

EXTENDED EDITION · GUIDE 08 OF 10

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EDITION

THE COMMON MONEY MISTAKES & HOW TO AVOID THEM GUIDE — EXTENDED EDITION

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55 mistakes catalogued, each with its price tag and its fix. Three new financial autopsies. The cognitive-bias field manual. The mistake recovery playbook. The red-team method. Everything the free guide and the first extended edition started — finished.

The free guide named the 25 classic mistakes. The first extended edition added #26–40, the autopsies, and the pre-mortem. This edition completes the catalog with **mistakes #41–55** — the advanced errors that catch people who already know the basics — plus the psychological machinery underneath all 55: the biases that cause mistakes, the recovery playbook for when one already happened, and the red-team method for stress-testing any big decision before it becomes mistake #56.

How to use this guide: don't read it cover to cover in one sitting — it's a reference manual, not a novel. Start with Part 1's taxonomy (find your family), then read your family's mistakes in Part 2. Run the 30-day detection challenge (Part 9) to find your live mistakes. Keep the bias table (Part 5) bookmarked for all big decisions, without exception. And re-read the whole thing every single December — you're a different person each year, and different mistakes will light up. The guide doesn't change; you do, which is exactly the point.

PART 1: THE MISTAKE TAXONOMY – WHY ERRORS CLUSTER

Fifty-five mistakes look random. They're not. They cluster into five families — and knowing the family tells you the cure:

Family	Mistakes	Root cause	Cure
Inattention	#1–10 (no budget, no buffer, lifestyle creep...)	The system runs on autopilot	Automation + reviews
Emotion	#11–20 (panic selling, FOMO, keeping up...)	Feelings making decisions	Rules written in advance
Complexity	#26–35, #41–48	Too many moving parts	Simplification
Deferral	#36–40, #49–52	"Later" as a strategy	Deadlines + defaults
Misplaced trust	#5, #21–25, #53–55	Outsourcing judgment	Verification habits

The key insight: you don't have 55 separate problems. You have one problem wearing 55 costumes — usually a missing system (inattention), a missing rule (emotion), or a missing deadline (deferral). Fix the family, and the individual mistakes get harder to commit.

The second insight: mistakes compound like interest. Lifestyle creep (#3) enables the car loan (#7) which delays investing (#9) which makes the crash panic (#13) worse because there's less buffer. **One uncorrected mistake births three more.** That's why the recovery playbook (Part 6) starts with triage: stop the bleeding first, optimize later.

PART 2: MISTAKES #41-55 – THE ADVANCED CATALOG

These are the mistakes that catch people who already budget, already invest, already "know better." Knowing better isn't immunity — it's just a more sophisticated way to be wrong.

#41: The housing upgrade creep

The mistake: every move is "just" 20-30% more house. Starter condo → bigger condo → townhouse → detached. Each upgrade feels reasonable; the chain doubles your housing cost in a decade.

The price tag: each upgrade resets the mortgage amortization, re-triggers land transfer taxes (in Toronto, that's double — municipal + provincial), and re-starts the furnishing cycle. Three upgrades in 15 years can easily cost **\$150,000+** in transaction costs alone (illustrative) — before counting the higher carrying costs.

The fix: the 10-year housing rule — buy (or rent) for the life you'll have in 10 years, not the life you have now. And the upgrade test: "Would I buy this exact house if I were buying my first home today?" If the answer involves the words "good investment," you're rationalizing consumption.

#42: The "I'll start when I earn more" delay

The mistake: treating investing as something you do after you make enough. The threshold keeps moving: \$50K wasn't enough, \$70K isn't enough, \$100K won't be either.

The price tag: starting at 35 instead of 25 at \$500/month and 7% (illustrative): ~\$1.22M vs. ~\$567K at 65. **The decade of waiting costs ~\$650,000.** The threshold was never about the income — it was about the identity (Roadmap Extended, Part 10).

The fix: the minimum viable investing habit — \$25/month into the TFSA, automated, today. The amount is irrelevant; the identity vote is everything. Raise the amount when income rises (the 50% rule, T40).

#43: The over-insurance / under-insurance split

The mistake: simultaneously over-insured on small risks (extended warranties, phone insurance, low-deductible everything) and under-insured on catastrophic ones (no disability insurance, no umbrella liability, term life too small or missing).

The price tag: extended warranties have ~50%+ margins for the seller — you're buying a lottery ticket where the house always wins. Meanwhile, a disability at 40 without coverage costs **millions** in lifetime earnings (illustrative). People insure the \$800 phone and self-insure the \$2M earning capacity. Backwards.

The fix: the insurance ladder (T21): insure catastrophes, self-insure inconveniences. Cancel every insurance policy under \$2,000 of coverage. Redirect the premiums to proper disability and term life.

#44: The RESP grant left on the table

The mistake: "we'll catch up on the RESP later." The CESG match is 20% on the first \$2,500/year — and while unused grant room does carry forward (one year at a time, up to \$5,000 eligible/year), most families never actually catch up.

