

# WISE Women

We're Informed, Secure, & Empowered!

## 5 Money Mistakes Women Should Avoid

Here are some common mistakes that a lot of women make and that you can learn to avoid.

### 1. Debt

Learn to live below your means. If you don't have cash to back up your credit card spending, then do not charge it unless it is a real emergency. Avoid late fees that will lower your credit score. If you cannot make payments on time, call the company and explain why not. Sometimes they will be willing to waive the late fee and work out a payment schedule.

### 2. Spending money on the kids and grandkids and not saving

Put your savings first! Resist giving large gifts and sums of money to your children, grandchildren, or other family members at the expense of your own savings and retirement funds.

### 3. Not getting involved in managing the family's finances

It may not matter who writes the checks (or pays online) if you are making the financial decisions together. Make sure you know where your family's money is, where the retirement plans are located, and where the assets are and what they are worth. Many women are involved in managing the family's day-to-day finances, like paying bills, but fewer women are involved in the bigger financial picture, and often leave things like the retirement plans and investments to their spouse or partner. Women will likely outlive their husbands/ be prepared and knowledgeable in the event you someday have to manage the finances on your own.

### 4. Spending your tax refund

Many people treat their tax refund like a windfall that they can use to splurge on things that they may not actually need. Instead, try thinking of your refund as an easy way to give your savings, emergency fund, or retirement accounts a boost. You can even automatically purchase savings bonds with your tax refund at the time you file your taxes using Tax Form 8888.

### 5. Not realizing that you may end up living on your own someday

Women live longer than men on average, and often marry older men. It is a good idea to be prepared to manage your own finances and plan accordingly for the additional years you may live after your spouse or partner dies. Furthermore, half of all marriages end in divorce. One way to protect yourself is to make sure your name appears on all of your family accounts and investments, either solely or as a joint owner. This establishes your legal right to at least part of these assets if your partner becomes ill or incapacitated.

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