Pittenger & Anderson, Inc.
REGISTERED INVESTMENT ADVISOR

**The P&A Blog**
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## Mass-produced financial advice

*By Jon*

Not to be confused with quick lube financial advice, mass produced financial advice is what you find in personal finance magazines and on money websites. While much of this information is educational and informative, these vendors don't know *you* or your personal, unique financial situation.

Let's remember why magazines and websites are in business: to make money. And the way they make money is through advertising. And the way they get advertisers to sign up is by generating a lot of eyeballs. And the way they generate eyeballs is through (sometimes hyperbolic) headlines that cause us to click or stay on the page.

The human brain is wired to pay attention to danger and bad news. This negativity bias draws us to headlines that suggest we are at risk of harm (financial, physical, emotional, etc.).

If you're nearing retirement, your reticular activator might be tuned to headlines like these:

- 5 common Social Security pitfalls
- Are you taking too much risk with your investments?
- Avoid these 10 retirement mistakes
- Will your money run out in retirement?
- Are you paying too much for your Medicare supplement?

Now that we've slung some arrows, we have a confession to make. Not all of what we write about on the P&A blog applies to *your* specific situation either, but that's okay. Because through additional conversation and by guiding you through our financial planning process, we go many layers deeper before recommending any course of action.

Over the years, we've had many clients call or email about something they've read online or seen in a magazine. And we welcome these discussions, because it's an opportunity for us to add value, to explain why or why not a piece of advice they read about is worth pursuing.

Rules of thumb are the main culprits of suboptimal financial advice. Here are a few examples:

- Do you really need 3-6 months cash in an emergency fund if you have a $10 million investment portfolio?
- Should the percentage of stocks in your account really be a function of your age in this low interest rate world?
- Should you wait until 70 to claim Social Security if your life expectancy is 75?

As your guide through the financial jungle, we can take these high-level concepts and show you how they apply to your specific, unique situation. As they say, personal finance is more personal than financial. We each have our own money personality, history, risk tolerance, timeline, and personal preferences. So, the next time you read an article from a money magazine or website, just know that the personal financial advice they offer might not be personalized *to you*.

As always, feel free to connect with one of our Lead Advisors and Certified Financial Planners if this post spawns any questions or comments.

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