ONE PAGE SUMMARY

Kids Learning › Financial Literacy › Needs and Wants

What is Needs and Wants

Understanding Needs vs. Wants: A Key to Smart Spending!

DEFINITION

> Needs are essential things we must have to live, while wants are things we desire but can live without.

KEY CONCEPTS

Basic Needs

These are necessities like food, water, shelter, and clothing that support survival.

Wants

Wants are items that enhance our lives but are not essential, like toys or video games.

Prioritizing Needs

It's important to prioritize needs over wants to manage money wisely.

Budgeting

Creating a budget helps track spending on needs and wants effectively.

Delayed Gratification

Sometimes, waiting to buy a want can help save money for more important needs.

EXAMPLES

→ Buying groceries is a need, while getting a new video game is a want.

→ A warm coat is a need; a designer handbag is a want.

→ Paying rent is a need, but dining out is a want.

MEMORY TIPS

★ Think 'N' for Needs: Necessary for life, 'W' for Wants: Wishful thinking.

★ Use the acronym 'N&W' to remember: Needs are Must-haves, Wants are Nice-to-haves.

★ Picture a scale: Needs weigh more than Wants in importance.

COMMON MISTAKES

✗ Confusing wants for needs, leading to poor spending choices.

✗ Neglecting to budget for both needs and wants.

✗ Impulsively buying wants without considering needs first.

QUICK RECAP

Needs are essential for survival, while wants are additional desires. Understanding the difference helps in making smart financial choices and budgeting effectively.