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## NEEDS, WANTS AND PRIORITIES

### OVERVIEW

**Students will:**

- review recent purchases
- categorize them as needs or wants
- discuss how one's definition of needs and wants affects lifestyle and financial choices
- discuss how to establish priorities among needs and wants

The ability to recognize the difference between personal needs and wants helps people set priorities and make sound financial decisions required for budgeting and financial planning.

### CURRICULUM AREAS

Use this module to teach Learning Outcomes in curriculum areas such as:

- Personal Finances
- Life/Work Transition
- Budgeting and Financial Planning
- Consumer Studies

For a detailed listing by province/territory and course, refer to Learning Outcomes on the educator pages at [www.fcac.gc.ca](http://www.fcac.gc.ca), Educational Programs > The City.

### OUTCOMES

**Students will be able to:**

- categorize personal purchases as needs or wants
- set purchasing priorities
- explain how personal needs and wants affect budgeting and financial planning

### MATERIALS AND TOOLS

- copy for each student of Story 4-1, Needs, Wants and Priorities (optional)
- copy for each student of:
  - + Handout 4-1, Needs, Wants and Priorities
  - + Handout 4-2, Quick Quiz – Needs, Wants and Priorities
- youth-oriented magazines (optional)
- overhead projector, if using

### IN-CLASS TIME REQUIRED

- one lesson (approximately 60 minutes)

### KEY WORDS

needs, wants, priorities, non-essential

## SUGGESTED APPROACH

**1.** Present Story 4-1, "Needs, Wants and Priorities," to the class. Discuss the story by asking questions like the following:

- Why was it important for Luna to separate her needs and her wants?  
+ *It allowed her to decide what to spend her money on and what she could cut back.*
- What's an example of a need and a want in your life?
- What do you want to know about managing needs and wants in your own life?

**2.** Distribute Handout 4-1, "Needs, Wants and Priorities."

- a) Have students work in groups of three or four to make a list of items that members of the group have recently bought.
- b) Have each group write three items from their list on the board, without duplicating any other items listed, if possible.

**TIP:** *Extend or prompt discussion with magazine pictures of youth-oriented consumer items.*

**3.** Write the words "Needs" and "Wants" on the board.

- a) Ask the class to define the terms "needs" and "wants." E.g.:
  - *need – a necessity, something required, something essential for life*
  - *want – a desire, something wished for, something non-essential*
- b) Ask the class whether the things Luna bought in the story were Needs or Wants. E.g.:
  - *a computer upgrade for her animation course*
  - *lunch with a friend*
  - *new high heels*
  - *eye makeup*
- c) Have the class:
  - Explain whether each of the items they listed on the board is a need or a want. Encourage varying viewpoints on the categorization of the items, and elicit the point that needs and wants vary from person to person and from time to time.
  - Explain whether all needs (or wants) have the same priority or importance.
  - Explain how students decided which items were more important.

**4.** Describe the 1-2-3 system for establishing priorities and have the class give examples of each. Encourage discussion about how to rate different items.

- 1 – Items that are essential for healthy living (e.g., basic food, clothing, shelter, etc.)
- 2 – Items that are not essential but important (e.g., a bicycle or transit pass, entertainment, education, etc.)
- 3 – Items that are not essential and not important. (e.g., popcorn at the movies, new music, video games, etc.)

**5. Have students:**

- Review their lists from Handout 4-1 and rate each item using the 1-2-3 priority system.
- Calculate the amount of money spent on common non-essential purchases on their lists (e.g.: soft drinks, music, clothing, etc.).
- Total their spending on non-essential items.
- Discuss what else they could do with the money.

## Point out that:

- What students define as a need or want influences the lifestyle they may have and that influences how much money they'll need (as students saw, if they did the Lifestyle Reality Check).
- Because needs are essential, they are necessary expenses, but expenses for wants can be reduced or even eliminated.
- The ability to distinguish needs from wants and to set priorities is an important skill that will help students start managing their own money now and throughout their lives.
- Students can use this skill immediately to start managing their money and plan their transition from secondary school.

**6. Option:** Have students use magazine or other images to make a poster or digital collage, drawing, story or video distinguishing their Life Stage Character's needs and wants.

**7. Home Connections.** Have students:

- Discuss with their parents or another adult how they decide between needs and wants and how they set priorities.
- Write a paragraph on how they can use the information they learned from their parents or another adult in managing their own finances.

**8. Reflection and summary.** Have students individually or in groups:

- Write the three most important things they learned about needs and wants.
- Review the items students listed with the class.

## Points should include:

- *People have needs and wants, which vary from time to time and person to person.*
- *Lifestyle choices affect needs and wants.*
- *By managing wants and focusing on priorities, people can begin to manage their money.*

Have students add their list of things they learned into their Financial Life Skills binder or portfolio (as described in Module 1).

*ALTERNATIVE:* Have students draw a cartoon strip using speech and thought bubbles to illustrate how a character thinks through a purchasing choice about a non-essential item.

