

Financial Dojo



SILENT INCOME KILLERS

17 Big Ways You're
Wasting Money
...and may not even realize it!

Michael J. Holland



Disclaimer

Before we begin, let's get all of the legal mumbo jumbo out of the way. We don't know anything about your personal financial situation, so we can't give you specific advice. A one-on-one session with a certified financial planner would be better for that.

With that said, we have made every attempt to create a quality helpful report for those wishing to save money and eliminate wasteful spending. However, we make no warranties regarding the completeness or accuracy of the contents of the report. We accept no liability of any kind for any losses caused or alleged to be causes, directly or indirectly from using the information contained in this report.

This is a FREE report, and we believe it's a darn good one.

If you also believe this information could help a friend, family member, or someone else, go ahead and share it. In fact, our mission is to, in some way, **improve** the financial knowledge and health of at least **5 million Americans over the next 5 years**.

Let's band together and put an end to the often repeated notion that the average American is one paycheck away from being homeless or near financial ruin. **Can we count on your help?**

Read it. Share it.

"I've got all the money I'll ever need, if I die by
four o'clock."

Henny Youngman

Table of Contents

Money Waster #1: Engaging In Costly and Unnecessary Habits.....	4
Money Waster #2: Having A Bank Account That Charges You Silly Monthly Fees	5
Money Waster #3: Locking Into More Mobile Phone Plan Features Than Needed	6
Money Waster #4: Failing To Negotiate And Asking For Better Deals.....	8
Money Waster #5: Throwing Away Coupons In Newspapers And Mailers	9
Money Waster #6: Being Clueless About Your Finances	10
Money Waster #7: Paying Late Fees On Past Due Bills.....	11
Money Waster #8: Falling For Upsells And Hardsells	12
Money Waster #9: Planning Vacations Poorly.....	14
Money Waster #10: Dining Out And Ordering In Too Often.....	14
Money Waster #11: Sticking With The Same Services And Companies For Too Long	16
Money Waster #12: Keeping Too Many Electrical Items Plugged-In 24/7	16
Money Waster #13: Over-Spending On Vehicle Care And Maintenance	17
Money Waster #14: Paying Full Price For Books, CDs, and DVDs.....	18
Money Waster #15: Purchasing Trendy Items On Impulse	19
Money Waster #16: Buying Name Brand Food, Clothing, and Other Goods Rather Than Generics.....	20
Money Waster #17: Using Credit Cards That Don't Come With Rewards Programs.....	22
Summary	23

“When I was young I thought that money was the most important thing in life; now that I am old I know that it is.”

Oscar Wilde

Unless you're a real penny pincher, you probably don't consciously think about the many, seemingly small, ways that your money is being wasted. Regardless of who you are or what job you have, you are probably flushing some of your hard-earned cash down the drain.

Perhaps you tell yourself that it's no big deal when you see small fees applied to your bank account or an uptick in your monthly cable bill. You might say to yourself, "I like leaving my computer on so that I can use it any time, right away" or "My mobile phone charger only adds to my electric bill when my phone is plugged in."

My guess is that there are things you do every day that waste money, but they just don't register because you have other stuff on your mind. I get it. It happens to me, too, and I have to snap things back into focus every now and then.

The purpose of this report is to shed some light on the ways you might be wasting money and what you should consider doing to eliminate or significantly reduce the damage. After all, these days every dollar matters, right? Besides, it's just silly to not want all your money used toward your benefit in the most efficient way.

What you're going to read and learn about here are alternatives and options for getting the most for your money. Examples will include negotiating with department store personnel to get lower prices and eliminating unnecessary, but costly habits.

So, if you're ready, let's jump head first into the 17 Biggest Money Wasters and what you can do to fix them.

"All I ask is the chance to prove that money can't
make me happy."

Spike Milligan

Money Waster #1: Engaging In Costly and Unnecessary Habits

Be honest, are you a big fan of Starbuck's or Duncan Donuts, and just have to have your morning fix? Or, do you love meeting the gang at your favorite watering hole for drinks after work two or three times a week?

These are costly habits that can add up to a nice chunk of change when you consider how much is spent over a year. Starbuck's can run \$5 to \$8 per drink, and that after work bar tab can easily exceed \$20 each visit. If you spend \$20 per week over a year, that's more than \$1000.

