



Life Balance

April 2014

Are you addicted to shopping? If you can't stop, you are.

Americans love to spend. And while there are a few prudent folks who save for a rainy day, for the most part, spending is our nation's favorite pastime. Recent statistics from the Department of Commerce indicate that whether our disposable personal income (DPI) increases or decreases, our personal consumption expenditures (PCE) increase.¹ In other words, regardless of how much money we make, we spend more.

No doubt this is cause for stress and distress in households around the country. The mortgage crisis and the global economy are certainly to blame for much of it. However, if you consistently overspend only to worry about your financial

situation, there may be a more deep-rooted problem you need to address.

Overspending is addictive
Overspending has nothing to do with money. It's a behavior and it works like an addiction. For some adults, shopping is a leisure activity, a way to fill a void, manage emotions, reinforce self-worth and express self-identity.²

A study that appeared in the *American Journal of Psychiatry* a few years ago concluded that as many as one in twenty individuals in the U.S. is a compulsive buyer (overspender). It then went on to shed some light on this problem. It demonstrated that while most people see buying as utilitarian, others are preoccupied with it. They go on shopping binges and buy things they don't need and can't afford. They agonize over their actions, feel shame and guilt, and experience adverse consequences such as financial problems and inability to cope with their work and social life.³

The study also shattered a few stereotypes, showing that most compulsive shoppers were younger individuals (in their 20s), both male and female, in the lower income scale. These individuals didn't have more credit cards than the other respondents, but their credit limit was frequently maxed out and they tended to make only minimum payments.⁴

Findings showed that compulsive buyers were also more likely to suffer from other addictive behaviors such as substance abuse, eating disorders, etc., and experienced depression and anxiety⁵ either as a result of or as the cause of the compulsive behavior.

What can you do if you see yourself in the description above?

Find the urge to splurge
In order to restrain your addictive behavior, you need to find out what triggers it. Understandably, this may prove more difficult than just dealing with the late-fee notices from

Talk to people who will understand you.

Spenders Anonymous
www.spenders.org

Debtors Anonymous
www.debtorsanonymous.org

ShopAholics Anonymous
www.shopaholicsanonymous.org

You're not alone. Look for these books at your local library.

Your Money or Your Life
by Vicki Robin and Joseph R. Dominguez

Money Harmony: Resolving Money Conflicts in Your Life and Your Relationships
by Olivia Mellan

Consuming Passions: Help for Compulsive Shoppers
by Ellen Mohr Catalano and Nina Sonenberg

SEAP

Call toll-free
(800) 692-7459

(800) 824-4306 (TDD)

or log on to

www.liveandworkwell.com

access code: Pennsylvania

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the mortgage or credit card companies. However, these triggers are not going to go away unless you face them. Find some quiet time to have a real heart-to-heart with yourself. You may find your urge to splurge comes from lack of love as a child, the need to seek excitement or approval, an inability to deal with your negative emotions or a need to feel in control.⁶

Talk to professionals

While the last thing you want to do right now is spend more money, hiring professionals to help you find solutions to your overspending may very well be your saving grace.

A behavioral therapist can help you identify and deal with the emotions that trigger your compulsive behavior and help you change the way you relate to money.

A financial or money manager can help you analyze your financial situation, set priorities and get you on the road to financial freedom.

Make the best of today

Resolving your financial situation will take time. But that doesn't mean you must continue to stress over it. Stress only amplifies problems and makes them seem worse. It will also make you more anxious and trigger other compulsive behavior. So, what should you do instead?

Have some fun!

- Get together with family and friends for a few laughs, a movie, a bike ride or a picnic. Try not to overeat or drink, as this will only increase stress.
- Engage in physical activities such as yoga, walking, hiking, swimming or team sports like basketball, baseball or soccer.
- Indulge your passions without spending. Whether it's reading, painting, singing or gardening, taking time to do what you love on a regular basis helps stave off stress and makes you feel good about yourself.

Small steps/huge strides toward financial wellness

Look for ways to better organize your life.

You spend time looking for things, waste money buying things to replace what you can't find, and then end up even more stressed. If your home is messy, tidy it up so you know where things are.

Spring-clean your surroundings. File your important papers. Make a list of your expenditures and income. Include all the shopping sprees and highlight them to identify them as unwanted, unneeded expenses. Compare costs versus income for a clear picture of your situation. An honest recording of your expenses will help you visualize the depth of the problem. This is an important starting step.

Don't think too far ahead. Focus on what you need to do to manage your debt. A financial specialist can help you plan how to pay off your debt, trim your expenses and develop a budget. A financial planner will also want you to think ahead about saving for the future, but don't think too far ahead. Researchers found that those who plan their savings a month at a time are more likely to continuously save in the future.⁷

Shackle your credit cards. It's been proven scientifically that people who shop with credit cards spend more than those who use cash because cash reinforces the pain of paying.⁸

Seriously consider closing all your open credit accounts. Talk with a financial specialist about the potential impact that may have on your credit

score. If your credit cards are maxed out, put them away in an inconvenient place until you've paid them off. Better yet, give them to a trusted family member until you've worked through your issues and feel ready to take control of them again. The best approach may be to close them as soon as their balances are paid.

Pay cash. Whenever possible, pay with cash. This will prevent you from overspending and keep you living within your means. If you must have one credit card for emergencies, choose one with the lowest interest rate and leave it at home, or with a trusted person, or locked up in a safe-deposit box at a bank. Don't carry it in your wallet.

Avoid temptation. Online shopping and TV shopping networks may also be a factor in spending patterns. These services can be very enticing with their sales pitches and thus you may want to completely avoid these shopping avenues. Make a list of your triggers and situations that may lead to temptation. Put it in your wallet.

Don't go it alone. The right kind of support will allow you to understand and resolve this problem as you take charge of your life. A therapist can provide the tools and emotional know-how to keep you on a path to recovery. Call SEAP for a referral to a therapist in your area: toll-free (800) 692-7459; TDD (800) 824-4306.

Resources

www.liveandworkwell.com

Search under the word "Financial" for access to the Budget, Credit and Debt, and Financial Fitness Centers. You can also search for a therapist in your area by clicking on the "Search for Clinician" link.

1. <http://www.bea.gov/newsreleases/national/pi/2013/pi0113.htm>
2. <http://ajp.psychiatryonline.org/article.aspx?articleID=97146#Abstract>
3. Ibid.
4. Ibid.

5. Ibid.
6. <http://www.shopaholicsanonymous.org/>
7. <http://www.apa.org/news/press/releases/2008/08/spending-gambling.aspx>
8. <http://www.apa.org/news/press/releases/2008/09/credit-cash.aspx>