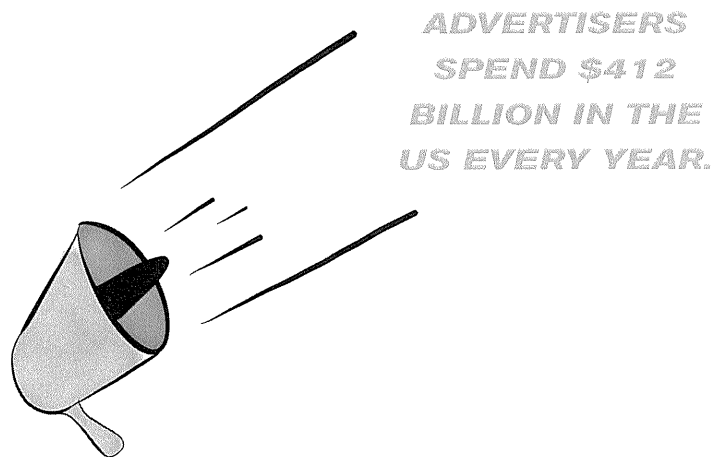


The Power of Peer Pressure, The Media and Advertising

We can't teach you how to make smart spending decisions without talking about the impact that our surroundings has on us.

From kids wanting cartoon cereals to college students getting credit cards because "all my friends are" to 30-somethings buying \$600 shoes that they saw on Sex in the City, we are all inundated with messages about how our life would be better if we had just this one thing. Advertisers spend \$412 billion in the United States every year, all to impact our buying decisions.

Though most of us feel we wouldn't make a buying decision based on what others think or have, study after study has proven that untrue (Tellis and Ambler 2007). For most of us, being aware of the impact can make the difference.



In **chapter 2**, we suggested you create a rule for yourself, the "I'm Spending more than \$XXX Rule." Every time you get ready to buy something more than that amount, you reach out to an accountability partner or you ask yourself a couple of questions such as:

"When did I decide I wanted to buy this?"

"Is there anything else that I'd rather do with this money?"

For some things, the impact is minor. A \$5 box of cereal vs. a \$3 one isn't going to change your financial life. But if you buy a BMW instead of an Acura, or even a Ford, because you want to look good for your friends and colleagues, is looking good worth the ongoing additional cost for maintenance and repair costs?

Do you need a 6,000 square foot home, or do you want one because your college buddies are all buying them? There's nothing wrong with wanting a huge home if it fits into your spending plan, but take the time to think through the additional cost of maintenance, property taxes, housekeeper, yard care, pool care, etc.

You don't want to spend hundreds more every month simply because you were trying to keep up with the Jones.