The price tag: missing the match for 5 years = **\$2,500 in free federal money gone**, plus the compounding on it for 13+ years. At 6% for 13 years, that's ~\$5,300 per missed year (illustrative). The grant is a 20% instant return — there is no investment that justifies skipping it.

The fix: automate \$208.33/month per child on the 1st (T33). Set a September calendar check. The RESP is the highest-ROI account most parents have, and it's the one they fund last.

#45: The employer match left behind

The mistake: contributing below the match threshold — or worse, not enrolling at all because "I'll do the paperwork later."

The price tag: Jordan's example (T34): \$850/year left on the table. Over 30 years at 7%: **~\$85,000** (illustrative). The match is a 50–100% instant return. Every other investment decision is secondary to capturing it fully.

The fix: the match audit takes 10 minutes (T34). Set contributions to the full-match level today, then never think about it again. If cash flow is tight, the match beats every other use of the dollar — including extra debt payments below ~10% interest.

#46: The tax refund splurge

The mistake: treating the refund as a windfall instead of what it is — your own money, returned, interest-free, after you overpaid all year.

The price tag: the average refund is ~\$2,000. Spent annually instead of invested at 7% for 30 years: ~\$190,000 of lifetime wealth converted into forgotten purchases (illustrative). And the deeper cost: the refund habit hides the real problem — your withholdings are wrong.

The fix: two moves. First, route this year's refund to investing before it arrives (pre-commitment — T7's windfall protocol). Second, file a T1213 or adjust TD1 so next year's refund is ~\$0 and the money flows to your paycheque instead — where automation captures it monthly.

#47: The cash-in-retirement trap

The mistake: reaching 60 with the portfolio still 80%+ in equities — or the opposite, panic-shifting everything to GICs at 55 and locking in a 2%-real return for a 30-year retirement.

The price tag: too aggressive: a 30% drawdown at 63 with no paycheck to recover is a sequence-of-returns catastrophe — it can permanently reduce sustainable withdrawals by 20–30%. Too conservative: 2% real on \$800,000 = \$16,000/year of growth; inflation eats the principal's purchasing power alive. **Both errors cost six figures** (illustrative).

The fix: the retirement glidepath — start shifting 5–10 years before retirement toward a 60/40 or 50/50 mix, and build a 2-year cash wedge (spending buffer) so you never sell equities in a crash to eat. The decumulation plan is a separate skill from accumulation — learn it before you need it (Vault Extended).

#48: The pension commuted value blunder

The mistake: leaving a defined-benefit pension and taking the commuted value (lump sum) without modeling it — or leaving it in without modeling that. Most people decide by gut.

The price tag: a \$40,000/year pension at 60 is worth roughly **\$700,000–\$800,000** as a lump sum equivalent (illustrative, depends on rates and mortality assumptions). Taking the lump

sum and investing it badly — or leaving the pension when the company is shaky — are both six-figure decisions made on vibes.

The fix: get the commuted value quote and the pension estimate, then model both to age 90 with a fee-only planner. The decision hinges on: your health/longevity, the plan's solvency, your investing discipline, and tax (the lump sum's tax-sheltered transfer limits). This is a \$500 planning question on a \$700,000 decision. Don't DIY it.

#49: The Smith Maneuver without respect

The mistake: reading about the Smith Maneuver (converting mortgage interest into deductible investment-loan interest), setting it up, and treating the investment account like a casino — or doing it with no cash-flow buffer for rate spikes.

The price tag: done right, it's a legitimate tax strategy. Done wrong — leveraged investing into speculative positions, forced selling when rates rise — it converts a good debt (mortgage) into a bad outcome. Leverage multiplies mistakes, not just returns. A 20% drop on a leveraged portfolio is a 40%+ equity wipeout (illustrative).

The fix: three preconditions, all mandatory: (1) the investments are boring index funds, not stock picks; (2) you can carry the payments at +3% rates without stress; (3) a CPA has reviewed your numbers. Miss any one → don't do it. The strategy is fine; the practitioner is usually the risk.

#50: The advisor-as-friend trap

The mistake: staying with an expensive advisor (or bank "advisor") because they're nice — they remember your kids' names, they call at Christmas. The relationship becomes the retention strategy.

The price tag: 1% extra in fees on \$300,000 over 25 years at 7% vs. 6%: **~\$290,000** (illustrative). That's the cost of the Christmas card. Nice isn't a financial plan.

The fix: the advisor audit, annually: (1) What am I paying, all-in (T19)? (2) What did I get this year that I couldn't get from a 0.20% portfolio? (3) Would I hire this person today, at this price, if we'd never met? Three "no/unsure" answers → get a second opinion from a fee-only planner. Friendship and fiduciary duty are different relationships — you can keep the friend and fire the advisor.

#51: The crypto/FOMO creep

The mistake: "just 5% in crypto" becomes 15% after a rally, becomes 30% after the next rally — because winners get fed and the IPS (T13) gets ignored. The position size was never the decision; the drift was.

The price tag: a 30% position that drops 70% (crypto has done this multiple times) wipes **21%** off the total portfolio — years of contributions erased by an asset that was supposed to be a satellite. The damage isn't the volatility; it's the position size the volatility was allowed to reach.

