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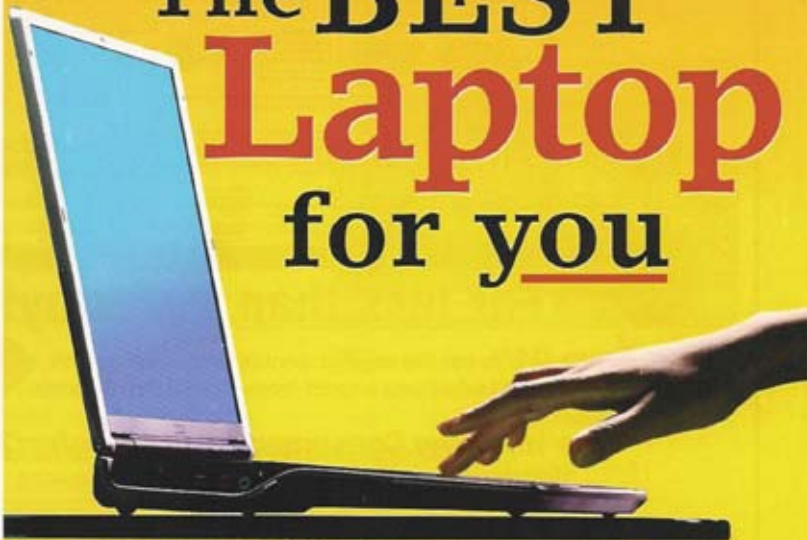
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Before you buy,  
read page 6

## Top-selling financial gurus

We rate their books

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- What **WI-FI** can and can't do



# BEST-SELLING FINANCE GURUS WHOSE **BOOK** IS BEST?

**If your finances are no more orderly than your 14-year-old's bedroom, a good book can help clean up the mess. A personal-finance book may also be the best option for long-term planning, especially if you don't have bags of money to spend.**

Fee-only financial planners, the kind most likely to provide unbiased advice, can charge \$2,000 and up for a comprehensive plan. A book won't set you back more than \$30 or so.

We live in an age of celebrity and big brand names. To sell books, publishers are using both. Their hope: that readers will attach themselves to "personalities," financial gurus they will follow as closely as they follow J. Lo and Ben Affleck or whose brand name will carry weight.

Personal-finance dynasties sprout expanding product lines, including books, workbooks, videotapes, CDs, seminars, and board games, which, taken together, can cost a devotee hundreds or even thousands of dollars. Some authors endorse financial products—an uncomfortable connection that calls into question a guru's objectivity. (See CloseUp, page 25).

Commercial success, however, does not guarantee that readers are getting the information they need. So we put the finance books to the test.

We quickly discovered that personal-finance best sellers may give you more information about a guru's personal life than his or her taste in mutual funds. Suze Orman, for example, uses her story-book rise from waitress to stockbroker to financial planner to best-selling author to illustrate points in her books. David Bach, author of "Smart Women Finish Rich,"



sprinkles the folksy wisdom of his investor-grandmother throughout his book. He explains that he bought his first stock—McDonald's—at age 7. He writes that at his grandmother's prompting, "I marched up to the counter ... and asked, 'Is this company public?'"

## ADVICE AT THE CORE

Regardless of its packaging or the fame of its author, a good personal-finance book should serve one main purpose: to equip you with reliable advice and information to help you make wise decisions. It should detail subjects crucial to a good financial plan: insurance, investing, retirement and education funding, and estate planning. Ideally, it also provides advice on debt, savings, and money management; offers worksheets to develop action plans; and inspires you to get you off your duff.

When we evaluated seven personal-finance best sellers, however, most of the books fell short. Jane Bryant Quinn's tome "Making the Most of Your Money" came closest to our ideal, even though it's six years old. At times it's heavy going, however. A daunting retirement-planning worksheet may find readers qualifying for Medicare before they complete all 90 steps. Orman's "The Road to Wealth" was judged to have very good information

overall, but it lacked potentially helpful worksheets. The rest of the books had a few solid chapters, but often offered thin coverage on important topics.

## HOW WE JUDGED

To choose titles, we waded through best-seller lists and read personal-finance geeks' picks on

Amazon.com's Listmania. Right away, we eliminated "The One Minute Millionaire," a get-rich-quick book, and "Rich Dad, Poor Dad," which contains more business philosophy than help with day-to-day personal finances.

Since Orman dominates the genre, we chose both her perennial "The 9 Steps to Financial Freedom" and "The Road to Wealth," a question-and-answer reference covering more topics than her new book, "The Laws of Money: The Lessons of Life."

Eric Tyson's "Personal Finance for Dummies," a how-to, is replete with tips, warnings, and visual cues typical of the Dummies series. "The Motley Fool Personal Finance Workbook" takes you step-by-step through the planning process.

We added "Smart Women Finish Rich," a best-seller by David Bach, and "Pay Yourself First: The African American Guide to Financial Success and Security," by Jesse B. Brown, to see if those books offer anything special to their audiences.

Finally, we included Quinn's comprehensive "Making the Most of Your Money." Its chapters progress from organizing paperwork to following up on your plan.

