

# Student Fact Sheet B-2 **"I Want It! I Need It!"** The Law of Supply & Demand



### Survival Needs



All human beings need air, water and food to survive. Without these **survival needs** we would die. For some people, survival needs also include clothing,

shelter and medicine. These needs depend on where people live and how healthy they are. **Daily Needs** 



**Daily needs** are those things we use every day to make our lives easier or better. They include paper products, shoes, electricity and **transportation** – the bicycles,

buses and cars we use to move around. Though these things are rarely needed for survival, they are still called "needs" because they are an important part of everyday life.

I Want It!



Many of the items we use are not things that we truly need at all. These are called **wants.** Wants include things like

fancy shoes, a brand new television, and ice cream. It's normal for people to have many different wants, and it's usually fine to fulfill or satisfy those wants. At the same time, it's important to remember that all the things we buy, use, or **consume**, are things that originally came from nature. When we take things from nature, it affects nature.

## It All Comes From Nature



Everything we use, whether it's a survival need, daily need, or a want, comes from a natural resource. **Natural resources** come from nature and are used, or turned into the things we want, and the things we need to survive. Natural resources include water, soil, trees, minerals, and wind. Some natural resources are **renewable**, which means nature can provide them again and again. These include plants, wind, and water. Other natural resources are **non-renewable** which means there is only a certain amount in nature, and once they are used up, nature won't provide any more. These include **petroleum** or oil, coal, gas, and metals like copper and aluminum.

#### The Earth's Limit



Unfortunately, there is a limit to how many natural resources we can take from the earth before our actions start to cause problems. For

example, using up water faster than the **water cycle** can naturally refill rivers, lakes and springs means some areas could run out of fresh water. And, cutting down too many trees for **disposable** or throwaway paper and wood products means that our planet could get too warm. That's because trees and forests act like part of the planet's air conditioning system and help keep the planet cool. As more people buy more stuff, it's possible our planet could run out of some natural resources. That means we may not be able to get all the things we want. It also means our planet could run out of the natural resources we truly need!

#### Purchasing Power



Every time we **purchase** or buy something –



SFEnvironmentKids.org

whether it's a want or a need – we create a demand for that item. It's like voting with our dollars! Whenever we **demand** or ask for something by buying it, we tell the maker or **manufacturer** of that item we want them to make more. We tell them we want them to **supply** us with that item, so that we can keep buying it. This is called the **law of supply and demand**. Every time enough people demand a product, manufacturers or companies will find a way to supply it, even if doing so has negative or harmful results.

#### Does it Really Matter?



Sometimes, when we realize that the thing we want to buy might harm nature, we think, "Well, if I don't buy it, then it will just sit there. Isn't

*it better for me to buy it so it doesn't get wasted?"* While that may be true in the short term, if you keep buying that item, you will keep creating a demand for it. Over time however, if enough people stop demanding that item, then the supply will be reduced. That's because there is no reason for companies to manufacture something if people won't buy it anymore. This is how the law of supply and demand works!

#### A Closer Look



Let's look at hamburgers as an example. Many people now understand that eating less beef is good for their health *and* good for the planet. One reason is

because raising cows to turn into beef uses a lot of water. For example, it takes 200 gallons of water to produce a chicken burger while it takes 625 gallons of water to produce a hamburger. By eating less beef, we can save hundreds of gallons of water at each meal! Imagine you own a restaurant that serves many items, including hamburgers. Every

day, you sell about one hundred hamburgers to your customers. This number has remained the same for years, and you make sure to order enough beef to supply your customers' demand for burgers. What would happen if over time, you

noticed the demand for hamburgers became less, or **declined**? What if instead of selling one hundred hamburgers a day, you're now selling sixty? Would you still order enough beef to make one hundred hamburgers? No, you wouldn't. That would be wasteful and you would lose money! Instead, you would only order enough beef to supply the amount of hamburgers your customers demand.

## Making Better Demands



The laws of supply and demand work both ways. When we buy or demand things that are harmful, companies will continue to supply them to us.

However, when we buy or demand things that are safer and healthier, we create reasons for companies to supply those things to us as well! For example, it's now possible to get veggie burgers at some fast food restaurants that mainly sell hamburgers. That's because enough customers created a demand for that choice. If that demand should go down, then so will the supply. So, pay attention to the things you choose to consume, or use. Whether you are meeting your needs or your wants, you are always creating a demand for something that comes from a natural resource. And remember, when it comes to protecting nature, using less stuff is always the best "demand" of all!



#### SFEnvironmentKids.org