How Needs, Wants, Income and Expenditure Change Over Your Life

Q1 Complete the sentences using the words in the box. Each word or phrase is used once. Answers in **BOLD**.

1. There are FIVE stages in the Personal Financial Lifecycle.
2. In the DEPENDENT stage, a person relies on their family for financial support.
3. A person at this stage may receive POCKET MONEY from their parents or guardians.
4. In the INDEPENDENT stage, a person starts to earn their own income.
5. As a person moves through the stages, their income usually INCREASES until the pre-retirement stage.
6. The RETIREMENT stage typically begins at age 66, when a person relies mainly on PENSION income.

Q2 Five people are listed: Nora (70), Jack (24), Sadie (8), Maria (38), Tom (57). Fill in the stage names in the first row, then write each person's name in the correct stage.

Stage	Dependent	Independent	Development	Pre-Retirement	Retirement
Typical ages	0-18	19-29	30-44	45-65	66+
Person	Sadie (8)	Jack (24)	Maria (38)	Tom (57)	Nora (70)

Q3 Tick the stage when a person is **most likely** to have each need or want.

Need or want	Dependent	Independent	Development	Pre-Retirement	Retirement
A mortgage to buy a house			✓		
Higher healthcare costs					✓
Schoolbooks	✓				
Saving for retirement				✓	
Buying their first car		✓			

Q4 (i) Identify a **need**, a **want** and a **source of income** for a person at the **Development Stage** (age 30-44).

Need:	Housing for the family.
Want:	A family holiday / a new car / home upgrades.
Source of income:	A salary (also acceptable: bonuses, Child Benefit).

Q4 (ii) Identify a **need**, a **want** and a **source of income** for an individual at the Retirement Stage (age 66+).

Need:	Healthcare / housing / day-to-day living costs.
Want:	Travel / hobbies / staying connected with family and friends.
Source of income:	A State pension or a private pension.

Q4 (iii) Identify a **need**, a **want** and a **source of income** for a person at the **Dependent Stage** (age 0-18).

Need:	Nutrition / shelter / basic clothing.
Want:	Technology / fashion / entertainment.
Source of income:	Pocket money (also acceptable: income from part-time work).

Q5 Tick the stage when a person is **most likely** to have each source of income.

Source of income	Dependent	Independent	Development	Pre-Retirement	Retirement
A State pension					✓
Pocket money from parents	✓				
Child Benefit		✓	✓	✓	
A SUSI student grant		✓			
Interest from savings				✓	

Q6 Lily Byrne is 7. Her brother Adam is 23. Their mam Ciara is 41. Their grandad Pat is 68.

(a) Write each person's name beside their stage of the personal financial lifecycle.

Dependent stage	Lily (7)
Independent stage	Adam (23)
Development stage	Ciara (41)
Retirement stage	Pat (68)

(b) Identify **one need** and **one want** Adam is likely to have at his stage.

Need: Accommodation / transport.
Want: Travel / a social life / new technology / moving out.

(c) Name **one typical source of income** for Pat, Ciara and Adam.

Pat: A State pension or a private pension.
Ciara: A salary (also acceptable: Child Benefit).
Adam: Wages or a salary from work.

(d) Helen, a friend of Ciara's, pays some of her salary into a pension each month. Explain how this will help Helen at the retirement stage.

When Helen retires, her salary will stop. Because she is paying into a private pension now, she will receive a pension income at the retirement stage, so she can pay for her needs, eg healthcare and living costs, and keep a good standard of living.