



118 – What You Don't Know... Is Hurting You Episode Transcription

“Even the people who manage to beat the market ten years in a row, there’s zero evidence that they’re going to be able to do it in the future.”

Paul Adams: Just know that anybody who's saying, "We outperformed the market," or, "We're going to outperform the market," or they're prognosticating, "This is where the market's going to go next," they don't know. There's no evidence. Even the people who manage to beat the market ten years or more in a row, there's zero evidence that they're going to be able to do it in the future.

Announcer: Welcome to Sound Financial Bites, where we help you with bite size pieces of financial and life knowledge to help you design and build a good life. The knowledge that has been shared from stages at conferences, pages of national business magazines, and clients living across America, our host Paul Adams now brings directly to you.

Paul Adams: Hello, and welcome to Sound Financial Bites. My name is Paul Adams. I am your host, with your co-host Cory Shepherd. Good to have you, Cory. So glad you are a co-host of ours and no longer a special guest.

Cory Shepherd: I am excited to ... Are we just going to call this my first official co-hosting, just to celebrate it? Have a cake?

Paul Adams: Well, I mean, to celebrate it and/or make fun of you for all the times you were on the podcast before where we just had you as a special guest. I'm fine with either.

Cory Shepherd: I did not have appropriate representation. I need a better agent next time.

Paul Adams: Tell you what, we'll double what we pay you for doing the podcast.

Cory Shepherd: Whoa.

Paul Adams: Speaking of doubling something that is already not very high is the idea of what it's costing you. The title of our podcast today is What You Don't Know is Hurting You. You see, there's all kinds of things that we think about with money and finance that we're not always present to the kind of impact it could have on us. Now typically what people do is they avoid or ignore the negative impact of some of the things that they can do.

Right before we jump ... deep dive into this today, I want to let you know some of what we're doing to modify our podcast. We have been



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simultaneously recording all of these with video, posting it up on YouTube to give you some of the additional visual pieces to help you with your learning, and at the end of every podcast episode, we're going to give you the download link where you can go get the visual. So if you're just an avid podcast listener, but then you periodically want to actually see some of the tables, charts, everything that we share, we're going to get that to you.

Our objective is what? To give you bite size pieces of financial knowledge so that you can help yourself design and build a good life. We know that those of you that we resonate with are going to reach out to us, want to hear our philosophy, and maybe build a relationship.

So with that, Cory, maybe we could kick off with you sharing with everyone just ... what are the rules that the financial institutions run by they're not even talking about with us?

Cory Shepherd: Yeah. I will preface this that we're not talking about any kind of black hat conspiracy. Most of the companies you can do business with are American institutions with real people, real Americans that got families, need to put food on the table. If they're providing a service, that's great. The problem is usually folks become customers and don't know the rules of the game that they're playing.

Those rules are one, they want to get your money. Two, they want to continue to get it on an ongoing basis. They want to keep it for as long as possible. Then they want to give it back slowly over time. So not picking on any specific products, but let's just take one that almost everyone has that's listening to this podcast, the 401K. It's not an accident that almost everyone has one and that it fits perfectly all four of those rules. Now that just is.

Paul Adams: Effective. We've talked about that before. If you go back, if you search our podcast [inaudible 00:03:44], you can see some of our past episodes on 401K. What will amaze you is all of the interests that are aligned in them simply wanting us all to do a 401K, the way that they recommend it.

For instance, if you've been in a 401K enrollment meeting, it's like they will kind of mention the Roth option if you have one, but they don't go very deep into it. Why? Well, because they'd much rather ... if you had the ability to save \$10,000 this year before tax, which includes part of your tax bill, so that they get to manage \$10,000, but if all you were going to be able to do after tax in Roth was \$7,000, but if you're the financial institution now with these four rules, which one are you going to do?



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That's the major conflict that we have is that these institutions, much to Cory's point, they may have wonderful individual people in them, but the drawback is that they are anchored in these rules. As a result of being anchored in these rules, they have their interests of trying to get as much fees or as much costs off the table.

