Personal Needs and Resources



Needs as Ends

Needs are goods or services that are super important for survival and living. That is, in their absence, one's life function would start to regress. Examples herein are food, municipal water, clothing, shelter, and health care.

Ends are the goods and services that people strive to achieve with their scarce resources. Ends could mean needs or wants depending on how important they are for the life function of person.

Wants are generally goods or services that may be needed for extra life-function like status, style/fashion, taste, entertainment, education, etc. They are not super important for survival and living.

A curious thought: generally, needs are food, water, clothing, shelter, and health care; but then, some wants become needs depending on the circumstance and person. For example: electricity is not a need as one can live without it, but in an advanced civilization it might be termed a need as life function have been built upon it.

Resources as Means

Resources are things and abilities/skills used to resolve the economic problem of infinite ends (needs and wants). Resources are also called factors of production and they are usually scarce and have multiple utility. They include land, capital, and labour. You can categorize them into two distinct groups: non-human resource (land and capital) and human resource (labour)

In every production system, there exist internal and external resources/frameworks. Usually, external resources are not considered among the factors of production because the entrepreneur is not directly in control of such resource(s). **For example,** a transport company do not own the road resource they move on to move their passengers or cargo. Such resource belongs to and are managed by a larger production system.

Personal Economics

Personal economics refers to how a person uses his limited resources to provide goods and services that would satisfy his ends (needs and wants). For example, if the end is a shelter, personal economics refers to how a person would use tools and raw materials to make them into suitable shelter, in any case wherein the person is unable to transform the raw materials using tools (capital) into a shelter (need) using his time and abilities, he may have to use barter or money to hire other persons go do the work.

Good personal economics entails knowing well one's resources: time, abilities, assets, capital, relationships, and certifications/ licenses; and using them to solve one's economic problems of ends (needs and wants).

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