

Financial Bad Habits

It is easy to get into bad habits with financial matters. Few people have enough money to simply buy what they want without a thought. Most people have to plan their purchases and stay vigilant to keep themselves solvent.

Many people have bad habits of getting too far in debt with credit cards. The cards are easy to get. You can get a handful of Visas and Master Cards, an American Express Card, a Discovery Card, and several cards from retail stores without much effort. You do not have to have much income to get this many cards, either.

None of the card companies seem to consider that you might have to pay payments to the other cards. You may think you have all these cards just for emergencies. However, if you get into bad habits with them, you can end up spending them to their limits. You may reach a point where you cannot even make the minimum monthly payments.

You might be tempted to borrow money from relatives at a time like this, but that would be just another of type of bad habits. Relatives may want to help you for a time. They may allow you to get into the bad habit of going to them each time you need money. Yet, there will come a day when the money will run out, or the situation will get old. The relative will not only discontinue the loans. They might stop speaking to you as well.

When it comes to friends, both borrowing and lending money are bad habits. It puts a strain on the relationship that many friends cannot handle. One friend might forget how much was borrowed. Yet, there may be animosity if a written contract is suggested. You can rarely win when you get into this bad habit.

Many people get into trouble financially because they have the bad habit of not sitting down to make a budget. They have a general idea of where the money should go. They may think they have it all in their brains. It never quite comes together, though, unless you put it on paper (or on a spreadsheet on a computer). Only then will you know you have everything included.

Most utility companies have a certain grace period before they will cut off service. Some people count on this grace period and get into bad habits when it comes to paying their utility bills. If you do this you put yourself in jeopardy of losing your lights or water. You also destroy your credit rating.

Some financial bad habits have to do with the way people manage their checking accounts. One thing people often do is to throw away paperwork they get when making transactions. Of course, there is a time to throw it away. Yet, until it is recorded into your account, you need to keep deposit, ATM, and debit slips to verify that the correct amount was taken out.

Some people even have the bad habits of not reconciling their checking accounts. If they want to do internet banking with a software program like Microsoft Money

or Quicken, they can make it very easy on themselves. It is important to be sure that your account has in it what you think it should. For one thing, there is no better way to catch fraud. Taking charge of your money habits can make your life less stressful and more productive.