



Five Money Wasters

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There are at least five areas where you are probably wasting money and you don't even know it.

For starters, when you want a new book, do you go out and buy it or hit the library? Exactly. So why waste money on a new book when you can borrow it free? How much can you save going the library route? The average cost for an adult fiction book is \$16. If you buy a book a month, you're spending \$192 a year.

Money waster number two: low insurance deductibles. It's important to keep in mind, the lower your deductible, the more you'll pay.

Mike Hickney from State Farm says if you want to save money, raise your deductibles from \$500 to \$1,000. "You can save anywhere from \$150 - \$500 or more by making that transfer. So in a few years you've recovered that \$500 that you increased."

Money waster number three: paying a debt at 20-percent interest while earning two percent in a bank account -- meaning if you have \$5,000 in the bank earning two-percent and at the same time carrying a \$5,000 credit card balance and paying 20-percent interest. In this situation, the cost of carrying the debt is 100 times what you are earning on interest. For every one dollar you earn by keeping your money in savings, you are paying \$100 in finance charges to the credit card company."

Fox Chase Financial Coach Kris Messner says that's definitely a waste of your money. "You have to take a look at what your goals are and say, 'Ok, where will I be in two years, three years, four years.' And you know if you left that money in there, the \$5000 at the end of five years you will have \$50 in interest and you would have paid out \$2800 in interest. So how dumb is that? I mean the math kind of speaks for itself. It's not really that hard. You got to do the math. It's your money."

And finally, when it comes to brand names versus generics at the grocery store, are you wasting your money? Consumer Reports says you can save 30-percent per week just by buying generic brands instead of name brands.

One more money waster: buying bottled water. Stop buying it and use the water from your faucet. You can save up to \$600 a year.