

Benefits of Learning to Say “NO” to Spending

By building discipline in your spending habits and buying practices, you will be much more likely to:

- ❖ Understand where you are spending your income.
- ❖ Live within your budget and still be able to build emergency and long-term savings funds.
- ❖ Avoid excessive debt.
- ❖ Take care of financial priorities before discretionary spending.
- ❖ Establish regular investing habits in preparation for retirement.
- ❖ Understand your personal spending habits and eliminate wasteful expenditures.
- ❖ Be an example of a responsible consumer to children and family.

Financial Security is less about how much money you earn and more about how much money you keep. Poor spending behaviors by the wealthy can drive them into the poverty just as disciplined spending behaviors can raise many needy into financial stability.



Developing Effective Spending Habits



www.DebtReductionServices.org

Developing Effective Spending Habits 101

Five Spending Behaviors

Below is a list of five different spending behaviors prevalent in stores and malls across our land. Some of us may exhibit one particular behavior, but the majority of us will likely identify with two or more of them.

Behavior	Description
Convenience Shopping	You say things like, "It's on my way," or, "I don't have time to look around!"
Entitlement Shopping	You say things like, "I've had a hard day, and I deserve this!"
Hobby Shopping	"What else am I going to do with my best friend?"
Impulse or Sale Shopping	You say things like, "If I wait, it may not be on sale," or "I just HAVE to have it NOW!"

If you identify with one or more of the above behaviors, then make a personal decision to become a disciplined shopper:

A Disciplined Shopper plans and spends within an established and realistic budget.

**Sales come and sales go, but your money only goes once!
- avoid impulse shopping -**

Developing Effective Spending Habits 102

Steps to Developing Effective Spending Habits

Much like body-building, developing effective spending habits takes effort, repetition and time. Below you'll find a list of exercises that will help:

1. **Budget.** Without a realistic and effective monthly budget that you consult regularly, spending habits can become irrelevant.
2. Develop shopping **lists** and don't go into a store without one. Keep them somewhere easily accessible so you can add or remove items when they come to mind.
3. **Prioritize** your spending. Place housing, groceries, childcare, taxes, transportation and insurance at the top. Debt payments and other bills come next, followed by entertainment, personal care and services ("discretionary" spending).
4. **Comparison shop** for price and quality.
5. Before purchasing any non-essential item of \$50 or more, **sleep on it...**for two or three nights if necessary.
6. Shop with a "**buddy**" who will provide you with strength and restraint.
7. Take shopping **only** the **cash** amount you've budgeted for the particular category: groceries, clothing, etc.
8. Budget a little for "**me money**" so that you do not feel overly restricted.
9. Cut back on giving **gifts** you can't afford to buy. Consider making them instead.
10. Ask yourself, "**Do I really need this?**"

More Information

Contact the Education Director at Debt Reduction Services to learn of *Developing Effective Spending Habits* seminars scheduled in your area:
(208) 378 0200 x 906.



You're Playing With Fire If You Don't Control Your Spending Habits.

Check out these links to more information on personal and household finances:

-  Debt Reduction Services Education Page www.NationalFinancialEducationCenter.org
-  Consumer Federation of America - www.consumerfed.org
-  Federal Trade Commission - www.ftc.gov
-  360 Degrees of Financial Literacy - www.360FinancialLiteracy.org
-  Jumpstart Coalition - www.jumpstart.org
-  My Money - www.MyMoney.gov

For more information on how to get out and stay out of debt, contact:

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