

INVESTOR'S EDGE

2 new books that can raise your game

As the saying goes, "in order to earn more, you have to learn more."

"Tell me what you read, and I'll tell you who you are." — Francois Mauriac



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A successful life consists of making responsible, informed choices. After all, when you really think about it, life is all about the decisions we make.

One vital decision one must make in life is to always be on the hunt to expand one's knowledge and expertise. As the old cliché goes: "In order to earn more, you have to learn more."

Even though I have been in this business for nearly 33 years, I am always reading, listening, and trying to find new ways to benefit my clients and myself. So, this month, I wanted to share with our readers two new investment books that I believe are great additions to your summer reading list.

The first book, just out, is titled "Richer, Wiser, Happier" by William Green. This book takes a dive into the stories and backgrounds of some of history's greatest investors. Fast-paced and crisply written, "Richer, Wiser, Happier" shares time-tested investment wisdom and principles for personal success.

Green's book includes the stories, experiences, and lessons of "the eight greatest minds in investing." From well-known investment giants such as John Templeton and Charlie Munger, to lesser known individuals like Nicholas Sleep and Qais Zakaria, Green's book teaches readers how to emulate these great investors and also apply their principles for success in all areas of their lives. Again, it is a great book for investing and for living.

I have summed up 15 key points that encapsulate the principles that make this book a winner!

1. Have extreme patience in the stock game.
2. Simplification is important in all aspects of life.
3. Create a good investment plan that can withstand good and bad times.
4. Don't be emotional when investing as it can lead to poor judgment (think March 2020)!
5. Be skeptical and prudish to succeed financially.
6. Don't chase a fad when investing (i.e. Bitcoin, Gamestop, etc.)
7. Form good relations with people in your life; strive to be the best you.
8. Hang out with people who are better than you, and you will improve.
9. Be a social person as well as an investor. Be comfortable with who you are.
10. Remember, big companies today may be defeated by new companies with disruptive technologies. Everything is constantly changing.
11. Pursue quality as a guiding principle in investing, business, and life.
12. In life, try to keep it easy for yourself. Pursue a 1-foot hurdle rather than a

Raise your investment game with these books

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10- foot hurdle.

13. Discipline yourself to take time for health, family, and fun.

14. Respect uncertainty. As such, reduce or eliminate debt, avoid leverage, and be aware of excessive expenses.

15. Most importantly, from the great Charlie Munger, “Don’t be a fool.”

Over my years as an investment professional, it is remarkable at how many individuals make self-defeating financial decisions. Read this list a few times, and you will probably stop most of that.

BEHAVIORAL ECONOMICS

The second book I wanted to share with you is called “The Making of Behavioral Economics” by Nobel laureate, Richard Thaler. Thaler’s book explains how human behavior changes when it jumps from the textbook to the real world.

Essentially, classic economic theory

teaches that human consumers are rational and always make decisions that are in their best economic interest.

On the other hand, behavioral economics asserts that human decision making is often influenced by emotion, fear, and greed and that humans often make irrational, suboptimal economic decisions.

I think it is obvious that human emotions drive most financial decisions. Again, remember March of 2020 and also the absurd speculation around Bitcoin.

Thaler’s book explores a variety of real-world financial decisions that consumers make and relates them to how they impact not only their financial well-being, but also the macro economy as a whole. Whether it be at the grocery store or reacting to events in the stock market, human behavior – such as yours and mine – has a profound impact on the economy and stock markets and contradicts what you

may have learned in your high school or college economics class.

It is a fun and interesting read, one that you can bring to the beach, if we get any good weather this summer!

This summer has been far too cool and rainy for my blood. But the stock market has been white hot. To stay ahead of the game, expand your knowledge, and read my book recommendations.

You will be richer, wiser, and happier for it.

Jim Burns, a chartered financial analyst, is president of J.W. Burns & Co. The opinions expressed here are his and do not necessarily reflect those of The Post-Standard. Readers should do research before deciding on an investment. Contact him at jburns@jwburns.com

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