



## Curb the Urge to Splurge

What gives you the urge to splurge? Facing your spending habits can be uncomfortable, but it may be the only way to get control of your spending and debt. Are you always trying to pay off yesterday's purchases? How will you acquire the things you truly need and want for tomorrow?

### Need or want?

Do you know the difference between purchases made for wants vs. needs? A good way to separate wants from needs is to imagine that your income has been cut by one-third. Decide what you would give up and what you absolutely need to survive. This may be difficult. Many wants have become necessities in our culture. Spending too much on wants can leave you short on money for things you really need.

### Habits

Good spending habits can be useful. But bad spending habits can work against you. Most grocery store shoppers make two-thirds of their shopping decisions after they enter the store. Impulse buying or unplanned purchases can wreck your spending plan.

### Values and goals

Values are beliefs that are important to you. Examples are health, comfort, honesty, safety, security, status and independence. Values and goals influence your spending. For instance, imagine two different consumers with the same clothing budget. One may buy less expensive clothes that allow her to have more items in her closet and shop more frequently. The "designer label" is most important to the other consumer.

She pays more for each item but makes fewer purchases. Why do you buy what you buy? Beware of advertisements that appeal to emotions. Aim to make smart buying decisions that meet your personal needs.

### Available resources

All consumers have a limited amount of money to spend. The amount you have depends on your income. This varies from person to person. Learn to live within your income. This is the key to financial freedom and worry-free living.

### Other factors

Advertisements, credit offers, sales and store displays may tempt you. An emotional crisis can trigger a spending spree. Beware of factors that can stir the urge to splurge.

### How do I take control?

Become aware of things that influence your spending. It may take time to master self-control. A good way to start is to pick one spending habit that you want to change and work on that. Become a better money manager by changing one habit at a time.

## **Curb your urge to splurge by using these four tips:**

### **1. Stop.**

Stop and think before you spend. Ask yourself, “Do I really need this? Is there something I want even more? Will buying this make it difficult for me to pay other bills?” Think carefully before spending money.

### **2. Wait.**

Take your time and shop around. Discover the best product for your needs. Find the best price. Compare two or three stores before you make a final purchase decision.

### **3. Substitute.**

Will a lower-price item do just as well? Consider store brands and generics. Look for other options such as renting a DVD instead of going out to the movies.

### **4. Say “No.”**

Does the purchase fit your financial goals? Is it an impulse buy? Don’t buy it. Is someone else trying to influence your spending? Learn to say “no” to yourself, your children and salespeople. Say “no” anytime you feel pressured into buying.



## **Some things you can do to gain control over impulse buying are:**

- Make a list and stick to it.
- Decide how much you have to spend before you go. Leave extra cash, your checkbook and credit cards at home.
- Compare before you buy. Don’t buy the first thing you see.
- Recognize the places and things that tempt you. Stay away from stores that lead you to make unplanned purchases.
- Reduce the number of shopping trips. Limit the number of times you go into stores.
- Beware of sales. It’s easy to convince yourself to buy something because it’s “half of half.” Unnecessary purchases are never a bargain.
- Know the prices of items. Know if you’re really getting a bargain.
- Avoid wandering around stores. Don’t window shop.
- Don’t turn on the home shopping TV channels or surf internet sites that tempt you.
- Find a substitute activity for shopping. Exercise, volunteer or visit with friends.

### **Reference**

Why You Buy What You Buy, Judith R. Urich and Wanda Shelby, EHC Leader Training Guide, University of Arkansas Division of Agriculture, Cooperative Extension Service

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