

## Financial Capability Episode 2 – Reduce, reuse, and recycle



**Arun:**

Hello, my name's Arun Aggarwal and welcome to 'My Future Finances'. In this series of six episodes, we'll be drawing on your experiences of managing money and exploring the key issues that affect your money and your futures. Now, these episodes are all British Sign Language enabled, and will have captions and transcripts.

**Arun:**

Reduce, reuse, and recycle:  
How to embrace sustainable living and protect the environment by becoming financially savvy

**Arun:**

Welcome to the podcast Iona, it looks like an interesting topic to investigate.

**Iona:**

Yeah, really fascinating and I'm really glad you're covering it.

**Arun:**

I guess let's start with how we manage our needs and wants in life. It's said that as a society we're quite driven by our consumer needs. Are we really a materialistic society and driven to want things and fill our lives with lots of stuff?

**Iona:**

I suppose you could say that, yes, we are a society that is very focused on stuff and we are primed from a young age to consume. So, we all know this concept of retail therapy. You know, we spend money, not just to get things that we need, but also to make ourselves feel better. And I mean, you know, of course life's for living and we need to enjoy ourselves and buy things that make us feel good, there's nothing wrong with that. But I think we also need to be aware of the impact that we have on the environment and on our finances when we spend money. And I think that advertising is all around us. We've got the pressures of social media and our peer group, the rise of contactless spending. I think all of that means we're probably spending more than we realise. And in a way that may not be healthy or sustainable. So, there's this concept called Stuffocation, which is essentially over stuffing your life with things that you see and think, yeah, that'll make my life better. I quite fancy that, people will like me or find me more attractive if I have it in my life.

So, we buy it. It makes us feel good for a bit, but then the novelty wears off and we get more stuff and we take it for granted after a while and we just end up in this negative spiral of buying more stuff for the sake of it. And I think that's why more and more of us are moving towards experiences and renting things rather than buying them because that's a real antidote I think to this high consumption resource heavy

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lifestyle, that we know has to change if we're going to be happier and have better finances, but also live in greater harmony with the environment.

**Arun:**

What would you say about the changes that we can make to our spending choices?

**Iona:**

I think it all comes down to awareness, you know, being mindful of what we're buying and why. We have to learn to distinguish between what we really need, stuff we value and genuinely brings us joy in the long run, and the stuff that just takes our fancy in the moment or that we're being influenced to buy. So, I think a really good way to become more mindful is to keep a spending diary, write down when you buy stuff, why you buy stuff, how much it costs and how it made you feel. And I think it's good to identify what kind of spender you are, because once you know what your triggers are, you can make those little lifestyle changes that will stop you overspending or buying things that you don't really need. Then I'd make two lists. One will be the five things that we love most in the world and the other are the five things that you would take with you to a desert island for a year. And I think that once you compile those lists, you'll realise that most things in life that you love and value are either free or cost very little money. And I think they'll help you really put your short-term needs and desires into perspective. I know it's such a cliché that the best things in life are free, but it's a cliché because it's true and we often lose sight of it and I think when I'm feeling that urge to splurge, I often just need to take some time out and go and do something completely different. So, I have a list of what I call decoy freebies. These are free activities that I love to do, and that I turn to when I'm feeling down and I might go online and indulge in some unnecessary retail therapy. So, my decoys freebies are having a bath, going for a walk, phoning a friend. These are things that I really love to do and cost absolutely nothing and I find them incredibly therapeutic. So, make your own list of decoy freebies and the next time you feel that urge to splurge, get them out, just take some time out, go and do something else because it really does put that consumerist desire into perspective. And then when I come back, I often find that the thing that I wanted to buy, I'm not really that bothered about anymore.

**Arun:**

So, you've mentioned using less or buying less, but can you talk to me about ways to still get the things that we want that don't cost the earth, both from a financial point of view and the planet?

**Iona:**

Sure. So, I think it's about tapping into the circular economy and changing our behaviour. So, that we re-use and recycle a lot more. So, try to buy second hand, or as I would call it, pre-loved stuff as much as possible. I absolutely love charity shops. I've got the most incredible things over the years by shopping second hand, whether that's designer clothes or furniture, and I've also massively simplified my skincare. So, I'm not splurging as much on face creams as I used to. I'm buying less stuff. I'm using less packaging. I use soap an awful lot now because it's really sustainable and very cheap. So, it's the little things that help us save money, but also help to conserve natural resources, cut down on the manufacturing of plastics and reduce landfill. And if you are only going to use something occasionally consider renting it rather than buying it. So for instance, you might want to rent a spare bed if you need it or rent a car, if you need one for the day. I think that you just need to make sure that you understand the costs of renting, and if you are going to use it more than once or a few times, maybe consider buying it, but really think it through. Do you need it? And is it going to add something to your life?

**Arun:**

Iona you've covered that we have a choice when we think about those bigger purchases that we make in life but what about our kind of day-to-day spending habits? Unfortunately, environmentally friendly and organic products can be way more expensive. So how do we make a difference to the planet without it costing us loads more?

**Iona:**

Yes, it's a good point. There is this perception that in order to be eco-friendly, you've got to actually have a really expensive and complicated lifestyle. You've got to go out and buy products that are a lot more expensive. The truth is that actually I find that saving money and being kind to the environment, usually go hand in hand. So yes, you can spend a lot of money on fancy organic products, but you really don't have to. There are simple things that you can do in your life that don't have to cost a lot of money that will be kinder to the environment. And I have this concept called holistic goals, which is about having more than one motivation to do something. So, for me to stick to a new habit, I've got to have more than one reason to do it. So, it makes sense to develop goals that will help save you money and be kind to the environment and preferably also help you achieve another big positive in your life as well. A great example is walking or cycling instead of taking public transport or having a car, you could also try shopping vintage and having a clothes swap party rather than buying new clothes and going into the fast fashion. And you might consider getting a reusable coffee mug and making your own coffee at home rather than buying lattes when you're out and about. And I like to use more natural, simple ingredients in my beauty and cleaning routines rather than going out and buying new expensive products. I think all these things can have a really positive impact on your finances and the environment, but they might also bring something else into your life, like the chance to exercise or be creative or switch up your style or meet new people.

