

LESSON 5

WISE SPENDING

KEY POINTS

- ✓ There are a million marketing tactics trying to go after your money and bust your budget.
- ✓ When you spend wisely, you can have power over purchases.
- ✓ More stuff won't make you more complete.

LESSON 5 //
WISE SPENDING



GUIDE
Dr. John Delony

When faced with a threat, our brain generally responds in one of three ways: fight, flight or _____.

Our brains are constantly asking _____ questions:

1. Am I safe?
2. Do I belong?
3. Does it feel good?

Marketers and neuroscientists know you better than _____ do.

You're more likely to buy something when you're _____.

You can take your _____ back.

NOTES

ANSWER KEY

Freeze
Three
You
Afraid
Power

LESSON 5 //
WISE SPENDING



GUIDE
George Kamel

6 WAYS COMPANIES GO AFTER OUR MONEY

- 1. Personal Selling**
Salespeople are trained to convince you to _____.
- 2. Product Placement**
Companies _____ to have their products placed strategically.
- 3. Brand Association**
The products you buy tell a _____ about you.
- 4. Sales and Promotions**
Never spend just to _____.
- 5. Convenient Payment Methods**
Making a purchase has become so easy that spending money is _____.
- 6. Financing**
When you _____, you're asking, "How much down? How much a month?" Wise spenders ask, "How much?"

ANSWER KEY

Buy
Pay
Story
Save
Painless
Finance

**“Don't let discounts
drive *decisions*.”**

— GEORGE KAMEL

LESSON 5 //
WISE SPENDING

GEORGE'S SMART SPENDER GUIDE

Self-Awareness

Will this add _____ to my life?

Motive

Am I buying this for the _____ reason?

Affordability

Is this in my _____?

Research

Is this the _____ option, retailer and price?

Timing

Is _____ the time to buy it?

You can't _____ your way into a meaningful life.



ANSWER KEY

- Value
- Right
- Budget
- Best
- Now
- Spend

TIME TO GET HONEST WITH Yourself

We've all bought something we didn't need with money we didn't plan to spend—or worse, with money we didn't have. In this Activity, we've listed the six common ways companies go after our money. It's time to get honest with yourself: Think about a time when these methods have influenced you to make a purchase, and fill out the chart. If you're married, share your answers with your spouse.

| Marketing Method | Have these methods influenced you to make a purchase? Yes or no? Explain your answer. |
|----------------------------|---|
| Personal Selling | ○ ○ _____ _____ |
| Product Placement | ○ ○ _____ _____ |
| Brand Association | ○ ○ _____ _____ |
| Sales and Promotions | ○ ○ _____ _____ |
| Convenient Payment Methods | ○ ○ _____ _____ |
| Financing | ○ ○ _____ _____ |

Respond to the following question:



Marketing isn't evil (except financing—that's always a bad idea), but to be a wise spender, you need to see when it's happening and think before you spend! What did this Activity reveal about your spending habits?

DISCUSSION

Whether you're taking the class online or in person, be honest with your answers and remember to encourage one another!



When was the last time you made an emotional purchase (from stress, fear, sadness, distraction, etc.)? What was it (tacos, shoes, concert tickets, matching sweaters for you and your dog, etc.)?



What's a moment when comparison crept in and affected your spending?



What's the worst impulse purchase you've ever made? Why was it so bad? How would you do things differently next time?



Can you think of the last targeted ad you got? What was it for? Did it influence you to make a purchase?



How can you get into the habit of walking through George's SMART Spender method rather than making an emotional or impulse purchase?

ACTION STEPS

It's time to live out what you just learned! Complete each of the Action Steps before the next lesson.

CREATE YOUR SECOND BUDGET WITH EVERYDOLLAR

You wrapped up your first month of budgeting—that's a huge accomplishment! Don't get hung up on how many mistakes you made or if you feel like your first budget didn't work. It usually takes three months of budgeting for things to really click. So, learn from your first budget and go create your second budget with EveryDollar.

TRACK YOUR TRANSACTIONS IN EVERYDOLLAR

Stick to the budget you create by tracking your transactions every week. Remember, when your bank is connected to EveryDollar, this is a super simple process—just drag and drop your transactions into the right categories and you're done!

COMMIT TO CASH

Use George's SMART Spender guide, follow your budget, and commit to cash so you aren't racking up payments every time you want to buy something. Bottom line? Don't buy anything you can't afford. Don't Afterpay for it—actually pay for it. This week, commit to ditching credit cards and payment plans!

READ "HOW TO BE A SMART SPENDER" ON THE NEXT PAGE

Overspending, impulse spending and unwise spending are some of the biggest traps for buyers! Now that you've learned about George's SMART Spender guide, it's time to see how you'd use this guide in action.

HOW TO BE A *Smart* SPENDER

It's **Saturday**, and for Jordan, that means no work and no big to-dos! She's up for a little shopping and has her eye on an air fryer and a new smartphone.

Jordan's ready to snag a deal (or two), but she also learned from George and wants to be a wise spender—there's no reason to bust her budget or derail her plan for items she wants but doesn't need. So, she does a quick online search for the two items she wants and walks herself through the **SMART Spender questions** from this lesson.

Let's step into her thinking and see if she decides it's wise to buy either of these two items!



AIR FRYER

S SELF-AWARENESS

Will this add value to my life?

Yes. I'm trying to cook more at home to save money, and this will help me meal prep faster, with less mess and stress.

M MOTIVE

Am I buying this for the right reason?

Hm. I did think about getting one because several friends at work mentioned how great air fryers are. But I'm not trying to be like them. I really want this time-saving, money-saving tool for what it is!

A AFFORDABILITY

Is this in my budget?

Yes! I've been saving for more kitchen appliances, and I've got enough to pay in full!

R RESEARCH

Is this the best option, retailer and price?

It is. I narrowed down which kind I wanted, and after a quick search of other sales today, I discovered that this one is the best price.

T TIMING

Is now the time to buy it?

Yup. I've been watching prices for about a month, and this is the best deal I've seen.

Decision: Jordan clicks Add to Cart. And she's guilt-free in her purchase and excited to start making crispy chicken nuggets.

Next up, Jordan pulls up the page for the new smartphone she's been eyeing. Let's see if this is a wise purchase.



NEW SMARTPHONE

S SELF-AWARENESS

Will this add value to my life?

Well, yeah. Sort of. I'd get a better camera and faster internet! Plus, they brought back my favorite color.

Jordan could probably stop here and decide this is not the wisest purchase for her right now, but she asks every question just to be sure!

M MOTIVE

Am I buying this for the right reason?

To be honest, probably not. My phone works well. The battery is good. I just want the new one because there is a new one. And my friends all got this one.

A AFFORDABILITY

Is this in my budget?

It would be a stretch. Maybe I could cut back on my Miscellaneous category or groceries, but that feels risky. I could say no to the air fryer, but I'd still be short and things would be tight.

If Jordan hadn't already said no to this purchase, she definitely should now! Never prioritize a want over a need, like groceries! But let's keep going and see what happens.

R RESEARCH

Is this the best option, retailer and price?

Yes. It's a great price for this version of the phone.

T TIMING

Is now the time to buy it?

It's on sale, but I don't need one right now. I have a perfectly good smartphone.

Decision: Jordan doesn't buy the smartphone. She's a little disappointed at first. But she didn't budget for it, and she realizes it doesn't matter what her friends do with their money. She's doing what's best for her, and she's proud of her wise spending. Jordan's a SMART spender!



“

Insurance **PROTECTS**
the things that will
make you wealthy.

— DAVE RAMSEY

”