Needs & Wants - for Goods and Services

When you have finished this chapter you will be able to:

* Give definitions for the terms needs, wants, consumer, goods and services.
* Identify the basic needs of all people.
* List examples of wants, goods and services.

Over to You! Chapter 1, Exercise 1

LUCY'S NEW TOP

Joe slammed the door and threw his football boots onto the kitchen floor, making a loud thump.

"You're home late," said Mrs Rafter, who was making the family's dinner, "and pick up those boots!"

"Wasn't my fault, Mum. The coach made us run extra laps. He says we're not fit enough. Where's Dad?"

"He's still in the shop, but he should be closing up any minute."

Joe's parents ran a corner store, and the family lived in the house behind the shop. The shop was very popular with everyone in the neighbourhood because it sold special jams, pastas, pies and ice cream made by Mrs Rafter and her mother. Mrs Rafter's mother, Mrs Marshall, lived next door. She was eighty years old and had been a widow for ten years.

Later that evening the Rafter family talked about the day as they ate their
"What's a want then?" asked Lucy a little crossly, thinking that it seemed that she wouldn't get her new top.

"A want is something ... well, something you want," said Mr Rafter. "I want a new TV, but I guess I don't really need one."

"I can think of many things I want," said Joe, "a new skate board, a new bike, a CD-player."

"Dream on, brother!" snapped Lucy.

"Yes, most people want much more than they really need," said Mr Rafter, thinking of all things he wanted.


"Well I'm not sure, Lucy. I'll have to look at my budget. We'll talk about it later," replied Mrs Rafter.

"Let's think about the nature of wants."

Wants are those things that we would like to have ... but that we could really do without, because they are not necessary for our survival. The things we want usually make our lives better or more enjoyable.

Lucy wants a new top to wear to the party, but she doesn't actually need it, because she already has other clothes, which protect her from the weather ... for example, a coat for a cold, rainy day and shorts for a hot day.

We all have wants as well as needs ... and it seems as though our wants are never-ending! If Lucy gets her new top she'll probably want another one soon - a new pair of jeans, or ..."

Before you go on... do you understand the difference between needs and wants?

Over to You! Chapter 1, Exercise 2
“Well, how was school today, Joe?” asked Mark, who had been quiet up until then.

“Don’t ask! It was boring! What do you reckon?”

“Tell us about your boring day then, Joe,” suggested his father.

Joe rolled his eyes. “Period 1 we had Maths, period 2 we had Social Studies, period 3 we had Music, period 4...”

“What did you do in Maths?” asked Lucy, who thought she was good at Maths.

“Nothing much,” said Joe, who hadn’t really listened carefully to his Maths teacher that morning. “In Social Studies we started some new unit, something to do with consumers.”

“I remember that,” said Mark. “When I think about it now, it was useful. You learn about things that will happen to you when you leave school, like being earners and spenders. Also things like your budget, Mum. I remember our teacher explained how to save money. She also told us about getting loans, and about credit cards. Isn’t the topic called The Consumer in the Economy, Joe?”

“I think so.” Joe was amazed that Mark could remember. Mark had finished school four years ago.

“I thought consuming was something to do with eating,” said Lucy.

“Well, it is,” answered Mark, “but it also has another meaning.”

“I know,” said Joe, pleased to show that he had learnt something at school that day. “A consumer is a person who buys things.”

“Very clever, Mr Know-it-all. What sort of things?” said Lucy.

Joe squirmed in his seat. “You know, things... things like goods.”

“Well what are goods then?” asked Lucy, hoping to catch Joe out.

“Goods are things that we can see and touch, such as this knife,” said Mark, sounding a little bit like a teacher and holding up his knife.

“And this bread and this table”, said Joe remembering what his teacher had said that morning. He went on “and there are services. A service is something...”

“... Mark gets done to his car at the garage,” said Lucy, laughing.

“Actually, you’re both right,” said Mark. “A service is something that another person does for you for pay. I provide a service in my work in the lab at the hospital. People pay me to do something for them.”

“And Mum’s and Nana’s jams, pastas, pies and ice creams and all the things in our shop are goods,” said Lucy.

“We know lots of people who provide services,” said Mrs Rafter. “Mrs Lee who is a nurse at the nursing home, Christine Green who is an usherette at the cinema and Stefan Pekovich who is a mechanic at the garage...”

“Yes! Thanks, you two. You’ve just done half my homework for me,” laughed Joe. “I have to give examples of goods and services.”

“Well, I don’t know about all this goods and services talk,” said Mr Rafter. “All I know is that was a great meal prepared by a good cook and the service wasn’t half bad.”
CHAPTER 7: EXERCISES

1. Skim the story to find the five key ideas in this chapter. Then fill in the blanks below.

The key ideas in this chapter are:

* ____________ * ____________
* ____________ * ____________

2a) Write an N or W in the brackets after each item listed to show if it is a Need or a Want:

bread ( ) stove ( ) shoes ( )
water ( ) trip to Bali ( ) car ( )
house ( ) motor bike ( ) video ( )
T.V. ( ) refrigerator ( ) milk ( )
magazine ( ) chocolate bar ( ) watch ( )
skateboard ( ) bed ( ) boat ( )

b) Choose one that you may find difficult to classify.

Explain why __________________________________________

3. In the first column, write a G or S to show which of these people produce a Good and which provide a Service:

coal miner G shopkeeper S
car manufacturer G teacher S
fisherman G hotel manager S
truck driver G lawyer S
builder G wheat farmer S
hairdresser G sawmill owner S
typist G orthodontist S
librarian G fruit picker S
potter G radio announcer S
park ranger G abalone diver S
foreign ambassador G tree feller (in forest) S

b) Now refer to the second column:
i) Write a P next to the people in the list who take (extract) or produce raw materials like wood, minerals, fish and crops. (These people are sometimes referred to as primary producers.)