The Dumb Things Smart People Do with Their Money: Thirteen Ways to Right Your Financial Wrongs

by Jill Schlesinger

Questions from Dumb Thing #1: You Buy Financial Products That You Don't Understand

1. Have you ever bought a financial product you didn't understand? If so, what was the outcome?
2. How do you feel about asking questions during professional appointments (financial or otherwise)?
3. Have you ever read a disclosure document like a prospectus? If so, did you learn anything surprising?

5 MINUTE BREAK

Questions from Dumb Thing #2: You Take Financial Advice from The Wrong People

1. What does it mean to be a fiduciary?
2. How would you research a potential financial advisor to find out their background?
3. The author compared a relationship with a fiduciary to the relationship with your doctor. Can you imagine how your patient relationship would change if your doctor worked on commission?

Questions from Dumb Thing #3: You Make Money More Important Than It Is

1. How much money must people make each year in order to maximize their happiness?
2. Do you know anyone who exhibits the warning signs of placing too high an importance on money? What might a conversation with that person look like? Could the six strategies that the author suggests to get right with money on pages 52-54, help with that conversation?
3. What would be the warning signs for someone who placed too low an importance on money?

Questions from Dumb Thing #4: You Take On Too Much College Debt

1. Did you take out student loans to pay for your college? If so, was it worth it?
2. Why do you think smart people overextend themselves to pay for their children's expensive colleges?

Questions from Dumb Thing #5: You Buy a House When You Should Rent

1. Have you ever exceeded 30% of your income on housing? And if so, was that payment for rent or a mortgage. Knowing what you know now, would you have done anything differently?
2. Affordable housing is a serious issue for many people. What advice would you give to those who are paying for housing that exceeds 30% of their income?

Questions from Dumb Thing #6: You Take On Too Much Risk

1. On a scale of 1-10, how would you rate your risk tolerance (If 10 is the most risk tolerant)? How do you measure risk tolerance?
2. If you followed Jill's Five Steps, which step would you be on now? Which do you think is the hardest step for most people?

5 MINUTE BREAK

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Questions from Dumb Thing #7: You Fail to Protect Your Identity

1. On a scale of living in perpetual fear of identity theft because your information has been compromised to living in absolute peace because your information is guarded like Fort Knox, where do you fall?
2. How can you be sure your information is safe?

Questions from Dumb Thing #8: You Indulge Yourself Too Much During Your Early Retirement Years

1. How do you know when is the "right" time to retire?
2. What does an ideal retirement lifestyle look like?
3. If you are retired, what did you do to plan for retirement? Were there any surprises?

Questions from Dumb Thing #9: You Saddle Your Kids with Your Own Money Issues

1. What money issues did your parents give you and did they shape your money habits as an adult?
2. If you are a parent or mentor to young people, what is the best advice you offer to help them grow up with good money habits?

Questions from Dumb Thing #10: You Don't Plan the Care of Your Aging Parents

1. Have you had a conversation with your parents about elder care planning? If so, how did it go? If you have adult children, have they ever asked you if you have a long-term care plan?
2. How should adult children navigate the delicate balance between observing their parent's need to engage in planning, while still respecting their autonomy and wishes?
3. What do you think is the best way to negotiate with siblings regarding caring for elderly parents?

Questions from Dumb Thing #11: You Buy the Wrong Kinds of Insurance, or None at All

1. Have you or your advisor or insurance salesperson calculated your insurance needs? If so, is term insurance better for you or do you really need permanent?
2. How often do you review your insurance needs?

Questions from Dumb Thing #12: You Don't Have a Will

1. What are the risks of failing to designate beneficiaries in a will?
2. Have you ever been involved in closing an estate that did not have a will? If so, what happened?
3. Why do you think so many people put off drafting a will?
4. What can you do to encourage people in your life to complete their estate plans?

Questions from Dumb Thing #13: You Try to "Time" The Market

1. What are the problems with trying to time the market?
2. Have you ever been tempted to get in and out of the market based on emotions? What did you do?