So consider how much these habits are costing you and what else you could do with that money to benefit your family. And, if you're consuming alcohol on a too frequent basis, that will eventually impact your physical health, and generate even more expenses.

How You Can Fix The Problem:

- If you go to any super market, you'll find that they offer a boatload of premium coffees -- ground or whole beans. You'll even find coffee flavors carrying the Starbuck's and Dunkin Donut's labels. So make your own coffee, gosh darn it..lol

Pour a big old pot of the stuff in a thermos and drink as much as you want during your drive to work. To prevent spillage, keep straws in your car for easy sipping. I wouldn't want you to get stains and spots all over your nice outfit.

- Are you a smoker? If so, your first goal should be to quit. But that's probably not going to happen overnight. So until you make that commitment, how about cutting back on the number of cigs you consume daily? Set a schedule in your mind for when you will smoke throughout the day.

Also, consider going with an electric cigarette. I read that they don't include all the nasty tar and chemicals that come with traditional

cigarettes. There are probably pluses and minuses to them, but investigate and talk to your doctor. They could save you a lot of money and be healthier for you.

- Finally, if you drink alcohol, I don't have to tell you that it's much more expensive to do it in a bar. You could buy a six pack of beer at the supermarket for about \$6. But you'll pay the same amount for "each" beer in some bars. So if you really want to save some cash, just stock your home bar with your favorite beverages and head there after work to enjoy them.

[Click here to learn about more ways to trim any excess fat from your household budget.](#)

Money Waster #2: Having A Bank Account That Charges You Silly Monthly Fees

I've found that many banks have no shame when it comes to schemes to separate you from your money. And I have to give them credit for being creative.

But here's the deal. If your bank is charging you for anything beyond printing new checks, ask them what the heck is going on. The truth is, banks want your money so that they can use it to make loans on cars, homes, and other things. They make plenty of money on the interest rates they charge on those loans.

How You Can Fix The Problem:

- Add up all the monthly fees that your bank is charging you, whether it's for not maintaining a certain minimum balance or some other nonsense. Call them up or visit the branch, and tell the manager that you're going to move your account if they don't stop nickel and diming you. Well, you don't have to scream at them. Just ask them politely, but firmly to eliminate the fees.
- Now, before you speak to your current bank about their excessive fees, make sure you have your options in place. For example, check with

other banks and credit unions to find out what fees they charge. Then, if your current bank refuses to stop charging you, moving to a new place will be quick and easy.

- Credit unions, especially, tend to have free checking accounts. You'll only have to pay for bounced checks and for printing new checks.

"I'd like to live as a poor man with lots of money."

Pablo Picasso

Money Waster #3: Locking Into More Mobile Phone Plan Features Than Needed

Mobile phones (especially smartphones) are the coolest things, aren't they? You can text, email, share photos/videos, download apps, surf the web, etc.

But can you honestly say, right now, that you are taking full use of the texting and data plan that you signed up for? When you were in the midst of choosing the services and features you wanted, your mind was probably racing with all the cool stuff you would do with that phone. Awwwww, the possibilities.

At the time, you might have chosen the "big cheese" plan. But we all eventually settle into a routine of what we use our cellphones for and which features get the most frequent work out.

That's why it's time to analyze what's happening now with your phone months after signing the contract. Do you talk on your phone per day just a few times per day, even though your plan allows 1000 minutes per month? Are you paying \$40 per month for unlimited text, when you only send and receive a handful?

If so, you could be paying \$20 or \$30 more on your monthly bill than you need to. So unless your employer is footing the full bill, you should take some time to analyze your monthly phone bill and your plan.

How You Can Fix The Problem:

- Pull out the text and data plan details for your mobile phone service, review it, and determine if your current plan is the most cost effective one for you.
- Review the monthly statements for your cell phone service and jot down the usage information over the last six months. If you don't have your statements, contact the phone company and they can tell you how to quickly access this information. They all keep detailed records.
- Compare your actual mobile phone usage against the plan amounts you're paying for. If you're not taking full advantage of all the features, check the phone company's web site to see if there is a better plan for you.

In some cases, you may find it better to go with a minimum usage plan and then pay for a specific feature separately.

