Sound Financial Bites 040 - Paul Adams

Episode Transcription

"What would change the price of a stock is unknown and unknowable information."

Hello. Paul Adams here. Welcome to Sound Financial Bites, where we help you with bite-sized pieces of financial and life knowledge to help you design and build a good life.

Hello everyone, and welcome to Sound Financial Bites. My name is Paul Adams, President and CEO of Sound Financial Group. I'm so glad to have you with us today. Today we are hitting on part six of a six-part series. For those of you that have with us all along the series, welcome to the final episode of this six-part series. I know it's a lot that you have to learn, I think a lot has been exposed for you, and you've had a chance to learn a great deal about your money, and perhaps the kinds of things that we've been exposed to. So before we get into the subject today, this one's going to be a little more analytical than perhaps what you're used to. I'm doing everything I can to make this incredibly digestible by podcast, though if anything in this seems like it doesn't make sense or you're looking for a help around it, whether you're an existing client of ours or you're somebody that just sort of trying to figure this out, we'd be happy to look at your investments in the context of these illusions, and see to what extend you're currently exposed to them, which is 90+ % of the time, people are exposed to many of these illusions right now in their portfolios. One of our team can take some time with you, help expose that. If you're an existing client and this triggers a question, get on the phone with me, get on the phone with your adviser and we will make sure that we can close the gap for you in any knowledge area, especially around these illusions of investing, or more importantly, today, where it's going to be a little more analytical, which is how do we build a portfolio and how do we take care of your financial life in a way that will leave you with the greatest opportunity to be able to avoid the illusions and build better for the future.

Now these five illusions that we talked about have been the illusion of stock picking, that we or someone in some really high beautiful tower in a downtown metropolitan area is going to be able to pick stocks, track record investing which is I guess I know. Individual average adviser can pick stocks but those who'd outperformed should be able to do it again. We find that there's no real evidence that anybody that performed well in the past is likely to outperform the market in the future. Then it gets to the point we say, "None of these people can predict the market, but I'm going to get some bad feeling sometimes and that's where I want to pull out of the market." But pulling out of the market, that illusion is unlikely to produce good results. Anybody that really wants to see that in concrete, you should go to our YouTube channel and look at the YouTube video "After The Crash". That YouTube video is about 30 minutes long but really walks through what has happened in society after all of the major market crashes and how much the market came back, and how much it would've cost.

Speaking of cost, the cost of investing is overlooked. That's illusion number four that we've talked about. People don't realize often how much it's really costing them to participate in that simple mutual fund, or how much it might be costing them in trading fees or just the fact that they're locked arms or invested side by side with undisciplined investors.

Lastly, the last of the five illusions was this idea of letting somebody else handle it. Being anything other than fully responsible for you and your family's finances, and that includes those of you that are the spouse that perhaps is not the one making the primary decisions. You need to be involved too, you shouldn't just delegate that purely to your spouse. One of you may well act as lead, but shouldn't be the person who's 100% solely responsible. So today we're going to be instead, talking about how do we solve this. Now before we talk about how we solve it, the way most people end up dealing with these illusions, unfortunately the way they deal with them is

they run faster toward the next illusion. Here's what I mean by that. Think of yourself like a person wandering in the desert, and what you're looking for is good, growth outpacing inflation on your investments, because where anybody listening to this podcast is likely going to make most of your money in your career, is going to be for what you choose to do for work. Now, if you're a physician, your human life value is cranking out a great deal of income for you, because you spend years and years building your human life value in medical school. If you are another professional, same thing, you've invested years, you've built a clientele, and now you've got this large income.

If you're a business owner, you built a business that should be giving you a great deal of income and now we need to store that money somewhere other than the primary company with which the one that you own, the undiversified single stock holding, or you could be an executive with a major technology firm as an example, and you've got a truckload of money sitting in those, that company stock which also needs to be move from that company's balance sheet when you own it in their stock unto to your personal balance sheet, at least strategically over time that needs to happen. As you do that, how do you build a portfolio that's going to work? So as you're walking around the desert, you're somewhat starved for good returns over long horizons of time, and what we tend to do, we see these illusions, we see these mirages, and we run faster to the next one in an attempt to quench our thirst.

