

11 Money Mistakes You Don't Realize You're Making

Brian Penny | [Lifhack](#)

If you've got money and you know it, take it out your pocket and show it. *snatches money out your hand and runs.* Thanks.

Here are some other mistakes you're making with your money.

1. You Buy Extended Warranties

I've worked at a variety of retail stores, and they all require every employee to push the extended warranty. They do this because it's a sale where you're giving them money for a product they don't have to stock. They gain free money, because the odds of you actually using that warranty are slim. If your product lasts six months, it'll last two years, unless you break it in a way that's not covered by the warranty anyway.

"Use warranties that come with the product or service," says financial expert Harrine Freeman. "Keep the original packaging and receipt so if an issue arises, you can get the item fixed without delay."

2. You Have Too Much Insurance

You're required by law to meet certain insurance requirements for your vehicle and any collateral loan. Insurance agents will push to give you more insurance because they're commissioned salespeople. Whether it's your car, home or body, don't buy more insurance than you need, or you're just paying to keep everyone else's premiums low.

Also avoid cell phone insurance at all costs – these plans are

difficult to use and cancel, and they'll often charge you more to replace your phone than the actual phone manufacturer, the retail store you bought it at, or your service provider.

3. You Pay for Free Services

You can monitor your credit report for free by getting a copy once every year, yet credit monitoring services charge you for the privilege. It's like paying to park in a free lot (which you'll also do if there's an event nearby). Avoid paying for anything you can do for free.

4. You Upgrade Too Often

When Apple releases a new iPhone, people wait in line for it. Android users are getting just as bad. Usually, the upgrades are minor. Sure, I can use my phone as a projector, but how often does that really come up?

Don't get distracted by all those shiny features – buy a phone within your budget, and hold onto it for 3-4 years. By the time you upgrade, you can get a free (or extremely cheap) phone that's still an upgrade over your current one without paying an arm and a leg

5. You Ignore Hidden Fees

Banks make their money by charging fees. They'll charge both you and the merchants you shop at as much as possible, and many businesses pass these fees on to customers. Shell, for example, charges you for using your card. Shell is also notorious for keeping their gas prices higher because they have a branded credit card that many people confuse for a store card. The reality is that card can be used anywhere, so use it to shop elsewhere.

“Avoid using out-of-network ATMs,” adds Freeman. “Get enough

cash from your network ATM on a weekly basis to avoid fees. Avoid multiple trips to the ATM during the week. Keep track of your bank balance to avoid overdraft fees.”

6. You Don't Save

I've been on my grind since I was five years old. When I was 10, I got a paper route, and my parents made me put half of my money immediately into a savings account (which was actually an envelope in a file cabinet in their house because banks don't give accounts to ten-year-olds). As annoying as it was, it was a great way to learn about savings

You don't have to give up half your paycheck, but you do need to put a set amount aside. Treat your savings account as your most important bill – it's for you, and you shouldn't short-change yourself for the benefit of any bank, grocery store, service provider or anyone else.

7. You Overpay Taxes

I get that most people don't understand taxes. I understand that feeling of starting the year with a huge tax refund. If you don't have the discipline to save, it can be tempting to let the government do it for you.

The problem with this line of thinking is you're giving the government free money. They deposit it and earn interest that could've been yours. You think you're making a smart financial decision, but what you're really doing is losing money. The ideal tax situation isn't the huge refunds advertised by H&R Block and all the other accountants; it's zero.

8. You Buy Things You Don't Need

If you can't decide between an Xbox One and a PS4, the answer isn't both; it's neither. You may like purses and shoes, but

you don't need so many of them. Just because you see celebrities showing off all their swag doesn't mean you should be doing the same thing. Learn to separate wants from needs and live within your means.

9. You Join Too Many Clubs

If you have a membership to Costco, Sam's Club, Amazon Prime, and more, you're wasting your money. Trying to keep up on all those frequent shopper clubs is toxic too. You'll end up spending more on fees and unnecessary purchases than you'll save from any of their deals. Their business model is set up specifically for this purpose.

If you're single, consider asking a friend or family member to be added as an additional user on their account. A single person doesn't need too many bulk items, especially perishables.

10. You Waste Food

Regardless of whether it's bulk or single serving, don't buy more perishable goods than you can eat. Every crumb you throw away is a crumb you paid for. You may as well just dump the contents of your wallet on the ground every time you go to the store.

Track your diet – it's good for both your health and wealth. By focusing on your food intake, you'll have an idea of your eating habits. This will help you make smart spending decisions at the grocery store. From there, all you have to do is cook the food you have instead of going out to eat all the time.

[Read the rest of the article...](#)