

## Wants and Needs

Recognizing the difference between things you need and things you want is important to help you manage your money. When you understand what you really need, you can set spending priorities and avoid temptations. Once you set your spending priorities, you might find that you have more money to save.

Over time, you may find that you or your child's wants and needs change- they are not the same all the time or for everyone. Your wants and needs will differ from those of your friends and family. So how do you decide what is a want and what is a need?

**A need is something that you need to live- food, water, clothing, and a safe place to live.**

**A want is something that you like but can live without- fast food or designer clothes.**

Without clear rules about needs and wants, it can be a challenge to make the decision. Consider the following questions:

1. Can I live without it?
2. Will I miss it next week?
3. Will I miss it next year?
4. Is there a reasonable possibility?

After considering these questions, talk with your family to determine what your collective needs and wants are based on your income and life today.