

## Are Your Surroundings Determining Your Financial Health?

“It’s important to determine which surroundings work best for you, and then build that environment to suit your needs.”- Marilu Henner

Too often I hear people talking about how frustrated they feel about their credit card debt. They feel like they can never get ahead and, no matter what they do, seem to add to their already growing balance every month. While sometimes there are things that happen that are out of our control and we may need to temporarily depend on a credit card, often much of what has driven people into debt is avoidable.

We live in a world of instant information and constant marketing messages being pushed at us. Whether it is a cleverly worded social media ad that gets you to click or strategically placed products in our favorite prime time tv show, we are constantly being tempted. And how easy is it to find that item online, add it to our cart and have it on our door step two days later? WAY TOO EASY! We are living in a world of instant gratification that has contributed to over \$900 BILLION of credit card debt in the United States.

With the average credit card interest rate soaring to 20%, it is overwhelming for so many to get themselves back on track. That challenge then seems unsurmountable if every month you are adding to that balance with even more purchases. While I have shared in previous articles budgeting tips, today the focus is going to be on being more aware of your surroundings and how they are impacting your financial health and how to change your surroundings to help your debt reduction progress rather than hurt it.

Be aware of your surroundings.

When do you find that you are most often reaching for that credit card? Is it in the morning while drinking your coffee and scrolling through social media? Is it after a long day of work and you are too tired to cook and so you swing by a restaurant and grab a meal on the way home instead? Is it part of your social connection and you don’t hesitate to go out for dinner and drinks with friends and swipe away when the check comes? Understanding yourself and in what surrounding you are most susceptible to paying with your credit card can help identify areas to either avoid or to plan for within your budget. If you are battling the seemingly hopeless credit card battle, start by taking a mental inventory of where you are each time you reach for that credit card.

Once you identify where you are when you are most using your credit card, start to assess why you are doing it. Some top reasons you may discover are you are bored, you are not feeling great about yourself (but that new purse will make it all better!), you are needing more social connection, or you are just overly susceptible to product marketing and are struggling with impulse control. There are many reasons why people reach for that credit card and understanding the where and why are crucial to get a strategy in place on what you can do to get on track.

You know the where and why, but now what?

Congratulations! By better understanding what surroundings and circumstances trigger your usage of your credit card, you can now start to take action! The next time you are scrolling through social media or watching a tv show and see a product that makes you want to click on your shopping app and add it to your cart, yell out loud, “Not today marketing people!” You caught them trying to get you and you recognized it! Just sit back, finish that coffee and smile knowingly that you foiled their plans to entrap you with an impulse purchase!

What if it isn't the marketing people getting you, but instead its seeing what other people have that influences you to make purchases to be able to share online and get attention as well? Maybe it's a new outfit or even a family vacation making you swipe that credit card. You may need to take a step back to the previous step and do a deeper dive on the why. Why do you feel you need to share things to send off a certain image into the social media world?

Once you have a good handle on the why, you can start to make changes to your surroundings. One thing you can do is set a goal to reduce your time on social media in general. I have recently taken a step back from social media and changed my profile picture to "Taking a break for a while". Wow, it has been so nice not having that take up so much of my time or thoughts! If you aren't quite at the place where you can completely step away, maybe set a goal to reduce the % of time you spend on certain apps. My cellphone has a feature in settings called "Screen Time". It allows you to look and see how many minutes a day you are spending on each app and schedule "downtime" where you won't be able to access certain apps. I challenge you to go in and get a baseline of what apps you are surrounding yourself with and see if they may be contributing to why you are making certain purchases. Set a goal to reduce your screen time by 10% the first week and continue to monitor and reduce each week.

If it's not social media that is influencing the credit card swiping, it could be many other things. The key is increasing your awareness to seek to understand your surroundings and "why" they are influencing you to spend. Every time you have that urge to buy something, just pause. Pause to really understand why you are wanting to make the purchase. One simple technique is to create a "wish list" on online shopping sites where you find yourself making the most impulse buys. Instead of purchasing things immediately, add them to your wish list and then revisit them at a later time to see if it is still something you feel you need. Also, consider using online grocery pick-up. If you find your impulse buying is happening at the grocery store, by using the online tool to add things to your shopping cart you can more easily price compare your options, see what your total balance is and you are more likely to stick to your actual grocery item needs and avoid grabbing colorful, well-marketed items off the end cap or near the checkout lanes and throw them in your cart.

You can get out of credit card debt and have a healthier, more positive relationship with money. With an increased awareness of your surroundings and why they are influencing you to use your credit card, you can take back control of your financial health!

*Do you have a specific question? E-mail me at: [anne.e.schutt@nm.com](mailto:anne.e.schutt@nm.com) and we can include your question when most relevant along our road trip together.*

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