What March Madness Can Teach Us About Your Financial Plan



Who’s the “Cinderella” team you have busting brackets in this year’s March Madness?

Everyone loves a good underdog story, but the history of the Big Dance tells us that the clock strikes midnight more often than not. There are more than 350 schools in Division 1 men’s basketball. But 60 of the 84 National Championship games played since 1939 have been won by only 15 teams, headed by perennial powerhouses UCLA (11 titles), Kentucky (8), North Carolina (6), and Duke (5). A hot streak might propel a surprise school through an extra round or two of the tournament. But much like a solid financial plan, schools that have consistently built their programs for the long run tend to get the best results.

Here are three more traits of successful teams that can make your financial program a consistent winner.

1. Good coaching.

In the middle of the "madness" are young men trying to make the best decisions on a huge stage under unimaginable pressure. The teams that come out on top usually have a coach who can cut through the noise, bring out the best in his players, and keep everyone focused on the big goal. For UCLA, that was the legendary John Wooden, who won more titles as a coach (10) than any other coach – or team!

For your family, we'd like you to think of us as your "financial coach." You can rely on our expertise and experience to guide you through everything from market volatility to major life transitions. And we can use our WaterRock Way process to reevaluate your financial goals and keep you progressing towards them.

2. Balanced players.

While all-time great players like Kareem Abdul-Jabbar, Magic Johnson, Larry Bird, and Michael Jordan have all left their marks on the NCAA Tournament, no one wins the championship by himself. The best teams have players who complement each other, fill in each other's weaknesses, and give their coach flexibility to adjust to different challenges through every stage of the tournament.

We help folks achieve a similar balance in their financial plans. A diversified portfolio can provide options and some stability when the markets are unsettled. You'll also have more levers to pull if you need to make a major adjustment to your financial plan, such as buying a new home, paying for college, or making an unexpected early transition into retirement.

3. Strong defense.

Does defense really win championships?

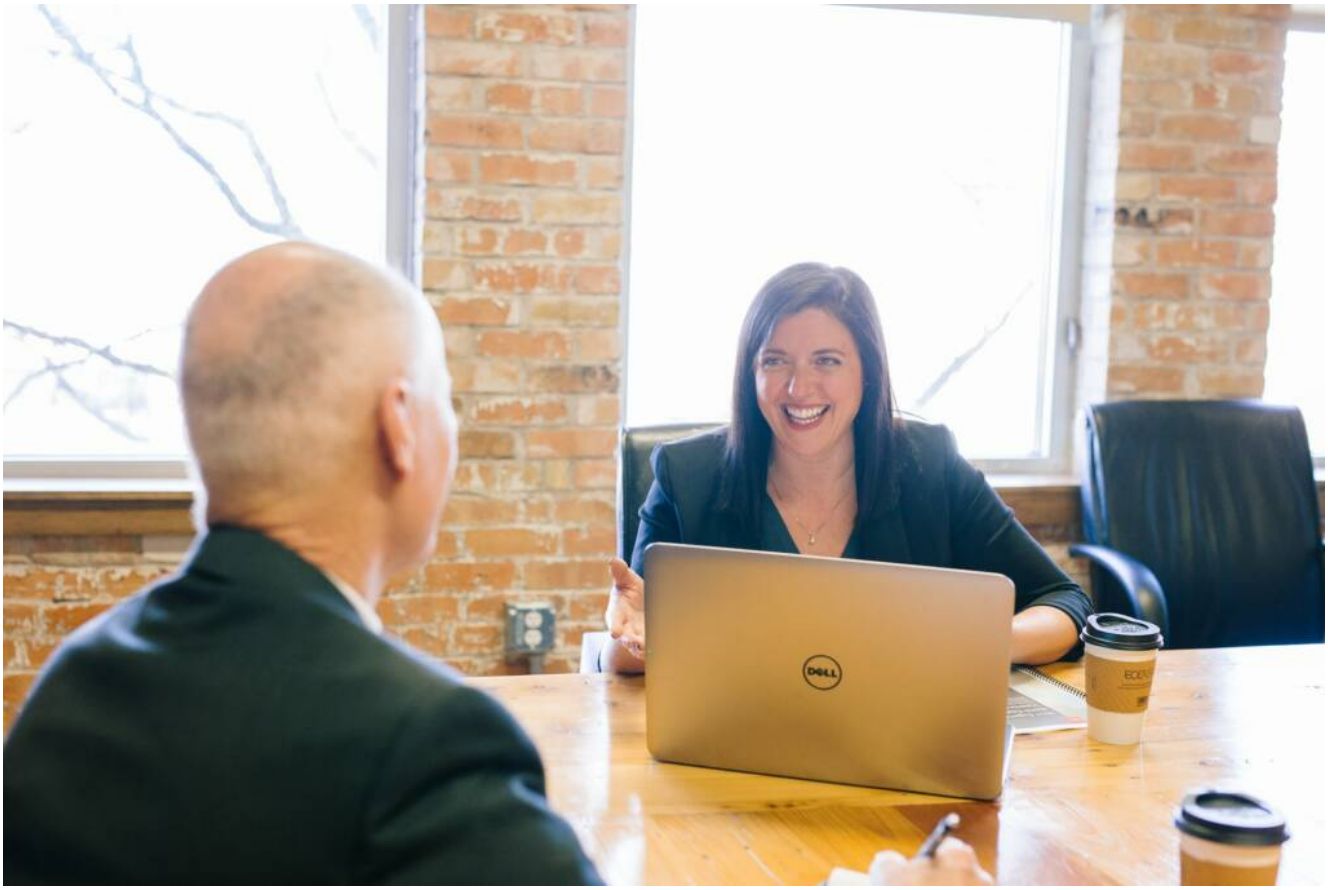
According to a 2018 study by the NCAA, a team's offensive efficiency is actually more important to its success in March.

