

## A: Needs and Wants - Part 1      NAME: \_\_\_\_\_

We all have mental lists of items we either need or want. Let's start our exploration of financial intelligence by looking at those "Needs and Wants".

1. Using newspaper ads and flyers, list ten items you really have to have. These are your personal "Needs" and "Wants". Add the prices and explain why you need or want each item.

Item	Price	Reason

2. In the space below, define the terms "Needs" and "Wants".

Needs	Wants
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## A: Needs and Wants - Part 2

NAME: \_\_\_\_\_

1. Go back to the list of "Needs and Wants". Using your definitions of those terms, divide the items into two groups, "Needs", and "Wants".
2. Compare your list to those of other students in your workgroup. Based on their ideas of what is a "Needs" or a "Want", revise your definition of "Needs and Wants" and write the revised version down below.

Needs	Wants

3. In your workgroup, discuss the last occasion, a birthday celebration, or a similar event, on which you received some presents.
  - a. Discuss which of those items were things you absolutely needed, or had to have.
  - b. How did you feel about those items six months later?
  - c. How many of those "Need" items were really "Want" items?
  - d. Revise your definitions of "Needs" and "Wants" if necessary.
  - e. Use this information to discuss as a class the difference between "Needs" and "Wants", and prepare definitions that the entire class can agree on.
4. Go back to the list of your own "Needs and Wants". Below list the expenses that you or someone in your family pays for on a regular basis. Mark those that you pay for from an allowance or the money you earn, and include the price of each..

Expense	Check if you pay ✓	Check if your family pays ✓	Price
Total			

5. What percentage of your expenses is paid for by your family?

## A: Needs and Wants - Part 2

6. We also have "Needs" and "Wants" which are more than just personal. They are community "Needs" and "Wants" like schools and shopping malls, parks and skating rinks. In your workgroups, list your most important community "Needs and Wants". When you all agree, list the ten most important ones in the space below.

Community "Needs" and "Wants"	

7. These community "Needs and Wants" are called services. The police department, agencies that provide parks, buses, help to individuals and families, and libraries, stores and banks are all services.
- Individually clip and save news stories about the community "Needs and Wants" you selected.
  - Use these articles and other information to discuss in your groups whether the services you need and want are provided in your neighbourhood.
8. In the table below, list the five services you and your workgroup believe are most important to you and your community. Then, using the articles you clipped, decide in your workgroups if each of these services is adequate in your neighbourhood.

Community Services	
Service	Adequate or not?

## A: Needs and Wants - Part 3

NAME: \_\_\_\_\_

1. You may not be able to satisfy all the "Needs and Wants" you have listed. So it is important to set priorities. In the table below, list five items from your first list of personal "Needs and Wants", and five items from your "Community Needs and Wants" list.
2. In your workgroups, discuss who pays for your "Needs and Wants", whether personal or community based.
  - a. If you had to have a cell phone, either you or your family would have to pay for it. But who pays for the library or school or local skating rink?
  - b. As a group, discuss the answers, and add the information below.

Item	Who Pays?	Item	Who Pays?

3. Some "Needs and Wants" are met by charities. What are charities? As a group, write a definition and enter it below:

4. Individually, collect newspaper articles about charities in your community. As a group, compare your findings and select four charities that are the most important to your neighbourhood. Complete the table below.

Name of Charity	What does this charity do?	How can it afford to do its work?

## B: Needs, Wants, and Budgets - Part 1 NAME: \_\_\_\_\_

1. Go back to your list of personal "Needs" and "Wants". Create a Spending Log like the one below. For one week, list what you spent money on, when and how much. Include money already saved, money you earned, and any allowance you received.

Spending Log					
Date	Item	Money In	Money Out	Saving	Balance

*If this form is not long enough, draw a bigger one on a separate sheet of paper.*

2. Look at the spending log, and the items you spent money on. Suppose that for one week you had expenses that were greater than your allowance and earnings. Consider how you could manage your spending without using your savings or borrowing money.
3. In your workgroups, prepare a plan for meeting these unexpected expenses.
4. Now consider what happens if the unexpected expense is so big that you have to borrow money.
  - a. Write a point-form plan for budgeting for unexpected expenses.
  - b. Turn that point-form list into a newspaper-style advice column.
  - c. Exchange that with others in your group, edit and revise each others' work.
  - d. Rewrite your column based on the advice from the others.
  - e. Attach that column to this page.

## B: Needs, Wants, and Budgets - Part 2

NAME: \_\_\_\_\_

1. From your personal list of "Needs" and "Wants", select one item that you cannot afford to buy from your current allowance and/or earnings.

How expensive is that item?	
If you decide to buy that item in four months, how much will you have to save each week?	
How will the money set aside for this purchase affect your other spending and saving?	

2. Let's prepare a budget that includes setting the money aside for that purchase. Use your spending log to find ways to cut back on other spending in order to set aside enough money to buy that item and still continue to have some savings for other purchases as well.

Budget					
Date	Item	Money In	Money Out	Saving	Balance
	<i><b>Saving for purchase</b></i>				

3. Some expenditures happen every week or month and cannot be avoided. Those are called *fixed* expenses. Others expenses are a matter of choice. Those are called *discretionary* expenses. Look at your budget above and use a highlighter to mark the fixed expenses. What fraction of your expenses is discretionary?
4. When you are saving for something and have no extra money coming in, the only way to get that extra money is to cut back on something else. Deciding which expenses to cut back, while keeping others is called setting priorities. In your workgroups, discuss how each of you sets priorities when deciding which discretionary expenditures to cut.
5. Report to the class three criteria you used to decide your spending priorities.

## B: Needs, Wants, and Budgets - Part 3

NAME: \_\_\_\_\_

Cities, charities, and businesses must also make choices about expenditures, and save both for larger expenditures and for unexpected expenses.

1. Run a scavenger hunt. Have each person in your workgroup collect a different story about an organization in your community that has to make savings or cut back on spending. Save these stories and go through them in your workgroups.
2. Consider:
  - a. How big were the savings that the organization had to make?
  - b. How did the organization set priorities in deciding where to make those savings?
  - c. How do you feel about those priorities?
  - d. How will those cutbacks and saving affect your community?
3. Some community services are provided by charities, such as the Red Cross or a food bank. If the fundraising by these groups cannot bring in enough funds to meet all their needs, they too must set priorities. Imagine that you are in charge of a food bank. Donations are down, both in actual food and in cash. In your workgroups:
  - a. Brainstorm how you can continue to provide services for the community
  - b. Consider what services your organization can or can not cut.
  - c. Imagine your group manages a food bank. Prepare a written report to your Board of Directors, explaining your priorities in deciding where and what to cut.
  - d. Present that report to the class.
  - e. As a class, discuss the issues of setting spending priorities and meeting community needs at a time when money may be in short supply.
4. In your workgroups, research how cities deal with money issues. Clip stories from the newspaper about city budgets and spending issues.
  - a. List the various services that the city provides for your local community.
  - b. How do cities pay for the services they provide?
  - c. Many cities have "Reserve Funds". What is a reserve fund?
  - d. How do cities get the money for their operations?
  - e. If they do not have enough money, what options do cities have to pay their expenses?
  - f. If the city had to cut services, which cuts would your group suggest?
  - g. What other options could cities consider besides cutting services?
5. Sometimes businesses also have to reduce their costs. Look for news stories about companies that need to reduce their costs. Explain several ways in which they can do that.
6. Write a report comparing how organizations and individuals set priorities when it comes to reducing costs and saving money.
  - a. Present that report to your group for editing.
  - b. Present the final version of that report to the class.