



## 12 Mindless Habits That Are Slowly Depleting Your Wealth

### Description

Sometimes, we deplete our bank accounts by making enormous purchases, such as a car or new furniture. Other times, we deplete our fortunes on small, mindless purchases and fees, ones that grow larger the longer we do them. Below are just 12 of the most mindless habits we could all do better to avoid.

### 1. Depositing paycheck in a normal bank account

With inflation as high as it is, you could be losing money simply by depositing in a low-interest chequeing account. While, true, interest rates are extremely low right now, you're better off letting your money sit in a high-interest savings account than in a normal bank account.

### 2. Paying ATM fees

Withdrawing cash from an ATM that's outside your network is a big waste of money. Find an ATM that takes your debit card and avoid those that charge high fees for cash withdraw. Bonus tip: avoid cash advances on credit cards, as those come with high fees, too.

### 3. Drinking bottled water

Not only are you using plastic (boo), but you're also wasting money. Instead of buying crates of plastic bottles, buy a water filter. You'll save money in the long run and decrease your ecological footprint.

### 4. Wasting energy

Speaking of ecological footprint — you could reduce your energy bill by conducting an energy audit. An audit will identify energy leaks in your house or apartment, helping you seal your space.

## 5. Eating appetizers

Appetizers are fairly expensive, and they can be a major drain on your budget. Besides, most of us can't eat appetizers *and* our entrée anyways. Instead of buying appetizers at dinner, have a light snack before you go out. You'll save money and food.

## 6. Carrying credit card debt

The APRs on credit cards are absurdly high. If you carry a balance, even a light balance, you could end up paying hundreds in credit card interest. If you find yourself carrying a balance, do yourself favour and get a balance-transfer credit card.

## 7. Driving too fast

Slow drivers may get a bad rep, but one thing's for sure: they're spending a lot less on fuel than you. The ideal driving speed is around 100 kilometres per hour (most experts recommend driving 50 to 80 km/h, but let's be real: at that point, you may as well take a bike).

For every 10 km/h above 100 km/h, you can expect to pay 10% more on fuel. So, look at it this way: if it costs you \$10 to travel from one place to another at 100km/h, then it would cost you \$12 to travel the same distance at 120km/h.

## 8. Check your tire pressure

Travelling with the right tire pressure can boost your mileage by quite a few kilometres. Now that we're in winter, be sure your tires are properly inflated.

## 9. Buying brand-name products

People buy brand names because they feel familiar. But over time, those brand-name products can start to eat into your wealth. Ditch the brand names for generics, and you'll spend less on groceries.

## 10. Buying for shipping

Online shopping might save you time, but it can cost you in shipping. Pay attention to shipping fees, and don't give in to the temptation to expedite your goods (it's almost never worth the cost).

## 11. Paying high fees on mutual funds

Among the family of funds (index, ETF, and mutual), mutual funds are the most actively managed. That means a mutual fund manager is constantly looking for the right bundle of investments to beat the market. But that active management comes at a cost — high fees.

With mutual fees, the fees are numerous: management expense ratio, sales loads, trading fees, trailing commissions, among others. The higher your fees, the less your rate of return.

Instead of paying high fees on mutual funds, you could invest in ETFs. ETFs are similar to mutual funds in that they're a basket of different investments. The difference is that ETFs are passively managed, meaning they track an index. The fees on ETFs are significantly lower than mutual funds, and numerous studies have shown that over the long term, ETFs can outperform mutual funds, simply because mutual fund managers can't beat the market every time.

## 12. Paying high fees on brokerage account

Finally, if you're paying high fees to your broker, it might be time to break up with them. Nowadays, many online brokerages allow you to trade investments at low or no cost. Check out some of Canada's top brokerage accounts and see if you can save some money.

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