

**FINANCIAL LITERACY  
HOW TO RESIST PURCHASE TEMPTATIONS IN HONG KONG**

Sunday night. You come back, light hearted. It was good to see your friends, laugh, play and relax. Light-hearted... with a lighter wallet too. That's the bad thing about Sundays! It is too hard not to shop at all in Hong Kong! Temptations are everywhere: nice clothes in the shop windows, sales here and there, cheap electronics!

The truth is for 99% of us, shopping is much nicer than saving! Why? Because it is immediately rewarding. But the trouble is, as money is limited, shopping now will put our longer term goals at risk. Count all the nice clothes you have bought in one year, not the ones you really needed, but the ones you could have done without: it adds up, doesn't it? Now look at your goals and think of what else you could have used the money for.

We all have various motivations for shopping. The first motivation is basic: buy things we need to live, for example food or school uniforms for the children. The second reason is we buy as a leisure: we enjoy spending our free time in the shops, fumbling, looking, touching... and eventually buying! And it is pleasant way to spend time with friends. The third reason is for status, in other words... to show off! We want to look fashionable and buy the latest clothes of this particular brand. Or we want a particular mobile phone made by company A. Peer pressure, that is buying an item because our friends' circle have it and push us to buy it, is similar to status. We don't buy the item, whether it is a garment, a jewel, a magazine, an electronic item... only because we think it is useful; we buy it because of the "image" it is going to give us. The fourth reason for buying is because we simply can't resist it! There are some items for each of us which are harder not to buy than others: it can be jewels, clothes, whatever... to me it is books! If I go to a bookshop, I am sure I will end up buying a book!

Your first action point to control your shopping and keep enough money for your long term goals is to write your goals. Have you followed the December issue of *Kabayan* and written your goals? If you have, WELL DONE! If not, it is never too late and if you have lost the goals spreadsheet, email us at [sophie@aandbmake3.com](mailto:sophie@aandbmake3.com) to get one. Why will writing your goals help you control your expenses? MOTIVATION! If you know the concrete reasons why you want to save and limit your spending, instead of getting frustrated because you cannot buy something, you will be satisfied in seeing that you can reach your goals. Motivation and satisfaction are key elements to control your shopping: so stick your goal spreadsheet over your bed, or keep it in your wallet. This is what you want to reach: a house, educations for your children, a small shop, whatever your dreams are.

Second action point: note down your expenses, all of them, every day. This will help you know where your money goes. Then think over each expense type and identify the reasons why you buy it by filling the form below:

<b>Why do I buy?</b>	<i><b>I need it</b></i>	<i><b>I buy it as a hobby!</b></i>	<i><b>The others have it. I must have it too!</b></i>	<i><b>I can't resist!</b></i>	<i><b>How much do I think I spend every month?</b></i>	<i><b>How much do I really spend every month</b></i>
Food						
Coffee/drinks						
Restaurant						
Mobile phone						
Clothes						
Shoes						
Jewels						
Books						
Magazine						
CD						
Cinema						
Toys						
Children's clothes						
Perfume						
Beauty parlour						
Other:						

Identify your “leak point”: the expenses you cannot resist. Then in your budget, leave a line for them, don’t leave them blank. And monitor these expenses carefully. If I have spent my monthly budget for books (my leak!), I just avoid going to bookshops altogether. To make sure you follow your budget, first leave the amount you want to save in a bank account. Then split what you plan to spend in different envelopes: one for food, one for transportation, one for phone, one for clothes, etc... Spend within the envelope, and don’t cheat on yourself: don’t take from another envelope. If one is empty, for example, the “clothes” one, wait until the next pay to fill the envelope. And on Sundays, only take a bit of money.

Be careful when going shopping if you feel depressed or bored, you might end up spending to cheer you up! Have a list of leisure you can do without spending money...and always keep an eye on your goals!