

Money 'Tips' to Ignore

It's easy to ignore the misguided dating advice of elders at family gatherings, so why do we let the financial tidbits sink in? Money advice often gets woven into humdrum conversations between family and friends, and it can be hard to know what to take seriously. Here are some financial "tips" to let in one ear and out the other.

"If you can't afford it, charge it"

You're broke, but you know you'll be facing the firing squad for missing a family reunion. Nana advises to "charge it." However, any punitive measures she dishes out will be better than facing [collection companies](#). If you can't afford a trip home, or any optional expense, for that matter, putting it on a credit card should be out of the question.

"Buy everything in bulk"

Maybe mom bought all the toilet paper and snacks in bulk at a warehouse store, but she had a whole household to run. Buying items at 75% off is still 100% wasteful if it goes unused.

"You can't take savings with you"

Ever been peer-pressured with those words of wisdom "You can't take it with you"? Leaving a mess of debt postmortem means a huge financial burden for loved ones to sort out. Don't let friends or family chastise you for being responsible and having savings.

"Buying a house is always a good investment"

Do-it-yourself home flips seem so easy with a backdrop of TLC or HGTV production crews. But buying a home, especially a fixer-upper, can come with major costs. There's no guarantee that a house will provide a return on investment, either. Before deciding whether to [buy or rent](#), consider all of the different ways that home ownership can affect your bottom line.

"Go ahead: Just pay the minimum on credit cards"

One of the greatest myths used to perpetuate the overuse of credit cards is the idea that you can survive by only paying the [minimum balance](#). The longer you defer paying down the principal, the more you end up paying in interest. If you're going to use a credit card, only purchase what you can afford to pay down immediately.

"Loans can finance daily living"

Spending loan money on lavish vacations now will lead to serious problems in the next few years when it comes time to pay back the debt. After a taste of an unsustainably good life, you may have wonderful memories, but you run the risk of drowning in debt.

"Store rewards credit cards are like free money"

Even for the most dedicated shopaholic, getting a store rewards credit card just to get the 25% initial discount is a dicey idea. The cards tend to carry high interest rates, and the rewards are almost always limited to the store itself. Besides, opening too many lines of credit all at once is a fabulous way to tank your credit.

Next time, think twice before taking financial advice from a friend or distant relative. After all, you're the one who has to live with the consequences of those choices, and you don't want to be destined for debt.

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