

# Understanding Your Spending and Financial Behaviors



## Why Do We Buy?

- For most people, spending money is just something we do without real thought as to what we're buying and why.
- There are many factors that play a role in our spending and the more aware we become, the more cautious we can be with our finances.



### **Spender Personality**

- Spending can bring us satisfaction and gratification.
- Frequent spending can lead to financial ruin.
- Ways to curb your frequent spending:
  - Ask yourself, is this necessary? Can I live without it?
  - Withdraw cash to make purchases
  - Prioritize saving
  - Look ahead



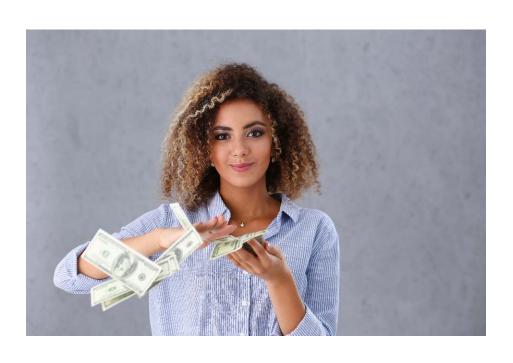


## **Spending Habits**

- Spending behaviors are developed over time which become spending habits that are now secondhand nature to us.
- There are surely some good spending habits such as paying bills on time and saving, but there are also bad spending habits.
- Sometimes these habits are developed when we're in a thriving state with our personal finances,
  but when things change, those same habits aren't sustainable anymore.
- Track your habit based spending and try limiting these purchases. You will see a large difference in your bank account when you eliminate unnecessary purchases.



## **Spending Habits**



- Common bad spending habits:
  - Buying coffee everyday
  - Weekday lunches
  - Clothes shopping
  - Unnecessary subscriptions
  - Late fees



## **Spending Triggers**

- Spending triggers are based off our emotions.
- Typically spending triggers encourage us to spend money to magnify or replace an emotion we're feeling, whether good or bad.
  - Retail therapy
  - Shopping when bored
- Try to find a healthier alternative.







#### **The Power of Credit**

- The power of using credit has a major influence on peoples spending.
- Using a credit card removes that awareness and increases the likelihood that you will overspend.
- Practice using a cash only lifestyle. You'll find yourself spending more mindfully and aware of your purchase avoiding any unnecessary extra expenses.



#### **Peer Pressure**

- A very influential component in understanding how and why we spend money is the peer pressure we face from our friends and family circles.
- Trying to keep up can lead to going off budget, getting into debt and preventing yourself from reaching your financial goals.
- Be honest with yourself and your circle of friends and family.





#### Just Don't Do It

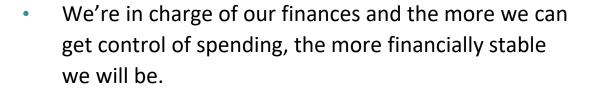


- Marketing and advertising plays a significant role in what we purchase.
- Advertisements can be dangerous as they pull on our emotional strings trying to influence our purchasing behavior.
- Be more aware of these ads and see through the marketing, determining if this product is right for you



## **Becoming A More Aware Consumer**

- The reasons you spend money are specific to you.
- Ask yourself these questions:
  - Do I need this?
  - What financial impact will it have?
  - Do I already have something like this?
  - Is this within my budget?









BALANCE is a financial education and counseling service. Services include money management counseling, debt repayment options, credit report review, and more.

Call toll-free 888.456.2227 or visit www.balancepro.org



Scams are on the rise and change all the time.

Beware of unknown or unsolicited emails, texts and social media messages. Do not click on links in those messages.

Do not give out your personal information unless you initiate it.

To learn more about current scams and how to avoid them, please visit and bookmark **sdccu.com/scams**.



## Additional Financial Wellness Wednesdays topics, www.sdccu.com/fww

View and subscribe to ongoing financial knowledge at **sdccu.com/blog** 

