Online Appendix for
"Popular Personal Financial Advice versus the Professors"

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This Online Appendix lists the passages from the books in the sample that cause their advice to be classified as they are in the paper.

32 stress the importance of starting to save immediately

Bach, David	*Smart Couples Finish Rich*	"critically important to ensure that you don't waste what you earn, but rather that you manage it efficiently and intelligently. The key to doing this is to start saving now." (p. 23) "It's important to note that the younger you are when you start saving, the better off you'll be. In fact, the best time to become a massive saver and investor is when you are in your twenties." (p. 103)
Bach, David	*Smart Women Finish Rich*, 2nd edition	"You also must make a point of saving a portion of every dollar you earn…Whether you are a highly compensated doctor…or sales trainee who barely makes the rent each month, the key to financial independence can be summed up in three little words…Pay yourself first." (pp. 88-89) "Mistake no. 5: Putting off saving for retirement… The longer you wait to get started, the more you need to save." (p. 222)
Bach, David	*The Automatic Millionaire*	"What we're talking about is how we don't realize how much we spend on little things and how, if we thought about it and change our habits just a little, we could change our destiny… And the sooner you start, the better." (p. 42)
Bernstein, William	*The Four Pillars of Investing*	"If you want to retire comfortably, you must save a lot. And you must start very early." (p. 239)
Bogle, John	*Common Sense on Mutual Funds*	"Whether they invest or save, the cost of delay for investors ascends steeply with the passage of time." (p. 307)
Bogle, John	*The Little Book of Common Sense Investing*, 10th anniversary edition	"We *know* that we must start to invest at the earliest possible moment, and continue to put money away regularly from then on." (p. 260)

Chilton, David	*The Wealthy Barber Returns*	"Payroll deduction, automatic withdrawal, pre-authorized chequing—I don't care how you do it, just do it [now]!" (p. 75) "Save now. Right now. And save a lot." (p. 96)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Wealth beyond your wildest dreams is possible if you follow the golden rule: Invest ten percent of all you make for long-term growth." (p. 32) "Regardless of which tax-deferred vehicle you select, IRA or other, start contributing now!" (p. 120)
Clason, George	*The Richest Man in Babylon*	"Wealth, like a tree, grows from a tiny seed… The sooner you plant that seed the sooner shall the tree grow. And the more faithfully you nourish and water that tree with consistent savings, the sooner you may bask in contentment beneath its shade." (p. 19)
Collins, J. L.	*The Simple Path to Wealth*	"Save a portion of every dollar you earn or that otherwise comes your way." (p. 3)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	"I know the advantage of early-adulthood frugality from personal experience. The fact that Jim and I saved $49,000 in seven years on our annual income of under $30,000 a year is widely known. But what's not so well known is that we squirreled away $20,000 of that during the first 18 months we were married." (p. 747)
Eker, T. Harv	*Secrets of the Millionaire Mind*	"If you want to get rich, focus on making, keeping, and investing your money. If you want to be poor, focus on spending your money. You can read a thousand books and take a hundred courses on success, but it all boils down to that." (p. 81)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	"The biggest mistake that young people make is to not learn to save. Ideally, a young person will start saving at the same time he or she lands the first full-time job. The amount of saving at this stage does not need to be excessive. A rate of 10 percent of annual earnings per year is a good start." (p. 247)
Hallam, Andrew	*Millionaire Teacher*, 2nd edition	"But my debt burden lessened as I lived on just 30 percent of my teacher's salary—allowing me to allocate 70 percent of my salary toward debt reduction." (p. 22-23) "the magical premise of compound interest… Starting early is the greatest gift you can give yourself." (p. 27)

Kiyosaki, Robert	*Rich Dad's Cashflow Quadrant*, 1st Plata Publishing edition	"That's why Step 2 to finding your own financial Fast Track is: 'Take control of your cash flow.'… Pay yourself first. Put aside a set percentage from each paycheck of each payment you receive from other sources. Deposit that money into an investment savings account. Once your money goes into the account, NEVER Take it out until you are ready to invest it." (p. 243)
Kobliner, Beth	*Get A Financial Life*	"But the fact is you probably can save [in your twenties and thirties], even if you think you're barely making ends meet right now." (p. 15) "By waiting [to save] until age 35, you end up with half as much as you'd have if you'd started at age 25… If you don't start saving in a tax-favored retirement account when you're young, you'll miss out on perhaps the best investment opportunity of your life… In order to maximize the benefit, though, you need to get started right away. The government limits the amount you can set aside each year…" (p. 130)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"The magic is in the compounding… the enormous benefit of getting an early start… If you are a young person, we strongly encourage you to use the leverage of your youth to make the power of compounding work for you." (pp. 14-16)
Lowry, Erin	*Broke Millennial*	"Melanie decided to get serious about tackling her debt and paid off $68,000 in 4.5 years… living like a broke college student into her early thirties." (p. 127) "Compound interest favors the young…it's really important that you start saving for retirement now!" (p. 214)
Malkiel, Burton	*A Random Walk Down Wall Street*	"It is critically important to start saving now. Every year you put off investing makes your ultimate retirement goals more difficult to achieve. Trust in time rather than timing." (p. 288)
Mecham, Jesse	*You Need a Budget*	"Save more than zero each month and they won't feel like a crisis when they hit." (p. 39)
Olen, Helaine; Pollack, Harold	*The Index Card*	"Your first priority: Set money aside for an emergency!" (p. 28) "If you begin retirement savings in your twenties, you will be in a better position to maintain your standard of living after you stop receiving a paycheck. Wait until your forties…and it will be much harder." (p. 68)

Orman, Suze	*Women & Money*	"You have got to start saving, and you have got to start now." (p. 122)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"Baby Step 1: Put $1,000 in a beginner emergency fund ($500 if your income is under $20,000)" (p. 7) "This is your first priority, and you've got to do it fast! Today!... Most people can come up with $1,000 in a month if they make it a priority." (p. 9)
Ramsey, Dave	*Financial Peace Revisited*	"…strongly showing the power of compound interest and the importance of getting started now." (p. 119)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"A small start is to save $1,000 in cash fast!... Most of you should hit this step in less than a month." (p. 100)
Richards, Carl	*The One-Page Financial Plan*	"You've probably heard more than once that it's important to start saving early. That you should start saving whatever you can when you're in your twenties to take advantage of the power of compound interest." (p. 121)
Robbins, Tony	*Money: Master the Game*	"If you're 35 years old and you suddenly grasp the power of compounding, you'll wish you got started on it at 25." (p. 51)
Roth, J. D.	*Your Money: The Missing Manual*	"But the hard truth is that, no matter what your age, you should start saving now." (p. 276)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"If you have debt, start paying it off… Not tomorrow, not next week, today." (p. 68) "A good rule of thumb is to invest 10 percent of your take-home pay (after taxes, or the amount on your monthly paycheck) for the long term." (p. 142)
Stanley, Thomas, William Danko	*The Millionaire Next Door*	"we save at least 15 percent of our earned income… On average, we invest nearly 20 percent of our household realized income each year. Most of us invest at least 15 percent." (p. 10) "Begin earning and investing early in your adult life." (p. 75)
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	"But even funding an IRA as they're growing up, though hard, can put you up $250,000 or $500,000 ahead of the game in your later years. So try to set something aside." (p. 57)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"Starting out: Your first job… Don't use consumer credit… Get in the habit of saving and investing… I'm often asked, 'At what age should a person start saving?' To me, that's similar to asking at what age you should start brushing your teeth. Well, when you have teeth to brush! So I say you

		should start saving and investing money from your first paycheck. Try saving 5 percent of every paycheck and then eventually increase your saving to 10 percent." (pp. 416-417)

31 regale the reader about the power of compound interest

Bach, David	*Smart Couples Finish Rich*	"A dollar a day can grow up to be $1 million… $1 a day at 15% = $1 million 40 years" (p. 18)
Bach, David	*Smart Women Finish Rich*, 2nd edition	"The magic of compound interest… The sooner you start saving, the less you will need to put away!" (p. 99)
Bach, David	*The Automatic Millionaire*	"Okay, let's say you put five dollars a day into a retirement plan… Figuring, say, a 10 percent annual return, which is what the stock market has averaged over the last fifty years, how much do you think you could save by the time you're sixty-five? … How about $1.2 million." "David, are you trying to tell me my lattes are costing me nearly two million dollars!" (p. 41)
Bogle, John	*Common Sense on Mutual Funds*	"The magic of compounding becomes even more apparent if we examine the results for three investors who delay beginning their programs" (p. 307)
Bogle, John	*The Little Book of Common Sense Investing*, 10th anniversary edition	"Compound interest is a miracle. Time is your friend. Give yourself all the time that you possibly can." (p. 263)
Chilton, David	*The Wealthy Barber Returns*	"The magic of compound interest. The eighth wonder of the world." (p. 33)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"It's the unbeatable power of compounding. Or, more accurately, the lost power of compounding." (p. 94)
Clason, George	*The Richest Man in Babylon*	"in twelve years or more, if he would keep his regular deposits of but two pieces of silver each week, the money lender would then owe him four thousand pieces of silver, a worthy competence for the rest of his life. Surely, when such a small payment made with regularity doth produce such profitable results, *no man can afford not to insure a treasure for his old age and the protection of his family, no matter how prosperous his business and his investments may be.*" (pp. 50-51)
Collins, J. L.	*The Simple Path to Wealth*	"The numbers tell us that, compounded over time, it actually takes very little money invested to grow to $1,000,000." (p. 33)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	"The earlier that money is saved and invested—whether in a home, a chest freezer, a mutual fund, or any other investment—the greater the return. Once you get ahead, life

		becomes cheaper, and you tend to continually get even farther ahead. You earn interest instead of paying interest, and the spread between the two increases daily." (p. 747)
DeMarco, M. J.	*The Millionaire Fastlane*	"Slowlaners (the middle-class) use compound interest to get wealthy while Fastlaners (the rich) use it to create income and liquidity. Slowlaners start with $5; Fastlaners start with $5 million. Compound interest pays me a lot of money. It's a tool I use. It's a great passive income source. *Yet, compound interest is not responsible for my wealth*." (p. 139)
Hallam, Andrew	*Millionaire Teacher*, 2nd edition	"The surest way to grow rich over time is to start by spending a lot less than you make… You'll be able to invest money over long periods of time, and thanks to the compounding miracles of the stock market, even middle-class wage earners eventually can amass sizable investment accounts." (p. 11)
Kiyosaki, Robert	*Rich Dad's Cashflow Quadrant*, 1st Plata Publishing edition	"[People born into poverty who become wealthy] use the power of compounding in their favor." (p. 219)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"The magic is in the compounding… the enormous benefit of getting an early start… If you are a young person, we strongly encourage you to use the leverage of your youth to make the power of compounding work for you." (pp. 14-16)
Lowry, Erin	*Broke Millennial*	"Before we begin, a lesson about the glories of compound interest" (p. 196)
Malkiel, Burton	*A Random Walk Down Wall Street*	"The fact is that a program of regular saving each week—persistently followed…can in time produce substantial amounts of money. Can you afford to put aside $23 per week? Or $11.50 per week? If you can, the possibility of eventually accumulating a large retirement fund is easily attainable if you have many working years ahead of you… The table below shows the results from a regular savings program of $100 per month. An interest rate of 7 percent is assumed as an investment rate." (pp. 359-360)
Olen, Helaine; Pollack, Harold	*The Index Card*	"Actually, [when you're young] is the perfect time to begin saving. Why? Because of the basic logic of compound interest." (p. 72)
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	"This second feature that makes time so powerful is called *compounding*… Give yourself that time. Whatever your return, you can't afford to miss out on the golden opportunity that time allows. Start training yourself to understand not just what your money is worth today, but

		what that same money will be worth in the future." (pp. 160-162)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"More good news. By letting that $104,504 compound at our assume average annual rate of return of 8 percent for the next thirty years, you will become a millionaire… The amount of time was twice as important as the amount of money that you invested." (p. 180)
Orman, Suze	*Women & Money*	"The earlier you start saving, the more time your money has to grow…Compounding was what made Mary so much more successful than Dee." (pp. 120-121)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"A Mathematical Explosion…I'm talking about compound interest." (pp. 17-18)
Ramsey, Dave	*Financial Peace Revisited*	"At work on your money is a mathematical monster called compound interest. Compound interest can either be your best friend financially, if you make it work for you, or your worst possible enemy, if it works against you." (p. 113)
Richards, Carl	*The One-Page Financial Plan*	"You've probably heard more than once that it's important to start saving early. That you should start saving whatever you can when you're in your twenties to take advantage of the power of compound interest." (p. 121)
Robbins, Tony	*Money: Master the Game*	"What's the biggest misstep most of us make right from the start? Malkiel didn't even hesitate when I asked him. He said the majority of investors fail to take full advantage of the incredible power of compounding…" (p. 50) "If you're 35 years old and you suddenly grasp the power of compounding, you'll wish you got started on it at 25." (p. 51)
Robbins, Tony	*Unshakeable*	"compounding is a force that can catapult you to a life of total financial freedom." (p. 22)
Robin, Vicki, Joe Dominguez	*Your Money or Your Life*	"If you put your savings in a CD or a debt instrument (like a US Treasury, corporate, or municipal bond with an AA or better rating) or any matching fund option at your work and you don't touch it, it will, all by itself, make you money through the magic of compound interest… The sooner you start, the more you'll have…" (p. 159)
Roth, J. D.	*Your Money: The Missing Manual*	"the secret to getting rich slowly is the power of compounding… Even modest returns can generate real wealth if you start early and stick with your plan." (p. 277)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"'Compounding,' Albert Einstein said, 'is mankind's greatest invention because it allows for the reliable, systematic accumulation of wealth.'" (p. 95)
Stanley, Thomas,	*The Millionaire Next Door*	"How much did the couple pay for these cigarettes? Approximately $33,190—more than the purchase price of their home! They never considered how much it cost to

William Danko		purchase cigarettes… What if the Friends had invested their cigarette money… But the couple…never imagined that 'small change' could be transformed into significant wealth… Perhaps they would have lived differently if someone had educated them about the mathematics of wealth appreciation." (pp. 53-54)
Thames, Elizabeth Willard	*Meet the Frugalwoods*	"The reason to start contributing to a 401(k) or 403(b) at a young age is the power of compounding interest." (p. 127)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"Do those savings numbers look big? They should! Once you begin to add to your Savings, the effects of compound interest begin to kick in." (p. 169)

28 books mention the need for everybody to prioritize building an emergency savings buffer of between $1,000 to two years of income

Bach, David	*Smart Couples Finish Rich*	"Set aside a cushion of cash… In my opinion, the bare minimum you should set aside is an amount equal to three months of expenses… In some cases, you might want to keep as much as 24 months of spending in reserve." (pp. 145-146)
Bach, David	*Smart Women Finish Rich*, 2nd edition	"You must have at least 3 to 24 months' worth of living expenses saved in case of emergency… In general, the size of your cushion should depend on how easy it would be to replace your current income." (p. 108)
Bach, David	*The Automatic Millionaire*	"I believe you need a cash cushion of at least three months' worth of expenses… In my previous books, I've suggested putting aside anywhere from three to twenty-four months' worth of expenses, depending on your situation. How much you should save depends on what you feel you need to 'sleep well at night.'… With all the economic and political unrest in the world these days, a years' worth of expenses is a great ultimate goal to shoot for." (p. 139)
Bernstein, William	*The Four Pillars of Investing*	"you should have at least six months of living expenses on hand in safe liquid assets" (p. 240)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Look, I'm not opposed to emergency funds, but I do feel that two to three thousand dollars is a more prudent cushion than ten thousand." (p. 197)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	"Some experts suggest keeping as much as six months' income in savings and liquid investments." (p. 445)
DeMarco, M. J.	*The Millionaire Fastlane*	A Sidewalker exists in a state of one-something-from-broke. "If you got it, flaunt it! Why save for a rainy day? I spend every dime I earn and most of my bills are paid on time; isn't that being fiscally responsible?

Ferri, Richard	*All About Asset Allocation*, 2nd edition	"I recommend 3 to 4 months in cash if you are single, 6 to 12 months in cash if you have a family, and 24 months when you retire." (p. 10)
Kobliner, Beth	*Get A Financial Life*	"But once you've gotten rid of your high-rate debt, taken care of health insurance, and started saving for retirement, it's time to begin stashing away three to six months' worth of living expenses." (p. 5)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"For most people, six months' living expenses [in the emergency fund] is probably adequate." (p .11)
Lowry, Erin	*Broke Millennial*	"The emergency fund target is generally agreed upon by personal finance gurus to be three to six months of living expenses—the amount you need to cover your basic needs. The self-employed are wise to set the target even higher, with six to nine months of expenses in an emergency fund of cash and cash equivalents." (p. 22)
Malkiel, Burton	*A Random Walk Down Wall Street*	"every family needs a cash reserve as well as adequate insurance to cope with the catastrophes of life… Assuming that you are protected by medical and disability insurance at work, this reserve might be established to cover three months of living expenses. The cash reserve fund should be larger, the older you are, but could be smaller if you work in an in-demand profession and/or if you have large investable assets." (p. 290)
Mecham, Jesse	*You Need a Budget*	"Talk of budgeting often ends up in talk of emergency funds—but setting money aside is only half the battle. All your dollars need jobs… Most people would call this an 'emergency fund' but we don't look at it that way at YNAB. Instead, it's a specific job for your money…For now, it's enough to know that Lia and Adam make it a top priority to funnel cash into funding future months, with the goal of having enough on hand for the next six months' worth of expenses." (p. 47)
Olen, Helaine; Pollack, Harold	*The Index Card*	"start stashing away three months of living expenses in an accessible savings account… We mean three months of your nonnegotiable living expense, things like mortgage payments and grocery bills." (p. 30)
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	"I believe the best way to be respectful to yourself is to aim to have at least eight months of living expenses set aside in a safe emergency savings fund." (p. 207)

Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"But there will be a time when your salary does get to a more comfortable level and you have your credit card debt and student loans under control. When that happens, it's time to concentrate on building an emergency cash fund. Ideally…six to eight months' living costs… You can build up a stash over time." (p. 160)
Orman, Suze	*Women & Money*	"A savings account that serves as an emergency cash fund should be large enough to cover at least eight months of living expenses; this applies to both couples and single women… those of you in a relationship need an additional savings account that is just in your name…enough money in it to cover at least three months of living expenses. I never want any woman to stay in a relationship because she feels financially trapped…" (p. 76)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"Baby Step 3: Put three to six months of expenses into savings as a full emergency fund." (p. 7)
Ramsey, Dave	*Financial Peace Revisited*	"A good financial planner will tell you that first you should have three to six months of expenses in liquid savings just for emergencies." (p. 111)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"Baby Step Three: Finish the Emergency Fund. A fully funded emergency fund covers three to six months of expenses." (p. 124)
Richards, Carl	*The One-Page Financial Plan*	"Or take an emergency fund, which I recommend that all my clients set up whenever 'security' comes up in our first conversations. Most people are more than fine with a fund that will protect them for six months or so, but three months may be fine if you're a tenured professor at a university, while twenty-four months may not be enough if you're a serial entrepreneur." (pp. 59-60)
Robbins, Tony	*Money: Master the Game*	"an emergency/protection fund…So you need some money to cover yourself for somewhere between three to 12 months… This goal is just emergency cash to protect you until you develop a large enough nest egg to take care of yourself every year for the rest of your life without working, no matter what happens" (pp. 218-219)
Robin, Vicki, Joe Dominguez	*Your Money or Your Life*	"Common wisdom says you should have three (ideally six) months of expenses in liquid cash stashed in your bank." (p. 254)
Roth, J. D.	*Your Money: The Missing Manual*	"Start an emergency fund… Setting aside $500-$1,000 in savings is cheap insurance…. Your emergency fund can grow as you become more financially stable." (p. 33)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"Eventually, your emergency fund should contain six to twelve months of spending money (which includes everything: your mortgage, payments on other loans…and anything else you would conceivably spend on)." (p. 278)

Thames, Elizabeth Willard	*Meet the Frugalwoods*	"we maintain around four months' to a year's worth of living expenses in cash, held in a good old-fashioned checking account. It's crucial to have some of your assets in cash… as this serves as your emergency fund." (p. 132)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"How much of an emergency stash you need depends on your situation. Three months' living expenses: Choose this option if you have other accounts, such as a 401(k), or family members and close friends whom you can tap for a short-term loan. This minimalist approach makes sense when you're trying to maximize investments elsewhere (for example, in retirement accounts) or you have stable sources of income… Six months' living expenses: This amount is appropriate if you don't have other places to turn for a loan or you have some instability in your employment situation or source of income. Up to one year's living expenses: Set aside this much if you income fluctuates wildly from year to year or if your profession involves a high risk of job loss, finding another job can take you a long time, and you don't have other places to turn for a loan." (p. 60)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"Stage 3 is when you build your Security Fund…an ordinary savings account…to cover your Must-Haves for 6 months." (pp. 172-173)

Twenty-one books recommend a positive savings rate that does not vary by age.

			Recommended savings rate
Bach, David	*Smart Couples Finish Rich*	"if you don't want to have to struggle to keep your head above water when you retire, you should be saving 10 percent of your pretax income each year. Period… If you are not paying yourself the first 10 percent of your income, you are living beyond your means." (p. 102) "If you want to be really rich [at least $1 million in liquid assets, above and	10%

		beyond home value], you should save 15 percent of your income." (p. 103) "If you'd like to enter the ranks of the richest 1 percent of Americans, you'll need to save 20 percent of your income." (p. 103) "You need to create a systematic investment plan devoted simply to funding your dreams… The amount that you contribute to your dream basket is totally up to you. I suggest that you start by kicking in at least 3 percent of your after-tax income... Why 3 percent? Because most people…will have a hard time arguing that they can't save an additional 3 percent of their income." (pp. 187-189)	
Bach, David	*Smart Women Finish Rich*, 2nd edition	"Ideally, you should pay 12 percent of the gross—meaning your total earnings before taxes—into some sort of retirement account that you will never touch until you actually retire. Of course, it's possible that…you may not be eligible to put that much into a pretax retirement account. In that case, you should make up the difference by putting money into an after-tax account." (p. 90) "Why do I suggest putting away 12 percent…for years the financial experts have been suggesting…saving at least 10 percent of what he or she makes… if women's retirements tend to last 20 percent longer than men's…then women's retirement nest eggs need to be 20 percent larger." (p. 90)	12%
Bach, David	*The Automatic Millionaire*	"a good savings benchmark to shoot for is between 10 percent and 15 percent of your gross income." (p. 70)	10-15%

Chilton, David	*The Wealthy Barber Returns*	"What savings rate does the financial industry push? What do actuarial tables say? Surprisingly, they all offer up a pretty consistent response: somewhere between 10 and 15 percent of your gross income… the suggested range makes sense for a high percentage of people…" (pp. 89-91) "most of the formulas used to arrive at the 10 to 15 percent savings level assume we're going to start saving at age 25 and continue unabated until age 65… So, what if you're 35 and haven't yet started building your nest egg?... Put aside more than the recommended 10 to 15 percent of your pre-tax income…" (p. 93)	10-15%
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Wealth beyond your wildest dreams is possible if you follow the golden rule: Invest ten percent of all you make for long-term growth." (p. 32)	10%
Clason, George	*The Richest Man in Babylon*	"A part of all you earn is yours to keep. It should be not less than a tenth no matter how little you earn. It can be as much more as you can afford. Pay yourself first." (p. 18) "Enjoy life while you are here. Do not overstrain or try to save too much. If one-tenth of all you earn is as much as you can comfortably keep, be content to keep this portion. Live otherwise according to your income and let not yourself get… afraid to spend." (pp. 26-27) If in debt: "First, the plan doth provide for my future prosperity. Therefore one-tenth of all I earn shall be set aside as my own to keep… Therefore seven-tenths of all I earn shall be used to provide a home, clothes to wear, and food to eat, with a bit extra to spend, that our lives be	10%

		not lacking in pleasure and enjoyment… Therefore each time the moon is full, two-tenths of all I have earned shall be divided honorably and fairly among those who have trusted me and to whom I am indebted.” (pp. 143-145)	
Collins, J. L.	*The Simple Path to Wealth*	“[26-year-old’s] savings rate is currently 24% as he builds an emergency fund, and he plans to reduce this to 20%... A 50% savings rate is my suggestion, but others more committed to having F-You Money commonly reach for 70-80%... He is employed, young and childless. Never will he be in a stronger position to take it to the next level. At the very least, he should avoid ‘lifestyle inflation’ by pledging that any salary increases will go towards his investments.” (p. 169)	50%
Fisker, Jacob Lund	*Early Retirement Extreme*	“it’s possible to live on a third or even a quarter of the median income, putting one solidly below the government defined poverty line, without living in austerity or eating grits. You can…live a middle-class lifestyle on a quarter of the usual numbers.” (p. 6)	66-75%
Kobliner, Beth	*Get A Financial Life*	“Save at least 15% of your take-home pay each month… While there’s no magical reason to save exactly 15%, it’s a good target to aim for. Include in that 15% the money you set aside to meet your short-term goals as well as the money you put in a retirement plan.” (p. 22)	15%
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads’ Guide to Investing*, 2nd edition	“A minimum of 10 percent of their take-home pay is taken off the top to be saved and invested.” (p. 6) “here’s one of the simplest, best pieces of advice that we can give you: When you earn a dollar, try to save a minimum of 20 cents. Some diligent savers actually strive to save	20%

		50 cents of every dollar they earn." (p. 16)	
Lowry, Erin	*Broke Millennial*	"If you can, start by saving 10 percent of your monthly income, but if that feels too steep, just get into the habit of moving $5 or $10." (p. 147)	10%
Olen, Helaine; Pollack, Harold	*The Index Card*	"Strive to save 10 to 20 percent of your [gross] income" (p. 17)	10-20%
Orman, Suze	*Women & Money*	"I want you to *focus on what is actually in your power to control today:* doing the very best job possible of saving for your retirement. Whatever that amount is, it is the right amount, because it represents everything that you have the ability to give today." (p. 117) "You have got to start saving, and you have got to start now." (p. 122)	--
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"Baby Step 4: Invest 15 percent of your household income into Roth IRAs and pretax retirement plans." (p. 8)	15%
Ramsey, Dave	*Financial Peace Revisited*	"I feel that you should have a goal of saving 10 percent of your take-home pay." (p. 108) Baby Step Four: "Save 15 percent of your gross household income in retirement plans." (p. 273) Recommended saving percentage in Workbook 6: 5-10% of take-home pay (p. 297)	10-15%
Ramsey, Dave	*The Total Money Makeover*, classic edition	"Baby Step Four: Invest 15 percent of your income in retirement… Invest 15 percent of before-tax gross income annually toward retirement. Why not more? You need some of your income left to do the next two steps: college saving and paying off your home early…" (p. 143)	15%
Roth, J. D.	*Your Money: The Missing Manual*	"Andrew Tobias offers the following simple yet effective budget: Destroy	20%

		all your credit cards; invest 20% of all that you earn and never touch it; live on the remaining 80%, no matter what.” (p. 40) “[Richard Jenkins] suggests allocating your monthly gross…income like this: … 10% to short-term savings… 10% to long-term savings including car purchases, home renovations, emergency savings, and paying down debt… 10% to retirement savings” (p. 41)	
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	“A good rule of thumb is to invest 10 percent of your take-home pay (after taxes, or the amount on your monthly paycheck) for the long term.” (p. 142) “Regardless of exactly what you’re saving for, a good rule of thumb is to save 5 to 10 percent of your take-home pay to meet your goals [gifts, wedding, house].” (p. 146)	10%
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	“Because that 7% [annual return] assumption is aggressive, try to save more than 10%.” (p. 281)	>10%
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	“Save and invest at least 5 to 10 percent of your income.” (inside cover page)	5-10%
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	“So what’s the [Balanced Money] formula? Here it is: * Must-Haves: 50% * Wants: 30% * Savings: 20%” (p. 26)	20%

Only one of the above 21 recommendations adjusts for the amount you have already saved

Chilton, David	*The Wealthy Barber Returns*	“most of the formulas used to arrive at the 10 to 15 percent savings level assume we’re going to start saving at age 25 and continue unabated until age 65… So, what if you’re 35 and haven’t yet started building your nest egg?... Put aside more than the recommended 10 to 15 percent of your pre-tax income…” (p. 93)

Nine books advise starting with a target for wealth at retirement in order to compute the necessary savings rate

Bernstein, William	*The Four Pillars of Investing*	"Assume you've decided you want to retire on $50,000 per year. Our back-of-the-envelope method tells us that you'll need a $1.25 million nest egg to do this ($50,000/0.04 = $1.25 million). And remember, this method gives you almost no margin of error for a bad initial-return draw of the cards. How much do you need to save to obtain $1,250,000 for retirement? If you have 20 years until retirement, you'll have to save a real $3,436 per month!... By using a similar calculation, if you have 30 years until retirement, you'll need to save a real $1,824 per month; if you have 40 years, you'll need to save a real $1,07 monthly… The message is loud and clear: If you want to retire comfortably, you must save a lot. And you must start very early." (p. 239)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	"During midlife, people begin to estimate how much money they will need in order to sustain their standard of living in retirement… Liability matching is a method of investing in which a person's asset allocation is matched to that person's future cash-flow needs." (pp. 252-253) • "1. Estimate future living expenses." • "2. Estimate sources of noninvestment income during retirement." • "3. Compare your noninvestment income to your expected living expenses during retirement. If there is an income gap, it will need to be filled with investment income." • "4. Determine how much you need to accumulate to fill the annual income gap. Expect that you can withdraw a maximum of 5 percent from your investments, which means that you will need about 20 times the annual amount of income." • "5. Design, implement, and maintain a savings and investment plan that has the highest probability of growing your portfolio to the amount needed at retirement with minimum risk."
Fisker, Jacob Lund	*Early Retirement Extreme*	pp. 200-201: Calculate how many years of saving at constant rate is required to accumulate a fund that is a given multiple of annual withdrawal amount. [Income path assumed seems to be constant over time.]
Kobliner, Beth	*Get A Financial Life*	"Okay, you've figured out your goals. Now it's time to build a road map to reach them… [Figure 2-1] gives you a rough idea of how much you'll need to put aside each

		month to end up with a specific dollar amount in a set number of years." (p. 13)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"Some calculators…will use your current portfolio value and annual contributions to calculate your expected total value at retirement… Others…will tell you how much you have to invest today to reach your future goal, assuming you had a lump sum that you could invest today and leave invested for a specific period of time." (p. 69) "The results are for each $1,000 of retirement income needed. To arrive at the total amount you'll need to accumulate, simply locate the table that corresponds to the number of years to your retirement and then use the figure next to your expected annual return. You then multiply that number of thousands of dollars you'll need to withdraw at retirement." (pp. 70-71) • Example: At 5% annual return, you will need $26,681 to generate $1,159 of future dollars of income that will fund 30 years of retirement with 3% inflation. This results in $0 of savings at end of 30 years.
Ramsey, Dave	*Financial Peace Revisited*	"In order to retire with some security, you must aim at something… Your assignment is to determine how much per month you should be saving at 12 percent interest in order to retire at 65 years old with what you need. If you are saving at 12 percent and inflation is at 4 percent then you are moving ahead of inflation at a net of 8 percent per year. If you invest your nest egg at retirement at 12 percent and want to break even with 4 percent inflation, you will be living on 8 percent income." (p. 308) • Walks reader through formula that seems to assume constant dollars saved every month
Robbins, Tony	*Unshakeable*	"the number you should really aim for is 20 times your income. So, if you currently earn $100,000, you'll need $2 million." (p. 25)
Roth, J. D.	*Your Money: The Missing Manual*	"There are hundreds of retirement calculators scattered across the Web… Because this is all a guessing game, no one calculator is necessarily better than any other…" (p. 275) "For a great combination of simplicity and complexity, check out FireCalc.com… enter how much you've saved, how much you think you'll spend every year, and how many years you expect to live in retirement. Then FireCalc spits out a percentage telling you how likely your retirement plan is to succeed." (p. 275)

Tyson, Eric	*Personal Finance for Dummies*, 9th edition	Table 4-1 retirement planning worksheet: Given annual retirement income needed from personal savings and amount already saved, calculates constant amount needed to be saved per month. (p. 70) • 15 times required retirement income from savings = balance required. 6.7% real return assumption if meant to be financed in perpetuity.

