



MINDING YOUR MONEY

BY LAMA FARRAN

Do I need it or do I want it?

Here's a question that too many people don't ask themselves often enough, and it's at the source of many disappointments and money-related stress.

In this consumerism-focused society, you are led to believe that you **NEED** everything you see during the TV commercials, on the highway billboards, in the magazines, and even in front of your face as you are doing your business in public bathrooms. The message you receive from these advertisements is almost always the same: if you buy "fill in the blanks", you will look or feel healthier/richer/younger/smarter, more attractive/relaxed/efficient/successful (take your pick!).

Who amongst us doesn't want to experience all these positive emotions? So your mind processes the message as "I seriously need to get my hands on "fill in the blanks" so I can finally feel healthy, happy, successful and beautiful". Marketers know exactly how to talk to your ego and they will go to great extent to make you feel like your self-worth is solely dependent on the product/service they are promoting. When your mind finally concludes that you absolutely **NEED** that magical product to make you feel a certain way, then you can officially count yourself as a perfect marketing victim because you just fell for it. But don't beat yourself up over it, because so many are falling for it every day, and this is why our society is drowning in consumer debt. The whole economy is counting on you to buy what factories are mass producing. Your spending is what makes the economic cycle spin.

However, the reality of your needs is quite different: You don't need the latest iPhone, you don't need your daily Starbucks latté and you don't need the latest diet/exercise gimmick. You might **WANT** them, but you definitely don't **NEED** them.

So where are we getting it wrong when it comes to differentiating between wants and needs? According to Maslow's hierarchy of needs, our most basic human needs are the physiological ones: air, water, food, shelter and sleep. Once these needs are met, we tend to fulfill the higher level ones, such as safety, love, belongingness, self-esteem, creativity and meaningfulness. The most important aspect to remember is that our deepest needs are never fulfilled with spending money. Feeling a lack of love cannot be fixed with buying gifts to "friends", having a low self-esteem cannot be remedied by filling up on fashionable clothing, and going through an inner turmoil cannot be alleviated with any amount of spa treatments. These deeper needs can only be met from within. When you try to fulfill them with products and services, you will only be treating very temporary and superficial symptoms and not dealing with the real source of your ailment.

Karen McCall, the author of a very insightful book titled "Financial Recovery", says: "A need, when filled, sustains us; A want, when filled, entertains us; Attempting to substitute wants for needs eventually drains us". I particularly like this description of needs and wants because it clearly separates them using the end-result which they provide.

So how do you begin to get your wants under control? One strategy is to apply a cooling off period to your purchases. This entails that whenever you see something that you absolutely want, you leave it right there, run



out of the store, go home and give yourself at least 2 days before thinking again of buying it. Just like a kid throwing a tantrum to buy a new toy only to forget about its existence an hour later, your sense of urgency to acquire the new object will also naturally dissipate. You just have to distance yourself from it and follow the "out of sight, out of mind" motto.

Another way that I recommend to my clients is to write a series of questions on a small post-it note and stick in on your credit card and debit card. On that note, write the following questions: Do I absolutely **NEED** this now? Can I truly afford it? Will it make me genuinely happier? Will it move me closer to my important financial goals?

Getting in the habit of asking yourself these questions will help you become a more aware spender, someone who does not spend blindly, but who questions the reasons of the spending before it happens. You have to look a little closer and understand if you are spending just because you had a bad day and you "deserve" to make up for it; or perhaps your best friend just bought something similar and you feel the need to prove to yourself that

you can afford it as well? These are all hints that you are going after instant gratification, attempting to fulfill a more profound need that is still unmet.

Finally, I will let you ponder over this quote by George Carlin: "Trying to be happy by accumulating possessions is like trying to satisfy hunger by taping sandwiches all over your body".

Lama Farran is a personal finance coach based in the West Island. She is devoted to educating individuals/families about money without selling them any financial products. She helps her clients uncover their spending habits, set realistic and feasible budgets, and treat debt challenges at the root. She also coaches her clients on improving their money management skills. For more information, visit www.maxworth.ca, on Facebook at <http://www.facebook.com/MaxWorthMTL>, or call Lama directly at 514-717-1976