

# Bad Money Habits to Break in the New Year

Five behaviors worth changing.

01.03.23 · GENERATION NOW



**D**o bad money habits constrain your financial progress? Many people fall into the same financial behavior patterns year after year. If you sometimes succumb to these financial tendencies, now is as good a time as any to alter your behavior. Below are some suggestions from the advisory team at 6 Meridian.

**#1: Living without a budget.** You may earn enough money that you don't feel you need to budget. "No matter your financial status, not knowing how much you spend and where it all goes is the most fundamental bad habit, and we are all probably guilty of it to a point," says Wealth Advisor Tim Rozzell. In calculating a budget, you may find opportunities for savings and detect wasteful spending. Margaret Dechant, CEO, agrees, "Most would be shocked at where the money goes if they tracked spending. Even for those who have 'enough,' it is still an enlightening exercise."

**#2: Emotional investing.** During market volatility, it's common for investors to become nervous, and without a solid financial plan, many make investment decisions based on fear rather than sound advice. Wealth Advisor, Bryan Green, suggests, "Some investors too often think of a portfolio as a whole. They should instead think of it in different 'buckets,' i.e., short-term, medium-term, and long-term buckets. Reviewing each 'bucket' based on purpose can reduce anxiety during down markets." Dechant adds, "Build a long-term plan with your advisor based on facts, not emotions." Wealth Advisor, Sarah Hampton, recommends having an appropriate perspective of acceptable risk and reward when reviewing

investment opportunities. Visit [6meridian.com/compass](https://6meridian.com/compass) to learn more about our interactive financial planning tool that encompasses your entire financial picture.

**#3: Saving too little too late.** Good savers build emergency funds, have money to invest and compound, and leave the stress of living paycheck to paycheck behind. Wealth Advisor, Tim Lynch, shares, “The importance of saving, even if incremental, and the understanding of compound interest is key to creating a lasting savings fund. A local business owner shared with me that his former employees are retiring with \$5M+ in their 401Ks after 30+ years of service because he encouraged them to save and educated them on the benefits of a company match. His employees were paid competitive salaries, but these results show the long-term benefits of following a process and staying committed.”

Calvin Pearson, Wealth Advisor, adds, “Saving does not always require a goal of purchasing something. Savings that aren’t attached to a spending goal gives you options and flexibility, like the ability to take advantage of market opportunities or having the freedom to live your life on your terms.”

**#4: Inadequate financial literacy.** Is the financial world boring? To many people, it can seem that way. The Wall Street Journal is not exactly Rolling Stone, and The Economist is hardly light reading. You don’t have to start there, however. There are excellent, readable, and entertaining websites with valuable financial information. Visit the [Resources section](#) of our website for timely financial planning articles with clear takeaways. Reading articles daily from reputable resources could help you significantly increase your financial understanding.

**#5: DIY retirement strategy.** Those who save for retirement without the help of professionals may leave themselves open to abrupt, emotional investing mistakes and other oversights. Another common tendency is to underestimate the amount of money needed for the future vastly. Sarah Hampton, Wealth Advisor, cautions, “Having an appropriate perspective of acceptable risk/reward when reviewing investment opportunities is often overlooked. Many fall into the trap of investing in opportunities that don’t fit into their long-term planning.” Few people have the time to amass the knowledge and skill set possessed by a financial services professional with years of experience. Instead of flirting with trial and error, see a professional for insight.

---

6 Meridian is a group comprised of investment professionals registered with Hightower Advisors, LLC, an SEC registered investment adviser. Some investment professionals may also be registered with Hightower Securities, LLC, member FINRA and SIPC. Advisory services are offered through Hightower Advisors, LLC. Securities are offered through Hightower Securities, LLC. This is not an offer to buy or sell securities. No investment process is free of risk, and there is no guarantee that the investment process or the investment opportunities referenced herein will be profitable. Past performance is neither indicative nor a guarantee of future results. The investment opportunities referenced herein may not be suitable for all investors. All data or other information referenced herein is from sources

believed to be reliable. Any opinions, news, research, analyses, prices, or other data or information contained in this presentation is provided as general market commentary and does not constitute investment advice. 6 Meridian and Hightower Advisors, LLC or any of its affiliates make no representations or warranties express or implied as to the accuracy or completeness of the information or for statements or errors or omissions, or results obtained from the use of this information. 6 Meridian and Hightower Advisors, LLC assume no liability for any action made or taken in reliance on or relating in any way to this information. The information is provided as of the date referenced in the document. Such data and other information are subject to change without notice. This document was created for informational purposes only; the opinions expressed herein are solely those of the author(s) and do not represent those of Hightower Advisors, LLC, or any of its affiliates. Hightower Advisors, LLC or any of its affiliates do not provide tax or legal advice. This material is not intended or written to provide and should not be relied upon or used as a substitute for tax or legal advice. Information contained herein does not consider an individual's or entity's specific circumstances or applicable governing law, which may vary from jurisdiction to jurisdiction and be subject to change. Clients are urged to consult their tax or legal advisor for related questions. The article above was prepared by MarketingPro, Inc., and 6 Meridian and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate.

*E* / [contact@6meridian.com](mailto:contact@6meridian.com) • *P* / 316.776.4601 / 855.334.2110 • *F* / 316.776.4620

**WWW.6MERIDIAN.COM** • 8301 E. 21st Street N. Ste. 150, Wichita, KS 67206