The only thing hampering that is the informed investor that understands some of the concepts we're going to talk about today so that you can do something about it, so that you can ask more critical questions. It's things like that that have driven down some of these internal costs inside of investments over the last ten years. We're just hoping to further that mission by educating you with this.

So Cory, just high level what we're going to hit.

Cory Shepherd: Yeah, I was thinking there's really three themes inside of those four rules that are going on with your portfolio that you don't really know when you're investing in the market. One is survivorship bias, one is that the industry is all in on the stock picking game, another is the undisclosed internal cost of mutual funds. That is the real cap of the What You Don't Know is Hurting You. It's like the gym membership that you forgot you have and you haven't been to the gym for six months. They're just billing it every single month, but you get nothing for it.

Paul Adams: Indeed. Well, let's hit that first one, survivorship bias. If you guys are not familiar, I'll just give you a slight background on this idea of survivorship bias. If you're an avid podcast listener of ours or a client, this is going to sound familiar, but yet worthwhile, because it doesn't just apply to investments. I want you to just think investments if it's the first time you're hearing this. If you've heard this before, now start to think where else this applies, because it's one of the most prevalent economic theories out there that has to do with this decision making bias that people have. It can affect all kinds of career and business decisions for you, as well.

So it starts all the way back to World War II. You know, when we have large events, we will often ask a room full of people if there's any World War II buffs and ask people where they think we won World War II. People will say the beaches of Normandy, or they'll mention the Pacific Theater, or maybe the tide change that occurred in the Battle of the Bulge that allowed the Allies to really be able to overcome the Axis powers. In that, it was an incredibly difficult time. There were all kinds of calculations being done.



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“We tend to only look at the survivors in any particular business or economic situation and make our decisions based upon those survivors... therefore not preserving [our] own survival in the most effective way.”

There was also this department. There was a team of people, that for the sake of this conversation, I'm going to call them the Department of Applied War Math. But what they did is that there would be all of this data that was gathered by the generals in the field sent to these mathematicians. The mathematicians would crank through it and send back recommendations based upon the data that they had. Now, the main core of these folks were in a smoke filled apartment in Harlem. What I would contend, and many economists say, is that they were likely responsible for winning World War II.

Now what is that? Well, one of the things that the generals sent out ... for those of you watching on YouTube, you'll see this or download in the attachments later ... is a scatter graph of a World War II bomber. What they did is they collected the data as these bombers made their runs, came back, and they were shot all to heck. They noticed where all these holes were and they wanted to send it to these mathematicians and have them get back to say, "Here's where to add the extra armor. Here's how much extra weight it's going to be. Based upon that extra weight, here's how much less in fuel they'll be able to carry." Direct translation: range of the bombers. "Here's how much less ammunitions, bombing capacity, they'll be able to carry." Now what was something that gave us the large dominance in World War II was our long range bombing capacity.

All of that was done, the research was done, the math was done, the project was getting ready to go out the door. A mathematician who was not working on that project named Abraham Wald happened to see it going out the door. He said, "Stop. You are studying the wrong aircraft." They're like, "What do you mean?" He took the scatter graphs and pulled them together. If you're looking at this visual now, you'll see it. Cory, could you just share with our audience what you see on the scatter graph of where there are no hits?

Cory Shepherd: Yeah, so we've got red dots all kinds of places except for the engines and the middle of the wings and the weakest part of the tail section.

Paul Adams: Yup, and the cockpit, has no holes. So why would that be? Well, those are the planes that went down. They never made it back. Because those planes went down and never made it back, they were not included in the analysis. Abraham Wald said, "No, the only thing we have to armor are these very few areas where shots hit that prevented the plane from coming down." It created this economic theory called survivorship bias, which is we tend to only look at the survivors in any particular business or economic situation and make our decisions based upon those survivors. The problem with doing that is you



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have incomplete information about who didn't survive, therefore not preserving your own survival in the most effective way. That was minimal amount of armor that was required in very specific areas so that we retained our long range bombing capacity as well as our capacity to put a lot of armaments on these aircraft. So how does that apply to what we do in finance? Well ...

