



Vulnerability

We like to be right. Whether it's wanting to excel at a task, prevail in an argument or debate, or competing in a game, test or challenge. Behavioral psychology has established that we tend to seek out confirming opinions to support our beliefs or positions (Confirmation Bias). We see this phenomenon in investors' behavior in the stock market. As market forecasters become more vocal about a bull market, investors eventually join in with the crowd, convinced either as to the accuracy of the forecasts (the "greed motivation") or fear of missing out ("fear"). It can be difficult to remain objective under these influences. Have you ever bought a stock because your colleague or friend made a recommendation?

These same behavioral traits manifest in our personal lives and relationships as well. It may not be intentional (although there are always a few narcissists out there!). A strongly held opinion may come across as being a bully, determined to secure agreement or compliance with an action; speaking in a condescending manner; selective listening or even being aloof. None are good personality traits and all are guaranteed to damage a relationship. The causes could be many things, such as feelings of insecurity or manifestations of one's frustration with a given situation, or, as alluded to previously, a need to be the "expert". None of these are good reasons or serve as justifications for such behavior.

It may be that your thesis is ultimately proven correct – that stock subsequently rallies or you were successful in a complex task; but were you "right" or just lucky? Is it likely you will have the same result the next time there is no room in your thinking for other perspectives? The fact that the result was consistent with your expectation serves only to reinforce your behavior. There is nothing objective here and reinforcement simply makes you more obstinate in the future.

Much is made of the need to be objective – both in investing and in one's life. To have an awareness of the circumstances, take into account alternative viewpoints or even theses that are contrary to one's opinion. So why is this so difficult to understand, let alone practice in real time? In order to be open-minded or at least conscious of alternative or opposing information or viewpoints one must become vulnerable.

The Oxford dictionary definition of vulnerable as, "susceptible to physical or emotional attack or harm." In our context, we augment this definition to mean intentionally suspending one's pre-conceived ideas and embracing the uncertainty of others' reactions, interactions or point of view. Being open to new information requires one to remove their biased, confirmation filters. This is easier said than done, but practically everything in life entails a certain level of risk, uncertainty and often, a "leap of faith". What does this look like? Admitting past errors of judgment, breaking with the status quo and trying a new approach; and being humble.

We cannot control the outcomes of our choices, but we can control the process by which we arrive at those choices. For a healthier, less-anxiety provoking life, we should focus on the journey and less on the outcomes. If we are able to make better, more objective and informed decisions along the way, consistent with our values and goals, the outcome should take care of itself.



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