Only four books recommend taking Social Security benefits into account when choosing a savings rate

Bernstein, William	*The Intelligent Asset Allocator*, 2nd edition	"I now realize that each of us owns two portfolios: one that we own, which we will consume in retirement…and…a second portfolio that we will leave to our heirs… It naturally follows that the first portfolio should be matched to one's real living expenses—call this a liability matching portfolio (LMP)… How big should your LMP be? Approximately 25 years of residual living expenses (RLE). For instance, if your living expenses, including taxes…equate to $70,000, and you will be getting $30,000 in pensions and Social Security, your RLE is $40,000, so therefore your LMP should be $1 million." (p. vii)
Bernstein, William	*The Four Pillars of Investing*	"simply estimate your living expenses, including any taxes you'll owe on your retirement withdrawals, and adjust for what you might expect from Social Security (which might not be much). Then divide by your expected real rate of return… Four percent is a reasonable estimate…" (p. 230)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"I strongly urge the three of you to contact the Social Security administration and to ask for a questionnaire entitled Personal Earnings and Benefit Estimate Statement… a list of all your estimated benefits…" (p. 110)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	Table 4-1 retirement planning worksheet includes Social Security benefit in its calculation

11 books recommend contributing enough to earn the maximum possible match.

Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Tom, your employer matches your contributions up to three percent of your pay. The mistake you're making is that you are walking away from free money by not contributing." (p. 126)
Kobliner, Beth	*Get A Financial Life*	"Saving money in a retirement plan is one of the smartest (and easiest) things to do when you're young… The big attraction here is that many employers will match… try to at least contribute the maximum amount for which you're eligible to receive matching funds." (pp. 3-4)

		“To take full advantage of this amazing deal, contribute at least the maximum amount for which you are eligible to receive matching funds. If you don’t, it’s like walking away from free money.” (p. 136)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads’ Guide to Investing*, 2nd edition	“a third, very wise group has a different financial mind-set… ‘Debt is deadly, and earning to spend gets you nowhere. The people who reach financial freedom focus on accumulating wealth over time.’… A minimum of 10 percent of their take-home pay is taken off the top to be saved and invested. They eagerly participate in any employee saving and/or matching programs at work.” (p. 6)
Lowry, Erin	*Broke Millennial*	Ideal profile (p. 27): “You’re contributing 10 percent above the amount needed to get the employer match on a retirement plan *and* maxing out a personal IRA.” “Sophia Bera recommends you contribute enough to get an employer match, then max out a Roth IRA, and then proceed to bump up your employer contributions if you still have money left to put toward retirement.” (p. 217) “Make sure you actually get the full match from your employer” (p. 221)
Olen, Helaine; Pollack, Harold	*The Index Card*	“Never, ever forgo the employer match” (p. 78) “No surprise, almost every personal finance advisor or guru suggests contributing to your retirement account up to the eligible match amount even when you are paying down credit card debt.” (p. 79)
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	“You must contribute at least enough to qualify for the maximum matching employer contribution.” (p. 135)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	“I finally have a little money left after paying my monthly bills… If your employer offers a company match on your contributions to a 401(k), you are to jump at it… So if you have been feeling too pinched to join your company’s 401(k) plan, you should definitely use your improved cash flow to start contributing to the 401(k) rather than use the money to speed up your student loan repayments. After you contribute enough to get the maximum company match, you can opt to stop your contributions for the rest of the year and concentrate on other financial goals.” (p. 129) “[401(k) match] is free money that you are not to pass up.” (p. 163)

		"I do not care if you have a mountain of credit card debt, or if you want to save up for a home or car. If your company gives you a matching contribution on your 401(k), you must enroll in the plan and invest enough to get the maximum company match." (p. 184)
Orman, Suze	*Women & Money*	"Do you see how crazy it is to turn down free money? If you—or your spouse or partner—is eligible for a 401(k) or other retirement plan that offers a match, you must take full advantage of it." (pp. 124-125)
Roth, J. D.	*Your Money: The Missing Manual*	"most folks can follow these simple guidelines: If you have a 401(k)…contribute to get the employer match. If your employer doesn't match contributions, go to the next step." (p. 279)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"astonishingly, only 1 in 5 contributes enough to get the full company match. The company match is literally free money, so 80 percent of people are losing thousands of dollars per year." (p. 96)
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	"If your employer offers a deal like this [401(k) match] and you're not taking full advantage of it, you're an idiot." (p. 107)

Fifteen books recommend increasing your savings rate over time.

Bach, David	*Smart Couples Finish Rich*	"Let's say you start this year with a 'pay yourself first' target of 10 percent of your income and agree to increase the amount by 1 percent each succeeding year. Within 10 years, you'll be saving 20 percent of your income. At that rate, you won't ever have to worry about your financial future. You'll be set for life." (p. 104) "I figured if I increased my contributions by 3 percent every six months, I'd be fully maximizing my 401(k) plan within two years. What actually ended up happening is that I quickly realized that putting money aside wasn't as difficult as I thought it would be… I was doing what I needed to do, but because I had gotten there gradually, I barely felt the difference in my spendable income." (p. 106)
Bach, David	*Smart Women Finish Rich*, 2nd edition	"If you can't imagine saving 12 percent of your income right now, then start with 6 percent and make it a goal to bump up your savings rate by 1 percent a month for the next six months… It's a lot like getting in shape to run a marathon." (p. 91)
Bach, David	*The Automatic Millionaire*	"So that's what we did. We originally started by putting aside just 4 percent of our income and slowly increased the

		amount. Today, we save 15 percent. But on average we always saved about 10 percent, just like Mom said." (p. 20)
Hallam, Andrew	*Millionaire Teacher*, 2nd edition	"Over the years, your salary will most likely rise. If it increases by $1,000 in a given year, add at least half of it to your investment account, while putting the rest in a separate account for something special. That way, you'll get rewarded twice for the salary increase." (p. 36)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"If you are currently spending all of your income, begin by saving just 1 percent this month and increase it by 1 percent every month for the next year. In a year you will have established the habit of saving 12 percent of your income." (p. 18)
Lowry, Erin	*Broke Millennial*	How much you should have saved by certain ages, savings to salary ratio (p. 21) o Age 25: 0.2 o Age 30: 0.6-0.8 o Age 35: 1.6-1.8 o Age 45: 3-4 o Age 55: 8-10 o Age 65: 16-20 [James Choi: Implies upward sloping savings rate assuming zero capital gains and zero wage growth.]
Olen, Helaine; Pollack, Harold	*The Index Card*	"Attempt to save 1 percent of your take-home pay. After a month, up this to 2 percent… And so on… The savings habit—unlike spending in a panic—is like a muscle. The more you use it, the stronger it will be." (p. 39)
Robbins, Tony	*Money: Master the Game*	"If you're looking for guidance on this, experts say you should plan to save at least a minimum of 10% of your income, although in today's economy many agree 15% is a far better number, especially if you're over the age of 40." (p. 59) "By committing to the Save More Tomorrow plan, the next time you get a 10% raise, 3% would go toward your Freedom Fund and the other additional 7% would be available for your improved lifestyle today. Do this three times in the next decade, and you could be saving up to 19%...at no loss to you, because it's all based on additional future income." (p. 239)
Robbins, Tony	*Unshakeable*	"For some people, 10% may see impossible right now… No matter what your situation, you have to take the first step and get underway. There's a proven method called 'Save More Tomorrow'…" (p. 26)

Roth, J. D.	*Your Money: The Missing Manual*	"Apply raises and windfalls (like tax refunds) directly to your bills." (p. 63) "Make regular contributions to your savings and retirement accounts, and do what you can to increase your deposits as time goes on." (p. 278)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"There's one key thing to remember when you get a raise: It's okay to increase your standard of living a little—but bank the rest. For example, if you get a $4,000 raise, take $1,000 and spend it! But save or invest the remaining $3,000… I strongly encourage you to save and invest as much of [your raise] as possible, because once you start getting accustomed to a certain lifestyle, you can never go back." (p. 164) "I was able to accomplish saving up $10,000 on a meager retail wage by putting half of every raise into my 401(k) plan. Every 4 percent raise was a 2 percent raise to my retirement plan." (p. 164)
Stanley, Thomas	*Stop Acting Rich... And Start Living Like a Real Millionaire*	"Your net worth… should equal 10 percent of your age times your annual realized household income (0.10 × age × income = expected net worth). If your actual net worth is above this expected figure, I consider you affluent, given your age and income characteristics." (p. 17) [James Choi: With zero returns and income linear in age, this results in increasing savings rate over lifecycle]
Stanley, Thomas	*The Millionaire Mind*	"Expected net worth = age × .112 × income… What if Mr. Edison actually has a net worth of at least twice the expected value? Then he would be in what I call the Balance Sheet Affluent (BA) category." (p. 78) [James Choi: With zero returns and income linear in age, this results in increasing savings rate over lifecycle]
Stanley, Thomas, William Danko	*The Millionaire Next Door*	"Whatever your age, whatever your income, how much should you be worth right now?... A simple rule of thumb, however, is more than adequate in computing one's expected net worth. Multiply your age times your realized pretax annual household income from all sources except inheritances. Divide by ten. This, less any inherited wealth, is what your net worth should be." (p. 13) [James Choi: With zero returns and income linear in age, this results in increasing savings rate over lifecycle]

Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"So I say you should start saving and investing money from your first paycheck. Try saving 5 percent of every paycheck and then eventually increase your saving to 10 percent." (p. 417)

four books recommend diverting some of future salary increases to savings rate increases.

Hallam, Andrew	*Millionaire Teacher*, 2nd edition	"Over the years, your salary will most likely rise. If it increases by $1,000 in a given year, add at least half of it to your investment account, while putting the rest in a separate account for something special. That way, you'll get rewarded twice for the salary increase." (p. 36)
Robbins, Tony	*Money: Master the Game*	"By committing to the Save More Tomorrow plan, the next time you get a 10% raise, 3% would go toward your Freedom Fund and the other additional 7% would be available for your improved lifestyle today. Do this three times in the next decade, and you could be saving up to 19%...at no loss to you, because it's all based on additional future income." (p. 239)
Roth, J. D.	*Your Money: The Missing Manual*	"Apply raises and windfalls (like tax refunds) directly to your bills." (p. 63)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"There's one key thing to remember when you get a raise: It's okay to increase your standard of living a little—but bank the rest. For example, if you get a $4,000 raise, take $1,000 and spend it! But save or invest the remaining $3,000… I strongly encourage you to save and invest as much of [your raise] as possible, because once you start getting accustomed to a certain lifestyle, you can never go back." (p. 164) "I was able to accomplish saving up $10,000 on a meager retail wage by putting half of every raise into my 401(k) plan. Every 4 percent raise was a 2 percent raise to my retirement plan." (p. 164)

three books recommend increasing your savings rate by 1% of income per month over the next few months

Bach, David	*Smart Women Finish Rich*, 2nd edition	"If you can't imagine saving 12 percent of your income right now, then start with 6 percent and make it a goal to bump up your savings rate by 1 percent a month for the next six months… It's a lot like getting in shape to run a marathon." (p. 91)
Lindauer, Mel, Taylor	*The Bogleheads' Guide to Investing*, 2nd edition	"If you are currently spending all of your income, begin by saving just 1 percent this month and increase it by 1 percent every month for the next year. In a year you will have

Larimore, Michael LeBoeuf		established the habit of saving 12 percent of your income." (p. 18)
Olen, Helaine; Pollack, Harold	*The Index Card*	"Attempt to save 1 percent of your take-home pay. After a month, up this to 2 percent… And so on… The savings habit—unlike spending in a panic—is like a muscle. The more you use it, the stronger it will be." (p. 39)

Eight books say that a lower consumption level becomes easier to tolerate with the passage of time.

Bach, David	*Smart Couples Finish Rich*	"I figured if I increased my contributions by 3 percent every six months, I'd be fully maximizing my 401(k) plan within two years. What actually ended up happening is that I quickly realized that putting money aside wasn't as difficult as I thought it would be… I was doing what I needed to do, but because I had gotten there gradually, I barely felt the difference in my spendable income." (p. 106)
Bach, David	*The Automatic Millionaire*	"'You'd be surprised how quickly you get used to doing without that 10 percent,' she told me… The secret, she explained, is that you can't spend what you don't see." (pp. 19-20)
Clason, George	*The Richest Man in Babylon*	"But as Algamish had bid me, I again saved each tenth copper, for I now had formed the habit and it was no longer difficult." (p. 20)
Lowry, Erin	*Broke Millennial*	"Once you start living with 10 fewer dollars each month, you just adapt. The same then goes for $20, $50, or even $100." (p. 146)
Olen, Helaine; Pollack, Harold	*The Index Card*	"The savings habit—unlike spending in a panic—is like a muscle. The more you use it, the stronger it will be." (p. 39)
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	"you must make [your mind] believe that you make less than you do so that you will naturally spend less…. your mind will adjust to it, and you'll naturally spend less… just put it away before you ever see it. You won't be depriving yourself." (p. 133)
Ramsey, Dave	*Financial Peace Revisited*	"Yes, saving for a month or two may be difficult, but later it will become habit forming." (p. 122)
Thames, Elizabeth Willard	*Meet the Frugalwoods*	"It's also a question of habit. We can acclimate ourselves to just about any level of expenditure or pleasure." (p. 95)

Thirty-one books warn against borrowing on credit cards

Bach, David	*Smart Couples Finish Rich*	"My father said if you don't have enough money to pay cash for something, don't buy it." (p. 59)
Bach, David	*Smart Women Finish Rich*, 2nd edition	"every time you get a large credit-card bill: Take a pair of scissors and cut up one of your credit cards." (p. 98)
Bach, David	*The Automatic Millionaire*	"Another thing Sue's mom and dad taught us was never to buy on credit… The only exception is buying a house…" (p. 23)
Chilton, David	*The Wealthy Barber Returns*	"Credit cards allow us to act wealthier than we are and acting wealthy now makes it tough to be wealthy later… They charge absurdly high interest rates on unpaid balances… Recognize that charge cards are the great enabler of our addiction to spending, and don't always carry one with you… Take cash—the forgotten currency!" (p. 45) "'Good debt' should be defined as any money borrowed to buy an appreciating asset where the cost of servicing the loan doesn't affect your ability to save to the appropriate level *and* where the principal will be fully repaid before your retirement. 'Bad debt' is everything else. So, do not determine how much debt you can afford based on your gross income, but instead based on your after-tax, after-proper-savings income" (pp. 67-68)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Credit cards are antithetical to well-managed finances." (p. 168)
Clason, George	*The Richest Man in Babylon*	"he who spends more than he earns is sowing the winds of needless self-indulgence from which he is sure to reap the whirlwinds of trouble and humiliation." (p. 129)
Collins, J. L.	*The Simple Path to Wealth*	"Carrying debt is as appealing as being covered with leeches and has much the same effect." (p. 2) "It starts by recognizing that debt should not be considered normal. It should be recognized as the vicious, pernicious destroyer of wealth-building potential it truly is. It has no place in your financial life." (p. 23)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	"If, like all good tightwads, you pay off your balance each month, you need a card with no annual fee and a grace period during which no interest is charged." (p. 365)
DeMarco, M. J.	*The Millionaire Fastlane*	"A Sidewalker exists in a state of one-something-from-broke…The Sidewalk doesn't have an exit ramp to wealth…Surplus money is immediately spent on the next great gadget…

		"Debt perception: Credit allows me to buy things now! Credit cards, consolidation loans, car payments—these supplement my income and help me enjoy life today! If I want it now, I'm going to get it now." (pp. 33-34)
Fisker, Jacob Lund	*Early Retirement Extreme*	"debt plays a major role in locking people into working for most of their lives." (p. 25) "Rather than saving up money and receiving interest along the way before spending it on a purchase, credit is used to make the purchase immediately. Over time, the debt is paid off, along with interest, until the payments are sufficiently low that one can go into debt again… Naturally, this is an inefficient and costly way to handle one's personal finances." (p. 36)
Hallam, Andrew	*Millionaire Teacher*, 2nd edition	"I hate debt. It's going to sound extreme, but for me, owing money is like making a deal with the devil. Always thinking of the worst-case scenario, I would worry what would happen if I lost my job and couldn't meet my debt-obligation payments… thinking of debt as a life-threatening, contagious disease served me pretty well." (p. 22)
Kobliner, Beth	*Get A Financial Life*	"Credit card debt is never good… If you commit to the rule that you'll use your card to buy only those items that you can afford to pay for in cash, you'll be happier in the long run." (p. 33)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"a third, very wise group has a different financial mind-set… 'Debt is deadly, and earning to spend gets you nowhere. The people who reach financial freedom focus on accumulating wealth over time… As for credit cards, they… pay the full balance each month without fail." (p. 6)
Lowry, Erin	*Broke Millennial*	"The right way to use a credit card is simple: Don't charge more than you can afford to pay off every single month. Then *pay it off*." (p. 89) "It's been a rough month. Can't I just charge this to my card even if I can't afford it? The short answer to this question is no, you can't… this option comes with a hefty price tag." (p. 96)
Mecham, Jesse	*You Need a Budget*	"I can sum up everything you need to know about [debt] in four words: *Get rid of it*. I'm talking mostly about consumer debt…" (p. 44) "Credit cards are not the problem—it's how we use them. You're fine to use credit cards as long as you use them to

		spend the money that's already in your bank account." (p. 50)
Olen, Helaine; Pollack, Harold	*The Index Card*	"We just need to try to surmount the temptation, not to mention the need, to use high-interest credit to get by… *There is no better way to simplify and gain control over your financial life than by eliminating high-interest debt.*" (p. 46)
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	"Credit cards can be as addictive and destructive as hard drugs" (p. 178)
Orman, Suze	*Women & Money*	"Bad debt is any money you borrow that is not used to finance an asset. Credit card debt is the ultimate in bad debt. (The only exception is if you use it for the absolute necessities—needs, not desires—when you are young and struggling to make ends meet.)" (p. 98)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"That's where we are with debt in America: trapped in the myth that credit is a normal, healthy part of life." (p. 81)
Ramsey, Dave	*Financial Peace Revisited*	"*Dump Debt*. That's right—do not borrow money." (p. 70)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"Myth: Debt is a tool and should be used to create prosperity. Truth: Debt adds considerable risk, most often doesn't bring prosperity, and isn't used by wealthy people nearly as much as we are led to believe." (p. 19) "Broke people use credit cards; rich people don't. I rest my case." (p. 40)
Robin, Vicki, Joe Dominguez	*Your Money or Your Life*	"This doesn't mean you have to cut up all your credit card—just you just have to avoid using them if you can't pay them off right away. We recognize that credit cards can be a way to put food on the table for those who unexpectedly hit hard times. However, it's important to distinguish between necessity and indulgence so you have as little debt as possible to pay off." (pp. 172-173) "Unfortunately, the easiest ways to borrow money—credit cards and payday loans—are also the most financially ruinous for many. We can't say enough about how important it is to pay off any balances you currently have on these high-interest-rate rip-offs, and to completely avoid them in the future." (p. 186)
Roth, J. D.	*Your Money: The Missing Manual*	"Andrew Tobias offers the following simple yet effective budget: Destroy all your credit cards; invest 20% of all that you earn and never touch it; live on the remaining 80%, no matter what." (p. 40)

Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"This is 'normalization,' or the idea that paying interest on your debt is actually not that bad. I've never met one person who says this and understands the math of 14 percent interest rates." (p. 52) "the number one mistake people make with their credit cards is carrying a balance" (p. 58)
Stanley, Thomas	*Stop Acting Rich... And Start Living Like a Real Millionaire*	"But, conversely, who are those who are happy? Typically they are those who spend below their means while building wealth and ultimately becoming financially secure." (p. 19) "If you spend in anticipation of becoming rich, you are unlikely ever to become truly wealthy." (p. 64)
Stanley, Thomas	*The Millionaire Mind*	"You cannot enjoy life if you are addicted to consumption and the use of credit… Some were credit-dependent earlier in their careers, but they eventually saw the light. They went cold turkey, breaking the cycle of borrowing to consume, earning to consume, and borrowing more and more money." (p. 1) "Never borrow long-term with the prospects of short-term income… Stever can only hope that his sales commission income and client base will not turn away from him. If the stock market declines or if his income is cut in half, Stever will be bankrupt." (p. 310)
Stanley, Thomas, William Danko	*The Millionaire Next Door*	"Why are so few people in America affluent? … They believe in spending tomorrow's cash today. They are debt-prone…" (p. 36)
Thames, Elizabeth Willard	*Meet the Frugalwoods*	"all luxuries…should be paid for in full and with cash. If you can't pay cash? You don't get to buy it." (p. 197) "By never having car payments or any other non-mortgage debt… Nate and I have always been able to save at a high rate, which means we're able to avoid having car payments, which means we're able to save at a higher rate…" (p. 197)
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	"It's folly to pay credit-card interest if you can possibly avoid it." (p. 18)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"I coined the term *bad debt* to refer to debt incurred for consumption, because such debt is harmful to your long-term financial health" (p. 33)

		"The financially healthy amount of bad debt is zero." (p. 34)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"Using credit cards to pay for fun purchases is just as dangerous." (p. 117)

Eighteen books give some variant of the advice that debt can be good when used to fund investments in things that appreciate, such as houses and human capital, but is bad otherwise

Chilton, David	*The Wealthy Barber Returns*	"'Good debt' should be defined as any money borrowed to buy an appreciating asset where the cost of servicing the loan doesn't affect your ability to save to the appropriate level *and* where the principal will be fully repaid before your retirement. 'Bad debt' is everything else." (pp. 67-68)
Clason, George	*The Richest Man in Babylon*	"If they borrow for purposes that bring money back to them, I find it so [they insist on repaying promptly]. But if they borrow because of their indiscretions, I warn thee to be cautious if thou wouldst ever have thy gold back in hand again." (p. 108)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	"I'm not saying that debt is always bad. But debt must give you value; it has to save you money in the long run." (p. 364)
DeMarco, M. J.	*The Millionaire Fastlane*	"Debt is useful if it allows me to build and grow my system." (p. 109)
Kiyosaki, Robert	*Rich Dad's Cashflow Quadrant*, 1st Plata Publishing edition	"good debt was debt someone else paid for you. Bad debt was debt that you paid for with your own sweat and blood. This is why he loved rental properties… because 'the bank gives you the loan, but your tenant pays for it.'" (p. 241)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"a third, very wise group has a different financial mind-set… 'Debt is deadly, and earning to spend gets you nowhere. … Their debts are likely to be in the form of a home mortgage with a payment they can well afford, or a student loan to pay for an education that boosted their earning potential significantly. If they have car loans, they are likely to be for two- or three-year-old cars they purchased and plan to keep for a long time… As for credit cards, they… pay the full balance each month without fail." (p. 6) "Although consumer debt is to be frowned on, it's important to realize that debt is not inherently bad. In fact, there are times when debt is an excellent investment. Low-interest loans to finance the cost of a home, a rental

		property, education that will boost earnings potential, and to start a new business are all examples of good debt… The key is to keep interest rates low, preferably tax deductible, and borrow funds only when the expected payoff is higher than the cost of borrowing." (p. 22)
Lowry, Erin	*Broke Millennial*	"'bad debt' since it doesn't provide long-term value. You can brush off student loans as 'good debt' because at least those were investments in your education" (p. 98)
Mecham, Jesse	*You Need a Budget*	"I do agree that not all debt is created equal. The worst *by far* is consumer debt…The rest, however, still isn't great… My rule of thumb for deciding whether a debt is 'good' or 'bad' is whether the thing for which you're borrowing will go down in value… I still pay off my mortgages at a fever pace, but if there were ever an argument for 'good' debt, mortgages make a fair case under the right circumstances." (p. 137)
Olen, Helaine; Pollack, Harold	*The Index Card*	"We just need to try to surmount the temptation, not to mention the need, to use high-interest credit to get by… There is no better way to simplify and gain control over your financial life than by eliminating high-interest debt." (p. 46) "many of us are not in a position to avoid taking out loans to pay for college" (p. 62)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"that pile of student debt that's got you bummed out is a terrific investment." (p. 119)
Orman, Suze	*Women & Money*	"Good debt is money you borrow to finance an asset. An asset is something that has value today and is expected to rise in value over time. A mortgage is a great example… A student loan is also my idea of good debt." (p. 98)
Ramsey, Dave	*Financial Peace Revisited*	"After all that, if you must borrow money, let me give you two basic guidelines. First, borrow on short terms and only borrow on items that go up in value. That means never on anything except possibly a home, which you should pay off as soon as possible…" (pp. 88-89)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"mortgage debt is the only kind of debt I don't yell about" (p. 177)
Robin, Vicki, Joe Dominguez	*Your Money or Your Life*	"Some forms of debt can be viewed as an investment if the money you borrow enables you to buy an asset that appreciates in value or boosts your earning power. If you can reliably make your mortgage payment every month and you live in an area where real estate values consistently rise…having a low-interest, fixed-rate mortgage could be a wise investment, especially if you can deduct the mortgage

		interest on your taxes. Many people, however, will find comfort and freedom in the idea of owning their home debt-free, and therefore should figure out the best way to pay off their mortgage early… Get scholarships and avoid student loans if you can—or if not, pay them off quickly…" (p. 187)
Roth, J. D.	*Your Money: The Missing Manual*	"As a general rule, you shouldn't borrow money to buy things that are likely to decrease in value… But many experts say that it's okay to take on *reasonable* debt to pay for a handful of things that are likely to increase in value…mortgage on your home, student loans…loans to start a new business. Car loans are borderline: They generally carry low interest rates, but…cars lose value…" (p. 60)
Sincero, Jen	*You Are a Badass at Making Money*	"Sometimes the scary risk we need to take to get to the next level is spending money we don't yet have. It's the money version of leap and the net will appear, and it's a very controversial topic, because basically what I'm saying is go into debt… I did this over and over when I was stretching myself to get out of my rickety-ass lifestyle and become rich. I got new credit cards to pay for my coaching, and then did everything my coaches told me to do, no matter how terrifying, to make the money back, and each time I paid my debts off within months." (p. 179)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"I coined the term *bad debt* to refer to debt incurred for consumption, because such debt is harmful to your long-term financial health… Good debt, such as that used to buy real estate and small businesses, is generally available at lower interest rates than bad debt and is usually tax-deductible. If well managed, these investments may also increase in value. Borrowing to pay for educational expenses can also make sense." (p. 33)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"The debts that are probably your biggest debts—your mortgage, your car loan, and your student loans—are not included with Steal-From-Tomorrow debt… You took these loans so you could build toward tomorrow. You used the money to buy something of lasting value… Once the debt is paid, you will still have an asset…" (p. 137)

Seven books advise against student loans.

Collins, J. L.	*The Simple Path to Wealth*	"Even successfully applied, this shackles young people to jobs long after the appeal has faded…the ethics of encouraging 17 and 18-year old…to almost automatically accept this burden [of student debt] gives me serious pause." (p. 30)

DeMarco, M. J.	*The Millionaire Fastlane*	"You're in [student] debt because you borrowed. You're in debt because you bought into the scripted lie and relinquished control. You bought the Slowlane. Were you forced to take loans?" (p. 193)
Fisker, Jacob Lund	*Early Retirement Extreme*	"Student loans are often considered an investment in one's future. What most students forget is that the only way they can sell this asset is by working off their debt… many trade schools have higher rates of internal returns than college educations… Despite this, many young people keep believing that their best shot at a middle-class lifestyle is a college degree…" (p. 23)
Mecham, Jesse	*You Need a Budget*	"I plan to help my kids get through college debt-free not by stockpiling cash that will cover the tab, but by teaching them to fund their tuition via a blend of scholarships, budgeting, and working while in school. I'm hugely averse to student loans, so they're not part of the plan either… it robs them of a solid decade of having complete control of their money after college." (p. 72)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"Never use student loans… If you can't pay cash, put the kid to work for a semester and then send him back to pay cash later. Student loans may look like a quick fix, but they turn into a nightmare and send college graduates out into the world with a boat anchor of debt around their necks." (p. 246)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"The first rule of college…is: pay cash… Student loans are a cancer." (pp. 155-156)
Thames, Elizabeth Willard	*Meet the Frugalwoods*	"learned I could go to grad school for free if I worked full time at a university. Since I had zero intention of going into debt for the first time ever, this sounded perfect." (p. 53)

17 books advocate subdividing wealth into mental accounts devoted to different goals

Bach, David	*Smart Couples Finish Rich*	"there are *three* baskets into which you should put your eggs. I call them the retirement basket, the security basket, and the dream basket." (p. 97)
Bach, David	*Smart Women Finish Rich*, 2nd edition	"Even though we discussed the security basket first, that doesn't mean you should put off funding your retirement basket until after you've funded your security basket. *You should be doing both at the same time!*" (p. 137) "Your dream basket is the place where you put aside the money you will need to make your dreams (other than security or retirement) come true. You should fund it…with a fixed percentage of your income that you automatically contribute every month… The size of your regular

		contribution should be determined by the likely cost of your dreams. As a rule of thumb, it probably should be at least 5 percent of your after-tax income…" (p. 176)
Bernstein, William	*The Four Pillars of Investing*	College savings: "This is an enormously complex area… From the asset management point of view, college savings is a very sticky wicket, since its time horizon is intermediate between that of emergency savings and retirement planning… With some trepidation I'd recommend placing a maximum of 30% to 40% of your child's college fund in stocks, then begin to shift that into bonds as matriculation approaches. When the college expenses come due, you can sell the residual stocks for tuition in the good years and sell the bonds in the bad years." (p. 240)
Bernstein, William	*The Intelligent Asset Allocator*, 2nd edition	"I now realize that each of us owns two portfolios: one that we own, which we will consume in retirement…and…a second portfolio that we will leave to our heirs…" (p. vii)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"At different times in your life, you're going to have to save for various things—a house, a car, a trip, whatever… But the ten percent saving is different. It's regular. It's a constant." (p. 39) "But the ten percent fund is not intended to augment our retirement income. It's our I've-made-it-big money. It's our I-can-now-do-and-buy-anything-I-want capital." (p. 103) "we should save ten percent and invest it for growth, and save enough separately to make up any shortfall in our post-retirement income." (p. 104) Saving for college: "I still lean toward the following method: Purchase on a monthly basis a well-selected equity mutual fund for your child." (p. 204)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	"We realized that, given our current savings rate, we wouldn't be able to afford a home that met our minimum-goal standards in most parts of New England… By learning the amount of money we would likely need and setting a time frame, we were able to establish the needed savings rate." (p. 838)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	"Investors in their twenties and thirties should have about six months of living expenses in a bank checking account or money market equivalent to cover their living expenses and possible emergencies. They might also have a short-term bond or CD account where they are putting money away for a large purchase such as a new home." (p. 248)
Kobliner, Beth	*Get A Financial Life*	"While there's no magical reason to save exactly 15%, it's a good target to aim for. Include in that 15% the money you

		set aside to meet your short-term goals as well as the money you put in a retirement plan." (p. 22) "Research also suggests that labeling a savings account with a goal—'new car,' 'down payment'—actually results in people adding even more money to their savings pot." (p. 28)
Malkiel, Burton	*A Random Walk Down Wall Street*	"A specific need must be funded with specific assets dedicated to that need… suppose that the couple expects to need a $30,000 down payment to purchase a house next year. That $30,000 to meet a specific need should be invested in a safe security."
Mecham, Jesse	*You Need a Budget*	"All your dollars need jobs… Most people would call this an 'emergency fund' but we don't look at it that way at YNAB. Instead, it's a specific job for your money" (p. 47)
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	"let's say…you have projected that you will need $200,000 in eighteen years to pay for his/her college education. You feel you could average about a 6 percent annual return… You could either put $70,000 in one lump sum and never put in another cent or if you did not have that kind of money, you could start from scratch with investing about $515 a month starting this year and continuing until your child is eighteen." (p. 276)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"Baby Step 5: Begin college funding for your kids." (p. 8) "I teach people to save up for big purchases using the sinking fund approach… I'm going to figure out how much I need to save, how long I have to save it, and how much that means I'll need to sock away every month." (pp. 14-15)
Ramsey, Dave	*Financial Peace Revisited*	"I suggest saving for college in good, long track record mutual funds." (p. 159) Baby Step Five: "Now and only now is it time to start college funds." (p. 274)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"Baby Step Four: Invest 15 percent of your income in retirement… Invest 15 percent of before-tax gross income annually toward retirement. Why not more? You need some of your income left to do the next two steps: college saving and paying off your home early…" (p. 143)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"Regardless of exactly what you're saving for, a good rule of thumb is to save 5 to 10 percent of your take-home pay to meet your goals [gifts, wedding, house]." (p. 146)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"Presuming both goals are important to you, save toward both buying a home *and* for retirement." (p. 60)

Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	Stage 4: "The first piece is your retirement fund. The second piece is paying off your house. The third piece is saving for your other dreams." (p. 174)

"pay yourself first" appears in 16 books.

