

Taming the Urge to Splurge



Reasons/Cause:

- Impatience/Impulsivity
- Forgetfulness:
- Relieve Stress
- Boost Self-Esteem
- Inability to connect pleasant feeling of buying with reality of paying for item.
- Unconscious Limiting Beliefs (Cheapskate, Big Spender, etc.)

Symptoms of Impulse Spending:

- Returning home from shopping trip with items that you had no intention of buying.
- Partner complains of shopping/buying.
- Did not think you needed or wanted the item until you saw it on display in store.
- Owning every gadget imaginable (technology, tools, kitchen items, etc.)
- Owning clothing, handbags, jewelry, accessories never worn.
- Overspending and still not feeling that you have what you want.
- Feeling like money just slips through your fingers.
- Do you often regret buying/spending too much?

Examine Meaning of Money/Learned Attitudes:

Do you associate spending with happiness? Do you give presents/money as a show of love? What are your values concerning money/possessions? How does shopping/purchasing make you feel?

- Power/Strength?
- Prestige/Attractiveness?
- Security/Comfort?
- Safety?
- Authority?
- Freedom?

Consequences of Overspending:

- Poor Credit
- Debt/Collection Agents
- Strained Relationships
- Financial Insecurity
- Inability to Save for Future Goals

- Downward Spiral/Lowering of Self-Esteem

Signs of Trouble:

- You don't have any savings.
- You do not know what your total debt is.
- You frequently bounce checks.
- You have several major credit cards.
- Collectors are calling.
- You lie about your spending.
- You use cash advances from your credit to pay other bills.
- You have "maxed out" your credit.
- You've been denied credit.
- You can only afford the minimum payment on your credit cards.
- You use credit cards to pay for necessities such as groceries.

Strategies to Curb the Urge to Splurge:

1. **Write Down Clear Financial Goals.** Identify important long-term and short-term financial goals. Have money automatically deducted from your paycheck to save for what you have identified as important (house, new car, retirement, vacations, second home, college, recreational vehicle, etc.). Once you have a clear savings routine for items that you have identified as important financial goals, then start saving for "unplanned splurges" such as a spur of the moment vacation or luxury items.
2. **Use cash when shopping and leave credit cards at home.** Credit cards suppress the reality of spending. Most impulse spending is done with credit cards. Spending cash, writing a check or using a debit card makes most think twice before buying. Be sure to record all debit and check expenditures. Keeping a running tally of what is left in the account *as you spend it* can also curb buying. Even if your balance is not to the penny (rounding off to the dollar can make it easier), you will be tracking expenses.
3. **Carry an index card in your wallet to record what you are spending your money on.** Doing this for a month can give you a fairly accurate snapshot of where all those cash withdrawals from the ATM are going.
4. **Use an index card to write down what you see in stores that you would like to purchase.** Make yourself wait one to two weeks before purchasing it. You may not still want it by then (for some of us waiting 24 – 48 hours may work). Keep the list to three items only. If you have three items on the list and see a fourth item you would like, one of the items already on the list must be removed if none have been on the list for one or two

weeks. (Compulsive spenders will find themselves constantly crossing items off the list).

5. **Recognize wants from needs.** Instead of saying, “Wow, this is awesome, I can use this/wear this for ____fill in the blank____,” ask yourself, “How can I manage just as well without this.” Think of how you can be happy using what you currently have.
6. **List your learned attitudes and limiting beliefs about money.** List what you have that makes you happy without needing more.
7. **Stay away from stores that trigger your spending.** If you overspend on technology, stay away from Best Buy or if you have enough clothing already don’t go into clothing stores even if they have large sale signs. If shopping with a friend, announce that you won’t be buying anything because you don’t need anything and that you are just going to window shop and have lunch.
8. **Recognize that “Buy One, Get One Free” or “70% OFF” is not a good enough reason to purchase items that you had no intention of buying.** Advertisers use psychology to get us to spend more than we intend. Don’t fall for Madison Avenue’s billion dollar advertisements that convince us we need the latest and greatest.
9. **Try clothing on in the store.** You’ll save time and money.
10. **Shop at the same grocery store routinely.** Knowing the layout of the store can save you from going up and down each aisle and being tempted to purchase items not on your list.

Resources:

- “Girl, Get Your Money Straight: A Sister’s Guide to Healing Your Bank Account, Funding Your Dreams in 7 Simple Steps” by Glinda Bridgforth
- “The Courage to Be Rich” by Suze Orman
- “Getting a Grip on Your Money: A Plain & Simple Christian Guide to Managing Personal Finances, Eliminating Debt, Spending, Saving & Giving, Investing for the Future” by William C. Wood
- “Your Money, Your Life” by Dominguez and Robin
- “Money Harmony: Resolving Money Conflicts in Your Life and Your Relationships” by Olivia Mellan
- “Consuming Passions: Help for Compulsive Shoppers” by Catalano and Sonenberg

Are You a Conscious Spender Quiz – ivillage.com