

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 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 finances
- Consider how needs and wants influence their spending decisions

What students will do

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

KEY INFORMATION

Building block:

-  Executive Function
-  Financial habits and norms

Grade level: High school (9-12)

Age range: 13-19

Topic: Spend (Budgeting)

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

Teaching strategy: Personalized instruction, Cooperative learning

Bloom’s Taxonomy level: Understand, Analyze

Activity duration: 45-60 minutes

STANDARDS

Council for Economic Education
Standard II. Buying goods and services

Jump\$tart Coalition
Spending and saving - Standard 4

Preparing for this activity

- Make copies of all student materials for each student, or prepare for students to access them electronically.

What you'll need

THIS TEACHER GUIDE

- Reflecting on needs versus wants (guide)
[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](#)

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.

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?”

Teaching this activity

Whole-class introduction

- Distribute the “Reflecting on needs vs. wants” worksheet, or have students access it electronically.
- Be sure students understand key vocabulary:
 - **Needs:** Basic things people must have to survive (such as food, clothing, and shelter), resources they need to do their jobs (such as reliable transportation and the tools of the trade), and resources to help build and protect their assets 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, earning, or protecting what you have.

TIP

Visit CFPB's financial education glossary at [consumerfinance.gov/financial-education-glossary/](#).

Individual or group work

- You can choose to have students work individually, in pairs, or in small groups.
- Ask students to think of at least 10 things they or their family has bought or spent money on recently.

A tip for differentiating instruction

Younger students or students from lower 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?”
- Students will record the purchased items in either the “Needs” or “Wants” column in the table below.
- As students complete their lists, ask them to analyze their spending and make a hypothesis on how their own spending habits compare to others.

Wrap-up

To wrap-up the activity, have students reflect on needs and wants.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topic of spending such as budgeting, buying things, or paying bills.

Measuring student learning

Use the student answers and class discussion to assess student learning and understanding of this topic.

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.