

4 Ways You May Be Wasting Money in Retirement

Many seniors find themselves struggling financially in retirement when they realize their living expenses are higher than anticipated. If you're having a hard time making ends meet, it pays to take a closer look at your spending and see if there are ways to trim the fat. Here are a few ways retirees commonly waste money. If any of these apply to you, it's time to change your habits immediately.

1. Hanging onto a larger home

If you own a larger home in retirement, [downsizing](#) to a smaller living space could free up a substantial amount of cash and make your monthly bills more affordable. The less square footage you have, the less expensive your home will be to heat, cool, and maintain. And if you no longer have children living at home (which is likely the case if they're all grown up), then there's little sense in hanging onto a property with rooms you don't use.

IMAGE SOURCE: GETTY IMAGES.

2. Keeping two cars

Transportation is the second largest expense for senior 65 and over, according to the Bureau of Labor Statistics, and much of that has to do with owning a car. In fact, it costs \$8,849 a year, on average, to own a vehicle, reports the American Automobile Association, so if you're a two-vehicle household, it pays to consider unloading one. Even if you and your partner have different schedules and interests, in the absence of an actual job to commute to on a daily basis, you can probably manage to get by with a shared car, especially since the savings involved could be huge.

3. Having the wrong prescription drug plan

If you get health coverage through original Medicare, as opposed to [Medicare Advantage](#), you'll need to choose a [Part D](#) drug plan each year. But picking the wrong plan could cost you money in the form of poor coverage.

Each Part D plan has its own formulary that groups drugs into different tiers. Lower-tiered drugs are those that your plan covers at a relatively low cost to you, while higher-tiered drugs get more expensive. If you pick a plan that places your prescriptions in a

higher tier, they're going to cost you more. Keep in mind that plan formularies can change from year to year so that a medication you got great coverage for in the past could suddenly become more expensive -- all the more reason to review your plan options carefully each year.

4. Not taking advantage of senior discounts

As a senior, you're entitled to a host of [discounts](#) that could save you serious money over time. And if you don't take the time to research them, you'll inevitably wind up throwing money away. You'll usually get a discounted fare on public transportation as a senior, as well as reduced rates for museums, movie theaters, and other attractions. You may even be eligible for discounts at nationwide chains and food establishments. And if you join AARP, you can snag even more breaks.

The last thing you want to do during your golden years is waste money you can't afford to part with needlessly. It pays to take a close look at your [retirement budget](#) and make sure the expenses you're currently paying for are all actually necessary. At the same time, explore options for reducing some of those costs, whether by going to the extreme of moving or simply carving out the time to clip a few extra coupons.

The \$16,728 Social Security bonus most retirees completely overlook

If you're like most Americans, you're a few years (or more) behind on your retirement savings. But a handful of little-known "Social Security secrets" could help ensure a boost in your retirement income. For example: one easy trick could pay you as much as \$16,728 more... each year! Once you learn how to maximize your Social Security benefits, we think you could retire confidently with the peace of mind we're all after.