

WANTS VS NEEDS

Understanding priorities as a college student will lead to financial well-being and help you avoid financial mistakes and distress.

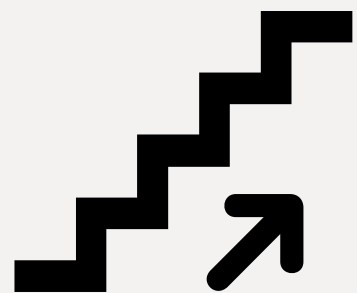


Wants vs Needs

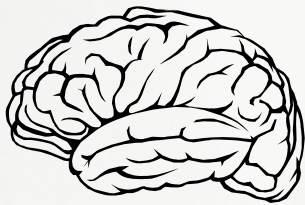
For a good or service to be considered a need, it has to be essential (food, shelter, education, healthcare). If it is a good or service that can be pushed off for later, it is just a want, or not essential.

Steps to prioritize wants vs needs

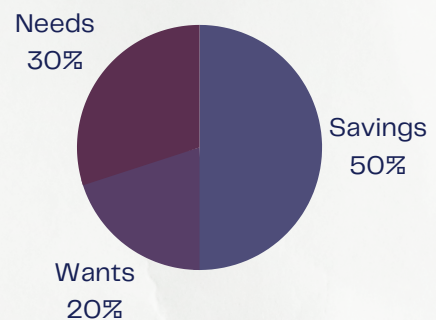
- Have a goal/plan
- Create a budget
- Acknowledge delayed gratification
- Decide with logical reasoning
- Avoid purchasing unnecessary things



Emotion vs Logic



Impulsive buying is driven by emotions rather than logical thinking. Thus, it leads to unplanned decisions in purchases and financial mistakes. Logical purchases allow you to stay within your budget.



50/20/30 Budget

The 50/20/30 rule allows you to be able to purchase your needs and wants and still have enough for savings.

Setting Goals

Have a goal and a plan for when you are going to purchase goods/services. This allows you to avoid drifting off to your wants and stay within the budget.

Instant vs Delayed Gratification

Purchases driven by instant gratification lead to the thinking of "stress relief". This leads to less rewarding achievements, which is delayed gratification.

Financial Wellness @ DU

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