

# Reflecting on needs versus wants

By thinking about their own expenses, students explore how differentiating between needs and wants can inform daily financial decisions and rules to live by.

## Learning goals

### Big idea

Understanding the difference between needs and wants helps you to be strategic about your spending.

### Essential questions

- How can you tell the difference between a need and a want?
- How does understanding the difference between needs and wants help inform your financial decisions?

### Objectives

- Differentiate between needs and wants in daily spending choices
- Consider how needs and wants influence their spending choices

## What students will do

Assess their own spending decisions by completing the “Reflecting on needs versus wants” worksheet.

### NOTE

Please remember to consider your students’ accommodations and special needs to ensure that all students are able to participate in a meaningful way.

### KEY INFORMATION

Building block:

-  Executive function
-  Financial habits and norms

Grade level: High school (9-12)

Age range: 13-19

Topic: Spend (Budgeting, Buying things)

School subject: CTE (Career and technical education), English or language arts, Social studies or history

Teaching strategy: Cooperative learning, Personalized instruction

Bloom’s Taxonomy level: Understand, Analyze

Activity duration: 45-60 minutes

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National Standards for Personal Financial Education, 2021

Spending: 12-1, 12-2

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

## Preparing for this activity

- Make copies of all student materials for each student, or prepare for students to access them electronically.
- To support Spanish-speaking students, there is a Spanish version of this activity.
  - You can use just the worksheet available at [https://files.consumerfinance.gov/f/documents/cfpb\\_building\\_block\\_activities\\_sobre-las-necesidades-y-los-deseos\\_tabla.pdf](https://files.consumerfinance.gov/f/documents/cfpb_building_block_activities_sobre-las-necesidades-y-los-deseos_tabla.pdf).
  - A Spanish version of the guide is available at [https://files.consumerfinance.gov/f/documents/cfpb\\_building\\_block\\_activities\\_sobre-las-necesidades-y-los-deseos\\_guia.pdf](https://files.consumerfinance.gov/f/documents/cfpb_building_block_activities_sobre-las-necesidades-y-los-deseos_guia.pdf).

### What you'll need

#### THIS TEACHER GUIDE

- Reflecting on needs versus wants (guide)  
[cfpb\\_building\\_block\\_activities\\_reflecting-needs-versus-wants\\_guide.pdf](https://files.consumerfinance.gov/f/documents/cfpb_building_block_activities_reflecting-needs-versus-wants_guide.pdf)

#### STUDENT MATERIALS

- Reflecting on needs versus wants (worksheet)  
[cfpb\\_building\\_block\\_activities\\_reflecting-needs-versus-wants\\_worksheet.pdf](https://files.consumerfinance.gov/f/documents/cfpb_building_block_activities_reflecting-needs-versus-wants_worksheet.pdf)

## Exploring key financial concepts

Understanding the differences between needs and wants helps you make a budget to manage your spending and informs your daily spending choices. Covering all your needs before you spend money on your wants is a wise financial habit.

Needs are basic things people must have to survive (such as food, clothing, and shelter), resources they may need to do their jobs (such as reliable transportation and the tools of the trade), and resources to help build and protect their money and property so they can meet future needs (such as emergency savings and insurance). Wants are upgrades and other things that would be nice to have but aren't necessary for living, income, or protecting what you have. To tell the difference between a need and a want, ask yourself, "Do I need that \_\_\_\_\_ (new jacket, video game, specialty coffee), or do I just really want it?"

### TIP

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Because financial products, terms, and laws change, students should be encouraged to always look for the most up-to-date information.

## Teaching this activity

### Whole-class introduction

- Ask one or two students to share an example of something they purchased recently.
  - Then ask the rest of the students to identify if they think that item is a need or a want.
- Read the “Exploring key financial concepts” section to students to elaborate on needs and wants.
- Be sure students understand key vocabulary:
  - **Budget:** A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time; also called a spending plan.
  - **Needs:** Basic things people must have to survive (such as food, clothing, and shelter), resources they may need to do their jobs (such as reliable transportation and the tools of the trade), and resources to help build and protect their money and property so they can meet future needs (such as emergency savings and insurance).
  - **Wants:** Upgrades and other things that would be nice to have but aren’t necessary for living, income, or protecting what you have.

#### TIP

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Visit CFPB’s financial education glossary at [consumerfinance.gov/financial-education-glossary/](https://consumerfinance.gov/financial-education-glossary/).

### Individual or group work

- Distribute the “Reflecting on needs versus wants” worksheet, or have students access it electronically.
- Students can work individually, in pairs, or in groups to complete this activity.

#### Tip for differentiating instruction

Younger students or students from households with different incomes may be less aware of or less directly involved in purchasing. Consider adapting this activity for them.

- When done as a group activity, students each add a few ideas to a group list.
- Make the question more general by giving students a role-play opportunity.
  - For example, you may say, “Imagine you are [insert favorite athlete or movie star]. What do you spend money on each month?”

- Ask students to think of at least 10 things they, their family, or friends have bought or spent money on recently.
- Students will record the purchased items in either the “Needs” or “Wants” column in the table in the worksheet.
- As students complete their lists, ask them to analyze their spending (or their family’s or friend’s spending) and make a hypothesis on how their own spending habits compare to others.
- Students will then answer the reflection questions on their own.

## Wrap-up

Ask students to share their answers to the reflection questions.

## Suggested next steps

Consider searching for other [CFPB activities](#) that address the topic of spending, including budgeting and buying things. Suggested activities include [“Spending scenarios”](#) and [“Playing a saving and spending game”](#).

## Measuring student learning

Students’ answers on their worksheets and during discussion can give you a sense of their understanding. **Keep in mind that students’ answers may vary, as there may not be only one right answer.** The important thing is for students to have reasonable justification for their answers.