WANTS VS. NEEDS: HOW TO KNOW THE DIFFERENCE WHEN BUDGETING

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When it comes to managing money, one of the most important skills you can learn is separating wants and needs. Needs are the essentials like food, clothes (not just because you want them), school supplies, transportation, and a place to live. Wants are the extra things that make life fun but aren't necessary, like fast food, newest trendy clothing, or a streaming subscription. When you are working with a budget, this skill can help you short term and long term by teaching you good spending habits.

Common Mistakes

A common budgeting mistake is spending all your money on wants before covering your needs. For example, imagine getting paid $50 from babysitting, then blowing $40 on a new pair of shoes—only to realize you still need to pay for a school field trip or refill your gas tank. Learning to budget means making sure your needs are covered first, then seeing what's left for your wants. This doesn't mean you can't enjoy your money—it just means to start being intentional about spending.

Advice

My best advice for trying to save money is to ask yourself these questions, "If I didn't have this, would it affect my health?," "Is this just a trend?," "How often will I use this?." You can also use the 50/30/20 rule as a guide: 50% of your money goes to needs, 30% to wants, and 20% to savings. Even with a small income, dividing money this way builds strong habits that'll help when you start handling larger amounts later in life. Saving isn't about missing out—it's about setting yourself up for freedom and choices in the future.

The Benefits

Understanding wants vs. needs also helps you feel more in control. It reduces money stress, helps you plan ahead, and even makes your purchases more meaningful. When you buy something fun after budgeting wisely, you'll most likely enjoy it more because you know it didn't come at the cost of something important. It also teaches you independence—so you're not constantly asking parents or friends for money. In the end, budgeting isn't about cutting out all fun—it's about choosing what matters most. When you know the difference between a want and a need, you're not just making smart financial decisions; you're building confidence, responsibility, and freedom. That's a skill worth investing in—no matter how much money you have.