Bach, David	*Smart Couples Finish Rich*	"Pay yourself first!" (p. 98) "Paying yourself first means putting aside a set percentage of every dollar you earn and investing it for your future in a pretax retirement account." (p. 99)
Bach, David	*Smart Women Finish Rich*, 2nd edition	"Smart women pay themselves first…automatically!... The key is to make sure the transfer is done automatically." (p. 100)
Bach, David	*The Automatic Millionaire*	"We decided to pay ourselves first… Put aside a few dollars for yourself, THEN pay all your other bills… [my mom] told me that budgeting didn't work… they decided to toss the budget and instead take 10 percent of their pay out of their paychecks and put it in a savings account before they ever saw it or had a chance to spend it on anything. 'You'd be surprised how quickly you get used to doing without that 10 percent,' she told me… The secret, she explained, is that you can't spend what you don't see." (pp. 19-20)
Chilton, David	*The Wealthy Barber Returns*	"pay yourself first, was by far the book's most important message… Save first. Spend the rest… Payroll deduction, automatic withdrawal, pre-authorized chequing—I don't care how you do it, just do it [now]!... Will you miss the saved money? … Maybe. Sure. But not nearly as much as you'd guess… The vast majority of people who institute a forced-savings approach are amazed at how little change they notice in their consumption." (pp. 75-76)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Over the years I've taught dozens of people the pay-yourself-ten-percent-first rule. Not one has noticed a dramatic change in his or her standard of living…until they're sipping martinis on their boats, that is… You know how quickly you adjust to your raises? Well, this is pretty much the same thing, but in reverse." (p. 39)
Clason, George	*The Richest Man in Babylon*	"I found the road to wealth when I decided that *a part of all I earned was mine to keep.*" (p. 17) "Fool! You pay to everyone but yourself. Dullard, you labor for others. As well be a slave and work for what your master gives you to eat and wear." (p. 18)

		"A part of all you earn is yours to keep. It should be not less than a tenth no matter how little you earn. It can be as much more as you can afford. Pay yourself first." (p. 18)
Hallam, Andrew	*Millionaire Teacher*, 2nd edition	"Gifting money to yourself... Don't wait until the end of the month to invest that money; instead, make the transfer payment to your investment of choice on the day you get paid… We don't know where that money was going each month. It doesn't feel like we live any differently than we did three years ago, but the deposits in our investment account don't lie. We've tripled our savings." (p. 35)
Kiyosaki, Robert	*Rich Dad's Cashflow Quadrant*, 1st Plata Publishing edition	"Pay yourself first. Put aside a set percentage from each paycheck of each payment you receive from other sources. Deposit that money into an investment savings account. Once your money goes into the account, NEVER Take it out until you are ready to invest it." (p. 243)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"Pay yourself first." (p. 17)
Lowry, Erin	*Broke Millennial*	"'Pay yourself first' is the war cry of personal finance experts." (p. 145)
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	"Paying your bills to yourself" (p. 127) "You won't be depriving yourself. You'll be paying yourself. You'll be on your own payroll and soon be able to enjoy two of life's great pleasures: counting your money as it grows and dreaming of how you'll spend it when the time comes." (p. 133)
Ramsey, Dave	*Financial Peace Revisited*	"You work and slave at your job to bring home the bacon. Then what happens? Your checkbook simply serves as a clearing account for the people you owe and the 'stuff' you buy… it is time to put a new name on your list of bills. "The very next line should be marked 'Pay Me'… There are many programs, called 'forced savings plans,' that can help… A portion of your paycheck is deducted and deposited before you get your check; that way, you don't have a chance to do anything else with it." (p. 109)
Robbins, Tony	*Money: Master the Game*	"The decision? What portion of your paycheck you get to keep. How much will you pay yourself—*off the top*, before you spend a single dollar on your day-to-day living expenses?" (p. 56)
Robbins, Tony	*Unshakeable*	"Pay yourself first by taking a percentage of your income and having it deducted automatically from your paycheck or

		bank account… My guess is you're already doing this. But maybe it's time to give yourself a raise: increase what you save from 10% of your income to 15%, or from 15% to 20%." (p. 26)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"Each of them pays themselves first, whether it's $500/month or $2,000/month. They've built an infrastructure to do this automatically so that by the time money ends up in their checking account, they know they can spend it guilt-free." (p. 138)
Stanley, Thomas, William Danko	*The Millionaire Next Door*	"More than half of the nonbudgeters invest first and spend the balance of their income. Many call it this the 'pay yourself first' strategy. These people invest a minimum of 15 percent of their annual realized income before they pay the sellers of their food, clothes, homes, credit, and the like." (p. 41)

The notion that a significant amount of the money we spend brings us almost no marginal utility—making additional saving painless—is endorsed by 18 books.

Bach, David	*Smart Couples Finish Rich*	"I figured if I increased my contributions by 3 percent every six months, I'd be fully maximizing my 401(k) plan within two years. What actually ended up happening is that I quickly realized that putting money aside wasn't as difficult as I thought it would be… I was doing what I needed to do, but because I had gotten there gradually, I barely felt the difference in my spendable income." (p. 106)
Bach, David	*Smart Women Finish Rich*, 2nd edition	"In all, she was spending over $2,000 a month—well over half her take-home pay—*on things that had absolutely nothing to do with what was most important to her*" (p. 45)
Bach, David	*The Automatic Millionaire*	"What you do is take your mortgage payment and instead of paying it in full once a month, you pay half every two weeks. You do that consistently, and by the end of the year you've made a whole extra payment without ever feeling the pinch." (p. 22) "You'd be amazed how effortlessly you can learn to live on a little less. And it becomes easier as you go along. Why? Because before you know it, you have thousands and thousands of dollars in savings." (p. 82)
Chilton, David	*The Wealthy Barber Returns*	"Will you miss the saved money? … Maybe. Sure. But not nearly as much as you'd guess… The vast majority of people who institute a forced-savings approach are amazed at how little change they notice in their consumption." (pp. 75-76)

Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Luckily, there is an almost painless way to save—a way to save where you barely notice the money is gone!... Pay yourself first." (p. 37) "Over the years I've taught dozens of people the pay-yourself-ten-percent-first rule. Not one has noticed a dramatic change in his or her standard of living…until they're sipping martinis on their boats, that is…" (p. 39)
Clason, George	*The Richest Man in Babylon*	"Each time I was paid I took one from each ten pieces of copper and hid it away. And strange as it may seem, I was no shorter of funds than before. I noticed little difference as I managed to get along without it." (p. 19)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	"People commonly make the mistake of spending money on smaller items that are low on their priority list and, as a result, cannot afford the big things high on their list." (p. 233)
DeMarco, M. J.	*The Millionaire Fastlane*	"The next time you feel compelled to buy some trinket at Macys, ask yourself: Will this be obsolete in six months and land in the garage with the rest of the junk?" (p. 183)
Hallam, Andrew	*Millionaire Teacher*, 2nd edition	We don't know where that money was going each month. It doesn't feel like we live any differently than we did three years ago, but the deposits in our investment account don't lie. We've tripled our savings." (p. 35)
Mecham, Jesse	*You Need a Budget*	What stinks is that, for most of us, consumer debt is the result of a bunch of purchases we didn't really care about." (p. 44)
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	"You won't be depriving yourself. You'll be paying yourself." (p. 133)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"You are spending money that you don't even have to impress people you do not even know or like. It is such a colossal mistake." (p. 161)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"Managed money goes farther… practically everyone…says almost the same thing: 'The first time we did a budget, it felt like we got a huge raise!' … You cut out all those little expenses that fly into your wallet like moths and eat away at your money. When you run your money through a budget, it just works harder… Once you cut out all the 'spending by accident' stuff that most people never think about, you'll find money you never knew was there." (p. 64)
Ramsey, Dave	*Financial Peace Revisited*	"We had a garage sale last year, and I thought to myself, why do we have so much stuff? Do we really need all of this? If so, then why am I trying to sell it all?" (p. 15)

		"Many extremely wealthy people I know, those who have had wealth for many years, live lower-middle-class lifestyles and don't suffer in the least." (p. 64)
Richards, Carl	*The One-Page Financial Plan*	"Often, my clients are shocked to realize that they've been pouring money into an area that wasn't truly important at the expense of thing that were…" (pp. 63-64)
Robin, Vicki, Joe Dominguez	*Your Money or Your Life*	"None of this felt like deprivation. I wasn't struggling to spend less. It didn't even feel like I was doing anything in particular. It all happened gradually.'… So what was different this time? A major component was the Wall Chart… It drew a picture of her spending habits, graphically showing her why there was not enough money at the end of the month." (pp. 140-141) "Automatic lowering of expenses: Question 1 is: 'Did I receive fulfillment, satisfaction, and value in proportion to life energy spent?' Asking this question every month about each of your spending categories increases your consciousness about your choices and thus results in an automatic reduction in your total monthly expenses, giving you the pleasure of seeing the expenses line on your chart go down" (pp. 142-143) "we can say that those who get past the three-month hump will find their expenses drop naturally—and painlessly—by about 20 percent. These people report no feelings of deprivation, no struggling to keep to a budget—just a natural decline. Knowing that you are not getting satisfaction proportional to the expenditure of life energy in a given subcategory of spending generates an automatic, self-protective reversal of your spending habits. Over time, you actually find yourself feeling better by not spending." (p. 146)
Thames, Elizabeth Willard	*Meet the Frugalwoods*	"The problem was that spending all this money didn't make me feel any better." (p. 48) "you'll be amazed at how many insignificant line items are gobbling up your funds month after month" (p. 103)
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	"And he found that he didn't really miss that $50." (p. 61)

Fourteen books say that a house is not a great financial investment.

Chilton, David	*The Wealthy Barber Returns*	"Ironically, the people who are fiercely passionate about owning the biggest, most expensive home they can 'afford' are often the ones forced to trade way down later in life. Ouch. They come face to face with a very basic truth: You can live in your house or you can invest the proceeds from its sale, but you can't do both simultaneously… a house…does not a retirement plan make." (pp. 132-133)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Paying rent is no more throwing money away than buying food or clothing is… Renting is one way to acquire that shelter and, in some cases, it's a very intelligent way." (p. 135) "The reason the vast majority of homeowners say that their house is the best investment they've ever made is simple: It's usually the only investment they've ever made." (p. 135) "I would argue that the real costs of home ownership, even without a mortgage, come close to the cost of renting an adequate apartment… I do think home ownership is an excellent investment—one of the best. But excellent and perfect are not synonymous." (pp. 142-143)
Collins, J. L.	*The Simple Path to Wealth*	"If your goal is financial independence, it is also to hold as little debt as possible. This means you'll seek *the least house to meet your needs rather than the most house you can technically afford.* Remember, the more house you buy, the greater its cost… Houses are an expensive indulgence, not an investment." (p. 27)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	"Supposedly real estate has risen faster than the average wage. I don't know if this is true, as I look at the homes of our parents and their incomes at the time of purchase the figures are roughly proportional to today's market. Realtors I spoke with told me that houses appreciate about the same rate as inflation or 3% to 5% per year." (p. 139)
Fisker, Jacob Lund	*Early Retirement Extreme*	"Except during extreme bubbles…renting costs approximately the same as owning, since the owner passes along the costs… Either buying or renting a home that is priced at several times your annual income is a huge financial mistake… Hence, a trophy house, or a trophy anything for that matter, is not very compatible with financial independence." (p. 134) "In the long run, real estate goes up at the same rate as inflation, which is to be expected for a practically risk-free, nonproductive asset. It's not a good idea to consider the

		house you live in as an 'investment' unless you know more about real estate than the average person, and in particular, enough to speculate on its direction" (p. 139)
Kiyosaki, Robert	*Cashflow Quadrant*	"your house is not your asset. It is the bank's asset… 'An asset puts money in my pocket. A liability take money out of my pocket.'" (p. 127)
Kiyosaki, Robert	*Rich Dad Poor Dad*	"The 2008 housing market crash was a clear message that your personal residence is not an asset. Not only does it not put money in your pocket, but we cannot count on the fact that it will go up in value." (p. 13)
Olen, Helaine; Pollack, Harold	*The Index Card*	"Owning a home is almost always what experts call a highly leveraged investment. That makes it a risky investment…" (p. 159) "In the best-case scenario, owning your own residence works as an automatic savings plan… That said, home ownership is an expensive savings plan. Sure, money is taken out of your account and invested every month in a way we expect will do well. But home ownership comes with an expense ratio that makes the most expensive mutual funds look like a bargain… In the first years of home ownership, the bank takes the vast majority of your monthly payment as interest… Then there are various property taxes… Finally, owning a home means maintaining it." (pp. 159-162) "economists sometimes perform complex calculations to show that renting is sometimes a better overall deal than home ownership. Their advice? Calculate the difference in expenses, and invest the savings in a broad-based stock market index fund. You'll build more wealth in the long term, they say. It's not bad advice. It is an especially valuable reminder that one should not deliberately spend more on a house than one needs in the hopes of a high financial return. But most of us have a way of spending the money one hoped to otherwise invest." (pp. 162-163)
Richards, Carl	*The One-Page Financial Plan*	"The returns [to housing] end up somewhere in the ballpark of 3 percent… Housing prices grow about in line with inflation, and the average home price increase over the last two hundred years has been close to 3 percent." (p. 148)
Roth, J. D.	*Your Money: The Missing Manual*	"If you decide to buy, do it for the right reasons: because it fits your goals and will make you happy. *Don't* do it because you think it's a good investment. A mortgage is *not* a retirement plan—it won't make you rich." (p. 197)

Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"Actually, houses really aren't very good investments in general." (p. 322)
Stanley, Thomas	*Stop Acting Rich... And Start Living Like a Real Millionaire*	"Most often these buyers grossly underestimated the real cost (in terms of dollars and time) of buying, furnishing, maintaining, commuting to, renting, and possibly selling a second home." (p. 41)
Stanley, Thomas, William Danko	*The Millionaire Next Door*	"Large allocations for homes and automobiles can have a dampening effect on wealth building…" (p. 81)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"On average, home values usually rise at roughly the same pace as inflation." (p. 229)

Of the seven books that say that a house is a good investment, six recommend building emergency savings of at least three months' income/expenses, and two warn against becoming a wealthy hand-to-mouth household in order to buy a more expensive house

Bach, David	*Smart Women Finish Rich*, 2nd edition	"Mistake no. 4: Waiting to buy a house… When you own your own home, you are building equity for yourself. When you rent, you are building someone else's equity." (p. 220) "You must have at least 3 to 24 months' worth of living expenses saved in case of emergency… In general, the size of your cushion should depend on how easy it would be to replace your current income." (p. 108)
Bach, David	*The Automatic Millionaire*	"He said if we rented we would always be poor, making someone else rich. If we bought a home, we'd eventually make ourselves rich." (p. 21) "You can't get rich renting. As the old saying goes, landlords get rich and renters stay poor. Think about it. As a renter, you can easily spend half a million dollars or more on rent over the years… and in the end wind up just where you started—owning nothing. Or you can buy a house and spend the same amount paying down a mortgage, and in the end wind up owning your own home free and clear!" (p. 160) "I believe you need a cash cushion of at least three months' worth of expenses… In my previous books, I've suggested putting aside anywhere from three to twenty-four months' worth of expenses, depending on your situation. How much

		you should save depends on what you feel you need to 'sleep well at night.'… With all the economic and political unrest in the world these days, a years' worth of expenses is a great ultimate goal to shoot for." (p. 139)
Clason, George	*The Richest Man in Babylon*	"All too many of our men of Babylon do raise their families in unseemly quarters. They do pay to exacting landlords liberal rentals… No man's family can fully enjoy life unless they do have a plot of land…To own his own domicile and to have it a place he is proud to care for, putteth confidence in his heart and greater effort behind all his endeavors. Therefore, do I recommend that every man own the roof that sheltereth him and his." (p. 47) "Thus come many blessings to the man who owneth his own house. And greatly will it reduce his cost of living, making available more of his earnings for pleasures and the gratifications of his desires. This, then, is the fifth cure for a lean purse: Own thy own home." (p. 48)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"A home is flat-out the best big-ticket purchase you will ever make." (p. 278) "Real estate agents, rich friends, and maybe even your parents are going to try to talk you into stretching to buy a bigger house than you can afford right now… That's way too much pressure. Besides, you've got other things you need to work on…fund your 401(k) to the match and then contribute as much you can to a Roth… Go for a house that leaves you room to breathe." (p. 296) "But there will be a time when your salary does get to a more comfortable level and you have your credit card debt and student loans under control. When that happens, it's time to concentrate on building an emergency cash fund. Ideally…six to eight months' living costs… You can build up a stash over time." (p. 160)
Robin, Vicki, Joe Dominguez	*Your Money or Your Life*	"purchasing an income-producing asset such as a duplex or quad can be an excellent FI plan…provide a steady stream of income for years." (p. 294) "Common wisdom says you should have three (ideally six) months of expenses in liquid cash stashed in your bank." (p. 254)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"Over the generations, real-estate owners and investors have enjoyed rates of return comparable to those produced by the stock market… However, like stocks, real estate goes through good and bad performance periods." (p. 189)

		"Real-estate markets can be inefficient at times… you may be able to purchase a property below its fair market value (perhaps by as much as 10 to 20 percent)." (p. 192) "When you buy a home, you're investing your money in real estate, which historically. has offered solid returns over the decades." (p. 273) "How much of an emergency stash you need depends on your situation. Three months' living expenses: Choose this option if you have other accounts, such as a 401(k), or family members and close friends whom you can tap for a short-term loan. This minimalist approach makes sense when you're trying to maximize investments elsewhere (for example, in retirement accounts) or you have stable sources of income… Six months' living expenses: This amount is appropriate if you don't have other places to turn for a loan or you have some instability in your employment situation or source of income. Up to one year's living expenses: Set aside this much if you income fluctuates wildly from year to year or if your profession involves a high risk of job loss, finding another job can take you a long time, and you don't have other places to turn for a loan." (p. 60)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"Over the long run, it is generally wiser to own your home than to rent, because a part of your money goes toward something valuable (although in the early years, it's only a very small part of your money). But that's over the long run. In the short run, it really doesn't make much difference whether you rent or own. If you wait a year or two until you are stronger financially, a bigger part of what you pay each month will go to *your* bottom line—not the mortgage company's. The wait will be worth it." (p. 231) "their real problem was that they were spending way, way too much on their basic monthly bill. Brent and Brandi had bought a 'starter' home, even though they didn't have two nickels for a down payment, which meant they were paying for two mortgages (to make up 100% of the home price)… By the time they were finished covering the things they *had*

		to pay for, there wasn't enough left for a trip to Baskin-Robbins, let alone savings for a rainy day." (pp. 19-20) "Stage 3 is when you build your Security Fund…an ordinary savings account…to cover your Must-Haves for 6 months." (pp. 172-173)

three books do recommend prioritizing 401(k) contributions over building an emergency cash buffer.

Kobliner, Beth	*Get a Financial Life*	"Saving money in a retirement plan is one of the smartest (and easiest) things to do when you're young… The big attraction here is that many employers will match… try to at least contribute the maximum amount for which you're eligible to receive matching funds." (pp. 3-4) "But once you've gotten rid of your high-rate debt, taken care of health insurance, and started saving for retirement, it's time to begin stashing away three to six months' worth of living expenses." (p. 5)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"I finally have a little money left after paying my monthly bills… If your employer offers a company match on your contributions to a 401(k), you are to jump at it… So if you have been felling too pinched to join your company's 401(k) plan, you should definitely use your improved cash flow to start contributing to the 401(k) rather than use the money to speed up your student loan repayments. After you contribute enough to get the maximum company match, you can opt to stop your contributions for the rest of the year and concentrate on other financial goals." (p. 129) "I do not care if you have a mountain of credit card debt, or if you want to save up for a home or car. If your company gives you a matching contribution on your 401(k), you must enroll in the plan and invest enough to get the maximum company match." (p. 184)
Orman, Suze	*Women & Money*	"Make sure you contribute enough to your 401(k) to get the annual matching contribution…Fund an IRA to the max, if you can… If you finish funding the IRA completely before year end and…you are still building your emergency savings fund: Spend the rest of the year adding to your savings fund." (p. 156) "here is the basic order of priorities that proceeds from the assumption that you have funded your 401(k) enough to

		qualify for the maximum employer match: 1. Pay off high-rate credit card debt. Any extra money in your paycheck first goes to paying off your credit card bills. 2. Boost your emergency cash savings *and* max out your Roth IRA (or traditional IRA you intend to convert). If you are still working toward building an eight-month cash stash, plow more money into your account…If you want to supercharge both your emergency savings and your IRA, do the 50-50 split… 3. Save up for a home… 4. Increase your 401(k) contributions… 5. Put money into a college fund." (pp. 209-210)

Two books advise planning on lower spending in retirement than during working life

Chilton, David	*The Wealthy Barber Returns*	"We'll need between 60 and 70 percent of average income of our last few working years to have an enjoyable retirement." (p. 97)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"Most people need about 70 to 80 percent of their pre-retirement income throughout retirement to maintain their standard of living… The 70 to 80 percent is an average. Some people may need more…Other adjust their standard of living and live on less." (p. 64)

two books advise keeping spending constant across the retirement threshold

Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Adjusting to a significant drop in your disposable income is not my idea of a good way to start retired life, especially since it's a myth that present-day retired people spend much less money than their working counterparts." (p. 105)
Roth, J. D.	*Your Money: The Missing Manual*	"Overall, 65% of Americans spend about the same or only slightly more or less in retirement. That means their pre-retirement expenses are a good predictor of their post-retirement expenses." (p. 274) "don't get snookered by the constant refrain that you need 70% of your pre-retirement income. That's nonsense—base your savings goals on your projected *expenses* instead." (pp. 274-275)

One book advises spending 3% of your financial wealth per year in retirement, seven books advise 4%, one advises 5%, one advises 6.7%, and two (both by Dave Ramsey) advise 8% on the theory that nominal investment returns will be 12% and the inflation rate will be 4%.

			Recommended withdrawal rate
Bernstein, William	*The Four Pillars of Investing*	"simply estimate your living expenses, including any taxes you'll owe on your retirement withdrawals, and adjust for what you might expect from Social Security (which might not be much). Then divide by your expected real rate of return… Four percent is a reasonable estimate…" (p. 230) "There's a simple way of estimating how much you can withdraw to get to 90% success: Subtract 1% from your withdrawal rate for a portfolio that is mostly bonds and 2% for one that is mostly equity. Say you think that your stock portfolio has an expected return of 5%. That means that to have a 90% chance of success, you can only withdraw 3% of the real initial nest egg each year." (p. 235)	4%
Bernstein, William	*The Intelligent Asset Allocator*, 2nd edition	"How big should your LMP be? Approximately 25 years of residual living expenses (RLE). For instance, if your living expenses, including taxes…equate to $70,000, and you will be getting $30,000 in pensions and Social Security, your RLE is $40,000, so therefore your LMP should be $1 million." (p. vii)	4%
Collins, J. L.	*The Simple Path to Wealth*	"When you can live on 4% of your investments per year, you are financially independent." (p. 3) "The 4% withdrawal rate, 50/50 stock/bond portfolio, adjusted for inflation. Turns out, 96% of the time, at the end of 30 years such a portfolio remained intact…there was just a 4% chance of this strategy failing and leaving you destitute in your old age." (p. 210) "Withdrawing 3% or less annually is as near a sure bet as anything this life can be.	4%

		Stray much further out than 7% and your future will include dining on dog food… If you absolutely, positively want a sure thing and your yearly inflation raises, keep your withdrawal rate under 4%... Give up those yearly inflation raises and you can push up towards 6%... In fact, the authors of the study suggest you can withdraw up to 7% as long as you remain alert and flexible. That is, if the market takes a huge dive, cut back on your withdrawals and spending until it recovers.” (p. 211)	
Ferri, Richard	*All About Asset Allocation*, 2nd edition	“Expect that you can withdraw a maximum of 5 percent from your investments, which means that you will need about 20 times the annual amount of income.” (p. 253) “several in-depth studies…all point to about a 4 percent withdrawal rate. However, there are many factors that need to be considered before you limit your rate to 4 percent or less.” • “At what age are you retiring? Younger retirees should probably limit their withdrawal rate to 4 percent or less… Older retirees can afford to have a higher withdrawal rate” • “How much do you want to leave behind when you’re gone?” • “How long do you believe you will be an ‘active’ retiree? Everyone eventually slows down…Spending during the mature retirement years is typically less than in the active retirement years. This means that it is okay if you spend a little more in your active years.” (p. 260)	--
Fisker, Jacob Lund	*Early Retirement Extreme*	“In summary, the organic growth of any sector seems to concentrate around 3% real growth. This is the number I would use as a safe withdrawal rate.” (p. 206)	3%
Hallam, Andrew	*Millionaire Teacher*, 2nd edition	“If John builds an investment portfolio of $2.5 million, then he could feasibly sell 4 percent of that portfolio each year, equating	4%

		to roughly $100,000 annually, and never run out of money." (p. 8)	
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"It's generally agreed by financial planners that one can spend $5,000 per year for every $100,000 of capital invested in a well-diversified balanced portfolio… If he wants to make inflation-adjusted withdrawals, it's recommended that he begin by withdrawing only 4 percent of the portfolio….and increase the amount he withdraws each year by the rate of inflation." (p. 182) "No one can guarantee that any plan will keep you from outliving your money. However, based on historical performance, the odds are that these allocation and withdrawal strategies will enable you to live out your life without exhausting your portfolio. If you find yourself over age 75 and withdrawing only 4 percent due to the fear of going broke, either you have a profound faith in medical science or it's definitely time to loosen the purse strings." (p. 241)	4%
Malkiel, Burton	*A Random Walk Down Wall Street*	"Under the '4 percent solution,' you should spend no more than 4 percent of the total value of your nest egg annually… we can project that a balanced portfolio of half stocks and half bonds should produce approximately a 5½ percent return per year. Now suppose that over the long pull the inflation rate is 1½ percent… Thus, in a typical year the investor will spend 4 percent of the fund, and the nest egg will grow by 1½ percent. Spending in the following year can grow by 1½ percent… The general rule is: First estimate the return of the investment fund, and then deduct the inflation rate to determine the sustainable level of spending. If inflation is likely to be 2 percent per year, then a 3½ percent spending rate would be more appropriate." (p. 371)	4%
Ramsey, Dave	*Financial Peace Revisited*	"In order to retire with some security, you must aim at something… Your assignment	8%

		is to determine how much per month you should be saving at 12 percent interest in order to retire at 65 years old with what you need. If you are saving at 12 percent and inflation is at 4 percent then you are moving ahead of inflation at a net of 8 percent per year. If you invest your nest egg at retirement at 12 percent and want to break even with 4 percent inflation, you will be living on 8 percent income." (p. 308)	
Ramsey, Dave	*The Total Money Makeover*, classic edition	"You are secure and will leave a nice inheritance when you can live off of 8 percent of your nest egg per year. If you make 12 percent on your money average and inflation steals 4 percent, 8 percent is a dream number." (p. 147)	8%
Robbins, Tony	*Money: Master the Game*	"if Ron wanted to know how much he would need to accumulate in his nest egg or his Freedom Fund, most financial planners would tell him to multiply his annual income number by 10, or even 15. But today, with such low returns on safe, secure investments, that's not realistic… Twenty times your income assumes a 5% return." (p. 222) "The 4% rule is dead… Why the sudden death? Because when the rule came into existence, government bonds were paying over 4%, and stocks were riding the bull! If you retired in January 2000, and you followed the traditional 4% rule…you would now have only a 29% chance that your money would last your lifetime… How can one retire safely when interest rates are near 0%?" (p. 417)	--
Robbins, Tony	*Unshakeable*	"the number you should *really* aim for is 20 times your income. So, if you currently earn $100,000, you'll need $2 million." (p. 25)	5%
Robin, Vicki, Joe Dominguez	*Your Money or Your Life*	"The [thirty-year] US Treasury bond figure…is a conservative estimate of the return you can expect from such a long-term investment…allowing you to do this crucial step of projecting what your FI income will be." (p. 249)	4%

		"[4 percent] is known as the 'safe withdrawal rate.'… withdrawing 4 percent of your capital each year is considered a safe allowance to pay yourself once you no longer work for income… preserves your capital, protects against inflation, and gives you an annual income to cover your expenses." (p. 249)	
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	"If you save at least 10% of each paycheck and earn a 7% annual return, it will take just over 30 years to grow your nest egg to equal ten years of income. You can then quit work and, with a little kick from Social Security, stay at approximately the same standard of living for the rest of your life." (p. 280)	--
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	Table 4-1 retirement planning worksheet: Required savings balance is 15 times retirement income: 1/15 = 6.7% withdrawal rate	6.7%

Five books explicitly tie their recommended withdrawal rate to be at or below a stated expected real portfolio return

			Recommended withdrawal rate
Bernstein, William	*The Four Pillars of Investing*	"simply estimate your living expenses, including any taxes you'll owe on your retirement withdrawals, and adjust for what you might expect from Social Security (which might not be much). Then divide by your expected real rate of return… Four percent is a reasonable estimate…" (p. 230)	4%
Fisker, Jacob Lund	*Early Retirement Extreme*	"In summary, the organic growth of any sector seems to concentrate around 3% real growth. This is the number I would use as a safe withdrawal rate." (p. 206)	3%
Malkiel, Burton	*A Random Walk Down Wall Street*	"Under the '4 percent solution,' you should spend no more than 4 percent of the total value of your nest egg annually… we can project that a balanced portfolio of half stocks and half bonds should produce approximately a 5½ percent return per year. Now suppose that over the long pull the inflation rate is 1½ percent… Thus, in a typical year the investor will spend 4	4%

		percent of the fund, and the nest egg will grow by 1½ percent. Spending in the following year can grow by 1½ percent… The general rule is: First estimate the return of the investment fund, and then deduct the inflation rate to determine the sustainable level of spending. If inflation is likely to be 2 percent per year, then a 3½ percent spending rate would be more appropriate." (p. 371)	
Ramsey, Dave	*Financial Peace Revisited*	"In order to retire with some security, you must aim at something… Your assignment is to determine how much per month you should be saving at 12 percent interest in order to retire at 65 years old with what you need. If you are saving at 12 percent and inflation is at 4 percent then you are moving ahead of inflation at a net of 8 percent per year. If you invest your nest egg at retirement at 12 percent and want to break even with 4 percent inflation, you will be living on 8 percent income." (p. 308)	8%
Ramsey, Dave	*The Total Money Makeover*, classic edition	"You are secure and will leave a nice inheritance when you can live off of 8 percent of your nest egg per year. If you make 12 percent on your money average and inflation steals 4 percent, 8 percent is a dream number." (p. 147)	8%

only four books recommend buying life annuities

Chilton, David	*The Wealthy Barber Returns*	"I've always been surprised (very surprised) at how few seniors are purchasing annuities… it makes sense that they should 'pensionize' some of their savings by creating a guaranteed monthly income… takes away the risk of outliving their money… some are waiting for higher interest rates. Most, though, are fearful that they will get 'hit by a bus' right after the purchase… However, there lots of ways to build guarantees into the product to protect against that… Annuities are appropriate for a percentage, not all, of retirement portfolios." (p. 220)
Lindauer, Mel, Taylor Larimore,	*The Bogleheads' Guide to Investing*, 2nd edition	"A final way to ensure income for life is to use part of your savings to purchase an immediate annuity…Although an annuity can be a good option for those aged 75 or older, it has its drawbacks, especially for younger retirees. First, the younger you are, the lower the payout is. Second, the

Michael LeBoeuf		monthly income is based on current interest rates, and in recent years, interest rates have been low… Third, most immediate annuities have no provision for inflation… Finally, if you give the insurance company a hefty sum without choosing a term-certain payout option, and then die prematurely, it can be a very bad decision for your heirs." (pp. 239-240)
Malkiel, Burton	*A Random Walk Down Wall Street*	"At least partial annuitization usually does make sense. It is the only no-risk way of ensuring that you will not outlive your income." (p. 370)
Robbins, Tony	*Money: Master the Game*	"What did [Jeff Brown] resolve? That annuities are one of the most important investment vehicles we have." (p. 423) "Immediate annuities are best used for those at retirement age or beyond… Simply put, immediate annuities beat every other potential vehicle for providing a guaranteed lifetime income…" (p. 426) "Critics will say, 'Yes, but if you die early, they keep your money!'… When I asked David Babbel about this concern, his response was swift and blunt: 'If you are dead, who cares?!...' And if you are really worried about premature death, you can select an option where the insurance company will refund your heirs the same amount you put in. (This arrangement, however, will decrease the size of your income payments, so there is a trade-off.) Or, as David recommends, use an inexpensive term life insurance policy." (p. 428) "Stockbrokers will tell you that by handing your money to an insurance company in exchange for a lifetime income, you are 'losing control' of your principal… you apply the 4% rule for your income… You know your money needs to be invested, so you really can't afford to touch your principal. And what happens if the market drops? You don't want to sell at the bottom, but at the same time, you may also feel that you can't afford more losses at this stage of life. You are between a rock and a hard place. This so-called control is an illusion." (p. 428) "The other type of annuity is called a deferred annuity… You can literally have a schedule for what your income will be when you're 40, 50, 60—for every year of your life." (p. 429)

		"So a new approach called a Deferred Income Annuity or 'longevity insurance' has become increasingly popular… Knowing you have an income starting at that later stage gives you the freedom to have to plan for only 15 years of retirement instead of 20 or 30." (p. 432) "Income insurance, when structured correctly and as part of an overall plan, is an incredible tool that reverses or eliminates the risk of living too long…" (p. 433)

Thirty-one of the 45 books that offer some form of asset allocation advice assert that stocks become less risky, and hence more attractive, as the holding period increases.

