Why Do You Spend?

Let's answer a question that should be simple, but has grown extremely complicated: Why do we buy?

Of course there are things we need to buy, like food, school supplies, and a new pair of shoes once a year (sometimes less). However, why do we buy so much more than that? Believe it or not, one of the biggest reasons for shopping so much is because we do it when we are emotional because shopping has become a way to self-soothe and make us feel better. Let's take a look at a couple of different scenarios in which we think shopping may be the answer.

We feel depressed. We've all been there. When we feel depressed and hopeless about the future, buying something new provides instant gratification and makes us feel magically better. If we shop online, we look forward to the package arriving (choose 10-day shipping and that "happy" feeling will last even longer). If we go to the mall, we try on things that make us look and feel great and that magically transform us from depressed to cheerful in a matter of minutes.

While shopping when you feel depressed can provide instant feelings of happiness, the feeling won't last very long. Whether you have one-million in the bank or one dollar, shopping is not a long term solution to depression or sadness and will most likely make you feel even worse once you receive your credit card bill in the mail. Additionally, when we shop while feeling depressed, we have so many things going on in our minds that sometimes the question of whether you can realistically afford something escapes your thoughts.

We want to reward ourselves. Another common reason for shopping is to reward ourselves. Maybe we received a raise at work or maybe we feel that we've been working so hard that it's time to treat ourselves to a new purse or the hottest new gadget.

You should always recognize your talents, skills, and dedication that you put into everything in your life. However, instead of going out and spending money on frivolous items, you may consider using that money and placing it into a savings account instead. Wouldn't it be nice to truly celebrate all of the great things you've done in your life by having a worry-free retirement? Next time you get that raise, put the money you might normally use to celebrate into your retirement or emergency account. You'll be glad you did.

Other ties to emotional spending include:

1. Feeling mad or angry
2. Boredom
3. Competition with friends and family
4. Stress
5. Guilt

Spending emotionally can bring great problems into your life if you don’t recognize it beforehand. It can bring financial troubles as well as relationship and work issues.