"If we're taking risk, we need to take risk that we're compensated for."

What we're asking you to do and what we're going to talk about on today's podcast, and what you can do if you engage our firm, just give us a call and we're going to make sure you have our phone number, but you can reach out to us directly and we can help you check the map, because that's what you really should do in the desert, is check the map, check those academic resources for where is the really a water source. Not just run after the next illusion that either you see on the horizon, or somebody else's pointing you to. Let's make sure that we're really finding the solid sources of return and where we can get it. We're going to be deep into that today.

So the way that we help our clients with their investing is with the four components of the Sound Financial Group passive structured investing theory. It's made up of the four components including that market's work, and we're going to get into that specifically. An idea called Modern Portfolio Theory, the Four Factor Model and Fourth Coaching and Education. These four pieces work together to help us work with our clients and produce returns over time with the greatest amount of transparency that we can, and really work to diminish the amount of cost that people have, and avoid all of the illusions.

So something I want all of you to keep in mind is that what we're talking about is one piece of your entire balance sheet. We're talking about your equity and fixed income based investments. This is not the hole of your financial life, this one podcast will not be the solution to all things that ail people financially. But what it'll do is help us have solutions we can use to better take care of our investments specifically.

So the first of those four components was market's work. Market's work meaning that the best price, the best indicator of the value of a stock is it's price. So when you look at any price of any stock, the reason it's price as what it is is because every bit of known information has been transmitted via the free market to have the price be what it is. That includes every opinion about it, that includes every known fact about it, it includes an anticipation of future news that might come out. It's all baked into it. If you sit back and try to guess beyond that, you're unlikely to come out ahead. Let me explain.

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Let's say what you had was an iPhone, and you wanted to sell it. How would you know what it's worth? Well, you'd look it up online, see what people are buying them for, and then perhaps you would use that information to price your iPhone for sale, but you certainly wouldn't go out and try to sell that iPhone for $10,000. All of your friends would say that you're crazy, and so the same thing holds for our stock market based investments. So what moves the price of a stock, Paul, if you're telling me the price of a stock is what the price is, simply because all known and all knowable information is baked into the price, what's going to change the stock price. What will change the price of a stock is unknown and unknowable information.

If you haven't had a chance to read the book Flash boys, it's an interesting read, you can even read some summaries of it. But it follows a group of investors that went out of their way to literally build faster pipe between the exchanges so that they could build a profit from this absolutely miniscule differential in pricing. I'm talking like a fraction of a percent difference, and they spent billions and billions and billions of dollars to be able to build that piping. So if they've spent all these money just to be able to profit from the fraction of a price differential between two stocks, why would they do that? Especially why would really brilliant people who know the stock market spend so much money to profit from very tiny differences in transaction? Or locate their servers closer to Wall Street to be able to execute a little bit better. If those same companies knew where this next 20% of a stock price was going to go, they would just guess the stock price and they wouldn't have to spend all that extra money on the super expensive fast executing infrastructure.

"91-92% of someone’s total rate of return in a portfolio will come from asset allocation."

Well the same thing goes for us, is that if markets work, then the prices already cooked into that piece of information. So by the time we hear about anything, it's already priced into that stock. So the big thing to set with is unless we think there is somebody out there who's going to be able to properly guess what the market is going to do, if free markets work, then that person is not likely going to be correct about whatever they guess, because they're guessing against the whole of the collective intelligence of the entire free market about that particular stock. That becomes the problem for us. So if what you want to think about is, "I'm not sure free markets work."

There are people who thought free markets didn't work in the past, that have even built entire government structures where czars would choose how much corn would be grown every year and not rely on the free market, or how much flour or wheat would be brought into the market every year, and how much bread would be available. As those things were done, millions and millions of people starve because simply the free market wasn't transmitting the information that needed to be present for proper prices to indicate how much supplies should be there. If we think we've got somebody smart enough that they can look at Microsoft's stock or some other stock out there and say, "The price is currently X and I think it should be X plus 20% more, and they're going to buy it. Then we're relying on them doing that. So if we accept free market's work, that's one of the first components of holding strategy when it comes to investing.

