



## THE IMPACTS OF MOVING OUT:

One of the biggest milestones in becoming an adult is moving away from home. With this giant step into adulthood comes freedom, but also responsibilities. The change in lifestyle also brings with it some major financial choices. For example, the “stuff” we buy to fill our homes can easily spiral out of control. From the basic needs such as, beds and chairs, to finishing touches like art and decorative items, the costs can add up quickly - especially when on a tight budget.

In addition to their personal tastes, and being influenced by what the media’s “ideal” lifestyle looks like, people will get a sense of what they want their lifestyle to be like from how they themselves lived growing up in their parents’ home, and will take steps to achieve that lifestyle when they out. The problem is, their parents had 20+ years to build their home and collection of “stuff” to what it is now. Many young people attempt to re-create this lifestyle in a much shorter time frame. Purchasing expensive furnishings can lead to overspending and debt, and not doing so leads to disappointment in their current lifestyle.

The solution is to instead have reasonable expectations for the current position you are in life. Maybe that means your home furnishings would be described as “Kijiji-chic” when starting out, it’s important to remember that a designer living room set isn’t something a person generally buys until they are financially secure enough to afford it.

One easy way to consider your purchases is to find the value obtained for money spent. While Ikea is often the go-to place for cost-effective home décor, it is sometimes not the best use of funds from a value perspective. In my home right now, my master bedroom could almost be a page from an Ikea catalogue - the bed, dressers, end tables, vanity table are all Ikea products. While cheaper to buy than hardwood furniture, Ikea’s pressboard wood is not designed to last forever, as I experienced when I moved into my current house when a dresser nearly disintegrated while being loaded into the moving truck. Quality should be a consideration when buying items, as sometimes low priced items can end up costing more to replace in the future, should they wear out or become broken in a shorter time period.

Another way around overspending on home furnishings is to focus on what you consider to be important to have. If you spend on what is important to you, you will likely have to forego those less important items to you. If you have a hobby that you enjoy, for example cooking, by all means spend the money for nice pots and pans, but recognize that buying a new TV will have to wait. Perhaps another trade-off is that you will be eating that fancy prepared meal on a cheap kitchen table, but it again comes back to making choices that fit your life and what is important to you.

The key take away of this lesson is to realize that it takes time to build your life and home. Any number of choices regarding how you want your lifestyle to look and feel will force you to decide on what is most important to you. No one can really decide that for you, but I can tell you that no one looks back on their younger years later in life and thinks “If only I had spent more money on home decor...”

Brenda Akins is an Investment Advisor with CIBC Wood Gundy in Calgary. The views of Brenda Akins do not necessarily reflect those of CIBC World Markets Inc. This information, including any opinion, is based on various sources believed to be reliable, but its accuracy cannot be guaranteed and is subject to change. CIBC and CIBC World Markets Inc., their affiliates, directors, officers and employees may buy, sell, or hold a position in securities of a company mentioned herein, its affiliates or subsidiaries, and may also perform financial advisory services, investment banking or other services for, or have lending or other credit relationships with the same. CIBC World Markets Inc. and its representatives will receive sales commissions and/or a spread between bid and ask prices if you purchase, sell or hold the securities referred to above. © CIBC World Markets Inc. 2018. Clients are advised to seek advice regarding their particular circumstances from their personal tax and legal advisors. If you are currently a CIBC Wood Gundy client, please contact your Investment Advisor.