what she has purchased previously. She has been offered a new brand of make-up at £9.99, a frozen pizza for £3.49 and a child's winter coat for a special price of £18.99.
 - a Which of these items are **NEEDS** ?
 - b Which of these items are **WANTS** ?
4. Eve does not buy the recommended items, but she does spend a further £25.30 on other essential items for the home. Now she starts to plan what to buy for Finn's birthday party.
 - a What items are essential and **NEEDED** for a birthday party ?
 - b Finn has asked for birthday bags for his friends, but Eve is not sure whether these are **NEEDS** or **WANTS**. What are they ?
5. Eve spends £15.75 on party food, £6.10 on cola & juice, and a further £7.25 on other items for the party. How much has the party cost her ?
6. Eve has received loyalty vouchers from the supermarket. One offers 40p off a bar of chocolate, one offers 100 points for buying a certain brand of washing powder and the last one is 25 points for buying a box of plasters.
Are any of the vouchers for her 5 basic **NEEDS** ?
7. Total all the items that Eve has bought in her virtual shopping basket.
Has Eve kept to her budget of £75 ?
8. If she were to order her shop online, Eve would have to pay a delivery charge of £6.00 to get the shopping delivered straight to her door.
Are there any circumstances in which this **WANT** could in fact be a **NEED** ?



Needs & Wants Worksheet 2

Eve's sister Sophie and her husband Dan have a new baby, Alice. They are finding out that it is very expensive to look after a baby. To make sure that they keep to their monthly budget they will have to sort out what they **NEED** to buy for Alice rather than just what they **WANT** to buy for her. Can you help them?



1. The 5 basic needs that we have are :- food, drink, shelter, warmth and first aid.
Give one example of each of the needs that a baby would **NEED** to survive its first month.

2. Sophie and Dan go shopping with your list. They buy nappies at £6.50, baby wipes at £1.10, shampoo at £1.69 and a rattle at £4.25.

- a How much did Sophie & Dan spend ?
- b Is everything that they bought a **NEED** ?
- c Looking at the **NEEDS** that they have bought - which of the basic needs do they meet ?



3. While out shopping, Sophie sees a special deal on ladies jeans for £19.99 which she really likes but she was planning to buy some sleep suits for Alice also on offer - £14.99 for 2.

- a What should she do ?
- b Why do you think that ?

4. Sophie is looking online at baby pushchairs and prams. She really likes a 3 wheeler "**Babygo**" pushchair which is similar to one her favourite celebrity has, but it costs £624.00. The basic push buggy is much cheaper at £270, but is the shop's own brand.

- a Which is the luxury one ?
- b What makes it a luxury item ?
- c What is the difference in price between the "**Babygo**" and the basic push buggy ?



5. Sophie gets a leaflet offering her 50% off a new "**Babygo**" pushchair. This will make the pushchair a lot cheaper than she thought.

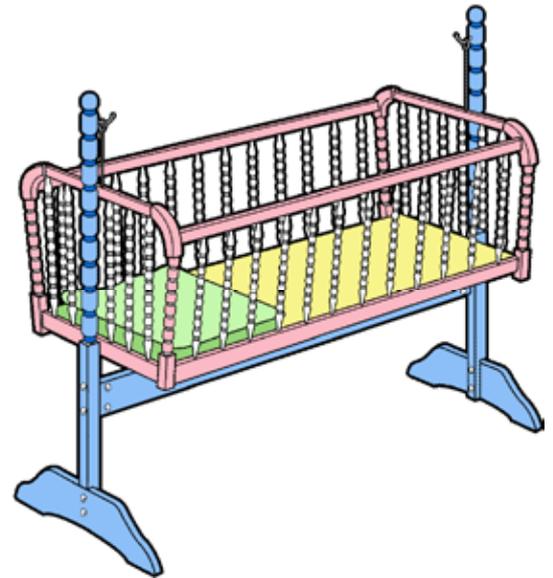
- a How much does the pushchair now cost with the discount ?
- b Now that it is cheaper does that mean that the "**Babygo**" pushchair is a **NEED** ?

6. Sophie & Dan are planning to turn their spare bedroom into a nursery for baby Alice.

Is a nursery a **NEED** or a **WANT** for the baby? Why ?

7. This is the receipt that Dan got from the DIY store when he bought things to decorate the new nursery.

Dougie's DIY Store	
Paint	£45
Wallpaper	£60
Curtains	£70
Mobile	£15
Wall Stickers	£20
Rug	£30
Lamp	£10
Changing Mat	£15
Cot	£105
Wardrobe	£90
Blankets	£22



a Which of these things do you **NEED** to decorate a nursery ?

b Which of these things are **WANTS** for the nursery ?

