Section 1.1  A Look at Wants and Needs

Reading Guide

Read to Learn
- State the differences between wants and needs.
- Describe how resources limit the number of wants people and businesses can satisfy.
- Explain how to use the decision-making process to make the most of your resources.

The Main Idea
Businesses make money by offering goods and services to satisfy the wants and needs of consumers and other businesses. In this way, wants and needs drive the U.S. economy.

Key Concepts
- Wants and Needs Drive the Economy
- How Resources Limit the Ability to Satisfy Wants and Needs
- Making the Most of Your Resources

Key Terms
- **wants**: things that you do not have, but would like to have
- **needs**: things that you must have in order to survive
- **goods**: physical products
A Look at Wants and Needs

Key Terms
- services: tasks that businesses perform for consumers
- resources: items that people can use to make or obtain what they need or want

Wants and Needs Drive the Economy
Businesses make money by satisfying the wants and needs of consumers and other businesses. In this way, wants and needs drive the economy.

Suppose you had $10. You could buy lunch or go to a movie. Which of these things do you want? Which do you need?

Graphic Organizer

An Abundance of Wants and Needs
Wants and needs determine what products and services businesses provide.

Satisfying Wants and Needs
Businesses provide goods and services to satisfy the wants and needs of businesses and consumers.

Key Terms
- goods: physical products
- services: tasks that businesses perform for consumers
How Resources Limit the Ability to Satisfy Wants and Needs

No one has enough resources to satisfy all of their wants.

Making the Most of Your Resources

You can make the most of your resources by making careful decisions about what to buy.

The Decision-Making Process

1. Identify the situation.
2. Identify possible courses of action.
3. Determine the pros and cons.
4. Make the decision.
5. Evaluate the decision.

The event planner should recuse himself or herself from the decision-making process due to the conflict of interest. The employee has an ethical obligation to act in the best interests of the company.

1. Describe the differences between public wants and private wants.

Public wants are shared by many people; individuals or small groups of people have private wants.
2. Define resources.

Resources are items people use to make or obtain what they need or want. Examples of resources include money, fuel, and labor.

3. List the steps in the decision-making process.

- identify the situation
- list possible courses of action
- determine pros and cons
- make the decision
- evaluate the decision