



Know What You Don't Know

By: Robert Klosterman, CEO & Chief Investment Officer

I've always found the statement "you need to know what you don't know" a odd set of words to put together. If I knew what I don't know life would ultimately be pretty simple. At the same time, it is the clearest indicator one needs to ask for and/or accept help. For some, help is the hardest thing to ask for. We all like to think we are pretty smart and can offer the answer rather than seek it. Yet, the smartest person in the room is the one most likely to listen and seek counsel from others.



In the financial world advice is everywhere one can look, be or hear. The challenge is not that advice is not available it is who should I listen to and why? In today's 24/7 world of constant bombardment of TV, radio, Internet and print media it is easy to feel like we are being inundated with choices and decisions to make. Yet, at the same time, we yearn for simpler times and a clear path to move towards our financial goals and dreams. Having a long-term life plan that incorporates finances to design and achieve the life you desire is very possible and doable.

Developing a personal financial strategy is a very human, personal and empowering process. Force-fitting your circumstances into someone else's mold can only lead to frustration and disillusionment. Having a personal plan, one that leads you to the life you want to live and allow you to meet your needs and those who you care about, is critical to long term happiness and fulfillment.

In working with clients my observation is that the thing that they don't often have is the clarity as to what kind of life they want to live and why. The most important step in the process of developing a long-term life plan is to have a sense of purpose and clarity around that purpose. If clarity on goals and a vision for the life you would be thrilled to live is the outcome, what could be better or more empowering than that? To accomplish such a worthy feat one must be able to explore the nuances of various outcomes to achieve the clarity desired. That's the part that can't be automated yet.

Acquiring this level of clarity is not generally found by filling out a digitized questionnaire that will be used to spit out a bunch of financial answers. Too often the answers, with some questioning and inquiry, will expose nuances that provide a more complete and potentially satisfying answer. In our experience as

advisors we find that well over 70% of the individuals, if asked how much they need to retire on, will change their answers significantly when asked a few questions about the type and quality of life they envision. Too many find the financial/life planning process simply as a number crunching exercise. While this is often done it misses many of the most critical elements of developing a fulfilling life plan. Too often it misses the values that need to be present in a plan and can only be surfaced with a careful set of discerning questions and developing a sense of the nuances that make this situation unique and personal.

Cogent financial plan development requires more than simply the age, risk tolerance and what the money is intended for. Those are the "easy button" answers and often they are not fully helpful. While appropriate for the masses that are simply looking for the "easy button", the truly engaging financial strategy, one individuals will feel a part of and represents their interests and needs, necessitates a process that involves the person being planned for in a total, 360 degree manner. Anything less and one might just as well pick one off the shelf and experiment with whether it will work or not for them.

In today's technological world we see many examples of how technology can perform, easily and cheaply, tasks formerly that required human interaction. Whether using our smart phones to summon an Uber driver or soon driving our cars without our involvement our world continues to change. There will be continued technological advances and I welcome them. At the same time the human being still needs to explore and understand the numerous foibles that impact the decisions we make. Warren Buffet has been quoted as saying "investing is easy but not simple". The "not simple" part is dealing with the impact our emotions have on our decisions. This is even more true when expanding beyond a component of a long term financial life plan, investing and exploring all the interactions that the various components including financial independence, wealth transfer planning, tax planning and risk management to protect our assets and loved ones. The math only takes us so far. Our emotional makeup is what makes our species so wonderful. What we often "don't know" is the inner corners of what we want to accomplish and how those decisions will impact our lives in a positive or negative way. Engaging the most appropriate process will enhance the probabilities of a desirable outcome both financial, emotionally and spiritually.

There may come a day when artificial intelligence can gather, discern and make reasonable judgments based on the complexities of human life. Technology serves us well when the process is clear, non ambiguous and easily replicated. For the moment, designing a financial/life strategy that will satisfy human needs, hopes and aspirations requires judgment, experience, empathy and thoughtful discussions.

About the Author

Robert Klosterman, CFP® is Founder, CEO and Chief Investment Officer of White Oaks Investment Management, Inc. and Founder of White Oaks Wealth Advisors, Inc. Bob has been a Certified Financial Planner licensee since 1989. He has a clear vision for the future having worked in financial planning since 1975, and feels a strong need to provide people with expert and independent wealth advisory services. As a Certified Financial Planner and certificate holder for Family Wealth Advising, Bob's expertise and guidance have helped to fuel the steady growth of the firm. Today, White Oaks Wealth Advisors boasts a talented staff of advisory professionals, hand-picked for their financial planning and wealth management knowledge as well as their dedication to client service.

"My mission is to serve our clients through the combined expertise of our advisory team. I want to use my experience to really impact the lives of the people who place their trust in us."

Bob's leadership within the firm's Advisory Committee regularly encourages fresh thinking and new approaches that provide clients with innovative wealth management solutions in the areas of economic and investment market analysis, stock option strategies and wealth transfer techniques.