

Needs and wants



All people want things that give them satisfaction. Some **wants** are for essential items such as food, clothing and shelter. These things are known as **needs**. They keep us alive by providing energy for our body and keeping us warm.

In pre-historic times, this meant satisfying your own wants by hunting animals and gathering edible foods while living in a cave or a hut.



Today, in Australia, needs have a different meaning because it is hard to determine what is essential. Things such as education, medical treatment and transport are also seen as essential for us to survive.

People have other less important wants. These **luxuries** are not essential to survive. For example, the desires for entertainment, recreation and personal care.

Wants (needs and luxuries)

food at breakfast



bread

recreation



tennis racquet

personal care



having your hair cut

Good and services

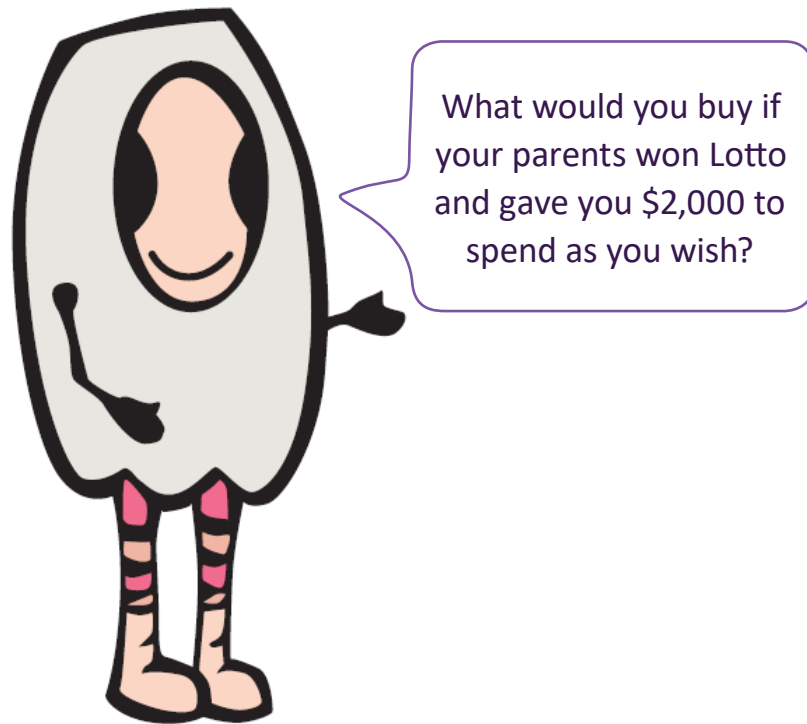
Buying goods and services

Our wants are typically satisfied when we buy and use **goods** and **services** that are made and sold by **businesses**. You may want a pair of jeans, a mobile phone, a hamburger, to download some new music or to go to a football game. Each of these goods and services satisfies a **want**.



32.59 million
the number of mobile
phones in operation
in Australia (2016)

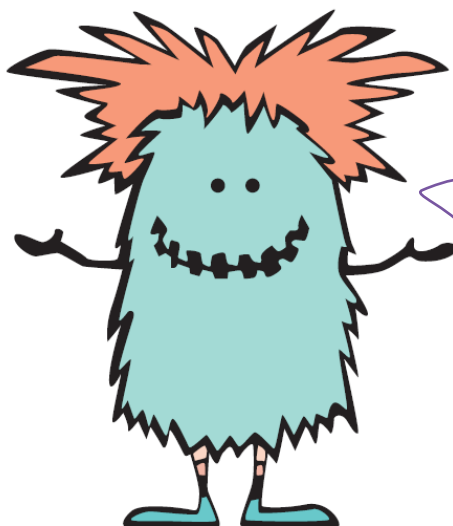
People still satisfy some of their own wants. They do things like making their own clothes, painting their house or growing their vegetables.



Is there competition?

Some goods compete with each other. For example, the different brands of breakfast cereal such as Weet-Bix and Coco Pops. When you buy one of them you do not usually buy the other. So, if people buy more Weet-Bix it is likely that less Coco-Pops will be purchased.

Other goods 'go together'. For example, a pet and pet food, or bathers and a towel. So if more people buy a puppy then it is likely that more dog food will also be purchased.



Can you identify goods that compete with each other and goods that go together?

Kid power

Adults **spend** most of the money in our economy as they have the most money. Young people do however have money of their own that they can spend. In Australia, children and teenagers are estimated to:

- spend about \$1 in every \$100 spent (1% of the total amount spent by all consumers)
- influence how \$10 in every \$100 is spent (10% of the total amount spent by all consumers).

The **spending** of young people and their family influences what goods and services businesses choose to produce.

