

# Business

## What do you NEED?

There's a difference between wants and needs. You might *want* the latest designer sneakers, but if you already own a pair of functioning sneakers you probably don't actually *need* them. When you grow up, you won't be able to spend money on treats until you've got the basics covered...

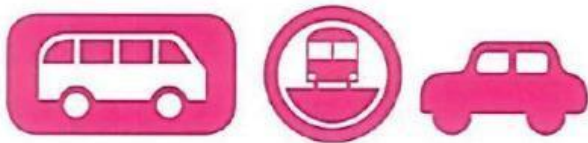
### HOUSING

This is a big one. People often find themselves spending as much as a third of the money they earn putting a roof over their heads. In some countries most people rent homes; in others they buy using mortgages that can last anywhere from 10 to 40 years. Either way, it's a major expense.



### TRANSPORTATION

Transportation is surprisingly costly. Think about how often your parents travel to and from work. Train tickets aren't cheap if you have to travel a long way or almost every day, neither is the cost of gas, maintenance, insurance, taxes, and tolls for a car.



### THINGS I NEED:

☒ somewhere to live

☒ transportation



## Tick the things you **NEED**:

- |   |   |
|---|---|
| <input type="checkbox"/> housing              | <input type="checkbox"/> 1000 lego blocks |
| <input type="checkbox"/> newest shoes         | <input type="checkbox"/> transportation   |
| <input type="checkbox"/> ticket to a BTS show | <input type="checkbox"/> food             |

### LUXURY OR NECESSITY?

One person's "need" is another person's "want." Take owning a car. It's a big expense and not always necessary, though it can be extremely convenient.



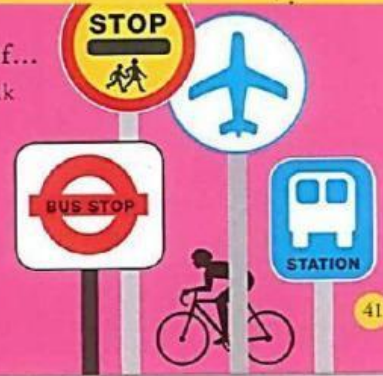
A car might be **NECESSARY** if...

- § You live in a place without public transportation.
- § You need to transport tools or equipment in order to do your work, or your job involves a great deal of traveling.
- § You have children attending a school that isn't within walking distance, or have elderly relatives who you often take to the hospital.



But it might be a **LUXURY** if...

- § You live in a place where you can walk or cycle to work, school, and stores.
- § Public transportation is reliable and cabs are inexpensive.
- § The car you have is costly to run and you have to pay for parking.



**Think about where you live and how you get to school. Is your car a necessity or a luxury. Why?**



**CONSUMER PRICE INDEX (CPI)** To find out how expensive life in the US is, the government chooses some items that people buy (examples are on the next page) and figures out what an average US resident spends on them. By comparing this figure to what people in the US spent 20 years ago on the same goods, they can see how the cost of living in the US has changed or is changing.



*food*

*clothes*

*BILLS:*

*electricity, gas, water,  
telephone, tax,  
pension, insurance*

## FOOD

Everybody needs to eat, but food costs vary wildly. You can cook from scratch (using cheaper or more expensive ingredients), buy ready-made meals, eat out in fast-food chains, or dine at fancy restaurants. Your choice determines the cost. (Cooking at home is cheapest—so learn to cook!)



## CLOTHES

Strictly speaking, clothes are a necessity, but fashion is a luxury. Yet many people agree that you "need" different types of shoes and clothes for different activities. You decide!



## BILLS

Bills are paid monthly, quarterly (every three months), or annually, and often cover services such as the phone, water, and electricity. Grown-ups may grumble about bills (perhaps because you can't see services the way you can see goods) but can't avoid paying them.



Match the order you **should** buy or pay things?

1<sup>st</sup> ☐

☐ Buy clothes

2<sup>nd</sup> ☐

☐ Pay bills

3<sup>rd</sup> ☐

☐ Buy the newest toys