Cory Shepherd: You know I always think about it? This just sort of came to me. The people are awesome, videos were someone's drop kicking a football 100 yards and getting it into a basketball hoop. You're like, "Dude, that's amazing."

Paul Adams: Dude, perfect.

Cory Shepherd: Right. How do they get that to happen? Then you think, "Oh, they probably had a couple of hundred takes to get that one." The financial industry is the same. How many failed funds or failed money managers did they have to turn through to get that one that they can write an article about that beat the market for a huge number of years in a row?

Paul Adams: Absolutely. Now, how does that work in the mutual fund business? Cory gave you a little bit of foreshadowing there, but it's very simple. If you have two mutual funds, if you're a mutual fund company, put yourself in those shoes that you're starting a mutual fund. What happens is you have two funds. One, they're both mid cap funds. They're just investing in middle size companies. One goes up 10% per year for three years running. The other one takes a hit. It's gone down 10% per year for three years running. Now, of those two funds, which one's getting closed, Cory?

Cory Shepherd: It's not the one that's getting the good reviews.

Paul Adams: That's right. The one's that's going up in return, what they will tend to do is close the funds that don't do as well. What you'll notice ... if you've been an investor for about any horizon of time, you've probably experienced this where you get a note in the mail from your 401K or mutual fund saying, "Here at ..." I'll just pick on Oppenheimer. "Here at Oppenheimer, we have chosen, because of economies of scale, better uses of our investors. We have two investment management teams that are managing very similar funds. We're going to be merging these two funds together. So just notice on your next statement. We're not changing strategy, but instead of the mid cap super fund, you're now in the mid cap really great fund, and they've merged together."

Cory Shepherd: Pac-Man merging with a Pac-Man dot, that kind of merging.



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“I think by today we have as many mutual funds closed as are currently open. And each time they do that they’re able to wipe out the negative returns of those funds.”

Paul Adams: Yeah, exactly. What they don't do is send people back their money, like, "Oh, hey, we're sorry this fund didn't work out. Here's your money back." No, they fold it into the other fund. But when they fold it in the other fund, what you would think they would do is some kind of averaging of returns between those two, but they do not.

In ways we've explained in longer form in some of our other podcasts, they are able to move that money in, and then they erase the returns of the negative performing fund. So literally, your next fund statement you get that shows you the one year, three year, five year returns, you're seeing the one year, three year, five year returns upon the fund you were rolled into, not your actual experience. Said another way, it's a little bit like a kid going to college dropping classes. They drop the class. The class still costs the parents something, but it doesn't count against them anymore. That's the exact same thing with mutual fund companies.

Now, how bad is it? Well, to give you just a high level view of it, and for those of you that want this data, you can hit the main link we're going to give you at the end of the podcast and in the show notes. You'll be able to see this. But this is just data as of the end of 2013. There's been a total of 54,364 mutual funds established. Of that, at that time, about 23,000 had been closed. So let's think about that for a moment. We nearly have ... In fact, I think by today, we have as many mutual funds closed as are currently open. Each time they do that, they're able to wipe out the negative returns of those funds.

In fact, we just took the worst 200 of the funds that have been closed. It's like almost -80% that they didn't have to count in their overall returns. So next time a mutual fund company says, "75% of our funds beat the four year [inaudible 00:13:30] average of their peers," it could be said, "75% of our funds that we let live, they outperformed their peers."

Cory Shepherd: We can talk about it and even sound so casual, but just think about a basketball team gets to pick the ten worst games that they had and remove those from the record, just because they want to. How would the league stay in business? How would anybody know who was the best team in the league? It is this huge problem and no one's talking about it. No one actually knows how the industry is actually doing. Well, we do, actually. Most people don't know. We're going to be able to [crosstalk 00:14:09] ...

Paul Adams: Yeah, that's right. It's just not obvious. You just have to look a level deeper. We're going to give you some actual actions to take at the end of this podcast, things you can do. Now this next set of slides, we're not going to



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speak to them deeply. You can look at them more in-depth, but here's the basic gist of it, when you get a chance to look at it later.