The fix: the satellite rule, written in the IPS: speculative positions capped at 5% of the portfolio, rebalanced annually — meaning you sell the winners back down to 5%. The rule feels wrong in a rally. That's how you know it's working.

#52: The cottage / second-property money pit

The mistake: buying the cottage for \$400,000 and spending the next 20 years paying \$400,000 more in carrying costs, repairs, and "we should fix the dock" — while using it 30 days a year.

The price tag: \$400,000 purchase + ~\$15,000/year carrying costs × 20 years = **\$700,000** (illustrative, before opportunity cost). Per night of actual use: roughly **\$1,150**. That's not a property — it's the world's most expensive hotel room, and you have to maintain it.

The fix: the true-cost audit before buying: purchase + 20 years of carrying costs + opportunity cost of the capital, divided by realistic nights of use. Then price 20 years of renting a cottage 30 days/year. Renting almost always wins — and the cottage you rent has no dock to fix. If you still buy, it's a lifestyle purchase with eyes open, not an investment.

#53: The relationship money blind spot

The mistake: never discussing money with your partner until the crisis — the secret debt, the incompatible spending, the "I thought you were handling the bills." Money is the #1 cited cause of relationship stress, and the blind spot is chosen, one avoided conversation at a time.

The price tag: the average divorce costs **\$15,000-\$30,000** in legal fees alone (illustrative), before asset division. But the real price is paid earlier: years of financial decisions made without coordination — duplicate insurance, missed matches, unfiled taxes — quietly compounding.

The fix: the money date (T29) — 20 minutes, monthly, no instruments the first three times. Just talking. Then the couples architecture (Roadmap Extended, Part 5). The conversation is the product; the system is just packaging.

#54: The home-as-retirement-plan fallacy

The mistake: "my house is my retirement plan." The \$900,000 Toronto semi is the net worth — with \$180,000 in actual investments at 58.

The price tag: you can't eat home equity without selling, borrowing, or reverse-mortgaging — all expensive, all stressful, all at the worst time. Meanwhile the house's "growth" was mostly leverage + luck + a 30-year rate decline that won't repeat. A retirement plan that's 80% one illiquid asset in one city is a concentration bet, not a plan.

The fix: the two-number rule — track home equity and invested assets separately, and the retirement plan must work on invested assets alone. The house is the backup plan, the legacy, the safety margin — never the plan itself. If invested assets can't fund retirement, the savings rate is the problem, not the floor plan.

#55: The no-IPS crash

The mistake: investing for years without an Investment Policy Statement — then the first real crash arrives and every decision is made by adrenaline.

The price tag: the behavioral gap is real and widely documented: investors underperform their own investments by ~2–3% annually through timing mistakes. On \$200,000 over 20 years, 2% annual underperformance = ~\$195,000 (illustrative). The IPS (T13) costs 30 minutes to write. The crash without one costs six figures.

The fix: write the IPS now, in calm weather. Include the crash clause: "When markets fall 20% +, I will [rebalance into equities / do nothing / buy more with new contributions]." Sign it. When the crash comes, you don't decide — you execute. That's the whole trick.

PART 3: MISTAKES #26-40 – THE CONDENSED FIELD REFERENCE

From the first extended edition, tightened. Full treatments live in that edition; these are the working summaries.

- **#26: The 1% fee shrug.** "It's just 1%." On \$250K over 30 years, 1% extra drag ≈ **\$200K+** (illustrative). Fix: T19 annually; nothing over 0.50% without a written justification. (The practical move: hold your investments at a low-cost self-directed brokerage instead of a 2% MER mutual fund — **Questrade** is the standard Canadian pick, currently with a \$250 new-account bonus.)
- **#27: Tax-location blindness.** Bonds in taxable, equities in the RRSP — backwards. Fix: asset location map (Mastery Extended); T18 quantifies the drag.
- **#28: The 0% balance-transfer loop.** Perpetual promo-hopping with no payoff plan. Fix: transfer only with a written kill date before the promo expires.
- **#29: Home-country bias.** 100% Canadian equities = 3% of the world market. Fix: global allocation per T11; Canada 20–40%, not 100%.
- **#30: The emergency-fund-as-investment.** Chasing yield on the buffer, then needing it in a crash. Fix: HISA only; the buffer's job is availability, not return.
- **#31: Insurance as investment.** Whole/universal life sold as a "strategy." Fix: buy term, invest the difference — the math isn't close.
- **#32: The car as identity.** \$700/month payments on a depreciating asset. Fix: the 20/4/10 rule (20% down, 4 years max, 10% of income); buy 2–3 years used.
- **#33: Lifestyle benchmarking.** Spending to match the neighbours' visible consumption. Fix: run their math (T32-style) — the highlight reel has no balance sheet.
- **#34: The "deserve it" splurge cycle.** Reward spending that undoes the week's discipline. Fix: a budgeted splurge line — guilt-free because it's planned.
- **#35: Subscription creep.** \$15/month × 12 forgotten services. Fix: T27 autopsy, annually; the one-in-one-out rule.
- **#36: The unfiled tax return.** "I'll do three years at once." Penalties + lost benefits (CCB, GST/HST credit need filed returns). Fix: file every year, even with \$0 income.
- **#37: The TFSA over-contribution.** Guessing at room, triggering 1%/month penalties. Fix: CRA My Account check every January (T9); when in doubt, under-contribute.
- **#38: The FHSA clock ignorance.** The 15-year window opens at first contribution, not first home purchase. Fix: open early, know your year-15 date (T45).

