



Wants vs. Needs

by Cullen Douglass, CFP®

What is the difference between a want and a need? I've heard it put well that a want is a desire while a need is a basic requirement for life. Do my teenagers need or want cellphones? Do I need or want a vacation this summer? Do I need or want to see my family? I found that as we move up the economic food chain, wants seem to psychologically become needs.



So, we've defined the words, but the bigger question is, is this a problem? In theory, as long as we can meet our needs, who cares if wants become needs?

But does our perception of what's valuable in life change? Do we suddenly become entitled to things that we desire? If wants become needs, are we no longer grateful for meeting our simple basic needs? How high are we setting the bar for the next generation? If our needs expand, does that limit our capability for what we can do for others who are less privileged than ourselves? How do we as a society get off this slippery slope? How do we get back to the basics and appreciate simpler things in life?

These are not simple questions with simple answers. I believe it is a life-long struggle.

Marketing and retail companies do a marvelous job of turning our wants into needs. They play on our sensibility, emotions and feelings to drive us to their products and services. I don't want to make them out to be villains — they're just doing their job. But it is like the Sirens luring the sailors with enchanting music toward the shore. The sailors are so mesmerized by the music, they miss the dangers of the impending doom. They do not intentionally listen to the Sirens, but they can't avoid their hypnotic melodies. If we need to avoid the hypnotic melodies and try to survive the noise, how do we do it?

The simple answer is to admit and recognize the danger on a daily basis. As we design a life plan, have someone who can keep you from heading toward the Sirens and the rocks. Someone who you can trust, who is a third party who won't get lured into the dangerous melodies. Someone to hold you accountable to more important objectives than the next material possessions. We need to recognize the problem of addition and try to validate or justify our daily cravings.

The voice is everywhere and constant. The distractions and pulls are hypnotic. Recognize the noise and get a Certified Financial Planner™ professional to navigate the ways and winds of your financial life plan.

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