

Breaking the Spending Spell



**How to Uncover Hidden Influences for
Wiser Financial Choices**

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What I won't suggest ...



Make a budget



Save more for retirement

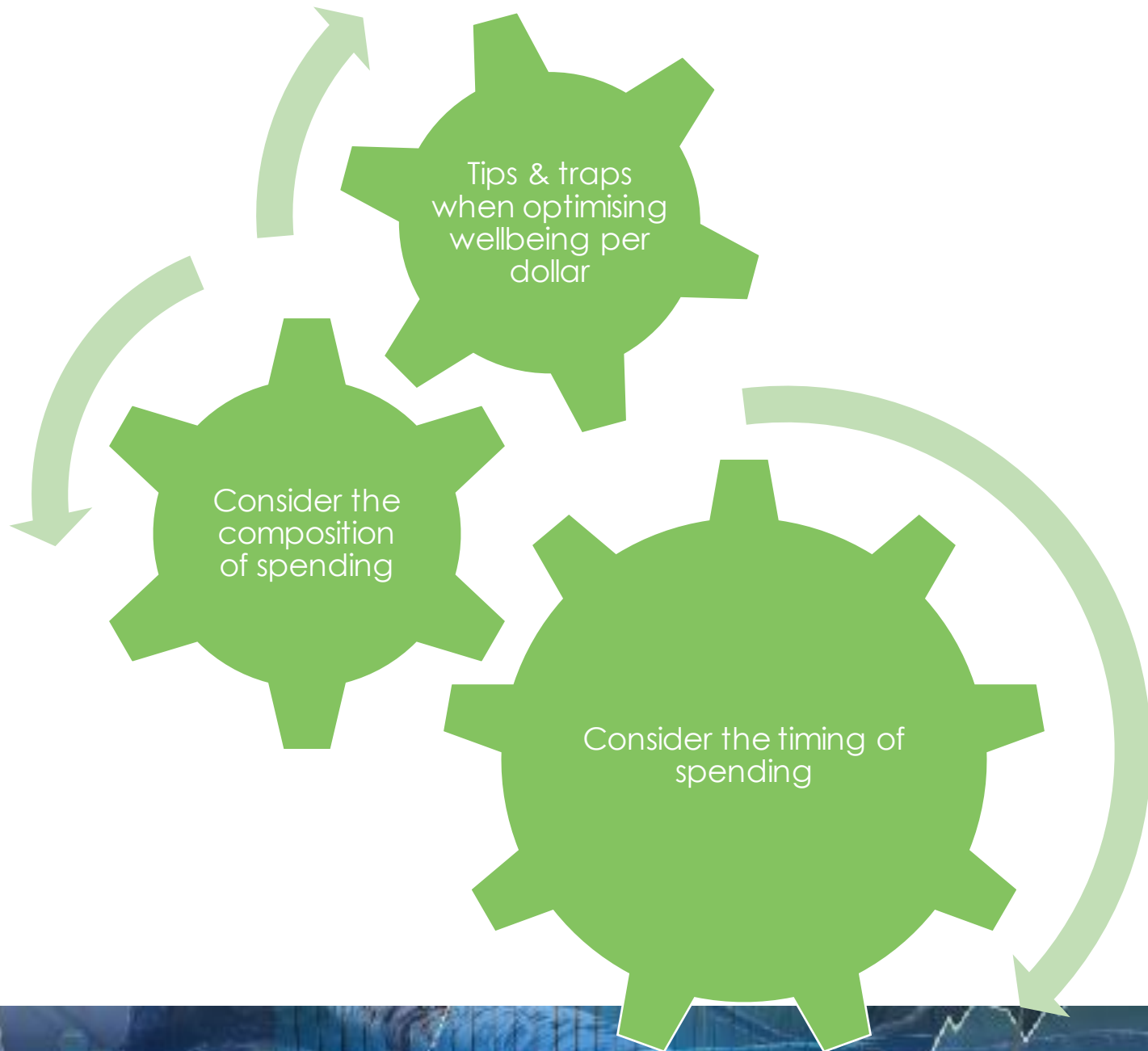


Pay off your credit cards



Extra money won't help

What I will suggest ...

