

TREAT YOURSELF TO A \$1,000 SHOPPING SPREE!

You're in the mall with your husband or friend and are each given \$1,000 to spend. The only restriction... it must be gone within one hour. You can do whatever you like with it!! Ready – set – spend!!!

If this sounds like something you'd love to do, then do it!! All you need is a note-paper and pen to record the details of the items you intend to purchase on your shopping spree. What?!? You don't actually spend the money for this to be a terrific experience. It works best if it's not pre-planned, so one day when you find yourself at the mall try it!! If you are going with your husband, you can decide to shop together with \$2,000, or independently – it's your choice. The treat is in the process.

How we spend our money is a big factor in our overall financial decision making process and these decisions ultimately will determine our financial destiny. So, when **there is much uncertainty about future savings, there is much to learn from our spending habits.**

If you think about the \$1,000 shopping spree, there are many ways to approach the project:

- Fun – Yippee – A windfall with no strings attached.
- Guilt – It really 'should' go to bills, to savings or to something needed, but I'll spend it anyways.
- Generously – What can I buy for someone else? Or, whom can I give it to?
- Overwhelm – There's simply too much choice – I don't know where to start.
- All-in-one-place – What can I buy with this \$1,000?
- Spread it around – How much can I get with this money?
- Fear – Am I buying the right things? Will I have enough? Is this the best price? Should I put the money somewhere else?
- Blindly – It's my money I'll spend it on whatever I want. It doesn't matter what, or how much, or if there is anything else to do with the money, or if there will be enough for everything I want.
- What's everyone else doing? – I'll see what other people are doing with their money first, then decide what to do with mine.
- Responsibly – What kind of investment can I make to earn more from this windfall?

Even this initial reaction is a key to becoming aware of your spending habits: Is it work? Is it fun? Does it seem silly and a waste of time? **Before you can really do any kind of financial planning you need to know how you approach your spending and where your money goes so you can plan for future expenses.**

People naturally have a spending comfort zone. This is the money they spend without really thinking about it. For some people it might be \$5, for others it could likely be \$1,000 or more. If your personal comfort zone for spending is \$20 and so is your spouse's, then between the two of you there could be as much as \$40 per day that is gone without a real conscious awareness that you are spending. For others the comfort level is extended to particular areas – such as on kids' activities or on a hobby. It almost doesn't matter what the amount is – as long as it's an item related to the particular activity or lifestyle area.

To start to gain control over your day-to-day finances here are some suggestions: **First**, take yourself on a shopping spree and **evaluate your approach and your purchases.** When you are finished shopping

keep your notepaper in your wallet or chequebook. It will be a good representation of some ways you would like to be able to spend your money – this can become goals that you set and work towards. **Second**, begin to actually **track all the money you spend** – yes, ALL the money. That means even the \$0.50 on parking and \$2.00 on coffee. If you do this for a month and write it down, your totals might surprise you. **Next – balance your chequebook**. What? Why? Because keeping a running tally in your head is not the same as having the control and the empowering feeling you get when you really know how much money you have, and where, and what your worth is at any given time. Even people with more money than average have their books balanced. They might have a bookkeeper doing it for them, but they are providing the information and they are in control of their money. Try it – it might seem like a small thing – but it's a necessary skill for future financial success.

Any **finally**, here are some questions you can use when making purchases – of any size – even within your spending comfort zone:

- 1) Why do I really want this now?
- 2) Do I have the cash for it today?
- 3) How many hours, days, or weeks will I have to work to pay for this?
- 4) Is there something I need more?
- 5) Do I need to get rid of, or change anything before I buy?
- 6) What if I don't buy it today? Can it wait?
- 7) What might be the consequences of buying today?

You are committed to today, or you are committed to tomorrow. Either way, your decisions today determines your tomorrow. Before making financial decisions ask yourself some questions and become aware of your spending patterns so you decide your tomorrow.

A handwritten signature in cursive script that reads "Tracy".