Even if we take those asset managers who outperformed the index that they wanted to be compared to ... which typically, depending on the period of time, even over 5 year horizon of time, this is as little as 25% or less that actually outperform their index. Over 15 year horizon of time, it's more like 17%. But what this graphic shows you is even if we only assess those who outperformed, say over a 5 year period, and look at them over, say, the next 3 or 4 years, the same percentage outperform. So even the people that are outperforming the indexes are not doing so in any predictable or dependable way, meaning that it may not matter if we have Morningstar ratings or past history, and we chase around the, quote on quote, "fund managers that are doing a good job." There's just no academic evidence we can point to that there's any predictable methodology for being able to pick the people that might be able to perform with the market or beat the market.

Cory Shepherd: This makes me chomp to go onto number two. Are we ready to do that?

Paul Adams: Almost. Here's where I want to land with this. Just know that anybody who's saying, "We outperformed the market," or, "We're going to outperform the market," or they're prognosticating, "This is where the market's going to go next," they don't know. There's no evidence. Even the people who manage to beat the market ten years or more in a row, there's zero evidence that they're going to be able to do it in the future. That is biggest lesson that you could take away from this first piece. Cory, kick us off on the next one.

Cory Shepherd: So here's the problem. Everything that we've just talked about is true, yet the industry is still all in for the stock picking game. So it's kind of like the proverbial kid going after the cookie jar. They've got their hand in the jar. Their mom's like, "Are you stealing cookies," and they're like, "No. I'm not taking any cookies," with their hand in the jar right there. That's what's happening every single day.

Paul Adams: "Resting my hand on the cookies, Mommy, that's it." What we are taught ... Here's what I think has distracted a lot of America is that there's this like two polar opposites pulling on each other, both saying the other one's wrong and is in some form or fashion robbing from you. I'm going to give polar opposites, but you guys can apply it to the institutions you want.



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“The market is not beatable. The information happens too fast. Everything revolves so quickly that we can't predict or trade or get ahead of a market as an individual... not even the highest, wealthiest, best paid hedge-fund managers in the world.”

Let's look at E-Trade and Morgan Stanley. Morgan Stanley, full service, wirehouse, asset managers. "Work with us, we'll help you perform better in the market. We've got wonderful asset managers. Our job is to beat the index." Okay, that's like we're after that. E-Trade, on the other hand, says, "Those guys are expensive. They can't do it. You need trades that are ... " There's actually one called Robin Hood now. It's just free. I don't know if they advertise to you or sell your data, I don't know, but it's free. But there's E-Trade \$4 trades, whatever they do, and, "You don't need those guys."

Now here's the part that's lost. This is the skill that it takes in looking in the negative space. It's like looking at a painting to find the art where they didn't paint. In this case, what they're actually both saying is that someone can beat the market. E-Trade is saying, "You can do it. You can beat the market. You know better." Morgan Stanley is saying, "We've got some really smart people that can beat the market." They're both, in a way ... I don't want to say conspiring, not black helicopter conspiring, but they are both inside the same story, reinforcing one another in something that has been proven repeatedly as unattainable, which is the ability to consistently or predictably beat the market.

Cory Shepherd: They would say that they're completely different worlds, but they're actually playing exactly the same game. The only difference is who's hitting the buttons.

Paul Adams: That's it. That is it. In a certain way, they're both very happy that the other one's doing what they're doing, because they're both continuing to perpetuate the myth that the market can be beat. Now, you may have to go back to listen to our six part series on the Illusions of Investing so that you can get grounded in the fact that the market is not beatable. The information happens too fast. Everything revolves so quickly that we can't predict or trade or get ahead of the market as an individual, not even the highest, wealthiest, best paid hedge fund managers in the world. Hedge funds are known for this really bad survivorship bias, because of how often they just flame out. But the ones that are still standing look like hedge funds would be a great place to be with your money. It just doesn't work that way.

