

Can Living Frugally Make You Happier Than When Living Lavishly?

Do you believe money is the key to happiness?

Somewhere deep inside, we all know that money cannot buy happiness. Many people overspend and rack up thousands of dollars in credit card debt to live a lifestyle they believe will make them happy, only to discover they are living beyond their means. This, in turn, adds stress and worry ... causing unhappiness. Believe it or not, living frugally can actually make you happier than living lavishly.

Living a frugal lifestyle isn't necessarily about pinching pennies and denying yourself things you want. It's about making your life easier and worrying less about money.



If you've decided it's time to start living more frugally, ask yourself why you want to do it and establish a goal. Without a reason to change your spending habits and a goal to work toward, it's easy to fall back into old habits. Maybe you'd like to retire early, or travel the world or buy your dream home. Maybe you'd like to work less and spend more time with your family. Whatever your reason, write it down. Place reminders of your goal where you'll see them often.

Once you've started your new frugal lifestyle, you may be pleasantly surprised at your newfound happiness. Below are some benefits of living the frugal lifestyle that can lead to more happiness and better money management.

- You'll learn to appreciate what you have. You'll become thankful for your resources and learn to make the most of them. Rather than throwing away old items, you learn to repurpose them and let little go to waste.
- You'll tend to choose experiences over objects. Rather than going to the mall and purchasing a new outfit or the newest video games, you're more apt to go for hike, to the beach or play board games with friends or family. These experiences provide memories and happiness that can last a lifetime. Conversely, that new outfit or video game will provide only temporary happiness.
- You'll start to notice your debt diminishing. The burden of debt often ties people to jobs and locations that they hate because they feel they have no other choice. Once your debt disappears, you'll have the freedom to choose a profession and location that makes you happy.
- You will have more leisure time. Once you're able to pay down debt, you won't need to work as many hours to make ends meet. This will give you more free time to spend on hobbies and other leisurely pursuits.
- Living frugally may put you on the path to early retirement. Rather than spending your golden years working, you could be gardening, traveling, enjoying your grandchildren or any number of more pleasurable things. Being able to put more funds away for retirement will help you reach a financially comfortable level long before many of your colleagues.
- You might find joy in helping others. By reducing your own expenses and saving money, you are able to give more to others and support social causes that are important to you.

Now, you may be thinking – the frugal lifestyle doesn't sound all that bad, but how do I get started? The key is to start small. Make a list of what you'd like to accomplish, how much money you'll need to achieve it, and formulate a plan. Figure out expenses you can live without. Instead of buying high-priced gourmet coffee at a drive-thru in the morning, brew your coffee at home. Brown bag your lunch rather than eating out. Make a weekly meal plan and cook your meals at home. These items alone can potentially save you hundreds of dollars a month.

If you're paying down multiple credit cards, look into consolidating them into one loan or to a single, lower-interest credit card. This can give you significant savings on interest charges. Check out MembersAlliance Credit Union's low interest credit card options and apply at www.membersalliance.org. Once you've consolidated your credit card debt, keep your oldest credit card, but use it infrequently and close all others. Keeping your oldest card open may positively impact your credit score. Leaving the others open, though, may lead to a temptation to use them again, thus defeating the purpose of paying them off.

Learn to stretch your money as far as you can. When purchasing groceries, clip coupons and look for sales. When purchasing clothes or other non-grocery items, check thrift stores, yard sales and clearance racks for the best possible deals.

Look for ways to lower your monthly bills. Are you paying a huge bill for cable TV? Could you live without it? Many people pay a large cable bill and only watch a handful of channels. Check to see if there is a cheaper package available. Is your electric bill higher than it should be? Try hanging your clothes outside to dry rather than using your clothes dryer whenever possible. Also, washing your clothes in cold water instead of hot will save your hot water heater from working as hard – and your clothes will still get cleaned. Another good habit to get into is unplugging electronic devices when you're not using them.

Give frugal living a try! You have nothing to lose but debt and can gain some unexpected happiness along the way.

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