



**Quaker Oats Credit Union**

## Top 8 Foolish Financial Habits

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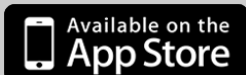
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Tomorrow is April fool's day! There's an old saying: "A fool and his money are soon parted." No one wants to be considered a fool or have foolish financial habits. However, many of us unknowingly develop such habits without realizing it. The good news is, it's possible to develop new "smart" financial habits.

**Below are 8 foolish financial habits to avoid:**



### **1. Failure to review fixed expenses**

It's easy to get into a routine each month of paying your bills without taking time to review each expense, to see if there are more affordable options that provide the same benefits. This should be a financial exercise you go through at least once or twice each year.

### **2. Going out to eat too often**

There's nothing wrong with going out to eat occasionally. However, going out to eat is far more expensive than eating at home. Save your receipts for 30 days and review your credit card statement at the end of the month. Total every dollar you spend purchasing food or drinks outside of groceries. You may be shocked.

### **3. Failure to protect your credit rating**

Maintaining a high credit score is absolutely critical today. Your credit score is a direct reflection of how you've handled your financial obligations, and your score impacts your interest rate on mortgage loans, auto loans, and consumer credit. It may also be used in conjunction with securing employment, renting housing,

obtaining auto insurance, etc.

#### **4. Lack of financial knowledge**

It's easy to get overwhelmed when you start thinking about personal finances regarding investing, saving for retirement, trusts, wills, real estate, life insurance, etc. As a result, many people never take any action. Increased financial knowledge will help educate and empower you to make informed financial decisions that impact every area of your life.

#### **5. Failure to plan and save for retirement**

It's critical to start planning and saving for retirement as soon as possible. It's also absolutely critical to take advantage of employer funded matching contributions for 401(k) plans or other retirement plans offered.

#### **6. No emergency fund**

It's often a lack of personal savings that forces people to use their credit cards or obtain personal loans to pay for unexpected expenses. Set up a separate savings account and start setting money aside every paycheck.

#### **7. Impulse purchases**

How many times have you made an impulse purchase for an item in a store, online or even a very large purchase like a new car, boat, expensive jewelry, etc. that you end up regretting later? Slow down and truly ask yourself if these purchases are necessary or discretionary? More importantly, are these impulse purchases helping you achieve your financial goals, or are you consuming your financial future with each purchase?

#### **8. Living beyond your means**

A budget is a great place to start when looking to eliminate this foolish financial habit. It's important to see where your money is going on a monthly basis and set boundaries based on your income and expenses. Look for creative ways to cut expenses and still enjoy life, while setting clear financial goals you are committed to achieving.

*Source: [www.financialliteracy.com](http://www.financialliteracy.com)*