

Fascinating Facts

- People are learning that they must be smarter about money. Because of this, books about saving money and making good economic choices are now bestsellers.
- Children as young as three years of age recognize brand names and images.
- The United States has more opportunities to earn, save, and spend than any other country.

Genre	Comprehension Skill	Text Features
Nonfiction	Sequence	<ul style="list-style-type: none"> • Glossary • Chart

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Do I Really NEED It?



by Maureen Blaney Flietner ▶



In this book, you will read about the world of money. You will read about how money is a part of all our lives.



Vocabulary

savings

budget

nonrenewable resources

renewable resources

supply

demand



by Maureen Blaney Flietner

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It Is Your Money

Nickels. Dimes. Quarters. Dollars. You may have some money saved up. How did you get it?

Did you earn your money? Money can be earned when you work at a job. Maybe you fed the cat.



What do you do with your money? Are you spending? When you spend money, you use it to buy something.

Maybe you put your money into **savings**. When you save, you keep your money to use later.



What Do You Really Need?

A need is something you must have. Food, clothing, and a place to live are needs. The things we need cost money.

You may think you need something. Then you must decide if you can live without it.



So Many Things to Want!

A want is something you would like to have, but that you can live without. You may want a new music CD and fancy shoes, but they are not needs.

What is something you want? Why do you want it? Businesses want you to buy the things they sell so they can earn money. You must decide if what they want you to buy is something you really need.



Plan Ahead

Do you think about what you are going to do this weekend? You are planning ahead.

Think about the future and your money. If you saved your money for three months, how much would you have? What would you do with it? You should have a goal for your money.

Make a Plan for Your Money

You can reach your goal by making a **budget**. A budget is a plan for how to spend and save your income.



Make a budget for a bicycle that will cost \$100. Suppose your allowance and job money add up to \$10 a week. If you save all of it, you could save enough money to buy the bicycle in 10 weeks. If you save only \$5 each week and spend \$5 each week, it would take 20 weeks to get your bike.

Saving for a Bicycle

Week 1	\$10
Week 2	\$10
Week 3	\$10
Week 4	\$10
Week 5	\$10
Week 6	\$10
Week 7	\$10
Week 8	\$10
Week 9	\$10
Week 10	\$10
Total	\$100





Budgets Work for Families

Budgets are good for families. If your family has a budget, it will be a plan that shows how your family will pay for its needs and wants. A family should pay for all of its needs first and then for its wants.



Saving Helps Everybody

Families can save money in many ways. Turn off the lights when you are not using them. Your family may pay less for electricity. The world may use less coal and gas to make more electricity.

Coal and gas are **nonrenewable resources**. That means these resources cannot be made again. Wind and water are **renewable resources**. They can be made again.



You Choose

Suppose you would like a music CD or a video game. You decide you want the music CD. When you choose one item instead of another, you are making a choice.

Remember our sample budget? If you buy the music CD, it will change your budget because you will be spending and not saving. It will take you longer to save for the bicycle.



Many Toys and No Toys

Sometimes when a new toy comes out everybody wants it. At first the **supply** is big. Because the new toy is something many children want, there is a big **demand** for it. If the demand is bigger than the supply, the supply may run out. Then there are no more toys left to buy.

Months later, you find that the toy is in the store again. This time there is not much demand so it is on sale.





Learn Before You Spend

You want to learn about bicycles before you spend your money. You can read about bicycles at the library. You can visit stores to see bicycles and their prices.

You finally decide on a company that has the bicycle you want. The company has buildings, tools, and workers to make the bicycles.



You Made a Budget and Reached Your Goal!

The big day is here! You saved \$100 for your bicycle.

Your \$100 goes to the owner of the bicycle store. The owner pays the people who work at the store. The owner pays the people who make the bicycles. The owner pays a tax, or money for the government. Finally, the owner keeps the profit, or the money left over.



Money Moves Through Many Hands

The money you earned and spent on the bicycle has now gone to other people. People earn money by providing goods or services. Those people take that money and spend it or save it for things that they need or want.



Make Smart Choices

In our sample budget, you saved for a bicycle. You made choices about how much to save and how much to spend.

Now you can make a real budget. If you are smart with your money and learn more about it, you will have enough money for your needs and your wants.

Glossary

budget a plan for your income, savings, and spending

demand the number of goods or services that people want and will buy at a given price

nonrenewable resources supplies that cannot be made again

renewable resources supplies that can be created naturally

savings money you have kept for future use

supply the number of goods or services that producers are willing to make at a given price

Write to It!

When we earn money and make a budget, we can buy what we need and what we want. We also can save money to pay for our needs and wants in the future. Write two sentences about something that you might want to save up to buy.

Write your sentences on a separate sheet of paper.

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