We judged the books with a blind test. Armed with X-Acto knives, scissors, and black crayons, we stripped the books of

their covers, cut the books up by topic, numbered each section, and blacked out references to titles and authors. We then sent the sections for evaluation by 32 experts in 10 fields. Two personal-finance generalists, a professor and a journalist, also read the books. An African-American financial expert gave her perspective on the book devoted to that audience.

#### WHAT OUR REVIEWERS FOUND

Most books fail to include one or another important topic. Notably absent were sections on basic necessities such as health, homeowners, and auto insurance. Only our top two choices provide enough guidance on estate planning to help consumers make adequate decisions.

Most of the texts lack up-to-date tax information, which changes often—but not that often. "Making the Most of Your Money," published in 1997, for instance, provides no information on Section 529 plans for college saving, popularized after tax law was amended in 2001.

Some advice was unwise or downright

dangerous, our reviewers said. "Smart Women," for instance, says it's OK to hold up to half of your 401(k) money in your employer's stock—a risky allocation not recommended by most financial planners.

The books devoted to special groups—women and African-Americans—missed opportunities to offer tailored guidance. "Pay Yourself First," for example, ignores minority scholarships when discussing college financing.

Silliness abounds. "The 9 Steps" suggests that you keep bills face front in your wallet to remind you of "the respect you and your money deserve." The book contains few action plans, just platitudes, reviewers said. "Talks about being in touch with your inner voice," wrote one. "Hardly a substantive position."

#### HOW TO CHOOSE

Consider these factors:

**Determine what needs fixing.** Does your financial life need a tune-up or total overhaul? If you've been a procrastinator, consider one of the motivational books we

indicate fit this category in the Ratings. Such books may be short on usable information, but the better ones provide the basics and should rev you up enough to get started. Otherwise, confine yourself to a fact-packed how-to, whose advice should stand you in good stead for years. If you want information on one subject—say, paying for college—consider a book that deals with just that.

#### Beware of authors pushing products.

An author may have excellent advice on insurance. But in our view it isn't entirely trustworthy if he or she has a commercial connection to a carrier. Check an author's Web site for endorsements that might flag a conflict of interest.

Finally, don't stop with a book. A computer program such as Quicken or Microsoft Money can help you sort out your spending and assess your net worth. In an upcoming report, we'll review those programs and discuss computer-based financial planning.

*For Ratings and CR Quick Recommendations, see page 26.*

## closeup

### ADVICE ON THE BIAS

Books, tapes, and seminars have long been moneymakers for best-selling financial gurus. But Suze Orman has embarked on a new, rather troubling commercial venture: selling a financial product.

Since January 2002, she has been promoting her own branded insurance policy for long-term care, coverage that she says "may be the most important insurance that you can have to help protect your financial future." Orman says she created Suze's Choice, underwritten by General Electric, after hearing from fans who were confused about what to buy. That's public-spirited, but she says she also collects 10 to 20 percent of the first year's premium, which could cost a typical 60-year-old \$1,500 to \$2,000 a year.

The author is aware of the apparent conflict of interest. Her solution is to disclose that she accepts commissions and to restrict promotions of the product to her Web site and QVC. She says she never discusses the policy on her show on CNBC, which is owned by GE. In an interview, Orman told us, "I am the most ethical salesperson God ever created." Not covering a subject she thinks so important, however, compromises the advice she's able to give her TV show fans.

#### AGENDAS, HIDDEN AND EXPLICIT

Orman is not the only author whose objectivity can be called into question. David and Tom Gardner, authors of "The Motley Fool Personal Finance Workbook," run a Web site that posts financial advertisements—including one for the Motley Fool Visa card. David Bach pushes "Smart Women Finish Rich" seminars in his book but doesn't mention they're sponsored by Van Kampen mutual funds, even though he names the company among his list of recommended



**LIKE A ROCK STAR** Suze Orman toured the country early this year in a bus promoting her book—and two financial services companies.

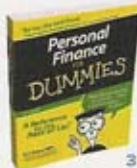
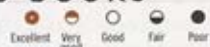
fund families in his book. Van Kampen sells commission-based (load) funds—the kind that Consumer Reports discourages investors from buying.

Bach told us that specific companies aren't hawked in the seminars. But Connie Kain, a Van Kampen spokeswoman, acknowledged that as sponsor, "Van Kampen might get a mention."

Jane Bryant Quinn and Eric Tyson said they do not accept sponsorships or endorse financial products. Jesse B. Brown, the Chicago financial adviser who wrote "Pay Yourself First: The African American Guide to Financial Success and Security," has two Web sites on which he plugs various offerings, including mortgages, debt-consolidation services, and insurance. He is unapologetic about accepting commissions on sales. "I'm a stockbroker," he says. "I'm not John Steinbeck or Ernest Hemingway."

# Ratings

## finance books



### CR Quick Recommendations

Digging deep for content and accuracy, our 34 reviewers determined which books were best on what topics. **Quick Picks** feature selected reviewer comments on our choices in each category.

### QUICK PICKS

#### Best all-around choice:

##### 1 Making the Most

"The most thorough and detailed of the seven books reviewed."

"Size might overwhelm many people."