Next, we have this issue of the real cost of owning these mutual funds. You see, owning these mutual funds is far more expensive than what most people realize, part one. Part two is not only is it more expensive than most people realize, but that means that these asset managers have to outrun. They have to outrun not only the index, but outrun the costs they're creating trying to beat the index. Those costs go up the more than they trade.



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Easy way to think about is like running with a parachute. You're running with a parachute. The faster you try to run, the more resistance there is on you. That's what these guys are trying to get ahead of.

Cory Shepherd: I was thinking, you know, they're outrunning the index, and they're trying to outrun themselves. So it's like winning a race against yourself with a parachute on. The parachute doesn't actually matter. The fact that you're racing against yourself, how are you going to get there ...

Paul Adams: Well, and here's the thing. You won't see articles like the one that we can you. If you hit our page and put in your email address, you're going to get this article from us. It's The Real Cost Of Owning A Mutual Fund from Forbes. This is back in 2011. You will not see that many articles like this from outlets like Forbes, from outlets like Money Magazine, Smart Money, etc. Why you know you're not going to see too many of them? Just flip through the pages or look at all the banner ads. Most of the advertising is from financial institutions selling these products.

So let's just look at the real expenses in, say, a taxable account that you might have some mutual fund money in. Number one, you might have an expense ratio of that mutual fund of .9%. Everybody sees that one that's right in your perspective, it's super clear. The next one is the one [inaudible 00:21:00] are the ones nobody talks about.

The first one is something called transaction costs. You see, when you own a mutual fund, and your mutual fund manager is trading, it's kind of intuitive. You'd think they're paying for the trading costs out of that .9%, but they don't. The trading costs are paid out of the proceeds of each trade. To make it simple, if there's ... This is over simplification for the sake of this. \$100,000 of Microsoft owned by the mutual fund, they sell the \$100,000 of Microsoft, but it costs \$1,000 in costs to trade the Microsoft. They don't report that \$1,000 in costs in your expenses, they just report it as a gain, the \$99,000 proceeds from the sale. The more they trade, the worse that gets. There's actually some academic tools we're going to point you to where you can do this analysis on your own, where they look at these funds, how much their turnover is, and create some predictability around how much the transaction cost is dragging.

The next one is cash drag. So when you're in a regular retail mutual fund, you are locked arms with a whole bunch of other people. The problem is, and what I mean to say in a very nice way, is that ... usually, when I say it's going to be in a nice way, Cory, I'm about to be just the offensive enough.



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Cory Shepherd: I get nervous. If you can't see the video of my cringing just a little bit.

Paul Adams: But what they do is you are locked arms with a bunch of weak people. What I mean by weak people is people who have not hardened their own resolve in their investment discipline. When times are volatile, it's the best time for wealth distribution. Wealth gets redistributed from the undisciplined investor to the disciplined investor, but large mutual funds have to keep a lot of money in cash, because they have to deal with redemptions from the people who are undisciplined.

Those redemptions of the undisciplined investor hurt you in two ways. One is this cash drag that could be upwards of .8% in this Forbes article, plus the tax cost, which is they have to sell things. They don't want to sell their positions that are down. The mutual fund manager wants to sell their positions that are up so that it looks like they're still doing a good job despite people exiting their fund, which creates tax impact to those people that stay true to the fund.

So it's like you're trying to survive surf torture in Hell Week, locked arms with a bunch of pansies that the first time they get hit with a wave they're going to start crying and crawl up the beach and ring the bell. That's fine if you have somebody else to grab onto. If you happen to be a former Navy Seal listening to this podcast and you've been through Hell Week ...

But here's the thing, we don't have that. Those people walk up the beach, ring the bell. We don't know they did. It just hurts us tax impact and cash drag wise. Those are real costs. But that means your mutual fund in a taxable account that tells you it's got .9% cost could be above 4%. They didn't have to disclose any of the extra they took it from. .9% to 4%, and oh by the way, that doesn't count if on top of that, you're paying that asset manager 1%.

