



## Take stock of how much conveniences are costing you

With the change in how we do things and with social distancing likely to be an ongoing part of that, many of life's conveniences like streaming and delivery services will become our essentials. If you're used to spending unlimited amounts to make life that little bit easier though, now is a good time to look at what you can live without to make your budget go further.

These days it's easy to order just about anything on demand. With the tap of a button, you can stream the latest music, have food and drinks delivered to your door and choose a new outfit with next-day delivery. But convenience could be costing more than you realise, with serious consequences for your future financial security. With the growing number of 'set and forget' payments for subscriptions and services, consumers are often footing the bill for things even when they're not really using them.

There are also costs to society and the environment that come with the convenience of online shopping. All that packaging and fuel consumption that comes with home deliveries can really add up to big problems for landfill and climate change.

If convenience is troubling your conscience, as well as your hip-pocket, take a closer look at these five areas where it's easy to overdo it, and get some ideas on what you could do to put some sensible limits on your convenience spending.

### 1. Entertainment

The convenience of online streaming services has made them essential for many people looking to enjoy entertainment at home and on the go. Unfortunately, free trial periods and automated payment schedules make it easy to forget exactly what you've signed up for.

To get a handle on your spending, do an audit of your subscriptions. Check your bank account and credit card statements for the last three-months at least to find any automatic payments. Then select the services you want to be using in line with your entertainment budget. If you don't have a fixed amount in your budget for entertainment, try limiting it to one service per category.

## 2. Food and beverages

Consumers splurge a whopping \$238 a month (or nearly \$60 a week) on food delivery services, research shows, with a further \$140 a month on takeaway and coffees.

If you find yourself regularly turning to apps to satisfy your hunger pangs, here are some strategies you can try to limit the splurge.

- Keep healthy snacks with you to curb those cravings when they hit. Things like fresh fruit, nuts and muesli bars can help take the edge off your appetite, so you're not tempted to hit order when you get too hungry.
- Plan your meals a couple of days in advance, so you know what you're going to make and can have the ingredients on hand.
- Take an online cooking class. Learning a bunch of fun new recipes can make it easier to enjoy some excitement with your home cooking instead of turning to take-away to add variety to your mealtimes.

Swapping even one home-delivered meal for a home-cooked meal each week really adds up. A saving of just \$40 a week would put over \$2000 back in your pocket over the course of a year.

## 3. Transport

On demand transport apps have changed the way we travel. If you live in a big city, chances are you use apps like Uber fairly often. But since the fees come directly out of your account, you may not even realise just how much you're spending on travel. There's also the environmental impact to consider. Each private trip produces much more carbon pollution than public transport. When you weigh up the true cost, is it really worth it?

The answer is simple: when social distancing rules are relaxed you can swap private rides for public transport, walking or cycling wherever you can. There are some great public transport apps around that make it quick and easy to catch a bus or train, so you can still rely on technology to make travel simple.

## 4. Technology

Apps, games, smartphones, tablets, eReaders... how much do you spend on technology that you don't even use? With many devices costing upwards of \$1000, delaying that upgrade until you really need it could be a win for your pocket – and for the environment.

App subscriptions are another sneaky expense that really adds up. They may seem inexpensive and often have free trial periods, so it's really easy to forget what you actually end up paying for. Check your subscription list at least once a month and delete anything you don't need. Your bank balance will thank you.

## 5. Easy payment services

Buy now, pay later (BNPL) arrangements have exploded onto the scene in recent years as a popular way to finance a variety of purchases. Figures show that 30% of Aussies have at least one BNPL account, spending around \$7 billion a year. Most of that is going on fashion, followed by appliances, entertainment, food and drinks.

There's evidence that BNPL services lead to overspending. A full 60% of BNPL users surveyed by Mozo reported purchasing things they normally wouldn't thanks to the easy payment instalments. If this sounds like you, it might be time to step away from Afterpay, Zip and other BNPL services and get back to good old-fashioned saving in order to get what you need.

Source: Money and Life

**We will guide you with a tailored approach that works for your circumstances. Give us a call on 4927 4588 (Rockhampton) or 4939 1766 (Yeppoon) to see how we can help.**

