



Regulate or Educate?

The most heinous crime I think possible is a crime of fraud. When someone intentionally, maliciously, carelessly and selfishly lures someone out of their money – whether a big or small amount – they break a sacred bond of trust that stretches far beyond the actual dollar amount.

Throughout my career, I have seen so much hurt, so much stress and so many lives changed by someone earning the trust of another person then taking their money and moving on. The effects on the immediate household in large amounts are most always life altering. Sometimes, because funds are no longer there to live a life that was planned and a complete lifestyle change is required, homes must be sold, financial independence is lost and dreams are shattered. But, more so because trust in others and in an entire industry have been forever compromised.

Death is a fact of life – it's painful and life changing, but outpourings of support and love are always available for people who lose a loved one. When someone loses money, there aren't similar support systems in place. In fact, it's very difficult for most people who have lost money through financial fraud to even admit it because they feel that somehow they were naive and should have known better – the shame is as hurtful as the loss.

Now you have life altering circumstances with minimal support, huge wounds and an impact that extends way beyond the immediate person and family affected. So what do we do? Further regulate an industry already requiring extensive training and professionalism? Hide your money? Or get committed to learning some new things to consider, some important criteria for evaluating and making financial decisions. Develop a healthy skepticism – don't blame and criticize the financial profession as a whole – that will simply create deeper wounds and a bigger problem.

I wish I had the magic pill to guarantee that financial fraud could be avoided. I wish rules could keep all our money safe. Unfortunately, that's unrealistic given that theft is one of the oldest crimes in the world. What I can say with absolute confidence, however, is that there are an abundance of tools, resources, questions and answers, and information to help consumers learn to make financial decisions that are supportive of their personal goals and priorities. Overall, it helps to use the services of financial professionals who also subscribe to empowering the consumer with the information they need to live a prosperous, confident financial life.

Start by understanding what's important to you, and why, and keep asking the personal questions about why something or someone is appealing to you. If you run into difficulties getting satisfactory answers from your financial professional, then ask someone else. A true professional will be more than willing to assist and invest the time to point you to resources so you can get the answers you need to be confident in their recommendations.

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Financial Literacy Expert and Behavior Finance Specialist, Tracy Piercy, CFP,
turns conventional money wisdom upside down to demonstrate how asking better questions can get better results.

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