Bach, David	*Smart Couples Finish Rich*	"Because you've got more time, you can afford to take more risk to get a bigger return. To my mind, that means investing in stock-based mutual funds." (p. 193)
Bach, David	*Smart Women Finish Rich*, 2nd edition	"Yes, stocks are riskier…but if you can wait out the inevitable downturns—and if you're saving for a long-term dream, you should be able to—for the long-run stocks are the best investment game in town." (p. 183)
Bach, David	*The Automatic Millionaire*	"The younger you are, the more risk you can afford, since you have more time to ride out a bad stock market or other economic downturn. The opposite is true for someone who's already retired." (pp. 117-118)
Bernstein, William	*The Four Pillars of Investing*	"Paradoxically, in the long run, bonds are at least as risky as stocks. This is because stock returns are 'mean reverting.'" (p. 26)
Bernstein, William	*The Intelligent Asset Allocator*, 2nd edition	"stocks are to be held for the long term. Don't worry too much about the short-term volatility of the markets; in the long run, stocks will almost always have higher returns than bonds… Some have interpreted the above data as demonstrating the stocks grow less risky with time. This is not quite true… Compounding a 5% return difference over 30 years produces an almost fourfold difference in end wealth. This graph shows that when you measure risk as the standard deviation of end wealth, stocks actually become *riskier* with time." (p. 15) "Asset returns have a tendency to 'mean revert' over long time periods; an asset with stellar returns over the past 10 years is more likely than not to have below-average returns in the subsequent 10 years." (p. 70) "…equanimity to market declines deepens on time horizon. If you're retired and living off savings, you will neither have enough time to get over the duration hump nor be able

		to make the contributions to shorten it… if you're a twenty-something just beginning to save, then get down on your knees and pray for a market crash… time heals almost all asset-class wounds…" (p. 167)
Bogle, John	*Common Sense on Mutual Funds*	"The stock and bond markets are unpredictable on a short-term basis, but their long-term patterns of risk and return have proved durable enough to serve as the basis for a long-term strategy that leads to investment success." (p. 6) "But, in contrast with the remarkably stable long-term real returns provided by the stock market, bond market real returns were quite variable from period to period [1820-1870, 1871-1925, 1926-present]" (p. 9) "The longer the time horizon, the less the variability in average annual [stock] returns." (p. 13)
Bogle, John	*The Little Book of Common Sense Investing*, 10th anniversary edition	"…I have almost no idea how to forecast these short-term swings in investor emotions. But, largely because the arithmetic of investing is so basic, I have been able to forecast the long-term economics of investing with remarkably high odds of success. Why? Simply because it is investment returns—…earnings and dividends…—that are almost entirely responsible for the returns delivered in our stock market over the long term." (p. 20) "In general, you are able to accept more risk if these liabilities are relatively far in the future." (p. 228) "Younger investors, with more time to let the magic of compounding work for them, can also afford to be more aggressive…" (p. 229)
Chilton, David	*The Wealthy Barber Returns*	"Yes, over many years, equities as a group will probably post a solid rate of return. But 'steady' is not an appropriate adjective to describe their likely journey there… Stocks have much to offer to the true long-term investor." (pp. 167-168)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Mutual funds are very long-term investments. Precisely because they are hard to time and they do fluctuate, an investor has to be thinking long-term. Over a period of, say 7-10 years, the economy, and therefore the market, will most likely to spiral upward." (p. 46) "As for consistently accurate short-term forecasters, there is no such animal." (p. 46)
Collins, J. L.	*The Simple Path to Wealth*	"As long as the company is sound, the fluctuations in its stock price are fairly inconsequential… good companies

		earn real money along the way and in doing so their value rises relentlessly over time.” (p. 44) “It is simply not possible to time the market… The market always goes up and it is always a wild and rocky ride along the way. Since we can’t predict these swings, we need to toughen up mentally and ride them out.” (p. 47)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	“it is my observation that regression to the mean does appear to happen in the marketplace… all investments have a specific risk and return profile that they eventually follow… When bond returns are higher than stock returns for an extended period, stock returns tend to make up the discrepancy and then some over the long term.” (p. 45)
Graham, Benjamin, Jason Zweig	*The Intelligent Investor*, 4th revised edition, updated with new commentary by Jason Zweig	Zweig: “Over a 10- or 20- or 30-year investment horizon, Mr. Market’s daily dipsy-doodles simply do not matter… The longer and further stocks fall, and the more steadily you keep buying as they drop, the more money you will make in the end—*if* you remain steadfast until the end.” (p. 223) “Returning to our A&P shareholder in 1938, we assert that as long as he held on to his shares he suffered no loss in their price decline, beyond what his own judgment may have told him was occasioned by a shrinkage in their underlying or intrinsic value. If no such shrinkage had occurred, he had a right to expect that in due course the market quotation would return to the 1937 level or better…” (p. 204)
Hallam, Andrew	*Millionaire Teacher*, 2nd edition	“Over a long period, the stock’s price might jump around, but it will never disconnect itself from the business earnings.” (p. 93) “When the New York Stock Exchange reopened after the 9/11 attacks, it might as well have held up a giant neon sign: ‘Stock on sale today!’” (p. 100)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads’ Guide to Investing*, 2nd edition	“The short-run performance of the stock market is random, unpredictable… There is more than 200 years of U.S. stock market history and the long-term trend is up. Over the long term, stock market performance has been rather consistent… Stocks over the long run offer the greatest potential return of any investment…” (p. 77) “Stocks are usually unsuitable for short time frames (less than five years)… Table 8.1 shows how stock market declines (and gains) become less and less as investing periods lengthen.” (p. 94)

Lowry, Erin	*Broke Millennial*	"The stock market is cyclical, so if you just leave a well-balanced portfolio alone, it will come back around." (p. 196) "Yes, day trading can very much be a gamble… However, 'buy and hold' investing is a whole different animal. It's based on long-term returns, not day-to-day fluctuations." (p. 198) "Don't panic and sell when the market takes a tumble. That's actually a decent time to put some more money into your index funds because it's like everything just went on sale." (p. 203)
Lynch, Peter	*One Up on Wall Street*	"But two months later the stock market had rebounded, and once again stocks were outperforming both money-market funds and long-term bonds. Over the long haul they always do… There's a logical explanation for this. In stocks you've got the company's growth on your side… In bonds, you're nothing more than the nearest source of spare change. When you lend money to somebody, the best you can hope for is to get it back, plus interest." (p. 70) "if you're going to have to pay for a child's college education in two or three years, don't put that money into stocks… Absent a lot of surprises, stocks are relatively predictable over ten to twenty years. As to whether they're going to be higher or lower in two or three years, you might as well flip a coin. Blue chips can fall down and stay down over a three-year period or even a five-year period…" (p. 80)
Malkiel, Burton	*A Random Walk Down Wall Street*	"The longer an investor's holding period, the lower the likely variation in the asset's return." (p. 345) "A substantial amount (but not all) of the risk of common-stock investment can be eliminated by…long-term ownership" (p. 347) "The longer the time period over which you can hold on to your investments, the greater should be the share of common stocks in your portfolio. In general, you are reasonably sure of earning the generous rates of return available from common stocks only if you can hold them for relatively long periods of time. Over investment periods of twenty or thirty years, stocks have generally been the clear winners… I do not mean to argue that stocks are not risky over long holding periods. Certainly the variability of

		the final value of your portfolio does increase the longer you hold your stocks… But for investors whose holding periods can be measured in 25 years or more, and especially those who reinvest their dividends and even add to their holdings through dollar-cost averaging, common stocks are very likely to provide higher returns than are available from safe bonds…” (pp. 349-350)
Olen, Helaine; Pollack, Harold	*The Index Card*	“The healthier and wealthier you are, the more risks you can reasonably take. Why? You have time to recover from setbacks.” (p. 124)
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	“to invest in the stock market… you must invest only money that you will not need to touch for at least ten years” (p. 246) “There has never in the history of the stock market been a ten-year period of time where stocks have not out-performed every other investment you could have made” (p. 246) “If you do not give your money ten years, you will be taking a significant risk.” (p. 246) “typically the younger you are, the more you will want to have invested in stock funds and stock ETFs.” (p. 249)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	“If you are saving for a short-term goal…that money should never be invested in stocks or mutual funds… anything less than five years, you can’t afford the risk that your money could lose value and won’t have time to rebound before you need it.” (p. 221) “typically as we age, adding a portion of bonds to your portfolio helps provide a bit of stability as you get nearer to retirement. But while you are in your twenties and thirties, you want to be leaning heavily on stocks; you got the time to ride out the bumps in pursuit of higher returns than bonds deliver.” (p. 237)
Orman, Suze	*Women & Money*	“The majority of you who still have at least ten years before retirement belong in individual stocks or stock mutual funds. When you invest for the long term in a retirement account, stocks or stock mutual funds offer you the best opportunity for gains to help you meet your retirement goals and give you the best chance of earning returns that are higher than the rate of inflation.” (p. 128)

		"Over time—decades, not months—stocks outperform bonds and, yes, our savings account, too." (p. 128) "when you are investing for a goal that is ten years or more away, you can ride out the downturns and have your invested to take advantage of periods when stocks rally." (p. 128)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"The stock market has averaged just below a 12 percent return on investment throughout its history. Growth-stock mutual funds are what I recommend investing in for the long term. Growth-stock mutual funds are lousy short-term investments because they go up and down in value, but they are excellent long-term investments when leaving the money longer than five years. One hundred percent of the fifteen-year periods in the stock market's history have made money." (p. 145)
Richards, Carl	*The One-Page Financial Plan*	"Of course, it's riskier to own stocks than bonds or cash, but over longer periods of time—say, twenty-plus years—it's reasonable to expect a higher return." (p. 174) "1. Determine what you'll need in the next ten years. Leave in CDs and savings. 2. Of the money you will not need for more than ten years, put 60 percent in the stock market…" (p. 177) "First, we separated the list into short-term (within the next twenty years) and long-term goals (twenty-plus years out) in order to determine which money belonged in a savings account and which money should be split among stocks and bonds." (p. 179)
Robbins, Tony	*Money: Master the Game*	"You not only have to diversify between your Security and your Risk/Growth Buckets, but *within* them as well. As Burton Malkiel shared with me, you should 'diversify across securities, across asset classes, across markets—and across time." (p. 327) David Swensen: "Equities are the core for portfolios that have a long time horizon. I mean, if you look at recent long periods of time…equity returns are superior to those that you get in fixed income." (p. 331)
Robbins, Tony	*Unshakeable*	"…the long-term trajectory [of the stock market] is likely to be good, even when the short-term news is dismal and the market is getting smacked." (p. 35)

		"If you stay in the market long enough, compounding works its magic, and you end up with a healthy return—even if your timing was hopelessly unlucky." (p. 44) "the short-term outlook may look dire, but the stock market *always* rebounds." (p. 124) "In the short term, the stock market is entirely unpredictable… But in the long run, nothing reflects economic expansion better than the stock market." (p. 128) "Over a 10-year period, the market *almost* always rises." (p. 128)
Roth, J. D.	*Your Money: The Missing Manual*	"In the short term, other types of investments can and do offer better returns than stocks.. over 30 years, stocks almost *always* win… There's just one problem: Past performance is no guarantee of future results… Still, if history is any indication, investing in stocks is the best way for you to meet your financial goals. As long as businesses can make a profit…stocks will outperform bonds and inflation" (p. 249)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"It takes strength to know that you're basically getting shares on sale [when the market goes down]—and, if you're investing for the long term, the best time to make money is when everyone else is getting out of the market." (p. 216)
Thames, Elizabeth Willard	*Meet the Frugalwoods*	"In order for your money to make money, a certain amount of risk must be undertaken. Historically, the stock market has generated a 7 percent average annual return. And yes, the market does go up and down… But the thing to remember is that history demonstrates that the market always eventually goes up." (p. 129)
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	"over the really long run, people who buy equities…will almost surely make a lot more money (if they're at all sensible in how they do it) than people who make 'safer' investments." (p. 76)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"For example, when compared to the yo-yo motions of the stock market, a bank savings account may seem like a less risky place to put your money. Over the long term, however, the stock market usually beats the rate of inflation, while the interest rate on a savings account does not, especially when factoring in taxes. Thus, if you're saving your money for a long-term goal like retirement, a savings account can be a 'riskier' place to put your money

		if you're concerned about the future purchasing power of your investments." (p. 157)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"The stock market is the best place for long-term investing. Over the long run, the U.S. stock market has averaged nearly a 12% return. A whopping 97% of 5-year periods and 100% of 10-year periods have made money. The stock market is easy to get into, and easy to get out of… But the key phrase here is *long-term*. As we all know, the stock market doesn't just go up—it also goes down. So it is not a place to keep money that you might need next week. If you had to sell in a hurry, you could get burned badly if the market takes a dip. Here's a rule of thumb: The stock market is where you should keep money that you don't expect to use for at least five years." (pp. 183-4)

Twenty of these books justify this argument by pointing to the fact that historically, stocks were less likely to underperform fixed-income assets or to have a negative cumulative return as the holding period increased.

Bernstein, William	*The Four Pillars of Investing*	"The longer a risky asset is held, the less the chance of a loss." (p. 39) "Clearly, in the long term, bonds were actually *more* risky than stocks, in the sense that in every period of more than 30 years, stocks have outperformed bonds." (p. 173)
Bernstein, William	*The Intelligent Asset Allocator*, 2nd edition	"Don't worry too much about the short-term volatility of the markets; in the long run, stocks will almost always have higher returns than bonds" (p. 15)
Bogle, John	*Common Sense on Mutual Funds*	"Since 1802, and in each of the extended periods examined by Professor Siegel, stocks have earned higher returns than bonds…if risk is the chance of failing to earn a real return over the long term, bonds have carried a higher risk than stocks." (p. 16)
Collins, J. L.	*The Simple Path to Wealth*	"A portfolio of 100% stocks… in study after study provides the greatest returns over time." (p. 108)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"Over the long term, stock market performance has been rather consistent… Stocks over the long run offer the greatest potential return of any investment…" (p. 77)
Lynch, Peter	*One Up on Wall Street*	"But two months later the stock market had rebounded, and once again stocks were outperforming both money-market funds and long-term bonds. Over the long haul they always do…" (p. 70)

		"Absent a lot of surprises, stocks are relatively predictable over ten to twenty years. As to whether they're going to be higher or lower in two or three years, you might as well flip a coin. Blue chips can fall down and stay down over a three-year period or even a five-year period…" (p. 80)
Malkiel, Burton	*A Random Walk Down Wall Street*	"But for investors whose holding periods can be measured in 25 years or more, and especially those who reinvest their dividends and even add to their holdings through dollar-cost averaging, common stocks are very likely to provide higher returns than are available from safe bonds…" (pp. 350)
Olen, Helaine; Pollack, Harold	*The Index Card*	"This formula assumes stocks will perform better than bonds over the long haul." (p. 125)
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	"Over the years, stocks have outperformed every other investment out there" (pp. 163-164)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"If you are saving for a short-term goal…that money should never be invested in stocks or mutual funds… anything less than five years, you can't afford the risk that your money could lose value and won't have time to rebound before you need it." (p. 221)
Orman, Suze	*Women & Money*	"Over time—decades, not months—stocks outperform bonds and, yes, our savings account, too." (p. 128)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"One hundred percent of the fifteen-year periods in the stock market's history have made money." (p. 145)
Richards, Carl	*The One-Page Financial Plan*	"Of course, it's riskier to own stocks than bonds or cash, but over longer periods of time—say, twenty-plus years—it's reasonable to expect a higher return." (p. 174)
Robbins, Tony	*Money: Master the Game*	David Swensen: "Equities are the core for portfolios that have a long time horizon. I mean, if you look at recent long periods of time…equity returns are superior to those that you get in fixed income." (p. 331)
Robbins, Tony	*Unshakeable*	Over a 10-year period, the market *almost* always rises." (p. 128)
Roth, J. D.	*Your Money: The Missing Manual*	"In the short term, other types of investments can and do offer better returns than stocks… over 30 years, stocks almost *always* win…" (p. 249)
Thames, Elizabeth Willard	*Meet the Frugalwoods*	"Successful investing entails the following: buying and holding diversified, low-fee stocks for decades, avoiding the temptation to time the market, not pulling money in and out of the market, and not following the market on a daily

		basis. Invest and hold (for years upon years) and, more likely than not, your money will make more money.”
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	“over the really long run, people who buy equities…will almost surely make a lot more money (if they’re at all sensible in how they do it) than people who make ‘safer’ investments.” (p. 76)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	“Over the long term, however, the stock market usually beats the rate of inflation, while the interest rate on a savings account does not, especially when factoring in taxes. Thus, if you’re saving your money for a long-term goal like retirement, a savings account can be a ‘riskier’ place to put your money if you’re concerned about the future purchasing power of your investments.” (p. 157)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	“A whopping 97% of 5-year periods and 100% of 10-year periods have made money.” (p. 183)

Twelve books say that stock returns mean-revert

Bernstein, William	*The Four Pillars of Investing*	“Paradoxically, in the long run, bonds are at least as risky as stocks. This is because stock returns are ‘mean reverting.’” (p. 26) “The key is to ignore the year-to-year relative performance of the individual asset classes—their behavior usually averages out over the years…” (p. 109)
Bernstein, William	*The Intelligent Asset Allocator*, 2nd edition	“Asset returns have a tendency to ‘mean revert’ over long time periods; an asset with stellar returns over the past 10 years is more likely than not to have below-average returns in the subsequent 10 years.” (p. 70)
Bogle, John	*Common Sense on Mutual Funds*	“There is a third important area of mean reversion: the long-term returns of common stocks… For more than two centuries, over rolling 25-year periods, the U.S. stock market has demonstrated a profound tendency to provide real (after-inflation) returns that surround a norm of about 6.7 percent.” (pp. 236-237)
Bogle, John	*The Little Book of Common Sense Investing*, 10th anniversary edition	“To be sure, stock market returns sometimes get well ahead of business fundamentals… But…they ultimately return to the long-term norm.” (p. 13)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	“Rebalancing hinges on a theory called regression to the mean… it is my observation that regression to the mean does appear to happen in the marketplace… all investments

		have a specific risk and return profile that they eventually follow… When bond returns are higher than stock returns for an extended period, stock returns tend to make up the discrepancy and then some over the long term.” (p. 45)
Graham, Benjamin, Jason Zweig	*The Intelligent Investor*, 4th revised edition, updated with new commentary by Jason Zweig	“As long as the earning power of his holdings remains satisfactory, he can give as little attention as he pleases to the vagaries of the stock market. More than that, at times he can use these vagaries to play the master game of buying low and selling high.” (p. 200)
Hallam, Andrew	*Millionaire Teacher*, 2nd edition	“Over a long period, the stock’s price might jump around, but it will never disconnect itself from the business earnings.” (p. 93)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads’ Guide to Investing*, 2nd edition	“usually asset classes that have outperformed for a period of time are likely to underperform for another period of time.” (pp. 67-68)
Lowry, Erin	*Broke Millennial*	“The stock market is cyclical, so if you just leave a well-balanced portfolio alone, it will come back around.” (p. 196) “Don’t panic and sell when the market takes a tumble. That’s actually a decent time to put some more money into your index funds because it’s like everything just went on sale.” (p. 203)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	“Why in the world, when you are so young and cannot use this money now anyway, would you want the markets to go up? The more the markets go up, the more expensive the shares in your fund will be… you will be fine in the long run. Remember, the goal is to accumulate as many shares as you can.” (p. 238)
Robbins, Tony	*Unshakeable*	“the short-term outlook may look dire, but the stock market *always* rebounds.” (p. 124)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	“It takes strength to know that you’re basically getting shares on sale [when the market goes down]—and, if you’re investing for the long term, the best time to make money is when everyone else is getting out of the market.” (p. 216)

Seven books argue that because the economy will grow in the long run, stocks are likely to be profitable investments in the long run.

Bogle, John	*Common Sense on Mutual Funds*	"If you have faith that our economic garden is basically healthy and fertile, the best way to reap long-term rewards is…investing in common stocks…" (p. 16)
Bogle, John	*The Little Book of Common Sense Investing*, 10th anniversary edition	"…I have almost no idea how to forecast these short-term swings in investor emotions. But, largely because the arithmetic of investing is so basic, I have been able to forecast the long-term economics of investing with remarkably high odds of success. Why? Simply because it is investment returns—…earnings and dividends…—that are almost entirely responsible for the returns delivered in our stock market over the long term." (p. 20)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Mutual funds are very long-term investments. Precisely because they are hard to time and they do fluctuate, an investor has to be thinking long-term. Over a period of, say 7-10 years, the economy, and therefore the market, will most likely to spiral upward." (p. 46)
Collins, J. L.	*The Simple Path to Wealth*	"As long as the company is sound, the fluctuations in its stock price are fairly inconsequential… good companies earn real money along the way and in doing so their value rises relentlessly over time." (p. 44)
Lynch, Peter	*One Up on Wall Street*	"But two months later the stock market had rebounded, and once again stocks were outperforming both money-market funds and long-term bonds. Over the long haul they always do… There's a logical explanation for this. In stocks you've got the company's growth on your side… In bonds, you're nothing more than the nearest source of spare change. When you lend money to somebody, the best you can hope for is to get it back, plus interest." (p. 70)
Richards, Carl	*The One-Page Financial Plan*	"What you want instead is to take on 'systematic risk'—this means you're invested in the concept of capitalism as a whole. It's based on the assumption that, despite the up-and-down nature of the market…over long periods of time, it will continue to grow. Therefore, you want to own hundreds of stocks across the market…" (p. 169)
Robbins, Tony	*Unshakeable*	"In the short term, the stock market is entirely unpredictable… But in the long run, nothing reflects economic expansion better than the stock market. Over time the economy and the population grow, and workers become more productive. This rising economic tide makes businesses more profitable, which drives up stock prices… [Warren Buffett] wrote: "…In short, bad news is a investor's best friend. It lets you buy a slice of America's future at a marked-down price. Over the long term, the stock market news will be good.'" (p. 128)

Twenty-nine books say that money that might be spent soon should be held entirely in cash

Bach, David	*Smart Couples Finish Rich*	"In my opinion, the bare minimum you should set aside [in cash] is an amount equal to three months of expenses… In some cases, you might want to keep as much as 24 months of spending in reserve." (pp. 145-146)
Bach, David	*Smart Women Finish Rich*, 2nd edition	"I generally recommend…put away somewhere between 3 and 24 months' worth of expense money…the size of your cushion should depend on how easy it would be to replace your current income… If you suddenly lost your job, how long would it take for you to find a new one paying that much or more?... As far as I'm concerned, there is only one sensible place to keep your security savings…a money-market account that pays a fair rate of return." (pp. 108-109)
Bach, David	*The Automatic Millionaire*	"I believe you need a cash cushion of at least three months' worth of expenses… In my previous books, I've suggested putting aside anywhere from three to twenty-four months' worth of expenses, depending on your situation…" (p. 139)
Bernstein, William	*The Four Pillars of Investing*	"you should not put any money at risk that will be needed within five years. In addition, you should have at least six months of living expenses on hand in safe liquid assets…" (p. 240)
Bogle, John	*Common Sense on Mutual Funds*	"Because [cash reserves] tend to deliver very modest returns, such reserves should be considered as *savings* for short-term and emergency needs, not as *investment* for long-term capital accumulation." (p. 58)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"It doesn't take long to save for a consumer item or a trip. For that reason, you must invest the savings conservatively. Equity mutual funds, real estate, and stocks are not appropriate vehicles for these savings. Their short-term return is too uncertain. The money should be placed in a competitive, guaranteed investment." (p. 170)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	"…highly liquid cash and cash types of investments that are used for living expenses and emergencies… This cash is not part of your long-term investment allocation… I recommend 3 to 4 months in cash if you are single, 6 to 12 months in cash if you have a family, and 24 months when you retire." (p. 10)
Fisker, Jacob Lund	*Early Retirement Extreme*	"wise people establish a so-called emergency fund…an attempt to hedge against all the liabilities in your life with a cash reserve…" (p. 188)
Graham, Benjamin,	*The Intelligent Investor*, 4th revised edition,	"On the other hand, a 25-year-old who is saving for his wedding and a house down payment would be out of his mind to put all his money in stocks. If the stock market

Jason Zweig	updated with new commentary by Jason Zweig	takes an Acapulco high dive, he will have no bond income to cover his downside…" (p. 103) "The unexpected can strike anyone, at any age. Everyone must keep some assets in the riskless haven of cash." (p. 103)
Kobliner, Beth	*Get A Financial Life*	"Still, when it comes to savings, safety and access are the goal. You'll make your big money elsewhere. Banks offer good places to accumulate the three-to-six-month emergency cushion discussed in Chapter 2. Your goal is to find a risk-free account, with the best interest rate possible. And you'll also need an account that is liquid, meaning that you can withdraw your cash whenever you want without any penalty." (pp. 89-90)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"How big of an emergency fund you need depends largely on your net worth and job stability… For most people, six months' living expenses is probably adequate… Keep your emergency fund in an account that is safe and liquid. Bank savings accounts, credit union accounts, or money market mutual fund accounts are all satisfactory." (p. 11)
Lowry, Erin	*Broke Millennial*	Emergency fund "in an account with at least 1.00 percent APY" (p. 148)
Lynch, Peter	*One Up on Wall Street*	"It's foolish to bet we've seen the last of the bears, which is why it's important not buy stocks or stock mutual funds with money you'll need to spend in the next twelve months to pay college bills, wedding bills, or whatever." (p. 22) "if you're going to have to pay for a child's college education in two or three years, don't put that money into stocks…" (p. 80)
Malkiel, Burton	*A Random Walk Down Wall Street*	"everyone needs to keep some reserves in safe and liquid investments to pay for an unexpected medical bill or to provide a cushion during a time of unemployment. Assuming that you are protected by medical and disability insurance at work, this reserve might be established to cover three months of living expenses. The cash reserve fund should be larger, the older you are, but could be smaller if you work in an in-demand profession and/or if you have large investable assets." (p. 290)
Olen, Helaine; Pollack, Harold	*The Index Card*	"To build your emergency fund, start stashing away three months of living expenses in an accessible savings account." (p. 30)
Orman, Suze	*The 9 Steps to Financial*	"aim to have at least 8 months of living expenses set aside in a safe emergency savings fund." (p. 207)

	Freedom, 3rd paperback edition	
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"Ideally, you would build up a cash fund that is equal to at least six to eight months' living costs." (p. 160)
Orman, Suze	*Women & Money*	"A savings account that serves as an emergency cash fund should be large enough to cover at least eight months of living expenses; this applies to both couples and single women." (p. 76)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"Then put three to six months of that [expenses] in the bank… you won't usually have a week to wait for a bank or investment company to release the funds. You need to have instant access to the account… I recommend keeping your emergency fund in a simple money market account with a good mutual fund company. This makes it available through basic check-writing privileges or ATM access while keeping it separate from your regular bank account." (p. 12)
Ramsey, Dave	*Financial Peace Revisited*	"A good financial planner will tell you that first you should have three to six months of expenses in liquid savings just for emergencies. Liquid means your money is stored where you can get it very quickly and easily. An example is a simple bank savings account or a money market fund that has check writing capability." (p. 111)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"Keep your emergency fund in something that is liquid. *Liquid* is a money term that means easy to get to with no penalties… I use growth-stock mutual funds for long-term investing, but I would never put my emergency fund there. If my car engine blew, I would be tempted to borrow to fix it rather than cash in my mutual fund because the market is down (we always want to wait on it to go back up)… So keep your emergency fund liquid!" (p. 127) "I suggest a Money Market account with no penalties and full check-writing privileges for your emergency fund." (p. 128)
Richards, Carl	*The One-Page Financial Plan*	"1. Determine what you'll need in the next ten years. Leave in CDs and savings. 2. Of the money you will not need for more than ten years, put 60 percent in the stock market…" (p. 177) "First, we separated the list into short-term (within the next twenty years) and long-term goals (twenty-plus years out) in order to determine which money belonged in a savings account and which money should be split among stocks and bonds." (p. 179)

Robbins, Tony	*Money: Master the Game*	"So you need some money to cover yourself for somewhere between three to 12 months… Keep that amount in cash or in a safe place like an FDIC-insured bank account." (p. 218-219)
Robin, Vicki, Joe Dominguez	*Your Money or Your Life*	"During your wealth accumulation years, you'll first want to build up liquid (readily available) cash in a bank account. Common wisdom says you should have three (ideally six) months of expenses in liquid cash stashed in your bank." (p. 254)
Roth, J. D.	*Your Money: The Missing Manual*	"Ideally, $1,000 is a good amount to start with. (If your expenses are low, you might be able to get by with $500. Keep this money liquid, but not immediately accessible… A good option is to open a high-interest savings account at an online bank." (p. 59) "Savings accounts are great for short-term goals; inflation may do a little damage, but it doesn't have time to compound." (p. 247)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"Think of savings accounts as places for short-term (one month) to mid-term savings (five years). You want to use your savings account to save up for things like vacations and holiday gifts, or even longer-term items, like a wedding or the down payment on a house." (p. 76)
Thames, Elizabeth Willard	*Meet the Frugalwoods*	"we maintain around four months' to a year's worth of living expenses in cash, held in a good old-fashioned checking account. It's crucial to have…emergency fund." (p. 132)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"Investing your emergency money or money you expect to use within the next five years in such volatile investments is not a good idea." (p. 158) "Everyone should have a reserve of money—about three to six months' worth of living expenses in a money-market fund… Shorter-term bonds or bond mutual funds can serve as a higher-yielding, secondary emergency cushion." (p. 162)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"When your Steal-From-Tomorrow debt is paid off, it is time to start putting all your Twenty for Tomorrow into an ordinary savings account that will grow into your Security Fund… Why? Because this is the money that will let you sleep easily each and every night… The general rule of thumb is put enough in your Security Fund to cover your Must-Haves for 6 months." (p. 172-3)

Many authors also recommend that non-emergency savings that will be needed in the near term should be held in cash or fixed income, where "near term" is defined as one year (one book), one or two years (one book), one to three years (one book), five years (seven books), two to seven years (one book), or even as long as ten years (two books).

