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Actor, economist, humorist Ben Stein has written an innovative book¹ on financial planning. Instead of telling you what you should do to improve your financial position, Ben tells you 49 things you can do to impair your financial position – to reduce wealth, reduce income, and increase the chance of destitution. Many of these things he admits to having done himself. Leading the list of mistakes is frequent trading, followed by active stock picking, investing in hedge funds, timing the market, and buying commodities.

While most of the book is devoted to mistakes you can make in investments, Mr. Stein devotes several pages at the end of the book to pointing out numerous ways you can dissipate your human capital, like flirting at the office, drinking at lunch, undercutting your boss, showing up late for work and growling at customers and coworkers.

How serious are these various mistakes? Perhaps we can order them by degree of damage done, or by wealth foregone, and by doing so find the optimal path to total financial destruction.

It looks to me like Mr. Stein missed the most fundamental financial mistake at all, which is to forego saving for the future. Careful allegiance to that strategy will result in 100% loss of potential wealth. It is hard to lose more than that.

After that, the most significant mistake is to invest in such a way as to dramatically reduce your potential return. Mr. Stein mentions many ways to accomplish this by increasing transactions costs, paying high fees, making poor timing decisions and opening yourself up to investment scams. By carefully following his advice the average investor should be able to give up the vast majority of potential investment gains (assuming these weren't already foregone through mistake number one in the prior paragraph).

For most young people, the value of their human capital is substantially greater than the value of their financial capital or net worth. By identifying 29 separate ways to gnaw away at the value of your human capital, Mr. Stein has provided a path to wealth destruction here as well.

While Mr. Stein's book is intended to be humorous, there is a serious side. Perhaps readers will be able to see themselves in some of the examples. By poking fun at various beliefs, foibles and mistakes in a non-threatening way, Mr. Stein may inadvertently increase the financial IQ of his readers.

¹Ben Stein, *How to Really Ruin your Financial Life and Portfolio*, Wiley, 2012.