For example, if you always text just under the maximum limit of a lesser texting plan, it may be worth it to pay the 20- or 30- cent per text charge for the occasional overage. But only do this if you suspect that you'll rarely exceed the limit. Otherwise, the per text costs could add up.

Now, if you drop down to a lower plan, but realize that for a particular month you're about to exceed the texting limit by a lot, contact the phone company to see if they will change your rate plan to unlimited. Then, after a few months, call them again to change it back. Of course, before making the upgrade, chat with the company's representative and gain an understanding of their policy on changing plans.

- Finally, consider using a mobile service that offers inexpensive month-to-month plans. This is a very competitive area and you don't have to lock into a 2-year contract.

[Read this article about 11 ways you can reduce your cell phone costs.](#)

Money Waster #4: Failing To Negotiate And Asking For Better Deals

Do you pay full price for nearly everything? Do you comparison shop on most things? When you don't inquire about better prices or alternatives, there's no doubt, it's probably costing you.

How You Can Fix The Problem:

- Reframe your approach to shopping. For probably 80% of the stuff you buy, there are stores and shops that offer the same or similar items where the owners will listen to a request for a discount.

For example, there is a set of shops near my home that are part of a flea market. But the shops are really nothing more than mom and pop booths where they sell everything from jewelry to clothes to home decor. There's lots of beautiful stuff. And when you walk into their little booths, the owners are hoping that you ask for a deal.

- There are certain department stores that will cut deals too. When I purchased a new bbq grill recently, I took on the same mindset as I would buying a car. No way was I going to just run over to Home Depot and pay full retail. However, I did ask them if that was their best price. They wouldn't budge, so I visited other stores.

By the time I was done, I had gotten an extra 5% discount off of a grill that was already priced lower than anywhere else, as well as free delivery and setup, and two free propane tank refills.

So seek out those types of places and ask for 10% off, or whether there's a coupon or upcoming sale. And be prepared to walk away.

- If you've had a particular credit card for a number of years, check to see what interest you're being charged. Credit card companies are sneaky about inching up rates over time and notifying you of the change through small print that they know you'll never read. If the rate is high, give them a call, tell them that you've been a great customer, and then ask for a lower rate. If they refuse, let them know that you're going to stop using their card. (Note: Don't cancel the card as this could impact your credit score. Just cut it up and move on to the new card.)

So the bottom line is that when it comes to everything you purchase, you should ask questions beforehand. Inquire about interest rates, discounts, fees, surcharges, options, coupons, sales, deals, and any other word you can think of that might translate into saving money.

Money Waster #5: Throwing Away Coupons In Newspapers And Mailers

Okay, I will admit to doing a bad job on this one, but I'm getting better. When your mailbox is cluttered with junk mail, all you can think about is getting it into the trash bin as soon as possible. But there's actually a bit of gold in those leaflets, coupon paks, and your newspaper.

Both local and national companies will run special offer campaigns that could be worthy of a few minutes of your attention because they could result in notable savings.

How You Can Fix The Problem:

- Rather than quickly tossing these advertisements, define a timeframe and a process for when you'll review them. You could store them in a designated area of your home. Then, once or twice a week, take 20 minutes and quickly look through them.
- Clip the coupons and deals that you like and place them in a little storage box. In the storage box, you could have folders or separators that are clearly labeled as food, clothing, toiletries, etc. This way, you

can quickly thumb through them before leaving home to shop. [Visit our Coupon Center to find the latest savings on groceries and other items.](#)

You'd be surprised by how much money you'll save. Heck, even if only adds up to \$10 or \$20 every time you go shopping, that's real money in my book, especially when the level of effort involved is so minor.

“A bank is a place that will lend you money if you can prove that you don't need it.”

Bob Hope

Money Waster #6: Being Clueless About Your Finances

Not knowing the details of what money you have coming in and where it all goes, invariably means that a lot of it is being thrown away. You've probably heard tales of fast living sailors or longshoremen who get their paychecks on Friday and by Monday it's all gone. Of course this scenario doesn't apply to most people, but if you stretched the in-between period from a weekend to a week or two, then a great number of citizens would be in the same boat.

So, if you want to get on a path to building wealth and achieving financial freedom, it would be wise to get the cash flow aspect of your life under tight control.

