00:00:09:08 - 00:00:31:12

Speaker 1

Welcome, my name is Andrew Baron, and this is Well… It Depends! The podcast where I address financial decisions that can't be answered with a simple yes or no. In this episode, I ask the question, should I trust my gut when making financial choices? But before we begin, a short disclaimer,

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This is being recorded on March 14th, 2025. The contents of this podcast are strictly for informational purposes only, and nothing said should be taken as investment, tax or legal advice. It is important to consult with a professional before making any financial decisions, as the strategies discussed may not be suitable for you specifically.

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Speaker 1

Getting into it. Should I trust my gut and making financial choices? Well… It Depends!

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Speaker 1

On one hand, your gut feeling isn't just a random guess. It's shaped by your life experiences, subconscious observations, and subtle cues might not even realize you're picking up on. Think about it. Have you ever walked into a house and immediately felt it was the right one, or had a sudden urge to avoid investing in something that later turned out to be problematic?

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Speaker 1

Your gut can steer you clear of danger, helping you avoid scams or risky investments that promise big but deliver little. It can also offer you clarity in moments when detail analysis feels overwhelming, especially if you've developed expertise or familiarity with specific financial situations.

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Speaker 1

But, and this is a critical point, our gut feelings aren't infallible. We all have emotional biases, and sometimes these biases speak louder than logic.

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Speaker 1

Fear of missing out, recent experience with financial loss or over confidence from past success may lead our instincts astray. Have you ever panic sold during market dip, only to regret it later when prices rebounded? Or perhaps impulsively splurge after receiving an unexpected bonus? Even though logic said to save it, we often overlook is that our gut feelings can be heavily influenced by our emotions and immediate circumstances.

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Speaker 1

Financial decisions made purely on emotion or impulse will rarely service in the long run.

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Speaker 1

So when is trusting your gut the right move? Typically, your instincts are most reliable when combined with careful analysis and reflection. If your gut feeling prompts you to pause, reconsider, or seek additional advice and research, that's a healthy sign. It means your intuition is working with your logical side to guide you wisely.

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Speaker 1

Conversely, if your gut urges immediate action, especially when emotions are high or information is limited, it's probably a good idea to slow down and evaluate more deeply. One useful approach is the gut check first method. First, recognize what your gut feeling is telling you. Then challenge yourself to identify the reasons behind that feeling. Are they based on facts, past experiences, or something more emotional?

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Speaker 1

Finally, seek external validation or professional advice. This approach ensures that your decisions are well-rounded, balancing intuition with informed judgment.

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Speaker 1

To recap, trusting your gut can be valuable, especially when you have expertise or experience. Be cautious as emotional biases can often mislead you. Always balance intuition with research, reflection, and advice on professionals. So to answer the question, should I trust my gut when making financial choices?

00:04:07:03 - 00:04:09:14

Speaker 1

Well… It Depends!

Speaker 1: Andrew Baron, CFP®, EA