Getting Your Financial Ducks In A Row

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Book Review: Uncertainty is a Certainty

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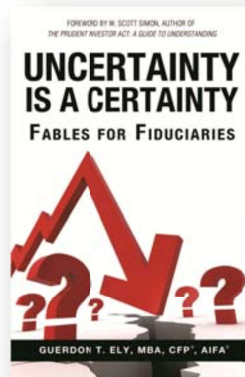
This was a surprising and refreshing book. The full title is *Uncertainty is a Certainty, Fables for Fiduciaries.* The author, Guerdon T. Ely, has done the near impossible: the very topic of fiduciary duty has been known to induce a near coma-like status in even the most devout financial professional, but Ely has distilled the critical concepts into a very easy-reading tome that keeps the reader interested, even engaged, in his explanation of what is required of the fiduciary.



For the uninitiated, a fiduciary is a financial professional who has the responsibility of handling financial affairs for another entity – it could be a trust, a pension plan, or an individual or family. There is a set of rules that explain the duties of a fiduciary, known as the Uniform Prudent Investor Act, or UPIA for short (we certainly love our acronyms in this industry, don't we?).

This bit of law, originally adopted in 1992, serves as the default guide for a fiduciary in managing the financial affairs which he or she is responsible for. There are many different components of the law that are complicated to understand – enough that a great many financial professionals would have a hard time explaining some of the concepts, even though they may be required to follow these tenets.

Guerdon Ely uses stories from his own experience to relay and interpret these key concepts. These stories cover such wide-ranging topics as meeting a group preschoolers; working as a beekeeper; and being behind the scenes at professional golf tournaments. By catching up the reader into the world of his story, before you know it he's deftly explained a key tenet of the UPIA – in a way that's easy to understand and retain.

A couple of examples include: Using a boyhood story of being dared to go higher and farther to explain the concept of risk tolerance; meeting Alice Cooper and Clint Eastwood by happenstance on a golf course to help explain how illusory image has become the bane of our financial industry; and time spent backpacking around the country as a twenty-something young man to help explain the benefit of focusing on efficiency and value in dealing with financial matters.

I'd say that the audience for this book is primarily financial professionals – whether or not you're required to have a fiduciary standard of care for your clients. But at the same time, folks outside the industry can benefit from this book as well, since a good understanding of the concept of the fiduciary can serve as a protective shield as you explore your options for service in the financial industry.

Either way, if you have even a passing interest in the UPIA and its concepts, I think you owe it to yourself to pick up a copy of this book and read it. You won't be disappointed, I promise you. And it's likely that you'll learn something you didn't know – which is always valuable. I truly enjoyed this book, and I recommend it to all who may have an interest in the topic.