How You Can Fix The Problem:

- Determine right now, how much total money you want to put into your savings and investment accounts this year. Then, when you get your paycheck, pay into those accounts before doing anything else. In fact, make it easy by setting up automatic deposits into the accounts. A good starting point as far as a percentage of your check that should be

saved is 10%-15%.

- Then, set up a household budget that lays out where you want money to be directed for everyday living, e.g., utilities, rent, food, clothing, fun, etc. By doing this, you'll ensure that very little of your money gets wasted. And on a monthly or quarterly basis, compare the amounts you budgeted to spend against what you actually spent. [Visit this link to learn more about creating a household budget.](#)
- Next, avoid the frequent purchase of shiny objects. I have friends who rush out and buy the latest technology or trendy garment as soon as they hit the market. But I'm more of a middle to late cycle shopper. I'll wait until the bugs are all worked out, the prices have dropped significantly, and the manufacturer has added a boatload of new features or incentives to attract new buyers.

So, I realize that some of the new technology is very cool and tempting. Whether it's an iPad, smartphone, HDTV, fashion, etc., there will probably be a desire to get your hands on it. But don't. Instead, pick one cool item to buy, then wait several months or longer before getting another one. The prices will be cheaper and you may find that the item you were initially drooling over isn't that important any more.

“He that is of the opinion money will do everything may well be suspected of doing everything for money.”

Benjamin Franklin

Money Waster #7: Paying Late Fees On Past Due Bills

There are some bills that you can pay late and there won't be any repercussions. For example, if you miss the deadline for paying your phone bill, most of these service providers won't charge any late fees.

However, some institutions such as banks and credit card companies love assessing late fees and count on them to be a big chunk of their income. And these fees are usually pretty hefty.

So, if you make lots of late payments, you're hurting yourself in a couple of ways. First, the fees themselves represent money that you're flushing down the drain. Second, your tardy payments will be reported to the credit bureaus which maintain your credit file. This will cause your credit score to drop, and lead to you paying higher interest rates for anything you'd like to finance, such as a car or home. Hence, a double whammy of even more wasted money.

You really don't want to be in a situation where your financial reputation is viewed poorly. This can keep you from achieving a lot of your dreams.

How You Can Fix The Problem:

- It's simple. Pay your bills on time. And if you're bad with dates, then develop a reminder system that suits your lifestyle.
- One of the best ways to ensure bills get paid timely is to set up automatic payments. For example, my mortgage payment comes right out of my bank account every month on a specific day that I set up, and I never think about it.
- Now, you can also do your bill paying on a semi-automated basis. Your bank probably offers an online banking and bill paying service. You can log in to your account and allocate funds as you see fit.

But whatever you choose to do, decide today that you are not going to pay bills late. Remember how negatively late payments can affect you -- higher car and mortgage payments, loan rejections, and more.

[For tips on how to clean up your credit report, visit this link.](#)

Money Waster #8: Falling For Upsells And Hardsells

Here's an example that will help you quickly understand this money waster. Think about the trips you take to fast food restaurants and order a burger, cola, and fries.

Usually the next words out of the order taker's mouth is, "Would you like to super-size that for one dollar more?" or something similar. They aren't asking you that question out of courtesy. Their goal and training is to upsell you on more items so that you'll spend as much money as possible.

But upselling and hardselling you on additional features and extras isn't limited to fast food restaurants. It happens with your cable company, bank, and other merchants. My cable company calls me all the time to tell me that I've been selected to receive 3 free months of HBO and other premium channels. Of course, after the trial period, I have to pay to keep the service. Their hope is that I take the trial, get lazy, and forget that I ever ordered it.

When the representative is speaking to you, they definitely make it sound like a no-brainer deal. They may earn a commission as well if you keep the service.

The bottom line is that it's easy to get caught up in the sizzle. And most of the time when people get these premium services, they never take full advantage of them. It's such a waste.

How You Can Fix The Problem:

- Before ordering a service, do some research to learn about the options and features. Decide which options you really need (rather than want). Then, when you're speaking with the representative, pay careful attention to what they say. If they push you to add-on other items, simply decline.
- Before you get off the phone with the representative or end any type of business discussion about services, ask them to summarize exactly what has been agreed to and the cost. Ask additional questions if something

sounds unclear or incorrect.