			Near-term definition
Bernstein, William	*The Four Pillars of Investing*	"you should not put any money at risk that will be needed within five years. In addition, you should have at least six months of living expenses on hand in safe liquid assets…" (p. 240)	5 years
Kobliner, Beth	*Get a Financial Life*	"If you have $30,000 that you'll need to use in the next year or two… don't invest it in a stock or bond fund…" (p. 122)	1-2 years
Lynch, Peter	*One Up on Wall Street*	"It's foolish to bet we've seen the last of the bears, which is why it's important not buy stocks or stock mutual funds with money you'll need to spend in the next twelve months to pay college bills, wedding bills, or whatever." (p. 22) "if you're going to have to pay for a child's college education in two or three years, don't put that money into stocks… Absent a lot of surprises, stocks are relatively predictable over ten to twenty years. As to whether they're going to be higher or lower in two or three years, you might as well flip a coin. Blue chips can fall down and stay down over a three-year period or even a five-year period…" (p. 80)	1-3 years
Olen, Helaine, and Harold Pollack	*The Index Card: Why Personal Finance Doesn't Have to be Complicated*	"The sooner you think you need the money, the less risk you should assume. If you have a pot of money put aside to buy a house, and you are planning to purchase it this year, you should probably move it into a short-term bond fund. The same is true for your emergency money… Occasionally, the stock market has a really bad day… You don't want that to happen to the money set aside for your daughter's college tuition this fall." (pp. 123-124)	1 year
Orman, Suze	*The Money Book for the Young,*	"If you are saving for a short-term goal…that money should never be invested in stocks or mutual funds… anything less than five years, you can't afford the risk	5 years

	Fabulous, & Broke	that your money could lose value and won't have time to rebound before you need it." (p. 221)	
Orman, Suze	*The 9 Steps to Financial Freedom*	"As long as have at least ten years during which won't have to touch money, invest the majority of it for growth. Put your money in whatever stock or equity mutual funds your 401(k) offers." (p. 163)	10 years
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"…when you're saving up for a house or a car over three to five years. I use money market accounts for that. Just keep in mind that money markets are for *savings*; this is not an investment." (p. 205)	5 years
Ramsey, Dave	*Financial Peace Revisited*	"Mutual funds are never short-term investments. If you cannot leave money alone at least five years, then you should not invest." (p. 148)	5 years
Ramsey, Dave	*The Total Money Makeover*, classic edition	Growth-stock mutual funds are lousy short-term investments because they go up and down in value, but they are excellent long-term investments when leaving the money longer than five years.	5 years
Richards, Carl	*The One-Page Financial Plan*	"1. Determine what you'll need in the next ten years. Leave in CDs and savings. 2. Of the money you will not need for more than ten years, put 60 percent in the stock market…" (p. 177) "First, we separated the list into short-term (within the next twenty years) and long-term goals (twenty-plus years out) in order to determine which money belonged in a savings account and which money should be split among stocks and bonds." (p. 179)	10 years
Robbins, Tony	*Unshakeable*	"Less conservative investors might put a smaller portion of their assets in high-quality bonds to meet any financial needs that could arise over the next two to seven years…"	2-7 years
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"Think of savings accounts as places for short-term (one month) to mid-term savings (five years). You want to use your savings account to save up for things like vacations and holiday gifts, or even longer-term items, like a wedding or the down payment on a house." (p. 76)	5 years

Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"Investing your emergency money or money you expect to use within the next five years in such volatile investments is not a good idea." (p. 158) "Everyone should have a reserve of money—about three to six months' worth of living expenses in a money-market fund… Shorter-term bonds or bond mutual funds can serve as a higher-yielding, secondary emergency cushion." (p. 162)	5 years

14 books warn against allocating 100% to equities because such a portfolio is too risky and lacks diversification across asset classes

Bach, David	*The Automatic Millionaire*	"With a retirement account, it's critical that you invest wisely, not gamble. The best way to do this is to follow the old advice about not putting all your eggs in one basket. In other words, you've got to diversify — which means that instead of investing all of your money in just one or two places, you spread it around … Spreading your money around means building a diversified portfolio of stocks, bonds, and cash investments all done in *one* retirement account." (pp. 116-117)
Bernstein, William	*The Four Pillars of Investing*	"The methods we discussed in this chapter suggest that the returns of stocks and bonds will be similar over the coming decades. This means that even the most aggressive investors should not have more than 80% of their savings in stocks." (p. 73)
Bernstein, William	*The Intelligent Asset Allocator*, 2nd edition	"it is quite possible that over the next few decades stock returns may actually be less than bond returns. For this reason, even the most aggressive investors may wish to hold perhaps 25% bonds, with moderately aggressive investors holding a 50/50 mix of stocks and bonds, and conservative investors in the range of 30% stocks and 70% bonds… the aggressiveness of your portfolio is reflected in your overall stock and bond mix, not in the kinds of equity you hold…" (p. 80)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	"investing 100 percent in stocks is probably too aggressive. There are two reasons for not having an all-stock portfolio: (1) Most people cannot handle 100 percent in stocks 100 percent of the time… (2) When stocks fall in value, investors should take that opportunity to buy more stocks. A 100 percent stock portfolio precludes this from happening." (p. 249)

Graham, Benjamin, Jason Zweig	*The Intelligent Investor*, 4th revised edition, updated with new commentary by Jason Zweig	"Just because of the uncertainties of the future the investor cannot afford to put all his funds into one basket—neither in the bond basket…nor in the stock basket, despite the prospect of continuing inflation." (p. 56) Zweig: "The unexpected can strike anyone, at any age. Everyone must keep some assets in the riskless haven of cash." (p. 103) Zweig: "Because so few investors have the guts to cling to stocks in a falling market, Graham insists that everyone should keep a minimum of 25% in bonds… will give you the courage to keep the rest of your money in stocks even when stocks sink." (p. 103)
Kobliner, Beth	*Get A Financial Life*	"Unfortunately, there's little agreement even among financial advisors on how much you should risk in the stock market. Historically, a fairly typical recommendation has been to allocate roughly 50% of your assets to stock funds and 30% to bond funds, while keeping 20% in 'cash'—meaning money market funds or bank savings accounts. This type of breakdown would put a lot of your money into those investments that have had the highest returns, while keeping some of it in safer places, just in case. Most important, you avoid putting all your eggs in one basket, taking advantage once again of the benefits of diversification." (pp. 120-121)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"Few investors can tolerate large year-after-year losses (not knowing when they will end. This is the primary reason why we believe that nearly every portfolio should contain an allocation to bonds." (p. 96)
Malkiel, Burton	*A Random Walk Down Wall Street*	"Diversification reduces risk and makes it far more likely that you will achieve the kind of good average long-run return that meets your investment objective. Therefore, within each investment category you should hold a variety of individual issues, and although common stocks should be a major part of your portfolio, they should not be the sole investment instrument." (p. 322) "If possible, keep a small reserve (in a money fund) to take advantage of market declines and buy a few extra shares if the market is down sharply." (p. 354)

Ramsey, Dave	*Financial Peace Revisited*	You should also never have all your money in real estate or the stock market or money markets or in any one place." (p. 121)
Robbins, Tony	*Money: Master the Game*	"Everybody's seduced by the *possibility* of growth, thinking it's the *probability* of growth. That's where they get in trouble. As a result, they pour the majority or all of their money into investments that fit into the Risk/Growth Bucket—not just 70% but sometimes 80%, 90%, or 100%." (p. 336) "Putting all of your money in the Risk/Growth Bucket is the kiss of death." (p. 338)
Robbins, Tony	*Unshakeable*	"Diversify across different asset classes. Avoid putting all your money in real estate, stocks, bonds, or any single investment class." (p. 110)
Stanley, Thomas	*Stop Acting Rich... And Start Living Like a Real Millionaire*	"Since 1980, I have consistently found that most millionaires do not have all of their wealth tied up in their stock portfolios or in their homes… Real safety is not in a diversified stock portfolio… Many a millionaire has told me that true diversity has much to do with controlling one's investments; no one can control the stock market. But you can, for example, control your own business, private investments, and money you lend to private parties. Not at any time during the past 30 years have I found that the typical millionaire has more than 30 percent of his wealth invested in publicly traded stocks. More often it is in the low to mid-20 percent range." (pp. xiii-xiv)
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	"The market won't go to zero. But investors need to understand that in a really, really bad economy, which I do not expect, share prices of many businesses *can* go essentially to zero without those businesses closing their doors… So—especially if you have *a lot* of eggs—think twice before putting them *all* in the stock-market basket." (pp. 142-143)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"To decrease the chances of all your investments getting clobbered at the same time, you must put your money in different types of investments, such as bonds, stocks, real estate, and small business." (p. 160)

Twenty-six books recommend that the asset allocation of long-term money become more conservative with age

Bach, David	*Smart Couples Finish Rich*	"Take your age and subtract it from 110. The number you get is the percentage of your assets that should go into equities; the remainder should go into bonds or other fixed-income investments" (p. 139)

Bach, David	*Smart Women Finish Rich*, 2nd edition	"Take your age and subtract it from 110. The number you get is the percentage of your [retirement] assets that you should put in stocks or stock-based mutual funds. The rest of your assets should go into something less volatile, such as bonds or fixed-rate securities." (p. 160)
Bach, David	*The Automatic Millionaire*	"The younger you are, the more risk you can afford, since you have more time to ride out a bad stock market or other economic downturn. The opposite is true for someone who's already retired." (p. 118)
Bernstein, William	*The Intelligent Asset Allocator*, 2nd edition	"So how risky are stocks? Not so much for young savers and Three Mile Island toxic for older ones…" (p. viii)
Bogle, John	*Common Sense on Mutual Funds*	"As a younger investor, you might allocate as much as 80 percent or more of your portfolio to stocks, with the remainder in bonds. As the later years of your accumulation phase begin, you are older and have less time to recoup any decline in the value of your portfolio. At that point, you might limit your stock exposure to no more than 70 percent." (pp. 62-63)
Bogle, John	*The Little Book of Common Sense Investing*, 10th anniversary edition	"Younger investors, with more time to let the magic of compounding work for them, can also afford to be more aggressive…" (p. 229) "my highest recommended general target allocation for stocks would be 80 percent for younger investors accumulating assets over a long time frame. My lowest target stock allocation, 25 percent, would apply to older investors late in their retirement years." (p. 230) "I've often been cited as an advocate for…your bond position should equal your age… it was never intended to be more than a rule of thumb, a place to begin your thought process." (p. 240)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Don't forget that equity funds are long-term investments… once your child is within a few years of college, I advise you to look for a good time to redeem the funds… if you wait to cash out until the day you actually need the money, Murphy's Law will guarantee that the markets will be down! That advice also holds for equities held inside your retirement plans." (p. 204)
Collins, J. L.	*The Simple Path to Wealth*	"As you get older you might want to smooth the ride a bit, even at the cost of lower overall returns. You want to sleep at night." (p. 109)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	"Young investors have the advantage of abundant human capital and time. Their asset is their future labor… They can make investment errors and not be hurt much because

		they do not have a lot of money invested, and they have enough time to work and replace their losses." (p. 248)
Hallam, Andrew	*Millionaire Teacher*, 2nd edition	"A rule of thumb is that you should have a bond allocation that's roughly equivalent to your age. Some experts suggest that it should be your age minus 10, or if you want a riskier portfolio, your age minus 20… Common sense should be used here. A 50-year-old government employee expecting a guaranteed pension when he retires can afford to invest less than 50 percent of his portfolio in bonds." (pp. 115-116)
Kobliner, Beth	*Get A Financial Life*	"Some say that young people should put even more of their assets—say, 70% to 80%—in stock funds, since these investors have much more time to ride out the downturns of the market. There is also an old rule of thumb to subtract your age from 100 to get the percentage of your money you should put in stocks, while the rest goes in bonds and mutual funds. … Like any cut-and-dried rule, this one has drawbacks as well as advantages, but it can be a useful starting point." (p. 122)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"Jack Bogle's rough guide is that bonds should equal our age." (p. 98)
Lowry, Erin	*Broke Millennial*	"Your asset allocation should be based on your risk tolerance, when you'll need to use the invested funds, and your age… Be careful about letting your risk tolerance be the sole dictator of your investing plans, because being high-risk close to retirement could mean too much in stocks, and having low risk tolerance in your twenties means you are not investing aggressively enough." (p. 202)
Lynch, Peter	*One Up on Wall Street*	"Younger investors with a lifetime of wage-earning ahead of them can afford to take more chances on tenbaggers than can older investors who must live off the income from their investments. Younger investors have more years in which they can experiment and make mistakes before they find the great stocks that make investing careers." (p. 242)
Malkiel, Burton	*A Random Walk Down Wall Street*	"The 34 year old…can use wages to cover any losses from increased risk. The 68 year old…cannot risk incurring losses." (p. 344) "perhaps the most important reason for investors become more conservative with age is that they have fewer years of paid labor ahead of them. Thus, they cannot count on salary income to sustain them if the stock market has a period of negative returns." (p. 350)

Olen, Helaine; Pollack, Harold	*The Index Card*	"we recommend that your bond allocation roughly equal your age." (p. 127)
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	"typically the younger you are, the more you will want to have invested in stock funds and stock ETFs." (p. 249) "In all likelihood, however, you're counting on this money for retirement. This means you will one day want or need to switch some of all of your money from growth-oriented investments to an income-generating investment, such as Treasury notes or bills. In any case, you will need to keep a careful watch on that ten-year time horizon." (p. 261)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"typically as we age, adding a portion of bonds to your portfolio helps provide a bit of stability as you get nearer to retirement. But while you are in your twenties and thirties, you want to be leaning heavily on stocks; you got the time to ride out the bumps in pursuit of higher returns than bonds deliver." (p. 237)
Orman, Suze	*Women & Money*	"You want your 401(k) to be invested in stock mutual funds… Please don't invest in [bond funds and stable-value funds] unless you are just a few years away from retirement." (p. 127)
Richards, Carl	*The One-Page Financial Plan*	"they were comfortable putting 90 percent in different types of stock mutual funds. While that may seem risky, they're young, Jordan's experienced, and they're committed to adding to it each month and ignoring the ups and downs of the market." (p. 180)
Robbins, Tony	*Money: Master the Game*	"If you're younger…you can be much more aggressive because you'll have longer to recover your losses…" (p. 334)
Robin, Vicki, Joe Dominguez	*Your Money or Your Life*	"What's your time horizon—do you have twenty more years to make mistakes and recover, or are you already retired and needing your money to last longer than your life? Conventional wisdom…suggests that when you are young, you should risk more for greater wealth accumulation…" (p. 280)
Roth, J. D.	*Your Money: The Missing Manual*	A common rule of thumb is that the percentage of fixed-income investments in your portfolio should be equal to your age…" (p. 262)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"Age and risk tolerance matter. If you're twenty-five years old and have dozens of years to grow your money, a portfolio made up of mostly stock-based funds probably makes sense. But if you're older, retirement is coming up within a few decades and you'll want to tamp down your risk. If you're older—especially if you're in your sixties or

		older…a sizeable portion of your portfolio should be in stable bonds" (p. 228)
Thames, Elizabeth Willard	*Meet the Frugalwoods*	"there are other variables such as rebalancing and asset allocation, as well as decreasing your exposure to risk as you near traditional retirement age…" (p. 129)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"One useful guideline for dividing or allocating your money between longer-term-oriented growth investments, such as stocks, and more-conservative lending investments, such as bonds, is to subtract your age from 110 (or 120 if you want to be aggressive; 100 to be more conservative) and invest the resulting percentage in stocks. You then invest the remaining amount in bonds." (p. 163)

nine cite a variant of the "portfolio percent in stocks should be 100 minus your age" rule

Bach, David	*Smart Couples Finish Rich*	"Take your age and subtract it from 110. The number you get is the percentage of your assets that should go into equities; the remainder should go into bonds or other fixed-income investments" (p. 139)
Bach, David	*Smart Women Finish Rich*, 2nd edition	"Take your age and subtract it from 110. The number you get is the percentage of your [retirement] assets that you should put in stocks or stock-based mutual funds. The rest of your assets should go into something less volatile, such as bonds or fixed-rate securities." (p. 160)
Bogle, John	*The Little Book of Common Sense Investing*, 10th anniversary edition	"I've often been cited as an advocate for…your bond position should equal your age… it was never intended to be more than a rule of thumb, a place to begin your thought process." (p. 240)
Hallam, Andrew	*Millionaire Teacher*, 2nd edition	"A rule of thumb is that you should have a bond allocation that's roughly equivalent to your age. Some experts suggest that it should be your age minus 10, or if you want a riskier portfolio, your age minus 20… Common sense should be used here. A 50-year-old government employee expecting a guaranteed pension when he retires can afford to invest less than 50 percent of his portfolio in bonds." (pp. 115-116)
Kobliner, Beth	*Get A Financial Life*	"Some say that young people should put even more of their assets—say, 70% to 80%—in stock funds, since these investors have much more time to ride out the downturns of the market. There is also an old rule of thumb to subtract your age from 100 to get the percentage of your money you should put in stocks, while the rest goes in bonds and mutual funds. … Like any cut-and-dried rule, this one has drawbacks as well as advantages, but it can be a useful starting point." (p. 122)

Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"Jack Bogle's rough guide is that bonds should equal our age." (p. 98)
Olen, Helaine; Pollack, Harold	*The Index Card*	"we recommend that your bond allocation roughly equal your age." (p. 127)
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Four books recommend that *any* money not needed in the near-term be invested in stocks.

Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"I don't recommend single stocks or day trading… the risk is too high. But I also don't recommend cookie jars or CDs for long-term (more than five years) investing. The sweet spot…is mutual funds." (p. 202) "I still recommend you diversify a little further by spreading your investments out over four different kinds of mutual funds. I tell people to put 25 percent in each of these four types: growth, growth and income, aggressive growth, and international. Growth stock mutual funds are sometimes called mid-cap or equity funds… Growth and income mutual funds are the calmest funds of the bunch. They are sometimes called large-cap funds… Aggressive growth mutual funds are the exciting wild child….they're often called small-cap funds." (pp. 209-210)
Ramsey, Dave	*Financial Peace Revisited*	"I suggest for beginners with under $10,000 that you pick a growth and income fund. This type of fund is calm, with not much fluctuation, which will not scare the beginner. It buys some growth stocks and some large-company stocks that don't grow much but pay an income called dividends." (p. 149)

		"If you have over $10,000 to invest, I would spread it across four of these fund types. But, with over $50,000 to invest I would find two or three mutual funds of each type." Types are balanced fund ("small-company stocks for growth, large-company stocks for growth and income, and even some bonds"), growth and income fund, growth fund, international fund ("will be more wild, but it will have better returns over the long haul… only 25 percent goes into this category."), aggressive growth fund or small-company fund.
Thames, Elizabeth Willard	*Meet the Frugalwoods*	"Successful investing entails the following: buying and holding diversified, low-fee stocks for decades, avoiding the temptation to time the market, not pulling money in and out of the market, and not following the market on a daily basis. Invest and hold (for years upon years) and, more likely than not, your money will make more money." (p. 129)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"The stock market is the best place for long-term investing. Over the long run, the U.S. stock market has averaged nearly a 12% return. A whopping 97% of 5-year periods and 100% of 10-year periods have made money. The stock market is easy to get into, and easy to get out of… But the key phrase here is *long-term*. As we all know, the stock market doesn't just go up—it also goes down. So it is not a place to keep money that you might need next week. If you had to sell in a hurry, you could get burned badly if the market takes a dip. Here's a rule of thumb: The stock market is where you should keep money that you don't expect to use for at least five years." (pp. 183-4)

The inflation rate is mentioned by 11 books as a reference return that is important for one's longer-term money to exceed.

Bach, David	*Smart Couples Finish Rich*	"Whatever you do, don't keep your long-term retirement money sitting in a lazy investment like a certificate of deposit. In the financial-planning business, we call certificates of deposit 'certificates of depreciation'. That's because the return on CDs is usually so low that it doesn't even keep up with inflation. CDs are great investments if all you're interested in is preserving capital — say, if you're already retired and can't afford to take any risk at all with your money." (p. 137)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	"Each asset class to be held in a portfolio for the long term should be expected to earn a return greater than the inflation rate… Buying [securities that only keep pace with inflation] would mean diverting funds from investments

		that pay interest and dividends that provide real growth potential…" (p. 94)
Kobliner, Beth	*Get A Financial Life*	"Still, it's the best guess of many investment experts that over the long term, stocks and bonds *as a whole* will continue to offer rates of return that are significantly higher than the rate of inflation. Although there's no guarantee that this will happen (or even that you won't *lose* money by investing in stocks and bonds over the years), it seems likely that these analysts are guessing right." (p. 105) "So although the safety of money funds makes them a good place to keep your emergency cushion, if you want a fighting chance at keeping up with inflation and can tolerate a bit more risk … your next step should be to consider two more aggressive types of investments: stock funds and bond funds." (p. 105)
Lowry, Erin	*Broke Millennial*	"Due to inflation and the natural erosion of your purchasing power by leaving your money at 1.00 percent APY, you aren't doing yourself any favors by saving alone. That means your money is losing value if it's just sitting around in savings… It's the compound interest received from investing that helps your saved money mature and grow to beat inflation…" (p. 210)
Olen, Helaine; Pollack, Harold	*The Index Card*	"If you put money only in supersafe assets that earn correspondingly low returns, such as a bank savings account, you'll increase your risk of outliving your money, not to mention actually losing money relative to inflation." (p. 126)
Orman, Suze	*Women & Money*	"The majority of you who still have at least ten years before retirement belong in individual stocks or stock mutual funds. When you invest for the long term in a retirement account, stocks or stock mutual funds offer you the best opportunity for gains to help you meet your retirement goals and give you the best chance of earning returns that are higher than the rate of inflation." (p. 128)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"I don't recommend single stocks or day trading… the risk is too high. But I also don't recommend cookie jars or CDs for long-term (more than five years) investing. The sweet spot…is mutual funds." (p. 202) "the CD gives you a lousy rate of return. Remember, 5 percent isn't even enough to keep up with inflation once you factor in taxes… I don't own a single CD. I just don't see a need for them." (p. 205)
Ramsey, Dave	*Financial Peace Revisited*	"There are two main kinds of investment risk—the risk of the loss of principal, which is the money put in, and the risk

		that inflation will beat you to the bank and take your money. Most people forget about inflation and look for guarantees. And after taxes and inflation you get your guarantee, a guaranteed net loss in purchasing power." (p. 147)
Robbins, Tony	*Unshakeable*	"Conservative investors who are retired or can't tolerate the volatility of stocks might choose to invest a large percentage of their assets in bonds. Less conservative investors might put a smaller portion of their assets in high-quality bonds to meet any financial needs that could arise over the next two to seven years… There's just one problem: it's hard to be enthusiastic about bonds in today's weird economic environment. Yields are abysmally low, so you earn a paltry return for the risk you're taking… The challenge is that you earn nothing these days if you keep your money in cash. In fact, after inflation, you're losing money by holding cash. At least bonds provide some income." (p. 130)
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	"Unlike bonds, stock offer at least the potential of keeping up with inflation." (p. 137)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	Over the long term, however, the stock market usually beats the rate of inflation, while the interest rate on a savings account does not, especially when factoring in taxes.

Despite the importance of human capital, only eight popular books mention it as a relevant consideration for lifecycle asset allocation.

Bernstein, William	*The Four Pillars of Investing*	"…you are likely the proud owner of quite a lot of 'human capital' that needs to be integrated into the rest of your portfolio… you are probably the recipient of a steady salary, Social Security, or fixed pension payments that can be 'capitalized' to their present value… Let's say you are an employee of General Motors. In this case, you are working for a 'value company' and are vulnerable in rough economic times, just as are value stocks…it would not be a good idea to overweight your portfolio with value stocks, as in a severe economic slump you may lose both your job as well as a fair chunk of your portfolio. Similarly, if you work in high tech, it would be foolish to overweight growth stocks in your portfolio…There are also people who *should* own value stocks. These are employees of companies in 'countercyclical' industries… it would not be a bad idea to increase your stock holdings to reflect the 'bonds' you

		effectively own via your pension and Social Security." (pp. 277-278)
Bogle, John	*The Little Book of Common Sense Investing*, 10th anniversary edition	"As we age, we begin to rely less on the human capital…and more on our investment capital. Finally, what's most important when we retire is the stream of income…the dividend checks…and our Social Security payments." (p. 242) "When determining their asset allocations, most investors need to take Social Security into consideration as a bond-like asset." (p. 250)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	"Investors' ages tend to have a meaningful impact on asset allocation decisions, not so much because they are aging but because over a career people convert their labor into assets and then live off those assets in retirement. In addition, people of different ages have different financial wants and needs, and that correlates with different perceptions on investment risk." "Young investors have the advantage of abundant human capital and time. Their asset is their future labor… They can make investment errors and not be hurt much because they do not have a lot of money invested, and they have enough time to work and replace their losses." (p. 248)
Lynch, Peter	*One Up on Wall Street*	"Maybe you're an older person who needs to live off a fixed income, or a younger person who can't stand working and wants to live off a fixed income from a family inheritance. Either way, you should stay out of the stock market… Only invest what you could afford to lose without that loss having any effect on your daily life in the foreseeable future." (p. 80) "Younger investors with a lifetime of wage-earning ahead of them can afford to take more chances on tenbaggers than can older investors who must live off the income from their investments. Younger investors have more years in which they can experiment and make mistakes before they find the great stocks that make investing careers." (p. 242)
Malkiel, Burton	*A Random Walk Down Wall Street*	"The 34 year old…can use wages to cover any losses from increased risk. The 68 year old…cannot risk incurring losses." (p. 344) "perhaps the most important reason for investors become more conservative with age is that they have fewer years of paid labor ahead of them. Thus, they cannot count on salary

		income to sustain them if the stock market has a period of negative returns." (p. 350)
Olen, Helaine; Pollack, Harold	*The Index Card*	"The healthier and wealthier you are, the more risks you can reasonably take. Why? You have time to recover from setbacks. Moreover, if you are in your twenties or thirties, you are probably not in your prime earning years, meaning your household income is likely to increase, allowing you to compensate for any investing losses." (p. 124)
Robbins, Tony	*Money: Master the Game*	"If you earn a lot of money, you can afford to make more mistakes and still make up for it…" (p. 334)
Robin, Vicki, Joe Dominguez	*Your Money or Your Life*	"…you apply the 4 percent [current yield of long-term (thirty years US Treasury bonds or, perhaps, CDs)] formula to your capital to generate the projection of returns… You will notice that at some time in the not-too-distant future those two lines (total monthly expenses and monthly investment income) will cross. We call that the Crossover Point. Beyond the Crossover Point, income from your investment capital will be higher than your monthly expenses—and your employment officially becomes optional!" (pp. 256-7) "Before the Crossover Point, some of you may risk more for greater returns, others not. After the Crossover Point, you want to maximize passive income while minimizing risk so you can pay the least attention possible to your money. Your risk tolerance may have to do with your age, your personality, how marketable your skills are, life experiences… and your attitudes toward money and credit in general." (p. 279)

Only five books suggest that diminishing marginal utility should be a determinant of one's portfolio equity share.

Bernstein, William	*The Four Pillars of Investing*	"For example, if you have saved a large amount for retirement and do not plan to leave a large estate for your heirs or to charity, you may require a very low return to meet your ongoing financial needs. In that case, there would be little sense in choosing a high risk/return mix, no matter how great your risk tolerance." (p. 115)
Bernstein, William	*The Intelligent Asset Allocator*, 2nd edition	"once you've achieved your LMP, you should start de-risking your portfolio." (p. viii)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	"Risk avoidance is a conscious decision not to invest up to your known risk tolerance level… You take only the amount of risk that you need to accomplish a financial objective… There is no need to invest at your peak risk

		tolerance level once you have accumulated enough assets to easily reach your investment objectives with lower risk… There is nothing worse than having enough money to retire and then losing it because you did not take the risk level down." (p. 285)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	And someone with significant net worth or a large portfolio does not need to invest in risky investments in search of higher returns." (p. 97)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"If you have a lot of money, you'll accept lower investment returns in exchange for security and safety… after all, 3 percent of $10 million is still a lot." (p. 226)

Three books argue that investors do not know their own risk tolerance—which they define as the ability to not sell your stock in a bear market rather than the speed with which marginal utility diminishes—until they have lived through a major market decline. Thus, they recommend that younger investors scale back the risk of their portfolios until they have gained such experience.

Bernstein, William	*The Four Pillars of Investing*	"Many investors start at the opposite end of the problem—by deciding upon the amount of return they require to meet their retirement, educational, life style, or housing goals. This is a mistake. If your portfolio risk exceeds your tolerance for loss, there is a high likelihood that you will abandon your plan when the going gets rough." (p. 115) "…between planning and execution lies a yawning chasm… Thinking about the possibility of losing 30% of your capital…the real thing is a good deal more unpleasant. If you are just starting out on your investment journey, err on the side of conservatism. It is much better to underestimate your risk tolerance at an early age and adjust your risk exposure upwards later than to bite off more than you can chew up front." (p. 116)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	"On the one hand, young investors have many years ahead of them, so they should choose an aggressive allocation. On the other hand, they have the least amount of investment experience and do not know what their risk tolerance level is… early savers should guard against being too aggressive and losing control of themselves and their portfolios in a bear market… investing 100 percent in stocks is probably too aggressive. There are two reasons for not having an all-stock portfolio: (1) Most people cannot handle 100 percent in stocks 100 percent of the time… (2) When stocks fall in

		value, investors should take that opportunity to buy more stocks. A 100 percent stock portfolio precludes this from happening." (pp. 248-249)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"In order to help determine if your portfolio is suitable for your risk tolerance, you need to…answer the question, 'Will I sell during the next bear market?'… if you can honestly say, 'No, I wouldn't sell because I've learned that U.S. bear markets have always come back higher than before,' your portfolio is probably suitable for your risk tolerance." (p. 95) "If you are an investor who has not yet experienced a bear market, we suggest that you add from 10 percent to 20 percent more bonds than you think you need for safety." (p. 97)

The closest any author comes to this notion is a concern mentioned by 11 books that one might be forced to sell prematurely at a loss.

