



# Needs and Wants

- **Needs** are easy to identify. They are the items you require in order to survive: food, shelter, clothing, and health care are examples of needs.
- **Wants** are those things that enhance your everyday life but aren't essential to your everyday existence.

We are constantly bombarded by advertising in our society (newspapers, television, internet, billboards, magazines, radio, flyers, telemarketers etc.) All of those ads are trying to convince you that you need a particular product or service; they want your hard earned money. Often the line between 'need' and 'want' becomes blurred. There is only one person that can take control and see through the hype and that person is you.

## **For Example:**

You may need transportation to get to and from work. The real question is...do you need that transportation to be a \$50,000 gas guzzling Sport Utility Vehicle? Many of us easily delude ourselves into believing our *wants* are *needs*.

It is essential to be able to define those items that you can live without, especially when developing a realistic budget (refer to '**Monthly Budget**'). Ask yourself each time you make a purchase, "Is this a *need* or a *want*?" Should you define something as a need, see if you can find a way to do it cheaper. Any item that is a want, try to decrease the frequency of this expense or eliminate it altogether. By removing unnecessary wants from your budget, you will be able to put more money into savings for your short and long term goals.