You see, people wonder why ... I'm going to get a little passionate here, Cory, my apologies. But people wonder why they feel like they're swimming tied to a tree when it comes to their money. This is why, because nobody's talking about this drag.

Cory Shepherd: This one has been in plain sight the whole time, no one just really just didn't realize it. I just keep coming back to the fact that it's called a mutual fund for a reason. Everyone thinks it's mutual like all of these stocks are in there together, which is partly true, but it's also because you are in it together with anyone else that you've bought into that fund with, because



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“The free market is one of the most dependable things that we have in our entire life... What you may not be able to trust are all the institutions that try to stand between you and your participation in a free market.”

their behavior impacts your results. There's no way around it. I think almost no one is thinking about that when they buy their first mutual fund.

Paul Adams: Yes, I think that that's well put, Cory. Okay, so we're going to take a quick break, come back, tell you what you can do about all this, and how you can use this information to do something different with your finances today.

Hey, everyone. I want to let you know I'm interrupting this podcast for a good reason. If you're someone who's enjoying this podcast, if our philosophy is helping you better think about money, then this offer is for you. We've opened up a financial inquiry call for our listeners of Sound Financial Bites. Our financial inquiry call is 15 minutes where one of our team will ask you some key questions, understand your concerns, and if appropriate, schedule you for a philosophy conversation with myself or Sound Financial Group's president, Cory Shepherd. If you email us at info@sfgwa.com with Inquiry in the subject, we will reply back to you with a link to our team calendar so you can schedule a call at a time that's least invasive for you. Even if we're not a fit, the team member having the call with you will point you in the direction of resources we have that can help you in whatever the next step for you in your financial journey is.

Now back to your podcast already in progress.

Welcome back. We're so glad you guys are hanging here with us. We've gotten a little bit analytical today, but we're going to give you some practical outcomes of things that you can do. So to start with, what we want you to think about is ... you can write down this domain name, you can look at it in the description on the podcast, hurtingyou.sfgwa.com. But here's the things we want you to think about.

Number one, you feel like you can't trust the market. We know that there's some of you out there like, "You can't trust the market. I just buy real estate or just invest in my business," whatever. The thing is, I don't think that's true. I don't think it's that you cannot trust the market. In fact, the free market is one of the most dependable things that we have in our entire life, that we can count on the way it will behave. What you may not be able to trust are all the institutions that try to stand between you and your participation in a free market. It's that obfuscation ... I can never pronounce it.

Cory Shepherd: Nailed it.



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Paul Adams: I definitely can't spell it. I need to learn sign language to just sign that one word. But it's the block that's between you and you participating in your investment results that causes most of the pain that people relate to as, "I can't trust the market." It comes to you as people selling you on changing your investment strategy, selling you on the next new cool investment tool, selling ... instead of what we're going to talk about in the next podcast is how you can build a discipline strategy.

But number one, what you can do is you can put yourself in a position to realize it's not the market you can't trust, it's the way most people participate in the market. But if you stay in the market ... so we have people like, "I just want to time the market." You've got to abandon the idea of timing the market. The highest paid professionals in the world can't time it. But what you can do is be disciplined and spend the appropriate amount of time in the market.

The next graphic that's up on YouTube or that you can download shows you a history of the ups and downs of the market since like the 1920s I think this one is, late 1920s. You can get a sense of how un-often there's actually been significant downturns. It really hasn't been that often in the span of somebody's investing career, even if you're in something as volatile as the Standard & Poor's 500 Index. It's even less than this if you have an academically allocated globally diversified portfolio.

On the next slide that you're going to be able to see, we also have this idea of the market goes up and down a lot in any given year regardless of its performance for the calendar year. So one of my favorites is like 2009 where the market at its worst in 2009 was down like ... it looks like about 30%. It's highest was up like 70%, but it ended that year up like 25% or 30% after the big downturn in 2008.

