

# Beyond Majority Thinking

## Introduction

In my first book, *Financial Truths for the 21<sup>st</sup> Century*, I outlined some eye-opening financial principles and unconventional investment strategies that have worked very well for us and for our clients at SMART GroupHouston. Although that book was well received, something kept nagging at me; I recognized that there was a wider audience out there that was not being reached. *Financial Truths* was full of facts and figures, graphs and charts to back up the points I was trying to make, but I felt something more was needed to show how these principles applied to real people in real life.

And that is how this book came to be. It is, in fact, two books in one, and is structured accordingly. First, it is a collection of stories about normal, everyday people, one or more of who might be just like you. Some are struggling with money every day. Others are dealing with a one-time cash-flow crunch. Another spent a decade correcting mistakes she made with her credit cards, but now that she has those problems taken care of, she's facing new challenges that could put her right back in the hole.

Whether you are just starting out or you are a successful business owner or corporate executive, there's something in these stories for you. One of our scenarios, for example, involves Beth, an entrepreneur who has financial challenges unique to the self-employed. But don't skip over her story if you work for someone else — you'll find suggestions that can work for you, too.

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The other stories, like Beth's, are also based on real-life cases. Amy and Jeff are the parents of your kids' friends. We all know a couple like them — stretched to the limit of their energy levels raising, schooling and chauffeuring two kids. Carrie could be your sister or your daughter. She's made some mistakes financially, but she's on her way to an abundant lifestyle. Doris is a widow. She could be your aunt or a friend's grandmother — or maybe even you; she is facing the special challenges of managing her finances in retirement.

The point is that throughout these chapters, I want you to see yourself, or people you know, and learn from their experiences.

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One of my most important objectives in writing this book is to help you select your financial counselor carefully. And that leads me to the “second book” that exists between these covers. First off, at the end of each chapter in the “solutions” section, as part of the review of key concepts, some questions are offered for you to ask your potential advisor. Thoughtfully reviewing the advisor's responses will help you make the right choice. Secondly, the entire final section of the book is a financial primer — a handy and, I hope, highly accessible review of some of the most important principles we teach and practice at SMART GroupHouston.

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I'll be the first to admit that our advice will probably sound dramatically different from what you will read in popular financial publications, or hear on the most listened-to radio talk shows. My take on that run-of-the-mill advice (or what I call "majority thinking") is best expressed in one of my favorite sayings:

***"If the majority were right,  
the majority would be rich!"***

My goal is to take you a little off the beaten path, to at least consider alternatives to that "majority thinking," and how those alternatives might work for you. Mind you, this "alternative path," while it differs from majority thinking, is still rooted in sound financial principles. The strategies described in this book have worked for us — and for our clients — for over 35 years. But "conventional wisdom" dies hard, and, frankly, we're still in the minority. Perhaps you'll join us after reading this book. A core element of our investment philosophy is that an educated investor is the advisor's — and the economy's — best friend. And new friends are *always* welcome in the SMART GroupHouston family.

No matter which financial strategy or advisor you choose, my wish for you is happiness and prosperity, and all the wonderful things in life.

Ronald P. Schutz  
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