Back Away from the Register: Five Triggers that Bust Your Budget

Nonprofit credit counseling agency Take Charge America shares common causes of overspending – and how to beat them

PHOENIX – (Sept. 7, 2016) – Even the most frugal have moments of weakness when shopping. In fact, swiping a credit card incites a pleasure response in the brain, which explains why shoppers often spend more than they need.

“It’s called retail therapy for a reason,” said Mike Sullivan, a personal finance consultant for Take Charge America, a national nonprofit credit counseling and debt management agency. “An occasional extravagance is typically fine, but constant overspending is a huge problem for millions of Americans with massive credit card debt. Simply understanding your overspending triggers will help you combat them.”

Sullivan summarizes five common triggers and how to beat them:

1. “I’m feeling down.” People often overspend when they’re feeling down, bored or lonely, as shopping can dull negative feelings.

   To combat emotional spending, consider reaching out to a friend, opening a good book or exercising. These activities also release endorphins – and don’t cost a dime.

2. “I’m on vacation.” Rules don’t seem to apply when you’re on vacation, making it easy to spend money on things you wouldn’t normally buy.

   Set spending limits for vacations. Also, stock your hotel with snacks and drinks to cut dining costs.

3. “I have to buy a gift.” Whether shopping for birthdays, showers or the holidays, it’s easy to spend more than you planned.

   Waiting until the last minute is a sure-fire trigger for overspending. Plan ahead by buying and stashing gifts throughout the year when items go on sale, or contribute to group gifts for weddings and other big occasions.

4. “It’s free money.” It’s tempting to reward yourself when you earn a bonus, get birthday cash or a tax refund, but once it’s gone, it’s gone.

   Make this so-called free money work for you. Allow yourself one small splurge, then use the rest of the money to shore up your emergency fund or pay down debts.
5. “It’s a great deal.” As any Black Friday shopper knows, it’s tempting to get sucked into one-day deals. Today, overspending is easier than ever with mobile retail and social media purchasing. But, no matter how great the deal, you’re not saving a penny if you don’t need the item.

To resist the temptation, unsubscribe from retailers’ email lists, delete shopping apps and avoid boredom browsing.

For information on credit counseling and other financial resources, visit Take Charge America.

About Take Charge America, Inc.

Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, student loan counseling, housing counseling and bankruptcy counseling. It has helped more than 1.6 million consumers nationwide manage their personal finances and debts. To learn more, visit www.takechargeamerica.org or call (888) 822-9193.

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