Let's get to the second which is Modern Portfolio Theory, or as what I like to say, rebalance and hold strategy. So Modern Portfolio Theory comes from a guy by the name of Harry Markowitz, who created this in the 1950s, and won a nobel prize in 1990. Now why did it take so long? Two reasons. One, they don't give away a nobel prize to somebody who's dead. So he had to be alive. The nobel prize in economics has to be given to somebody who's alive. His theories had to play out long enough that they could prove that he was worthy of the nobel prize, so therefore he created it in the 50s and then before his death in the 1990s received the nobel prize.

What he talked about was a theory around portfolio design and risk reduction. You see prior to

Dr. Markowitz theories, and him building something that became more of a principle for being able to build portfolios. What would happen for people to reduce risks is they would very simply keep more cash or keep more money in bonds. If they kept more money in cash or bonds, they would take less risks. What Dr. Markowitz was able to uncover, was that we don't have to only keep cash to reduce risk, we can also own assets that are non-correlated, or another way to say that is dissimilar price movement. All that means to you and I as layman is that owning stocks or owning types of stocks that don't move in the same direction at the same time as other stocks in their portfolio. If you could imagine two stocks that go up and down, their volatility, if it could be perfectly non-correlated, meaning they go opposite way all the time, you could kind of picture both of these bumpy lines like sine waves going up and down, but slowly up into the right as the assets grow. If two of them are working together, they would sort of cancel each other out and there'd be this very smooth line that would run up into the right which would be fantastic if every investment could do that.

Now, even with a well diversified portfolio with non-correlated assets, it doesn't move smoothly up into the right, there's still volatility. But what's important is we can smooth that line with appropriate diversification with non-correlated assets and non-correlated asset classes. So he also came up with something called the Efficient Frontier, and this was the idea that if we're taking risk, we need to take risk that we're compensated for. If you look at the Efficient Frontier very simply, you can build an allocated model that gives you different degrees of a risk, and different degrees of expected return over time.

A great example is that efficient frontier, an efficient way to build a portfolio and get properly rewarded risk versus return, the S&P 500 and Index that most people point to or recognize is nowhere near being on the efficient frontier, meaning we're taking far more volatility or risk compared to the amount of return that we're getting. Many people blindly end up buying into one particular index and riding that very rough ride and taking much more risk than what would be necessary to get the return that they deserve for taking that amount of risk.

Something that came out after Modern Portfolio Theory was in time, where studies on the determinants of people's portfolio performance. What it came down to is that 91%, almost 92% of someone's total rate of return in their portfolio will come from asset allocation, meaning they chose an asset allocation model once, like where they well thought through investment policy statement, perhaps working with an advisor like us, but they built an asset allocation model and then they didn't change the model. They just rebalance back to that model every single year.

What we realize is, wait a second, if 92% or almost 92% of my total rate of return is simply going to come from my ability to build an asset allocation model and then just rebalance back to that asset allocation model every year, that's going to count for most of my rate of return. So people are chasing around market timing, stock-picking, stock selection or other factors that haven't yet been identified by Science. For the other 80% of their total portfolio's performance, which is silly when what they could do is go back, rather than worrying about all that stuff, go back in the marketplace, employ your human life capital, their human capital in the marketplace, to put more money in savings. Now, you can literally, by being able to be well diversified buying non-correlated assets. We can actually take less risk and get a higher rate of return than what would have been possible certainly back in the 1950s, if what we use is modern portfolio theory.

Now we're going to get to component three, which could be a touch confusing because component three of our passive structured investing model is actually four factors. Number three is four factors, I'm going to name them off quickly then I'm going to explain them. There are only

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four factors that have been proven over a long horizons of time to actually help us get better rates of return on our portfolios. Only four factors, there aren't 12, there aren't 15, there are other things that might do it, but there are just not proven to the extent that these four factors aren't certainly don't have the level of academia behind them.