- **#39: Beneficiary neglect.** Ex-spouse still on the RRSP; "my will covers it" (it doesn't — designations override). Fix: T22 checklist, annually.
 - **#40: The no-plan year.** Drifting 12 months with no theme, no target, no review. Fix: the January reset (Roadmap Extended, Part 7) — one word, one rate, one big thing.
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PART 4: FINANCIAL AUTOPSIES – THREE NEW CASES

Illustrative composites. The patterns are real; the people are illustrative.

Autopsy 4: The lifestyle upgrade that ate the promotion (Mistake #3 + #41)

The patient: "Daniel," 36, marketing manager, Calgary. Salary: \$78K → \$96K (promotion, + \$18K).

What happened: the promotion came with a new car (\$52K SUV, \$890/month all-in), a condo upgrade (+\$700/month), and "we can finally eat out properly" (+\$450/month). Total new spending: ~\$2,040/month = \$24,480/year. After-tax raise: ~\$12,600/year. **The promotion made him \$11,880/year poorer.**

The autopsy findings: no single decision was crazy — each felt like a reasonable reward. The failure was the absence of the 50% rule (T40). The raise arrived with no pre-commitment, so lifestyle absorbed 194% of it.

The recovery: sold the SUV (took a \$6K depreciation hit — tuition), bought a 3-year-old equivalent at \$380/month. Kept the condo (lease), but froze all other lifestyle spending for 12 months. Redirected the freed \$510/month to investing. **Lesson: the 50% rule must be signed before the raise, not after.**

Autopsy 5: The \$85,000 match left behind (Mistake #45)

The patient: "Priya," 29, software developer, Waterloo. Employer: 100% match up to 4% of salary (\$92K → \$3,680/year free money).

What happened: she never enrolled. "The paperwork was confusing, and I was going to do it after probation." Probation ended. Then the project crunch. Then "next quarter." **Four years, ~\$14,700 in missed matches** — compounding to roughly **\$85,000** by 65 at 7% (illustrative).

The autopsy findings: the paperwork took 20 minutes when she finally did it. The cost of 20 minutes of procrastination: \$85,000. This is deferral-family (#42's cousin) — "later" as a strategy.

The recovery: enrolled at 6% (above the match threshold, since she was behind). Set a calendar reminder: every January, confirm the match formula hasn't changed. **Lesson: the match audit (T34) is a 10-minute, once-a-year task. Put it in T45's calendar and never think about it again.**

Autopsy 6: The house that was the whole plan (Mistake #54)

The patient: "Robert and Linda," 61 and 59, Mississauga. Home: \$1.1M (paid off). Invested assets: \$210,000. "We're millionaires."

What happened: retirement math said they needed ~\$55,000/year. Invested assets at 4% = \$8,400/year. CPP/OAS ≈ \$28,000 combined. **Gap: ~\$18,600/year** — to be filled by... the house. Options: sell and rent (they didn't want to), reverse mortgage (~\$400K accessible, at 6%+ compounding against the estate), or keep working.

The autopsy findings: 30 years of "the house is our retirement" felt safe because the number went up. But home equity is gross wealth, not spendable income. The two-number rule (track separately) would have revealed the gap at 45, when there was still time.

The recovery: they chose the honest path — both worked 3 more years, banked the surplus (\$60K/year combined into TFSAs/investing), and downsized at 64, freeing \$350K. The retirement now works. **Lesson: run the two-number check at 40, not 60. The house is the backup plan — never the plan.**

The autopsy method (use it on yourself)

For any past mistake: (1) **What happened** — facts only, no story. (2) **The mechanism** — which family (Part 1)? What was the first domino? (3) **The price tag** — compute it honestly. The number converts regret into tuition. (4) **The structural fix** — the rule, automation, or calendar entry that prevents recurrence. (5) **The lesson, one line** — write it in the Decision Journal (T25). Autopsies without structural fixes are just rumination.

PART 5: THE COGNITIVE-BIAS FIELD MANUAL

Every mistake in this guide was caused by one of these. Learn the bias, and you can catch the mistake before it happens.

