



Financial lessons from a second grader and a spy

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Investing is so simple a child could do it. While you may take issue with that statement, it doesn't have to be intimidating. Even amid all the uncertainty, having an understanding of at least the key principles of the market can keep you from veering wildly off course.

Here's a small but varied sample of new personal finance titles that can help you manage your financial life more effectively.

TITLE: How a Second Grader Beats Wall Street

AUTHOR: Allan S. Roth

PUBLISHER: Wiley

PRICE: \$24.95 (hardcover)

SUMMARY: Holding just three mutual funds, financial planner and investment advisor Allan S. Roth's son Kevin beat the S&P 500 when the market was gaining, and lost less when it was falling. What makes it interesting is the Kevin is in the second grade. Roth says this was possible because he used a simple philosophy driven by simple rules — so simple he could explain them to his child.

Using the experience of teaching a kid about Wall Street yields some childlike observations, like a comparison of portfolio managers and pro wrestlers, that are guaranteed to generate a smile or two for readers. And along the way, Roth tries to take the mystery out of investing and shed some light on how Wall Street works.

QUOTE: "Get ready to unlearn all of the psychobabble you've been taught regarding investing. Our second grader will show you how to replace it with simple common sense. And we will show you why common sense isn't actually all that common."

_ Eileen AJ Connelly

TITLE: Fund Spy: Morningstar's Inside Secrets to Selecting Mutual Funds That Outperform

AUTHOR: Russel Kinnel

PUBLISHER: Wiley

PRICE: \$24.95 (hardcover)

SUMMARY: If you think one mutual fund is more or less the same as the next, you may think differently after reading "Fund Spy." Russel Kinnel shares key things to know about picking the winners, gleaned from his more than 15 years researching funds at Morningstar Inc. The book presents the essentials of fund selection in a way that's accessible to novice investors. Key themes include the importance of low fund fees, and the link between investment performance and a fund company's commitment to putting clients' interests ahead of its sales goals. And Kinnel isn't afraid to name names — he recommends 20 funds, and offers thoughts on the best and worst fund companies out there.

QUOTE: "It's amazing to me how people will spend way more time researching fun expenditures, like cars and plasma TVs, than they will on developing an investment plan and selecting their investments. Sure, it isn't fun, but it's your retirement, your house, and your kids' college education!"

_ Mark Jewell

TITLE: With Purpose: Going from Success to Significance in Work and Life

AUTHORS: Ken Dychtwald and Daniel J. Kadlec

PUBLISHER: Collins

PRICE: \$25.99 (hardcover)

SUMMARY: Dychtwald, a psychologist and consultant on aging, has been studying the lifestyles, needs and spending patterns of baby boomers since the 1970s. In "With Purpose," co-authored with writer Kadlec, he declares the end of the era of "he who dies with the most toys wins" and talks about how those between age 50 and 75 can find both new purpose and deeper meaning in their lives. Dychtwald urges aging boomers to overcome the modern tendency toward self-centeredness and leave a legacy through civic involvement or new careers. He uses a combination of exhortation, advice and real-life role models to underscore how people can make significant contributions to society as elders. In other words, boomers who vowed to change the world when they were young and idealistic still have a chance.

QUOTE: "At this stage in your life you've got to think in bigger terms — about your moral commitment to leave the world a better place than you found it. Only in going beyond self-awareness — to legacy and giving back — is true fulfillment possible."

_ Dave Carpenter

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