- Companies are very slick when it comes to upselling and hardselling you on goods and services. But if you formulate a good idea of what you want ahead of time, and pay close attention to their jibber jabber, you won't be asking yourself, "What did I just buy?" when you hang up the phone or walk out the door.

"A little thought and a little kindness are often worth more than a great deal of money."

John Ruskin

Money Waster #9: Planning Vacations Poorly

So when you plan your vacations, do you usually prefer to take them around the same time lots of other people will be attending the same destinations? If so, you're paying big bucks for hotels, airfare, rental cars, etc. It doesn't have to be that way.

How You Can Fix The Problem:

- Every vacation spot has an off-season. And as you already know, during off-season everything is much cheaper -- hotels, for sure, and usually airfares. Plus, you get the added benefit of visiting your favorite restaurants and attractions without waiting in long lines.

You can save a nice chunk of change by simply choosing to avoid the crowds.

Money Waster #10: Dining Out And Ordering In Too Often

After a hard, stressful day at work, you may not be in the mood to prepare a home cooked meal for the family. And it is so easy to just pick up some fast food, order delivery, or visit a local restaurant.

I get it. I can certainly appreciate the temptation to let someone else do the cooking, dish washing, and cleaning up. But be aware that even one reasonably priced dinner at a modest restaurant for a family of four is probably enough to purchase groceries that would last a week.

Here are a few ideas that will save you some money and make it easy to serve inexpensive quality meals at home.

How You Can Fix The Problem:

- On weekends, plan out the meals you want to prepare for the remainder of the week. Think of meals that are easy and everyone would enjoy. For example, I'm a big fan of soups. All you have to do is toss all the ingredients in a big pot and let it simmer for 1-2 hours.
- Next, when you plan your meals, go ahead and make a run to the supermarket to gather all the ingredient for the week's menu.
- Freeze the meats if you don't plan to cook them right away. Just learn how the defrost feature works on your microwave so that you'll be able to thaw them quickly. In fact, you can defrost the meats in the microwave the day before you're going to cook them, and just store them in the fridge.
- When you cook, prepare large quantities and freeze the leftovers. For example, the big pot of soup I mentioned earlier could last for a few meals. When you heat it up, it'll be just as good as the day you cooked it - - maybe even better.

- Also, consider getting a slow cooker. This way, the meal can be ready by the time you get home from work.
- Finally, if your kids are of sufficient age, get them involved in helping with meal preparation. You'll be teaching them skills that will serve them well later in life.

“The lack of money is the root of all evil.”

Mark Twain

Money Waster #11: Sticking With The Same Services And Companies For Too Long

Do you use the same pest control, phone service, cable company, or other services that you contracted with many years ago? It's easy to get complacent isn't it? Even when these companies raise their rates, we don't question the small increases. It's due to inflation, right?

Well, that's the wrong approach. Just because a company raises its rates, that doesn't mean other companies are charging the same amount.

How You Can Fix The Problem:

- When a company raises its rates for a service, call them up and ask why. Ask them to lower the rate. And if they don't, politely let them know that you plan on getting quotes from other companies that offer the same service.
- In fact, before you contact your current service provider, call a couple of others in your area and get prices. This way, you'll have a couple of bargaining chips up your sleeve when you do chat with your service.

- Make it a policy to regularly check the rates of competitors for the various services that you have. Your greatest challenge will be your own willingness to change. We humans generally hate change, but be confident that your new service will be just as good or better. And think of the money you'll save.

Money Waster #12: Keeping Too Many Electrical Items Plugged-In 24/7

Take a moment right now and think about all the electrical items that you have plugged in at the moment. Go from room to room in your home. Think about electrical appliances, computers, battery chargers, alarm clocks, stereo systems, and other electronics.

Most of these items draw electrical power just from being plugged in. Even if the amount of electricity used is in little drips and drabs, it all amounts to increases in your energy bills.

How You Can Fix The Problem:

- When not in use, unplug battery and cellphone chargers, kitchen appliances such as coffee makers and toasters, computers, and stereo systems.
- In addition, turn off the lights in rooms that are not occupied by anyone. That's a big waste. Consider installing motion detectors that will turn off the lights automatically when no movement is detected.

