




# Top Three Money Mistakes to Avoid in Your 20's



Young Money  
University

If you're reading this, you're probably in your twenties. This means:

-  You have so much life ahead of you!
-  You have some big plans or at least some big dreams.
-  You have not been properly taught how to manage your money so those plans and dreams feel attainable.

The financial education system in America leans towards mediocre, especially when it comes to the timing of learning important financial principles. If no one teaches you about finance early on in life, you grow up simply not knowing what you don't know. This lack of not knowing what's good makes it really easy to unknowingly indulge in the bad, leading to financial mistakes that can damage your potential for financial success.

Right now, nearly 75% of Americans are living paycheck to paycheck. About another 40% don't have the flexibility to cover a surprise \$400 expense. Think about how limiting that lifestyle can feel. Limited housing options, limited travel opportunities, limited extra income (if there is any)! These limitations are often the result of making one, or more, of the money management mistakes outlined in this resource.

Some of these mistakes can cause serious damage right now, while others you often won't face the consequences of until it's too late. Either way, you could potentially lose out on hundreds of thousands of dollars, be neck-deep in debt, or look back when you're eighty and regret never being able to take your dream vacation. You don't want that and we don't want that for you.

The key to avoiding this limited lifestyle is minimizing your financial mistakes while you're young so you can maximize your financial success later on. Thankfully, at Young Money University, we can teach you how to achieve that. Here are the top three financial mistakes people make in their twenties and how to avoid them:

## Subscribing to an “I deserve” mentality

When I was young and fresh out of college, I told myself that because I had a degree and a new job that I deserved to live in a nice apartment and drive a nice car. I felt entitled to those things. This kind of entitled mentality can lead people to buy unnecessary, and often expensive, things. *“My parents live in a nice house, so I should live in a nice house”; “My friends eat out all the time, I deserve that too!”; “My neighbor drives a nice car, so I should drive a nice car.”*

These types of expenses give the appearance of financial freedom, when in reality they can bog you down financially — especially when you're in your twenties and don't have the income to support it. If you're not careful, you could find yourself with an unmanageable car payment, house payments, or spending habit that will drain money from wealth-building assets. **Foolish purchases are the fastest way to ruin your chances of financial freedom.**

One of the best ways to keep your money mentality in check is to clearly prioritize what you do spend money on. If you like to travel but don't care about what kind of car you drive, focus on putting your money towards future trips. If you're interested in fixing up an old car and don't mind not having the nicest house on the block, then save for and spend your money on your wheels.

Figuring out what you value and knowing how to save and spend your cash effectively can be difficult. That's why Young Money University developed the “Do Money Differently” course. It will walk you through how to create and name multiple accounts for spending money on things you value — think of them as digital envelopes of cash. That way, you avoid foolish purchases and focus on the things that matter most to you!

## Waiting to Invest

Regardless of what you've heard on TV or seen in the movies, the single most assured way to accumulate wealth today is by investing in the stock market. The average rate of return from the market over the last eighty years is just around 10%. Good luck finding that kind of return at your local bank or credit union (because it doesn't exist). Most people think of investing as a rich man's game, but thanks to modern technology, it's now accessible to anyone with \$10 and a smartphone.

But even still, the vast majority of people graduate from high school (or even college) without ever learning how to invest. This lack of understanding leads people to think of the stock market as something complex and intimidating that only people with business degrees can understand and take advantage of. People don't get into the game because they're afraid of it.

And you can't win by sitting on the bench — you have to be in the game. And the earlier you're in the game, the better chance you have at winning. **When you begin investing at a young age, you can amass hundreds of thousands — even millions — of dollars more than you if you waited until you were “old enough” to start investing.**

Thankfully, Young Money University created the “Investing Made Easy” course to show you not only how to invest but also how to leverage your biggest financial advantage — your youth. Investing is a great financial opportunity and we want more people to feel comfortable going up to bat!

## Lying to yourself about your potential

Most of us have some kind of idea of how we want our lives to look. Living in a beautiful house on a hill, taking your to Australia for a summer getaway, or driving a brand new car that you love getting in the driver's seat of. We catch ourselves fantasizing in class or describing them to friends.

"But what does dreaming have to do with avoiding financial mistakes," you might ask? Everything.

Without a "Why," a reason or goal for money management, financial discipline becomes cold, calculated, and downright boring. We become penny pinchers instead of dream chasers. So many of us clip our own wings because we don't think we can make our dreams actually happen. We lie to ourselves by believing we're not smart or disciplined enough, that we don't come from successful stock.

Believing these lies lays the groundwork for a life of disappointment and mediocrity — it is possibly the greatest money mistake of them all. The only way around this mistake is to stop believing the lies you tell yourself.


"The economy has to be really good for me to make it," is a lie. You can learn how to automate your financial life, including putting your wealth creation plan on autopilot. "I had to have to come from a financially successful family to be financially successful," is a lie. You can learn about personal finances and how to do money differently so you can control your present and ensure a bright financial future.

Thinking "I'm not smart enough to invest in the stock market, so why bother?" is a blockade disguised as a rational idea.

When you learn how to save, spend, and invest money differently you'll see that you don't have to be the smartest person in the room to reach your dream. You just have to believe in yourself and your financial future.

At Young Money University, we understand what it's like to feel financially powerless. We know what it's like to make stupid purchases, come from a financially distressed background, or be unsure of the stock market. That's why we've taught thousands of young people like you how to manage money differently, invest easily, and live a life that fits your dreams.

You can take charge of your money and give yourself the opportunities you never thought would come your way.

We promise. 

**Todd Romer**

*Founder | Young Money University*

## Enroll in Do Money Differently

Enroll in one of our courses today to learn how to best avoid these common money mistakes!

### Do Money Differently

Reduced your financial stress and start towards a life that fits your dreams by learning the five easiest and most powerful steps to take in your financial journey. You'll get guidance from speaker, author, coach and founder of YMU Todd Romer on how to manage your money differently and, ultimately, better.

### Waiting to Invest

When it comes to investing, a lot of the terminology can feel like gibberish and stock apps make it look like you're preparing for a moon landing. That's why we created a course that will teach you the basics and get you excited about creating wealth to reach your goals.