

# Takin' Care of Business



Mr. Breitsprecher's Edition

July 2016

www.myBusinessEd.com

## 50 Common Financial Mistakes

Part of becoming a savvy consumer is taking the time to learn what you need to know to avoid getting ripped off.

Sometimes you don't know what you don't know until somebody tells you. We've listed 50 common financial pitfalls that can trip people up in life. If you spend some time exploring our content, we guarantee that you will avoid the pitfalls listed below.



1. Not understanding the negative impact of compound interest
2. Being more concerned about the monthly payment rather than the interest rate!
3. Using payday loans
4. Not having a savings account (or paying yourself first)
5. Buying too soon—that is, buying something on credit instead of waiting until you have the money saved up
6. Not having emergency savings
7. Forgetting the extra costs of owning a car ....insurance, gas, car maintenance etc.
8. Signing up for cell phone monthly payments and getting stuck in a contract
9. Financing an education on credit cards instead of student loans
10. Becoming addicted to gambling, online or in casinos
11. Trying at-home business scams with high startup fees
12. Not saving early enough in life for retirement
13. Not understanding of how insurance works or what it covers
14. Not securing any insurance on your car or valuables
15. Not factoring in late fees, extra charges, and taxes to a cell-phone plan
16. Having a “get rich quick” philosophy rather than a “get rich slow” strategy
17. Lack of budgeting
18. Bouncing checks and paying for overdraft fees (These will eat you up!)
19. Paying ATM fees when withdrawing cash at a bank or ATM other than one at your bank
20. Following bad investment advice
21. Not knowing how to read credit card applications
22. Rushing into a buying decision without considering all options
23. Not knowing the financial consequences of DUIs, drunk driving, speeding, etc.
24. Making minimum payments on a credit card.
25. Having addictive and expensive habits or hobbies
26. Not knowing yourself well enough to know you spending weaknesses
27. Not comparison shopping
28. Not understanding vehicle’s trade-in-values or depreciation schedules
29. Not setting aside money for maintenance of a vehicle
30. Not taking advantage of an employer contribution to a retirement plan
31. Buying too expensive of a car
32. Procrastinating on making important financial decisions like saving
33. Piling on the credit card debt
34. Not reading a lease thoroughly
35. Signing up for an extended car payment schedule. > 5 years
36. Giving out your Social Security number on the internet
37. Trusting the perception of establishment on the internet or an e-mail
38. Giving out your bank account number
39. Answering a solicited request over the telephone or e-mail
40. Answering chain letters to make money
41. Not getting business promises in writing
42. Not understanding technology enough to know deception
43. File sharing
44. Not archiving or backing up data
45. Buying without considering the service element on big-ticket purchases
46. Entering into service contracts (extended warranties)
47. Not having adequate health insurance coverage
48. Not realizing that if the deal is too good, then it probably is!
49. Being afraid to ask for advice
50. Falling victim to telephone scams

Source: takechargetoday.arizona.edu