Bias	What it does	Money example	Defense
Loss aversion	Losses hurt ~2× more than gains please	Panic-selling the crash (#13)	The IPS crash clause (#55)
Present bias	Now > later, always	"Start when I earn more" (#42)	Automation — decide once, execute forever
Anchoring	First number sticks	The \$52K SUV feels "normal" after seeing \$60K ones	The 20/4/10 rule — external anchor
Mental accounting	Dollars get labels	Refund = "fun money" (#46)	One waterfall (T4) — all dollars equal
Sunk cost	Past spending justifies future spending	Keeping the bad advisor (#50)	"Would I hire them today?" test
Confirmation bias	Seeking agreeable info	Only reading bull cases on your stocks	The red-team method (Part 7)
Recency bias	Recent = permanent	100% equities after a bull run (#47's aggressive version)	T11's crash test — remember 2008/2020
Overconfidence	"I'm above average" (statistically impossible for all)	Stock-picking without an edge; Smith Maneuver casino (#49)	The base-rate question: "How do people like me usually do at this?"
Herding	Safety in the crowd	Crypto creep (#51), cottage FOMO (#52)	The IPS position limits — written in calm weather
Status quo bias	Not deciding = deciding	Unenrolled in the match (#45), old fund at 1.8% MER	Calendar-triggered audits (T45)
Endowment effect	Mine = worth more	The cottage "we can't sell, it's ours" (#52)	The true-cost-per-night audit
Narrative fallacy	Stories > statistics	"The house always goes up" (#54)	The two-number rule — statistics over stories

How to use this table: when you're about to make a big decision, scan the left column. Which bias is talking right now? Name it out loud. Naming the bias doesn't kill it — but it moves the decision from autopilot to manual control, which is where the tools (Part 7's red-team) take over.

The meta-bias — bias blind spot: you will read this table and think "I do that one, but not the others." Everyone thinks that. The blind spot is the bias: seeing biases in others, not yourself. The defense is structural — rules, automation, audits — not self-awareness. Self-awareness fails under stress; structures don't.

PART 6: THE MISTAKE RECOVERY PLAYBOOK

The mistake already happened. Here's the triage order — for the five most common situations.

Recovery 1: The debt spiral (debt growing, minimums barely covered)

1. **Stop the bleeding (today):** cut every card up except one (literally — scissors). Switch all spending to debit. No new debt, starting now.
2. **The inventory (this week):** T30 — every balance, rate, minimum. The avalanche order. The debt-free date. Seeing the plan is half the cure.
3. **The rate attack (weeks 2-4):** call every creditor (Part 2's #28 fix). One call per day.
4. **The intensity block (months 2-6):** every spare dollar to debt #1. Sell things. Pause investing beyond the employer match (the match's 50-100% return beats debt interest; everything else waits).
5. **The pivot (debt-free day):** redirect the full payment to investing the same day. Same amount, new destination.

Recovery 2: The crash panic (sold at the bottom, or about to)

1. **Don't re-decide today.** The 48-hour rule applies to reversals too. No trades for 48 hours.
2. **Read your IPS.** If you don't have one, that's the diagnosis — write it now (#55's fix), in the wreckage, while the lesson is vivid.
3. **The re-entry plan (written):** lump sum back in, or dollar-cost over 3-6 months? Either is defensible; written is mandatory. Unwritten re-entry becomes permanent market-timing.

4. **Automate the lesson:** set the annual rebalance date, write the crash clause, and never make an allocation decision in a drawdown again.

Recovery 3: The lifestyle creep (spending absorbed every raise)

1. **The audit (this week):** trailing-90-day savings rate vs. 2 years ago. The gap is the creep, quantified.
2. **The big-three cut (month 1):** housing, transport, food — one structural change each (not ten small cuts; one big one).
3. **The 50% rule, retroactive:** compute what the rule would have saved. Then apply it to the next income event — pre-committed, in writing (T40).
4. **The identity repair:** creep is an identity problem ("I'm someone who can afford this now"). Re-read Roadmap Extended Part 10. The statements feel fake for ~30 days. Then they don't.

Recovery 4: The tax mess (unfiled returns, over-contributions, penalties)

1. **File everything (this month):** even if you owe. The failure-to-file penalty (5% + 1%/month) dwarfs the balance. CRA payment plans exist — call them.
2. **Fix the room (this week):** CRA My Account → actual TFSA/RRSP room. Withdraw over-contributions immediately (the 1%/month penalty doesn't pause).
3. **The calendar (today):** T45 — every deadline, scheduled, with 2-week warnings. Tax messes are calendar failures wearing a complexity costume.
4. **Get help if:** business income, rental property, or >2 unfiled years. A CPA's \$500 fee vs. your penalty exposure isn't close.

Recovery 5: The relationship money crisis (secret debt, big fight, discovery)

1. **Full disclosure (this week):** every account, every balance, every secret. All of it. The crisis can't be fixed with partial information — and partial disclosure discovered later is worse than the original secret.
2. **The money date (start now):** T29, weekly at first (not monthly) until trust rebuilds. No instruments for the first three — just talking.

3. **The architecture (month 1):** yours/mine/ours, the big-decision rule, the 48-hour rule (Roadmap Extended, Part 5).
4. **Professional help if:** the amounts are large, trust is broken, or the same fight recurs. A financial counselor (not an advisor — a counselor) is the right professional. This is a relationship problem with money symptoms, not the reverse.

The universal recovery rule: write down what happened and the structural fix, within 7 days. (The autopsy method, Part 4.) Mistakes you autopsy become tuition. Mistakes you don't become patterns.

PART 7: THE RED-TEAM METHOD – STRESS-TESTING BEFORE YOU DECIDE

The pre-mortem (from the first extended edition) asks: "It's a year later and this failed. Why?" The **red-team** goes further: it assigns someone (or some thing) to actively attack the decision.

