

Needs Versus Wants

Today, your children focused on needs versus wants. They looked at two cards, one with the word “want” on it, and the other bearing the word “need.” Each card had a picture of an object and they determined the difference between what things we need to live and what things we think we need to live, but actually just want.

New Perspective

These days, with the economy as uncertain as it is, the distinction between what we need and what we want seems to be pretty important. Families discover this the hard way when jobs are eliminated and are forced to live on one income. Needs versus wants suddenly become very clear.

Cutting back on your wants and just fulfilling your needs can be rewarding. When families can no longer afford to go out as much, they find themselves spending more time together doing things that are free. They talk more, laugh more and do things that they had forgotten they enjoyed, such as swinging at the park or playing all the board games that had been sitting untouched in the playroom closet.

According to a 2006 survey on happiness by the London School of Economics, the happiest people in the world was Bangladesh, which happens to be one of the world’s poorest countries, with an annual income of roughly \$500 per person. In contrast, the United States, where the average annual income is \$37,000 per person, ranked 47th in the happiness survey.

What you can do at home

Make a list of items you find around the house and ask family members in which category they think the item belongs. Make sure to ask them why they categorized certain things the way they did. Then discuss ways your family can reduce the number of wants on the list.

Money matters can be very stressful, especially these days. Here are some ways to help put a more positive outlook on the topic:

- **Embrace freedom.** Search out ways to incorporate freedom into your family’s life. It could be freedom from debt, possessions, too many commitments, even guilt. Reflect on what is weighing you down and develop a plan to free yourself.
- **Go free.** There are so many things that families can do for free! There are museums, classes, programs at local parks and many other fun things to do at no cost. Check the paper or the Internet to see what types of adventures might await you and your family.
- **Cut back.** Review your budget and cut back. Take a long, hard look at where your money is going and see if there are things you can do without. If you’re not sure if you can do without something, take a fast from it for a week and then see how you feel.
- **Reap the rewards.** Take the extra money that you will save on your “wants” and as a family decide what to do with it. Consider making a donation to a charity or buying food for the food pantry.

For Teens: Add It Up

It's never too early to start learning financial responsibility. One way you can get a sense of where your money is going is by writing down *everything* you buy—from that soda to the new pair of pants or CD you just had to have. At the end of the week, go back and take a look at where your money went.

You might discover that you're spending a lot of money buying lunch or snacks at school when you could pack your lunch instead. Or before you go out and buy a movie you want, see if you can check it out from the library. Saving money on the little things can help you save up for things like gas, evenings out with friends or even future college.