

Get Control of Your Debt: Feelings – Behaviors – Solutions Part Three



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In my first article we discussed that in order to really get control of spending and current debt, you need to examine what money means to you. We began that process by discovering how you interact with money. That issue led to some discovery on your views toward money and spending. In part two, we discussed behaviors that relate to your feelings toward spending money and some of the basic causes for those behaviors. In this final article we will discuss some specific ways in which you can get your spending under control and deal with some of the “bad behaviors” that we have talked about in the previous article.

Let’s start out this time with a little statistic about financial well-being. Money is the No.1 source of stress for 73 percent of Americans, according to a recent survey conducted by the American Psychological Association. Of all the things that can cause stress in one’s life, money issues are right at the top. That number absolutely astounds me when you think about all the stressors we handle every day. We have so many things that cause stress in life. Wouldn’t it be great to take one of those out of the equation? Some of you probably think that you have to earn six figures a year to not have stress due to financial difficulties. However, there are those who earn that kind of paycheck and have the same “bad behaviors” we have discussed. So, what are we all to do about our financial situations that cause this stress? We need to specifically identify the areas of our life where we spend money and develop good behaviors. Remember “good behavior” is making the right choices at the right time for your financial well-being. So you are now asking yourself the million dollar question “Is there a solution?” Yes, there are several things you can do to make your life more financially fit:

- Learn the Difference Between Needs & Wants
- Stop Your Impulse Buying
- Limit Temptation
- Keep Your Credit Cards at Home
- Hold Yourself Accountable
- Discover Alternatives to Spending
- Set Financial Goals
- Develop a Budget
- Ask for Help

Needs vs. Wants

Typically a need can be seen as the basic necessities of life: food, clothing, shelter, transportation, and insurance. By that logic everything else falls under the want category, well not exactly. Depending on your lifestyle there are surely other basic needs for any household to consider. What I would like for you to keep in my here is all of the excess stuff that builds up. You have to draw a line somewhere, but if you keep in mind these basic necessities you will start to do a lot better.

Stop Your Impulsive Buying

Now that you have your basic needs and wants down, this area of spending your money should follow suit. Impulsive buying happens when you buy something that you really do not need, and there is no thought attached to the purchase. We often fall prey while we walk through a shopping mall and see all the neat store ads in the windows. Another popular place is at the checkout stand. Often your mind will just checkout too, and you fall prey, once again, to all of the things you really do not need. There is a reason why the shelves are filled to capacity.

Limit Temptation

We all have our weak points when it comes to spending money. The general rule of thumb here is to not place yourself in those situations. Sounds quite simple, but often it is the things we like to spend money on that bring us a sense of immediate satisfaction. Have you ever bought something and then get it home to only ask yourself, "Why did I buy this item?" We let our guards down when we go somewhere and have a buying weakness. We justify the purchase in a number of ways while we are actually buying the item, then we feel a sense of remorse later for buying it. If you know that you have a weakness of spending money in a certain place or environment, simply stay away or limit yourself to those situations.

Keep Your Credit Cards at Home

If you want to knock down that credit card debt, then keep those credit cards at home when you go out. Stick to your spending plan and do not give yourself the capability to use that credit source. If you want to purchase something then here is a novel idea, use cash.

Hold Yourself Accountable

There is only one person who can stop spending your money and that is you. Now some of you may be saying, "My spouse and kids spend the money." Then you will all have to work together as a family and discuss this topic of accountability. It is your responsibility as an individual or a family to stop over spending or misusing money. You and your family are the only ones that make financial choices in your household. When you go out and buy things that you really do not need, then you are acting financially irresponsible. Hold yourself accountable for your purchases and you will reap the rewards.

Discover Alternatives to Spending

When you feel the need to go out shopping, try to stay at home and do something that is free. If you are the type of person that always needs to be on the go, then find financially smart alternatives to keep you entertained. Look in your local newspaper or online to find free community events to attend. Go to the public library and check out a book and read it. Go for a walk in the park. Depending on your likes and dislikes there are plenty of no cost or low cost options out there waiting for you.

Set Financial Goals

By setting financial goals you will keep yourself focused on accomplishing something. Make sure that all of your goals are S.M.A.R.T. in nature. S.M.A.R.T stands for specific, measurable, attainable, realistic, and timely. When you add all of these standards to your financial goals, you have a much better chance of attaining them. In a future article we will discuss setting financial goals in more details.

Develop a Budget

A budget tends to bring negative thoughts into a lot of people's minds. However, a budget does not have to mean that you're depriving yourself of what you need. A budget simply lets you know where all of your money is going. The main function of a budget is to let you know whether or not you are living within your means. A budget will take an investment of time and discipline, but when you are finished it will become a tool that can help you get out of debt and stay out of debt.

Ask for Help

You can use this last step if you are having a tuff time of either getting started or staying on task. It is not an easy thing to change your behaviors and spending habits. Remember that a behavior is learned over time and it will take you a while to overcome your current situation. We all need help from time to time. You have a great source of knowledge at your credit union. Feel free to use its resources and employees to help guide you in the right direction. Besides those resources, you can gain a lot of knowledge through reading books and attending financial educations classes. Resource One Credit Union offers financial education classes once a month and they are free to its membership and the community. Remember that at Resource One Credit Union we are here to meet all of your financial needs.

I hope that you have enjoyed this series of articles dealing with your feelings toward spending money, behaviors, and ways to get your spending under control. If you have read this article and not the previous two, then I encourage you to go to our archives section and catch up. If you have read all three articles then you should have some great tools to point you in the right direction. The next part is all up to you. It is such a pity to gain knowledge and not put it to practical use. The application of knowledge is what often separates the haves from the have-nots.