Bloomington Financial Book Club Discussion Questions:
Why Does the Stock Market Go Up? by Brian Feroldi

Part 1 Review: STOCK MARKET BASICS (p. 30)

Questions to Ponder:

1. When you buy stock in a company, you own a piece of a real business—but you can't live in it like a house or drive it like a car. Does stock ownership feel "real" to you? Does investing ever just feel like an act of faith?
2. It's now incredibly easy to buy and sell stocks with a single tap on your phone. Does this frictionless environment make you feel empowered and secure, or does it tempt you to make impulsive, emotion-driven decisions?
3. We constantly hear news anchors declare "the market is up" or "the market is crashing" based on these indexes. How much do these daily headlines dictate your personal financial confidence? Have you ever felt anxious about a market drop, even if your own life and job were perfectly stable?

Part 2 Review: GOING PUBLIC (p. 45)

Questions to Ponder:

1. If you own stock in a company and they issue new shares to raise more money, your personal ownership gets diluted. If you own individual stock shares, how much involvement would you want to have in the oversight of the company? Would you (or do you) exercise voting rights?
2. Does the size of the company matter?

Part 3 Review: VALUING A BUSINESS (p. 58)

Questions to Ponder:

1. For every transaction in the market, someone is taking the exact opposite position as you. If you buy a stock or fund thinking it's a great deal, someone else is selling it because they think it's time to get out. Does that realization ever make you second-guess your own confidence?
2. Investors are often willing to pay massive premiums for flashy, fast-growing unprofitable companies, while entirely ignoring boring, established companies that make steady money. Why are people so drawn to the "next big thing"? How do you keep yourself from abandoning your strategy to chase the hype?
3. We invest in solid index funds, but often our portfolios drop simply because of a scary headline. How do you cope with the frustration of watching your wealth shrink due to massive, global forces that are completely outside of your control?

Part 4 Review: Valuation, Investor Sentiment, and Long-Term Returns (p. 83)

Questions to Ponder:

1. Have you ever made a decision based more on emotion than facts? What happened?
2. Why do you think longer holding periods improve the odds of success?
3. What emotions would make it hardest for you to hold investments during a decline?

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Part 5 Review: Market Crashes and Economic Downturns (p. 96)

Questions to Ponder:

1. What role does fear play in financial markets?
2. What examples from history show strong companies emerging from difficult periods?
3. How would you feel if your portfolio lost 30% of its value in a year?
4. What lessons can investors learn from past crashes?

Part 6 Review: Why Earnings Grow Over Time (p. 118)

Questions to Ponder:

1. How are productivity and innovation connected?
2. When can stock buybacks help shareholders and when might they not?
3. Which growth factor excites you the most as an investor?

Part 7 Review: Compounding and Dividends (p. 135)

Questions to Ponder:

1. Why is compounding often called the most powerful force in investing?
2. What habits help investors benefit from compounding over decades?
3. Why is patience so important in wealth building?

Part 8 Review: GETTING STARTED (p. 160)

Questions to Ponder:

1. At what age did you first start investing and what type of account did you use first?
2. Do you prefer to research your investment plan or leave it to a professional?

Part 9 Review: ALL ABOUT FINANCIAL ADVISORS (p. 177)

Questions to Ponder:

1. Have you worked with a financial advisor? If yes, why did you first get connected and hire a financial advisor?
2. If you have an advisor, what aspect of the relationship brings you the most value?
3. If you don't have an advisor, when do you think you will be ready?

Part 10 Review: AVOIDING BIG MISTAKES (p. 193)

Questions to Ponder:

1. Have you ever been emotional looking at your investment or retirement accounts?
2. What advice would you give to your younger self in relation to investing?

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