

# How to Prevent 'Lifestyle Creep' from Eating Your Wealth

By Alice Boyes Updated June 9, 2019 / Original June 2, 2019



Photograph by Billy Huynh

As college students, many of us become experts at living the frugal life. We cook dinner for friends using the one knife and two pots we bought from TJ Maxx or “borrowed” from Mom’s kitchen. We take the bus, tape broken items back together, and celebrate the luxury of our first apartment without roommates, even if it’s a 600-square-foot studio.

Then our income increases, and certain behaviors become outside our comfort zone. We get used to buying everything brand new and wonder how we ever survived without a \$300 blender. We might have fond memories of staying in hostels while backpacking around Europe or Asia, or seeing a mind-blowing Broadway show on a \$30 standing room ticket, but we wouldn’t do that now.

Sometimes your old behaviors no longer make sense in the grand scheme of things. You're unlikely to stay in a hostel when you're traveling with two kids, and the \$100 a month you save by sticking with your garage-less apartment might not be worth digging your car out of the snow all winter or storing your bike in your living room. It's perfectly fine to want to enjoy your money, and to sometimes choose convenience over cost—as long as you are mindfully choosing. It's when we allow lifestyle inflation to happen mindlessly that we can lose our way financially.

While there are many tactics that can help you beat lifestyle creep, understanding a few underlying psychological principles is more useful than memorizing a long list of tips. Try these mental tricks for slowing or reversing lifestyle creep:

**Embrace the power of habit.** Do each of the following frugal behaviors at least once a quarter to keep them within your comfort zone: buy something used instead of new; take public transport; borrow a book from your library; go to a free community event; make do with the imperfect tool you already own rather than buying a specialist gadget that would be marginally more efficient; borrow an item from a neighbor rather than buying your own; cook dinner based on what's already in your pantry or fridge rather than going out or buying more groceries. When you do these behaviors at least semi-regularly, these options will stay on your radar for when they're the most rational choice.

**Respect the power of loss aversion.** Loss aversion is a powerful and well-researched force: we hate having things taken away from us. So be wary of free or low-cost upgrades, especially new customer offers. Better airplane seats, faster internet service, or a nicer hotel room do sound nice in the short-term, which is exactly why companies offer them: when you take these offers, going back to your prior standard can feel like a loss. As a middle ground, try to only jump one level at a time e.g., only go up one level of service. If you sign up for free trials, turn off auto-renew.

**Remember that behavior is highly socially contagious.** Thinking, emotions, and behaviors from over-eating to over-spending are all influenced by the people we spend time with. Cultivating spendy friends can have unintended consequences on your budget. For instance, your friend tells you about the amazing facilities at her \$200-a-month gym and you start to want

them, even though you were previously satisfied with your local YMCA. Or your friends keep asking you to catch up at restaurants with \$40 entrees. Suddenly friendship becomes very expensive! Foster ties with frugal people. Having at least some frugal, resourceful, low-maintenance friends can help you stay grounded.

**Reframe frugal behaviors as simple, not a sacrifice.** We typically mentally link high cost with higher convenience, but in fact there usually isn't a trade-off between cost and stress, or between cost and the quality of our experience. Expensive options can even increase stress, like when you need to drive across town in rush hour every week to take your child to a specialist extracurricular class, or when you buy something so expensive that you never use it out of worry that it will become stolen, lost, or damaged.

Notice when seemingly small purchases will lead to future spending. Some types of purchases have a natural tendency to lead to others. You buy one smart home product that leads to buying many other complementary home automation products. Or, the new comforter you see on sale that doesn't fit with any of your existing decor leads to you buying new pillowcases, curtains, and towels for your bathroom. Running some basic back-of-the-napkin math to include the cost of these other add-on items can change the appeal of certain choices.

Mindless lifestyle creep can lead to spending a lot more on things that actually add more stress and complexity to life. When you understand the principles of how it happens, you can keep frugal behaviors within your repertoire and make more prescient choices that better reflect what's truly important to you.

*Alice Boyes, Ph.D. is a writer and was formerly a clinical psychologist in her native New Zealand. She is the author of [The Healthy Mind Toolkit](#), on which this article is based, and [The Anxiety Toolkit](#).*

---

MORE FROM NEWS CORP