

BUSINESS

MONEY • WORK • **KNOW-HOW**

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As the gig economy has grown, so have requests for tips, especially in today's digital environment.

Add a tip?

Your total: \$20.22

15%

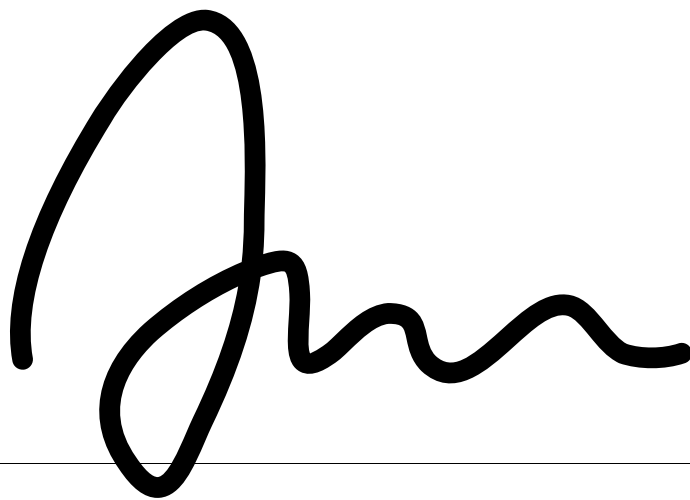
\$23.25

20%

\$24.26

Custom amount

No tip



x _____

But before you click done, consider...

Is this the right amount? Learn when to tip, how much to reward and when one isn't actually needed.

Finance books can give bad advice

A Chicago professor crafted a takedown of the financial guru industry.

By HELAINE OLEN
Washington Post

What makes good personal-finance advice?

This should be an easy question. As University of Chicago Prof. Harold Pollock once demonstrated, the basics are so basic, they could fit on an index card — a concept he and I ultimately turned into a book.

But much of what the

popular finance gurus and the public consider common-sense guidance is less than ideal, in the view of Yale University economist James Choi, who examined some of the discrepancies between that advice and what's recommended by economic theory in a recent working paper published by the National Bureau of Economic Research.

Choi's conclusion: Economists can be like Mr. Spock, rational to an extreme, while gurus are more attuned to the psychology and low financial literacy of readers — in other

words, offering advice they will comprehend and follow instead of better, more complicated and less emotionally appealing guidance.

Is he right? Absolutely. But as someone who has worked in the personal-finance trenches, I suspect the problem of suboptimal advice also reflects both a society that confuses money-management strategies with morality, and the financial incentives of advice-giving.

With sales at a 10-year high, the personal-finance book business is booming, See **OLEN** on D6 ▶

By GITA SITARAMIAH • gita.sitaramiah@startribune.com

Chris Knezevich used to be a bartender and likes to tip generously, especially during the holidays. Besides a standard tip, he will soon start bringing extra cash to his favorite restaurants. "At Christmastime we like to pay it forward," said Knezevich, an instructor at the College of Hospitality, Retail and Sport Management at the University of South Carolina. "We may bring \$100 and we'll leave that \$100 tip as a Christmas bonus." He also gives \$40 a person to his housecleaning service. It's his way of saying thank you. For advice on how to tip during the holidays and all year long when traveling, dining out, getting a tattoo, we turned to Knezevich and other industry insiders for their ideas.

See **TIPS** on D3 ▶