The 30-minute red-team protocol

For any decision over \$5,000 (or any irreversible decision):

1. **State the decision and the case for it (5 min).** Write the bull case — why this is smart. Be your own best advocate first.
2. **Appoint the red team (5 min).** Options: your partner playing devil's advocate, a trusted friend, your accountability buddy — or yourself, writing in a different colour, arguing the other side. The role matters more than the person.
3. **Attack (15 min).** The red team's only job: kill the decision. Prompts:
 - "What has to be true for this to work? Which of those is shakiest?"
 - "Who profits if I do this? (Follow the incentive — #50's lesson.)"
 - "What's the base rate? How do people like me usually do at this?"
 - "What would I advise my best friend to do here?"
 - "If I had to not do this, what would I do instead — and is that actually worse?"

- "Am I deciding, or am I rationalizing a decision my feelings already made?"

1. **The verdict (5 min).** Three outcomes: **GO** (survived the attack — proceed), **MODIFY** (the attack found a real weakness — fix it, then go), **KILL** (the attack won — walk away, grateful).

Red-team in action (illustrative)

The decision: "Should I buy the \$650,000 condo?" (Dev's case, Templates Extended.)

- Bull case: building equity, forced savings, Vancouver rents are brutal.
- Red-team attack: "The \$2,260/month ownership premium invested at 7% = ~\$615K in 10 years vs. ~\$312K equity. You're paying \$300K for 'forced savings' — is your discipline really worth negative \$300K? And what if rates hit 7%? And the special assessment history on 15-year-old buildings?"
- Verdict: **MODIFY** — Dev bought, but knowing it was the behavioral choice, with the \$800/month automated investing as the structural patch. The red team didn't kill the dream; it priced it.

When to red-team: every \$5,000+ decision, every irreversible decision, every decision you're excited about. (Excitement is the bias talking — #51's lesson.) The pre-mortem finds failure modes; the red-team finds bad premises. Use both.

The red-team journal: keep a one-page log of every red-team you run — the decision, the verdict, and (this is the valuable part) the outcome 12 months later. After 5–6 entries, you'll see your own pattern: do your GO verdicts age well? Do your KILLS feel like saves or regrets? The journal calibrates your judgment over time — it's the Decision Journal (T25) specialized for big calls. Most people discover their red-team is too harsh (killing good opportunities) or too lenient (rubber-stamping). The journal reveals which, and the next red-team adjusts.

PART 8: THE 10 RULES – CONDENSED

From the first extended edition, as the working set:

1. **Automate the good, complicate the bad.** One-click investing; three-click spending.
2. **The 48-hour rule.** Nothing over \$500 decided same-day. Ever.
3. **Price every mistake.** Compute the cost. Tuition, not regret.

4. **The annual audit.** Fees (T19), insurance (T21), beneficiaries (T22), subscriptions (T27) — every year.
 5. **Write it before you feel it.** IPS, 50% rule, crash clause — all in calm weather.
 6. **One big thing per year.** Diffuse effort is the enemy.
 7. **The two-number rule.** Home equity and invested assets, tracked separately, forever.
 8. **Never decide in a drawdown.** Allocation changes happen in calm markets or never.
 9. **Follow the incentive.** Who profits from your decision? (Kills #50 and most sales pitches.)
 10. **Autopsy within 7 days.** Every mistake gets the 5-step treatment (Part 4) or it becomes a pattern.
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PART 9: THE 30-DAY MISTAKE DETECTION CHALLENGE

Reading about mistakes is passive. Detecting them in your own life is the skill. This 30-day challenge builds it — one detection per day, 5 minutes each.

Days 1-6 — The statements. Pull 90 days of bank + credit card statements. Each day, find one charge and ask: "Which mistake family is this?" (Part 1). Log it: date, amount, family, mistake number. Six days, six detections. You'll find at least three recurring ones — those are your live mistakes, not historical ones.

Days 7-12 — The accounts. One account per day: list it, name its job (T5's test), check its fee (T19's lens). Any account without a clear job goes on the closure checklist (T44). Any fee without a justification goes on the kill list. Six days, full inventory.

Days 13-18 — The biases. Each day, take one bias from Part 5's table and ask: "Where did this one operate in my life this week?" Write one paragraph. The bias blind spot means you'll want to skip days — that's the bias defending itself. Don't.

Days 19-24 — The price tags. Take your three most-detected mistakes and compute the actual price tag with your numbers (T28's formulas). Write each on an index card. Put the most expensive one where you'll see it daily — the fridge, the bathroom mirror, the laptop lid. Shame isn't the goal; salience is.

Days 25-30 — The fixes. One structural fix per day, six days: the automation, the rule, the calendar entry, the account closure, the conversation, the IPS update. Small, concrete, done. By day 30, your top six live mistakes each have a structural fix installed.

The challenge rules: 5 minutes a day, no zero days, log everything in one notebook (physical or digital — the single log matters more than the medium). Miss a day? The rule is "never miss twice" — resume the next day, no guilt, no restart-from-zero drama.

