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Lesson Plan Two - Cost Comparison and Calculation

'Need' vs 'Want'

Introduction

In lesson two students will outline the costs for their 'need' vs 'want' items. Students will need to work together to find the best items for the best cost. Students will list the items so that they can compare and contrast the different costs. This will give students a better understanding of how a budget works and how money is spent.

It will also link back to the 'need' vs 'want' activity from lesson one and the Supermarket Shopper Activity. Students will work through questions 1 - 4 in the Planning your Financial Future activity as a starter. This will allow students to understand the value of saving and the importance of mapping out how money is spent.

Students will need to understand the concept of a surplus and a deficit in relation to their budget. The teacher starter will help students understand these two concepts in relation to a budget.



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Learning Outcomes:

- Compare 'need' vs 'want'
- Categorise items in a budget
- Prioritise important items to spend money on
- Discuss the purpose of a surplus in relation to a budget
- Discuss the purpose of a deficit in relation to a budget

Success Criteria:

I can:

- Identify items as a 'need' vs 'want'
- Form and communicate ideas and information clearly
- Compare item cost through research
- Create a simple budget for an activity
- Understand what a surplus and deficit are in relation to a budget

Financial Capabilities Progression:

Level 3

- Create a simple budget for an activity or event, prioritising 'need' and 'want'.
- Use simple money management tools to monitor a given budget, e.g. a spreadsheet.
- Investigate different ways to get value for money when spending.
- Describe the purpose of money, e.g. paying for goods, services.

Level 4

- Describe different ways to get value for money when spending.
- Create a budget for a specific activity and timeframe.
- Use money management tools, including online, to monitor a budget.
- Discuss external factors that can affect peoples' financial choices, e.g. advertising, peer pressure.
- Compare different ways of paying and receiving payment for goods and services, e.g. debit cards.



Key Vocabulary:

Budget - A tool to help you manage your income and expenses and save money. It shows how much money a person has coming in (income) and going out (expenses) over a period of time.

Financial identity - Your financial identity includes your beliefs, knowledge and behaviour about money. It also involves the things you learn from your whānau and community, and the choices you make about saving and spending, for example.

Managing Money - Managing money is about tracking your money coming in (income) and going out (expenses). It's about making good choices around planning how you use your money. A budget is a tool you can use to manage your money.

Needs and Wants - Needs are goods or services that you need to be able to function and live. These include your needs for food, clothing, shelter and health care. Wants are goods or services that are not necessary but that you want, like a gaming console, jewellery, or holiday.

Expenditure - When you spend money, and the amount of money spent. Expenses Goods and services.

Consumer - You are a consumer when you buy goods or services, because you will 'consume' or use them.

Surplus - This is the money that you have left over after paying your living costs, expenses and debts.

Deficit - When your living costs, expenses and debts are more than the amount you earn (your income), the extra money you need to find to pay your bills is called the deficit.

Resources needed:

- Brain Busters Cost Comparison resource
- Resource from previous lesson
- Digital devices
- Calculator
- Whiteboard or digital student facing device to discuss and share ideas



Teacher Starter:

For this starter students will work through questions 1 - 4 in the [Planning your Financial Future activity](#). This activity focuses around Leoni and how she spends her \$60 a week paycheck. Students will work through the questions which will help them understand tracking their money and the value of saving for something important.

Activity:

After previously listing your items you want and need for your quiz show you are now going to calculate and compare the costs! Look at your 'Need' list and calculate the total of that list. Look at your 'Want' list and calculate the total of that list. How did the total of your lists compare to your \$1000 budget? You might need to make some tough decisions with your choices so you don't overspend! Remember, your budget is \$1000 dollars and you need to be able to stretch that as far as you can.

- **Calculate** your items in your 'need' and 'want' lists. What is the total for all those items? - how much will you be spending on (Food, prizes, host, decorations, promotion etc)
- **Compare and contrast** your 'need' and 'want' lists. Look at the total you have spent. What items should you keep? What items need to go? Have you stuck to the budget?
- **Explain** why you have chosen these items with a breakdown of your budget in each area. Each group will probably have something different.



People participate in quiz shows for a variety of reasons which may be:

- Winning money for themselves (holiday, saving, spending)
- Raising money for charity - this will sometimes include celebrities
- To challenge their knowledge or physical endurance/strength
- Experience being on TV for their family and friends to watch

Ideally, a quiz show should be:

- Inclusive
- On TV at a watchable hour
- Accessible across multiple platforms and devices
- Engaging for a wide age range - you should be able to play as a family when you are watching it on TV
- Up to date with current questions relevant to the world around you
- An interactive element if possible
- A lot of fun!

