



Understanding Standard of Living and the Differences between Needs and Wants

Technology: None

Goals: Students will understand the concepts of standard of living, needs, and wants, and how these concepts relate to personal finance decisions.

Objectives:

- Students will define standard of living and explain how it can impact personal finance decisions.
- Students will distinguish between needs and wants and identify examples of each.
- Students will analyze how prioritizing needs and wants can impact personal financial decisions.

Common Core Standards:

- CCSS.ELA-LITERACY.RI.9-10.2 - Determine a central idea of a text and analyze its development over the course of the text, including how it emerges and is shaped and refined by specific details; provide an objective summary of the text.
- CCSS.ELA-LITERACY.RI.9-10.3 - Analyze how the author unfolds an analysis or series of ideas or events, including the order in which the points are made, how they are introduced and developed, and the connections that are drawn between them.

Lesson Outline:

I. Introduction (5 minutes)

- Welcome students and introduce the topic
- Explain the importance of understanding standard of living and the differences between needs and wants in making personal finance decisions

II. Standard of Living (10 minutes)

- Define standard of living and explain how it can impact personal finance decisions
- Discuss factors that can influence standard of living, such as income, education, and healthcare
- Provide examples of how standard of living can vary across different countries and regions

III. Needs and Wants (10 minutes)

- Define needs and wants and distinguish between the two
- Provide examples of needs and wants, such as food, housing, clothing, entertainment, and luxury items
- Discuss how prioritizing needs and wants can impact personal financial decisions

IV. Cost versus Needs and Wants (10 minutes)

- Analyze the costs associated with meeting needs and wants



OTIS
for educators!™

Lesson Plan Activity

- Discuss how prioritizing needs and wants can impact personal finances, such as budgeting and saving
- Provide examples of how prioritizing needs and wants can impact financial goals, such as saving for retirement or paying off debt

V. Real-World Applications (5 minutes)

- Provide examples of how understanding standard of living and the differences between needs and wants can impact personal finance decisions in daily life

VI. Conclusion and Q&A (5 minutes)

- Recap the main points of the lesson
- Answer any questions from students
- Provide information on additional resources for understanding standard of living and the differences between needs and wants



OTIS
for educators!™

Lesson Plan Activity

Title: Needs vs Wants: Making Smart Choices

Instructions: Answer the following questions based on what you have learned about standard of living costs and needs vs wants.

1. What is a need? Give at least two examples of needs.

Define:

- a. -
- b. -

2. What is a want? Give at least two examples of wants.

Define:

- a. -
- b. -

3. Why is it important to understand the difference between needs and wants when making financial decisions?

4. Imagine you have \$50 to spend on food for the week. List at least three food items that would be considered needs and three that would be considered wants.

- a. -
- b. -
- c. -



OTIS
for educators!™

Lesson Plan Activity

5. How might your list of needs vs wants change if you had \$100 to spend instead of \$50? Explain your answer.
6. Compare the standard of living costs in the United States to those in another country. What are some differences you notice? What factors might contribute to these differences?
7. Imagine you are living on your own for the first time and need to make a budget. What are some things you would need to consider when making financial decisions?
8. How can understanding the difference between needs and wants help you make smarter financial choices?

Bonus: Use the Dollar Street website to explore the standard of living costs of families from different countries. Choose one family and create a budget for them based on their needs and wants. How does this budget compare to the budget you created for yourself in question 4?

Note: The Dollar Street website can be found at <https://www.dollarstreet.org/>.