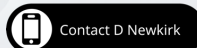




The Psychology of Spending

March 2025



D Newkirk
Community Outreach Manager
(214) 532-5774

What is the Psychology of Spending?

The psychology of spending is influenced by emotions, habits and beliefs.

- Emotional triggers
 - Impulse spending
 - Spending addiction
 - Spending traps
- Spending habits
 - Budgeting
 - Saving
 - Keeping up with the Jones's
- Spending beliefs
 - Frugal mindset
 - Moral tax on consumption

Facing the Factors

The urge to splurge can be uncomfortable, but if you don't face it, you may never get control of your spending and your debt. If you're always trying to pay off yesterday's purchases, many of which have long since worn out or been forgotten, how will you acquire the things you truly want for tomorrow?

First Things First

There is no psychology involved in your spending. The term psychology infers that it's something inside your head that makes you want to spend. This is not the case.

Just like in matters of love, matters of spending are determined by how the action makes you feel.

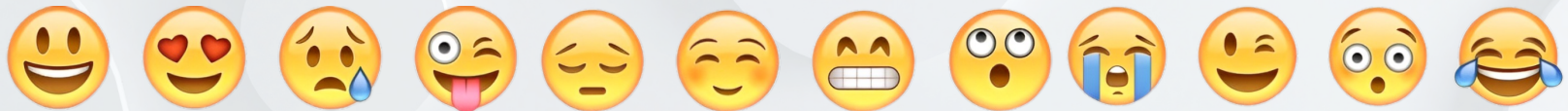
Money affects our relationship with our self and with others. We makes decisions from a position of love or power, fear or control. Most of us feel out of control when it comes to money, thus creating fear.

What Do Emotions Have To Do With It?

We need to understand the emotions that drive us to spend then apply some real psychology to our spending habits.

What emotions do you feel when you are spending?

Emotional actions are reactions of past emotions and actions. What drives your behavior?



Embedded Language

- Money is the root of all evil
- Money is dirty
- Money and greed are married to each other
- The rich get richer; the poor get poorer
- Only the poor know humility
- I can't afford it
- I'm broke

Embedded References

- How did your parents handle money? Were they open about it?
- Did you grow up feeling money was abundant or scarce?
- Are you or your spouse a penny pincher or a spender?
- What was the economy like when you were growing up?

Self Established Beliefs

- What do I believe about money?
- How did I develop these beliefs?
- Which of these beliefs do I consciously practice?
- Does what I practice mirror my relationship with money?
- Which of these beliefs no longer serve me?
- Am I willing to let go of what no longer serves me?

Emotional Makeover

- Identify
- Modify
- Apply
- Re-modify

Declare Your Freedom

Remind yourself daily that money or a lack of it doesn't determine who you are. Your worth as a person has nothing to do with how much money you have. Once you truly believe this, and money is no longer connected to your sense of self worth, you open the psychological barriers that were keeping you from wisely handling the money you do have and limiting your ability to make more.

Spending is neither good nor bad.

Saving is neither good nor bad.

Take Inventory

It is impossible to change your relationship with money without cleaning up the emotional business of the past.

Begin by writing down a list of any unfinished financial issues that you want resolved

Number these issues in the order of importance and/or the pressure they put on you.

Take Action

Focus on resolution and contact each person, business and so on and say:

“I’m contacting you to let you know that my intention is to resolve this issue. This is my situation. How can we work this out?”

Key Take Aways

- Spend wisely, live within your means
- Spending money wisely rather than carelessly
- Live within your means. You don't need to buy what your neighbor is buying
- Spending too much is a relative problem – it is relative to how much you earn.
- Spend when it matters and brings joy

Q&A



D Newkirk
Community Outreach
Manager
(214) 532-5774