First, is the market factor. Now it kind of goes without saying that stocks outperform bonds. For those of you that aren't really familiar with some of the language that I'm using, a stock is ownership in a company. We own some other large company out there, enough that they're publicly traded, we own a piece of them, we own the company. Stocks are also referred to often times as equities, because we own equity in the company. On the other side, we have bonds. Bonds are where we have a lent money to somebody, in a government or a corporation and they have a promise to pay that money back to us. That's also referred to as a fixed income. So we have bond or fixed income, making up part of a portfolio, and we have stocks making up another part of our portfolio.

The first factor we're talking about is the fact that market, the market based assets, stock based assets outperform fixed income assets. Now that makes all the sense in the world to the most people. But there's a key component of a risk that I want everybody listening to understand. You see, not all risk are created equal, meaning we could very easily take risks that are not going reward us very well. Now if you're not a golfer, I hope this metaphor will still makes sense, but I'm not a great golfer. I sure do enjoy it, but man, I'm just not good at it. So when I go out on the golf course, if I take my driver out of my bag, I am going to likely be taking a lot more risk, meaning the risk would be my golf ball could end up off on a ditch or off in the trees. But the reason I'm taking that additional risk in taking my driver out of my bag is so that I can hit the ball further, that's the reward I'm hoping for when I take that risk. But what I could also do with that golf club is I could walk out into a golf course while I'm in eastern Washington during a lightning storm, and I could get up on a hill and hold that driver above my head. Well truth be told, I'm taking far more risk now than I was taking when I was on the tee getting ready to hit a golf ball, but I don't think there's likely a positively correlated outcome with me taking that risk. The problem is, much of the financial industry has gotten us to think that more risk equals more return, and yet more risk is only going to equal more return if we're compensated for that risk. So that first factor was if we take risks in stocks, we're likely going to get a better rate of return over time than we would with bonds. Like a lot more rate of return where the S&P 500 since 1926 did 10%, treasury bills only did 3 1/2 over that same period of time, but there's a lot more risk in stocks.

Next is size factor. Second factor is size. Large companies over time tend not to perform as well as small companies, but small companies have more risk. There's a risk measurement called standard deviation, and small companies end up having about 50% more risk than you would in large cap companies. But on the flipside, they end up with a better rate of return and that better rate of return is about 15% better rate of return. To measure it up in actual numbers, the S&P 500 would have done 10% since 1926 and yet the crisp index of US small companies would've done 11.7, so it's about 15% better, maybe a little more than 15%, but the standard deviation was far higher. 20 has that risk of volatility versus 30.

Next is the value factor. Value companies tend to perform better over time than growth companies, and by value companies, we're talking about companies that actually have stuff. They have a better book to market value than the growth companies do. Over time, all those companies may generally be less sexy than the growth companies, they outperform by nearly 2% a year going back to 1926 with only slightly more risk than the growth based companies when

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compared to the S&P 500.

Last is profitability. Now, I think we're talking to somebody who didn't know anything about the market or any of the marketing hype that exists on the financial news channels etcetera, and we said to them, "Hey, do you think a profitable company will outperform over time than a company that just makes a lot of good promises about the future but may or may not outperform. They would say of course the profitable company would be better, but it seems counter-intuitive to us now because we just measure from the time that we have the data from 1979 through about 2012, your rates of return would have been significantly better like over 1% better for large cap US companies that were high profitability and it would have been less risk than the growth companies. So our four factors are: stocks are going to outperform bonds, that small companies outperform the large companies, that value companies outperform growth oriented companies, and last but not the least, the profitable companies are going to outperform the less profitable companies.

Now, that is not a reason to build a portfolio only from those four factors. When we build a portfolio, what we need to do to take advantage of those is just change the waiting of our portfolio, to be a little bit heavier in those four directions, allowing us to get slightly more rate of return. I'm going to talk about how we piece that all together here in a moment. Let's talk about component four of our passive structure investing model and that has to do with the coaching and education that we provide.