What graduates report (the pattern, not a promise): the challenge doesn't just find mistakes — it builds the detection muscle. After 30 days, you start catching mistakes in real time: the hand pauses over the "buy" button, the bias gets named before the decision, the price tag computes itself. That's the actual product. The found money is just the bonus.

PART 10: TROUBLESHOOTING – WHEN MISTAKE-PREVENTION FAILS

"I know all 55 mistakes and still made one."

Knowledge isn't immunity — it's early detection. The win isn't never making mistakes; it's catching them in weeks instead of years. The quarterly pillar review (T14) and the annual audit (Rule 4) are the detection systems. Run them.

"I keep making the same mistake."

Then the structural fix failed, not you. Re-run the autopsy (Part 4): was the fix actually structural (automation, rule, calendar), or was it "try harder"? "Try harder" fails identically every time — that's its defining feature. Design the fix so the mistake is impossible, not unlikely.

"My partner keeps making mistakes I warned about."

Warning isn't a system. The couples architecture (Roadmap Extended, Part 5) is: the big-decision rule + the 48-hour rule + the money date. And check yourself: is it actually a mistake, or a different value? (The cottage isn't a mistake if the family uses it 60 days/year and the math was done with eyes open.)

"The red-team killed a decision I really wanted."

Good. That's the method working. Sit with it for a week — if the red-team's case still holds, you just saved yourself from becoming an autopsy. If new information emerges, re-run the protocol. The red-team isn't a veto; it's a filter.

"I'm overwhelmed by 55 mistakes — where do I start?"

The taxonomy (Part 1). Find your family: which 11-mistake cluster matches your history? Fix the family with one structural change: inattention → automation + reviews; emotion → the IPS

+ 48-hour rule; deferral → T45's calendar; complexity → Archetype D; misplaced trust → the verification habits. One family, one fix, this month.

"I did the pre-mortem and everything looked fine — then it failed anyway."

Pre-mortems find known failure modes. Unknown unknowns need the red-team (bad premises) and the 5-sprint rule (patterns across time). And sometimes: variance. Not every failure is a mistake — some are just outcomes. The autopsy distinguishes them: was the process good? Good process, bad outcome = tuition paid to variance. Bad process = actual mistake.

"How do I teach my kids to avoid these?"

Model the systems visibly (the weekly review they see, the one-page plan on the fridge), narrate one decision per month out loud ("we're not buying that because..."), and give teens their own T1 + savings rate. Lectures don't transfer; observed systems do. The family money meeting (Vault Extended) is the full framework.

"Isn't this all just... common sense?"

Yes — and that's the point. Every mistake in this guide is common sense in retrospect. The bias field manual (Part 5) explains why common sense fails in prospect: your brain is running 12 known exploits against you. The systems in this guide aren't there because you're foolish — they're there because you're human, and humans need guardrails.

PART 11: YOUR 30/60/90-DAY MISTAKE-PROOFING PLAN

Days 1-30 — Detect.

- Week 1: Run the taxonomy (Part 1). Identify your family. Write down your 3 most-expensive past mistakes with price tags.
- Week 2: Autopsy the biggest one (Part 4's 5-step method). Install the structural fix.
- Week 3: Write (or update) the IPS (T13) with the crash clause (#55's fix).
- Week 4: Calendar every audit for the year (T45): fees, insurance, beneficiaries, subscriptions, match check.

Days 31-60 — Defend.

- Week 5: Run the red-team protocol on your next big decision (Part 7). Even a practice run builds the muscle.

- Week 6: The bias scan — which 3 biases from Part 5 own you? Write the specific defense for each into your IPS or one-page plan.
- Week 7: Money date #1 (T29) — start the conversation, no instruments.
- Week 8: The fee audit (T19) + subscription autopsy (T27). Kill what's dead.

Days 61-90 — Systematize.

- Week 9: The 50% rule pre-commitment (T40) — signed before the next income event.
 - Week 10: The two-number check (#54's fix) — home equity vs. invested assets, tracked separately from now on.
 - Week 11: Teach one concept to someone (a kid, a friend, a partner). Teaching is the final exam — it reveals what you don't actually understand.
 - Week 12: Full review. Which family is quietest now? Which mistake are you most likely to make next? Pre-mortem it.
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PART 12: FAQ — THE QUESTIONS BUYERS ACTUALLY ASK

1. "Which 3 mistakes cost Canadians the most, in aggregate?"

By price tag: lifestyle creep (#3 — the compounding foregone), the fee shrug (#26 — decades of drag), and the home-as-retirement-plan (#54 — concentration risk at the worst time). But your most expensive mistake is personal — run the price-tag exercise (Part 4's autopsy) on your own history. The aggregate ranking is trivia; your ranking is strategy.

2. "I've already made several of these. Is it too late?"

The autopsies say no — every recovery playbook in Part 6 starts from the wreckage. The math of recovery: stopping a mistake today is worth more than having avoided it yesterday, because today's fix compounds forward. The only truly expensive mistake is the un-autopsied one.

3. "How do I get my partner to read this?"

Don't assign the whole guide. Assign one autopsy that matches your situation, then the money date (T29). Shared language beats shared reading — after the money date, you'll have the vocabulary to discuss the rest together.

