

10 ways you mindlessly waste money

Silently, secretly, your money disappears under some hideous voodoo spell, right? No way. Take a look at some ways you're flushing your cash down the loo -- and what you can do about it.

By [MP Dunleavy](#)

Do you ever feel like there's a leak in your bank account? It's like the sound of water dripping, a tiny crack through which a slow stream of money is draining away. You know it's there (because the cash isn't), but you can't find the source.

You scrounge through your bank account, looking at all of your expenses, but they seem normal. So what's causing the constant shortfall, the perpetual feeling of falling behind, the sleepless nights and nagging anxiety?

The embarrassing truth is that every day, in countless idiotic ways, you (and I, unfortunately) just . . . waste . . . money. It's not anything we think about -- and that's the problem. Luckily I'm here with a long list of these mindless money wasters and a LOUD ALARM. Just waking up to these budget-breaking habits will help to staunch the foolish flow of cash, repair that crack and put the money back in your pocket where it belongs. Now pay attention.

1. Stuff you can't live without

Life in the 21st century is so hectic we've convinced ourselves that we absolutely must have all kinds of gadgets and services to "make life easier" -- for which we pay a mind-boggling number of access fees, download fees, activation fees, subscription fees and usage fees. Does call forwarding "make life easier?" Does your Internet-enabled, interplanetary, supersonic cell phone-pager-communicator? Or do they just "cost more money?" And who uses call forwarding anyway? I'd like a congressional inquiry into call forwarding. Meanwhile, add up all those things you've signed up for -- the ones that cost "just \$9.95 a month!" -- and figure out which ones you really can live without.

2. The silent 'upgrade'

I recently reserved a rental car over the phone and got the astonishing rate of \$138 for a week. But when I got to the airport, the rental-car guy blithely handed me a bill for \$184. I didn't want to make a fuss (especially since my driver's license had expired, and I didn't think they'd understand about that). So I threw a small, discreet fit and got 30 bucks taken off the bill. Lesson: Take the bait, but not the switch.

. . . and speaking of switching . . .

When did you move your \$4,500 balance to that new low-interest credit card? And when does that low-interest rate zoom back up to 19%? Repeat after me: "I have balance-transfer amnesia." Read the fine print. Tattoo important dates on your arm.

3. Memberships you never use

Harvard recently released a study that conclusively proved that signing up for a gym membership is an effective way to *prevent* exercise. Not only are you spared from ever again touching a treadmill, you're paying just \$29 a month for the privilege. The same thing happened to me when I signed up to pay \$3.50 a month for access to the Consumer Reports Web site. Why? Do I need minute-by-minute updates on Whirlpool appliances?

4. Double-dipping

When my uncle decided to quit donating money to a certain charity, he sent them a letter saying so. A few weeks later, he got a letter back -- soliciting more money. The magazine industry has raised double-dipping to an art form. Have you ever noticed that two minutes after you subscribe to any publication they start begging you to renew? Most of the time, the renewal notices start before you've gotten your first issue!

5. The package 'deal'

My friend Caroline took the package deal the phone company offered her because, for \$49.95 a month, she got every possible telephone service known to mankind. What a deal. Until she realized that with taxes and FCC line charges she was paying almost \$70 a month -- just for basic service. Plus, as she admitted, she didn't really need satellite three-way calling to Mongolia. She broke up the package and now pays only \$33 a month.

6. Shopping delusions

Oh, the price you pay when . . .

- You buy an outfit that makes you look like Shania Twain, except, sadly, it doesn't -- and, even sadder, you never wear it.
- You're possessed by the notion that you were born to ski (or golf, or fence or yacht) -- and you invest in all the necessary *accoutrements* forgetting that you cannot afford a financial outlay equivalent to the GDP of France.
- You buy that incredible designer suit because it's 75% off! Yet nothing in your

life requires a suit! How dumb is that!

7. Supersize spending

The Big Gulp mentality has taken over. Why join one fitness center when you can pay an extra \$50 a year and have unlimited access to ALL the fitness centers in the known universe? And what's with the unlimited yoga class card? You buy it in a frenzy of determination to Do Yoga Every Day, but you don't, and those sneaky yoga people know it and chant "Om Shanthi" all the way to the bank.

8. Refusing free money

Whatever your employer gives you, by way of matching retirement funds, a flexible spending account or free annual checkups -- take it! It's a waste of money not to. "Your brother has full medical and dental coverage," my mother said to me, "but does he go to see the doctor or the dentist? Noooooooooo."

9. Bulk spending, slim savings

I'm not saying you'll never eat that half a steer or the whole 10-gallon vat of soy sauce. But buying in bulk only saves you money if you consume in bulk. Sooner or later you'll end up getting so sick of that five-gallon jar of artichoke hearts that you throw half of them away. And then never buy them again. Which is sort of a way of saving.

10. Sins of omission

The sweater you ordered from L.L. Bean that's all wrong. The nifty shelf organizer you found online that doesn't fit in the closet. Did you ever, um, like, y'know, return them? Quick question: Why is it easier to toss \$40 than to put a return label on the box AND DRIVE TO THE POST OFFICE?

DOES ANY OF THIS ADD UP TO A HILL OF BEANS?

You betcha. Beans you can count as your little pile grows.

Catherine Hinrichsen, a Seattle-based PR consultant, has a new appreciation for the kind of impact staunching the flow of seemingly minor expenses. Hinrichsen resisted her husband's suggestion a year ago that they restructure their finances to eliminate their multitude of money wasters. "I really didn't think it would make a difference," she admits, "and I wasn't looking forward to making a major change in our lifestyle."

But she and her husband and their 6-year-old son, Christian, managed to do just that. They borrowed books from the library instead of buying, gave up subscriptions to magazine they rarely read, turned off the heat every morning when they left the house, ate out less and cooked at home more.

A year later? "We're not earning more," Hinrichsen says, "we're just spending in smarter ways and prioritizing savings."

The main way the Hinrichsens know how much money they were wasting is seeing how much they've managed to save in just 12 months. Both their retirement accounts and savings accounts are fatter, she says. "And when we take our next vacation, we'll be able to pay for it, instead of going into debt."