

Instructional Scenario

Needs vs. Wants



Course/Duty Area: Principles of Business and Marketing/Understanding the Role of Economics in a Global Economy

Scenario: The Mullins family is struggling to manage their finances. They need help evaluating their needs versus their wants. You will need to help this family make some changes in their financial planning and lifestyle.

Needs:

1. **Necessities:** The family needs to budget for food, shelter, and clothing.
2. **Education:** The family wants to provide a good education for their children, which is both a need and a want for a better future.
3. **Healthcare:** Access to healthcare is a fundamental need for the family to stay healthy and address medical issues.

Wants:

1. **Vacation:** The family wants to go on a vacation to spend quality time together and create lasting memories.
2. **New Car:** They desire a new car for convenience and comfort, which is not a necessity but a want.
3. **Home Renovations:** They want to renovate their home to make it more comfortable and appealing.

Big Question: What steps should the family take to ensure they are making sound financial decisions to ensure the well-being of the family and the achievement of both immediate and long-term goals?

Focused Questions: You are being assigned the task of helping this family find three things they can do to help meet their needs and possibly their wants.

Student Project or Outcome: Students should make an oral presentation of their recommendations.

- **Public Speaking:** 5 points (eye contact, audience engagement)
- **Three valid ideas for the family:** 10 points
- **Presentation was made with clarity and good presentation skills:** 10 points (professional; logical flow of ideas presented)

ANSWERS COULD INCLUDE:

- **Budgeting:** They could create a detailed budget that clearly distinguishes between needs and wants. This will help them allocate their limited resources to prioritize needs.
- **Emergency Funds:** Building an emergency fund is essential to handle unexpected expenses and avoid going into debt.
- **Cutting Unnecessary Expenses:** The family should identify areas where they can cut unnecessary expenses, particularly in the “wants” category, to free up more money for their needs.

- **Education and Healthcare:** They should explore options for affordable education and healthcare to ensure they are meeting their needs without overspending.
- **Long-Term Planning:** While their immediate focus may be on needs, they should also plan for the future, including saving for their children's education and retirement.
- **Financial Education:** Improving their financial literacy can help the family make better financial decisions and investments.