#### For investing:

##### 3 Dummies

"Recommends strategies based purely on consumer interests."

#### For insurance:

##### 1 Making the Most

"Not only the most user-friendly, but the most helpful and accurate."

#### For college planning:

##### 2 Road to Wealth

"Very comprehensive."

##### 5 Motley Fool

"The [college savings] account comparison worksheet was very good."

#### For retirement planning:

##### 1 Making the Most

"Author covers all relevant areas in significant detail."

#### For estate planning:

##### 2 Road to Wealth

"Objective and thorough reference. It covers almost every nuance."

#### For worksheets/graphics:

##### 5 Motley Fool

"Checklists and worksheets can provide the groundwork for getting started."

In performance order.

	Title, author, publisher, date	Price	Type	Performance	Other featured topics
Key number				Investing Insurance College funding Retirement planning Estate planning Worksheets/graphics Debt/saving/budgeting Tax planning Home ownership Get organized/set goals Net-worth calculation	
	<b>VERY GOOD</b> Detailed, comprehensive information on the most important personal finance subjects. Can be used as evergreen references, except for tax rates and rules.				
1	<b>Making the Most of Your Money</b> by Jane Bryant Quinn, Simon & Schuster, 1997 (hardcover)	\$30	How-to	● ● ● ● ●	● ● ● ● ●
2	<b>The Road to Wealth</b> by Suze Orman, Riverhead Books, 2001 (hardcover)	30	Reference	● ○ ● ● ● ● ●	● ● ● ● ●
	<b>GOOD</b> Information and advice on numerous topics, often very accurate and complete. Some of these books may be more useful for motivation than for reference.				
3	<b>Personal Finance for Dummies</b> by Eric Tyson, 3rd edition, Wiley Publishing, 2000	22	How-to	● ● ○ ○ ● ○ ○	● ● ● ● ●
4	<b>Smart Women Finish Rich</b> by David Bach, revised edition, Broadway Books, 2002	15	Motivation	● ● ○ ○ ○ ○ ○	● ● ● ● ●
5	<b>The Motley Fool Personal Finance Workbook</b> by David and Tom Gardner, Fireside, 2003	14	Workbook	○ ● ● ○ ○ ● ○ ○	● ● ● ● ●
6	<b>The 9 Steps to Financial Freedom</b> by Suze Orman, 1st edition, Three Rivers Press, 2000	15	Motivation	● ● ○ ○ ○ ○ ●	● ● ● ● ●
	<b>FAIR</b> Least comprehensive and detailed. Useful mainly as a motivator.				
7	<b>Pay Yourself First: The African American Guide to Financial Success and Security</b> by Jesse B. Brown, John Wiley & Sons, 2001	15	Motivation	● ● ● ● ● ○ ○	● ● ● ● ●

### Guide to the Ratings

Overall ranking is based on accuracy, comprehensiveness, and usefulness for decision-making, including appropriate worksheets. Each subject was reviewed by at least three experts. Two other finance experts read all books cover to cover. Reviewers' responses resulted in numerical rankings. **Insurance** score is based on five subtopics, with more weight given to life, disability, and long-term care. If a book didn't cover a topic, it received a score of 1 for that topic. **Price** is jacket price. All books are paperback except where noted.

**General reviewers:** Raymond Forgue, University of Kentucky; Greg Daugherty, former *Consumer Reports* economics editor. **Life insurance:** Joseph Belth, Indiana University; James Hunt, Consumer Federation of America; Peter Katt, Mattawan, Mich.; J.J. MacNab, Bethesda, Md.; David Woods, Life and Health Insurance Foundation for Education. **Disability insurance:** William Custer, Georgia State University; Joseph Eppy, Eppy Financial Group; Matthew Tassej, Burwell & Burwell. **Long-term-care insurance:** Martin Bayne, Albany, N.Y.; Bonnie Burns, California Health

Advocates; Trudy Lieberman, Consumers Union. **Health insurance:** William Custer; Mila Kofman, Georgetown University; Trudy Lieberman. **Property/casualty insurance:** Ruth Gastel, Insurance Information Institute; Robert Hunter, CFA; Steven Tippins, Roosevelt University. **Investing:** Scott Budde, TIAA-CREF; Donald Duncan, D3 Financial Counselors; Tom Grzymala, Alexandria Financial Associates. **College planning:** Sharon Burns, Association for Financial Counseling and Planning Education; Randi Grant, Berkowitz Dick Pollack & Brant; Tim Lane, TIAA-CREF. **Retirement planning:** Michael Busch, Vogel Financial Advisors; Deena Katz, Evensky, Brown & Katz; Daniel Moisan, Spraker, Fitzgerald, Tamayo and Moisan. **Estate planning:** Randi Schuster, BDO Seidman; Kenneth Weiss, McGlinchey Stafford; Bernard Krooks, Littman Krooks; John F. Kearns III, West Hartford, Conn.; Ted Kurlowicz, The American College. **Other reviewers, debt/money management:** Janice Fields, Creative Budget Concepts; Heather Hutchinson, Hutchinson Financial Management; Gwen Reichbach, National Institute for Consumer Education.