

The 10 Biggest Mistakes People Make with Their Money and How to Avoid Them



A GUIDE TO BUILDING SMARTER
FINANCIAL HABITS AND
LASTING WEALTH



We Can Help You Navigate The Way

No one plans to make poor financial choices, yet small missteps can quietly erode wealth. From ignoring tax strategies to waiting too long to invest, even disciplined savers often fall short of their potential.

*At **Bradford Financial Center**, we see it every day—people working hard, saving diligently, and still missing opportunities because their plans aren't coordinated. This guide explores the 10 most common financial mistakes and the smart, evidence-based ways to avoid them.*



Failing to Plan

(and Hoping for the Best)

Studies show that up to **70% of financial planning recommendations are never implemented** (Financial Planning Association & Morningstar, 2024). Many high-income earners delay working with professionals, assuming retirement is far away or that they can manage on their own (Certified Financial Planner Board, 2023).

Without a coordinated plan, financial decisions tend to be reactive, not strategic.

1



Avoid it: Create a written plan that defines your goals, timeline, and milestones. Work with an advisor who helps you implement it.



Saving Without Investing

In 2025, **57% of U.S. adults reported not owning any stocks**, and 48% held no investment assets (Gallup, 2025; Bankrate, 2024). The Federal Reserve reports that 46% of households have no retirement savings (Federal Reserve, 2022). Meanwhile, 24% of Americans have no emergency savings, and another 30% lack enough to cover three months of expenses (Bankrate, 2025).

Savings accounts feel safe but fail to keep pace with inflation, quietly reducing purchasing power.

2



Avoid it: Maintain an emergency fund, but invest beyond that. A diversified portfolio aligned with your goals can help your money grow faster and smarter.





Timing the Market Instead of Staying in It

3

Trying to “beat” the market is a costly habit.

Between 2003–2023, staying invested in the S&P 500 produced a 9.7% annual return, but missing the 30 best days dropped that to 3.8% (J.P. Morgan Asset Management, 2024). Long-term, consistent investing outperforms market-timing attempts (Vanguard, 2023; Fidelity, 2023).



Avoid it: Focus on time in the market. Stay invested, benefit from compounding, and consider dollar-cost averaging to avoid emotional decisions.

Ignoring Tax Strategy

Taxes are the “silent killer” of investment returns.

Common mistakes include underusing tax-advantaged accounts, holding tax-inefficient assets in taxable accounts, and skipping strategies like tax-loss harvesting (Morningstar, 2023; Fidelity, 2024).

4



Avoid it: Incorporate tax efficiency into your planning if eligible—through Roth IRAs, long-term holdings, and smart asset location—to improve after-tax results.

Carrying “Invisible” Debt

Debt isn't always obvious. Beyond credit cards, **Americans are carrying record levels of hidden financial strain.**

- Auto loans reached \$1.6 trillion in 2023, up 10% in one year (Federal Reserve Bank of New York, 2023), with 2.3% of subprime borrowers 90+ days delinquent (Equifax, 2023).
- Student loan debt now averages \$37,853 per borrower, up from \$27,759 a decade ago (U.S. Department of Education, 2024).
- 32% of consumers used Buy Now, Pay Later (BNPL) services in 2023...often without realizing how those small payments stack up (CFPB 2023).
- Americans carry roughly \$88 billion in medical debt on their credit reports (CFPB, 2022).

All of this erodes financial flexibility and delays long-term investing.



5



Avoid it: Tally every loan and repayment. Pay off high-interest debt first and redirect that money toward saving and investing.



6

Neglecting Retirement Contributions

Nearly 46% of households have no retirement accounts (Federal Reserve, 2022). The median balance among working-age households is \$3,000, and even near-retirees average just \$21,000 (EBRI, 2024; Vanguard, 2022).

In 2023, 22% of Americans made no retirement contributions (Bankrate, 2023).



Avoid it: Start now. Even small, regular contributions grow through compounding. Increase your savings by 1% a year and take advantage of any employer match.

Overlooking Insurance and Risk Management

Most people believe they're well covered—but they're not. **68% think their insurance is adequate, while only 6% actually meet coverage needs (LIMRA, 2024).**

Among affluent households, 90% feel protected, yet only 16% have reviewed policies recently (Chubb, 2023).

7



Avoid it: Audit your insurance annually and ensure it matches your family's and business's risk exposure.



Skipping an Estate Plan

8

Only 24% of Americans have a will, down from 33% in 2022 (Caring.com, 2025). Parents of minors are least likely to have estate documents (AARP, 2024).

Over 50% of Americans have no will or trust (Gallup, 2023).



Avoid it: Work with an advisor and estate attorney to create or update your will, powers of attorney, and trusts. Review after major life changes.

Forgetting to Revisit Your Plan

A 2024 SoFi survey found **15% of investors never review their retirement plan.**

Northwestern Mutual reported that 34% of adults lack clarity on spending versus saving, and fewer than half of Baby Boomers and Gen Xers feel financially prepared (Northwestern Mutual, 2024; Allianz Life, 2023).

9



Avoid it: Schedule an annual “financial check-up.” Review your goals and adjust for new laws, markets, and milestones.

Trying to Do It All Alone

Data shows that investors with professional advisors perform better.

In 2025, advised accounts averaged \$555,653 versus \$319,078 for self-directed ones (Charles Schwab, 2025). Advised investors held more diversified portfolios and traded less frequently (Schwab Center for Financial Research, 2024).

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Avoid it: Partner with an advisor who integrates investments, taxes, insurance, and estate planning into one coordinated strategy.



BONUS

The Wealth You Can't Measure

True wealth isn't just about money; it's about freedom, security, and living in alignment with your values. When your financial plan supports your purpose, every decision carries meaning.





Ready to Take the Next Step?

At **Bradford Financial Center**, we help clients simplify complex financial decisions and turn insight into action. Whether you're building a foundation or refining your retirement strategy, we'll help you create clarity and confidence around your financial future.



- Schedule your free financial review today
- Meet with our local teams in Clarion or Garner
- Learn more at bradfordfinancialcenter.com



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