Name: _____ Date: _____ Class: _____

✎ **BUILDING BLOCKS STUDENT WORKSHEET**

Budgeting for needs and wants

Have you ever wanted something new, but you weren't sure whether you really needed it?

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.

Instructions

1 Read the scenario below.

2 Follow the steps to figure out Pechola's monthly budget.

3 Answer the reflection questions.

Scenario

Pechola just moved out of her parents' house and into her first apartment. She has a job as an assistant teacher and brings home $1,200 each month.

Needs, wants, and Pechola's monthly budget

The items in the table on the next page are the things Pechola spends money on in a typical month.

- Add the monthly costs together to figure out if Pechola stays in her budget.
  - Write the total at the bottom of the monthly cost column.

- Decide whether each item is a need or a want and check the appropriate box in the "Need or want?" column.

- Decide which items you think should be in Pechola's budget. Write each item's cost in the "Your choices" column and calculate their total cost.

Item	Monthly cost	Need or want?		Your choices
Car payment	$250	☐ Need	☐ Want	
Specialty coffee from a coffee shop	$35	☐ Need	☐ Want	
Rent	$600	☐ Need	☐ Want	
Streaming TV service	$15	☐ Need	☐ Want	
Dinners out with friends	$75	☐ Need	☐ Want	
Groceries	$100	☐ Need	☐ Want	
Savings	$100	☐ Need	☐ Want	
Cell phone	$70	☐ Need	☐ Want	
Movie and snacks at the theater	$20	☐ Need	☐ Want	
Total				

Reflection questions

1. Did you stay within Pechola's budget? ☐ Yes ☐ No

2. If so, was it hard to stay within Pechola's budget? Why or why not?

3. If not, which item(s) could Pechola do without to stay within her budget?

4. If this were your budget, which items would you select?