

## Use Substitutes

**R**eplacing old habits and ways of thinking with new ones is one of the secrets to continuing to improve your financial well-being. The stories below will show you how others have made healthy substitutes.

### Taylor

*I used to get my paycheck and spend the whole thing. I never felt like I was getting ahead.*

*Since I started following a budget, I've been able to save \$40 a week. That might not sound like a lot, but it's a good start for someone who never saved a dime. When I'm tempted to spend on things I haven't budgeted for, I remind myself of my financial goals and put that debit card back in my pocket.*

### Chris

*I got divorced after 16 years of marriage. It put a huge wrench in my financial goals. When we were married, my wife and I lived well on our two incomes. But living separately and paying child support stretched my paycheck to the max and left me digging deep into my savings. I felt like I was back where I started.*

*I kind of wallowed in self-pity for a few months, and then I decided to start over. I've been tracking my spending, which has really opened my eyes to where my money goes. I've found lots of ways to save and places I can cut back. I got a less expensive apartment, started shopping with a list, cut back on my cable plan, and reduced my cell phone plan.*

*More importantly, rather than trying to fill up my weekends with the kids with costly, over the top activities, we are spending more time playing sports outside and having movie nights at home. For the first time since the divorce, I haven't had to dip into savings to make ends meet.*

### Danielle

*My friends used to joke that I had a black belt in shopping. I learned though that for me, that also meant a black belt in accumulating credit card debt. By the time I realized I was in over my head, I was living paycheck to paycheck, paying the minimums, and using my credit card not only for the things I wanted, like clothes, but also the things I needed, like groceries. I was trapped in a vicious cycle.*

*But I broke the cycle. I sat down and really looked at my spending. By cutting back (no more shopping, cable, or take-out) and freezing my credit cards (literally—in the freezer, so I had to think and defrost before I could spend), I managed to find \$8 a day that I could put toward my debt. That's three times the minimum amount I had been paying. I'm not debt free yet, but I'm getting there.*

**Terry**

*I earn a decent salary and can always pay my bills, but never felt like I was saving enough.*

*I spoke with a financial advisor who pointed out that I had not taken advantage of all of the opportunities I had to help me save. First, I could make an automatic contribution to my savings account with each paycheck, so I did that. Then I realized that each time I got a raise at work, I could increase the amount I was saving and not even notice the difference. That has been a big help.*

*But the simplest thing of all was to use only cash. I read somewhere that if you use cash, you spend less than if you use a credit or debit card. It has something to do with having to fork over the actual bills—which goes even more for big bills. I find that I have more money left over at the end of the month now that I'm using cash for most purchases.*

**Lisa**

*My fiancé and I moved in together. We never talked about it, but I thought it was only fair if we split our expenses, even though he earned much more money than I did. Well, it wasn't long before I was taking out lines of credit to pay for basic necessities like groceries—all because I was reluctant to speak up about how I couldn't afford to pay as much.*

*Then I confided in a friend at work who pointed out that if the situation was reversed, I would want my fiancé to come to me so I could help. After talking to her, I realized it was silly to jeopardize our future financial well-being because I had told myself that I needed to contribute equally even though I made much less.*

*I didn't have a lot of experience talking about money, but I thought ahead about what I wanted to say. It was hard to bring up, but I am so glad I did. Of course he understood and we had a great talk about dividing our expenses differently so he was covering more of them. It was a huge weight off. Having that first talk made it a lot easier to have other conversations about money—like how we would pay for the wedding and when to combine our checking and savings accounts.*

Now give some thought to the old thoughts and behaviors you might need to replace with healthier substitutes. Come up with at least one alternative for each. You can use the examples on the following page to get started.

<i>Instead of...</i>	<i>I will...</i>
Feeling pressure to buy something...	<p>Always stop and ask myself these questions:</p> <ol style="list-style-type: none"> <li>1. Do I need it?</li> <li>2. Why do I want it?</li> <li>3. Can I afford it?</li> <li>4. Is this purchase in line with my values and goals?</li> <li>5. Do I already have something like this?</li> <li>6. Haven't I gotten by this far without this?</li> <li>7. Can I borrow this from someone else?</li> </ol> <p>If you don't have reasonable answers to those questions, walk away from that purchase.</p>
Spending too much money on birthday, wedding, and holiday gifts or tips...	<p>...remind myself that it's the thought that counts            ...think about giving a sentimental or homemade gift            ...tell myself that in this economy, people don't expect as much as they once did</p>
Focusing on what I'm giving up...	<p>...focus on the positives. By not making that purchase:</p> <ul style="list-style-type: none"> <li>• I can get out of debt faster.</li> <li>• I can start developing an emergency fund sooner.</li> <li>• I won't feel guilty about spending money.</li> </ul>
Instead of turning to shopping or eating out when I'm bored or depressed or wanting to celebrate something...	<p>...think of some fun activities I can do when the need to shop strikes. Make a list of fun, enjoyable activities that won't cost me much—or anything at all.</p>
Instead of telling myself I don't earn enough...	<p>...remind myself I can spend less.            ...ask myself how I can create more income for myself. What can I sell? Is there any work I can do to earn extra income?</p>