Bogle, John	*The Little Book of Common Sense Investing*, 10th anniversary edition	These investors must give greater weight to the short-run *consequences* of their actions than to the *probabilities* of future returns. They must also recognize that volatility of returns is an imperfect measure of risk. Far more meaningful is the risk **that they will unexpectedly have to liquidate assets when cash is needed to meet living expenses—often in depressed markets—and perhaps receive less in proceeds than the original cost of the assets.**" (p. 230)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Don't forget that equity funds are long-term investments… once your child is within a few years of college, I advise you to look for a good time to redeem the funds… if you wait to cash out until the day you actually need the money, Murphy's Law will guarantee that the markets will be down! That advice also holds for equities held inside your retirement plans." (p. 204)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	"we made a similar mistake five years later… On the advice of our broker we bought into a fund that was tied to the stock market. Within 60 days the market crashed (Oct. '88). Our fund did not recover before we needed to liquidate. This mistake cost us $800. (At the time we invested, CDs were paying a very high rate. Had we bought all CDs and no funds we would have done much better with our investments." (pp. 255-256)
Graham, Benjamin,	*The Intelligent Investor*, 4th revised edition,	"the risk attached to an ordinary commercial business is measured by the chance of its losing money, not by what would happen if the owner were forced to sell… the bona

Jason Zweig	updated with new commentary by Jason Zweig	fide investor does not lose money merely because the market price of his holdings declines; hence the fact that a decline occurs does not mean that he is running a true risk of loss. If [stock investment] shows a satisfactory overall return, as measured through a fair number of years, then this group investment has proved to be 'safe.'… we apply the concept of risk solely to a loss of value which either is realized through actual sale, or is caused by a significant deterioration in the company's position" (p. 122)
Lynch, Peter	*One Up on Wall Street*	"A price drop in a good stock is only a tragedy if you sell at that price and never buy more. To me, a price drop is an opportunity to load up on bargains…" (p. 243)
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	"If you don't have the time to leave this money sitting there, it is possible that when you do need to take it out, that need will arise at the worst possible time… Let's say you invested in 1999 and were planning to withdraw the money to buy a house… One year later you find the house you want and make the offer… on April 14, 2000, a day the market goes down considerably, and the day you had decided to sell, for you need your money. You will most likely take out far less than you initially put in. If you could have just waited—but you could not, for you needed the money to buy your home." (p. 246)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"If my car engine blew, I would be tempted to borrow to fix it rather than cash in my mutual fund because the market is down (we always want to wait on it to go back up)… So keep your emergency fund liquid!" (p. 127)
Robbins, Tony	*Unshakeable*	"You never want to be in a position where you're forced to sell your stock market investments at the worst moment. So it makes sense to maintain a financial cushion, if at all possible. We make sure our clients have an appropriate amount of income-producing investments such as bonds, REITs, MLPs, and dividend-paying stocks… If stocks crash, we can sell some of those income-producing investments (ideally bonds, since they are liquid) and use the proceeds to invest in the stock market at low prices." (p. 135)
Robin, Vicki, Joe Dominguez	*Your Money or Your Life*	"The only days you care about an investment's value are the day you buy it and the day you sell it." (p. 292)
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	"Had you bought all the stocks in the table on page 150 and just stuck with them as they dove lower…an original investment of $12,000… would 40-odd years later have been worth more like $400,000… Yet if you had needed the money in 'just' 20 years, you would still have taken a hefty loss." (p. 158)

Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	If you had to sell in a hurry, you could get burned badly if the market takes a dip. Here's a rule of thumb: The stock market is where you should keep money that you don't expect to use for at least five years." (pp. 183-4) "A falling market is the absolute worst time to sell. Odds are, you would get *less* return for your money (since the market is down) *and* you would miss out on the gains when the market rebounds… just remember that you're in this for the long haul… And you have years and years before you'll need that money, which means there are years and years for the stock market to turn around." (p. 188)

Nine of the books in our sample reject the dividend irrelevance theorem

Bogle, John	*Common Sense on Mutual Funds*	"Bonds are best used as a source of regular income and as a moderating influence on a stock portfolio, not as an alternative to stocks." (p. 60) "During the *distribution* phase…you are withdrawing the income generated by your investments, and you cannot afford substantial short-term loss. At the start of the distribution phase, you might reduce your stock allocation to 60 percent or so. As you age, you might want to cut it to 50 percent. Even then, earning adequate income presents a challenge. In the latter part of 1998… a 50/50 balanced *market* portfolio was providing a yield of 3.3%." (p. 63)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	"Price volatility is not itself a part of an investment's income stream, and investors should not expect to make excess returns simply because an investment has price volatility. For example, the volatility of commodities is about the same volatility as stocks. However, commodities pay no interest, have no earnings, and pay no dividends. Consequently, the expected return of commodities is lower than those of stocks…" (p. 30)
Kiyosaki, Robert	*Rich Dad's Cashflow Quadrant*, 1st Plata Publishing edition	"The average investor does not know the difference between investing for cash flow and investing for capital gains. Most investors invest for capital gains, hoping and praying the price of their stock or home goes up. As long as you have more cash flowing in that flowing out, your investment is a good investment." (p. 100)
Lynch, Peter	*One Up on Wall Street*	"companies that don't pay dividends have a sorry history of blowing the money… Another argument in favor of dividend-paying stocks is that the presence of the dividend can keep the stock price from falling as far… If investors are sure that the high yield will hold up, they'll buy the

		stock just for that… Then again, the smaller companies that don't pay dividends are likely to grow much faster because of it… I'll take an aggressive grower over a stodgy old dividend-payer any day." (p. 205)
Malkiel, Burton	*A Random Walk Down Wall Street*	"One technique to deal with the problem [of low interest rates] is to use an equity dividend substitution strategy for some portion of what in normal times would have been a bond portfolio. Portfolios of relatively stable dividend growth stocks have yields much higher than the bonds of the same companies and allow the possibility of growth in the future… And portfolios of dividend growth stocks may be no more volatile than an equivalent portfolio of bonds of the same companies." (p. 317) "Mildred's capacity to bear risk is severely constrained by her financial situation. She has neither the life expectancy nor the physical ability to earn income outside her portfolio. Moreover, she has substantial fixed expenditures on her mortgage. She needs a portfolio of safe investments that can generate substantial income. Bonds and high-dividend-paying stocks, as from an index fund of real estate investment trusts, are the kinds of investments that are suitable. Risky (often non-dividend-paying) stocks of small-growth companies…do not belong in Mildred' s portfolio." (p. 356)
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	"In all likelihood, however, you're counting on this money for retirement. This means you will one day want or need to switch some or all of your money from growth-oriented investments to an income-generating investment, such as Treasury notes or bills." (p. 261)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"Bonds usually are for safety and to generate income as you get older. And if you are a true YF&Ber, income is not what you need. You need growth right now…" (p. 243)
Thames, Elizabeth Willard	*Meet the Frugalwoods*	"This property also provides us with a passive stream of income…" (p. 131)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"If you need current income and don't want investments that fluctuate in value as widely as stocks, you may choose more-conservative bond funds." (p. 205)

Eight books recommend tilting one's portfolio towards value stocks

Bernstein, William	*The Four Pillars of Investing*	"Thus, the logic of the market suggests that: Good companies are generally bad stocks, and bad companies are generally good stocks. Is this actually true? Resoundingly, yes." (p. 35)

		"In the large-cap arena, you should have a reasonable balance of value and growth stocks. Small-growth stocks have relatively low returns and high risks, so your allocation to small value should be much larger than to small growth." (p. 122) "I recommend completely avoiding the large-growth and small-growth categories… small growth is a very bad actor in the long term, with the lowest return of any of the four corner portfolios and very high risk. Because of the way that large growth is defined, the Nasdaq 100 is very similar to the S&P 500, except that because of its much higher valuation, it has a relatively low expected long-term return." (p. 254) "To summarize, the five major domestic asset classes you should use are * Large Market * Small Market * Large Value * Small Value * REITs" (p. 254)
Chilton, David	*The Wealthy Barber Returns*	"If you insist on building your own equity portfolio instead of using a mutual fund or ETF, it's probably wise to emphasize companies that consistently pay a healthy dividend. Cumulatively, that group has tended to outperform non-dividend-paying stocks and be less volatile…" (p. 214)
DeMarco, M. J.	*The Millionaire Fastlane*	"pick an income fund that yields at least 5% yearly…" (p. 259) "Even in this low-interest-rate environment, I still can find safe, predictable 5% returns because I think globally, not locally. Also, income is not limited to interest, but corporate dividends and partnership income." (p. 319)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	"There was no benefit to holding a growth Fund and Value Fund in equal amounts. Yet, this strategy is one often recommended by investment advisors." (p. 121) "Historically, small-cap value stocks have added more return with less risk than microcap stocks. Nonetheless, I believe it is worth having both in a portfolio." (p. 125) "Generally, the allocation to international stocks [in book's sample portfolios] is about 30 percent of the equity portion of the portfolio. Within the allocation, a sample of international funds might be as follows: o 30% Pacific Rim, 30% Europe, 20% international small-cap value, 20% emerging markets

		"This international portfolio is not a recommended portfolio—it is a sample… Finding the one mix that is right for your unique situation is your mission." (p. 143)
Graham, Benjamin, Jason Zweig	*The Intelligent Investor*, 4th revised edition, updated with new commentary by Jason Zweig	"The investor should impose some limit on the price he will pay for an issue in relation to its average earnings over, say, the past 7 years. We suggest that this limit be set to 25 times such average earnings, and not more than 20 times those of the last 12-month period…it would ban virtually the entire category of 'growth stocks'" (p. 115) "we regard growth stocks as a whole too uncertain and risky a vehicle for the defensive investor." (p. 116) "no outstanding rewards came from diversified investment in growth companies as compared with that in common stocks generally." (p. 158) "The key requirement here is that the enterprising investor concentrate on the larger companies that are going through a period of unpopularity. While small companies may also be undervalued for similar reasons… they entail the risk of a definitive loss of profitability and also of protracted neglect by the market in spite of better earnings." (p. 163)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"Many investors believe that overweighting value and small-cap stocks may result in less volatility and higher long-term returns." (p. 99)
Richards, Carl	*The One-Page Financial Plan*	"You'll get paid more for owning financially weak companies than financially strong companies. … 'value investments' are financially weak companies…" (p. 174)
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	"And it turns out that investments allocated based on 'fundamentals' (like total income, book value, revenues, and/or cash flow), rather than market capitalization, provided similar results." (p. 162)

one book recommends tilting towards growth stocks

Malkiel, Burton	*A Random Walk Down Wall Street*	Recommended portfolios (pp. 363-364): o Mid-20s: 5% cash, 15% bonds and bond substitutes (dividend growth stocks), 70% stocks (half U.S. with good representation of smaller growth companies, half

		international stocks including emerging markets), 10% REITs o Late 30s to early 40s ("for childless career couples, capacity for risk is still high. Risk options vanishing for those with college tuitions looming"): 5% cash, 20% bond and bond substitutes, 65% stocks (half U.S. with good representation of smaller growth companies, half international stocks including emerging markets), 10% REITs o Mid-50s: 5% cash, 27.5% bonds and bond substitutes, 55% stocks (half U.S. with good representation of smaller growth companies, half international stocks including emerging markets), 12.5% REITs o Late-60s and beyond: 10% cash, 35% bonds and bond substitutes, 40% stocks (half U.S. with good representation of smaller growth companies, half international stocks including emerging markets), 15% REITs

Fourteen books recommend tilting towards small stocks.

Bach, David	*Smart Women Finish Rich*, 2nd edition	"[Small-cap investing] reflects an ultra-aggressive approach… The younger you are—which is to say, the more time you have to recover from a potential disaster—the more you can afford to invest this way… I don't recommend putting more than 25% of your assets into this kind of fund." (pp. 188-190)
Bernstein, William	*The Four Pillars of Investing*	"To summarize, the five major domestic asset classes you should use are * Large Market * Small Market * Large Value * Small Value * REITs" (p. 254)
Bernstein, William	*The Intelligent Asset Allocator*, 2nd edition	"a recipe for a serviceable portfolio… one quarter each of U.S. large and small stocks, foreign stocks, and a short-term U.S. bond fund." (p. xiv)
Kiyosaki, Robert	*Rich Dad Poor Dad*, 20th anniversary edition	"I also love stocks of small companies…" (p. 135) "Personally, I use two main vehicles to achieve financial growth: real estate and small-cap stocks. I use real estate as my foundation… The small-cap stocks are used for fast growth. I do not recommend anything that I do. The examples are just that—examples." (pp. 194-195)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"Many investors believe that overweighting value and small-cap stocks may result in less volatility and higher long-term returns." (p. 99)

Lynch, Peter	*One Up on Wall Street*	"Everything else being equal, you'll do better with the smaller companies." (pp. 109-110)
Malkiel, Burton	*A Random Walk Down Wall Street*	Recommended portfolios: o Mid-20s: 5% cash, 15% bonds and bond substitutes (dividend growth stocks), 70% stocks (half U.S. with good representation of smaller growth companies, half international stocks including emerging markets), 10% REITs o Late 30s to early 40s ("for childless career couples, capacity for risk is still high. Risk options vanishing for those with college tuitions looming"): 5% cash, 20% bond and bond substitutes, 65% stocks (half U.S. with good representation of smaller growth companies, half international stocks including emerging markets), 10% REITs o Mid-50s: 5% cash, 27.5% bonds and bond substitutes, 55% stocks (half U.S. with good representation of smaller growth companies, half international stocks including emerging markets), 12.5% REITs o Late-60s and beyond: 10% cash, 35% bonds and bond substitutes, 40% stocks (half U.S. with good representation of smaller growth companies, half international stocks including emerging markets), 15% REITs
Olen, Helaine; Pollack, Harold	*The Index Card*	"Small-cap funds have generally outperformed large-cap funds" (p. 128)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"You want to make sure you have many different stock funds (large-, mid-, and small-cap, as well as growth and value)" (p. 237)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"I still recommend you diversify a little further by spreading your investments out over four different kinds of mutual funds. I tell people to put 25 percent in each of these four types: growth, growth and income, aggressive growth, and international. Growth stock mutual funds are sometimes called mid-cap or equity funds… Growth and income mutual funds are the calmest funds of the bunch. They are sometimes called large-cap funds… Aggressive growth mutual funds are the exciting wild child….they're often called small-cap funds." (pp. 209-210)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"I spread my retirement, investing evenly across four types of funds. Growth and Income funds get 25 percent of my investment. (They are sometimes called Large Cap or Blue

		Chip funds.) Growth funds get 25 percent of my investment. (They are sometimes called Mid Cap or Equity funds; an S&P Index fund would also qualify.) International funds get 25 percent of my investment… Aggressive Growth funds get the last 25 percent of my investment. (They are sometimes called Small Cap or Emerging Market funds.” (p. 146)
Richards, Carl	*The One-Page Financial Plan*	"You're likely to get paid more for owning a basket of small companies than a basket of large companies. Why? Small companies are riskier, but if you take a chance on them, the payoff if they succeed is better." (p. 174)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"You don't want to own only US small-cap stocks, for example… If, however, you own small-cap stocks, plus large-cap stocks, plus international stocks, and more, you're effectively insured against any one area dragging you down." (p. 232)
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	"But market-weighted index funds are going to automatically overinvest in the stocks that are overpriced and underinvest in stocks that are underpriced, because *that's what market-weighting does*… If, however, you had invested in the exact same stocks, but did so equally, not proportional to market cap, and adjusted each year to keep the amounts equal, you would have earned…more than 2% per year higher." (pp. 161-162)

Eight books recommend holding both growth and value stocks

Bach, David	*Smart Women Finish Rich*, 2nd edition	Mistake to not diversify, e.g. holding just growth or just value (pp. 227-228)
Bach, David	*The Automatic Millionaire*	Recommended allocations (pp. 117-188): • Teens to 30s: 5-10% aggressive growth, 40-50% growth, 30-40% growth and income, 5-15% bonds, 5-10% cash • 30s to 50s: 5-10% aggressive growth, 25-35% growth, 35-45% growth and income, 15-25% bonds, 5-10% cash • 50s to 60s: 0-5% aggressive growth, 15-25% growth, 30-40% growth and income, 20-30% bonds, 5-10% cash • 60s and up: 0-5% aggressive growth, 10-20% growth, 30-40% growth and income, 25-35% bonds, 10-15% cash
Bernstein, William	*The Four Pillars of Investing*	"In the large-cap arena, you should have a reasonable balance of value and growth stocks. Small-growth stocks have relatively low returns and high risks, so your

		allocation to small value should be much larger than to small growth." (p. 122)
Bogle, John	*Common Sense on Mutual Funds*	"Most investors, properly in my view, will emphasize a strategy that focuses on funds in the large-cap category, especially blended growth and value funds, as a conservative, centrist approach to equity investing." (p. 144)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"stick to a well-diversified fund whose manager emphasizes value and growth potential, not one whose manager chases fads… patience to select and hold stocks that offer good value—stocks that, at the time of purchase, others are overlooking." (p. 53) "Stay away from mutual funds that use complicated strategies. Generally speaking, the trickier the fund, the lower the returns. Options funds, future funds, commodity funds… Remember, value and growth, they're the keys." (p. 55)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"Morningstar's Style Box is particularly useful… so that the total allocation in all funds in the portfolio does not unintentionally overweight or underweight any particular style (value, core, growth) or market capitalization (large, medium, small)." (p. 99)
Lynch, Peter	*One Up on Wall Street*	"These are among my favorite investments: small, aggressive new enterprises that grow at 20 to 25 percent a year… There's plenty of risk in fast growers…" (p. 118) "Turnaround candidates have been battered, depressed… these are no growers… The best thing about investing in successful turnarounds is that of all the categories of stocks, their ups and downs are least related to the general market." (p. 122) "Like the earnings line, the p/e ratio is often a useful measure of whether any stock is overpriced…relative to a company's money-making potential." (p. 168) "Some people ascribe my success to my having specialized in growth stocks. But that's only partly accurate. I never put more than 30-40 percent of my fund's assets into growth stocks… Normally I keep about 10-20 percent or so in the stalwarts, another 10-20 percent or so in the cyclicals, and the rest in the turnarounds." (p. 240)

Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"You want to make sure you have many different stock funds (large-, mid-, and small-cap, as well as growth and value)" (p. 237)

thirteen books recommend holding both large and small stocks in a way that creates a small-cap tilt

Bach, David	*Smart Women Finish Rich*, 2nd edition	"[Small-cap investing] reflects an ultra-aggressive approach… The younger you are—which is to say, the more time you have to recover from a potential disaster—the more you can afford to invest this way… I don't recommend putting more than 25% of your assets into this kind of fund." (pp. 188-190)
Bernstein, William	*The Four Pillars of Investing*	"To summarize, the five major domestic asset classes you should use are * Large Market * Small Market * Large Value * Small Value * REITs" (p. 254)
Bernstein, William	*The Intelligent Asset Allocator*, 2nd edition	"a recipe for a serviceable portfolio… one quarter each of U.S. large and small stocks, foreign stocks, and a short-term U.S. bond fund." (p. xiv)
Lynch, Peter	*One Up on Wall Street*	"Stalwarts are companies such as Coca-Cola… 10 to 12 percent annual growth in earnings… In the market we've had since 1980 the stalwarts have been good performers, but not the star performers… I always keep some stalwarts in my portfolio because they offer pretty good protection during recessions and hard times." (pp. 112-117) "These are among my favorite investments: small, aggressive new enterprises that grow at 20 to 25 percent a year… There's plenty of risk in fast growers…" (p. 118)
Olen, Helaine; Pollack, Harold	*The Index Card*	For 40 year old: 60% stocks [70% S&P 500, 15% small-cap index, 15% international fund], 40% long-term bonds (p. 127) "Small-cap funds have generally outperformed large-cap funds" (p. 128)
Malkiel, Burton	*A Random Walk Down Wall Street*	Recommended portfolios: o Mid-20s: 5% cash, 15% bonds and bond substitutes (dividend growth stocks), 70% stocks (half U.S. with good representation of smaller growth companies, half international stocks including emerging markets), 10% REITs o Late 30s to early 40s ("for childless career couples, capacity for risk is still high. Risk options vanishing for those with college tuitions looming"): 5% cash, 20% bond and bond substitutes, 65% stocks (half U.S. with

		good representation of smaller growth companies, half international stocks including emerging markets), 10% REITs o Mid-50s: 5% cash, 27.5% bonds and bond substitutes, 55% stocks (half U.S. with good representation of smaller growth companies, half international stocks including emerging markets), 12.5% REITs o Late-60s and beyond: 10% cash, 35% bonds and bond substitutes, 40% stocks (half U.S. with good representation of smaller growth companies, half international stocks including emerging markets), 15% REITs
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"You want to make sure you have many different stock funds (large-, mid-, and small-cap, as well as growth and value)" (p. 237)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"I still recommend you diversify a little further by spreading your investments out over four different kinds of mutual funds. I tell people to put 25 percent in each of these four types: growth, growth and income, aggressive growth, and international. Growth stock mutual funds are sometimes called mid-cap or equity funds… Growth and income mutual funds are the calmest funds of the bunch. They are sometimes called large-cap funds… Aggressive growth mutual funds are the exciting wild child….they're often called small-cap funds." (pp. 209-210)
Ramsey, Dave	*Financial Peace Revisited*	"If you have over $10,000 to invest, I would spread it across four of these fund types. But, with over $50,000 to invest I would find two or three mutual funds of each type." Types are balanced fund ("small-company stocks for growth, large-company stocks for growth and income, and even some bonds"), growth and income fund, growth fund, international fund ("will be more wild, but it will have better returns over the long haul… only 25 percent goes into this category."), aggressive growth fund or small-company fund." (pp. 149-150)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"I spread my retirement, investing evenly across four types of funds. Growth and Income funds get 25 percent of my investment. (They are sometimes called Large Cap or Blue Chip funds.) Growth funds get 25 percent of my investment. (They are sometimes called Mid Cap or Equity funds; an S&P Index fund would also qualify.) International funds get 25 percent of my investment… Aggressive Growth funds get the last 25 percent of my investment. (They are sometimes called Small Cap or Emerging Market funds." (p. 146)

Richards, Carl	*The One-Page Financial Plan*	"A well-diversified portfolio should include as many different kinds of companies as you can: U.S. as well as international companies, and a mix of small and large companies." (p. 169) "You're likely to get paid more for owning a basket of small companies than a basket of large companies. Why? Small companies are riskier, but if you take a chance on them, the payoff if they succeed is better." (p. 174)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"You don't want to own only US small-cap stocks, for example… If, however, you own small-cap stocks, plus large-cap stocks, plus international stocks, and more, you're effectively insured against any one area dragging you down." (p. 232)
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	"But market-weighted index funds are going to automatically overinvest in the stocks that are overpriced and underinvest in stocks that are underpriced, because *that's what market-weighting does*… If, however, you had invested in the exact same stocks, but did so equally, not proportional to market cap, and adjusted each year to keep the amounts equal, you would have earned…more than 2% per year higher." (pp. 161-162)

six books say that growth stocks are riskier than value stocks

Bach, David	*Smart Women Finish Rich*, 2nd edition	Most conservative to most aggressive: large-cap value, large-cap growth, mid-cap, small-cap, international
Bach, David	*The Automatic Millionaire*	"In order of risk, from safest to most risky, these are cash, bonds, income investments, growth investments, growth & income investments, and aggressive growth investments." (p. 117) [Contradicts next page, where growth is riskier than growth & income] "The base of the pyramid rests on the safest investments (cash and bonds). As you work your way up the pyramid, you take on more risk, moving from growth & income to growth to aggressive growth." (p. 118)
Bernstein, William	*The Intelligent Asset Allocator*, 2nd edition	"Lakonishok and colleagues…present convincing evidence that the risk of value stocks is *lower* than that of growth stocks… For each company size, the value portfolio returns several points more… with a considerably *lower* standard deviation." (p. 120) "Over the long term value beats growth, and small value may very well beat everything else… the poor returns of

		small growth stocks are something of a mystery, as they are even lower than academic theory would predict. My own theory is that there is a 'lottery ticket' premium…" (p. 127)
Chilton, David	*The Wealthy Barber Returns*	"If you insist on building your own equity portfolio instead of using a mutual fund or ETF, it's probably wise to emphasize companies that consistently pay a healthy dividend. Cumulatively, that group has tended to outperform non-dividend-paying stocks and be less volatile… Will that outperformance continue? I wish I knew for sure, but I think the odds favour it." (p. 214)
Graham, Benjamin, Jason Zweig	*The Intelligent Investor*, 4th revised edition, updated with new commentary by Jason Zweig	"we regard growth stocks as a whole too uncertain and risky a vehicle for the defensive investor." (p. 116) "The striking thing about growth stocks as a class is their tendency towards wide swings in market price… The more enthusiastic the public grows about it, and the faster its advance as compared with the actual growth in its earnings, the riskier a proposition it becomes." (p. 160)
Lynch, Peter	*One Up on Wall Street*	"These are among my favorite investments: small, aggressive new enterprises that grow at 20 to 25 percent a year… There's plenty of risk in fast growers…" (p. 118) "Turnaround candidates have been battered, depressed… these are no growers… The best thing about investing in successful turnarounds is that of all the categories of stocks, their ups and downs are least related to the general market." (p. 122)

Four books say that small stocks are riskier than large stocks

Bach, David	*Smart Women Finish Rich*, 2nd edition	"[Small-cap investing] reflects an ultra-aggressive approach… The younger you are—which is to say, the more time you have to recover from a potential disaster—the more you can afford to invest this way… I don't recommend putting more than 25% of your assets into this kind of fund." (pp. 188-190)
Graham, Benjamin, Jason Zweig	*The Intelligent Investor*, 4th revised edition, updated with new commentary by Jason Zweig	"The key requirement here is that the enterprising investor concentrate on the larger companies that are going through a period of unpopularity. While small companies may also be undervalued for similar reasons… they entail the risk of a definitive loss of profitability and also of protracted neglect by the market in spite of better earnings." (p. 163)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"I still recommend you diversify a little further by spreading your investments out over four different kinds of mutual funds. I tell people to put 25 percent in each of these four types: growth, growth and income, aggressive growth,

		and international. Growth stock mutual funds are sometimes called mid-cap or equity funds… Growth and income mutual funds are the calmest funds of the bunch. They are sometimes called large-cap funds… Aggressive growth mutual funds are the exciting wild child….they're often called small-cap funds." (pp. 209-210)
Richards, Carl	*The One-Page Financial Plan*	"You're likely to get paid more for owning a basket of small companies than a basket of large companies. Why? Small companies are riskier, but if you take a chance on them, the payoff if they succeed is better." (p. 174)

One book says that small stocks are less risky than large stocks

Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"Many investors believe that overweighting value and small-cap stocks may result in less volatility and higher long-term returns." (p. 99)

Only two books recommend not diversifying internationally at all.

Bogle, John	*Common Sense on Mutual Funds*	"I am not persuaded that international funds are a necessary component of an investor's portfolio. Foreign funds may reduce a portfolio's *volatility*, but their economic and currency risks may reduce *returns* by a still larger amount… My best judgment is that international holdings should comprise 20 percent of equities *at a maximum*, and that a zero weight is fully acceptable in most portfolios." (pp. 101-102) "If our diamond lode is within our own borders, shouldn't the investments we choose for our portfolios stay here too?" (p. 186) "In the 10 years through 1997, global funds realized total returns averaging only 11.2 percent annually, a far cry from the 18.1 percent rate of return for the Standard & Poor's 500 Index. At the same time, these funds' risk (standard deviation) averaged 14.3 percent, or slightly *larger* than the 14.1 percent risk of the S&P 500. Further, the average return achieved by the global funds conceals a substantial risk: wide variations in the performance of individual managers" (p. 196)

		"A recent study by Morgan Stanley Dean Witter was right on point: 'If you invest in the Standard & Poor's 500 Index as a whole, you own a diversified global portfolio.' While 77 percent of revenues of the companies in the S&P 500 Index comes from North America, 23 percent comes from other nations…" (p. 201)
Collins, J. L.	*The Simple Path to Wealth*	"While I don't feel the need for international funds, for those who do I don't strongly oppose holding them." (p. 121)

The remainder recommend holding international stocks, but of those that give specific portfolio percentages, all recommend allocations that are below the 59% of global stock market capitalization that non-U.S. stocks constitute as of 2021 (SIFMA 2021). The average recommended weight is 27% of equity holdings, with the range being from 12.5% to 50%.

			International recommendation
Bach, David	*Smart Couples Finish Rich*	"Once you get to dreams that are going to take you more than four years to save for, you should really consider putting your dream-basket money into growth-oriented investments… To my mind, that means investing in stock-based mutual funds… the United States represents only about a third of the total world economy, and if you invest only in domestic stocks, you're missing out on a lot of opportunities. At The Bach Group, we usually recommend that investors keep about 10 to 15 percent of their portfolio in international or global mutual funds. If the European economy really starts to take off, you might want to increase this percentage…" (pp. 193, 199)	12.5%
Bach, David	*Smart Women Finish Rich*, 2nd edition	"I'm a huge believer in building a portfolio that consists of what I call 'core type' mutual funds." (p. 188) "if you invest only in domestic stocks, you're missing out on a lot of opportunities. At The Bach Group, we usually recommend that investors keep about 10 to 15 percent of their portfolio in international or global mutual funds." (p. 190)	12.5%
Bernstein, William	*The Four Pillars of Investing*	"If you believe that the global market is efficient, then you should own every stock in the world in cap-weighted fashion,	27.5%

		meaning that foreign companies would comprise 60% of your stock exposure. This is more than even the most enthusiastic proponents of international diversification can swallow. So what's a reasonable foreign allocation? Certainly less than 50% of your stock pool. For starters, foreign stocks are more volatile… Second, they are more expensive to own and trade…Finally, a small portion of the dividends of foreign stocks are taxed by their national governments. Although these taxes deductible on your tax returns, this deduction does not apply to retirement accounts. Here, it is lost money. Experts differ on the 'optimal' foreign stock exposure, but most agree it should be greater than 15% of your stock holdings and less than 40%. Exactly how much…hinges on how much 'tracking error' [with respect to S&P 500] you can bear. An investor with a high foreign exposure…in the nineties… Although their returns would have been satisfying, they would have been much less than…their neighbors who had not diversified." (pp. 119-120)	
Bernstein, William	*The Intelligent Asset Allocator*, 2nd edition	"a recipe for a serviceable portfolio… one quarter each of U.S. large and small stocks, foreign stocks, and a short-term U.S. bond fund." (p. xiv) "it seems likely that a 50/50 mix will not be too far from the best foreign-versus-domestic allocation." (p. 53) "Just how do you allocate your assets between U.S. large stocks, U.S. small stocks, and foreign stock? … Why not… divide our assets equally between these three classes? This is in fact not an unreasonable way to go and should do quite well in the long term… At times, this 'equal mix' also will behave very different from the benchmark [S&P 500]… How much	33.3%

		would such temporary underperformance bother you?" (pp. 78-79) "If you are unable to tolerate much tracking error, keep your proportion of foreign and small-cap stocks low." (p. 82)	
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Buy a global fund that invests across many different industries. You don't want to buy a fund that invests in only one country or in only one industry… don't confuse the terms international fund and global fund. An international fund invests solely in foreign securities. Omitting the U.S. from investment considerations would be a big mistake!" (p. 51)	--
Ferri, Richard	*All About Asset Allocation*, 2nd edition	"Generally, the allocation to international stocks is about 30 percent of the equity portion of the portfolio. Within the allocation, a sample of international funds might be as follows: o 30% Pacific Rim, 30% Europe, 20% international small-cap value, 20% emerging markets This international portfolio is not a recommended portfolio—it is a sample… Finding the one mix that is right for your unique situation is your mission." (p. 143)	30%
Graham, Benjamin, Jason Zweig	*The Intelligent Investor*, 4th revised edition, updated with new commentary by Jason Zweig	Zweig: "Investing in foreign stocks may not be mandatory for the intelligent investor, but it is definitely advisable… Putting up to a third of your stock money in mutual funds that hold foreign stocks (including those in emerging markets) helps insure against the risk that our own backyard may not always be the best place in the world to invest." (p. 186)	33.3%
Hallam, Andrew	*Millionaire Teacher*, 2nd edition	"An investor's portfolio should always have the home country index represented. After all, it makes sense to keep much of your money in the currency with which you pay your bills… To keep it simple, you could split your stock market money between your home country index and an international index." (p. 118)	50%
Kobliner, Beth	*Get A Financial Life*	"Just don't go overboard. Investing, say, 20% [of stock investment] in international	20%

		funds should be enough to help balance out your losses if U.S. stocks dip." (p. 113)	
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"We believe that investors will benefit from an international stock allocation of 20 percent to 40 percent of their equity allocation." (p. 102)	30%
Malkiel, Burton	*A Random Walk Down Wall Street*	Recommended portfolios: o Mid-20s: 5% cash, 15% bonds and bond substitutes (dividend growth stocks), 70% stocks (half U.S. with good representation of smaller growth companies, half international stocks including emerging markets), 10% REITs o Late 30s to early 40s ("for childless career couples, capacity for risk is still high. Risk options vanishing for those with college tuitions looming"): 5% cash, 20% bond and bond substitutes, 65% stocks (half U.S. with good representation of smaller growth companies, half international stocks including emerging markets), 10% REITs o Mid-50s: 5% cash, 27.5% bonds and bond substitutes, 55% stocks (half U.S. with good representation of smaller growth companies, half international stocks including emerging markets), 12.5% REITs o Late-60s and beyond: 10% cash, 35% bonds and bond substitutes, 40% stocks (half U.S. with good representation of smaller growth companies, half international stocks including emerging markets), 15% REITs	50%
Olen, Helaine; Pollack, Harold	*The Index Card*	"For your stock investments, we suggest: Seventy percent: A good S&P 500 index fund… Fifteen percent: A small-cap index fund such as the Russell 2000 Index… Fifteen percent: A broad-based international fund like Vanguard's Total International Stock Index Fund." (pp. 127-128)	15%

		"At first glance, a 15 percent allocation to international markets may seem small in our increasingly globalized world. However, you still get exposure to international markets through the S&P 500 index fund. In fact, in 2013, Goldman Sachs found that foreign sales accounted for 33 percent of S&P 500 revenue." (p. 128)	
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	"Your investment mix can also include a small percentage in international growth funds if your company offers it."	--
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"Your best choice for allocating among funds in your 401(k): 85 percent in an index fund that tracks the entire market (these are typically called total market index funds); 15 percent in a foreign stock fund" (p. 236)	15%
Orman, Suze	*Women & Money*	"Your 401(k) allocation: 90 percent in your index fund that follows a broad benchmark of U.S. stocks…10 percent in an international fund or international index fund." (p. 132)	10%
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"I still recommend you diversify a little further by spreading your investments out over four different kinds of mutual funds. I tell people to put 25 percent in each of these four types: growth, growth and income, aggressive growth, and international." (pp. 209-210)	25%
Ramsey, Dave	*Financial Peace Revisited*	"If you have over $10,000 to invest, I would spread it across four of these fund types. But, with over $50,000 to invest I would find two or three mutual funds of each type." Types are balanced fund ("small-company stocks for growth, large-company stocks for growth and income, and even some bonds"), growth and income fund, growth fund, international fund ("will be more wild, but it will have better returns over the long haul… only 25 percent goes into this category."), aggressive growth fund or small-company fund. (pp. 149-150)	25%
Ramsey, Dave	*The Total Money*	"I spread my retirement, investing evenly across four types of funds. Growth and Income funds get 25 percent of my	25%

	Makeover, classic edition	investment. (They are sometimes called Large Cap or Blue Chip funds.) Growth funds get 25 percent of my investment. (They are sometimes called Mid Cap or Equity funds; an S&P Index fund would also qualify.) International funds get 25 percent of my investment… Aggressive Growth funds get the last 25 percent of my investment. (They are sometimes called Small Cap or Emerging Market funds.” (p. 146)	
Richards, Carl	*The One-Page Financial Plan*	"1. Determine what you'll need in the next ten years. Leave it in CDs and savings. 2. Of the money you will not need for more than ten years, put 60 percent in the stock market with the following split: A. 18 percent of your total portfolio in international stocks. I often recommend the Vanguard Total International Stock Index Fund… B. 42 percent of your total portfolio in U.S. stocks, such as the Vanguard Total Stock Market Index Fund. 3. Put the remaining 40 percent in safe, fixed-income bonds." (pp. 177-178)	30%
Robbins, Tony	*Money: Master the Game*	"[David Swensen] showed me the asset allocation he recommends for individual investors" (all index funds) (p. 329): • Domestic Stock 20% • International Stock 20% • Emerging Stock 10% • REIT 20% • Long-term US Treasury 15% • TIPS (Treasury inflation-protected securities) 15% Burton Malkiel's recommendation: 33% US Total Bond Index, 27% US Total Stock Index, 14% Developed (Foreign) Markets Index, 14% Emerging Markets Stock Index, 12% US REIT Index (p. 408) Jack Bogle's recommendation: 65% US Total Stock Index, 35% Intermediate Term US Bond Market Index (p. 408)	30% (average of 40%, 51%, 0%)

Robin, Vicki, Joe Dominguez	*Your Money or Your Life*	"The last element you should considering is diversifying your index funds across asset classes… For example, there are stocks and bonds, domestic and international large, medium, and small capital funds, and any combination of the above. It can be a US bond index fund or international stock index fund." (p. 291)	--
Roth, J. D.	*Your Money: The Missing Manual*	"Some of these should be stocks in American companies, and some should be in foreign companies. But there's a lot of disagreement over how much the average investor should put in foreign markets: Some say about 10%, and others say at least 30%." (p. 262) Couch Potato Portfolio by Scott Burns: 50% Vanguard Inflation-Protected Securities, 50% Vanguard Total Stock Market Index (p. 263) Second-Grader Portfolio, medium risk, by Allan Roth: 40% Vanguard Total Bond Market Index, 40% Vanguard Total Stock Market Index, 20% Vanguard Total International Stock Index (p. 263) • Higher risk: 10% bonds, 60% U.S. stocks, 30% international stocks • Lower risk: 70% bonds, 20% U.S. stocks, 10% foreign stocks No-Brainer Portfolio by William Bernstein • 25% Vanguard 500 Index • 25% Vanguard Small-Cap Index • 25% Vanguard Total International Stock Index • 25% Vanguard Total Bond Market Index Coffeehouse Portfolio by Bill Schultheis	22% (average of 0%, 33.3%, 33.3%, 20%)

		• 40% Vanguard Total Bond Index • 10% Vanguard 500 Index • 10% Vanguard Value Index • 10% Vanguard Total International Stock Index • 10% Vanguard REIT Index • 10% Vanguard Small-Cap Value Index • 10% Vanguard Small-Cap Index	
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	Uses David Swensen's recommendation as a model: 30% U.S. equities, 15% developed-world international equities, 5% emerging-market equities, 20% REITs, 15% fixed-term Government bonds, 15% TIPS (p. 246)	40%
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"consider allocating a percentage of your stock fund money to overseas investments: at least 20 percent for play-it-safe investors, 25 to 35 percent for middle-of-the-road investors, and as much as 35 to 50 percent for aggressive investors." (p. 164)	30%

Seven books say that international stocks are riskier than U.S. stocks, citing higher return volatility, currency risk, lower liquidity, subpar accounting and financial transparency standards, and political instability.

