



## The Writing on the Wall

GUERDON T. ELY, MBA, CFP<sup>®</sup>, AIFA<sup>®</sup>

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Do you know the difference between girls and boys? If you were a janitor in a junior high school you would. Boys write four-letter words all over the walls. Girls write the same words, but they string them together in sentences that defame another person. The other thing you will notice is how often boys misspell four-letter words.

Forty years later, I'm no longer a janitor but I'm still cleaning bathrooms. I regularly clean the bathrooms in my office building. The experience has shown me that as we get older, gender differences remain. Women tend to pick up after themselves and men don't. And while I'm wondering about the differences between the sexes, you're probably wondering if I'm the boss, "Why the heck am I cleaning bathrooms?" I do it to keep myself humble. And that's important because judging myself more realistically enables me to judge other things more accurately.

This conviction is shaped by both my moral beliefs and by my insights into neuroscience, because humility is not only a virtue but also an empirically verified necessity for good judgment. As Philip Tetlock, author of *Expert Political Judgment*, discovered when testing experts for good judgment, "...who experts were...[and] what experts thought...made scarcely an iota of difference...but how experts thought...did matter." He observed that those who tested best shared the ability to make brutally honest self-assessments. So he concluded that good judgment is more dependent on being able to change your mind "...when you get it wrong..." than it is on getting it right in the first place. Daniel Kahneman, in *Thinking Fast and Slow*, explains why this is so. He describes it as "...a puzzling limitation of our mind: our excessive confidence in what we believe we know, and our...inability to acknowledge the full extent of our ignorance and the uncertainty of the world we live in [causes us]...to overestimate how much we understand about the world and to underestimate the role of chance in events."

In other words, arrogance (about our abilities) and ignorance (about the laws of chance) are our two biggest obstacles to good judgment. That means the remedy for bad judgment is humility and knowledge. While this may be insightful, it isn't new. A couple of hundred years ago, William Penn said, "Humility and knowledge in poor clothes excel pride and ignorance in costly attire." And I would argue that humility is the more important of the two. As Socrates ironically discovered, he was the wisest Athenian - not because he knew more than anyone else - but because he was more aware of his ignorance.

While good judgment is important when managing your own affairs, it is more important for fiduciaries, because they are in positions of authority over financial assets that are not their own. Whether you are responsible for grandma's money, a foundation's endowment fund, a company retirement plan, or client investment accounts (as I am), you are legally required to follow a "...standard of prudence," which is nothing more than a legal term for good judgment.

You don't have to be a janitor to know that men are different from women, but the writing on the wall is not so clear when it comes to the attributes that differentiate good judgment from poor judgment. Tetlock discovered that the main difference is humility. So anything you can do to keep yourself humble is a good thing. And that's why I clean bathrooms.

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ELY PRUDENT PORTFOLIOS, LLC  
10 DECLARATION DR., SUITE D  
CHICO, CA 95973

(530) 895-0636 OR (800) 560-0636  
[WWW.ELYPORTFOLIOS.COM](http://WWW.ELYPORTFOLIOS.COM)  
[GTELY@ELYPORTFOLIOS.COM](mailto:GTELY@ELYPORTFOLIOS.COM)