

“Following the light of the sun, we left the Old World.” – Christopher Columbus

It was just announced that Richard Thaler, an economist, author, and professor from the University of Chicago, has been awarded the 2017 Nobel Prize for Economics. I would love to have lunch with Mr. Thaler simply to ask questions, and discuss why now is the time his line of thinking gets recognition.

The basic premise or theory Professor Thaler presents is based on behavior science. He argues the concept that most economic theory is based on rational processes and decision making, while a vast majority of individuals make irrational decisions. Like Schrodinger’s cat, can he be both right and wrong at the same time? Yes, I believe so. Most economic theory is based on historical facts or data, and a rational use or decision of that data in taking new actions. We as humans all know that emotion is powerful and often both effects and affects our decision-making process. We, of course, have always done this, so it could be argued that this irrationality is already “baked in” the data, but will leave that topic for cocktail hour.

As financial advisors, our job is to ask questions and to spur thought. When we partner with you to define your legacy, we begin to set up a boundary within which to operate, a boundary defined by your plans. As humans we can not and should not take emotion out of our decision-making processes, yet our job in working with you is to help bring rational actions into that process as well. Actions which provide you a path toward that self-determined legacy. Do not let others dictate your portrait.

Have a wonderful week, enjoy the attached market update, and call should you have any questions or needs.