Now we're not enough, your advisor or if you're working with me directly, it's not enough for you to build the level of financial knowledge you need to build over your entire life. You have to do something more. It's the reason why we have the podcast, it's the reason we have the YouTube channels, it’s the reason I wrote a book is to try to help people think better about money over long periods of time. Let me explain what really caught my attention about this years ago.

I sat back realizing that for the most part most people do not even spend two hours a year with some kind of professional planning for their retirement. Most people don't even spend two hours a year, but let's say somebody not only built a plan at age 25 for their future, and then diligently every year spend a couple of hours with an advisor, reviewing the plan, make sure it's going well, and building for the future. All in, that would be just 80 hours they spent really planning for their future. But if you retire at age 65 and you live to age 95 which is highly likely in a pair if two people are healthy at age 65, they don't even reach the 50/50 point until 94, then you're going to be alive and living off of that money for 262,800 hours. So think about that. 80 hours invested, but you're going to be living off of the money for over a quarter million hours. Odds are, that's not enough time in versus work out. So what we have to think about is, what is it we're going to do to increase our knowledge in the meanwhile. You see, the amount of time in is .07% of the amount of time we're going to need to live off that money. No wonder people aren't building enough wealth. Think about how much time, even passively without thinking about it, we're learning how to spend our money. We're being marketed to, we're being told we should buy the newest coolest car, we should be buying cool watches or handbags, whatever those things are, that's hitting us constantly. Now we're really not getting that much data and not much to learning about how to increase and take better care of our finances, because even that information, many times is about selling us a product, not about increasing our overall knowledge. So what we do to care for that is of course, produce the podcast. We are available by GoToMeeting, whenever, so our clients is they move around the country with job opportunities of business opportunities, they don't have to go find a new advisor or cross their fingers hope they pick somebody good, they can stay right with us, no matter where they are. Frankly, no matter where we are. We've

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had some of our advisors spend a month in Hawaii, working from Hawaii, still working our clients.

The way to think about this, if you could imagine in your basement, all the best workout equipment you can get your hands on, and now it's up to you to go use it, or what if you just hire a really great coach. Picture whatever your favorite TV personality is, that's also some sort of fitness coach and health coach, and if you said to yourself I could either build out my basement perfectly with all that stuff, or have appointments once every two weeks for a year with one of these awesome coaches who's likely going to help you produce better outcomes for your health.

Everybody knows it's going to be the person who requires a coach and yet, we oftentimes don't think that way about our money. That's why coaching and education is so important because we need to be pouring into and helping ourselves and even turning some of our community into somebody that protects us from the current of information that's flowing at us, that doesn't take care of our finances. So let's bring it all together, all of these components. The idea that markets work, utilizing modern portfolio theory, the four factor model, and the importance of coaching and education. What can we do with all of that when it comes to building a portfolio? I think one of the most important things that people don't realize is we go out in the market and just try to build our own portfolio, how bad some of the results have actually been. You see, Dalbar is a company that does significant amounts of research on mutual funds and the actual performance of the investors. As they've done that research, what they found is from 1984 to 2013, the S&P 500, that's the index of large growth oriented companies in the United States, did 11.1%, but the average investor only did 3.69%, 3.69.

Meanwhile the S&P 500 did 11 plus, now why is that? Why is that that happened? Well, it's because individuals were breaking strategy. Like they built a portfolio and then they got distracted like squirrel and they chased off after real estate, or chased off after tech stocks or a commodity, or they held their portfolio. They kept everything in the market, but because everybody's marketing to us that this fund manager is better than that fund manager, people were switching funds to the next fund manager that did well last year. It's not uncommon that we find the fund that they did really well last year and the other ones that don't do well next year. Or the client or the advisor is out there picking stocks or the worse of it is that they're pulling out of the market all together, not getting the benefit of time in the market of a disciplined investor, watching the market work in our favor.

