

Needs Versus Wants – Three Ways for Telling the Difference

I've got a little problem and I'm hoping you can help me out. If you read last month's article, you know that Pam and I have been struggling with the question of needs versus wants, and how much in the way of our wants we should allow ourselves to have.

If I listened to what "they" say, I'd "just do it" because after all, "I'm worth it" and I "deserve a break today." How can I argue with that? I've worked hard, don't I deserve a break? And I see others with things I want...am I less worthy than they? I mean, if I can afford it, why not?

Because nothing is truly mine - everything I have comes from God and I'm just the steward of it. And I'd really like to be a good steward so that when the time comes, I can hear God say, "Well done, my good and faithful servant. Come and share your master's happiness."

So let's start with needs. It seems to me that Scripture is pretty clear about God providing for our needs. So conceptually, at least, I don't have a problem with using some of what He has given me to buy things like food and shelter. Except that I have more house than I really need, and I don't even need to get on the bathroom scale to know I eat more than I really need...

So where do my needs end and my wants begin? To what extent can I use what God has entrusted to me to buy things I want but don't really need? For me, these are significant spiritual questions.

Take Adam and Eve, for example. They had all of their needs met in the Garden of Eden - they didn't even need clothing! But they wanted just a little something more and, well, the rest, as they say, is history. If Adam and Eve were not content with all that God had given them, how are we supposed to ever be content with what we have?

Numerous studies have looked at the relationship between wealth and happiness, all with the same general result...the cost of happiness is about \$50,000. From that point on, it doesn't seem to matter how much income you have, you won't rate yourself as any happier than someone who makes \$50,000. In other words, money can't buy happiness.

We know that, but for some reason we keep telling ourselves that the rules don't apply to us - happiness will be ours once we just make \$_____ more or have that _____ (fill in the blanks with the delusions of your choice). Just keep in mind that the definition of insanity is continuing to do the same thing over and over again while somehow expecting to get a different result.

So how do you cure the insanity? I don't know for sure, but it seems to me that a good place to start is by saying a prayer of gratitude each day for all that we do have. And when we also try to really distinguish between our needs and our wants, we begin to see how wonderfully God has been taking care of our needs, and how much of our wants He has helped us to get.

The Fulfillment Curve Test

You can start out nice and easy by spending a little time thinking about the Fulfillment Curve used by Joe Dominguez and Vicki Robin to illustrate the relationship between money and personal fulfillment in their book *Your Money or Your Life*.

The Fulfillment Curve starts with money spent on survival and is very steep - fulfillment increases rapidly as basic needs are met. But then the curve starts to change. The fulfillment created by money spent on comforts does not increase as fast - it takes more dollars to create the same amount of fulfillment. And as comforts turn to luxuries, the growth in fulfillment slows even more until we reach a

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point where fulfillment actually declines.

While there's no science behind the Fulfillment Curve, it doesn't take much to see it in our own lives. So settle back in your easy chair and think back over things you've bought, especially some of those for which you had the most anticipation. How much fulfillment have you actually gotten from them? Have they lived up to your expectations and been worth the cost? Do you notice any patterns in what has brought you the most fulfillment versus what has been disappointing? Any changes over the years?

The 50/30/20 Test

After you've done that, try the by-the-numbers approach recommended by Elizabeth Warren and Amelia Warren Tyagi in *All Your Worth, The Ultimate Lifetime Money Plan*. They believe that it's really quite simple: 50% of your income should go for needs, 30% you get to spend on whatever you want, and the remaining 20% is saved.

What about you? Try putting your spending into these three categories and see where you end up. It sure seems like 50% ought to be enough for most of us to meet our basic needs, and having 30% to spend on whatever we want seems like plenty. But something must be wrong - who saves 20%?

The problem is that we've dressed up a lot of wants as needs. And many of those wants have ended up as fixed costs that are difficult to change. For example, shelter is a basic need. But most of us have much more house than we really need. So we end up with bigger mortgage payments, maintenance costs, utility bills, etc. that are really part needs and part wants.

That's the challenge of the 50/30/20 test - you've got to be very honest about what is a need and what is a want. If you are, you'll likely find that your spending on needs is just fine, it's your spending on wants that is out of whack. You haven't been able to save because, well,

you've wanted other things more than you've wanted to save.

By the way, how would you classify your giving As a want? Or as a need?

The Cold Turkey Challenge

Ready for the acid test? Try going a month without buying anything that isn't really necessary for you to get through the month. This was proposed recently by Liz Pulliam Weston, a personal finance columnist for MSN Money (moneycentral.msn.com), to the readers of her Your Money message board.

There are no ground rules, no definitions of what is necessary and what isn't. Ms. Weston simply wants us to take a good, hard look at our relationship with money.

Not surprisingly, many participants report periodic relapses, and one reported that she couldn't even begin to participate because her husband would never stand for it!

Even with the relapses, most participants have been both surprised and pleased by the amounts they've been able to save. Many are also surprised by how they don't really miss many of the things they didn't buy. One person kept a list of splurges she planned to make after the month was over, but lost the list and didn't care because she's also lost the urge to splurge.

And if all of that isn't enough to make you want to try it—some participants were delighted to discover that they lost weight, and one couple reported that it brought them closer together!

Have to close for now. The newsletter deadline is here, and I want... no, make that need... to get this wrapped up! (*Ed. Note: Thanks!*)

I'm here to help you improve your financial life. It's free and confidential. Just call the Budget Guy, Allen Gunter, at 292-4035, or send an email to BudgetGuy@shpc.org. For a wonderful look at what the Bible says about money, check out the Crown Financial Ministries Small Study Groups - call Margaret Fetty at 288-9034 for more information.