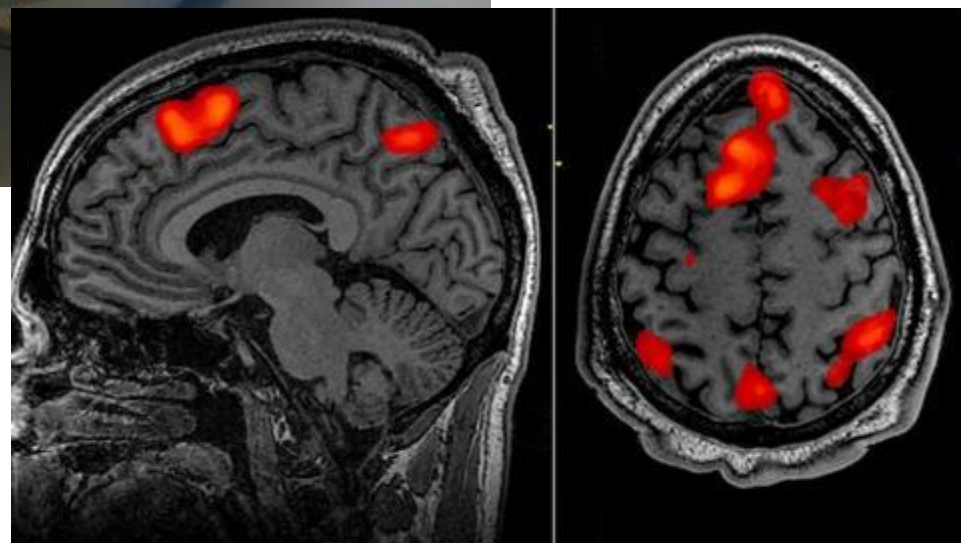


Your future self is like a stranger

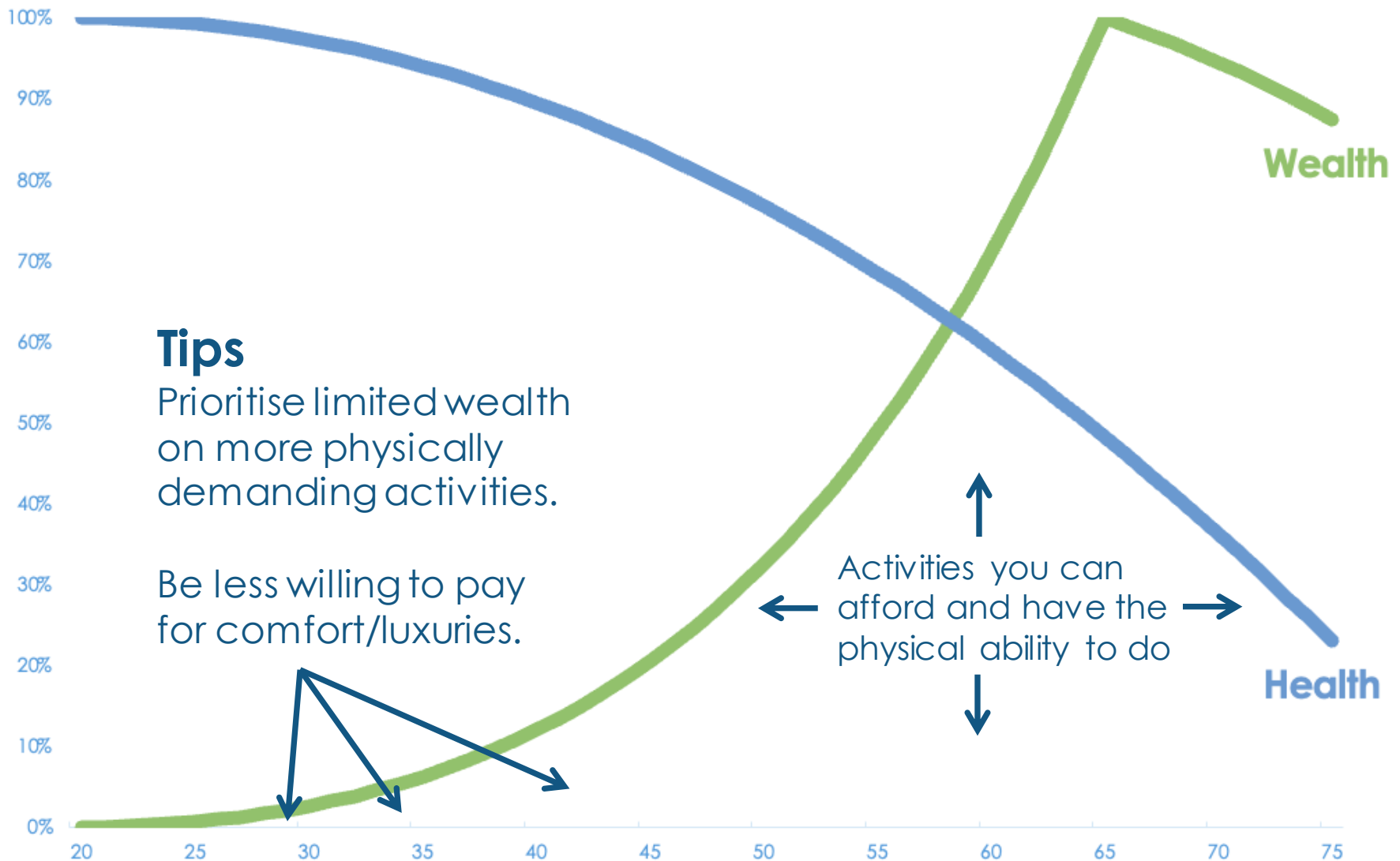


Tips

1. Recognise that this is a future version of you
2. Make the future more tangible



Health & wealth



Would you prefer:

- A. A massage on a massage chair for 180 seconds?
- B. A massage on a massage chair for 80 seconds, followed by a 20 second break, followed by a further 80 seconds?