So we have to create a diversified portfolio. We do that while we also reduce risk, and we can increase rate of return. I'm going to give you a couple of simple examples that I think are going to translate okay to the podcast. So bear with me but you're going to need to listen close. If we had a portfolio that was just the S&P 500, from 1970 to 2013, it would have done about 10.4%, and it's risk amount would've been about 17 on standard deviation, 16.94. If what you added to that portfolio, and this sounds totally counter-intuitive to people, if we added 2 indexes that are government bonds, five year government bonds, and one year government bonds. So 40% of our portfolio is now all in bonds fixed income. 60% is in US stocks, 40% is in bonds. We would've only lost 1% in our rate of return. We would have gone from 10.4 to 9.3, and yet the standard deviation would've gone from 16 to 10. That is a far less volatile portfolio. Now if any of these I'm talking about seems like it would really help you to see it, you can go to the video "Illusions of Investing" on our website, and you're going to be able to see in about the last 20 minutes of that video or 15, you might have to click around, you're going to start seeing me flashed some pie charts and talk through some of what we're talking about now.

If we continue to add the things beyond US stocks, we add European, we add small company

stocks, we add value stocks. Even now we're leaving 40% in fixed income, we end up with a portfolio that's outperforming the S&P 500 through this historical period by about .6 of a percent, it's a returning 10.99, but the standard deviation, the risk factor instead of being almost 17, it's 11.07. Huge reduction of risk like, kind of a quick math is a 40% reduction in risk, and that we increase the rate of return. We can do that in part because we removed many of the illusions. We're no longer trying to stock pick. In fact, we took all of the individual in decision making of an investment manager saying, "Should I buy Microsoft or should I buy an Apple?" and we acquired all of them. We're only nearly the entire market, but for portfolios we build for clients, in-depth with about 12,000 different securities in 42 different countries.

As we have this and this would be the mantra I would have you guys think about when it comes to looking at your investments, academically allocated and globally diversified portfolio. We want academically allocated and globally diversified, and when we have that, we now no longer have the illusions wearing down on us, we just have efficiency we're working on to produce better rates of return over time. In fact, ideally we don't want to outperform the market except for waiting toward those four factors, and frankly, the only objective of us having any of our clients in a portfolio that's going to outperform the market maybe a little bit, is so that we can offset the cost it took to work with us as coaches and educators with you, with your money. All we want to do is have a portfolio that's going to perform pretty much with what the market performs after you're done paying for our help. That is totally different than what most everybody else says about the way that they say, they're going to work to help us with our portfolio which all has to do with them being really really smart and know what they're going to do is do something that is magical in the portfolio, it's going to have really good stocks flow to top, and they're going to outperform, which can happen. I can't say it enough. It is possible that's going to happen. Even the evidence we went through in the earlier illusions podcast said that that's possible. We just don't know which fund managers are going to be able to do it in advance of them doing it. That's the problem.

So for what we can do is work with our clients and their money, help them get a good rate of return from their portfolio, like in a way that it keeps up with the composite index or what the market was going to do anyway. But then where we want to bring value is helping you make sure all of your other decisions are fully integrated with what you're doing.

I want to ask you some questions as we finish this out. For some of you, if you're listening to this and you're not a client of our firm right now, if you want the help we're happy to help you. We can certainly sit down with you, help you think through to some of your financial decisions, and put you in a position where you can, I think have a plan that gives you some confidence about the future that you're working to create for yourself and your family financially. So that is possible, we can do that. But even if you're not going to give us a call, you can find us on our website www.sfgwa.com. You can find us on Facebook, you can find us on LinkedIn, you can call us at 425-332-6568, 425-332-6568. So you can reach us. But even if you don't reach us, I want you to ask yourself these questions. If you do it yourself, you should be able to answer these questions right away. If you're working with an advisor, you should take these questions to the advisor and it may create some agitation in the relationship but I promise it will well serve you.

