

7 money-saving myths that cost you money

By John Schmoll

As frugal-minded individuals, we love to find ways to save money. Saving money can be a good thing to do as the funds can be used in other areas of your budget to help you live the life you want. However, there are times when what we believe to be saving us money is actually costing us in the long run.

If you're trying to save money, take a look at some of the following money-saving myths to see which ones you might be guilty of committing without even knowing it.

Buying the Cheaper Item

When given the option to purchase an item, it's common for those wanting to save money to pick the cheaper alternative. After all, who wants to spend more for a similar product?

However, in many instances, that cheaper product can actually cost you more money in the long run. This trade-off must be taken on a case-by-case basis, of course, but often times the better quality, more expensive item will actually save you money versus the cheaper product.

Using Credit Card Rewards

Many individuals love to churn through credit cards as a means of getting free or heavily discounted travel or cash back. If you can get money back for something you'd already be purchasing anyway, then why not take part?

The problem arises when the churning causes you to spend more money in order to meet minimum spending requirements. That free trip might not seem so free anymore if you have to spend money you wouldn't be normally spending to get it.

Scoring Free Shipping

If you do much shopping online, then you know the cost shipping can add up. In many instances, you can spend \$10 or more to ship a simple item. Knowing this, many retailers run promotions to get you to spend more for free shipping.

The problem arises when you end up spending more to get that free shipping and as a result don't end up saving any money at all. If free shipping is important to you, check out sites like FreeShipping.org to get coupon codes for free shipping that won't cost you more money.

Coupons

Clipping coupons has long been a part of frugality. It makes sense, as they can be a great way to save money. However, if you weren't planning on buying the item in the first place, then it's

actually costing you money. Instead, consider using coupons only for items that you'd be buying anyway and leave the rest at home.

Buying Off the Clearance Rack

Do you head straight to the clearance rack once you step foot in a store? Buying off the clearance rack can be a great way to save money on items that might be going out of season, but if you don't need the item in question and you hadn't planned on spending the money, then it's only costing you money in the long run.

Buying in Bulk

Buying items in bulk, especially at stores like Costco or Sam's Club, can be a great way to save money. The bulk purchase can lower the per unit pricing and help you save money over the long haul.

However, if you end up tossing half of the item in the trash because you can't consume it in time then you're actually throwing money away. If you like the idea of buying items in bulk, look for ways to help stretch your purchase through freezing items or splitting purchases with a friend.

Using Cash Is Always Better

Many believe that if you only go out with cash as opposed to a credit or debit card that you'll save money in the short and long run. While it is true that once you spend the cash you can't spend anymore, using a cash-only system can make it more difficult to track your spending, which makes it harder to identify overspending. That's also not to mention the purchase protection available through many credit and debit cards.

Saving money is important to many people, but there are myths out there that can trip up your money-saving efforts. With a little planning, you can bust many of these myths so they don't derail your plans.

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