

Less is More

According to the Ontario Association of Credit Counselling Services, the average home built in the 1950s is comparable in size to a three-car garage, yet the percentage of Americans “describing themselves as very happy” peaked in 1957. Today, however, people are less satisfied with what they have and face greater financial woes. We hear maxims such as “bigger is better” or “he with the most toys wins.” Are we measuring success and happiness in terms of the things we can buy?



Consumerism has an addictive quality. With the creation of malls, shopping has become a hobby and a central focus in our lives. It seems consumption has replaced an internal sense of self-worth.

The ease of credit has also contributed to the ease of spending. Today, people think nothing of buying new items and putting it on credit. In the 50s, there was no credit. People would save or put items on lay away until they had the dollars to make the purchase.

So, let's do the math:

In the 50s: People had less + they saved for purchases = happiness

Today: People have more + they buy on credit = debt, financial struggles = stress and unhappiness.

If you add it all up, maybe it's time we got off the spending treadmill and looked back to a time when less was more.

If you're looking at simplifying and reducing your spending, saving money and lightening your money woes, MOSAIC credit counsellors suggest the following top ten ways you can save money and regain that peak of happiness experienced in the 50s:

Simplify your Budget

Keeping your spending in check and money management do not have to be a complicated tasks. If you have a computer, you can simplify your budget by using a spreadsheet. However, if you don't there are still easy ways to manage your money.

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1. Stop trying to impress people.
2. Don't go shopping.
3. Live within your means.
4. Take care of what you have.
5. Wear it out.
6. Do it yourself.
7. Anticipate your needs.
8. Research value, quality, durability and multiple uses.
9. Get it for less.
10. Buy it used.

Another good way to curb spending is to figure out your net hourly rate – that's your monthly pay less taxes and CPP contributions (not to mention associated work costs like transportation



or clothing) divided by your hours of work. If your net rate is \$10/hour that would be the equivalent to one hour of life energy. So the next time you want to purchase something for \$30, ask yourself, *"is it worth three working hours or would my money be better spent elsewhere? Am I receiving value in proportion to the amount of life energy spent to obtain this item?"*

- Set financial goals – over 5 years, 10 years, 25 years. Otherwise you can easily be swayed by impulse buying. If you're in debt, your first goal is to get rid of the debt. There's no point paying into an RRSP when you're paying the minimum balance on your Sears card.
- Keep track of your spending. Use baskets to hold all your receipts and debit slips. Record your expenses in a spiral ring notebook for one month. If you're really ambitious, you could record your projected as well as your actual expenses.
- Create an irregular expense fund in your monthly budget to cover such things as car repairs, gifts, clothing, vet bills, optometry and dentist bills, home maintenance or any emergencies. Estimate these expenses over the course of one year, then divide by twelve to determine your monthly expenditure.
- Establish a realistic budget after tracking your spending pattern over the 30 days. Know your needs from your wants. Is this something I need to live, or do I just want it. Always take care of your basic needs first – food, shelter, clothing, transportation. Cell phones, cable and Internet connections are probably not needs.
- Include monthly savings in the household budget, even if it is just a small amount.
- Avoid using credit cards and when you do use them, keep track of your credit purchases and pay the entire bill on time.
- Set aside one hour each week to pay bills and review your finances.