Bach, David	*Smart Women Finish Rich*, 2nd edition	Most conservative to most aggressive: large-cap value, large-cap growth, mid-cap, small-cap, international (pp. 188-190)
Bernstein, William	*The Four Pillars of Investing*	"For starters, foreign stocks are more volatile… Second, they are more expensive to own and trade…Finally, a small portion of the dividends of foreign stocks are taxed by their national governments. Although these taxes deductible on your tax returns, this deduction does not apply to retirement accounts. Here, it is lost money." (p. 119)
Bogle, John	*Common Sense on Mutual Funds*	"I am not persuaded that international funds are a necessary component of an investor's portfolio. Foreign funds may reduce a portfolio's *volatility*, but their economic and currency risks may reduce *returns* by a still larger amount… My best judgment is that international holdings should comprise 20 percent of equities *at a maximum*, and that a zero weight is fully acceptable in most portfolios." (pp. 101-102)

		“I, too, have serious reservations about a full market-weighted global strategy. It involves a very heavy layer of… currency risk.” (p. 187) “These reversals have given investors a humbling lesson in the risks of global investing. Those risks are especially high in nations where U.S. standards of accounting, financial transparency, and liquidity have not yet been attained.” (p. 195)
Bogle, John	*The Little Book of Common Sense Investing*, 10th anniversary edition	“why take currency risk? Haven’t U.S. institutions been generally stronger than those of other nations? Don’t half of the revenues and profits of U.S. corporations already come from outside the United States? Isn’t U.S. gross domestic product (GDP) likely to grow at least as fast as the GDP of the rest of the developed world, perhaps at even a higher rate?” (p. 245)
Collins, J. L.	*The Simple Path to Wealth*	Reasons not to internationally diversify: o “When you own international companies they trade in the currency of their home country. Since those currencies fluctuate against the U.S. dollar, with international funds there is this additional dimension of risk.” (p. 119) o “Few countries—especially in emerging markets—offer the transparent accounting standards required here in the U.S.… The weaker the regulatory structure in place, the greater the risk involved.” (p. 120) o “even low cost Vanguard international funds have expense ratios at least twice [the level of VTSAX]” (p. 120) o “the largest 500 stocks in the U.S. make up about 80% of VTSAX. The largest of these 500 are all international businesses.” (p. 120) o “The problem is, as world economies become ever more closely knit together, this variation in the performance of their markets fades.” (p. 121)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads’ Guide to Investing*, 2nd edition	“Foreign stocks offer diversification and possibly higher returns, but they also carry more risk in the form of political instability, weak regulation, higher transaction costs, and different accounting practices. Of particular significance is the fact that a foreign stock investment is really two investments—one in stocks and one in currencies. Both elements provide additional diversification to a domestic portfolio.” (p. 100)

Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"consider allocating a percentage of your stock fund money to overseas investments: at least 20 percent for play-it-safe investors, 25 to 35 percent for middle-of-the-road investors, and as much as 35 to 50 percent for aggressive investors." (p. 164)

Twenty-four books recommend indexing.

Bernstein, William	*The Four Pillars of Investing*	"There is absolutely no evidence that anyone can time the market." (p. 105) "The most reliable way of obtaining a satisfying return is to index (own the whole market)." (p. 105) "The expected net return (after expenses) of a money manager is the market return minus expenses" (p. 105)
Bernstein, William	*The Intelligent Asset Allocator*, 2nd edition	"Understand that market timing and stock or mutual fund picking are nearly impossible long term." (p. vi)
Bogle, John	*Common Sense on Mutual Funds*	"No matter what the future holds, long-term investors who have chosen an index strategy because of its merits are unlikely to be disappointed." (p. 118)
Bogle, John	*The Little Book of Common Sense Investing*, 10th anniversary edition	"Clear and convincing evidence points to the index fund strategy." (p. 231)
Chilton, David	*The Wealthy Barber Returns*	"It's a mathematical certainty that investors who buy market-matching index funds will outperform the majority of investors who attempt to outperform market-matching index funds… Warren Buffett confirms: 'Most investors, both institutional and individual, will find the best way to own common stocks is through an index fund that charges minimal fees." (p. 154)
Collins, J. L.	*The Simple Path to Wealth*	"Index investing is for people who want the best possible returns." (p. 91)
Ferri, Richard	*All About Asset Allocation*, 2nd edition	"I am not an advocate of using actively managed funds. On average, actively managed funds are much more expensive than passive funds, and rarely do active managers have enough skill to overcome the fees and commissions charged." (p. 21)
Graham, Benjamin, Jason Zweig	*The Intelligent Investor*, 4th revised edition, updated with new commentary by Jason Zweig	Zweig: "recognize that an index funds…will beat most funds over the long run… Late in his life, Graham praised index funds as the best choice for individual investors, as does Warren Buffett." (pp. 248-249)

Hallam, Andrew	*Millionaire Teacher*, 2nd edition	"With just three index funds, you'll beat the pants… off most financial professionals." (p. 45)
Kobliner, Beth	*Get A Financial Life*	"I recommend that you go with an index fund … Although it may seem surprising, a number of academic studies suggest that actively managed stock funds run by 'expert' fund managers actually do no better on average than passively managed index funds… What is different about an actively managed fund, though, is that you'll be charged much higher fees than you will with an index fund … stick with index funds, which allow you to participate in the historically attractive returns associated with stocks without charging you too much for the privilege." (p. 109)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"we recommend placing the bulk, or all, of your investments in index funds." (p. 87)
Lowry, Erin	*Broke Millennial*	"Some managers can beat the indexes for long stretches, but passively is usually the way to go for rookie investors looking to get the most value." (pp. 199-200) "index funds are my personal favorite way to invest in the market… So for all the fans of stock picking over index funds, here's what I say: *Index funds are boring and effective because building wealth isn't about gambling*." (p. 208)
Malkiel, Burton	*A Random Walk Down Wall Street*	"For most investors, especially those who prefer an easy, lower-risk solution investing, I recommend bowing to the wisdom of the market and using domestic and international index funds for the entire investment portfolio. For all investors, however, I recommend that the core of the investment portfolio—especially the retirement portion—be invested in index funds or ETFs." (p. 375)
Olen, Helaine; Pollack, Harold	*The Index Card*	"Follow Warren Buffett's advice: Invest in index funds." (p. 116)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"Index funds are the best way for a YF&Ber to invest; it's simple and well-diversified, and over the long term, there's a good chance you will outperform the majority of actively managed mutual funds." (p. 228)
Orman, Suze	*Women & Money*	"If your 401(k) plan offers an index funds that mirrors the S&P 500, that's a fine choice. But an even better option, in

		my opinion, is an index fund that tracks an even broader index." (p. 130) "Your 401(k) allocation: 90 percent in your index fund that follows a broad benchmark of U.S. stocks…10 percent in an international fund or international index fund." (p. 132)
Robbins, Tony	*Money: Master the Game*	"Whether the fund manager was trying to beat the S&P Growth Index… or trying to beat the S&P Small Cap Index…the stock pickers fell short." (p. 98) "Now, having made it clear that almost nobody beats the market over time, I will give one caveat. There is a tiny group of hedge fund managers who do the seemingly impossible by beating the market consistently… But unfortunately, it doesn't do the average investor any good to know they are out there, because their doors are closed to new investors." (p. 99)
Robbins, Tony	*Unshakeable*	"No wonder David Swensen is so skeptical about yoru chances of achieving financial freedom through active funds. He warns: 'When you look at the results on an after-fee, after-tax basis, over reasonably long periods of time, there's almost no chance that you end up beating the index fund." (p. 53)
Robin, Vicki, Joe Dominguez	*Your Money or Your Life*	"If not Treasury bonds, then what? The majority of FIRE bloggers rely on and recommend investing in some index fund." (p. 288) "Instead you are looking for enough of a return to meet your short-term as well as long-term goals while taking as little risk as possible. This is why index funds, with their low fees and potential for diversification, can work well for the FI investment program… Millennial FIRE fans use stock index funds like boomers used banks, keeping a little liquid cash on hand and investing the rest in these funds." (p. 289)
Roth, J. D.	*Your Money: The Missing Manual*	"You can do better than 95% of individual investors by putting your money into index funds" (p. 261)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"Active management can't compete with passive management, which takes us to index funds, the more attractive cousin of mutual funds" (p. 234)
Thames, Elizabeth Willard	*Meet the Frugalwoods*	"Index funds are, in my opinion, the best way to invest because the fees are low, you can manage them yourself, and they often outperform actively managed funds." (p. 128)

Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	"The bottom line…is that most people should do their stock-market investing through no-load index funds…" (p. 145)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"Index funds and exchange-traded funds make sense for a portion of your investments, because beating the market is difficult for portfolio managers." (p. 210)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"index funds come with good returns, low costs, and the recommendations of some of the smartest people on Wall Street. That's hard to beat." (p. 187)

Only seven books recommend active management.

Chilton, David	*The Wealthy Barber*, updated 3rd edition	"It's no different when you're looking for a good mutual fund. Assess past records. They don't guarantee future results, but they sure as heck are a good indication of the manager's abilities. What's the five-year average return? Ten-year? Fifteen-year? Does the fund perform consistently…? How does it fare during the bad times?" (p. 50)
Lindauer, Mel, Taylor Larimore, Michael LeBoeuf	*The Bogleheads' Guide to Investing*, 2nd edition	"While all three of us believe that indexing is an excellent investment strategy, all three of us own actively managed Vanguard funds, too." "By placing your money in actively managed, low-cost funds, there is the possibility of getting greater returns. Nevertheless, it's important to realize that you are taking a greater risk with the accompanying possibility of greater loss… That's why we recommend placing the bulk, or all, of your investments in index funds." (pp. 86-87)
Lynch, Peter	*One Up on Wall Street*	"If professionals who are employed to pick stocks can't outdo the index funds that buy everything at large, then we aren't earning our keep. But give us a chance… if after three to five years or so you find that you'd be just as well off if you'd invested in the S&P 500, then either buy the S&P 500 or look for a managed equity fund with a better record." (p. 238)
Ramsey, Dave	*Financial Peace Revisited*	"Why did we pick this fund? Because it has a find management track record… George and his team have a record of keeping good growing stocks and low expenses. Out of the one hundred to two hundred socks George picked, most of them went up in value… It is very safe to say George's nerds are way ahead of you, me, or even your

		stockbroker in knowing what is happening with a particular industry or company. They know when to buy and when to sell that stock." (pp. 144-145) "Performance track record is the most important criterion I use… You are looking for an average annual return compounded over at least five years… If it has a great fifteen-year track record… you have a good fund." (p. 151)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"That crack team of Nerds can do a lot better job than any average bubba sitting at home, picking stocks using a dartboard and dumb luck!" (p. 208) "make sure that it has a good track record over at least five years, preferably ten or more. My favorites are the ones that have been around over twenty years… I personally like to find funds with a good track record averaging at least 12 percent." (p. 211)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"I select mutual funds that have had a good track record of winning for more than five years, preferably for more than ten years." (p. 145)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"When assessing an individual fund, compare its performance and volatility over an extended period of time (five or ten years will do) to a relevant market index." (p. 215)

ten books that endorse prioritizing one's high-interest debt

Chilton, David	*The Wealthy Barber*, updated 3rd edition	"if you have some money available to pay down non-deductible loans, you should pay down the one with the highest interest rate." (p. 183)
Collins, J. L.	*The Simple Path to Wealth*	"Pay the minimum required on all your debts and then focus the rest of your available money on the one with the highest interest rate first." (p. 25)
Kobliner, Beth	*Get A Financial Life*	"If you have several different types of debt…pay off the loan with the highest interest rate first." (p. 3)
Lowry, Erin	*Broke Millennial*	"The Debt Avalanche is often referred to as the 'right way' to pay down your debt. It is the option that leaves the most money safely in your bank account…However, it could also be the option that's most likely to lead you back to your life of overspending. You may feel like it's taking forever to make any progress on your debt repayment, so what's the point?" • "If you're seriously interested in getting out of debt quickly, then every extra dollar you have after paying bills, buying food, putting money in a retirement fund, and saving at least $1,000 in an

		emergency savings fund needs to be going toward your debt." (p. 101) • "Pay the minimums across all your balances…but any extra dollars go toward the debt with the highest interest rate." (p. 101)
Olen, Helaine; Pollack, Harold	*The Index Card*	"Pay down the bill with the highest interest rate first." (p. 49)
Orman, Suze	*The 9 Steps to Financial Freedom*, 3rd paperback edition	"Figure out the absolute largest amount you can afford to pay monthly toward your credit cards… Total the cost of the minimum monthly payments, *plus* $10, for each [creditor]…then take the total of these figures. Subtract this total from the number you wrote in step 1. Now take the 'extra' $200 and put it monthly toward the card that is charging the highest interest rate… Now you start all over… Pay that $300 to the card that is now charging you the highest interest rate." (pp. 193-194)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"Your game plan is to concentrate on the card with the highest interest rate, not the card with the highest balance… On the credit card with the highest interest rate, you are to pay as much over the minimum as you can afford. I want it to be at least $50 extra… On all the other cards, pay only the monthly minimum due…When the first card is paid off, take all the money that you were paying on the first card…and apply it to the card with the next highest interest rate." (p. 99)
Orman, Suze	*Women & Money*	"Each month you obviously need to make the minimum payment due on each credit card, but the objective, once again, is to send in more than the minimum due on the one card that charges you the highest APR… Again, I am leaving it up to you to determine how much extra you can send in on that highest-rate card." (pp. 105-106)
Richards, Carl	*The One-Page Financial Plan*	"Pick the debt with the highest interest rate and start throwing all the money you can at it. This idea, known as the 'debt avalanche,' isn't a new one, but it's very effective." (p. 147)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"In the standard method, you pay the minimums on all cards, but pay more to the card with the highest APR…" (p. 63)

Nine books endorse some variant of the debt snowball method, which is famously associated with Dave Ramsey.

Bach, David	*The Automatic Millionaire*	"Divide each balance by the minimum payment that particular card company wants from you. The result is that

		account's DOLP [Dead On Last Payment] number… Once you've figured out the DOLP number for each account, rank them in reverse order, putting the account with the lowest DOLP number first… Take half your Pay Yourself First money and apply it to the card with the lowest DOLP number. For each of your other cards, you make only the minimum payment." (pp. 205-206)
Lowry, Erin	*Broke Millennial*	"Debt Snowball…emphasizes little victories to keep you motivated… Pay the minimums across all your balances…but any extra dollars should go toward the smallest debt first." (pp. 102-103)
Mecham, Jesse	*You Need a Budget*	"For this reason, we recommend paying of your lowest-balance debt first if you have multiple debts. We want you to shrink the number of payments you're on the hook for each month so you have freedom to decide how to use your money. It all comes back to simplicity. The fewer things you're juggling—whether they're bank accounts or debt payments—the more clarity you have to focus on what's most important to you." (p. 141)
Olen, Helaine; Pollack, Harold	*The Index Card*	"Some argue for a different strategy…pay [debts] down in order from the smallest to the largest… Does this approach work better? For some people, maybe… If you need the psychic boost…consider that approach. But know it will cost you." (p. 52)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"Baby Step 2: Pay off all debt using the debt snowball." (p. 7)
Ramsey, Dave	*Financial Peace Revisited*	"The first strategy is to put debts in ascending order with the smallest remaining balance first and the largest last. Do this regardless of interest rate or payment. You will pay these off in this new order… this works because you get to see some success quickly and are not trying to pay off the largest balance just because it has a high rate of interest." (p. 91)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"The Debt Snowball is designed the way it is because we are more concerned with modifying behavior than correct mathematics… list all your debts in order of smallest payoff balance to largest. List all of your debts except your home; we will get to it in another step… The only time to pay off a larger debt sooner than a smaller one is some kind of big-time emergency such as owing the IRS…or…foreclosure… The reason…is to have some quick wins… you need quick wins to get fired up." (pp. 106-107)
Roth, J. D.	*Your Money: The Missing Manual*	"I did my best to turn things around using the standard advice (like 'pay your high-interest debt first'), but nothing seemed to work… When I decided to turn things around…I

		set a big goal (be debt-free within 5 years), and broke it into sub-goals (start by paying my smallest debt first)… I used the debt snowball…to destroy my debt." (p. 57)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"In the Dave Ramsey snowball method, you pay the minimum on all cards, but pay more money to the card with the lowest balance first… Technically, the snowball method isn't necessarily the most efficient approach… But on a psychological level, it's enormously rewarding to see one credit card paid off, which in turn can motivate you… Don't spend more than five minutes deciding, just pick one method and do it. The goal is not to optimize your payoff method, but to get started paying off your debt." (p. 63)

two books recommend prioritizing the debt that bothers you the most, regardless of its interest rate

Roth, J. D.	*Your Money: The Missing Manual*	"you might decide to first target the debts that give you the biggest headaches." (p. 63)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"*Pay the debt that bothers you most…* The point is to make your life happier and richer…So don't get too caught up in comparing interest rates. Every debt you wipe out is a proud achievement that will make your future brighter. Which means that it just doesn't matter very much which debt you pay off first."

Twelve books say that in order to pay off one's debt, it is important to establish a firm rule that one will not borrow anything more.

Bach, David	*The Automatic Millionaire*	"If you are in a credit card hole…then you need to stop digging… In other words, get rid of your credit cards." (p. 200)
Clason, George	*The Richest Man in Babylon*	"That, in the meantime, we would go on a cash basis and give them the further benefit of our cash purchases… Our greengrocer, a wise old chap, put it in a way that helped to bring around the rest. 'If you pay for all you buy and then pay some on what you owe, that is better than what you have done…'" (pp. 153-154)
Kiyosaki, Robert	*Rich Dad's Cashflow Quadrant*, 1st Plata Publishing edition	"If you have credit cards with outstanding balances, discipline yourself to use only one or two credit cards. Any new charges must be paid off in full each month. Do not incur any more long-term debt." (p. 244)
Lowry, Erin	*Broke Millennial*	"It's been a rough month. Can't I just charge this to my card even if I can't afford it? The short answer to this question is no, you can't… this option comes with a hefty price tag. Having an emergency fund even when you're in debt is incredibly important for this reason." (p. 96)

Olen, Helaine; Pollack, Harold	*The Index Card*	“When you commit to paying down your credit card bills, you should avoid running up more debt on them. If at all possible, use cash, a debit card, or a prepaid card to make purchases.” (p. 56)
Ramsey, Dave	*Dave Ramsey’s Complete Guide to Money*	“Quit borrowing more money!... you have to make the decision *today* to not borrow another dime.” (p. 97)
Ramsey, Dave	*Financial Peace Revisited*	“In order to get out of debt: quit borrowing more money… Almost all consumer loans are set up to pay off naturally, and just by paying the payments you will soon be completely debt free.” (p. 90)
Ramsey, Dave	*The Total Money Makeover*, classic edition	“you must draw a line in the sand and say, ‘I will never borrow again.’” (p. 114)
Richards, Carl	*The One-Page Financial Plan*	“While you’re going through this process, I can’t emphasize enough how important it is to avoid the trap of continuing to use your credit card.” (p. 147)
Roth, J. D.	*Your Money: The Missing Manual*	“The first step on the path to debt-free living is to reverse this cash flow. For most people, that means it’s time to stop using credit… halt any recurring charges… The point is to *completely* stop using credit.” (p. 58)
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*, 2nd Mariner Books edition	“Every day, he looked in the mirror and said, ‘Today, I will cut up another credit card.’ … He generally made only the minimum monthly payments on his card, but (and this was the key) he racked up no *new* debt.” (p. 61)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	“This is the moment to look at yourself in the mirror and say out loud, ‘*The debt stops here.’* Every morning tell yourself, ‘I will not take on more debt today.’” (p. 144)

Fourteen books endorse co-holding

Bach, David	*The Automatic Millionaire*	“I recommend to people with big credit card balances that they build up just one month’s worth of expenses in their security account and then concentrate on paying down their debt. Why? Because it doesn’t make sense to have money earning 1 percent in a money market account at the same time that you’re paying 20 percent on your credit card debt.” (p. 157) “Whatever amount you decide to Pay Yourself First, split it in half, with 50 percent going to you and 50 percent going to pay off your debt… The reason I suggest splitting your Pay Yourself First money in this way is so you can make

		progress on your future while you are getting yourself out of debt. The rationale here is as much emotional as it is financial. By doing both of these things at the same time, you will feel your progress… If you were to direct all of your available cash flow to debt reduction…it might literally be years before you could begin saving for the future. This is too negative—so negative, in fact, that many people who follow this path get discouraged, give up early, and never get to the saving part." (p. 204)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"There's no way a spendthrift like James would ever have saved up enough to buy that beautiful RV of his—he doesn't have the discipline. By borrowing, he forced himself to save—after the purchase, mind you, but still he had to save. And he could enjoy his acquisition in the meantime… I'm not suggesting that every time you want something you go out and borrow the money… Sooner or later, you would end up in bankruptcy court. And, not only can excessive borrowing tap your cash flow, it can also cause stress… Another thing that bothers me about borrow-to-buy is that you miss out on the feeling of satisfaction that comes from saving up to buy something you really want." (p. 171)
Chilton, David	*The Wealthy Barber Returns*	"The wife proudly announced that they used pre-authorized chequing and payroll deductions to fully fund their RRSPs and to do some additional long-term saving…The problem was that they had trouble saving for things like a new TV or a trip or a hot tub… They refused to use their credit card…They set up a small line of credit of only $7,000 and made a firm promise to each other that once they borrowed, no matter what the amount, they couldn't borrow again until their LOC balance had returned to zero." (p. 57-58)
Clason, George	*The Richest Man in Babylon*	"First, the plan doth provide for my future prosperity. Therefore one-tenth of all I earn shall be set aside as my own to keep… Therefore seven-tenths of all I earn shall be used to provide a home, clothes to wear, and food to eat, with a bit extra to spend, that our lives be not lacking in pleasure and enjoyment… Therefore each time the moon is full, two-tenths of all I have earned shall be divided honorably and fairly among those who have trusted me and to whom I am indebted. Thus in due time will all my indebtedness be surely repaid." (pp. 143-145)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	"We kept $2,500 in a savings account. When that grew to $3,500, we transferred $1,000 into an investment or paid off a debt." (p. 445)
Lowry, Erin	*Broke Millennial*	"it's still important to have an emergency fund of some sort, even if you have excessive debt… your goal should

		still be to set aside $1,000 to brace yourself in case the unexpected happens." (p. 23) "You need to at least be contributing toward a retirement account, even if you have student loans. The only real exception to this rule is if you will start missing monthly minimum payments on credit cards or student loans by putting 3 percent to 5 percent of your paycheck toward a 401(k)." (p. 204) "Goetschius had been so focused on her dream of escaping her debtors' clutches that she had completely ignored her savings account… Someone had slammed into Goetschius's car…$4,000 of repairs. Her year of debt repayment success was reversed in one night because the lack of a savings buffer meant she had to finance her deductible using a credit card with a 17 percent APR… she also changed her focus exclusively from debt repayment to simultaneously funding an emergency savings account…contribute 10 percent of each paycheck toward saving and contribute toward her company 401(k)." (p. 145) "Why bother saving when you have debt? Because trying to play catch-up later is a pain! Did that compound interest example show you nothing?! Well, that and the potential to get free money…employer's matching contribution… only one out for ditching your retirement savings in your early twenties. If you have no employer match *and* have high-interest credit card debt or payday loans *and* are severely behind on monthly payments for your bills, then take a few months to direct potential retirement savings toward getting your debt handled and your financial life back on track. Otherwise, you'd better be contributing to an employer-matched retirement plan or tucking your money away into an IRA." (pp. 215-216)
Mecham, Jesse	*You Need a Budget*	"Maybe you hate your debt, but you also hate the idea of waiting to save a little for your kid's college until your debt is paid off. That inner conflict can reveal your answer: put a little toward both." (p. 41) "As much as I despise debt, I'm actually not telling you to jump right into crushing it. It would be great if you could, but start by figuring out what you can truly afford to pay *after* budgeting for your obligations and other top priorities. Remember: many of your Rule Two true expenses are top

		priorities, even if they don't happen every month. Don't ignore them. If you do, you're likely to slide right back into debt the moment a 'surprise' bill hits… Once you've built up a cushion for these inevitables, you can make your debt payments without worrying about getting blindsided later." (p. 140) "Mitchel mastered Rule Four by taking a hiatus from his aggressive [student] debt payments and putting that money toward his thirty-day buffer. His spending was still tight, but knowing it was for the purpose of building this buffer made the penny-pinching more tolerable. The end goal was not far (much closer than paying off that $104,000), and he says building that cash reserve made all the difference. Once he stopped worrying about whether he could afford to buy his week's supply of peanut butter and jelly and Jack's frozen pizza, he had the mental capacity to focus on his goals." (p. 143)
Olen, Helaine, and Harold Pollack	*The Index Card*	"Don't prioritize emergency savings over credit card debt… We're not suggesting you completely forego an emergency savings account in favor of paying down debt. We just want you to maintain a healthy balance between the two if you find yourself in this position." (p. 37)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"after you've maxed out on the company match in your 401(k), and after you have your credit card debt either paid off or declining, it's smart to focus on buying a home." (p. 279) "But when you reach the point when you are serious about buying a home, you want to start paying down that card balance. First, if you get your balance paid off or at least reduced, you will have a higher FICO score. And that lower debt level is also going to make a lender more eager to work with you." (p. 281) "No matter how cash-strapped you are, I think zero down is the wrong way to go. If you haven't been able to save up even the smallest down payment, I don't think you are ready to take on the responsibility of a large loan. I am not saying you must save up for a 20 percent down payment, but come on, you have to be able to come up with at least 3 percent." (pp. 282-283)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"Since I hate debt so much, people often ask why we don't start with the debt. I used to do that…but I discovered that people would stop their whole Total Money Makeover because of an emergency—they felt guilty that they had to

		stop debt-reducing to survive… that $300 repair ruined the whole plan because the purchase had to go on a credit card since there was no emergency fund. If you use debt after swearing off it, you lose the momentum to keep going… So start with a little fund to catch the little thigs before beginning to dump the debt… No more borrowing! You have to break the cycle." (p. 100)
Roth, J.D.	*Your Money: The Missing Manual*	"The first step on the path to debt-free living is to reverse this cash flow… The next step is to sock away some savings. Use that positive cash flow you're building to set aside a little *self insurance*… It may seem counter-intuitive to save up a little bit of money while you're still in debt, but if you don't save *before* you begin paying down debt, you'll struggle to cope with unexpected expenses. Whatever you do, *don't* use a credit card to pay for emergencies… Ideally, $1,000 is a good amount to start with. (If your expenses are low, you might be able to get by with $500." (p. 59)
Tobias, Andrew	*The Only Investment Guide You'll Ever Need*	"So gradually, he paid them all [his debt] off. At the same time, he put $50 a month into the stock market, via a mutual fund. It might have made more sense, mathematically, to apply that $50 to paying off more debt, 'earning' 18% tax-free by doing so. But psychologically, he wanted to start building something, however small. And he found that he didn't really miss that $50." (p. 61)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"If you use your savings to pay down consumer debts, be careful to leave yourself enough of an emergency cushion… You want to be in a position to withstand an unexpected large expense or temporary loss of income. On the other hand, if you use savings to pay down credit-card debt, you can run your credit-card balances back up in a financial pinch (unless your card gets canceled)…" (p. 76)
Warren, Elizabeth, and Amelia Warren Tyagi	*All Your Worth*	"We want you to get really serious about paying off your debt… Liquidate all your accounts except your 401(k) or IRA (the tax penalties make this too expensive… Keep $1000 in the bank, and commit everything else to paying off your debt… Your savings account probably earns 3%...your credit card debt costs you somewhere around 18%." (pp. 146-147) "why keep $1000 in the bank? This is the start of your Security Fund, which you can use to cover any emergencies. This is the money that will keep you from sliding back into the credit card trap when something goes wrong." (p. 147)

eleven books that say something against co-holding

Bach, David	*The Automatic Millionaire*	"I recommend to people with big credit card balances that they build up just one month's worth of expenses in their security account and then concentrate on paying down their debt. Why? Because it doesn't make sense to have money earning 1 percent in a money market account at the same time that you're paying 20 percent on your credit card debt." (p. 157)
Chilton, David	*The Wealthy Barber Returns*	"It's really troubling the number of net-worth statements I see nowadays where an individual or couple has built up a significant RRSP on the Assets side but matched it with an outsized, non-mortgage consumer debt on the Liabilities side." (p. 82)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Jimmy, if someone finds himself or herself with excess cash from an inheritance, or from any other source, including savings from cash flow, what's the wisest investment he or she could make? … There's simply no better investment alternative for the average American than to pay off his or her non-deductible debt, meaning debt where the interest is not a tax-deductible expense." (p. 181) "Yet incredible numbers of Americans who have outstanding non-deductible loans also own bonds and CDs that pay fully taxable interest. It often doesn't make sense." (p. 182) "To me, it makes little sense to have upwards of ten thousand dollars sitting around earning fully taxable, low rates of return. In most cases, you would be much better off using those funds to pay down your consumer debt or to fund your retirement plan." (p. 197)
Hallam, Andrew	*Millionaire Teacher*, 2nd edition	"When you definitely shouldn't invest… Are you paying interest on credit cards? If you are, then investing money doesn't make sense." (p. 36)
Kobliner, Beth	*Get A Financial Life*	"One of the smartest financial moves you can make is to take any savings you have (above and beyond money you need for essentials like rent, food, and health insurance) and pay off your high-rate loans." (p. 2) "If you have savings, use it to pay off your high-interest rate debt." (p. 31)
Olen, Helaine; Pollack, Harold	*The Index Card*	"We don't want you to begin saving huge amounts of money, for instance, if you have any debts besides student loans and a mortgage." (p. 38)

Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"It makes no sense to pay 18 percent when you have money sitting around earning just 4 percent or so…. Of course, I understand the urge to have a savings account. I am a huge fan of the emergency fund… But if you have credit card debt, you don't really have financial security, no matter how big your savings account is. So my advice…is to use your savings to pay off as much of your credit card debt as possible" (p. 101)
Orman, Suze	*Women & Money*	"If the interest rate on your credit card is at least four percentage points higher than the interest rate on your savings account, it makes financial sense to use your savings to pay off or reduce your credit card debt. And don't think you are mortgaging your financial security by using up your emergency cash fund; the reality is that as long as you have credit card debt you don't really have true financial security in the first place." (p. 104)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"Having $40,000 in credit-card debt and a rental with $40,000 equity doesn't make sense. You wouldn't borrow $40,000 on credit cards to buy a rental, I hope." (p. 122)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"If you have the savings to pay off consumer debt…consider doing so… Paying off consumer loans on a credit card at, say, 12 percent is like finding an investment with a guaranteed return of 12 percent—*tax-free*. You would actually need to find an investment that yielded even more—around 18 percent—to net 12 percent after paying taxes…in order to justify not paying off your 12 percent loans." (p. 76)
Warren, Elizabeth, and Amelia Warren Tyagi	*All Your Worth*	"We want you to get really serious about paying off your debt… Liquidate all your accounts except your 401(k) or IRA (the tax penalties make this too expensive… Keep $1000 in the bank, and commit everything else to paying off your debt… Your savings account probably earns 3%...your credit card debt costs you somewhere around 18%." (pp. 146-147)

Among the eleven books that say something against co-holding, eight nonetheless recommend some positive amount of co-holding.