But in 2021, the Harvard Sports Analysis Collective found that the most successful teams also tend to have smaller gaps between their offensive efficiency and their defensive efficiency. In other words, the best teams don't just outscore their opponents, they also have the ability to protect their leads and lock down games when it matters the most.

You can think of earning and investing your money as the offensive part of your financial game plan. Protecting your wealth is the defensive part. In addition to balanced saving and investing strategies, it's common in our planning process to create "emergency buckets" that can cover 6-12 months of your expenses in a pinch. We also tie insurance and estate planning into your plan so that you, your loved ones, and your money are better positioned for life's ups and downs.

Sports contain many valuable life lessons, but your financial planning is more important than any game. And we're confident that our process can help you pursue something bigger than any trophy: a confident financial future.

Could You Benefit from a Personal Board of Directors?



CEOs at large organizations usually have a network of close advisors, c-suite executives, and stakeholders who hold them accountable for achieving important tasks.

In her book Building Career Equity, expert consultant Jan Torrisi-Mokwa proposes that we all do the same. This idea could be especially beneficial if you don't have the kind of built-in accountability that a top corporate job provides. Creating your own "board of directors" can help you reevaluate your relationship with your work, clarify your goals, make more meaningful strides in your personal and professional development, and improve your decision-making.

Here are six people you should consider offering seats on your board.

1. Mentors

An established, experienced professional in your field can be an invaluable resource. Think about someone you know who has had the kind of career that you're envisioning when you look

out on your trajectory. That pro could share lessons they learned, mistakes they want you to avoid, and feedback on your next big idea.

2. Coaches

Business coaches can provide some of the same insights a mentor does, but often with a higher level of systemization and accountability. There might be room for both a mentor and a coach on your board. But if you're the kind of person who commits more to things you schedule and pay for, you might appreciate the extra level of structure that you'll get from a coaching relationship.

3. Teachers

Talking to academics can give you a unique perspective on trends that are reshaping your business, as well as related fields and the broader economy. But with the wealth of online classes and continuing education programs that have sprung up for adults, you could also take classes outside your comfort zone that will expand how you think about your career, or develop new skills that will help you pivot to something new. Perhaps a deep dive into the history of where you live will help you rethink your company's connection to its community. Brush up on your French skills and your career prospects might expand across the pond.

4. Networkers

Do you know someone who seems to know everyone? If not, you might want to explore professional organizations that can broaden your connections. You could start with your local Chamber of Commerce or Rotary Club. Groups like YPO (for CEOs of larger companies) and EO (entrepreneurs and small business owners) organize their members into forums where they can talk shop with other professionals. And getting more active on social networks like LinkedIn could help you deepen connections that you already have and identify potential board

members.

5. Family and Friends

The people who know you the best are the best equipped to know when you're struggling, when you need extra support, and when it's time to celebrate. If you tend to keep business and family separate, consider sharing more of your long-term plans with your spouse, siblings, parents, or a close friend. While the other people on this list will probably focus on your professional progress, loved ones can help you stay true to yourself and find the balance you need to excel in both business and life. And on those days when your goals feel too far away from that comfy spot on your couch, a loved one will be there to get you on your feet.

6. Financial Advisor

OK, we may be a little biased on this one. But we're also very confident that our planning process can help you take in the big picture, establish goals, track your progress, course-correct when necessary, and get the best life possible with the money you have.

And whenever your life and your money are at a crossroads, we want to be on your speed dial.

This article was prepared for Aaron Larson's use.