

## Needs vs. Wants

All of your friends waited in line for hours to purchase the newest, hottest pair of tennis shoes ever created, but you didn't get to join them. "But mom," you protested. "I'm going to be the only one without these shoes. I NEED them!" Your mom didn't give in. "They're too expensive," she said. "You'll have to figure out a way to live without them." Whether it's the latest tennis shoes, a hot new video game, a smartphone or tickets to your favorite band's concert, chances are you've had this conversation before. Often you say you need things, but let's be honest here. Most of the time when you say you need something; you really just want it really bad.

Think about all the major purchases you've made in the last six months. List them here:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

Now, go back and circle all of the things from the list that were things you really needed, not just things you wanted. Chances are you have an awful lot of items that are not circled. When it comes to learning to spend your money wisely, you must learn to distinguish between your needs and your wants.

What is a need?

A need is something you need in order to survive. You will not die if you do not have the latest tennis shoes, the newest video game or that \$100 pair of designer jeans. You may however need a book for school, a special pair of shoes to play a sport or money to buy lunch.

What are some of the specific things you need?

---

---

---

What is a want?

A want is something you really wish you had, but you can still go through your day-to-day activities without it. For example, you may not need a new outfit or the latest cell phone model.

What are some of the specific things you want?

---

---

---

When it's time to spend your hard-earned money (or your parents' hard-earned money), you need to ask yourself some questions to determine if you really need what you are going to spend the money on:

1. Why do I need/want this?
2. Is it something I will use more than once?
3. What happens to my life if I do not have it?
4. Do I already own something that can serve the same purpose?
5. Is there something less expensive I can get instead?
6. Do I need it today or can it wait a few days/weeks/months?
7. If I buy this, will it prevent me from getting something else I need or want? And if so, am I okay with that?

Sometimes, it's okay to buy things just because you want them, but before you make the decision to purchase them, you need to make sure that you are spending your money wisely. It's okay to buy that \$100 pair of tennis shoes if you'll wear them regularly, but it may not be okay to buy them if you'll ruin them in a week or if they'll sit in the back of your closet.

### **Suggested Exercises**

1. Think of something you want. Go through the list of questions to determine if it's something you should spend your money on or if you should wait a while.
2. Create a list of the things you absolutely need to have. Then go through that list asking yourself the questions from the passage to determine if they're really needs.
3. Ask your parents to make a list of the things they think you need. Compare your list with theirs and discuss the differences.

Found on: <https://www.free-training-tutorial.com/lifeskills/financialliteracy-needs.html>