## EVIDENCE FOR ASSESSMENT

- Monitor the class discussion and review Handout 4-1, "Needs, Wants and Priorities," to ensure that students can:
  - + categorize recent purchases as needs and wants
  - + identify at least one #1, #2 and #3 priority item
  - + set priorities among needs and wants
- Monitor the class discussion and the summary activity to ensure that students can explain how personal needs, wants and priorities affect budgeting and their present and future lifestyle.
- Distribute Handout 4-2, "Quick Quiz – Needs, Wants and Priorities," and have the class complete the quiz. Correct answers are as follows:
  - 1) Define the words:
    - need: **Answer:** A necessity; something you have to have*
    - want: **Answer:** Something you desire (but don't need)*
  - 2) Why is it important to identify your needs and wants?  
**Answer:** By reducing spending on wants, you can have more money available for needs.
  - 3) List the three categories in the 1-2-3 Priority system.  
**Answer:** 1 – Items that are essential for healthy living. 2 – Items that are not essential but important. 3 – Items that are not essential and not important
  - 4) How are priorities different from needs and wants?  
**Answer:** Priorities can show how important a variety of things are, while needs and wants only place items into one of two fixed categories.

## EXTENSION ACTIVITIES

- Have students go through their closets and bedrooms to identify items they've bought or that others bought for them and classify them as needs or wants. Have them discuss their findings with their parents or another adult and explain how their needs differ from their wants.
- Have students use magazine or digital images to make a digital collage, drawing, poster or video illustrating their needs and wants and add it to their Financial Life Skills binder or portfolio (as described in Module 1).
- Have students write a journal entry identifying what need or want a recent purchase filled, and whether or not the purchase was necessary.
- Discuss with the class how one person's needs can be another person's wants.
- Have students research and debate the proposition that media advertising promotes a culture of "wants" rather than "needs."

## NEEDS, WANTS AND PRIORITIES

Luna dragged herself through the café doors.

Gaia, the owner, took one look at her and said, "What's the matter?"

Luna pushed up her sleeve. Her wrist-pod's screen flashed red. *No funds, No funds...* "Remember last week when I got my first pay voucher download and I had all that money?"

"You mean when you jumped up and down and said, 'I'm rich! I'm rich'?" Gaia said dryly. "Where'd it all go?"

"I don't know!" Luna wailed. "I mean, I downloaded some new music files, went out for lunch ... it just went! Some of that cash was supposed to pay for animation files next semester. I'm in trouble!"

"Maybe I can help," said a shy voice from the corner booth.

Luna turned. It was Nikos, the guy who always sits alone with a FlatPort study unit. Only he never seemed to be studying. Cute, in a starving-artist sort of way. Sometimes she thought... but she couldn't be sure.

Of course, Nikos was nothing like Rio, the busser-slash-dishwasher. Rio was hot. She'd been crossing his path a little more than was necessary, hoping he'd ask her out.

"Help how?" Luna said irritably.

"Well..." Nikos stammered, "I could maybe... umm... like, show you how to avoid... uh... the same problem the next time you get paid."

What a romantic offer, he thought. She's gonna jump at that one.

But to his amazement, she shrugged and said, "Can't hurt." Grabbing pen and paper, she slid onto a chair beside him.

*Don't let me blow this*, Nikos prayed to whatever deity might be listening. *Don't let me turn this girl off.*

"First thing, you've got to write down everything you spent money on. Every virtual magazine, every cup of coffee, everything," he said.

"Bor-r-r-ing."

His heart sank. "I know, but it's the only way to see where it all went. So you can decide what was really important and what you didn't really need."

"I *need* to make more money," Luna grumbled. But she started scrolling through her wrist-pod, writing stuff down...

When she'd finished her list, Nikos made her go through it and mark each item as a Need or a Want. "You gotta know the difference between what you need and what you want. And then control the wants."

## NEEDS, WANTS AND PRIORITIES (cont'd)

"I know the difference," Luna said smugly.

- Computer upgrade for school: Need.
- Lunch out with Feliz: Want.
- Green eye makeup: Want.
- New high heels: Need.

Nikos raised an eyebrow.

"They *are* a need!" Luna said.

"Get real. Food's a need, MetroLink service is a need. High heels are –"

Luna glared at him. Then she burst out laughing. "Okay, they're not a *need*. But they're so great."

"So if you cut down on some other things you want but don't need, you'll save enough to buy them."

"Really? How?"

Nikos went through the list with her. They tallied the cost of a mocha whip here, a vid-zine there. The numbers added up.

Luna looked at him. "Hey, you're right. Cool."

Just then Rio emerged from the back, getting off shift. He grinned. "Luna, want to splurge on drinks at that new club?"

Luna hesitated. Nikos stiffened.

Then she waved. "That's okay, Rio, I'm good here."

She gave Nikos a smile. After a moment, he started breathing again.

# NEEDS, WANTS AND PRIORITIES

Name:  Class/Block:  Date:

1. List some items you or your friends spent money on over the past two weeks. If you can, list items in each of the categories below.
2. Mark each of your items as a **need** or a **want**.
3. Mark the priority of each item: 1 (essential), 2 (important) or 3 (not essential or important).

	Need or Want	Priority 1, 2 or 3
<b>Food</b>		
<b>Clothing</b>		
<b>Entertainment</b>		
<b>Transportation</b>		
<b>Books and school items</b>		
<b>Other</b>		

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## QUICK QUIZ – NEEDS, WANTS AND PRIORITIES

Name:  Class/Block:  Date:

**1. Define the words:**

a. need \_\_\_\_\_

b. want \_\_\_\_\_

**2. Why is it important to identify your needs and wants?**

\_\_\_\_\_

\_\_\_\_\_

**3. List the three categories in the 1-2-3 Priority system.**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**4. How are priorities different from needs and wants?**

\_\_\_\_\_

\_\_\_\_\_