In any event, you'll be surprised by how much money you can save by being just a little more conscientious about where electricity is being consumed in your home.

“A woman's best protection is a little money
of her own.”

Clare Boothe Luce

Money Waster #13: Over-Spending On Vehicle Care And Maintenance

You've probably invested a lot to acquire your car, so it makes complete sense to keep it in good working order. But sometimes vehicle owners can take things a little too far and throw money away unnecessarily.

For example, do you still change your oil every 3,000 miles? That's a practice that is no longer recommended.

Also, do you comparison shop for gasoline? There could be a service station that's a block or two away from your normal stop, that sells gas at prices noticeably lower than what you're currently paying. That could add up to a nice sum of money when you consider how many gallons your car consumes every year.

How You Can Fix The Problem:

- Grab the owner's manual from the glove box of your car and check the recommendations regarding frequency of oil changes and gasoline grade level. It probably says to change the oil every 6000-7000 miles rather than 3000 miles.
- Next, if you want to save money on gasoline and have a smartphone, download a free app called GasBuddy. It will tell you where to find the cheapest gasoline in your neighborhood. It's easy to use.
- When buying gas, double-check the pricing because some service stations offer a cash price and a credit card price. In some places, the per gallon price for cash versus credit card could be 7 or 8 cents. That adds up over time.

Money Waster #14: Paying Full Price For Books, CDs, and DVDs

Entertaining yourself and enriching your brain and mind is certainly beneficial, and perhaps necessary, to having a fulfilling life. Reading, listening to music and watching videos and movies can be great stress relievers. But paying full price for books, cds, and dvds can quickly add up.

Paperback books can cost \$10 or more, and hardbacks can cost as much as \$30. And if you're one of those people who buys music cds and movie dvds, you know that building a collection can get expensive.

There's nothing wrong with indulging in your passion, but there are ways to go about it without wasting lots of money paying full price.

How You Can Fix The Problem:

- Unless the book is hot off the presses, you'll probably be able to find copies of it at used book shops for a fraction of the price. The same goes for CDs and DVDs. Plus it's just fun to scavenge around second-hand shops because you never know what rare surprises you might come across.
- If you're not building a collection, why not visit your local library and check out a selection of books, CDs, and DVDs? Take them home to enjoy for a while without it costing you nothing.
- Other free and low cost ways to enjoy reading, music, and movies include the following:
 - Download the free Pandora Radio smartphone app
 - Install the free Kindle eBook reader on your computer and download free and inexpensive books from Amazon.com
 - Subscribe to an online service such as NetFlix or Hulu where you can get access to unlimited streaming movies and television shows. There's enough variety to make you seriously consider canceling your cable tv service.

- Nowadays, you can use the Internet to find a plethora of reading and entertainment materials that can save you a ton of cash.

“If saving money is wrong, I don't want to be right!”

William Shatner

Money Waster #15: Purchasing Trendy Items On Impulse

Do you often buy things on impulse? Perhaps it's a nifty gadget that you saw on a television commercial or a home shopping show. Or maybe, you passed by a shop window in the mall and a trendy garment caught your eye.

Most of the time, impulse purchases are for frivolous items that you could have done without. It's money out the window.

How You Can Fix The Problem:

- Use the "look before you leap" approach. If there's an item that you want, jot down the product information. Then get online and do some research. Find out it's advantages and disadvantages.
- Check out consumer reviews and complaints. Oftentimes, someone will recommend an alternative that is worth researching.
- Do some comparison shopping. Determine where the item can be purchased for the least amount. If you find a cheaper price online, be sure to add-in shipping and handling costs.
- If you're leaning towards buying the item, sleep on your decision for 24 hours. Give your mind a chance to put all the pieces together. And ask yourself if the benefits of the item are worthy of your hard-earned money.

Money Waster #16: Buying Name Brand Food, Clothing, and Other Goods Rather Than Generics

Are you a brand snob? If you're not sure, a brand snob is someone who only buys items that carry well-known brand names. These items can sometimes cost up to twice as much as their generic counterparts.

For example, a 50 ounce bottle of Tide Total Care detergent cost about \$8. It's highly rated by ConsumerReports.org. But there are others that are much cheaper.