Tip: Maximise happiness by allowing for habituation

- Several shorter breaks versus a long holiday?
- Working part time rather than transition from full-time work straight into retirement?
- Prioritise experiences (particularly with friends/family) over possessions?
- Actively pay attention to good things.
- Don't wait for pay rise/promotion to be happy.



You are thinking of buying a new ~~TV~~. car
Your preferred model is available at
your local retailer for ~~\$900~~ (pickup only).
\$45,500

Alternatively, you could drive to another
store where you can buy the same
model (with the same warranty, etc) for
\$45,300 ~~\$700~~. It would take you 30 minutes extra
to drive each way to pick up the TV
from this store.

Would you save the \$200?

Tip: Find saving in psychological blind-spots

Amounts that seem small relative to something big

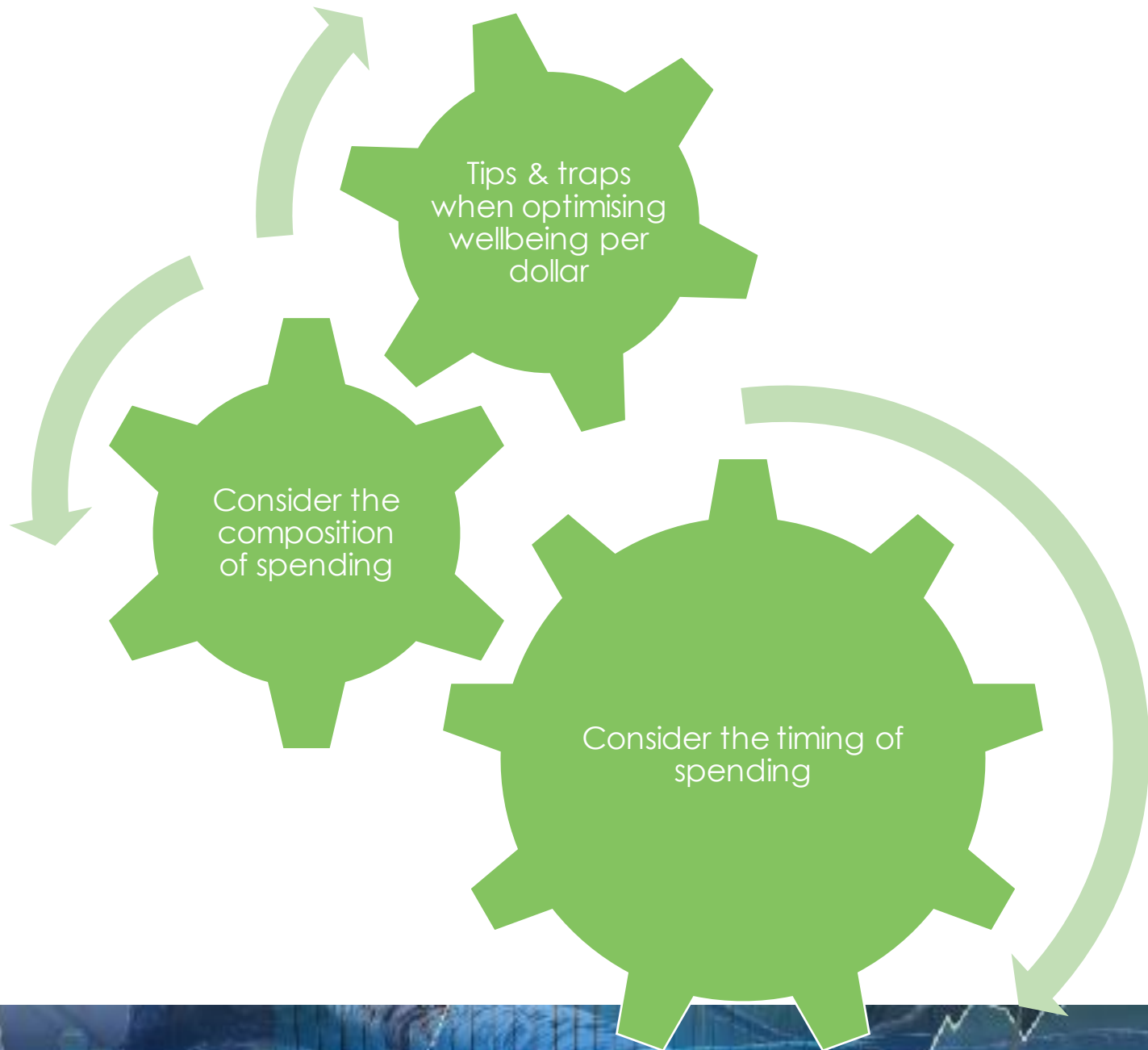
- Especially %.
- Especially if little or no effort is required to pay.



Try to "reframe":

- Convert a % into a \$ or into an "opportunity costs"
- \$ relative to the time/effort required

Recap ...





**What
concepts/insights
resonate?**

**What will you do
differently?**