

What is The Skilled Investor and who will find it useful?

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Summary: Numerous strategies and tactics bombard individual investors. Some are right, but many are wrong. By providing objective information, *The Skilled Investor* helps you to tell the difference. With its educational summaries of investment studies, it helps you to make more optimal and rational personal investment decisions. Personal wealth provides freedom of choice and insulates people from the financial impacts of many risks. Personal wealth is a relative concept. It depends, as much upon an individual's needs, wants, and compulsion to spend, as it does on his income and assets. *The Skilled Investor* defines personal wealth as ample income and asset coverage of expenses over your full lifecycle. For most people, achieving personal wealth requires many years of effort and may involve significant worry. A comprehensive and rational investment strategy can build wealth and security more rapidly and more reliably. A rational approach to personal finance and investing can mean less work and much less worry. Scientifically based financial and investment planning involves both theory and practice. *The Skilled Investor's* approach supports learning about valid investment principles within a practical context. This balances the need to understand the truth about investment theory with the desire for straightforward implementation strategies. Many individual investors strongly desire to improve upon their personal investment knowledge and skills. These investors are powerfully motivated by the need to ensure a prosperous and secure financial future. Such individuals wish to manage their investments optimally, and they realize that the ultimate responsibility for investment success or failure rests upon their shoulders. Rather than simply trusting that advisors and agents will keep their interests paramount, these individuals want to sharpen their investing skills. *The Skilled Investor* helps them to do so in a time-efficient and scientifically valid manner. *The Skilled Investor* assumes that many experienced and novice individual investors are intelligent, educated, and sophisticated. In their business and personal endeavors, many are highly self-directed and successful. However, when it comes to investing, many feel like fish out of water, because of the complexity and uncertainty of investment decision making and the lack of readily accessible and objective knowledge about investment tradeoffs. (See: [Respect for the intelligence of individual investors](#)) Individual investors lack convenient access to understandable information to help them develop deeper investment knowledge and to allow them to distinguish between investment fact and folklore. Individuals often become more confused, when they seek enlightenment from the financial media and from best-selling books by investment industry celebrities. Instead of learning how to develop coherent investment strategies, they receive contradictory advice and a high volume of useless noise about the current state of the financial markets. (See: [What should I look for in the financial media to improve my investment skills?](#)) When individuals consult with financial advisors, brokers, and other investment professionals, all too often they get the same superficial one-size-fits-all advice. They sometimes become dismayed by the ignorance, bias, and self-interested behaviors of the "advisors" serving them. Advisors and agents frequently are much better trained at selling investment products, than they are properly educated on the intricacies of investing. Despite the uneven quality of financial advisors, *The Skilled Investor* believes ethical,

knowledgeable, and objective advisors are extremely valuable to individual investors. If you have such an advisor and they follow scientific finance principles, learn from them, but do not follow blindly. After most advisors are long gone, you still have to live with the results of investment decisions that you permitted others to make for you. With or without the assistance of professional advisors, developing appropriate investment strategies based upon valid scientific principles is not a simple matter. While the rewards are significant, skilled investing has some complexity and risks is always an element to manage and reduce. Furthermore, the sales and marketing tactics of advisors and financial institutions are sophisticated, and the hands in an individual investor's wallet are numerous. Because individual investors get so much contradictory and unreliable advice, they often operate on emotion and on flawed instincts. Instead, they need solid evidence on best investment practices. The scientific finance literature demonstrates that a very large number of individual investors have highly suboptimal investment practices. Often the real financial consequences of individual investors' actions have not been made plain to them. Whenever it is available, *The Skilled Investor* provides 'dollars-and-sense' illustrations of the true costs of suboptimal behavior. It is one thing to repetitively hear and read high-level platitudes about diversification, asset allocation, minimizing fees, ignoring hot tips, and the like, but such exhortations may not be enough for some individuals to change ingrained habits. Therefore, *The Skilled Investor* provides information about the consequences of certain behaviors, so that a reader might say to himself 'oh, I do that ... seems like it would be wise to make a change.' In summary, *The Skilled Investor* educates individual investors on scientific finance, as they strive to manage and direct their own investment affairs. See also: [Background of author](#) [Motivation of author and his individual investor education efforts](#) [How does The Skilled Investor find and summarize scientific investment information?](#)