Just because an item is more expensive, that doesn't mean it's that much better.

How You Can Fix The Problem:

- Tide detergent gets the nod as being the top consumer detergent. But, have you heard of a lesser known competitor called Wisk?

Well, guess what, a 50 ounce bottle of the Wisk 2X detergent cost less than \$5, and ConsumerReports.org found it to be nearly as good as the much more expensive Tide brand. There's about a 40% price difference.

- By the way, did you know that for standard wash loads, using half the recommended amount of concentrated detergent for a load will get your clothes just as clean? Try it, and see if you like the results -- and the savings.
- For food, I've found certain generics (but definitely not all) to be just as good as name brands. You'll have experiment for yourself and take some chances. As examples, things like canned diced tomatoes, aluminum foil, canned broth, dried beans, skim milk, all-purpose flour, granulated sugar, and more are perfectly fine for my needs. And the savings are noticeable.
- For clothing, you can walk into any department store and there will be multiple clothing lines displayed side-by-side. The price differences will

be obvious. Sometimes you'll notice differences of 50% or more. Examine the garments closely and touch them. Often, you'll find that they're all made in China, but just have a slightly different design and, of course, the all-important name brand logo.

- But I say, go a step beyond the standard department stores. There are outlet malls and stores like T.J. Maxx that specialize in selling excess inventory and the remains of retired product lines manufactured by prominent companies.

If you just look around, both online and offline, you'll find that there is no need to waste money on pricey name brand products.

“If you can count your money, you don't have a billion dollars.”

J. Paul Getty

Money Waster #17: Using Credit Cards That Don't Come With Rewards Programs

Do your credit cards offer you anything beyond high interest rates and excessive late fee charges? It sure seems like the operating words of many credit card companies are "greed" and "gouge". They get all the benefits and you get nothing.

But you don't have to settle for those companies. If you look around, there are some great credit cards that don't charge crazy interest rates, and come with a few perks.

How You Can Fix The Problem:

- First, if you already have an excessive number of credit cards (more than 10), it may not be wise to open yet another credit card account. Besides the obvious temptation to get deeper into debt, having too many cards could impact your credit score. So tread carefully.
- Take a moment to analyze the current rates and fees associated with your credit cards. If they are quite high, then you should investigate applying for a lower interest rate and fees credit card that comes with a rewards program. The programs can vary, and award points for things such as airline miles and gifts.
- If the credit card requires payment of a monthly or annual membership fee, think about whether the card is worth getting. That interest rate better be very low and the rewards very high to justify a fee. Your objective is to find a card that won't charge you an ongoing membership fee.
- Be conscious of the credit limit assigned to the credit card. Your total outstanding balance should never exceed more than 40% of the credit limit. So if your credit limit is \$10,000, your total charges should stay under \$4,000. If you exceed this percentage, it could hurt your credit score.
- When you pay your credit card bill, always pay more than the minimum. You don't want to defeat the purpose of the rewards program by racking up ongoing interest charges on the outstanding balance.
- Finally, you shouldn't cancel all your other cards when you get the new one. Doing so could hurt your credit score. Instead, just cut up the ones you no longer want to use and forget about them once the balances are paid off.
- If down the road you feel compelled to cancel a card, when you talk to the credit card company, ask them to report to the credit bureaus that

the account was closed at the customer's request. You don't want potential creditors, who will review your credit file in the future, thinking that the account was closed for some other reason.

[Click here to learn more about choosing the right credit card for you.](#)

Summary

So there you have it, 17 ways you're throwing money away, and how you can reduce or eliminate wasteful spending. Aren't you amazed by how many little ways money slips through our fingers, virtually unnoticed, and yet it can add up to big dollars over time?

But it's best that you learn about them now rather than later, so that you can take action. In my opinion, the biggest areas that you should focus on right away are spending related to eating and drinking out, understanding what money you have coming in and exactly where it's all going, and shopping smarter.

If you implement our suggestions, you'll see a noticeable reduction in your bills and a nice increase in your bank account in no time at all. Thanks for reading.

Namaste,

Michael Holland

FinancialDojo.com

“Money is better than poverty, if only for financial reasons.”

Woody Allen