**Arun:**

So, I've got friends who are all about sustainable living, with that in mind, what else can they do to save money?

**Iona:**

Okay. So, the number one way that anyone can save money and be more sustainable is reassessing their eating habits. So, buying take-aways and fast food with lots of unnecessary packaging is not great for your finances or the planet or your health for that matter and neither is wasting food because you're not planning what you're going to eat in the week ahead. So, try to cook your own meals using plant-based ingredients and vegetables as much as possible, because those are cheaper and healthier. It's the ultimate holistic goal. Pre-cooking meals when you have a spare few hours is also a good idea, because it's going to save you lots of time during the week. You can put those meals in the freezer and get them out when you need them and embrace what I call the capsule fridge, which is basically buying classic ingredients that work well in lots of different meals. Alcohol is a big expense for those who aren't teetotal, and it can come with health as well as financial risks. So, I think it's a good idea to have some boundaries in place. For instance, I try to drink only at the weekend or on special occasions, and I try to limit my units and have a few weeks off here and there as well, because I think that's good for your health as well as for your finances. Maybe reassess your phone habits, so do you buy stuff online because you're scrolling through your social media feeds, you're bored, you see something that takes your eye because you've seen it in an ad or an influencer suggested it. So, I put boundaries in place so that my online spending is under control. I don't have shopping apps on my phone. I don't follow brands on social media and I try to have phone free time every day. And finally, energy is a simple but really important area where we can all be more mindful. So, turn off lights and appliances when you're not using them, make sure your home is well insulated and don't let unnecessary heat out and turn the central heating down by a degree or two, and maybe invest in a couple more juppers.

**Arun:**

Iona what tips would you give to people who want to make a concerted lifestyle change to their spending choices?

**Iona:**

I think the first step is to make time for your finances, because otherwise it's not going to happen. You've got to sit down and think about your money so you can really absorb the information you need to make those changes. So, schedule time to look at your bank statements or your banking app. See where your

money goes and identify easy wins. Spending on things that you don't need, like subscriptions you don't use anymore. That's an easy win, you can cancel that. And it's a really good idea to check where your money is going anyway, because you might spot errors that you can correct, like being accidentally billed twice for something, that happened to me not that long ago. So, you can instantly claw back extra cash just by being vigilant and make one or two small changes initially, we've talked a lot about the importance of not being too ambitious in the first instance, but just deciding to make a few changes initially and give yourself time to bed in those new habits. So, it could be that you're going to go to your local food market once a week, take bags and reusable boxes with you and bring that produce home. That's a great goal, but then if you decide to sell your car and go running everywhere and ditch all your cleaning products and start a compost bin, that's all very overwhelming. You know none of it's going to stick because you're trying to run before you can walk so better to concentrate on the small, realistic changes that you can make and be consistent.

**Arun:**

Perfect. I know you've mentioned a few, but are there any actual tools out there that can help us identify where or how to make those changes?

**Iona:**

So firstly, your bank should offer a good app that will be a really good place to start. And on that app, you should be able to see exactly what your income and outgoings are, you should be able to see whether you have any pending transactions, what your available balance is, if you're overdrawn. All that information can really help you understand what's going on with your money. So, make sure you're checking your banking app on a regular basis, but you can also download additional budgeting tools that are read only, and will help you weigh up you're spending. And there are also chatbots as well that will talk to you about your money and help you make better decisions. You can also search your transactions on your banking app or your budgeting app to see how much you've spent in a particular area. So, if you're maybe spending a bit too much on skincare or shoes or going out, you can clock that and make the changes that you need to. The main thing is once you identify a change that you want to make, you then schedule some time online to research what your options are, because that's the thing, all the information and the resources are out there. They're pretty easy to find, but you've got to put in a bit of time and effort to find them. Trust me. It's well worth it.

**Arun:**

Perfect. That sounds really useful. Do you have any suggestions on where I can go to get more information on sustainability and changing the ways that I spend?

**Iona:**

Yes, there are lots of online and physical communities springing up to help people be more mindful with their money and be kinder to the environment. So, there's a shop that's opened up quite recently in my area that specialises in sustainability. When I go in, I always come out with some ideas about how I can tweak my lifestyle to make it more eco-friendly and also asking friends and family if they've got any tips or

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can help you in your quest to be more eco-friendly, that can help. So, for instance, quite often, I'll ask my mum, if she already has something that I'm thinking about buying. Because very often she does have it and that saves me some money and it also means I'm re-using something and being kinder to the environment.

**Arun:**

Perfect. Some really helpful insights there from Iona. I guess key to all this is starting small and tracking where your money goes, deciding on some easy wins, getting to grips with your budgeting and accessing information for a range of places and organisations.

Yes, it all starts with budgeting and making those small changes in your daily lifestyle and reaching out and finding information if you're not quite sure how to make that change in a sustainable way, because all the resources are out there, you just need to find them.

Yeah. Perfect. I'm also going to talk to other people. So, my friends and family, because they might have some useful tips for me too.

Yeah, absolutely. Like my mum and my neighbour, the people around us can often be incredibly helpful, more than we think.

Wonderful. Well, thanks Iona for chatting. It's been really insightful for me.

**Iona:**

Yeah I'm glad I've been able to help.

**Arun:**

Join us again when Iona and I will talk about more issues regarding money.