Here's the thing. All throughout every single year, good or bad, there were times you could have been freaked out, scared, or made bad decisions. Now you're listening to this podcast, you're not the person making those decisions. You're not jumping out when you shouldn't, I hope. But there are people to your right and left those who have not hardened their resolve around investing haven't taken the time to learn enough. They are bailing on you. When they bail on you, it puts you in the position to take those additional tax costs and maybe even potentially losses as a result.

So what we want you to be able to do is be in a position that you can hold strategy, that you are not taking risks you shouldn't have to take,



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because despite of how the ups and downs go throughout the year, you know that the market is a lot like a guy walking up a set of stairs who's holding a yo-yo. While he slowly progresses up the stairs, the yo-yo will go up and down, which looks more volatile than the actual climb up the stairs, and to focus on the fact that the free market is climbing up the stairs over time. It's lifting people out of poverty worldwide. It's putting us, as individuals, and it's putting as business folks, in the position to be able to reserve the appropriate amount of money that we need for the long run for our retirement. We don't need to let all these institutions take so much of it.

So with that, we want you to again hit hurtingyou.sfgwa.com, that's hurtingyou.sfgwa.com. Now my favorite part of the show, we're starting to select and highlight certain reviews to the podcast. If you have had a chance to review our podcast, here's what we'd like you to do. Give us an honest review. Take a screenshot of it, email that to info@sfgwa.com, that is info@sfgwa.com. What we will do is send you a copy of one our books or Michael Michalowicz's new book, which is *Clockwork*. I think you guys will love that. Michael Michalowicz, great friend of the show, and certainly one of the most respected business authors in the marketplace right now.

So we got a review from [JohnACW 00:31:06]. So John, thank you so much for this. He said, "I want to applaud both Paul and Cory for providing some of the best financial education out there. I consider myself pretty knowledgeable financially. However, I'm continually having to confront to volatility of all the sacred financial cows out there, sacred cows that could cost you a lot of money over the long run. I'm sure they got a lot of flack for swimming up against the financial current out there. Thank goodness somebody's doing it. Best of all, these guys are very generous in educating people for free. I think these guys deserve your time and attention and ultimately your business. Kudos, guys." Well, I've got to tell you, John, I believe I know what John that was, but I got to tell you, thank you John. That probably couldn't have been said better.

We do get a fair amount of flack for it. I think one of the biggest ways we get flack ... Cory, I don't know if you would agree with this ... but is that we give all of this away. There are financial people out there that want to keep things close to the vest. Here we are. I think we're crossing a couple hundred hours of content, not counting books, that we give out there for free for people to be able to take, enjoy, and challenge their existing financial relationships to be able to be more transparent and give you more full situational awareness with your money.



118 – What You Don't Know... Is Hurting You *Episode Transcription*

Cory Shepherd: Yeah, I agree. I think people can be a little nervous, like, "Wait, you're giving so much away for free? What's the catch?" Especially even when we meet with them. It's like, No, we just love gossip as long as it's positive gossip about us, and this is a big part of why we do this.

Paul Adams: Exactly right. Well, we're so glad all of you could join us today. Join us in our next episode, which is Investing Like a Nobel Nerd. We're going to give you the flip side of all of this that we've just exposed to put you in a position so that as your income climbs as you start making more money than you've ever made before ... we talk about that as the white coat window. Whether you're a physician, an executive, or a founder of a business, that you hit that window where you make more money than you've ever made before, now you're trying to figure out what to do with it. We're going to show you in our next episode how to counter some of the stuff that exists inside the current inside the way people think about money so that you can do the best possible job of designing and building a good life.

Announcer: I want to acknowledge you for taking the time to tune into Sound Financial Bites. You stopped long enough in your busy day to reflect on your finances and your future to help you design and build a good life. Please take a moment to subscribe to this podcast and follow us on social media. You can find us on Facebook and LinkedIn. If you have a topic you would like to hear us discuss, please send us a note on Facebook, LinkedIn, soundfinancialbites.com, or email us at info@sfgwa.com. Be sure to check out the show notes for links to any resources that we covered in each episode. For our full disclosure, please check the description of this episode, description of this podcast series, or you can visit our website.

Make it a great day.



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