

10 Things You Think You Need That You Really Don't

Yuma, Arizona - Sure, you see the wisdom in cutting ties with the Joneses. You want to become more financially responsible while crafting a values-centered life for yourself. But you're just not sure where to start. The solution, says Donna Skeels Cygan, is to think more like your grandparents probably thought if you don't really need it and can't really afford it, don't buy it. However, you may have to rethink a few things you currently categorize as "necessities." For example:

A big fancy house. You see gorgeous pictures of others' homes on Facebook and Pinterest and think, My home needs to look like that, too. Conveniently, many of these photos are even accompanied by descriptions of where you can buy similar furniture, accessories, and knickknacks. Newsflash: Most people don't live in spacious, picture-perfect homes, regardless of the impression social media may send.

Moreover, consider why you want to upgrade your living space. Is it because you're not comfortable there? Or because you just want to impress the occasional visitor (who, if he or she is a true friend, is not going to care about the size of your house or the condition of your furniture)?

If you already own "too much home," there is nothing wrong with downsizing to a more modest (and less expensive) one—and purging a lot of your extraneous possessions while you're at it. You may find that your friends are envious of the fact that you are being proactive at simplifying your life.

A new car. If your neighbor just got a new car, you may find yourself thinking, My car is six years old...maybe it's time for a new one. But ask yourself: Is my current automobile impractical because of size, poor gas mileage, or the fact that it requires a steady string of repairs?

If not, take a step back and remind yourself, My car will last another six years if I maintain it, and maybe longer. I do not need a new car. I want to be financially responsible, which requires saving and investing my money wisely. Then, focus on the things you can do with the money you're not putting toward a car payment.

More clothes, shoes, and accessories. Many of us want to look stylish and on-trend, and some of us even view shopping as a form of entertainment. Problem is, a frequent shopping habit isn't easy on the wallet...and it's likely that most of your purchases languish in your closet, where they're rarely (if ever) worn. So the next time you feel like hitting the mall, ask yourself if there's anything you really need. If not, resolve to wait—perhaps until the next season change—

to add to your wardrobe.

An expensive, exclusive college for your child. If your child wants to attend an expensive, private college and you can't afford to pay the tuition outright, a financial conversation is in order. Point out that many state colleges and universities offer an excellent education and that most private colleges simply do not deserve the prestige their public relations departments have created.

Selecting a college that is affordable will have a significant impact on the big financial picture, and you need to be saving for your retirement rather than directing that money to college expenses.

In fact, if your family decides to take out college loans, Cygan recommends making sure some of the loan balance will be repaid by your child. Knowing that his education isn't a freebie will make it more meaningful to him—and may also sharpen his motivation to graduate in four years!

Over-the-top gifts. Every holiday season (and birthday, and special occasion) you overspend on gifts and are left with a financial hangover when your credit card bill arrives. You need to have an honest conversation with yourself: Do you think the price of a gift has any correlation with the appreciation from the recipient, or with how your friends or family feel about you?

It is important to set a budget for holiday gift-buying and to think creatively about gifts (or better yet, special experiences).

Frequent restaurant meals. Yes, dining out is convenient. You don't have to cook or clean up, and the food is practically guaranteed to be tasty. But when done regularly, it can also become awfully expensive. Deep down, you know that with a little planning ahead and prep work, you can save a lot of money by cooking at home. You may also find that staying at home is relaxing, and chances are, most of your home-cooked dishes will be healthier than restaurant meals.

A full complement of gadgets, devices, games, and channels. Yes, it's nice to have (literally) hundreds of channels to flip through when you're feeling bored. But how many of them do you actually watch on a regular basis? Would you be just as satisfied with a much less expensive video-streaming subscription? And what about "toys" like tablets, smartphones, and video game systems? While they're undoubtedly entertaining and often legitimately useful, how much of your time and attention do they take up?

The point is, you might be indulging in too much of a good thing. Think about what you're not getting done and the time your family is not spending with one another. At the very least, it might be time to set screen-time limits, and to stop purchasing each new update for your gadgets.

Lavish vacations. How often have you booked a trip to some overhyped destination just because it's what you do every year...or because it's what the neighbors are doing...or because you're seduced by a slick ad promising a "discounted" (but still pricey) air fare and hotel rate...or because you think you "deserve" it?

But the truth is, these trips rarely live up to our expectations...and the residual bills haunt us long after we've left Paradise behind. Be honest: Would a couple of long weekends in a rustic cabin in

the mountains be nearly as enjoyable as a blowout trip to a fancy resort? And how do your most treasured vacation memories usually originate: by pulling out a credit card or by spending meaningful time with your loved ones?

A constant parade of extracurriculars for your kids. These days, some kids are busier than many adults. Between school, homework, sports, music lessons, volunteering, and more, they're "working" the equivalent of 70- or 80-hour weeks. But the truth is that enrolling your children in two or three activities each is causing you to spend yourself silly and is stressing out everyone involved (especially your kids, whom all of this is supposed to benefit most).

Yes, your intentions are good, but it might be time to cut back. Allow your children to choose one or two activities each—and if it's something inexpensive like YMCA soccer (as opposed to a traveling team), so much the better. Be sure to use some of your newfound free time to do something meaningful as a family, whether that's game night or a trip to the park.

Your gym membership. Belonging to a gym and participating in various types of exercises is undoubtedly trendy and sure to impress others. But unless you're a devoted, enthusiastic attendee of each spin or Pilates class, consider dropping that gym membership. Do you really use it enough to justify the expense? Plus, walking is free, and exercise videos are cheap. You might even be able to start a neighborhood walking club and get to know your neighbors!

"Overall, recognize that 'things' rarely bring us happiness," Cygan concludes. "When you begin to make these changes, you can and will derive personal pleasure from realizing you are not behaving impulsively. Your future (financially responsible and less stressed) self will thank you!"

About the Author: Donna Skeels Cygan, CFP®, MBA, is the owner of the financial advisory firm Sage Future Financial, LLC, and the author of *The Joy of Financial Security: The art and science of becoming happier, managing your money wisely, and creating a secure financial future*. She has been recognized numerous times as one of the top financial advisors in the U.S. She seeks to help her clients take control of their money in a way that maximizes their happiness.

Cygan has contributed to articles and has been quoted in national newspapers and magazines, including the Wall Street Journal, the New York Times, the Chicago Tribune, Forbes, Kiplinger's, and Investment News. She has appeared on TV programs in New York, Seattle, Portland, Phoenix, Minneapolis, and Memphis, as well as on many radio shows across the U.S. She also enjoys speaking on many topics related to money and happiness. To learn more, visit www.joyoffinancialsecurity.com.

About the Book: *The Joy of Financial Security: The art and science of becoming happier, managing your money wisely, and creating a secure financial future* (Sage Future Press, 2013, ISBN: 978-0-989-77844-2, \$24.95, www.joyoffinancialsecurity.com) is available at bookstores nationwide and from major online booksellers.

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