8. Dan is surprised how expensive it is to decorate a nursery.

a How much did he spend on **NEED** items ?

b How much did he spend on **WANT** items ?

c How much has Dan spent in total ?

9. Have a look at Dan's receipt again.

Can you think of another **WANT** that he may have bought ?

10. Sophie & Dan agreed that they should only spend a budget of £260.00 on the Nursery.

a Dan has clearly overspent. So what items should he return to the shop ?

b What is his total bill once the items are returned ?

Needs & Wants Worksheet 1 - Answers

1. **a** No, chocolate spread and crisps are WANT foodstuffs.
b She believes they are needs because she buys them regularly, the children like them, they probably eat these items and not other things.
2. **a** £13.80
b £2.76 per day
3. **a** A new winter coat but only if their existing winter coat needs replacing.
b Make up and frozen pizza.
4. **a** The NEEDS for a birthday party would be food, drink and birthday cake.
b Birthday bags are WANTS - they are luxury items which are nice to have but not essential for a party.
5. £29.10
6. The voucher for the box of plasters is a NEED item.
7. No. She has spent £86.20 on the goods in her shopping basket.
8. It could be considered a NEED if Eve lived far away from the supermarket and she did not have a car.
The large amount of shopping could be too bulky and too heavy to carry on public transport.



Needs & Wants Worksheet 2 - Answers

- Answers will vary but possible answers may include:-
 - Shelter - home, pram, baby cradle/cot
 - Warmth - Clothes, blankets, heating
 - Food/Drink - Milk
 - First Aid - Nappies, cream, shampoo, cleansing wipes
- a** £13.54 **b** No the rattle is a WANT **c** First aid.
- a** She should buy the sleep suits and leave the jeans.
b The sleep suits are something that Alice needs to keep her warm. The jeans are just something that Sophie would like or wants.
- a** The Babygo is the luxury item.
b It is the luxury item because it has 3 wheels, a brand name and is used by celebrities.
c The difference in price is £354.00.
- a** The pushchair costs £312.00.
b No - the pushchair still is a WANT because the other one is still cheaper. Just because something is on sale doesn't mean that it is now a NEED.
- The nursery is a NEED for the baby as she has to have somewhere to sleep and somewhere to keep all her belongings. The nursery will be Alice's shelter.
- a** NEEDS - Curtains, Paint, Cot, Changing Mat, Wardrobe, Blankets
b WANTS - Wallpaper, Mobile, Wall Stickers, Rug, Lamp
- a** £347.00 **b** £135.00 **c** £482.00.
- Answers might vary but may include toys, window blind, chest of drawers, teddy bear etc
- a** He should return Wallpaper, Mobile, Wall stickers, Rug, Lamp & Wardrobe.
b His bill is now £257.00.



Summary/Plenary Sheet

The exercise you have just completed teaches us how to identify whether an item is a **NEED** or a **WANT** and the differences between them. **NEEDS** and **WANTS** form the basis of any budget and being able to make sometimes difficult choices between the two will lead to effective money management.

Questions to assess student understanding

Eve spent some of her budget on items for the birthday party, but is a party a **NEED** or a **WANT** ?

What things might you do in order to afford a luxury item ?

- *Save up to be able to afford to buy it*
- *Cut back on spending in other areas so you have enough money to buy it*
- *Shop around to see if you can get it cheaper*
- *Review your budget*

What things can influence people's beliefs that **WANTS** are things that they really **NEED** ?

- *Peer pressure*
- *The Media*
- *Advertising trying to sell benefits which are not absolutely necessary to the person - lifestyle*
- *Habit - because we always have it we believe we need it - cigarettes, sweets, fizzy drinks, ...*

Recap on Key Learning Points

- **A NEED** is something we must have in order to survive.
- **A WANT** is a luxury item which we would like to have.
- The 5 basic **NEEDS** that we have are :- food, drink, shelter, warmth and first aid.
- Good money management relies on us being able to pay for our **NEEDS** before spending on **WANTS**.

Extended Learning

For teachers wishing to further the lesson by issuing homework or extended learning opportunities to pupils the following is suggested activities:-

- Review magazines to look for adverts which are selling why you **NEED** an item.
- List and discuss the wants that a person in a developing country may have.
- Using a situation e.g. holidays; ask the pupils to list the things that they would have to buy before going away. The list of items should then be split into **NEEDS** and **WANTS**.