



Temple Founder Lions Club

Broadcaster

TFLC President
Shannon Gowan
2018-2019

Supporting Our Youth With



the Strength of a Lion

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HERE IS WHAT'S COMING.....

UPCOMING PROGRAMS:

3/13: Kandi Wiley-MADD

3/20: Crystal Daniel-Outreach Coordinator Children's Advocacy Center Central Texas

3/27: Temple ISD, Career & Technical Education Program at Temple High School

GREETER SCHEDULE

3/13: Mike Hicks & Lauren Ballard

3/20: J. Brown & Mark Cermak

3/27: John Rude & Howard Schnorrbusch

BIRTHDAYS:

none

CLUB CALENDAR:

3/13: TFLC Lunch Meeting (Gober)

3/18: TFLC Board of Director's Meeting (Cotton Patch)

3/20: TFLC Lunch Meeting (Gober)

3/27: TFLC Lunch Meeting (Temple High School)

Please welcome our newest Lion, Robert White. He was inducted today and his sponsor is Bob Gosney.

TFLC Awards

John Bailey & Jake Herndon were presented certificates for promoting membership because of their efforts in adding new members.

Gary Jones was given his certificate for 10 years of service in the TFLC.

Congratulations to these fantastic Lions!!!

Our next major event will be the Lions Follies which will be held April 12-13. We will have an evening show on April 12th and a matinee and evening show on April 13th. We will need auction items and Dave Fette is selling spaces for advertising in our Follies program. Lion 1st VP Lathe Owens is in charge this year, so please contact him with any questions.



The TFLC had our very own Lion & Past Lion President John Bailey, of John Bailey Financial, come to speak with us during our weekly lunch meeting.

John spoke with us about the nuances of the financial planning business.

Here is what he had to say...

From 1986 to 2005, the average stock mutual fund returned 11.3 % annually. Over that same period, the average US Equity mutual fund investor averaged 3.9%.

The market goes up roughly 4 years out of every 5. So why do we remember and are so affected by something that happens only 20% of the time?

Finding money you forgot you had, versus not finding money you know you had. We feel emotion of losing that money is 2.4 times stronger than the emotion of experiencing an unexpected gain. Sometimes we hear athletes say they love winning almost as much as they hate losing. We enjoy seeing our investments grow in value but we absolutely detest seeing even temporary drops in value.

Regret Aversion bias - That sheer magnitude of that emotion takes away from our objectivity. In the face of fundamental flaws in an investment, we are reluctant to sell it because doing so would mean we have to acknowledge it failed.

Anchoring/confirmation bias - pay more attention to information that supports our opinions while ignoring or downplaying the info that does not support it.

Disposition Effect Bias - a wildly successful investment gets labeled a winner and is held long after it's fundamentals no longer support owning it. (i.e. Dell - lost 50% in 2000, perceived as having no risk)

Familiarity Bias - preference for familiar or well-known investments (Exxon - been in family for years; my nephew works for blockbuster and he loves it there). Kodak

Self-attribution bias - attribute successful outcomes to ones own actions and bad outcomes to external factors. In 1999-2000. Everybody was a genius - could do no wrong. Pride, ego

Trend/performance chasing - buy what made money last year. Extrapolation fallacy - nothing good last forever, nothing bad last forever.

Bandwagon or Warren Buffett Theory - Be greedy when others are fearful, be fearful when others are greedy. Contrarian strategy, don't follow the herd.

Information Bias - make long term investment decisions based on very short term info such as daily price data or market movements

Warren Buffet - nothing sedates rationality like large doses of effortless money. Greed makes us hold on too long. Nobody wants to be the last one out but no one wants to leave just yet, either.

Restraint Bias - tendency to overestimate ones ability to exercise restraint in the face of temptation. You have to sell a strategy as much as you have to have a buy strategy.

I entered this business in 1996. As most of you know, the market was pretty dang good for the next 4-5 years. About half the investors in the market in 2000 had never invested more than 5 years prior. So these same investors never experienced the financial carnage that came next.

He didn't get the chance to finish this story, but he sent it to me via email and I thought I would share it.

I had this one client, a widow in her late 60's who up until that time, thought I was the smartest advisor around. Well sometime in early dark 2001, she called me and ripped me a new one. Told me I didn't know what I was doing and that she should never have left her other advisor or sent any of her friends to me. I literally couldn't get a word in edge-wise for 15 minutes. As you can imagine, things were a little stressful overall during that time. Clients weren't happy but no one talked to me the way she did. I think there was even some foul language. She was blaming me for the condition of the market. Obviously, she was too emotional to listen to think rationally... I finally had enough and I told her "Look Mom...".

We would like to thank John Bailey for bravely stepping up and presenting to our rowdy Lion den. If you need financial advice on investing, please give John a call.