

Needs Versus Wants

Lesson 1 of the Spending Series

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Skill Level

Beginner (3rd/4th graders)

Educational Standards Supported

4.MD.A.2

Learner Outcomes

The learner will be able to:

- Define a "need"
- Define a "want"
- Identify which expenses are needs and which are wants
- Demonstrate critical thinking skills and make choices based on needs and wants

Tag(s)

Consumer Education

Time Needed 15-60 minutes

Materials Needed (per group)

- Needs vs. Wants Worksheet (one per student)
- Chalkboard, white board or poster-size Post-it notes
- Blank slips of paper
- Three plastic jars, fish bowls or plastic cups
- Sharpie marker or pre-made labels for NOW, SOON and LATER

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Introduction to Content

This lesson will help students understand the difference between wants and needs. Americans have become obsessed with instant gratification that we often forget what a NEED truly is.

Introduction to Methodology

Students will have an opportunity to participate in several discussions, in making a list and evaluating their own needs versus wants on a worksheet. Students will also be able to determine if the items that they want most are things that they will buy NOW, SOON or LATER.

Terms/Vocabulary/Concepts

Needs—Needs are basic or necessary to survival. These are things that if not met may harm health, safety or well-being. Needs are usually few, but they can be costly.

Wants—Wants are things that make our lives more comfortable and enjoyable. Wants provide lifestyle. Wants are limitless.

Lifestyle—The way a person lives. The benefits they choose to have as part of their life.

Setting the Stage/Opening Question

Say, "How many of you have ever wanted something? Tell me something you want?" Let students answer.

Nod after each answer and ask, "Do you need that item, or do you want it?" Let students answer.

Explain, "A want is something we crave or long to have. It may make us happier, or it may make our life more enjoyable."

Ask, "So what is a need?" **ANSWER - A need is something we MUST have in order to survive.**

Say, "According to psychologists, there are five things that humans need to thrive. What do you think those five things are?"

Use a Post-it poster or a chalkboard or whiteboard to make a list of things students think they need to thrive. **(Include deodorant or soap as a need. Explain to youth that we must wash our bodies and wear deodorant in order to not smell.)**

Say, "We know that all animals and humans must have four things to survive. Those four things are air, water, food and shelter. But psychologists would tell you humans need one other thing to thrive in this world. That fifth thing is love or affection. This comes from relationships you have with family or friends or even a bond you develop with an animal like a pet dog."

Say, "We've defined what needs and wants are. A need is something I **MUST** have to survive. The only **NEEDS** I have in life are oxygen, food and water, shelter or a space for me to live, and love or affection."

Say, "But I want you to think of things that really do become needs to us as humans. There are certain things that become needs based on the choices we make. If I am a cheerleader, I need cheer shoes. Would you agree or disagree?"

Say, "If I am splitting my time between my mom's house and my dad's house, I have the same needs, just at two different addresses. Would you agree?"

Say, "No matter where you are, you **NEED** food, clothing, shelter, and physical and emotional care. You **NEED** water, but you **WANT** soft drinks. You **NEED** shoes, but you **WANT** the latest style or several pairs of shoes. There are lots of choices in between.

Say, "Usually, we have fewer **NEEDS** than **WANTS**. However, the things we **NEED**, such as a place to live and food, can cost a lot. Wants are limitless. Someone who is well-prepared usually pays for **NEEDS** before **WANTS**."

Strategies to Increase Student Engagement

- Read or create simple stories about characters who must choose needs versus wants
- Act out scenarios where students make choices about needs versus wants
- Have students cut out pictures from magazines to make a "Needs and Wants" collage
- Ask students to draw from their own experiences of needs and wants

Experience

For the first activity, set up three plastic jars or fish bowls or plastic cups. Have each one labeled. One should say "NOW," one should say "SOON," and one should say "LATER."

Hand out slips of paper and ask each child to write down something they think is important to have in their life. Let the students volunteer to put their slip of paper in the cup of their choice.

Discuss how buying something expensive NOW may not be the best decision. Buying something SOON may not be the best decision depending on how much the item costs and how much money the student has. The LATER cup may end up being the holder with the most slips of paper.

Next, pass out the "Needs vs. Wants Worksheet" and ask students to get out a pencil or pen.

Ask students to write in five items they have at home that they consider NEEDS. Explain that they will write the item's description in the "item" column. They will write the cost of the item in the "cost" column. They will check the box "NEED" or "WANT." Remind them that some things we pretend are needs are really wants.

Give students time to write their five entries on their worksheet.

Then ask, "In what way could you settle for something if an item you wrote down was really a want?"

Give an example. Say, "I have to have a ride to work every day. I can spend \$50,000 on a new car or I could spend \$1 per day on a bus ticket. I could spend \$150 on a bicycle and ride my bike to work every day."

Let students tell you if they think their list is mostly needs or wants. (Be prepared to hear things like internet or Wi-fi is a need. The new Air Jordan shoes are a need because everyone else has them. But remind students that if they did not have internet or a new pair of tennis shoes, they would still survive. They may just not be as happy.)

Remind the youth that it's okay to save money and buy things later rather than spending all their money now and not having anything saved.

Share/Process:

Ask students to share with someone sitting near them one thing they learned about wants versus needs.

Ask students, "do you see that certain things you feel like you need are really wants?"

Generalize:

Ask, "How do you think you could save money for something you want to buy later? Where could you save that money?" **ANSWER – In a piggy bank or savings account**

Apply:

Say, "Tell me why you shouldn't buy everything you want at one time. What could happen?" **ANSWER - You may spend all of the money you have and don't have anything set aside for an emergency.**

Say, "Let's say you are given money on Friday night and on Saturday morning, you go buy one of the items on your list. Then on Sunday morning, you are invited to go to a friend's house to spend the night. The family is going to take you to Dollywood as long as you can bring money to buy your own lunch and supper. You explain to your parents that you need lunch and supper money, but she doesn't have anything to give you. What do you do? Do you go to the friend's house without any money? Do you tell your friend you don't have any money and ask if you can still go? Or do you not go at all?" Each student's answer may vary.

References

National Endowment for Financial Education, [cashcourse.org](https://www.cashcourse.org), Accessed March 1, 2023.

Supplemental Information
Educational Standards Met

Math - Measurement and Data:

4.MD.A.2 Solve one- or two-step real-world problems involving whole number measurements (including length, liquid volume, mass/weight, time, and money) with all four operations within a single system of measurement. (Contexts need not include conversions.)

5.NF.B.6 Solve real-world problems involving multiplication of fractions and mixed numbers by using visual fraction models or equations to represent the problem.

Student Worksheet

Name: _____ Date: _____

NEEDS VS. WANTS WORKSHEET

One way to help you spend wisely is to separate your needs from your wants, and to spend money primarily on your needs. You probably understand that, for example, groceries are a need and dining out is a want. But some nights, after cramming for a test or working late, takeout is sure to feel like a need. Maybe food is a need in that instance, but ordering takeout is a want. List some of your needs in the spaces below. Write down some of your regular expenses and then consider whether they are truly a need or if they are a want.

Item	Cost	Need?	Want?	Alternative if Want

Labels for NOW, SOON, LATER Activity

NOW

SOON

LATER



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