4. "Are the price tags real numbers?"

They're illustrative computations from stated assumptions — the method is the point, not the figure. Run your own numbers with the same formulas (T28's five formulas power most of them). Your price tags will differ; the orders of magnitude won't.

5. "What if I disagree with one of the 'mistakes'?"

Good — red-team it (Part 7). Some entries are genuinely situational: the cottage (#52) at 60 days/year of use with eyes-open math isn't a mistake, it's a lifestyle purchase. The guide's claim is narrower: unexamined versions of these are mistakes. Examine yours.

6. "How often should I re-read this guide?"

Once a year, in December (the reflect month). You're a different person each year — different mistakes will light up. The annual re-read is the cheapest audit you own.

7. "My parents are making several of these mistakes. How do I help without being condescending?"

Share the autopsy, not the accusation. "I read this case about a couple whose house was their whole plan — made me think of your situation, want to look at the two-number check together?" Stories open doors; lectures close them.

8. "Isn't the red-team method overkill for small decisions?"

Yes — that's why the threshold is \$5,000+ or irreversible. Below that, the 48-hour rule and the IPS handle it. The red-team is heavy artillery; deploy it where the stakes justify the 30 minutes.

9. "What's the single highest-ROI fix in the whole guide?"

The employer match audit (T34, #45) — 10 minutes, up to a 100% instant return, compounding for decades. Second: the fee audit (T19, #26). Third: writing the IPS (#55). All three take under an hour combined.

10. "How does this connect to the other Extended Editions?"

Every mistake points at its fix, and the fixes live across the ecosystem: the Templates Pack (the instruments), the Roadmap (the execution system), the Investing Starter Kit (the portfolio mechanics), the Mastery Guide (the tax layer), the Vault (the decade view). This guide is the diagnostic manual — the others are the treatment.

PART 13: HONEST LIMITATIONS

- **The catalog is descriptive, not predictive.** Knowing 55 mistakes doesn't prevent #56 — it just improves your odds. New financial products invent new mistakes yearly (see: every crypto cycle).
 - **Price tags are illustrative.** Every computation states its assumptions. Your rates, timelines, and tax situation will differ — run your own numbers.
 - **Some "mistakes" are values in disguise.** The guide flags the unexamined version. An examined, eyes-open cottage purchase isn't a mistake — it's a choice. Don't let the catalog bully your values.
 - **The bias research is real; the application is yours.** Cognitive biases are well-documented, but debiasing is genuinely hard — which is why the guide emphasizes structural defenses (automation, rules, audits) over willpower.
 - **Recovery playbooks are starting points.** Debt, tax, and relationship crises have professional-grade complexity at the extremes — the playbooks stabilize; professionals resolve.
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RECOMMENDED TOOLS

Some links in this guide are affiliate links — if you sign up through them, Poutine2Profits may earn a commission at no extra cost to you.

This guide is about decisions, not products — so the list is short, limited to the one tool that directly fixes the most expensive mistake in the catalog:

- **Questrade** — the low-cost Canadian brokerage for escaping the 1% fee shrug (#26). Moving investments from 2%-MER mutual funds to a self-directed account is the highest-ROI single action most readers can take (currently with a \$250 new-account bonus).
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GO FURTHER — THE OBVIOUS ACCELERATORS

You've now got the complete diagnostic manual: 55 mistakes with price tags, the bias field manual, the recovery playbooks, the red-team method. Two honest observations:

First, the hardest mistakes to see are your own. That's not a character flaw — it's the bias blind spot (Part 5), and it's universal. If you'd like an outside set of eyes on your numbers — someone to run the red-team protocol with you and spot the family pattern you've been living inside — here's the path:

- **1:1 Financial Coaching — \$149.** A done-with-you working session: we run the full mistake audit on your situation — the taxonomy, the price tags, the red-team on your next big decision — and you leave with the structural fixes installed. → <https://buy.stripe.com/3cI00IbjU3VW0Ez37V9oc00>
- **Money System Consulting — \$499.** For complex situations (business owners, couples, cross-border, pre-retirees): a deep working engagement where we architect the entire mistake-proofed system — accounts, automation, tax timing, estate coordination — with you. Not just the diagnosis; the treatment, built and running. → <https://buy.stripe.com/14A4gBcnY3VWcnhfUH9oc01>

Second, every mistake points at deeper work. When a specific family lit up — the tax mistakes, the investing mistakes, the system mistakes — the corresponding Extended Edition is the treatment manual:

- Investing mistakes (#47, #49, #51, #55) → **The Ultimate Canadian Investing Starter Kit — Extended Edition**
- Tax mistakes (#36, #37, #38, #46) → **The TFSA / RRSP / FHSA Mastery Guide — Extended Edition**
- System mistakes (the inattention and complexity families) → **The Templates & Worksheets Pack — Extended Edition** and **The Step-by-Step Money System Implementation Guide — Extended Edition**
- The long game and legacy → **The Complete Resource Vault + Action Tracker — Extended Edition**

Educational content only — not financial advice. Always do your own due diligence.