

COMPARE: Needs vs. Wants

Although online resources and financial gurus will tell you that it's pretty clear cut for what qualifies as a need versus a want, in real life it's often not that clear.

Part I: Assess Your Values

Assume that your fundamental needs of housing, clothing, and food have been met and you have a savings plan in place.

- Review the list below, putting a:
 - 1 next to those that are needs for you,
 - a 2 next to high priority wants, and
 - a 3 next to low priority wants.
 - You can leave some blank if they don't fit into your lifestyle at all
 - Fill in the empty boxes with items you value that we haven't included

#	ITEM
	Trendy clothing
	Non-essential beauty/hygiene or grooming items/services
	Subscriptions (Netflix, Hulu, Spotify, etc)
	Ride-sharing or mobility apps (Uber, Lyft, Bird, Jump)
	Vacation/travel
	Electronics (video games, phones, etc.)
	Out-of-home entertainment (amusement parks, movies, bowling, etc)
	Contributing to family income / Giving money to family

#	ITEM
	Personal hobbies (membership fees, equipment, uniforms, clubs or teams, etc)
	Professional expenses (employment resources, online course subscriptions, membership fees, conference attendance, etc)
	Holiday and other gift giving
	Charitable or religious donations
	Transportation costs (maintenance, car payments, insurance, public transportation)
	Cell phone plan
	Dining out
	Gym membership

Part II: Plan Your Discretionary Spending

Let's pretend you earn the 2019 average high school graduate income (\$27,708/year), and you're using the 50/30/20 method of budgeting. You'll have roughly \$450 per month to divide among the categories above. Reflect on the priorities you've set above and create a budget for the needs and wants you'd like to be able to fulfill each month.

ITEM	AMOUNT YOU'LL SPEND
TOTAL	\$450

Using your “wants” budget above, answer these questions:

2. Which of those items would be easiest to give up, if your life circumstances forced you to?

3. Which of those items would be hardest to give up? Why?

4. How do your values inform your spending decisions in this category?