

New Year Resolutions

Does money burn a hole in your pocket? Does buyer's remorse set in after you have spent your money? If this sounds familiar, how can you manage your spending this year so you can buy the things you need now and also save for the things you need in the future?

In order to change spending habits, you must first understand how habits are shaped and the ways spending behaviour can be changed. You must identify spending that gives immediate satisfaction but does not help reach financial goals and, instead, substitute desirable spending behaviour that may not be immediately gratifying but will allow financial goals to be reached.

How to change the habit

1. Establish self-discipline. Put all spending under God's control. In so doing, we become managers of God's finances and all spending should then be from the vantage point of whether He would be pleased with the purchase. With God's guidance, any bad habit can be broken.

Learn to recognize the drive that places you in a difficult spending situation. Avoid the spending pitfalls produced by that drive by having a purpose for the shopping, a time limit, and a written plan.

Make a list before you go shopping and then stick to it, limit the number of trips to the shop and never shop when hungry or depressed.

2. How far money goes usually depends on how badly we want something. We need to be in control of our money, under God's direction, instead of having the money control us by limiting what we do.

Once spending has been brought under control, determine how much needs to be spent each month in every area of your budget. If you have difficulty with income not equalling spending, then you need to cut some of the spending. Look at your budget realistically and see where you can start trimming.

A budget is a money plan. With it, you can organise and control your financial resources, set and realise goals. Every purchase should be considered in light of the established budget, buying any non-budgeted items on impulse should be avoided, especially if those non-budgeted items will need to be purchased with a credit card.

3. Be accountable to another person for a specified period of time for everything you spend. If there is accountability, you will be more inclined to be cautious in your spending habits—a look now, buy later attitude. Shop around before buying and learn to say no. Keep a record of spending and purchases and share these with your accountability partner.

4. Establish a want-to-buy list. Whenever you feel you need to buy something that is not budgeted, put it on the list. Wait seven days and find two additional prices for the same item, to be sure you are getting a good buy.

If you still want the item after a week has passed, you will have thought about it and probably will be getting the best buy on the item. Finally, you should have only one item on the list at a time, so if you find new “wants” during the week, you will have to decide between the two.

Conclusion

Putting a New Years resolution into practice often requires more than just self-determination on our behalf, especially when we are being constantly bombarded with messages to spend money on things we don't really need. Having a plan and someone to be accountable to are also essential to achieve the desired change.

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