So first question is do you just have an idea of what a good life is to you? Or do you have a written document that lays out your vision of a good life? We work with people to design and build a good life but it can't be done without it being designed, without it being documented, without having something written down. Would you say you have not invested in the market at all? Or that you're an invested in the market? Do you feel like you don't really know how markets

work or you know how markets work? Do you feel maybe you don't have a financial philosophy? Or do you have a well defined financial philosophy, the way you look at your money in your life that you could literally stand up and share at any moment? Do you really know your risk tolerance, and do you know where you land on the efficient frontier? If you know your risk tolerance, that'd be great. But most people walking around not knowing their risk tolerance at all, and not knowing how much risk they're taking. Do you even know whether or not you're getting market returns? Like do you know that the market returns that you're getting are appropriate or you just kind of getting what you're getting and you believe it's probably fine. Do you feel like you've been sold financial products and services or you're working with a financial coach and educator?

Now, odds are if you've not been answering any affirmative to most of these prior questions, you're probably have been sold and you've not been getting that financial coaching and education. Do you find yourself making every decision as it arises, or do you actually have a customised lifelong financial strategy that gives you a backdrop from which you can make all of your financial decisions? Are you aware of how your financial decisions work together? Are you deeply aware of the fact that there's an inner connectedness with every decision we make from our car insurance all the way down to our mortgage? And last, I would ask you, do you feel like you're content? Are you content with your personal experience with money now? Were you just kind of collecting one tactic at a time, or you're really ready to engage in design and build a good life? You see, we use this process we call the legacy of significance process where we will journey you through a conversation about your money, starting with sharing our philosophy with you. Our first phone call with anybody is just intended to see whether or not we're a fit for each other. It's not meant to change your most mind about their money, or get them to work with us.

Even if the clients are local, if you call our office, we're going to ask that we do that first conversation by a phone, because we find it's very easy that way, for you to disengage if it's not right for you, it's also very easy for us to disengage if it's not right for us. Then we journey you through a series of meetings over a 60 to 90 day period. Almost always we do them by GoToMeeting, and we do that so we that we can spend enough time together over those series of meetings. It might take four meetings if your life is fairly simple, it might take seven meetings if you got a more complex financial situation. But all of those meetings are meant to move the needle on your knowledge around money because the best person to make a decision for you and your family financially, is you and your family. Our job is to simply act as navigator, helping you close the gap and knowledge of what the seas look like ahead, so that you can design and build a good life.

I am so glad you were able to join us for this entire six-part series, and if you've not yet had the chance to go back, if this was first podcast you've been exposed to with us, I would so encourage you to go back and grab the first five podcasts, listen to them and maybe even come back and listen to this one after. Once again, I want to acknowledge you for taking the time to get through this, this was a heavy, more analytical session, and yet what I think you should be able to take away from it is some real tools where you can be more effective with your investing, whether that's a large pile of money that you're currently working on. You've got several million dollars and you're looking for help, we can help you with that, or if you're just getting started out, and you can take these principles and apply them directly to your finances, and if you want a 10 or 15 minute call with one of our team, they'd just help you put together some pieces. If you've taken the time to listen to this podcast, we're going to invest back in you. I hope you have a great day.

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Sound Financial Bites 040 - Paul Adams

Episode Transcription

Hi, Paul Adams here. I want to acknowledge for taking the time to invest in yourself by listening to our podcast. Not everybody does that, and out of my commitment to you, I will take just a few of our podcast listeners between each of our episodes and spend time with them one-on-one. And if you think you'd like some of that one-on-one time to learn more about our process, our philosophy, or whether or not we'd be a fit to work together, just email info@sfgwa.com. That's info@sfgwa.com, and I'll be more than honored to take that time with you. You can also go to our website: www.sfgwa.com, download the first three chapters in my book, see upcoming in-person events that we have, or listen to past episodes. You can also go to our Facebook page and engage us there, our LinkedIn, and send us questions for upcoming podcasts. You might hear one of your comments or questions on a future podcast. And for our full disclosure, you can check the description on this podcast or on the podcast series, or go to our website. Have a great day.

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