Financial apathy creeps in everywhere: A lot of money that just gets little wings.

Sandra E. Martin, Smart Money columnist
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This is the second time in a row that my husband has signed up for a session of recreational, adult-league soccer, then bailed after just a few games.

I didn't ask him how much the sessions cost him. I figured (or hoped) the amounts were small enough to fall under the category of "discretionary fun money."

But I did wonder how often this sort of spend-it-and-forget-it behaviour goes on in other households. Sure, you hear talk of expensive gym memberships long unused, organic vegetables left to spoil in the fridge, late fees racked upon overdue library books and rental DVDs, impulse purchases hidden at the back of the closets. But how pervasive is it, really – and, more to the point, how much is it costing consumers as a whole?

Egg, a London-based financial services provider, calls such practices financial apathy, and says it costs Britons (ps) 316-million a year.

That's the equivalent of about $2,750 per person, an amount **Vancouver financial planner Sylvia Lim** considers a fair estimate of how much Canadians waste on dumb money moves.

"It is true that the small purchases, frivolous spending and the cost of financial conveniences add up to big bucks," **Ms. Lim comments**, referring to activities such as splurging on designer clothing for children who'll grow out of them in a season, and continuing to use a high-interest rate credit card whenlower-cost options are available.

There's a lot of money that just gets little wings," agrees Sandra Foster, a Toronto financial educator.

People often waste money without realizing it by buying more of something than they need – a no-no that isn't limited to perishable food items. For example, Ms. Foster says, "There's a lot of different ranges of high-speed [internet]. Maybe you don't need the 5.0 [Mbps connection] and the 3.0 would be fine."

The extra cost of superfast Internet service and the occasional uneaten head of lettuce might seem trifling. However, some academics have deemed the phenomena serious enough to devote careers to their study.

The field is known as behavioural economics, and it offers not just theories about why we make dumb money moves, but also some guidance on how to break those habits.

Jamie Gruman, assistant professor of organizational behaviour at the University of Toronto's Scarborough Campus, says the science saved him $600 at a car dealership four years ago.

"When I bought my car … I wanted a CD player in it," he recalls. "A CD player at

Honda was $600 [For most consumers] a $600 CD player when you're shelling out $20,000 on a car is nominal."

Because of his background in behavourial economics, he was able to step back mentally, and say, "that's ridiculous, I can go to Radio Shack and buy it for $50."

The bundling of purchases, such as a car and CD player, is a crafty method that retailers use to get us to spend more than we would on those items separately.

Mr. Gruman points to the study on ski passes that found people who bought a four-day pass for $160 are "less likely to go skiing on that fourth day than people wo have bought four individual passes for $40 each."

By bundling products together, we essentially de-couple the price from the value of the service we're getting," Mr. Gruman says.

As to the question of why people squander thousands on unused fitness club memberships, he says, "I think the reason has to do with what we call mental accounting. By putting money into different bank accounts in their heads, they view the same dollars as having different value." The money that paid for the gym membership "goes into an account that's closed" and, hence, forgotten.

Don't have time to get a degree in behavioural economics? Here are a few simple tips you can use now to obliterate your money-losing habits:

- Instead of paying for a full year of privileges at the trendiest fitness club in town, Ms. Foster recommends testing your get-in-shape intentions at a community centre, or buy a month-long membership at a lower-cost gym. Either option will help you "find out if it's something that really you can build into your routine.

- Mental accounting leads many ofus to overvalue our savings and undervalue the extent of our debt, Mr. Gruman says. Instead of hanging on to money that may be earning less than 1% a year in interest, use it to pay down your 18%-a-year credit card balances.

- If you habitually carry a balance on your credit cards, transfer it to a lower-interest card.

- Be aware that money is money, regardless of where it comes from. "For example," Mr. Gruman say, "people are prone to spend their income tax refunds – it's a windfall." They're less likely to blow a work bonus in the same way.

- Finally, keep your expectations realistic. Saving money is great, but it shouldn't take over your life. As Ms Foster puts it, "This isn't [about] living so tight you've got too many nickels in your pocket."