



YOUNG MONEY

How you can change your shopping habits in 2020

COURTNEY JESPERSEN

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Courtney Jespersen is a writer at NerdWallet. This column was provided to The Associated Press by the personal finance website NerdWallet.

Overspending can be a serious downer for your budget.

Kind of like that person in the movie theatre who kicks the back of your seat: It's annoying, distracting and ruins your experience.

But that doesn't mean you should stop spending entirely, just like you don't have to stop going to the movies altogether. You just need to pick your purchases (and maybe your seats) more carefully.

Now that 2020 is upon us, here are some things you can kick out of your budget and some other changes to consider.

EASY PURCHASES WITH ONE-CLICK SHOPPING

Cashless shopping is convenient, but it can be a budget-buster. This year, make it more difficult to spend money online. This could help cut out some of your impulse purchases.

"It is so easy to buy on Amazon," says Jane Boyd Thomas, professor of marketing at Winthrop University. "You know, one-click shopping. But you can put in your own safeguards to keep you from doing that."

For example, don't save your credit card in your online retail accounts. And think twice before using mobile payment methods like Apple Pay. If you have to pick up your physical credit card or part with tangible cash, you might pause and reflect on whether you really want to spend your money on that item.

EXCESS GROCERIES

Next up: frivolous foods. If you've been guilty of throwing away groceries that have gone bad, you're probably not shopping as efficiently as you could.

"Try eating your way through some of your food," says Natasha Knox, a member of the Financial Therapy Association's board of directors and founder of Pax Planning.

"If you are throwing stuff out regularly, you are overshopping on groceries. One hundred per cent."

How can you fix it? Make a grocery list before you shop. Plan out your meals for the week ahead of time. Pick products with long shelf lives.

And be realistic, Knox says. If you're probably never going to whip up that gourmet meal you saw a chef make on TV, don't buy the ingredients for it – only for them to be thrown out. You can find plenty of recipes online that require minimal effort and experience.

PREMIER PRODUCTS

Some handbags are more expensive than others. Some paper towel brands are pricier than others. In just about any store or department you browse, you'll find options for products of varying prices.

Knox recommends figuring out which high-quality products you really love. Then, be willing to compromise on the rest.

"Everything can't be as important as every other thing," Knox says. "So some things have to give."

ALTER YOUR PERSPECTIVE

This category isn't a bill to cut from your budget. Rather, it's a mindset you should remove from your spending habits.

"Stop thinking of yourself as a consumer," says Tim Howes, professor in the College of Business at Johnson & Wales University's Rhode Island campus. "Stop thinking of yourself as a shopper. You're an individual."

According to Howes, that means focusing less on things to buy and more on nonmonetary aspects of your life, like how you spend your time and the relationships you build.

"It's really being intentional about every dollar you spend," he says. "Does this add value to my life or not? When you start to figure out that what matters is relationships, more than material things you start to change your mindset about what matters."

It's easier if you change your perspective, Howes says. Instead of thinking of skipping that trip to Starbucks as a sacrifice, focus on how you're actually saving time and money.

GET STARTED

However you lighten your load in 2020, consider now a good time to reassess your budget.

“Maybe for some people expenses over the holiday season were particularly high,” says Deeksha Gupta, assistant professor of finance at Carnegie Mellon University’s Tepper School of Business. “Your bank account could be lower than usual, causing you to take pause and evaluate your budget.”

If you don’t know where to start, Thomas recommends writing down all of your spending for at least one month. This exercise can help shed light on where you’re spending – or overspending.

“It’s very painful and very tedious, but it’s very eye-opening.”

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