

# How COVID-19 has changed Canadians' shopping habits

**Financial pros share real talk on managing your cash flow, and even making room for the occasional reward, while the pandemic continues to cause uncertainty around our jobs and income.**

I've always enjoyed online shopping, but COVID-19 has put us in some uncharted economic waters that are difficult for many and has limited much of Canada's non-essential shopping to the internet. Should we be cyber-spending right now? Canadians are still buying, just differently than they did before. Being physically distant has impacted how much we're spending, what we're buying and why.

## Shopping in survival mode

According to **Steve Bridge, an advice-only Certified Financial Planner with Money Coaches Canada in Vancouver, BC**, most people have cut spending back to necessities. Bridge explains: "Extra-curricular activities, eating out, entertainment and events have all been cancelled." As well, caution and the conditions of physical distancing have Canadians holding back on making most big-ticket purchases, he says. It's difficult to buy and sell houses, RVs or vehicles while physically distancing, and Canadians prefer a stable economy before investing in costly items—and "nobody knows how long this will last, or what the economy will look like after the pandemic."

Many have no choice but to preserve cash flow in survival mode simply to pay for essentials and are struggling to get by, while others, like healthcare workers, have no time to spend money.

## Boredom busting

At the same time, Toronto's Jessica Moorhouse, an Accredited Financial Counsellor Canada member, says she's noticed some Canadians are shopping online for things to treat themselves in an attempt to ease frustration and boredom. "Those who are privileged to still have their full income haven't changed a lot in how much they spend; just where they spend it." she says.

What *are* people spending on right now? Moorhouse says restaurant take-out and meal kits aren't being bought as often as before Coronavirus. She's seeing more money going towards self-care (including psychotherapy), home décor to beautify our surroundings, and kitchen items for the increase in cooking and baking at home. Moorhouse also reveals her work on clients' budgets surprisingly doesn't show a big increase in grocery bills. She rationalizes we're stocking up each time we buy essentials, which can feel more expensive than frequent trips to the store for only a few items.

Bridge has noticed an increase in buying gear for outdoor activities, especially bicycles and the cost to get them serviced or tuned; small home improvement materials; gardening items; and, of course, alcohol. He also points out an increase in buying online entertainment, like streaming movies, online gaming and even some gambling.

“We’ve recently bought an above-ground pool and a propane fire pit for outdoor family time,” says Kyla Cornish of Cranbrook, B.C., who agrees with the financial pros’ assessments. Like a lot of parents, she says her online shopping is focused on keeping her two kids entertained at home now and through the summer.

In Toronto, Heather Jones took to the Internet to purchase some inexpensive arts and crafts supplies for herself. “Tracking the package gives me something to look forward to, and completing the craft gives me a feeling of accomplishment,” she says.

### **Overspending can still happen**

Quarantine boredom and frustration can easily lead to overspending online. And without clear plans for where your money goes, spending can quickly exceed income, creating debt that could become unmanageable.

If Canadians are watching their wallets, should we be splurging on occasional treats for ourselves to make quarantine bearable? Definitely, Moorhouse says. “If your overall financial plan is solid with bill payments covered and proper savings accruing, buy what pleases you.”

And while it may seem counterintuitive, Moorhouse says online shopping can help to reduce impulse spending temptations you might experience when shopping in physical stores. “Shopping online gives us time to think about our spending,” she expands. “There’s no sense of urgency; no immediate sale or last item on the rack we don’t want to miss. There’s less pressure to buy when you can think about it and return to that website tomorrow.”

To prevent your online spending from exceeding the amount of cash you have available for discretionary purchases, Bridge recommends before you shop, ask yourself:

#### **“Do I need this?”**

Bridge acknowledges the psychological benefits of a reward, so you don’t necessarily have to limit your buying to food and supplies. He advocates setting goals and rewarding your achievement within your means.

**“Can I get it cheaper or free elsewhere?”**

Neighbourhood buy-and-sell groups, Kijiji and Craigslist have discount or even free items. Treating yourself doesn't need to be costly.

**“Will buying this bring me closer to my goals?”**

This question can halt any spending spree. If you're saving for an important long-term goal, impulse buys can delay your progress. Bridge suggests reviewing current expenses to find some “mad money” to use for online shopping urges; trim things like subscriptions or apps you don't use and can cancel; renegotiate phone, cable or Internet packages.