Bach, David	*The Automatic Millionaire*
Chilton, David	*The Wealthy Barber Returns*
Chilton, David	*The Wealthy Barber, updated 3rd edition*
Olen, Helaine; Pollack, Harold	*The Index Card*
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*

Ramsey, Dave	*The Total Money Makeover, classic edition*
Tyson, Eric	*Personal Finance for Dummies, 9th edition*
Warren, Elizabeth, and Amelia Warren Tyagi	*All Your Worth*

The most frequently cited justification for co-holding (mentioned by seven books) is that it prevents borrowing additional amounts.

Lowry, Erin	*Broke Millennial*	"It's been a rough month. Can't I just charge this to my card even if I can't afford it? The short answer to this question is no, you can't… this option comes with a hefty price tag. Having an emergency fund even when you're in debt is incredibly important for this reason." (p. 96)
Mecham, Jesse	*You Need a Budget*	"As much as I despise debt, I'm actually not telling you to jump right into crushing it. It would be great if you could, but start by figuring out what you can truly afford to pay *after* budgeting for your obligations and other top priorities. Remember: many of your Rule Two true expenses are top priorities, even if they don't happen every month. Don't ignore them. If you do, you're likely to slide right back into debt the moment a 'surprise' bill hits… Once you've built up a cushion for these inevitables, you can make your debt payments without worrying about getting blindsided later." (p. 140)
Olen, Helaine, and Harold Pollack	*The Index Card*	"Don't prioritize emergency savings over credit card debt… We're not suggesting you completely forego an emergency savings account in favor of paying down debt. We just want you to maintain a healthy balance between the two if you find yourself in this position." (p. 37)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"Since I hate debt so much, people often ask why we don't start with the debt. I used to do that…but I discovered that people would stop their whole Total Money Makeover because of an emergency—they felt guilty that they had to stop debt-reducing to survive… that $300 repair ruined the whole plan because the purchase had to go on a credit card since there was no emergency fund. If you use debt after swearing off it, you lose the momentum to keep going… So start with a little fund to catch the little thigs before beginning to dump the debt… No more borrowing! You have to break the cycle." (p. 100)
Roth, J.D.	*Your Money: The Missing Manual*	"The first step on the path to debt-free living is to reverse this cash flow… The next step is to sock away some savings. Use that positive cash flow you're building to set aside a little *self insurance*… It may seem counter-intuitive to save up a little bit of money while you're still in debt, but

		if you don't save *before* you begin paying down debt, you'll struggle to cope with unexpected expenses. Whatever you do, *don't* use a credit card to pay for emergencies… Ideally, $1,000 is a good amount to start with. (If your expenses are low, you might be able to get by with $500." (p. 59)
Tyson, Eric	*Personal Finance for Dummies, 9th edition*	"If you use your savings to pay down consumer debts, be careful to leave yourself enough of an emergency cushion… You want to be in a position to withstand an unexpected large expense or temporary loss of income. On the other hand, if you use savings to pay down credit-card debt, you can run your credit-card balances back up in a financial pinch (unless your card gets canceled)…" (p. 76)
Warren, Elizabeth, and Amelia Warren Tyagi	*All Your Worth*	"We want you to get really serious about paying off your debt… Liquidate all your accounts except your 401(k) or IRA (the tax penalties make this too expensive… Keep $1000 in the bank, and commit everything else to paying off your debt… Your savings account probably earns 3%...your credit card debt costs you somewhere around 18%." (pp. 146-147) "why keep $1000 in the bank? This is the start of your Security Fund, which you can use to cover any emergencies. This is the money that will keep you from sliding back into the credit card trap when something goes wrong." (p. 147)

Four books refer to the motivation created by building assets even while paying down debt.

Bach, David	*The Automatic Millionaire*	"Whatever amount you decide to Pay Yourself First, split it in half, with 50 percent going to you and 50 percent going to pay off your debt… The reason I suggest splitting your Pay Yourself First money in this way is so you can make progress on your future while you are getting yourself out of debt. The rationale here is as much emotional as it is financial. By doing both of these things at the same time, you will feel your progress… If you were to direct all of your available cash flow to debt reduction…it might literally be years before you could begin saving for the future. This is too negative—so negative, in fact, that many people who follow this path get discouraged, give up early, and never get to the saving part." (p. 204)
Chilton, David	*The Wealthy Barber Returns*	"The wife proudly announced that they used pre-authorized chequing and payroll deductions to fully fund their RRSPs and to do some additional long-term saving…The problem was that they had trouble saving for things like a new TV or a trip or a hot tub… They refused to use their credit

		card…They set up a small line of credit of only $7,000 and made a firm promise to each other that once they borrowed, no matter what the amount, they couldn’t borrow again until their LOC balance had returned to zero.” (p. 57-58)
Clason, George	*The Richest Man in Babylon*	“First, the plan doth provide for my future prosperity. Therefore one-tenth of all I earn shall be set aside as my own to keep… Therefore seven-tenths of all I earn shall be used to provide a home, clothes to wear, and food to eat, with a bit extra to spend, that our lives be not lacking in pleasure and enjoyment… Therefore each time the moon is full, two-tenths of all I have earned shall be divided honorably and fairly among those who have trusted me and to whom I am indebted. Thus in due time will all my indebtedness be surely repaid.” (pp. 143-145)
Tobias, Andrew	*The Only Investment Guide You’ll Ever Need*	“So gradually, he paid them all [his debt] off. At the same time, he put $50 a month into the stock market, via a mutual fund. It might have made more sense, mathematically, to apply that $50 to paying off more debt, ‘earning’ 18% tax-free by doing so. But psychologically, he wanted to start building something, however small. And he found that he didn’t really miss that $50.” (p. 61)

Three books endorse building up “long-term” savings in particular while paying down debt

Clason, George	*The Richest Man in Babylon*	“First, the plan doth provide for my future prosperity. Therefore one-tenth of all I earn shall be set aside as my own to keep… Therefore seven-tenths of all I earn shall be used to provide a home, clothes to wear, and food to eat, with a bit extra to spend, that our lives be not lacking in pleasure and enjoyment… Therefore each time the moon is full, two-tenths of all I have earned shall be divided honorably and fairly among those who have trusted me and to whom I am indebted. Thus in due time will all my indebtedness be surely repaid.” (pp. 143-145)
Lowry, Erin	*Broke Millennial*	“Why bother saving when you have debt? Because trying to play catch-up later is a pain! Did that compound interest example show you nothing?! Well, that and the potential to get free money…employer’s matching contribution… only one out for ditching your retirement savings in your early twenties. If you have no employer match *and* have high-interest credit card debt or payday loans *and* are severely behind on monthly payments for your bills, then take a few months to direct potential retirement savings toward getting your debt handled and your financial life back on track. Otherwise, you’d better be contributing to an employer-

		matched retirement plan or tucking your money away into an IRA." (pp. 215-216)
Mecham, Jesse	*You Need a Budget*	"Maybe you hate your debt, but you also hate the idea of waiting to save a little for your kid's college until your debt is paid off. That inner conflict can reveal your answer: put a little toward both." (p. 41))

11 books say that ARMs are riskier than FRMs

Bach, David	*The Automatic Millionaire*	Short-term adjustable rate (5 years or less): "These loans are typically used by people who want to keep their monthly payments as low as possible. They make most sense for those who can handle risk and don't expect to live in the house more than a few years. A great deal if rates stay low." (p. 175) Intermediate adjustable rate (3/1, 5/1, 7/1, or 10/1 ARM): "The longer you lock in the rate, the higher the payments and the lower the risk." (p. 175)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Basically, you're fixing your costs and, in most cases, you can be sure your income will be rising. Sure, sometimes rates will go down and you'll regret your decision. Even then, though, you can often refinance… if rates fall by two percent or more it's often a good move… The risk is that rates may fall and you'll be paying more than your buddies…but you will be surviving! The reward is that, if rates rise dramatically, you'll not be forced to sell your house. You'll have peace of mind—and that's worth a lot." (p. 153)
Olen, Helaine; Pollack, Harold	*The Index Card*	"True, you can lower your initial monthly payments by getting an ARM or interest-only loan… But there's a real risk. If interest rates rise, your monthly payment can really rise too… Why bring more complexity and uncertainty into your life?" (p. 170)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"With a fixed rate mortgage…No surprises, no fluctuations—ever. That's quite different from an adjustable rate mortgage (ARM). The initial interest rate on an ARM is going to be much lower than that of a fixed-rate mortgage—typically more than 1.5 percentage points, but you need to respect the word 'adjustable.'… What looked great in the first year can become a nightmare soon after." (p. 289)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	ARMs: "One of the worst financial products of all time…It essentially transfers the risk of higher rates *off* of the bank and *onto* you! And especially these days, with rates incredibly low, there's only one direction those rates are

		going to adjust, and that's *up*. Don't get caught with an ARM. If you're in one, refinance out of it *today*!" (p. 295)
Ramsey, Dave	*Financial Peace Revisited*	The worst home loans are the adjustable rate mortgages, or ARMs… Most of these adjustments are based on indexes like the one-year treasury bills…The T-bill is the more volatile of the two, but neither is acceptable in terms of risk." (p. 79)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"The ARM was born to transfer the risk of higher interest rates to you, the consumer. In the last several years, home mortgage rates have been at a thirty-year low. It is not wise to get something that adjusts when you are at the bottom of rates! The mythsayers always seem to want to add risk to your home, the one place you should want to make sure has stability." (p. 174)
Robbins, Tony	*Money: Master the Game*	"On the other hand, owning your home with a fixed-rate mortgage is a hedge against inflation, and there's a tax advantage. What's more, if you own a home outright, and you rent out all or part of it, it can be a safe way to earn some income." (p. 310)
Roth, J. D.	*Your Money: The Missing Manual*	"Be wary of mortgage products like adjustable-rate and interest-only loans. These may seem attractive, but there are a lot of pitfalls involved. These types of loans are for 'sophisticated' borrowers. (If you're not sure whether you're a sophisticated borrower, you're not.)" (p. 209)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"You can't afford much risk, for example, if your job and income are unstable and you need to borrow a lot… If you're in this situation, stick with a fixed-rate loan." (p. 279) "If you can't afford the highest allowed payment on an adjustable-rate mortgage, *don't take out an ARM*… You need to also consider your stress level. If you have to start following interest rate movements, it's probably not worth gambling on rates." (p. 279)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"If rates are low, then it is a good idea to lock in the rate for as long as you plan to live in your house. You will pay slightly more for a fixed-rate loan, but the security is worth it…" (p. 85)

only two books mention that FRMs are exposed to inflation risk, but they see this exposure as advantageous

Robbins, Tony	*Money: Master the Game*	"On the other hand, owning your home with a fixed-rate mortgage is a hedge against inflation, and there's a tax advantage. What's more, if you own a home outright, and

		you rent out all or part of it, it can be a safe way to earn some income." (p. 310)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	"Most of the mortgages written now are of the 30-year variety. And it makes sense to get one. House buying is tough, and most of us struggle just to buy at all. But you should get one that doesn't penalize you for making extra payments. If your financial circumstances improve, and as inflation reduces the value of the mortgage, you should be able to make extra payments." (p. 254)

eight books recommend choosing an FRM instead of an ARM

Bach, David	*The Automatic Millionaire*	"My first choice for most people is a 30-year fixed rate mortgage. Why? Well, to begin with, they are simple. They're also a great deal when interest rates are low, since they lock in that low rate for the next 30 years." (p. 176)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Because no one can predict the future with certainty, it is difficult to decide between a fixed-rate mortgage and an adjustable-rate mortgage… For the majority of us, a fixed-rate mortgage is the way to go. If you know you can afford to make the payments, you should never be in trouble. Basically, you're fixing your costs and, in most cases, you can be sure your income will be rising. Sure, sometimes rates will go down and you'll regret your decision. Even then, though, you can often refinance… if rates fall by two percent or more it's often a good move… The risk is that rates may fall and you'll be paying more than your buddies…but you will be surviving! The reward is that, if rates rise dramatically, you'll not be forced to sell your house. You'll have peace of mind—and that's worth a lot." (p. 153)
Olen, Helaine; Pollack, Harold	*The Index Card*	"Plain-vanilla fixed rate is best" (p. 169)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"Of course, my favorite mortgage is the '100% Down Plan,' meaning you pay cash for your house. It's not as crazy as it sounds! But if you absolutely must take out a mortgage, never get more than a fifteen-year fixed-rate mortgage, and never get a payment that is more than 25 percent of your take-home pay"
Ramsey, Dave	*Financial Peace Revisited*	"Regular home loans are probably the best buy you can get, in general. The interest rates and terms are about the best of any borrowing available to the consumer. The worst home loans are the adjustable rate mortgages, or ARMs… Most of these adjustments are based on indexes like the one-year

		treasury bills…The T-bill is the more volatile of the two, but neither is acceptable in terms of risk. The *Wall Street Journal* has reported that many financial institutions 'forget' to lower the rate (strange how they never 'forget' to raise it). A fixed-rate shorter-term loan on a home is your best bet…" (p. 79)
Roth, J. D.	*Your Money: The Missing Manual*	"Be wary of mortgage products like adjustable-rate and interest-only loans. These may seem attractive, but there are a lot of pitfalls involved. These types of loans are for 'sophisticated' borrowers. (If you're not sure whether you're a sophisticated borrower, you're not.)" (p. 209)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"I urge you to stick by tried-and-true rules, like 20 percent down, a 30-year fixed-rate mortgage, and a total monthly payment that represents no more than 30 percent of your gross income." (p. 326)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"If rates are low, then it is a good idea to lock in the rate for as long as you plan to live in your house. You will pay slightly more for a fixed-rate loan, but the security is worth it… If you think you will stay in this house for the rest of your life, get a 30-year fixed-rate mortgage… And if you're not really sure whether you'll move or stay put, your safest bet is still a 30-year fixed loan. It costs a little more, but 30 years of easy sleeping is well worth the price." (p. 85)

Only two books recommend choosing a hybrid ARM, but they both advise avoiding exposure to the floating interest rate phase of the contract by choosing an initial fixed-rate period that corresponds to how long you plan to stay in the home.

Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"Which brings us to the Goldilocks option for the YF&B: a hybrid mortgage… the initial rate is going to be lower than…a thirty-year fixed-rate mortgage, and more than the rate offered on an ARM that starts adjusting after just one year… The hybrid seems custom-tailored for the YF&B. Chances are that given your age, your first home isn't going to be your last home… So if you don't plan to stay in the house for thirty years, why pay more (in the higher interest rate) for the assurance that your rate won't change for thirty years? Pick a hybrid (three, five, seven, or ten years) that gibes with how long you expect to stay in the home. You'll get a lower rate than with a fixed mortgage, but without the annual rate risk of an ARM." (p. 290)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"If you are pretty sure you will move on in a few years, you might consider a mortgage that is fixed for the first 5 or 7 years, which tends to be cheaper than a 30-year fixed loan… But stay away from any ARM that lasts less than 5

		years; the risk that rates will rise while you're still living there is just too high." (p. 85)

Four books write approvingly of obtaining a mortgage with a 5% down payment or less in order to become a homeowner sooner

Bach, David	*Smart Women Finish Rich*, 2nd edition	"It's a common misconception that in order to buy a house you need to have tens of thousands of dollars in the bank for a down payment. Not true. These days, many banks will lend you 100 percent of the purchase price…" (pp. 220-221)
Bach, David	*The Automatic Millionaire*	"There are all sorts of programs…that can enable first-time homebuyers to finance as much as 95, 97, or even 100 percent of the purchase. price. While borrowing so much can be risky (if you can't afford the monthly payments), it's also a way of getting out of a renting situation and into your own home much faster than saving up enough money to make a big down payment." (p. 166)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"It's not at all difficult to obtain a loan today with a ten percent down payment… an FHA mortgage is worth looking at… the down payment is usually only five percent. Qualified veterans can apply for a VA mortgage—often a great deal, sometimes involving no down payment." (p. 156)
Orman, Suze	*The Money Book for the Young, Fabulous & Broke*	"No matter how cash-strapped you are, I think zero down is the wrong way to go. If you haven't been able to save up even the smallest down payment, I don't think you are ready to take on the responsibility of a large loan. I am not saying you must save up for a 20 percent down payment, but come on, you have to be able to come up with at least 3 percent." (pp. 282-283)

Five books recommend trying to make a down payment of at least 20% of the home's purchase price

Olen, Helaine; Pollack, Harold	*The Index Card*	"It is hard to save up to 20 percent of the purchase price of a home… But the closer you can get to 20 percent, the better… The more money you can put down toward the initial purchase of the home, the lower your monthly mortgage payment… This can save you tens of thousands of dollars over the life of the loan. You'll probably get a lower interest rate too. The more you put down, the less likely you'll ever fall 'underwater'… Should you ever have an urgent need to sell, this is crucial. If you put down less than 20 percent, you will need…PMI." (pp. 167-168)

Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	Only get a fifteen-year fixed-rate conventional mortgage with at least 10 percent down and a payment that is no more than 25 percent of your take-home pay." (pp. 299-300) "I'd prefer you put 20 percent or more down, though. That gives you a more solid position and it keeps you out of PMI territory." (p. 300)
Roth, J. D.	*Your Money: The Missing Manual*	"Generally, once you've saved 20% for a down payment *and* you can afford monthly mortgage payments, you're ready to start looking for a home. Yes, you *can* buy a home with a smaller down payment, but it'll cost you in the long run. You'll need to carry private mortgage insurance, you'll pay more interest, and you could put yourself in a position where you can't afford to sell your home!" (p. 200)
Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"the stupidity of people who purchase houses for ten times their salaries with zero money down. Sure, you can stretch those traditional guidelines a little, but if you buy something you simply can't afford, it will come around and bite you in the ass. Let me be crystal clear: Can you afford at least 20 percent down payment for the house? If not, set a savings goal and don't even think about buying until you reach it." (p. 322)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	"Save until you have at least 10% for a down payment (better yet, 20%)." (p. 223)

Six books recommend taking a 30-year mortgage

Bach, David	*Smart Couples Finish Rich*	"You can keep the 30-year mortgage you've got, and if you ever get a new mortgage, you should probably get one with a 30-year term as well. The fact is, 30-year mortgages give you a ton of flexibility… under no circumstances should you take the full 30 years to repay it." (p. 209)
Bach, David	*The Automatic Millionaire*	"My first choice for most people is a 30-year fixed rate mortgage. Why? Well, to begin with, they are simple. They're also a great deal when interest rates are low, since they lock in that low rate for the next 30 years." (p. 176)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	"Most of the mortgages written now are of the 30-year variety. And it makes sense to get one." (p. 254)
Roth, J. D.	*Your Money: The Missing Manual*	"For most people, a 30-year, fixed-rate mortgage is the best choice. The monthly payments are lower than with a 15-year loan, and you have greater flexibility." (p. 209)

Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"I urge you to stick by tried-and-true rules, like 20 percent down, a 30-year fixed-rate mortgage, and a total monthly payment that represents no more than 30 percent of your gross income." (p. 326)
Warren, Elizabeth, Amelia Warren Tyagi	*All Your Worth*	And if you're not really sure whether you'll move or stay put, your safest bet is still a 30-year fixed loan. It costs a little more, but 30 years of easy sleeping is well worth the price." (p. 85)

Three books, all by Dave Ramsey, recommend a 15-year term.

Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"But if you absolutely must take out a mortgage, never get more than a fifteen-year fixed-rate mortgage, and never get a payment that is more than 25 percent of your take-home pay"
Ramsey, Dave	*Financial Peace Revisited*	A fixed-rate shorter-term loan on a home is your best bet…" (p. 79)
Ramsey, Dave	*The Total Money Makeover*, classic edition	"The really interesting thing I have observed is that fifteen-year mortgages always pay off in fifteen years… Thirty-year mortgages are for people who enjoy slavery so much they want to extend it for fifteen more years and pay thousands of dollars more for the privilege. If you must take out a mortgage, pretend only fifteen-year mortgages exist." (p. 173)

Paying off your mortgage ahead of schedule is recommended by 11 books.

Bach, David	*Smart Couples Finish Rich*	"I think 30-year mortgages are worse than a mistake. I think they are a scam…pushed nationwide by both the banks and the government. And to make matters worse, this scam is about to get worse, because now the banks are starting to push 40-year mortgages." (p. 208) "What's my problem with 30-year mortgages? … Say you purchase a home with a $250,000 mortgage that you pay off over a 30-year period. Say the interest rate is 8 percent a year. When all is said and done, you will have actually given the bank $660,240." (p. 208) "under no circumstances should you take the full 30 years to repay it." (p. 209) "review what your last payment was. Now take that number and add 10 percent to it. That's how much you're going to send the bank next month, and every month thereafter…

		Increase your monthly payment by 20 percent, and you'll have that mortgage retired in about 18 years" (pp. 209-210)
Bach, David	*Smart Women Finish Rich*, 2nd edition	"without question the biggest single scam perpetuated on the American public today is the 30-year mortgage. A typical 30-year mortgage at 8 percent inflates the real cost of a $250,000 home to more than $660,000." (p. 217) "you don't have to run out and get a new mortgage…call your mortgage holder and ask him how much you would need to add to your principal payment each month in order to pay off your mortgage in 15, 18, or 20 years… If you can manage it, consider making an extra 10 percent payment each month and then adding an extra month's payment at the end of the year." (p. 218) While I believe in paying off your mortgage more quickly than the bank would like, it doesn't always make sense to pay it off all at once. There are a lot of variables involved—such as how long you intend to stay in your house, how much money you have, and when you were planning on retiring…" (p. 220)
Bach, David	*The Automatic Millionaire*	"What you do is take your mortgage payment and instead of paying it in full once a month, you pay half every two weeks. You do that consistently, and by the end of the year you've made a whole extra payment without ever feeling the pinch. So instead of taking thirty years to pay down your mortgage, you'll have the thing paid off in twenty-three years." (p. 22) "Still, most people get burned on their 30-year mortgages. That's because you don't actually want to pay for your home for more than 30 years. Why? Because if you do, you'll be in debt and paying off your home forever… most people live in their homes for less than ten years. The average is only about five to seven years. Now, if you live in a house for, say, seven years and then sell it, you will have paid down the principal on your mortgage by only 4 percent!" (p. 177)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	But you should get one that doesn't penalize you for making extra payments. If your financial circumstances improve, and as inflation reduces the value of the mortgage, you should be able to make extra payments." (p. 254) "What about investing, instead of using money to pay off a mortgage? … He told me that the average investor will not earn 9% or 10% on his investment. Therefore, paying off a

		mortgage early is a great investment strategy. The exception would be the family with the mortgage at a very low interest rate of 5% or less. They will do better to invest surplus money in any one of a number of safe plans that yields 6% or more." (p. 254)
Mecham, Jesse	*You Need a Budget*	"Questions usually fly when I tell people that Julie and I race to pay off our mortgages… Technically, yes, you can save a ton of interest… But that's not why we do it… Julie and I just love the idea of living in a paid-for house." (p. 139)
Orman, Suze	*Women & Money*	"A special note for women over forty-five: I always want you to invest in your 401(k) if you get a company match, but after you achieve that, I think it can be incredibly wise to forgo investing any more in retirement accounts and shift your attention—and money—to paying off your mortgage so you can own your home outright by the time you retire. For those of you who are at least forty-five years old and are living in a home you expect to retire in, I think it makes tremendous financial (and emotional) sense to try to pay off your mortgage ahead of schedule." (pp. 157-158)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"And definitely stay away from a thirty-year loan! … In this example, if you took out the thirty-year mortgage, you'd end up paying $485,000 for that $225,000 loan. But if you take the fifteen-year, you'd end up paying just $341,000. That means for an extra $550 per month, you'd save yourself $143,000 *and* fifteen years of debt!... If you get a thirty-year and think you'll pay it off like a fifteen-year, you're fooling yourself." (p. 89)
Ramsey, Dave	*Financial Peace Revisited*	"Baby Step Six: I love this one. It is now time to pay all the extra you can scrape together to pay your house off early. It may be two, three, even four years to get to this step, but when you do you will be able to knock that house debt off very quickly." (p. 275)
Richards, Carl	*The One-Page Financial Plan*	"I've never actually seen anyone who bet on the question mark who is really happy with their results. I have, on the other hand, met a lot of people who've felt the elation that comes from paying down their mortgages… Even though it may not make sense on a spreadsheet…every client I know who's gotten debt-free or stayed debt-free has felt good about it." (p. 155)
Robbins, Tony	*Money: Master the Game*	"If you have a traditional fixed-rate mortgage, all you have to do is make early principal payments over the life of the loan. Prepay your next month's principal, and you could pay off a 30-year mortgage in 15 years in many cases!... The next time you write your monthly mortgage check, write a second check for the principal-only portion of next

		month's payment. It's money you'll have to pay anyway the following month, so why not take it out of your pocket a couple of weeks early and enjoy some serious savings down the road?... That second check is money you'll *never* pay interest on." (p. 253)
Robin, Vicki, Joe Dominguez	*Your Money or Your Life*	Many people, however, will find comfort and freedom in the idea of owning their home debt-free, and therefore should figure out the best way to pay off their mortgage early." (p. 187)

the interest savings from doing so is mentioned by seven books

Bach, David	*Smart Couples Finish Rich*	"What's my problem with 30-year mortgages? … Say you purchase a home with a $250,000 mortgage that you pay off over a 30-year period. Say the interest rate is 8 percent a year. When all is said and done, you will have actually given the bank $660,240." (p. 208)
Bach, David	*Smart Women Finish Rich*, 2nd edition	"without question the biggest single scam perpetuated on the American public today is the 30-year mortgage. A typical 30-year mortgage at 8 percent inflates the real cost of a $250,000 home to more than $660,000." (p. 217) "if you paid off your mortgage in 15 years, the total cost of your house would come to just $493,000." (p. 218)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	"after 15 years for every $1.00 paid early (of what the family would have to pay anyway) they would save $3.45. That's a hard investment strategy to beat." (p. 255)
Mecham, Jesse	*You Need a Budget*	"Questions usually fly when I tell people that Julie and I race to pay off our mortgages… Technically, yes, you can save a ton of interest… But that's not why we do it… Julie and I just love the idea of living in a paid-for house." (p. 139)
Orman, Suze	*Women & Money*	"For those of you who are at least forty-five years old and are living in a home you expect to retire in, I think it makes tremendous financial (and emotional) sense to try to pay off your mortgage ahead of schedule." (pp. 157-158)
Ramsey, Dave	*Dave Ramsey's Complete Guide to Money*	"And definitely stay away from a thirty-year loan! … In this example, if you took out the thirty-year mortgage, you'd end up paying $485,000 for that $225,000 loan. But if you take the fifteen-year, you'd end up paying just $341,000. That means for an extra $550 per month, you'd save yourself $143,000 *and* fifteen years of debt!... If you get a thirty-year and think you'll pay it off like a fifteen-year, you're fooling yourself." (p. 89)
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four books cite the emotional reward from owning your house debt-free as a reason

Mecham, Jesse	*You Need a Budget*	"Questions usually fly when I tell people that Julie and I race to pay off our mortgages… Technically, yes, you can save a ton of interest… But that's not why we do it… Julie and I just love the idea of living in a paid-for house." (p. 139)
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one book recommends against accelerating mortgage payments

Sethi, Ramit	*I Will Teach You to Be Rich*, 2nd edition	"I like a thirty-year fixed-rate loan. Yes, you'll pay more in interest compared to a fifteen-year loan. But a thirty-year loan is more flexible, because you can take the full thirty years to repay it or pay extra toward your loan and pay it off faster if you want. But you probably shouldn't: *Consumer Reports* simulated what to do with an extra $100 per month, comparing the benefits of prepaying your mortgage versus investing in an index fund that returned 8 percent. Over a twenty-year period, the fund won 100 percent of the time. As they said, '…the longer you own

		your home, the less likely it is that mortgage prepayment will be the better choice.'" (p. 329)

five books are ambivalent about whether one should repay more quickly

Chilton, David	*The Wealthy Barber Returns*	"Now, what about [pre-paying] your five percent mortgage up against the TFSA? That's a tough one… it's never a mistake to pay down your mortgage. The after-tax rate of return is reasonable and you can't mess it up… making extra payments against your mortgage's principal often reduces stress and build pride in ownership…Many in the financial business concede these points but counter that an investor should be able to post a long-term performance of greater than five percent a year… However, equities do involve risk" (pp. 202-203)
Chilton, David	*The Wealthy Barber*, updated 3rd edition	"Let me start by saying that it is possible to do worse than a six-percent after-tax return. Especially since there are a number of other benefits to paying down the mortgage, including stress reduction, pride in ownership, and freed-up cash flow when the mortgage is eventually repaid in full. Those points aside, I'd agree that it may not be your best investment alternative and you'd certainly be making a mistake to sacrifice your ten percent savings, your insurance program, or your retirement planning to pay off the house faster. However, if you have surplus funds…paying down the mortgage may be worth considering… I've yet to meet anyone who has paid off his mortgage early and regretted it." (pp. 150-151)
Dacyczyn, Amy	*The Complete Tightwad Gazette*	"I'm not qualified…Some experts recommend prepaying your mortgage, but conflicting articles say the money could be better used for investing." (p. 353)
Roth, J. D.	*Your Money: The Missing Manual*	"Few people would argue that prepaying your mortgage is a bad move, but there are some who don't think it's the *best* move. Is prepayment right for you? If you plan to stay in your home for a long time, it may be. The choice depends on your financial goals and what will make you happy." (p. 215)
Tyson, Eric	*Personal Finance for Dummies*, 9th edition	"Paying off some of or your entire mortgage may make sense, too. This financial move isn't as clear as erasing consumer debt, because the mortgage interest rate is lower than it is on consumer debt and is usually tax-deductible." (p. 244) "Although federal financial aid analysis no longer counts equity in your primary residence as an asset, many private (independent) schools continue to ask parents for this

		information when making their own financial aid determinations. Therefore, paying down your home mortgage more quickly instead of funding retirement accounts can harm you financially." (p. 262)