

## **Don't Keep Up with the Joneses**

**Most people don't realize they are spending a significant amount of money needlessly.**

**Get rid of unnecessary spending and reset your financial priorities.**

Not too long ago celebrities and millionaires were the only ones spending money on expensive items for the sake of flaunting their wealth. Unfortunately, nowadays things are a bit different. 'Regular people' who earn a low, medium, or high income are spending their money frivolously to "keep up with the Joneses." Everyone seems to be trying to live the lifestyles of the rich and famous.

Since they aren't buying huge diamond rings, wearing \$5,000 designer shoes, or driving around a brand-new Rolls Royce, they assume that their spending is reasonable. This, however, is an illusion. If they were to take a closer look at their spending habits they would see the truth.

### **Necessity or Luxury**

The definition of necessity in the minds of most Americans isn't what it used to be. Things that most people didn't even have a decade or 2 ago are now considered necessities, such as cable or satellite TV, as well as computers and cell phones (many smartphones now cost over \$1,000).

There seems to be a competition going on, where the main goal of consumers is to have the best of everything. The newest, latest, and greatest smartphones, TVs, laptops, etc. Even cars are a part of this trend. Some individuals find that having a huge SUV is a 'necessity' because they feel safer driving down the road.

While maids, landscapers, and contractors are clearly not necessities, many individuals hire them anyways. Cosmetic surgeries, expensive cosmetics, restaurant quality kitchen appliances, high-end exercise equipment are still considered luxuries by most people, but that hasn't hurt their popularity. How long will it be before they become considered as a necessity as well? Unfortunately, not long.

### **It's Not Just America**

While America is already known for its excessive consumption and frivolous spending, other countries such as China and India aren't too far behind. Even countries like Russia and Iraq have a large population of people who spend their money frivolously in an attempt to flaunt their status.

## **The Truth About the Joneses**

If you're trying to keep up with families that flaunt their high-end cellphones and huge SUVs, you may be surprised to know they are often deeply in debt. Many of them spend more than they earn and end up stuck with credit card bills and sometimes even have to file for bankruptcy.

Even more have little to no savings to show for all their hard work. With bankruptcy rates increasing year after year, it's important that you start living within your means.

Here's how you can do that:

### **Get Rid Of Unnecessary Spending**

Ask yourself, "Do I really NEED this cable package, gas-guzzling SUV, or 'premium' app?" You may consider some alternatives, such as a monthly streaming service to replace the cable and a more fuel-efficient vehicle to replace the SUV. You can also cancel any and all subscriptions to Apps you don't really use or find necessary.

Additionally, begin tracking where you spend your money each month. Review all the frivolous and unnecessary purchases you made. Add up those amounts to see how much you could be putting into your savings each month if you went without those purchases.

### **Set Your Priorities**

You are living your life and you must live with the consequences of every decision you make. If you're spending your time and money trying to keep up with everyone else you're sure to end up falling into some serious debt.

You have to worry about yourself and figure out what is really important to you. If you're not saving any money and/or have racked up huge credit card bills, you need to work on fixing those issues. Once you start worrying about yourself and your own priorities you'll be on your way to achieving true financial freedom.

### **We're Here to Help!**

We offer a free "credit check-up" service. We will review your income and credit and make recommendations for ways to consolidate or refinance your existing debt to reduce your monthly payments and the interest you pay.

Each individual's financial situation is unique and readers are encouraged to contact the Credit Union when seeking financial advice on the products and services discussed. This article is for educational purposes only; the authors assume no legal responsibility for the completeness or accuracy of the contents.