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JOURNAL REPORTS: WEALTH MANAGEMENT

The Best Financial Advice I Ever Got: The Readers Weigh In

We asked people in the business of doling out financial advice about the best advice they received—and then readers chimed in with their own

'If you don't understand it, don't buy it,' says reader Patricia Walsh **PHOTO:** GETTY IMAGES/ISTOCKPHOTO

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In a recent article, we asked people in the business of doling out financial advice what advice has resonated most with them. What advice did they receive that has changed their lives for the better?

Their answers involved strategies for investing, cautions about spending, ways to avoid psychological traps, and much more.

After the article ran, Wall Street Journal readers chimed in with their own stories, detailing the best advice they had ever received. Here is an edited sampling:

The oldest man in the first company I worked for in 1975 took me aside and said, "Take $50 out of every paycheck, put it into savings or an investment, and pretend you never earned it." If I were to update it for 2019, I'd probably say to replace the $50 with 10% or 15%.

—Martin McCue

Treat bonus compensation as just that—a bonus. Meaning something over and above your "regular" income. And immediately put the entire bonus into a 401(k) or some investment device. You've managed to live on your regular income, so continue to do so. Secondly, you won't miss the bonus money you "never had." Someday, as all that accumulates, it will reward you with a "windfall" that you earned over all those years.

—Jerry Weinstein

1. Don't buy that bigger house, just because you think you can afford it— save and invest the money.

2. Read and apply the advice in Jeremy Siegel's "Stocks for the Long Run."

3. Don't invest with friends and family. You want to remain friends with your friends and family.

4. Save and invest annual bonuses.

—Peter Scanlon

If you don't understand it, don't buy it.

—Patricia Walsh

Do the analysis and write it down. Then invest and hold for the long term. If the stock drops, look up your analysis and remind yourself why you invested.

—Jalaji Venkatesan

Get completely out of debt before you retire and the paychecks stop. And, never, ever co-sign a loan for anyone—not your parents, kids, best friend.

—William Rowland

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My advice to mutual-fund investors—which I learned the hard way—is that below-average-performing funds tend to remain that way, and that the years a fund can outperform an index fund are few. Rating services, such as Morningstar, don't exist by offering misleading evidence.

—Robert Stassen

Years ago, a stock I liked—and had thought about buying—had risen sharply since its IPO. Frustrated at my failure to pull the trigger when I first saw it, I said to my uncle, "Now 100 shares will cost me $2,000. I'm going to wait." That's when he said, "Don't concentrate on the higher cost of a certain number of shares of a stock and become paralyzed. Just take an amount you can afford and buy the stock."

—Larry Cousins

"What's something worth?" Exactly what someone else will pay for it. No more. No less.

May not sound like a grand insight, but think about it. Stocks? Bonds? Businesses? Homes? Cars?

This can be profound because it captures the psychology of buying and selling, which our entire market-driven economy is based on.

—Pete Salinger

Your best investment is usually whatever increases your hourly "wage."

Rather than work for someone, invest in whatever it takes to be self-employed. After that put every nickel back into upgrading your business. Buying a machine that increases your hourly earnings by a few dollars is the best return you can get on your money.

—Steve Wray

Learn from the mistakes other people make. Listen when other people tell you what they have done.

I worked with smart engineers at major companies and they learned really hard economic lessons. Two of them were so confident of one company's prospects for expansion, they borrowed to buy shares on margin—one lost his house when the bet went the wrong way.

—Mark Jurecki

Live like a graduate student. Be very careful about small daily expenditures and invest in the long-term goods and benefits.

—Liz Giovane

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