

Personal Benchmark: Integrating Behavioral Finance and Investment Management

Charles Widger, Daniel Crosby

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Charles Widger, Daniel Crosby : Personal Benchmark: Integrating Behavioral Finance and Investment Management before purchasing it in order to gauge whether or not it would be worth my time, and all praised Personal Benchmark: Integrating Behavioral Finance and Investment Management:

5 of 5 people found the following review helpful. Strong on Why, Weak on How By Michael W. Peterson Personal Benchmark is strong on the why and weak on the how. It makes a very compelling case for why you should not measure your portfolio against the market, but rather against your ability to reach your goals. But, when it comes to

how to implement the strategy, the book gets awfully self-promotional. Not a book with much meat do the do-it-yourself types. 4 of 5 people found the following review helpful. Addresses the psychology behind our most common biases while providing tangible solutions. By Just A Steward As a wealth advisor and CFPreg;, I truly believe the next evolution of the financial planning and advice business is understand and addressing the "why" behind the decisions that we and our clients make. Personal Benchmark is one of the first works I've come across that not only explains the biases that we have, but also provides some tangible solutions to addressing them. If you're a fan of behavioral finance (and even the emerging field of financial therapy) Dr. Crosby is probably someone you've read and followed for a while. If you haven't spent much time reading through his work, Personal Benchmark is a great introduction to not only the theory and and psychology behind the most impactful biases we have, but also to the solutions that can help advisors and investors harness them for the better. 1 of 1 people found the following review helpful. Crosby's chapter's were very useful. The balance of the book was largely a ... By Hugh Anderson Dr. Crosby's chapter's were very useful. The balance of the book was largely a commercial for Brinker Capital.

Personal Benchmark: Integrating Behavioral Finance and Investment Management, Chuck Widger and Dr. Daniel Crosby outline the ways in which a program of embedded behavioral finance, fueled by what matters most to you, can be your protection against irrational financial behavior. Along the way, you'll learn how to improve your investment experience, increase returns formerly sacrificed to misbehavior, and worry less about "The Economy" as you become increasingly focused on "My Economy." Welcome to a new way of investing, a new paradigm for conceptualizing wealth, and a system of turning emotion from your portfolio's worst enemy into its best friend! In this new model, risk is simply the likelihood that we will underperform our dreams. Irrationality is acting in ways that thwart our ability to reach those dreams. And the optimal portfolio is not the one that generates the highest return in abstraction, it is the one that helps us meet our goals without killing our nerves before we get there. This book gives advisors the tools needed to effectively communicate the design and execution of the Personal Benchmark solution.

From the Inside Flap One of the benefits of behavioral finance is that it shines a light on the little peccadilloes that make us the flawed but lovable people we are. But irrational as we may be, we can turn the tide on ourselves and use these quirks to our personal advantage. Just as surely as irrational simplifications can lead us to focus on the wrong things, an effective system for mentally accounting for our holdings can provide us with felt security. In Personal Benchmark: Integrating Behavioral Finance and Investment Management, Chuck Widger and Dr. Daniel Crosby outline the ways in which a program of embedded behavioral finance, fueled by what matters most to you, can be your protection against irrational financial behavior. Along the way, you'll learn how to improve your investment experience, increase returns formerly sacrificed to misbehavior, and worry less about "The Economy" as you become increasingly focused on "My Economy." Welcome to a new way of investing, a new paradigm for conceptualizing wealth, and a system of turning emotion from your portfolio's worst enemy into its best friend! In this new model, risk is simply the likelihood that we will underperform our dreams. Irrationality is acting in ways that thwart our ability to reach those dreams. And the optimal portfolio is not the one that generates the highest return in abstraction, it is the one that helps us meet our goals without killing our nerves before we get there. This book gives advisors the tools needed to effectively communicate the design and execution of the Personal Benchmark solution.

From the Back Cover Praise for Personal Benchmark "This book is an exciting advance on how behavior research can and should influence investment decision making. Its focus on how the individual investor and their advisor begin with developing a personalized set of economic expectations and managing a portfolio in the context of the investor's own economy is an important and actionable insight. I strongly recommend this book, not just for individual investors, but especially for those who provide investment advice to individuals." — Carl J. Schramm, University Professor, Syracuse University; former President, Kauffman Foundation; serial entrepreneur and venture investor "In a business where investment returns and investment benchmarks have been analyzed thoroughly, the subject of personal benchmarks and their construction, suitability, and measurement is in its infancy. Taking principles from behavioral finance — for example, creating a disciplined approach that reduces the emotional temptation to buy high and sell low that plagues so many — this book makes a great contribution to financial advisors and their clients in seeking to create satisfactory investment experiences." — Robert C. Doll, CFA, Chief Equity Strategist, Senior Portfolio Manager, Nuveen Asset Management, LLC "This book is an ode to a commonsense realization — investing is a social science rather than a physical one. Combining tried and true investment techniques with cutting-edge research on behavioral finance provides a wonderful new approach for those charged with managing other people's money." — Jason DeSena Trennert, Managing Partner, Chief Investment Strategist, Strategas Research Partners LLC "Investment management and behavioral finance are both critical to achieving the objectives of every investor, but integrating these two concepts — which often seem diametrically opposed — has proven difficult. In Personal Benchmark: Integrating Behavioral Finance and Investment Management, Chuck Widger and Dr. Daniel Crosby have found the touchstone by fashioning elegant investment solutions for the mental accounts or 'buckets' that come so naturally to investors." — Gregory Curtis, Chairman, Greycourt Co., Inc.; author of The Stewardship of Wealth;

developer of the Moneybags mobile financial application "For too many years, investors have measured their performance against standard benchmarks such as the SP 500 Index or the Dow Jones Index. But as Chuck Widger and Dr. Daniel Crosby meticulously demonstrate, beating an index and meeting one's financial goals are not the same thing. In fact, striving to beat an index or a universal benchmark may lead to investment decisions that fail to meet those goals. Instead, Widger and Crosby offer another path, tailored to the unique needs of each investor. Astutely recognizing that long-term financial health has little to do with beating the stock market or the average bond index, Widger and Crosby chart a new course, based on rigorous analysis but grounded in common sense." —Zachary Karabell, Head of Global Strategy, Envestnet, Inc.

About the Author CHUCK WIDGER is the Founder and Executive Chairman of Brinker Capital, an investment management firm with \$17 billion in assets under management. Chuck is currently Chair of the Villanova University School of Law Board of Consultants. Chuck is a past Chair of the Gettysburg College Board of Trustees and is chair-emeritus of the Money Management Institute's Board of Governors. The Money Management Institute is the industry association for the \$3.5 trillion managed solutions industry. He served as a Lieutenant in the U.S. Navy. DR. DANIEL CROSBY is a psychologist and behavioral finance expert who helps organizations understand the intersection of mind and markets. Dr. Crosby constructed the "Irrationality Index," a sentiment measure that gauges greed and fear in the marketplace from month to month. His ideas have appeared in print and online, and Daniel was named one of the "12 Thinkers to Watch" by Monster.com and a "Financial Blogger You Should Be Reading" by AARP. Dr. Crosby's well-reviewed first book, *You're Not That Great* (2012), applies elements of behavioral finance to the pursuit of a meaningful life.